



# **SOCIAL SERVICES COMMISSIONING AS A FINANCIAL MECHANISM FOR HIV PREVENTION SERVICES**

## **Study report**

**Kyiv 2015**

**Gusak N. Social services commissioning as a financial mechanism for HIV prevention services. Study report / N. Gusak, O. Ivanova, N. Kabachenko, A. Klymenko. – Kyiv, 2015. - 66 p.**

Authors: Natalia Gusak (PhD, Candidate of Sciences in Sociology), Olena Ivanova, Nadiia Kabachenko (PhD, Candidate of Sciences in Philosophy), Anatoliy Klymenko

Reviewer: Iryna Tarabukina

Editor: Oksana Boiko

**The report was made by *Labor and Health Social Initiatives (LHSI)* in partnership with *the School of Social Work at the National University of “Kyiv-Mohyla Academy”* and *the Youth Centre for Social Area Transformation “Socium XXI”* under the project *Revising and improving of financial mechanisms for provision of HIV services to key populations* funded by HIV Reform in Action Project of Deloitte Consulting LLP, Grant No. 02 Policy-01/June 05, 2015.**

This Report is made possible due to the funding provided by the U.S. President’s Emergency Plan for AIDS Relief through the United States Agency for International Development (USAID) under the terms of the HIV Reform in Action project, award number AID-121-A-13-00007. The content of this Report is the sole responsibility of Deloitte Consulting LLP and its implementing partners and do not necessarily reflect the opinion of PEPFAR, USAID, or the United States Government.

HIV Reform in Action – USAID Project

52A, B.Khmelnytskoho St., 5th floor, 01030 Kyiv, Ukraine

Tel. +38 044 281 23 76

[info@hivreformation.org](mailto:info@hivreformation.org)

[www.hivreformation.org](http://www.hivreformation.org)

© **Labor and Health Social Initiatives**

14 Druzhby Narodiv Blvd, office 23, 01103 Kyiv, Ukraine

Tel. +38 044 528 21 27

[www.lhsi.org.ua](http://www.lhsi.org.ua)

## CONTENTS

	Pages
<b>ABBREVIATIONS</b>	4
<b>INTRODUCTION</b>	5
<b>CHAPTER I. SOCIAL SERVICES COMMISSIONING AS THE MECHANISM TO FUND SOCIAL SERVICES</b>	9
1.1. Understanding the “social services commissioning” concept within the international and Ukrainian contexts	9
1.2. Legal framework of social services commissioning in Ukraine	13
1.3. Options for HIV prevention social services commissioning	20
1.4. Financial issues of introducing social services commissioning mechanism in Ukraine	25
<b>CHAPTER II. REVIEW OF STUDIES ON SOCIAL SERVICES COMMISSIONING PRACTICES IN UKRAINE</b>	28
<b>CHAPTER III. EXPLORING SOCIAL SERVICES COMMISSIONING PRACTICES IN KEY OBLASTS</b>	36
3.1. Social services commissioning procedure	36
3.2. Social services commissioning planning	38
3.3. Existing social services commissioning practices	43
3.4. Social services commissioning for HIV prevention and their perspectives	50
3.5. Case study of social services commissioning in Khmelnytskiy Oblast	51
<b>CONCLUSIONS AND RECOMMENDATIONS</b>	57
<b>REFERENCES</b>	65

## ABBREVIATIONS

CO – civic organization

CF – charitable foundation

GF – the Global Fund to Fight AIDS, Tuberculosis and Malaria

HIV/AIDS – human immunodeficiency virus/ acquired immune deficiency syndrome

NGO – non-governmental organization

PLWHA – people living with HIV/AIDS

SCO – civic society organizations

SCC – social services commissioning

UAH – Ukrainian hryvnias

UNAIDS – United Nations Program on HIV/AIDS

UNDP – United Nations Development Program

## INTRODUCTION

Social services commissioning has become a tendency in many countries of the world during the last decade – both in developed European countries as well as in the East-European post-socialist ones. It is an integrative part of the social partnership formation and reform of social welfare and social service provision system.

Social services commissioning is one of the modern mechanisms of funding social services and the demand for it has been permanently increasing. The core factors stimulating its introduction are:

- need to provide better quality services for the lower price;
- importance of providing the appropriate type of services and the relevant scope needed by the target population within this very period;
- financial crisis resulted into reduction of funding social area;
- need for public authorities to focus on strategic functions, like indentifying the social services range and content, its standardization, quality assurance and use of funds provided. At the same time, the functions of direct provision of most of the services are delegated to non-governmental organizations and institutions, specifically, to civic organizations and private service providers.

In Ukraine social services commissioning might be considered as a component of social services provision modernisation launched around a decade ago. At the legal level development and introduction of the social services commissioning mechanism was identified as one of the priority areas in reforming social services provision system in 2007<sup>1</sup>. However, until 2012 at the national level there were no legal documents developed yet on regulating social service commissioning issues. Accordingly, introduction of the mechanism for social services commissioning to increase competition amongst the social services provision subjects and to enhance quality improvement of such services was again envisaged by the Strategy for Reforming Social Services System Provision<sup>2</sup>. And in 2013 the Cabinet of Ministers of Ukraine approved the Order of social services commissioning with budgetary funding<sup>3</sup>.

Such a mechanism has been introduced at present by the local public administrations responsible for social service provision or those implementing social programs. At the same time, most of the organizational procedures are assigned to the Departments of Social Protection.

---

<sup>1</sup> Regulation of the Cabinet of Ministers of Ukraine On Approval of the Concept of the Social Services System Reform No 178-p as of April 13, 2007 (valid before 08.08.2012) [Electronic resource]. – Available at: <http://zakon.rada.gov.ua/>.

<sup>2</sup> Regulation of the Cabinet of Ministers of Ukraine On Approval of the Strategy for the Social Services System Reform No 556-p as of August 8, 2012 [Electronic resource]. – Available at: <http://zakon.rada.gov.ua/>.

<sup>3</sup> Directive of the Cabinet of Ministers of Ukraine On the Order of Social Services Commissioning with Budgetary Funding No 324 as of April 29, 2013 [Electronic resource]. – Available at: <http://zakon.rada.gov.ua/>.

Despite the developed legal base, social services commissioning on sites has been implemented very slowly. At present only few regions have practiced it, namely: Zaporizhzhya Oblast, Khmelnytskyi Oblast, Mykholaiv Oblast as well as the cities of Odessa, Poltava and Cherkassy.

HIV prevention services at present, as a rule, are provided by the network of HIV service organizations for people who inject drugs, commercial sex workers, men who have sex with men and other key populations. However, there is an issue of definition for these services. It is important to understand whether they (or their components, such as: social maintenance, counselling) are referred to the social services area, or they form the medical aid component. As only in case these services are short listed amongst the social services approved by the Ministry of Social Policy of Ukraine, they can be the subject of social services commissioning.

While considering the fact that prevention services funding is ensured mainly by the international financial aid, this issue is not a pressing one yet. However, as soon as the Global Fund to Fight AIDS, Tuberculosis and Malaria (the Global Fund further in the text) stops funding, this becomes the core issue in terms of opportunities to use social services commissioning mechanism to fund prevention services for key populations.

The cabinet study which outcomes are described in this report was aimed at reviewing current legislation, including analysis of by-laws adopted by the public authorities, as well as studying the available research outcomes and other analytical data on the issue. As during the last years the legal base for social services commissioning has been developed in a very dynamic way, the cabinet study covered the resources, information and data for the last seven years.

During the cabinet study the following documents were analyzed: the Draft Law of Ukraine On Introducing Changes to the Constitution of Ukraine (on Decentralized Governance); the Law of Ukraine On Social Services; Regulation of the Cabinet of Ministers of Ukraine On Approval of the Order for Regulation of Fee-Based Social Services Rates No 268 as of April 9, 2005; Regulations of the Cabinet of Ministers of Ukraine On Approval of the Strategy for the Social Services System Reform No 556-p as of August 8, 2012, and On Approval of the Action Plan for 2013 – 2016 on Implementation of the Strategy for the Social Services System Reform No 208-p as of March 13, 2013; the Order of the Ministry of Social Policy of Ukraine On Approval of the List of Social Services to be Provided for People in Difficult Life Circumstances who are not Capable to Overcome Them No 537 as of September 3, 2012; the Order of social services commissioning with budgetary funding approved by the Directive No 324 as of April 29, 2013; the draft Order of the Ministry of Social Policy of Ukraine On Approval of Procedure for Social Services' Fees Calculation; as well as the State HIV/AIDS Prevention, Treatment, Care and Support Program for People Living with HIV/AIDS for 2009-2013 and the National Targeted Social Program to Counteract HIV/AIDS for 2014-2018.

Moreover, the current Report includes analysis of the previous studies on social services commissioning practices in Ukraine.

In addition to the cabinet study, there was a field study held aimed at exploring existing social services commissioning practices across the regions. The case study of social services commissioning practice in Khmelnytskyi Oblast is reviewed. During the current study there were 35 respondents interviewed represented the regional level state and municipal institutions and organizations (oblast/city Departments of Social Protection of the Population, Health Care Departments, Departments of Finances; AIDS Prevention Centres; Centres of Social Services for Family, Children and Youth). In addition, the leaders and managers of non-governmental organizations participated in the interviewing having represented the All-Ukrainian Civic Organization “Faith. Hope. Love” (Odesa), the Charitable Foundation “Unitos” (Mykholayiv City), Mykholayiv Branch of the All-Ukrainian Network of People Living with HIV/AIDS (Mykholayiv City), the All-Ukrainian Charitable Organization “Initiative for Life” (Mykholayiv City), the Charitable Foundation “Sion” (Khmelnytskyi City), the Charitable Foundation “Hesed Besht” (Khmelnytskyi City), the Charitable Foundation “The Light of Hope” (“Svitlo Nadiji”), the civic organization “Public Health” (Poltava City) and others. Information on the respondents interviewed is presented in the Table 1.

*Table 1. Information on the respondents interviewed*

<i>Oblasts / Cities</i>	<i>The number of representatives interviewed</i>			
	<i>Local government</i>	<i>Out of them have experience of social services commissioning practices</i>	<i>Civic organizations, charitable foundations</i>	<i>Out of them have experience of social services commissioning practices</i>
Zaporizhzhya Oblast	1	-	2	-
Mykholayiv Oblast	4	1	5	2
Dnipropetrovs'k Oblast	1	-	1	-
Khmelnytskyi Oblast	3	3	3	2
Odesa City	1	1	6	4
Poltava City	6	2	2	1
<i>Total</i>	<b>16</b>	<b>7</b>	<b>19</b>	<b>9</b>

Besides, during the current study there were five national experts interviewed (representatives of the Ministry of Social Policy of Ukraine and international projects' experts) with the experience of development of legal and

procedural documents on introducing the social services commissioning mechanism.

***The study field stage period:*** June 2015 – August 2015.

***The study context.*** The specific challenge of the study was that at the time of its conducting most of the departments were engaged into urgent addressing the issues related to accommodation of internally displaced people, organization of assistance and support for the anti-terroristic operation (ATO) survivors etc. Due to these reasons several potential respondents refused to participate in interviewing justifying it by other priorities in social services provision.

***The study limitations.*** As the study design assumed to be a qualitative one, its outcomes are not representative and present the experience of the respondents interviewed in the project pilot oblasts and cities (Kyiv City, Poltava City and Poltava Oblast, Odesa City, Mykholayiv City and Mykholayiv Oblast, Khmelnytskiy Oblast, Zaporizhzhya Oblast).

Verification of the data obtained on the social services commissioning procedures and practices, challenges in its implementation, was made at one of the trainings (August 17-19, 2015) which participants were the representatives of the local state administrations (Departments of Social Protection, Centres of Social Services for Family, Children and Youth) and NGOs.

The study was held during the summer holidays, thus not all the planned respondents were able to participate in the interviewing, and those who agreed did not always have enough time for in-depth interviewing. Therefore, the researchers depended on the respondents' opportunities as the time for the research field stage and data collection was limited. Even in case of previously agreed time and place of interviewing, the situations occurred when the respondents had to postpone interviews due to force majeure (e.g.: interviewers had to interview several respondents late in the evening, as at the previously agreed time the Heads and specialists of the Departments of Social Protection had to participate in the meeting with the Regional Governor).

Based on the outcomes of the cabinet and field studies there was the report prepared consisting of introduction, three chapters, conclusions and recommendations. In the first chapter the approaches to understanding social services commissioning in international and Ukrainian practice are reviewed, as well as legal framework for its introduction in Ukraine, related financial issues and opportunities for HIV prevention services commissioning.

In the second chapter the analysis is provided of previous studies on social services commissioning, some of its current practices in Ukraine are reviewed.

In the third chapter the final outcomes of the research field stage on social services commissioning practices in Ukraine are described, as well as the relevant practices of Khmelnytskiy Oblast where the social services commissioning procedure was piloted.

At the end of the report the conclusions and practice recommendations on developing social services commissioning in Ukraine are provided.



## CHAPTER I

### SOCIAL SERVICES COMMISSIONING AS THE MECHANISM TO FUND SOCIAL SERVICES

#### *1.1. Understanding the “social services commissioning” concept within the international and Ukrainian contexts*

The social services commissioning is defined by international and Ukrainian experts in different ways. Besides, the Ukrainian notion of “social order” (“sotsialne zamovlennia”) can be translated as “social contracting”, “social order” or “social services commissioning” which have different meanings in the original.

Thus, international experts (Bullain, N., & Panov, L., 2012) differentiate “social contracting” from “social order”. They identify “social contracting” as the interaction of the state and private providers throughout the process of social services delivery to population. In this interaction the state identifies, funds and monitors social services provision by the non-governmental subjects, including civic society organizations, business structures and individuals. According to the authors, the civic society organizations include all the types of non-governmental and non-commercial organizations which in different countries exist as civic organizations, associations, foundations, institutions and non-profit companies.

And “social order” or “socialnyj zakaz” is understood by the above authors as the popular across the NIS countries form of the state support of various types of activities, including social services, by the civic society organizations (SCO), such as: environmental protection, cultural activities, or financial support to civic society organizations (not the services)<sup>4</sup>. In other words, social contracting concerns only social services provision, and social order concerns different types of SCO activities, including social services delivery. At the same time, in social contracting the providers of such services can be SCO, private organizations and individuals, and in social order – only SCO.

The *social services commissioning* term started to be used significantly later, but its content is the most specific in terms of the requirements to the social services commissioning procedure approved in Ukraine. This is explained by the fact that the latter envisages the necessity of interaction with the service providers, subjects of social services provision throughout the process of the needs assessment, prioritizing them, planning services to address the needs, ensuring their support and approval by the local authorities, commissioning the most quality services for the least expensive price, monitoring and evaluation of outcomes of the services delivered, providing feedback to the subjects of social

---

<sup>4</sup> Bullain N. A Handbook on Non-State Social Service Delivery Models: a guide for policy makers and practitioners in the CIS region / N .Bullain, L. Panov // UNDP. – Bratislava, 2012. – 124 p.

services provision. The focus of the service provision shifts from funding institutions or organizations towards funding services for a specific group of clients and its outcomes evaluation, and this shift envisages building the local market of social services<sup>5</sup>.

Ukrainian authors (Brudnyy, I., & Krupnyk, A., 2011) define social services commissioning as a range of organizational-legal measures to address priority social issues by non-commercial organizations in cooperation with the authorities, via development and implementation of social contracts at the competition base<sup>6</sup>. Thus, the authors claim that social services commissioning might be ensured not only with budgetary funding. They suggest that the subject for social services commissioning might be a social issue (a range of social issues) which represents not fully addressed social needs and interests of a specific key social population.

Therefore, unlike international experts, some of Ukrainian authors claim that not only specific social services might be commissioned, but addressing any social issues might be commissioned too. In fact, such understanding of social services commissioning reflects the international experience of grants provision as the direct support of civic organizations with the budgetary funding.

The other difference in interpretation of social services commissioning concerns the issue of who can obtain it. If in the international practice this could be SCO, private organizations and individuals, in Ukrainian setting, according to the local professionals' interpretations, this may concern only non-commercial organizations. The latter understand non-commercial organizations as civic and charitable organizations which are created and function based on the Laws of Ukraine On Social Services, On Charity and Charitable Organizations, On the Bodies of the Population Self-Organization, which do not aim gaining the profit to be distributed amongst the organization founders and its members as their own. However, the authors accept that to practice social services commissioning, a non-commercial organization (not the state one), based on a contract or any other base, can engage a sponsor who can be the subject of entrepreneurial activity or a grant giving organization. But social contract is signed only between the customer acting on behalf of public authorities' bodies or local government organizations and NGO which has become the winner of the call for proposals. Moreover, social contract is understood as the contract signed by the customer on behalf of the subject responsible for addressing social issue, and the executor of social services commissioning, where economic and legal commitments of parties are defined and interactions of customer and executor are regulated.

---

<sup>5</sup> Social Services Commissioning Framework. - 2011. - Available at: <http://www.valeofglamorgan.gov.uk/Documents/Living/Social%20Care/Adult%20Services/Commissioning-Framework-Final-Nov-11.pdf>.

<sup>6</sup> Social services commissioning in Ukraine: 10 years practices / Ed. by I. Brudnyy, A. Krupnyk // Collection of analytic, regulatory and procedural materials. - Odesa: Yevrodruck, 2011. - 156 p. - Available at: <http://samoorg.com.ua/wp-content/uploads/2011/08/socialny-zakaz-v-ukraini.pdf>.

Other accents in understanding social services commissioning are made by the authors of the Draft Guidelines on Social Services Commissioning Implementation (I. Tarabukina, L. Ilchuk & I. Kaminsky, 2012)<sup>7</sup>. According to them, social services commissioning is the means of regulating social services provision activities via engaging at the contract base market participants in order to address the needs in social services identified by local executive agencies and local government administrations. At the same time, the authors do not identify who are these market participants. They understand the executor of social services commissioning to be a civic, charitable, religious organization which has non-profit status, has become the winner of the call for proposals and the budgetary costs recipient, and with which social contract is signed for social services commissioning. There is no definition of “social contract” provided in the document. However, the notion of “social agreement” is present there which complicates understanding of what kind of document should be signed between the parties for social services commissioning.

In addition, there are existing differences in understanding the social services commissioning subject in the document itself. Thus, at some point it is mentioned that social services commissioning might be practiced to ensure social services provision, at another point – it should be practiced to support civic organizations at the local level within the target mini grants programs, and at the final point – to implement state social programs to address specific social issues and provide social services at the local level. Thus the subject of social services commissioning is left to be unclear, as well as who can obtain it and what kind of documents are signed throughout this process.

In the Draft Package of Documents on Social Services Commissioning with Budgetary Funding developed by the experts of UNDP in Ukraine (2012), social services commissioning is defined as *the means of regulating activities in the area of social services provision via engaging market participants at the contract base in order to address the needs for social services assessed by local executive agencies and local government administrations*<sup>8</sup>. In other words, the social services commissioning subject is social services envisaged in the program for developing social services based on needs assessment for social services. According to the experts, the executors of social services commissioning might be non-governmental subjects providing social services, i.e., market participants who are not ascribed to any state (municipal) sectors of social services provision. The subjects are legal persons of different organizational-legal forms which are not the state or municipal property, as well as physical persons-entrepreneurs, and this is not incorporated by previous approaches of Ukrainian professionals. Legal form of social services commissioning implementation is a contract on funding social services with budgetary funding.

---

<sup>7</sup> Draft Guidelines on Social Services Commissioning Implementation [Electronic resource] // Ministry of Social Policy of Ukraine. - Kyiv, 2012. – 40 p. – Available at: <http://www.hiv.org.ua/events/content?id=66>.

<sup>8</sup> Package of Documents on Social Services Commissioning with Budgetary Funding // UNDP in Ukraine. – Kyiv, 2012. – 88 p.

The authors of the International HIV/AIDS Alliance Guidelines (2015)<sup>9</sup> introduce the concept of the state social services commissioning as an economic-legal form of implementing state plans and programs which is aimed at addressing citizens' social needs ensured by budgetary funding and established at contract base relations between the authorities and subjects of civic legal relationships, irrespective of the form of ownership and subordination. Thus, another notion is introduced for executors of social services commissioning – “subjects of civil legal relationships irrespectively of forms of ownership and subordination”. In addition, they distinguish two main mechanisms for social services commissioning implementation: state procurement of social services and grants for social projects implementation. State procurement of social services is the process throughout which local executive agencies procure social services for their population from organizations-service providers. Public expenditure manager-customer of the services – for the benefit of the third persons (service users) ensures selection of the best service provider to implement minimum pricing for the customer's objectives, as a rule, at the competition base. The subject of the social services commissioning is social services and social issues described in social projects. In fact, here social services commissioning and call for proposals for obtaining the grant is identified as similar ones.

Thus, there is the following range of issues concerning understanding social services commissioning:

- Which international definition does the content of social services commissioning in Ukraine correspond with – social contracting, social order or social services commissioning?

- What is the subject of social services commissioning: social services, addressing social issues, activities of civic organizations in general?

- Who are executors of social services commissioning: SCO, non-commercial organizations, private organizations, subjects of social services provision, physical persons-entrepreneurs, subjects of civil legal relationships irrespectively of forms of ownership and subordination etc?

- What is the legal form for the social services commissioning implementation - social contract, social agreement, pact?

Within the Ukrainian legislation framework the notion of social services commissioning is defined by the Law of Ukraine “On social services” as *the means of regulating activities in the area of social services provision via engaging market participants at the contract base in order to address the needs for social services assessed by local executive agencies and local government administrations*<sup>10</sup>. According to the Order of social services commissioning with budgetary funding, the executor of social services commissioning is a non-

---

<sup>9</sup>Demchenko, I. How to make HIV prevention services sustainable. Guidelines for representatives of HIV service NGOs and public institutions / I.Demchenko, M. Varban, O.Popiuk, M.Zelenska // ICF “International HIV/AIDS Alliance in Ukraine”. – Kyiv, 2015. – 64 p.

<sup>10</sup> The Law of Ukraine On Social Services No 966-IV (revised as of October 18, 2012, reason 5290-17) as of June 19, 2003 [Electronic resource]. – Available at: <http://zakon.rada.gov.ua/>.

governmental subject providing social services based at the contract on social services provision with budgetary funding, and non-governmental subjects are defined as non-governmental legal persons and physical persons-entrepreneurs meeting the criteria of activities for the subjects-social services providers<sup>11</sup>. Legal form for practicing social services commissioning is a contract signed based on the outcomes of the call for proposals on social services provision with budgetary funding.

## *1.2. Legal framework of social services commissioning in Ukraine*

To fulfil the government's international commitments and according to the Program of Reforming Social Development Priorities for 2010-2014 in Ukraine there have been system transformations of national social policy launched, in particular:

- 1) creating efficient system of social services provision, enhancing their quality and the level of needs satisfaction amongst the above services users;
- 2) optimization of the network of institutions and facilities providing social services;
- 3) enhancing efficiency of allocation of funds and management of budgetary expenditures for social services;
- 4) introducing quality standards for social services; quality assurance of social services according to the state standards;
- 5) introducing market mechanisms into the system of social services operation, and introducing the mechanism of social services commissioning to non-governmental institutions which are recognized to be equal subjects of social services provision.

In 2012 there was the Strategy of the Social Services System reform approved which acknowledged that the system of social services provision in Ukraine is rather inefficient. The reasons are that at the level of administrative-territorial unit there were no efficient mechanisms introduced for early identification of persons, planning and providing social services based on needs assessment; social services provision depends on possibilities of the available network of municipal facilities and institutions of social protection of population. The latter results into inability to fully address the needs of the administrative-territorial unit population<sup>12</sup>. Moreover, the strategy envisages introducing the mechanism of social services commissioning to enhance competition amongst the subjects-social service providers, to stimulate enhancing quality of services, quality assurance system, monitoring and

---

<sup>11</sup> Directive of the Cabinet of Ministers of Ukraine On the Order of Social Services Commissioning with Budgetary Funding No 324 as of April 29, 2013 [Electronic resource]. – Available at: <http://zakon.rada.gov.ua/>.

<sup>12</sup> Regulation of the Cabinet of Ministers of Ukraine On Approval of the Strategy for the Social Services System Reform No 556-p as of August 8, 2012 [Electronic resource]. – Available at: <http://zakon.rada.gov.ua/>.

evaluation of efficiency of services, correspondence of services to service users' needs, timeliness and efficiency of the services provided.

In addition, the Action Plan of the Ministry of Social Policy of Ukraine to implement the Program of activities of the Cabinet of Ministries of Ukraine and the Coalition Agreement envisages “development of the network of non-profit institutions addressing the needs of socially vulnerable populations in social services provision”. This requires development of relevant mechanisms and their funding as well as wide engagement of non-governmental institutions and organizations to the social services provision system (point 1.9 of the Coalition Agreement Provision)<sup>13</sup>. The plan ensures “calculation and introduction of social standards for all kinds of social services ensured by the state” (including social prevention service), and a certain shift to funding social services according to the approved state social standards. This activity is to be completed by November 2015. In addition, the documents ensure wide engagement of non-governmental institutions and organizations to the social services provision system, introducing relevant mechanisms of their funding, approval of the Procedure for evaluation of the participants' applications for the call for proposals for social services provision with budgetary funding, as well as the standard Model Contract on social services provision with budgetary funding.

To implement the above Plan provisions in 2015, there was the Procedure developed and approved for evaluation of the participants' applications for the call for proposals for social services provision with budgetary funding. This document describes general approaches and the evaluation procedure for the project applications submitted by non-governmental subjects-social services providers for the call for proposals for social services provision with budgetary funding, according to the Order of social services commissioning with budgetary funding<sup>14</sup>.

With regards to social services commissioning, it can be claimed that in Ukraine the state regulatory framework on definitions, legal support (directives, norms, rights, and procedures) is mainly ensured. At the same time, there is an acute need in the regulatory framework for the social services commissioning mechanism to correspond with acting legislation which has been changed significantly during the last three years and keeps changing rather dynamically.

Thus, the amendments are made in the Law of Ukraine On Social Services where the first Article provides the definition of the “social services commissioning”<sup>15</sup>. Moreover, the Order of social services commissioning with

---

<sup>13</sup> The Order of the Ministry of Social Policy of Ukraine On Approval of the Action Plan of the Ministry of Social Policy of Ukraine to Implement the Program of Activities of the Cabinet of Ministries of Ukraine and the Coalition Agreement No 1057 as of December 18, 2014 [Electronic resource]. – Available at: [http://www.mlsp.gov.ua/labour/control/uk/publish/article?art\\_id=170247&cat\\_id=107177](http://www.mlsp.gov.ua/labour/control/uk/publish/article?art_id=170247&cat_id=107177).

<sup>14</sup> The Order of the Ministry of Social Policy of Ukraine On Approval of the Procedure for Evaluation of the Participants' Project Applications for the Call for Proposals for Social Services Provision with Budgetary Funding No 332 as of March 26, 2015 [Electronic resource]. – Available at: [http://www.mlsp.gov.ua/labour/control/uk/publish/article?jsessionid=5EF18915316DC5CF5C4B9D19CE7B4D18.app1?art\\_id=175682&cat\\_id=102036](http://www.mlsp.gov.ua/labour/control/uk/publish/article?jsessionid=5EF18915316DC5CF5C4B9D19CE7B4D18.app1?art_id=175682&cat_id=102036).

<sup>15</sup> The Law of Ukraine On Social Services No 966-IV (revision of October 18, 2012, on the grounds of 5290-17) [Electronic resource]. – Available at: <http://zakon.rada.gov.ua/>.

budgetary funding is approved. The latter described the procedure for formation, implementation and funding social services commissioning provided by non-governmental subjects with budgetary funding, as well as organization and announcing calls for proposals for budgetary funding<sup>16</sup>. The criteria and requirements to social services providers are described which are similar for various property forms (Directive No 1036 of the Cabinet of Ministers of Ukraine as of November 14, 2012). Guidelines on population needs assessment for social services are developed and approved, and that enables planning social services provision. In addition, the List of social services to be provided for people in difficult life circumstances who are not capable to overcome them is developed and approved. The Procedure for needs assessment for social services is approved by the Ministry of Social Policy.

According to the regulatory and legal documents, local executive agencies and local government administrations - oblast state administrations and executive boards of local councils - are responsible for formation of social services commissioning and the list of social services to be provided with social services commissioning<sup>17</sup>. In addition, the Laws On Local Self-Government in Ukraine and On Local State Administrations identify the authority of local, regional and oblast councils in approval of target programs and executive boards of local Councils on Social Protection of Population; and the authority of regional, oblast and local state administrations in social welfare and social protection of population.

However, within existing regulatory framework there is a range of challenges. Firstly, to ensure efficient financial provision of social services commissioning it is important to identify the precise number of users, the list of services, standards for their provision and the norm for funding a service user. In other words, the following general formula should be in place:  $V = H \times N$ , where  $V$  is the total amount of expenditures to address the problem;  $H$  is the norm for funding a service user;  $N$  is the number of service users.

With respect to social services standardization, since 2012 there is the Order No 282 of the Ministry of Social Policy of Ukraine On Approval of the Procedure for Developing the State Standard for Social Service in place. According to it, the standards must contain financial-economic rationales which have not been developed yet so far. As a result, it is quite difficult to calculate the norms of funding according to the above standards.

The reason for lack of most of the norms is the general character of standards, lack of details in them, and that prevents from clear understanding of the character and scope of expenditures which are necessary to be calculated to identify the estimate funds for this or that standard. To compare, one can take the Protocols for medical aid provision where each component of expenditures

---

<sup>16</sup> Directive of the Cabinet of Ministers of Ukraine On the Order of Social Services Commissioning with Budgetary Funding No 324 as of April 29, 2013 [Electronic resource]. – Available at: <http://zakon.rada.gov.ua/>.

<sup>17</sup> Ibid.

is described precisely and can be easily calculated, and the total amount of costs to fund each type of medical aid can be identified.

The additional challenge here is the specific of work with PLWH as addressing HIV spread concerns not only social area but medical one too. Thus, while calculating expenditures there is a need to consider the Procedure of Interaction of Subjects in Palliative Care Social Service Provision at Home to Terminally Ill. The latter was approved by the Order No 317/353 as of May 23, 2014, of the Ministry of Social Policy of Ukraine and the Ministry of Health of Ukraine.

Despite the fact that most of necessary legal and regulatory documents on this issue have been approved already, until present the Procedure for Social Services' Fees Calculation<sup>18</sup> has been the draft one. And the latter is the key document to ensure implementation of existing legislation on developing fee based social services and social services with differentiated fees, social services commissioning. The acting Order for Regulation of Fee-Based Social Services Rates, approved by the Regulation of the Cabinet of Ministers of Ukraine No 268 as of April 9, 2005, is such a general document that it can be only the base for development of the efficient Procedure. The draft of the latter includes almost all the aspects needed to calculate estimated costs for social services provision.

Another challenge is that the first stage is identifying the need for these or those services and their number. This is ensured by existing approach to funding social services commissioning and the Order of social services commissioning with budgetary funding approved by the Directive of the Cabinet of Ministries of Ukraine No 324 as of April 29, 2013.

The procedure for population needs assessment for social services has been approved by the Order of the Ministry of Social Policy of Ukraine On Approving the Procedure for Needs Assessment in Social Services for the Administrative-Territorial Unit Population No 28, as of January 20, 2014. However, in practice, for planning estimated costs the information is used only on factual social services users for the reporting period.

At present such an approach is applied for most of the estimated costs in social area, however, it is out of date already as the supporting decentralization reforms require more mobile methods of budgeting.

Thus, in order to identify the estimated costs for social services for 2014 the reporting year was 2012, and at the end of the latter there was a factual number of service users used. But in 2013 new users joined or their number was reduced (migration, natural reduction), potential social services users were identified as well as new needs of those in difficult life circumstances.

At the same time, to plan estimated budget periods within the other directions the expected levels are used of inflation, consumer prices, exchange

---

<sup>18</sup> Explanatory Note to the Order of the Ministry of Social Policy of Ukraine On Approval of the Procedure for Social Services' Fees Calculation [Electronic resource] // Ministry of Social Policy of Ukraine. – Kyiv, 2014. – Available at: [http://www.mlsp.gov.ua/labour/control/uk/publish/article?art\\_id=164334&cat\\_id=102036](http://www.mlsp.gov.ua/labour/control/uk/publish/article?art_id=164334&cat_id=102036).



rate of the world currencies, cost of energy, planned enhancement of social standards etc.

In other words, in our case to increase the amount of funds for additional number of population in the next year it was necessary to provide services to this part of population throughout the last year with other sources of funding or within the allocations secured for other users.

This challenge resulted from planning the indicators of the future year in the middle of the current year based on the last year data.

Within such an approach other potential social services users in difficult life circumstances who are not capable to overcome them and who are in need of their individual needs assessment for social services provision are left unaddressed, as well as types and scope of social services is not defined.

In addition, the need for services is formed based on referrals of potential and factual service users. However, there is no efficient mechanism for individual needs assessment of those people who did not refer for assistance or who are not aware of their rights.

In 2012, in order to help families in difficult life circumstances, there were staff positions of 12,000 social workers introduced which main goals were to identify possible problems across families in time.

The decision on job displacements of 12,000 social workers<sup>19</sup> for present has stopped the process of quality identification of such issues.

The other challenge in this area is that individual needs assessment for social services amongst people/families in difficult life circumstances, or a social group, is made by social services and institutions of social protection and care. The role of civic associations in this process is theoretically not a significant one, and it is not used in practice at all. The achievement was including the civic associations representing interests of social groups-potential social services users into the committee members for evaluation of proposals.

Based on the Law of Ukraine On Local State Administrations, the local state administration identifies the relevant level of public service according to the norms of minimum social needs; calculates estimated costs and identifies the scope of services needed to ensure the relevant level of minimum social needs envisaged by legislation (according to the Section 17, sub-section 3<sup>20</sup>). However, minimum social needs are not described here. Thus it is necessary to use the definition by the Law of Ukraine On Local State Administrations which defines minimum level of social needs as the minimum level of social services ensured by the state per capita within the territory of Ukraine<sup>21</sup>.

Therefore, the point is that local state administrations identify the scope of services needed to secure minimum level of social services provided by the

---

<sup>19</sup> The Law of Ukraine On Making Amendments to the Law of Ukraine On the State Budget of Ukraine for 2014 No 1165 as of March 27, 2014 [Electronic resource]. - Kyiv, 2014. – Available at: <http://zakon5.rada.gov.ua/laws/show/1165-18>.

<sup>20</sup> The Law of Ukraine On Local State Administrations (revised as of May 21, 2015) No 586-XIV as of April 9, 1999 [Electronic resource]. – Available at: <http://zakon4.rada.gov.ua/laws/show/586-14>.

<sup>21</sup> The Law of Ukraine On Local Self-Government in Ukraine No 280/97-BP as of May 21, 1997 (revised as of July 2, 2015) [Electronic resource]. - Available at: <http://zakon.rada.gov.ua/l>.

state per capita within the territory of Ukraine. Thus, according to the authors of the Policy Brief of the Institute for Strategic Studies O. Kochemyrovska and A. Avchukhov, there is a visible factual emptiness of such norm which needs to be reviewed<sup>22</sup>. In addition, the unified notion of the “norm needed” ignores real demands of territorial communities in social care. In other words, the latter contradicts the principle of targeted social services. Significant changes are needed to be made in the State Classifier of Social Standards and Norms, as the recent changes at the legal and structural levels are not represented there<sup>23</sup>. At the same time, this document has a fundamental importance for services provision practices and rationalizing their content, procedure and cost.

Besides, applying the principle of priority for social services commissioning provides the opportunity for authorities not to finance a range of services or users. The existence of services and social groups of high priority and minor importance creates prerequisites to cut funds for these purposes.

With regards to the procedure, according to the approved Order, social services commissioning is introduced in three stages: formation, implementation and monitoring and evaluation<sup>24</sup>. The procedure of the call for proposals for social service provision is regulated by the paragraph 7-27 of this Order. Specifically, paragraph 12 provides a comprehensive list of documents to be submitted by the call for proposals participants, in addition to their application. According to the paragraph 13, the application should be submitted for consideration along with the relevant reference by the customer, and the term of its issue is three working days. In the paragraph 21 it is mentioned that the participants' application is evaluated individually by each committee member with the ten points scale, and this serves the base for the general evaluation sheet to be written. The winning application is the one which gained the maximum total of points. In the paragraphs 14-26 the competition committee responsibilities and the procedure for applications review is described in details. The following core criteria for applications review are indicated:

- correspondence of the call for proposals participant to the criteria of the subjects-social services providers' activities;
- financial situation of the call for proposals participant, including lack of bills payable, opportunity to provide services on its own cost with calculating estimated costs of the social services provided, the condition of material and technical base;
- the experience of the call for proposals participant in social services provision;

---

<sup>22</sup> O. Kochemyrovska. On development of social services provision system in Ukraine at a modern stage. Policy Brief [Electronic resource] // National Institute of Strategic Studies under the auspices of the President of Ukraine / O. Kochemyrovska, A. Avchukhov. — Kyiv, 2013. — Available at: <http://www.niss.gov.ua/articles/1328/>.

<sup>23</sup> The Order of the Ministry of Social Policy of Ukraine On Approval of the State Classifier of Social Standards and Norms No 293 as of June 17, 2002 [Electronic resource]. — Available at: <http://ua-info.biz/legal/basepe/ua-xmwxwr/index.htm>.

<sup>24</sup> Directive of the Cabinet of Ministers of Ukraine On the Order of Social Services Commissioning with Budgetary Funding No 324 as of April 29, 2013 [Electronic resource]. — Available at: <http://zakon.rada.gov.ua/>.

- qualification of personnel involved into social service provision, including relevant education and experience;
- estimated number of social services users;
- cost of social services.

The criteria for activities of subjects-social services providers are approved by the Directive of the Cabinet of Ministries of Ukraine On Approval of Criteria for Activities of Subjects-Social Services Providers<sup>25</sup>.

However, with respect to the selection procedure of service providers for social services commissioning, while taking into consideration underdeveloped market of non-governmental social service providers, the requirement for the participant of the call for proposals to have experience in social service provision at this stage does not seem to be reasonable. Such requirement secured by the Order of Social Services Commissioning needs to be specified in the nearest time as an optional one.

The analysis of other relevant documents evidences that at present the standard Model Contract on social services provision with budgetary funding has not been approved yet. In other words, there is a responsibility of a customer and an executor to sign a contract based on the approved Model Contract, but it does not seem to be possible in practice. Consequently, in practice any free form is used which might not meet core legislation requirements as well as violate participants' rights.

Based on the Order of Social Services Commissioning only one non-governmental actor is allowed to participate in the call for proposals. The Order ensures a possibility for the second call for proposals, but there are no limitations on the number of such attempts. This might result into postponing tenders and non-use of funds. A delay might be caused by the lack of tender provision in case of refuse to sign a contract too.

Moreover, the issue of the financial year start and terms of procurement described in the Order and the Procedure for Evaluation of the Participants' Project Proposals for the Call for Proposals on Social Services Provision with Budgetary Funding, approved by the Order of the Ministry of Social Policy of Ukraine No 332 as of March 26, 2015, results into launching service provision at the end of March (and not earlier).

Thus it is impossible to obtain services almost during the three months since the first of January, until the auction, calls for proposals, contracts, signing documents are in process.

The issue might be addressed in case relevant changes are made in the Order, which could ensure prolongation of the last year contracts for the time needed to sign new ones. Such norm is ensured by the legislation on public procurements<sup>26</sup>. According to the latter, the term of procurement contract might

---

<sup>25</sup> The Directive of the Cabinet of Ministries of Ukraine On Approval of Criteria for Activities of Subjects-Social Services Providers No 1039 as of November 14, 2012 [Electronic resource]. – Available at: <http://zakon4.rada.gov.ua/laws/show/1039-2012-%D0%BF>.

<sup>26</sup> Sub-section 6 of Section 40 of the Law of Ukraine On Public Procurements No 1197-VII, as of April 10, 2014.

be prolonged for the time needed to ensure procurement procedure at the beginning of the next year. This should be done within a scope of no more than 20% of the amount in the previous year contract, in case the funds allocated for this purpose are approved according to the established order.

In addition, almost all the stages of public announcements of procurement procedures are placed only at the customer's website. It is evidenced by practice that these announcements can be made formally by placing them in such formats and at such websites places that the call for application participants can hardly find relevant information. Thus, these participants can lose their right for further actions due to impossibility to address the customer's announcements in time. Therefore, using additional resources and means to inform potential executors of social services commissioning is reasonable.

In terms of applying the Law of Ukraine On Public Procurement, the procedures are clear in case the price of social services procurement is equal or larger than the amount established by the sub-Section 1 of the Section 2 of this Article. However, any explanations are lacking on obligations for applying electronic procurement with automatic information system for the social services commissioning in the approved Regulation of the Cabinet of Ministries of Ukraine On Implementing the Pilot Project on Introducing the Procedure of Electronic Procurement of Goods No 501-p as of May 20, 2015, which is applied to purchases not exceeding the amount identified by the Laws of Ukraine On Public Procurement and On the Specific Procurement in Certain Areas of Economic Activities. At the same time, the above procurement system could ensure transparency of procurement outcomes, enhance competition, ensure easy and free access to participating in procurement for the maximum pool of participants, and that would enable procurements for lower prices. In addition, the necessity to apply electronic call for proposals for the social services commissioning is rationalized by the need to prevent uncontrolled use of budgetary funds and creating conditions for corruption prevention in public procurements, simplifying procurement procedures.

### ***1.3. Options for HIV prevention social services commissioning***

Funding social services commissioning, as well as searching and using other possible forms of funding prevention services is an extremely urgent one. This is explained by the fact that at present raising awareness of the population and its educating, in particular, youth, is ensured mainly by international organizations' donor funding. There are a lot of examples here when local authorities, Centres of social services for family, children and youth etc join this process. However, prevention services for key populations which include commercial sex workers, men having sex with men, people who use injecting drugs are financed by the Global Fund to Fight AIDS, Tuberculosis and Malaria.

Ukraine would be the recipient of these target costs until 2017. Respectively, the state has to create systems and mechanisms which ensure conditions for prevention services provision. This requires funding envisaged in the local budgets for social services commissioning for HIV and other social diseases prevention services, as well as ensuring sustainability of these programs after termination of the grants by the Global Fund to Fight AIDS, Tuberculosis and Malaria.

There are several dimensions of prevention services provision to be considered: what is the content of prevention services, who provides them and who ensures funding their provision.

According to the List of social services to be provided for people in difficult life circumstances who are not capable to overcome them, social prevention service is defined as “organization of education and training; information services; development and dissemination of information and promotion materials on social service provision”<sup>27</sup>. Such interpretation of social prevention does not reflect its real essence and content. The latter is much wider and detailed, and that was reflected in the Standard for providing HIV prevention social services for persons with higher risk of HIV infection associated with sex<sup>28</sup>. This standard is valid at present and it is obvious that the definition of services ensured by this Standard crosses the boundaries of the social prevention service content and its understanding.

Besides, at present in Ukraine there are five standards valid for social service provision to key populations: the Standard for social services provision on care and support for people living with HIV/AIDS; the Standard for HIV prevention social services provision for persons with higher risk of HIV infection associated with sex; the Standard for social services provision for people with tuberculosis and HIV co-infection; the Standard for social services provision for people with triple diagnosis (HIV, tuberculosis, drug addiction); the Standard for social services provision for people receiving opioid antagonists substitution therapy. The above standards were developed in order to implement the Law of Ukraine On Approval of the State HIV/AIDS Prevention, Treatment, Care and Support Program for People Living with HIV/AIDS for 2009 – 2013. They were finally approved by the joint Order of the Ministry for Family, Youth and Sport, Ministry of Labour and Ministry of Health Care as of September 13, 2010. At present the content of these services does not correspond and even contradicts to the valid List of social services approved in 2012, and to the

---

<sup>27</sup> The Order of the Ministry of Social Policy of Ukraine On Adoption of the List of Social Services to Be Provided for People in Difficult Life Circumstances Who are not Capable to Overcome Them No 537 as of September 3, 2012 [Electronic resource]. – Available at: <http://zakon4.rada.gov.ua/laws/show/z1614-12>.

<sup>28</sup> The Order of the Ministry of Family, Youth and Sport of Ukraine, Ministry of Labour and Social Policy of Ukraine, Ministry of Health Care of Ukraine No 3123/275/770 (z0903-10) as of September 13, 2010 [Electronic resource]. – Available at: <http://vin-ocssdm.com.ua/docs/nakazi/N%203123-275-770%20-%2013-09-2010%20HIV.pdf>.

relevant standards developed at the base of the latter. With regards to the above standards, either norms for their financial provision or requested amount of costs to provide relevant services are impossible to calculate.

Additional challenges for options of social services commissioning for HIV prevention services might be resulted from approval of the new revised Law of Ukraine On Social Services, as suggested amendments to the Law envisage the following classification of social services based on their objectives and content:

- social support services;
- social care services;
- social prevention services (social services aimed at prevention and deterioration of difficult life circumstances of population or a woman/ a man, a girl/a boy, a family).

Besides, the draft Law (Part VI) envisages cost-free provision only of such services as informing, counselling, providing shelter, advocacy, services in crisis, sign language translation, sign language translation with tactile communication, natural aid. Other services are envisaged to be provided based on the user's level of income. Such situation creates the precedent for the cost-free HIV prevention services provision which is needed to be presented as independent services on information, counselling and natural aid.

Negative side of the new draft Law is securing social service commissioning only with the local budgets funding (Section 30).

Another challenge for development of social services commissioning is that the existing valid standards specify authorized bodies, institutions, organizations providing these services, but no organizations or institutions are mentioned to be authorized to coordinate prevention service provision on sites or to ensure their integrated character. In practice these functions are performed by non-governmental organizations working with key populations and they are important in terms of sustainability and efficiency of prevention system.

There are other existing prevention services providers. AIDS Centres have extremely limited resources and are not able to ensure prevention services provision as they do not have relevant personnel. Centres of social services for family, children and youth are not experienced enough to work with people living with HIV and risk groups populations. Besides, based on the Provision for the Centres, their main objectives are social and prevention activities on identification and prevention of difficult life circumstances for families, children and youth and their social maintenance. The specific work with clients from risk group populations is not ensured by the Provision, whereas prevention services should target these very populations.

It is important to consider the fact that recently the absolute number of the Centres and most of the Centres' personnel was significantly reduced, due to the social policy reform and lack of costs for the institutions maintenance. Another challenge is that funds provided to the Centres are mainly used not for service

provision, but only on maintaining an organization or an institution, and that extremely limits their capacities to provide services to key populations.

At the same time, non-governmental organizations have experience, relevant resources (at present they are funded with the international aid), trained personnel. They are the structures capable to provide prevention services to HIV infection high risk groups efficiently (while comparing to other subjects).

To ensure their sustainability and capacity to make financial calculations, but for the regulatory framework for social services commissioning, it is necessary to approve integrated standards of services. The latter might combine medical and social aspects of HIV/AIDS services and might incorporate basic package of prevention services.

As the National Targeted Social Program to Counteract HIV/AIDS for 2014 – 2018 envisages commissioning non-governmental organizations with social services for people living with HIV (objective 2, action 5), there is a need for relevant regulation and training of NGOs representatives<sup>29</sup>.

The challenges of social services commissioning for HIV prevention are related to the 2016 budget formation which, in its turn, is connected to their reforming and decentralization.

It is obvious that the draft budget for the next year will be formed at the economy principles and according to allocations for this or that direction. At present the Ministry of Finances of Ukraine works over the basic principles of the Draft Law of Ukraine On the State Budget of Ukraine for 2016. This year the process has been significantly delayed due to a range of reasons: absence of macro projections for 2016, the Core Directions for Budget Policy for 2016 and the Prognosis of the State budget of Ukraine for 2016 and 2017 which should be approved according to the requirements of the Budget Code of Ukraine.

There is still time to prepare proposals on the maximum amounts of expenses for 2016 and anticipated indicators for 2017 and 2018 on fund allocation from the State budget to support HIV/AIDS services to key populations. This, however, should be done rather soon: based on the Section 37 of the Budget Code and the Law of Ukraine On Verkhovna Rada Regulations No 1861-IV as of February 10, 2010, the Cabinet of Ministries of Ukraine submitted the draft State Budget of Ukraine for 2015 to Verkhovna Rada of Ukraine (reg. No 3000, as of September 14, 2015) and immediately withdrew it for updating. Thus, there should be benefit from such a situation, however, there is only one month left for making extra amendments.

Moreover, the Cabinet of Ministries of Ukraine was commissioned by the valid Decree of the President of Ukraine On Additional Emergency Actions to Counteract HIV/AIDS in Ukraine No 1208 as of December 12, 2007, to envisage in full allocations for implementation of the State HIV Prevention, Treatment, Care and Support Program for People Living with HIV/AIDS and for

---

<sup>29</sup> The Law of Ukraine On Approval of the National Targeted Social Program to Counteract HIV/AIDS for 2014-2018 No 1708-18 as of October 20, 2014 [Electronic resource]. – Available at: <http://zakon4.rada.gov.ua/laws/show/1708-18>.

fulfilling relevant commitments required by the Global Fund.

Cabinet of Ministries of Ukraine, Kyiv Oblast and Kyiv City State Administrations were commissioned while developing drafts of relevant budgets to envisage in full allocations for target funding of HIV/AIDS prevention, treatment, care and support activities. In addition, the above were commissioned to fully support the activities by civic and charitable organizations implementing target programs on HIV/AIDS prevention, care and support. Moreover, specific allocations for the relevant identified directions with the established sources of funding were secured by the Law of Ukraine On Approval of the National Targeted Social Program to Counteract HIV/AIDS for 2014-2018.

At present, while developing new approaches to funding any area, an important consideration should be given to decentralization. It is important as the latter secures decentralization of some types of taxes and fees, educational and medical programs which is envisaged by the Draft Law of Ukraine On Introducing Changes to the Constitution of Ukraine (on Decentralized Governance)(reg. No 2217a as of July 1, 2015).

According to these changes, material and financial base for the local governance is secured. In particular, it is specified that such a base is land, movables and real estate, natural resources, other objects owned by the municipal property of territorial community; local taxes and fees, a share of the nationwide taxes and other profits of local budgets. In other words, a financial base for local budgets would be significantly enhanced. But the scope of local authorities' commitments which earlier belonged to the central authorities would be enhanced too.

However, in the valid centralized State Budget there is no budget program that would directly target only activities on HIV fight and prevention. The Law of Ukraine On the State Budget of Ukraine for 2015 secures only UAH 683,700 to maintain the State Service of Ukraine to Counteract HIV/AIDS and other Socially Dangerous Diseases (code of program classification of expenditures and crediting 2305010). According to the code of program classification of expenditures and crediting 2305020 "Improvement of activities on counteraction of HIV/AIDS and other socially dangerous diseases in Ukraine", there was UAH 6,973,800 secured in the special fund which is not a purely budgetary source. Thus there is no risk of losing a significant part of budgetary costs while transfer to decentralization.

There is a likelihood of considering decentralization in the draft State Budget-2016, as there was a positive resolution by the Constitutional Court obtained already No 2-B/2015 as of July 30, 2015.

In the existing system local government administrations have always been at minor positions. They were assigned of responsibilities but not provided with any tools.

It is clearly stated in the Reform Concept and the Suggestions for Amendments into the Constitution that local government administrations authority has to be secured by funding.



Local government administrations will have, in particular, a share of the nationwide taxes (and not only subsidies). If the local government because of the state decisions would have additional expenses, the latter is compensated by the state too.

Within such conditions, all the valid norms and regulations will operate and will be effectual in law, as at present most of the activities on counteracting HIV/AIDS are held at the local level which will be strengthened financially while decentralization. The latter would strengthen budget expenditures on HIV/AIDS counteraction activities.

#### ***1.4. Financial issues of introducing social services commissioning mechanism in Ukraine***

While considering the fact that HIV prevention services are provided at present mainly by civic organizations, it is reasonable to compare the cost of social services commissioning with the cost of their provision by the state-financed organizations.

There has not been any relevant official comparison made in Ukraine. However, if to speak about a range of advantages which state-funded organizations have, one of them is availability of its own facilities for which there is no need to pay the rent fee. And the latter is a usual practice for most non-governmental organizations. State-funded organizations do not pay taxes on their activities but this is not a significant advantage as the single tax amount is a small one. In most cases the civic organizations activities are non-profit at all and therefore not taxed.

In addition, state-funded institutions, according to the approved for them standards for personnel, and while considering the specific of work with higher level institutions, have larger number of administrative and economic personnel when comparing to civic organizations.

If during the process of transfer procurement of services from maintaining state-funded institutions to the social services commissioning mechanism the limits of expenditures for administrative and overhead costs are kept within 25%, the economy, due to experts' opinion, might reach at least 15% of the general expenditures (40%-25%).

When considering the fact that in 2014 the expenditures for social protection and social care<sup>30</sup> allocated in the State Budget for 2014 while identifying the scope of inter budgetary transfers, reached UAH

---

<sup>30</sup> Nursing home for senior and disabled people, disabled children, for training and employment of disabled; maintaining institutions providing social services to children in difficult life circumstances (shelters, centres for social-psychological rehabilitation of children and social hostels); for the territorial centres for social services (social services provision); implementing programs and activities for children, youth, women and families; centres on processing data for charges and welfare and compensations payments; compensation payments to physical persons – social services providers; centres for social rehabilitation of disabled children; centres for professional rehabilitation of disabled people

6,180,824,800<sup>31</sup>, such economy could be over 900 millions UAH (UAH 6,180,824,800 × 15%). This might become additional resource for extra services to key populations' representatives or for increasing the number of service users.

Taking into consideration a significant amount of funding allocated for the above purposes, it is impossible to make an instant and universal transfer from maintaining state-funded institutions to procurement of services. However, a gradual implementation of pilot projects would enable finding the ways and the means to form a relevant policy.

Significant costs are foreseen annually in the State Budget of Ukraine and in the local budgets to support different civic organizations. Specifically, the Law of Ukraine On the State Budget of Ukraine for 2015 secures UAH 71,134,100 within the budget program (code of program classification of expenditures and crediting 2501220) "Financial support of civic organizations of disabled persons and veterans, activities on visiting military cemeteries and military memorials and to memorize the Second World War Victory (1941 – 1945)"; UAH 31,845,700 from the budget program "Financial support of civic organizations targeting physical and sport training" (code of program classification of expenditures and crediting 3401280); UAH 12,777,000 from the budget program "Implementing activities on public youth policy and state support of youth and children's organizations" (code of program classification of expenditures and crediting 3401070).

The fact that civic organizations can receive funding from different sources is their advantage, but budgetary funding is still very important for them. Thus there is a need to consider the budgetary funding system complexity and ambiguity.

The procedure of obtaining budgetary funds by civic organizations is complicated too. To receive funding for the next year, a civic organization should send a request for financial support with the relevant rationales and calculations to the public authority body or an executive board of local council (depending on the organization status).

On receiving positive response for its request, a civic organization develops the budget estimate for the next year and submits it to the public authority body, a local state administration or an executive board of local council.

Before providing positive response on allocations and their amounts, the authority should secure for the civic organization the budgetary funds managing body that will be responsible for target allocations. On receiving approvals of funding by local government executive boards, the civic organization provides to the budgetary funds managing body the following documents for approval: a copy of the plan, its foundation documents, a letter of request with the rational for financial aid, the budget estimate for the budgetary funding. An executive board of local council incorporates the estimated budget of civic organizations

---

<sup>31</sup> Explanatory Note to the Law of Ukraine On the State Budget of Ukraine for 2014 [Electronic resource]. – Available at: [http://w1.c1.rada.gov.ua/pls/zweb2/webproc4\\_1?pf3511=48267](http://w1.c1.rada.gov.ua/pls/zweb2/webproc4_1?pf3511=48267).

into its budgetary request to local financial bodies for approval. The civic organization is allocated the amount which, unfortunately, does not always correspond with the previously submitted estimated budget.

The current regulatory framework does not determine the specific criteria and areas for financial interaction of public authorities and civic organizations. And to integrate the interests of public authorities and civic organizations, before drafting estimated budget, the main budgetary funds managing body should orient candidates for budgetary funds on priorities in funding and activities to be supported within the current budget.

To enable obtaining funds by the civic organization, the budgetary funds managing body should approve the allocations plan and the plan for using budgetary funds by the civic organization.

The civic organization can use obtained budgetary funds in line with the plan approved by its manager and agreed with the budgetary funds managing body. The standard form for the plan of budgetary costs use is secured by the Ministry of Finances of Ukraine. If necessary, it can be supplemented with other indicators specific for this very civic organization. The above form of budgetary funding allows supporting civic associations as they are, without binding to a specific service provided by this very organization.

However, similar issues in documenting and entry of payment bills via the Treasury bodies are faced by the CO and CF while social services commissioning. In this case they are designated to be budgetary funds recipients and all the funds are transferred via the accounts opened by these civic organizations within the Treasury system.

In such a situation the organizations are funded based on the leftover principle, as non-budgetary organizations which expenses are not prioritized, despite the fact that there are protected items within the structure of their expenses, such as salaries and wages, subsistence, public utilities payments etc.

Besides, unpaid recipients' liabilities are not considered to be budgetary, as the latter liabilities are registered only in case there are secured allocations available. As a result, at the end of the year significant amounts of expenses for social services commissioning might be left unpaid.

To address the above challenge, such expenses could be attributed to the item "Current transfers to population". This would make them "secured expenses", according to the Section 55 of the Budgetary Code of Ukraine, as well as prioritize payments of bills and secure against the budget sequestration. In fact, these are the expenses which target the population and address specific service users' needs and do not support the civic organization's activities.

The next challenge for the regular funding of CO and CF is the stage of funds transfer from the account of the service customer to the CO or CF account specially opened at the Treasury. To address the above, it should be permitted to transfer costs for social services commissioning directly to the SC recipient's account opened at the commercial bank.

## CHAPTER II

### REVIEW OF STUDIES ON SOCIAL SERVICES COMMISSIONING PRACTICES IN UKRAINE

There are few studies and analytic materials on social services commissioning in Ukraine, despite quite a long history of its development in the country. Available sources of information mainly concern legal and procedural issues of social services commissioning. As the latter have been changed very rapidly during recent years, most of the materials went out of date.

Amongst the modern ones there are collected materials “Social services commissioning mechanism in post-Soviet countries” where abstracts from laws and bylaws provided regulating social services commissioning in such countries like Belorussia, Armenia, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russian Federation and Tajikistan. In addition, articles are provided by the experts from these countries on modern social services commissioning practices<sup>32</sup>. Besides, detailed description of economic, organizational and social-political advantages for social services commissioning is provided [<sup>33</sup>, pp. 41-45].

The history of social services commissioning in Ukraine is presented in the collated materials “Social services commissioning in Ukraine: 10 years practices” edited by I. Brudnyy and A. Krupnyk<sup>34</sup>. These are collected analytic, regulatory and procedural materials used by local authorities to practice social services commissioning. In addition, the social services commissioning practices in Odesa City and at the local level in other regions of Ukraine are described. The authors identify several factors to be barriers for social services commissioning development, specifically:

- 1) the authorities are not ready to interact with NGOs, not aware of the third sector situation and its capacities;
- 2) the authorities do not consider the third sector as a real social force which is needed to be reckoned with, and to build equal partnership relations;
- 3) prevalence of institutional interested and the authorities do not wish to share budgeting funds;
- 4) many NGOs are not professionally capable to implement joint serious tasks with the authorities within the social projects’ frameworks; they are lacking work experience in the situation when the State Treasury supports spending budgeting funds [<sup>35</sup>, p. 17].

---

<sup>32</sup> Social services commissioning in post-Soviet countries. Collection of analytic and regulatory materials of the International meeting of experts on introducing social services commissioning mechanism in post-Soviet countries. Odesa, November 25-26, 2013 / Ed. by A. Krupnyk. – Odesa: Yevrodruk, 2013. – 216 p.

<sup>33</sup> Ibid.

<sup>34</sup> Social services commissioning in Ukraine: 10 years practices / Ed. by I. Brudnyy, A. Krupnyk // Collection of analytic and regulatory and procedural materials. – Odesa: Yevrodruk, 2011. – 156 p. – Available at: <http://samoorg.com.ua/wp-content/uploads/2011/08/socialny-zakaz-v-ukraini.pdf>.

<sup>35</sup> Ibid.

The changes are reviewed in the Policy Brief of the National Institute of Strategic Studies<sup>36</sup> which are needed for the regulatory framework for social care provision (social services provision) within the period between 2012 and 2013, and those on social services commissioning. The authors claim that the very issue of establishing social services commissioning as the mechanism of funding non-governmental organizations with budgetary funds was positive to enable their social services activities, but a range of challenges related to its practices occurred.

Theoretic and applied analysis of social services commissioning is provided by publications of K. Dubych<sup>37</sup>. The author understands the “social services commissioning” term as contractual relations (signing a contract) between the state (the Customer) and a non-government subject – social services provider (executor), on providing social services for the population with funding (from the state or local budgets), based on open bidding selection (tender). In addition, the author analyses the foreign practices of social services commissioning by other European Union countries (Hungary, Poland, Czech Republic, Romania and Slovakia). Based on the latter she summarizes the following mainstreams of social services commissioning in the above countries:

- privatization (demonopolization) of social area, in particular, via decentralization of authority, resources and responsibility for social services commissioning delegated by the state to non-governmental organizations;
- social services market grouping via creating competition between providers, stimulating investments in social sphere;
- building inter-sectoral cooperation as the foundation for the above mechanism; assisting non-profit organizations in their economic activities, improving their funding etc.

The above author claims that the key issues complicating practicing social services commissioning in Ukraine are: insufficient regulatory provision; resistance by the state social service providers; the authorities’ non-acceptance of the third sector organizations as equal partners for social cooperation, levelling their role in social services provision; lack of relevant experience in joint performance of tasks in social services provision, low level of professional training of many non-governmental organizations.

Thus, the issue of HIV prevention social services commissioning was addressed in none of the above analyzed sources.

---

<sup>36</sup> Kochemyrovskya O. On development of social services provision system in Ukraine at a modern stage. Policy Brief [Electronic resource] / O. Kochemyrovskya, A. Avchukhov // The National Institute of Strategic Studies under the auspices of the President of Ukraine. – Kyiv, 2013. – Available at: <http://www.niss.gov.ua/articles/1328/>.

<sup>37</sup> Dubych K. Social services commissioning as an efficient mechanism for social services provision in Ukraine [Electronic resource] / K. Dubych. // Public Governance: Theory and Practice. - 2013. – No 1. - Available at: [http://nbuv.gov.ua/j-pdf/Dutp\\_2013\\_1\\_14.pdf](http://nbuv.gov.ua/j-pdf/Dutp_2013_1_14.pdf).

In terms of options for HIV prevention social services commissioning, there is an interesting study “International practices of funding civil society organizations”. The study was held by the OSCE consultant Balazs Sator within the frames of the Civil Society-International Best Practice Research project in 2010<sup>38</sup>. The study was aimed at suggesting best practices to be applied in Ukraine for funding activities of civic organizations from European countries, including such East-European ones like Hungary, Croatia. Amongst the other possible mechanisms of funding civic organizations, the author considers social services commissioning too (it is called here as “social order”). One of the study conclusions is that in Ukraine both the state and civic organizations are not ready to “appropriate contract relations at a systematic base; for instance, local authorities might be not prepared enough to sign contracts, or civic organizations themselves might be insufficiently qualified to submit applications” [<sup>39</sup>, p.122].

Similar outcomes were evidenced by the study “Assessment of NGOs’ potential (including employment) and needs in technical aid” conducted by the ICF “International HIV/AIDS Alliance in Ukraine” and GfK Ukraine in 2014<sup>40</sup>. It is concluded in the study that directors of HIV service NGOs do not always apply for calls for proposals and grants relevant to their area of activities, due to a range of reasons. Amongst them there are the following: lack of time, lack of relevant qualification to submit an application, lack of professionals who might correspond to the requirements announced, as well as confidence that they would be able to win a competition. The researchers think that such a situation might be explained by existing education level and qualification of both directors and staff. Thus, many NGOs directors do not have financial education; they lack knowledge to monitor the accountants’ work. In addition, 55% of NGOs directors mentioned that they lack these or those professionals, mainly – deputy directors or “senior social workers”, PR manager, lawyer. Out of 69 interviewed directors of HIV service NGOs, only few of them had work experience related to social services commissioning.

Some social services commissioning issues were studied in the research “Exploring mechanisms to ensure sustainability of HIV/AIDS prevention activities for high risk groups while considering reduction of international financial aid for Ukraine”. The study was held by the Socioconsulting Analytic Centre for the ICF “International HIV/AIDS Alliance in Ukraine” within the frames of the Political Sustainability Project, by the financial support of the International HIV/AIDS Alliance (UK)<sup>41</sup>. The study was aimed at review and

---

<sup>38</sup> Balazs S. International practices of funding civil society organisations [Electronic resource]. - OSCE, 2010. - Available at: <http://www.osce.org/ukraine/76889>.

<sup>39</sup> Ibid.

<sup>40</sup> Assessment of NGOs’ potential (including employment) and needs in technical aid. Report on the study outcomes [Electronic resource] // ICF “International HIV/AIDS Alliance in Ukraine” and GfK Ukraine. – Kyiv, 2014. – 16 c. – Available at: <http://www.aidsalliance.org.ua/ru/library/our/2014/potential%20ukr.pdf>.

<sup>41</sup> Exploring mechanisms to ensure sustainability of HIV/AIDS prevention activities for high risk groups with consideration of international financial aid reduction for Ukraine. Report on the study outcomes [Electronic resource] // Socioconsulting Analytic Centre and ICF “International HIV/AIDS Alliance in Ukraine”. – Kyiv,

analysis of expert evaluations of sustainability mechanisms for prevention activities amongst high HIV infection risk groups in changing conditions. One of the mechanisms studied was social services commissioning. The research field study was held between November 25 and December 11, 2014, and its outcomes were published at the beginning of 2015. Though the study was not focused on social services commissioning practices (only few respondents from the two oblasts – Poltava and Cherkassy - had experience of work with social services commissioning), however, some of its conclusions might be very important for our research too.

Based on the study outcomes, most experts claimed that improving regulatory framework for social services commissioning, in the first instance, “approval of the Order of social services commissioning with budgetary funding approved by the Directive of the Cabinet of Ministers of Ukraine No 324 as of April 29, 2013, and a range of other departmental documents, would allow removing main regulatory barriers for introduction of social services commissioning for prevention amongst high risk groups”. At the same time, “many regional experts indicated imperfection of regulatory framework on introducing the social services commissioning mechanism, without specifying what is needed to be changed”. The interviewed experts were mainly pessimistic when characterizing prospects for allocating funds for social prevention for 2016-2017. According to the research outcomes, “allocating funds for basic prevention services, such as disseminating condoms and lubricants (for all high risk groups) or syringe exchange (for IDUs) most experts evaluated as unlikely or even unreal at all” [<sup>42</sup>, p.20].

Thus, most of the studies held did not explore any options for HIV prevention social services commissioning practices. Only two studies held by the support of the ICF “International HIV/AIDS Alliance in Ukraine” raised this issue. However, the research outcomes evidence that the experts provide pessimistic evaluations for the prospects of HIV prevention social services commissioning in the nearest years.

At present social services commissioning in Ukraine is practiced in Mykholayiv, Zaporizhzhya, Cherkasy, Khmelnytskyi oblasts, the cities of Odesa and Poltava.

In 2015 in line with The Complex Program for Social Protection of Population “Care” for the Period Until 2015 within the Mykholayiv oblast budget there were funds allocated (UAH 99,000) for social services commissioning for social-psychological support for demobilized military and their family members. The winner of the call for proposals was the All-Ukrainian charitable organization “Initiative for life” which obtained this social services commissioning.

---

2015. – 48 p. – Available at: [http://www.aidsalliance.org.ua/ru/library/our/2015/3\\_03\\_%D0%90%D0%9D\\_%D0%9E%D0%A2%D0%A7%D0%95%D0%A2.pdf](http://www.aidsalliance.org.ua/ru/library/our/2015/3_03_%D0%90%D0%9D_%D0%9E%D0%A2%D0%A7%D0%95%D0%A2.pdf).

<sup>42</sup> Ibid.

Cherkassy Oblast Council on Counteracting Tuberculosis and HIV/AIDS introduced in 2014 suggestions towards practicing the mechanism of social services commissioning for the population by non-governmental organizations. The suggestions were to ensure that non-governmental organizations receive budgetary funds for addressing the population social issues, enhancing institutional capacity of non-governmental organizations to fight tuberculosis and HIV/AIDS<sup>43</sup>. As a result, in order to explore social services commissioning mechanism for its further implementation across the oblast, I. Bilous, the Deputy Head Doctor of Cherkasy Oblast AIDS Centre, became a member of the work group of the Committee on Regional Policy of the National Council to Counteract Tuberculosis and HIV/AIDS. This was done to explore existing practices of social services commissioning and other mechanisms for target financial aid for non-governmental organizations in Ukraine. During the Work Group session as of April 24, 2014, Cherkasy Oblast was selected for piloting development of the oblast social services programs. Between May 19 and 23, 2014, there was the training held in Cherkasy City for representatives of structural subdivisions on social protection of the population, education and science, health care, economics, finances<sup>44</sup>.

At the same time, at the national level there was the work group established at the Committee on Regional Policy of the National Council to Counteract Tuberculosis and HIV/AIDS. Its goals are to study existing experience and practices on social services commissioning and other mechanisms for target financial aid for non-governmental organizations providing services at the regional level in Ukraine<sup>45</sup>. For the time of drafting this report only two work group sessions were held where the Ministry of Social Policy presented its core approaches and materials on social services commissioning and the situation with its implementation in Cherkasy Oblast.

Zaporizhzhya Oblast has the experience of social services commissioning too. Since 2013 there was the Support for Social Services Development in Ukraine project implemented here funded by the EU Twinning Program. The project partners were the Ministry of Social Policy of Ukraine and the Ministry of Social Affairs and Health Care of France. One of the project components was support for development of the social services commissioning mechanism. In 2013 the Department of Labour and Social Protection of Population at Berdiansk City Council (Zaporizhzhya Oblast) announced call for proposals for

---

<sup>43</sup> Plan of activities of Cherkassy Oblast Council on Counteracting Tuberculosis and HIV/AIDS for 2014 as of December 24, 2013 [Electronic resource]. - Available at : [http://snidu-ni.ck.ua/index.php?option=com\\_content&view=category&layout=blog&id=6&Itemid=2](http://snidu-ni.ck.ua/index.php?option=com_content&view=category&layout=blog&id=6&Itemid=2).

<sup>44</sup> Protocol No 1 of the session of Cherkassy Oblast Council on Counteracting Tuberculosis and HIV/AIDS as of May 16, 2014, Cherkassy City [Electronic resource]. - Available at: [http://snidu-ni.ck.ua/index.php?option=com\\_content&view=article&id=99:-1-160514&catid=8:2012-02-08-08-05-31&Itemid=29](http://snidu-ni.ck.ua/index.php?option=com_content&view=article&id=99:-1-160514&catid=8:2012-02-08-08-05-31&Itemid=29).

<sup>45</sup> Session of the Committee on Regional Policy of the National Council of Counteracting Tuberculosis and HIV/AIDS [Electronic resource]. - Available at: [http://interhealth.org.ua/index.php?option=com\\_content&view=article&id=244:2015-03-12-16-05-19&catid=34:2008-10-16-06-57-24&Itemid=18](http://interhealth.org.ua/index.php?option=com_content&view=article&id=244:2015-03-12-16-05-19&catid=34:2008-10-16-06-57-24&Itemid=18).



service commissioning on organization of night stay for homeless and people in difficult life circumstances during the cold period of the year. It was planned to spend UAH 57,995 for 90 persons.

Within the above project in Zaporizhzhya City by the support of the Department of Social Protection of Population of the Oblast State Administration there was training held on how to organize social services commissioning and monitoring the social services system. The training participants were professionals working in social area and non-governmental social services providers from Zaporizhzhya and Dnipropetrovs'k Oblasts as well as from Kyiv City. The training was aimed at assisting the structural subdivisions of social protection of population of the oblast state administrations in implementing regulatory documents on social services and the reform of their provision in general. It was envisaged that the trainings participants will be able to further disseminate the experience they gained across their colleagues.

During the training the specific consideration was given to the following issues: establishing social services market via engaging non-governmental social services providers, specifically, through the social services commissioning procedure; development of monitoring for the social services system that would enable efficient analysis of the process of social services provision and to form social policy priorities for future; introduction of quality assurance procedure for social services to enhance quality etc. Similar trainings were held in 2014 in Kyiv, L'viv and Mykholayiv for all the regions of Ukraine. In addition, the School of Social Knowledge is organized by the Department of Social Protection of the Population of Mykholayiv Oblast State Administration, and within its curriculum there is a training module "Organization of social services provision to vulnerable populations"<sup>46</sup>. There is a special topic there "On Implementing Social Service Commissioning".

The activities of the ICF "Coalition of HIV service organizations" are important for developing social services commissioning too. The organization provided technical support for Odessa and Zaporizhzhya Oblasts within the project "Strengthening civic society capacity in civic monitoring of public funding and reforming the system of social services, to ensure sustainability of the system of integrated services on HIV/AIDS prevention and treatment, care and support". The latter was supported by the ICF "The All-Ukrainian Network of PLWH". Its important part was training NGOs to make needs assessments amongst the populations vulnerable to HIV (including people living with HIV, people using psychoactive substances and injecting drugs, homeless adults and children, ex-prisoners, children in difficult life circumstances). The NGOs were also trained to use the latter for promoting social services commissioning<sup>47</sup>.

---

<sup>46</sup> The Department for Social Protection of the Population in Mykholayiv Oblast State Administration. The School of Social Knowledge. [Electronic resource]. – Available at: [http://sotszahist.mk.ua/index.php?option=com\\_content&view=article&id=6212&Itemid=37](http://sotszahist.mk.ua/index.php?option=com_content&view=article&id=6212&Itemid=37).

<sup>47</sup> Needs assessment for social services in Odessa Oblast [Electronic resource]. - Available at: <http://www.hiv.org.ua/news?id=925>.

There are other organizations sharing support and dissemination of partnership practices of the authorities and non-governmental organizations in social services provision at the local level. For instance, Ukrainian Centre for Independent Political Research has launched the Social Services with Joint Efforts Project across the six regions of Ukraine (Kyiv, Chernihiv, Cherkasy, Zaporizhzhya, Dnipropetrovs'k and L'viv Oblasts) during 2015-2017. The Project is aimed at a range of issues. Firstly, to provide grants for the joint projects of non-governmental organizations and institutions of local governing on social services. Based on the call for proposals outcomes there will be 20 non-governmental organizations selected which will receive grants for up to €15,000 each to implement lacking or innovative social services jointly by NGOs and institutions of local governing. The projects will be focused on social services commissioning implementation, creating mechanisms for the state and private partnership in social services provision, developing social entrepreneurship etc. The priority is given to those projects that will sustain their activities after completion of grant funding or would incorporate contribution of institutions of local governing.

Secondly, to enhance capacity of non-governmental organizations for cooperation with the authorities in social services provision. For representatives of 30 selected target organizations there will be workshops held on participation in decision making and in social services provision.

Thirdly, to advocate best practices in engaging non-governmental organizations to social services provision at the local level. Non-governmental organizations and experts will jointly work within the project on sustaining best practices in engaging non-governmental organizations to social services provision.

The project outcome will be introduction of efficient practices of NGOs engagement to social services provision with budgetary funds, other forms of budgetary support of NGOs-social services providers. However, the project target organizations are local organizations of selected regions which directly provide social services to people with disabilities, senior citizens, internally displaced people and other vulnerable social populations. There is no information available on whether the project will support activities on developing HIV prevention social services commissioning.

There is another project supporting social services commissioning – “Enhancing efficiency of using local governing budgetary funds for social protection of population via social services commissioning” which resulted into creating the Social Services Commissioning in Ukraine portal by Kharkiv Oblast civic association “The Community Development association”<sup>48</sup>. The project was implemented by the support of the small grants Matra KAP Program of the Royal Netherlands Embassy in Ukraine. There are documents at the portal which concern legal regulation of social services commissioning, information on

---

<sup>48</sup> Social Services Commissioning in Ukraine [Electronic resource]. - Available at: <http://soczakaz.org.ua/pro-portal/>.

the call for proposals for social services commissioning and the call for proposals for social projects in Kharkiv City for 2015. In addition, there are samples of necessary documents for participation in call for proposals etc which could be used by other civic organizations in Ukraine.

## CHAPTER III

### EXPLORING SOCIAL SERVICES COMMISSIONING PRACTICES IN KEY OBLASTS

#### *3.1. Social services commissioning procedure*

Social services commissioning procedure in all the oblasts studied is similar and is determined by the Order of social services commissioning with budgetary funding, preceded by development and approval of the relevant Regulation at the local level (city, oblast).

To develop the Regulation and relevant procedures, but for the Department/Division of Social Protection, as a rule, there were other departments engaged (legal, financial and domestic policy), deputies, work groups, NGOs. In some oblasts the requests were made to the Ministry of Social Policy of Ukraine and to the UNDP experts. In case NGOs were initiators for social services commissioning, they used similar approach while developing procedure for social services commissioning at the local level.

To develop the regulation and relevant procedures at the local level, the Draft Guidelines on social services commissioning implementation are actively used.

The existing Order for social services commissioning envisages the following stages: 1) formation of social services commissioning (rationalizing the need in social services for target populations; analysis of services that are being provided already, rationalizing their quality; calculation of the service cost; advocating the selected services as priority ones); 2) implementing social services commissioning (opening the call for proposals for social services commissioning; drafting relevant documents; closing the call for proposals and discussion of the submitted applications in the format of deputies' commissions and public discussions; selecting winners; signing contract; implementing social services commissioning); 3) reporting on target use of costs and the quality of service provided (drafting reports; work with the State Treasury; maintaining the state standards for social services; target use of funds).

Most of the study participants indicated that the order for social services commissioning implementation is very complicated, and its potential recipient should participate at almost all the stages to obtain funds for social services.

More chances to obtain social services commissioning, by the respondents' opinion, will have those organizations which join the procedure starting from the stage of formation and participation in the Regulation development.

The respondents-representatives of civic organizations indicated that their participation in the Civic Council sessions to discuss priority social issues was important too. The respondents pointed out that they evidenced cases when at

such civic councils there were only the stakeholders' interests advocated and not the local community ones.

Most of the civic organizations mentioned that their representatives participated in the sessions of deputies' commissions which reviewed the submitted applications. At this stage potential recipients of social services commissioning had the largest difficulties, as sometimes deputies made decisions for the benefit of the other groups of social services users which they considered to be priority.

Some respondents mentioned the complexity of social services commissioning procedure.

*"In fact, the issue of social services commissioning was considered by us... We even analyzed in which regions the services can be procured... Then we considered the issue, explored the regulatory framework and I would like to say that tender procedure is a very special one, and the social service commissioning is very special too. All our ministries and all the oblasts have experience in tender procedures, that is, procurements of services or selection of contractor, executing activities. This is a significantly simplified procedure; it's an announcement of call for proposals... That is why we analyzed it and, in fact, this procedure is very complicated for us. Thus at present this procedure is not implemented in our oblast"* (representative of local authorities).

*"There is a need to simplify the procedure for the social services commissioning... In addition, we face the situations when every year we take similar documents (constituent ones etc) from similar people, and the similar actions are repeated... They are tired of that, and we are tired too... There is a need for a kind of registry or a kind of electronic interchange, or something at the Ministry of Justice. For instance, we sent the request to the latter that the organization works, or just simply visited any database and checked everything there. We are tired of that as each time we need to check whether there are certain documents available; these are the same documents... It's difficult, as it takes extra time. Thus, possibly, there should be some interdepartmental order on the information exchange... Some references could be possibly left..."* (representative of local authorities).

Moreover, some respondents indicated that the very complexity of the social services commissioning procedure was the main reason for them not to use it.

*"At present we have planned to introduce the social services commissioning to establish the institution for homeless. But having read and processed in details all the procedure, we decided that we would possibly cooperate with charitable and civic organizations, like we did it earlier [support their statutory activities]"* (representative of the local authorities).

*"The time spent for this walking to financial institutions does not cost this money"* (NGO representative).

At the same time, most of the respondents consider that social services commissioning should be developed further. The Ministry of Social Policy should be the most active in this process.

*“When there is a mechanism for the social services commissioning in place it’s easier to receive budgetary funding. I think, it should be the ‘top-down’ initiative, the initiative from the Ministry of Social Policy that you should secure allocation of UAH 1,000,000 from your budget annually. Until there is no such pressure on them [local administration], I think, it will be more difficult to work and to promote this idea of social services commissioning”* (NGO representative).

Thus, the procedure of obtaining social services commissioning in the oblasts studied is a typical one. However, engagement of potential recipients of social services commissioning at the different stages of the above procedure differs and that influences approval of relevant decisions. The more actively the organization is engaged into social services commissioning implementation at all the stages, the more likely it would receive relevant funding for social services provision.

### **3.2. Social services commissioning planning**

#### Advocating social services commissioning

The study evidenced that social services commissioning and allocation of costs for it was advocated by the local executive agencies (departments/divisions for social protection of the population) or NGO.

Thus, for instance, in Khmelnytskyi Oblast where the social services commissioning mechanism was piloted by the support of the UNDP Support of the Social Sector Reform in Ukraine project, the initiative on introducing the mechanism originated from the local Department for Social Protection of the Population.

*“This is mainly the initiative of our Director of the Department, and when I started working we had social projects implemented, calls for proposals announced. But this is too little... The Director noticed it. It’s her initiative and she as a Deputy assisted social services commissioning introduction”* (the local authorities’ representative).

In the other oblasts local NGOs played the key role in social services commissioning advocacy.

*“In 2014 the All-Ukrainian Network of People Living with HIV hired an expert-consultant to assist us at the local level who helped to advocate the social service commissioning ... There was a range of meetings-negotiations. The result was that the Director of the Department for Social Protection of the Population said that there would be UAH 100,000 allocated for the social services commissioning within the local ‘Turbota’ (‘Care’) program”* (NGO representative).

In the rest of the regions studied the initiative was a bottom up one, and, as a rule, it required a lot of efforts by NGOs which advocated approval of relevant regulations and allocation of funds for social services commissioning in different possible ways and by various means.

*“When the state regulatory acts were issued re: opportunities for the social services commissioning introduction in Ukraine, our non-governmental organization was amongst the first to ‘catch’ the idea. And since 2009 we have been trying to introduce it, to ‘push’ it to the local Council. We met Deputies, there was the session. We worked with the Deputies’ commissions, made presentations, developed the contracts, as well all the regulatory framework needed to implement social services commissioning to legalize it at the local council. However, there was not any positive response for all that, and the authorities’ representatives rationalized it by not having experience, absence of by-laws which could explain every step...”* (NGO representative).

Introduction of social services commissioning in Zaporizhzhya Oblast was assisted by the efforts of the Civic Council at Zaporizhzhya Oblast State Administration on monitoring the authorities activities, developing civic society and public expertise. The Council has actively promoted approval of the Regulation on Social Services Commissioning in the oblast by all possible means. Public hearings were used, information was provided on non-governmental organizations competent to deliver social services. In addition, one of the directors of the charitable organization “The All-Ukrainian Network for PLWH” had the Council membership, and that enabled obtaining relevant information in time as well as representing the civic organization interests<sup>49</sup>.

At the same time, even if the organization was actively engaged into advocacy of social services commissioning, development of relevant regulatory documents, it was not amongst its recipients.

*“Around three years ago we made another attempt to develop social services commissioning. We wrote the regulation. And this social service commissioning regulation was approved. But they did not inform us that they started allocating funds for our mechanism”* (NGO representative).

### Identifying priorities for social services commissioning

There is a different experience of identifying priorities for social services provision in the regions studied. Thus, in some regions the priorities are identified based on the needs assessment for social services at the administrative-territorial unit, in the others – based on the outcomes of public discussions or consideration of local authorities’ representatives.

*“During the needs assessment there were several priorities. We have been submitting many times our suggestions on the need for social protection of homeless people, adaptation of ex-prisoners... However, at present we consider*

---

<sup>49</sup> Protocol No 9 of the General meeting of the Civic Council at Zaporizhzhya Oblast State Administration [Electronic resource]. - Available at: <http://gromrada.zp.ua/2014-03-19-07-17-50/2014-03-19-07-19-37/2014-03-19-07-21-49/2012/130-protokol-9-zagalnikh-zboriv-gromadskoji-radi-pri-zaporizkij-oblasnij-derz>.

*the main issue to be psychological support for demobilized servicemen, their family members. We referred to the Oblast State Administration and suggested allocating costs for addressing the above need” (representative of local authorities).*

During the study there was not any typical procedure identified for defining priorities for social services provision. At the same time, the respondents indicated that services for children and families, cultural activities were always priority ones.

*“There is a need to say here about the priorities: it’s clear that the local community representatives prefer funding services provided to children, and such as senior citizens or people living with HIV/AIDS have low chances to be priority” (national expert).*

*“It was even interesting for me to watch what would be the priority chosen by the community: the monument to Mazepa, or the issue of drug addicts, or disabled children?” (NGO representative)*

HIV/AIDS prevention and social prevention services for key populations were not called by any respondent to be priority types of social services for local authorities.

*“I think that this service [on HIV prevention] is of priority for the urban community where the morbidity rate for such illnesses is higher according to the statistics. Because in rural community it is for present not the service needed, and the problem is smaller there” (representative of local authorities).*

Thus, when identifying priorities, as a rule, rationale for the need in social services for key populations is not taken into consideration, as well as analysis of the services already being provided, justification of their quality, due to the fact that the core criteria is a target group.

#### Calculation of cost of social services commissioning

Cost of social services is calculated based on the standards approved by the Ministry of Social Policy of Ukraine. In case the standards were lacking for a certain service suggested to potential recipients of social service commissioning, specification of the service was developed.

None of the respondents indicated that they used the developed by the UNDP Draft Guidelines for calculating cost of social services.

Moreover, most of those who had their own experience of social service commissioning implementation turned attention to the fact that while calculating the service cost, they took into consideration the issue that social service commissioning for all social services in general should not exceed UAH 100,000. However, national experts indicated that there is no relevant limit and the local social service commissioning subjects misinterpreted the norms, as the limit of UAH 100,000 concerned only one service.

*“We have been having UAH 96,000 annually during the last few years, as the total for the social services commissioning is only UAH 100,000 annually.*



*If there is another amount, there is another procedure there which is very expensive both for us and for the organization... In other words, the Law does not specify whether this amount is for one service or for all the social services commissioning... When we consulted the financiers, it was clarified that UAH 100,000 is for all the social services commissioning annually. Thus, the amendments should be made and it should be specified that there might be UAH 100,000 per service... ”* (local authorities’ representative).

In addition, the respondents stressed that the amount of UAH 100,000 was insufficient for provision of most of the services throughout a year.

*“This is too little for the organization providing such services ..., and in terms of how the dollar exchange rate has changed during the last three years, as well as prices, this amount is very symbolic... ”* (national expert).

Thus, calculation of the social services costs for the social services commissioning is made based on the relevant standards for service provision used for drafting the budget or, in case the standards are lacking, their own specification is developed. There is an ambiguous interpretation of what should be the maximum amount for the social services commissioning in total and per each service. Respondents identified that when exceeding the amount secured for the social services commissioning, they should use the other procedures regulated by the Law of Ukraine On Public Procurement which required from them a tender procedure. As a result, the local authorities restrict the amount with maximum UAH 100,000 for the social services commissioning.

#### Informing on the call for proposals for social services commissioning

All the respondents indicated that all the information on the call for proposals and the prerequisites for obtaining social services commissioning should be placed at the website of the Department/Division of Social Protection of the Population. However, as social services commissioning did not become a regular procedure, some NGOs representatives had difficulties with access to the information.

*“But it’s important that informing on the social services commissioning opportunities could be very well presented both in mass media and at the local authority web pages; then it would ensure transparency”* (national expert).

Most potential recipients of social services commissioning obtained the information on the call for proposals from official websites of local administrations. Moreover, some respondents indicated that they had difficulties in finding the information.

In addition, some respondents indicated that they received information directly from the representatives of the Department/Division of Social Protection of the Population, or as a result of their representatives’ participation in the Deputies’ commissions at the local administrations.

One of the respondents stated that during the process of informing on the call for proposals for social services commissioning it was important to consider the local specific.

*“In other words, there is a need to focus on those mass media which are available in this village, in this region, and not to invent the Internet. Who will be reading at the web portal that in some specific village this or that service is needed to be provided? In other words, the local authorities should make choice of the source which they consider the most efficient one... Publication might be made at the website and in the local mass media, so as there could be a published confirmation, a magazine or a newspaper. Such type of things should be there”* (local authorities’ representative).

#### The procedure and selection criteria for winners of the call for proposals for social services commissioning

Respondents indicated that while selecting winners they were guided, in the first instance, by the Order of social services commissioning with budgetary funding. At the same time, an important selection criterion was the organization financial situation and its capacity during a certain period to deliver on their own funds the services which they were commissioned by the local administration.

*“According to the Directive of the Cabinet of Ministers of Ukraine No 324, there is a criterion re: the participant’s financial situation, specifically, lack of accounts payable and opportunity to deliver services on its own costs with the cost evaluation for social services and material and technical base. This means that at first they can deliver services on their own cost, and then, in case there is the Statement on the activities available, we reimburse these costs to them”* (local authorities’ representative).

Amongst the other criteria the respondents listed the organization image which was identified by the long-term and successful experience of service provision, availability of experienced and qualified director and accountant, and trained personnel with the relevant professional background and training. The representatives of local organizations consider that the latter criteria should be the most important one.

*“How can they prove they are capable to do this work? ... We have four people with PhD (Candidates of Sciences) working in the organization. We have been working twenty years in the area. Why can’t we do this work with the budgetary funding?”* (NGO representative).

Some respondents pointed out the appropriateness of certification for the civic organizations staff in the future.

*“In the first instance, I would raise the issue on certification of staff of civic organizations delivering these or those services. To ensure this, there is a need for creating an expert group but it should not be at the local level... I do not trust our local people”* (NGO representative).

While selecting the winners of the call for proposals, previous successful experience in cooperation of social service commissioning customer (Department/division of social protection of the population) and the civic organization submitting application for the call for proposals might be of a significant importance.

There are cases when only one organization submits application for the call for proposals for social service commissioning and it receives it. Most of the respondents consider this to be acceptable as there is only one organization in the community which is capable to deliver this service and which corresponds to the selection criteria, in the first instance, in terms of capacity to deliver services on its own cost during a long term.

*“I think an important practice is when in the situation of the single organization submitting application for the call for proposals the latter should take place, and the organization should obtain funding...”* (national expert).

Thus, the information on the call for proposals is placed at the websites of local administrations which is the main way to disseminate the information. In addition, potential recipients of social services commissioning learn about the call for proposals due to their personal relations: they are directly informed by the representatives of the Department/division of social protection of the population; the information is disseminated via the members of Deputies' commissions, members of civic councils etc.

### ***3.3. Existing social services commissioning practices***

#### Social services commissioning customers and the funding sources

Based at the research data obtained, the Departments/divisions of social protection of the population were exclusively the social services commissioning customers at the local level.

*“Social services commissioning is a good question; our Department for Labour and Social Protection of the Population should be asked about it”* (representative of local authorities).

All the interviewed representatives of the departments mentioned the overload of specialists and staff turnover that influences the capacity of the Department/division of social protection of the population to deliver quality social services commissioning.

*“If we add extra competences to social protection, there is a need to ensure some resources for social protection, as social protection has been having an overload of competences during the last two years, and the resources are kept being reduced...”* (representative of local authorities).

Some respondents turned their attention to the fact that the social commissioning services provided were funded within the “Turbota” (“Care”) Program.

*“This is the Oblast Program. The funds for the social services commissioning were allocated within the Oblast ‘Turbota’ (‘Care’) Program”* (representative of local authorities).

Some respondents mentioned that funding HIV prevention services was secured within the Oblast Programs to Fight HIV/AIDS. However, on the way to this program implementation there was a range of challenges.

If the Departments/divisions of social protection of the population are assigned to be executors at the local level, in this case they finance social services. At the same time, they are not able to fund services with the medical component (e.g., syringes and condoms purchase and exchange etc).

*“We have ten hospice beds, that’s why we write ‘hospice and support’, but, unfortunately, the Ministry of Social Policy is responsible for social services in the State Program, and the Department for Social Protection - in the Oblast Program. We are mentioned there as co-executors. The funds can not be allocated for us. They explained it in such a way at the Department of Finances, I went there. There are activities, but there is no funding ensured”* (representative of the state organization – service provider).

*“We are not entitled to fund medical services”* (local authorities’ representative).

*“In the previous programme for 2009 – 2013 one of its items was social services commissioning implementation. And it was envisaged that small funds would be allocated for services to be provided by the civic organizations on these issues. But the costs were not allocated. And, of course, the Department of Health Care, at least at the oblast level, refuses to have anything to do with it. They say: ‘We deliver only medical services...’.”* (NGO representative).

The other problem is that even if the costs are secured within the program, in practice they can lack, or, if necessary, they can be redistributed to other needs.

*“The Oblast Social Target Program to Counteract HIV/AIDS for 2015-2018 has such a Section – ‘Social Services’. However, we have not received any funding with medical subvention of the oblast level”* (representative of the state organization – service provider).

*“Around five years ago within our oblast budget there was UAH 600,000 for harm reduction allocated. But we have not seen these funds...”* (NGO representative).

In addition, all the respondents noticed that there was a lack of funds in the local budgets.

*“One of the significant reasons which hampers development of the social services commissioning is lack of costs in local budgets, and this has a huge impact on the opportunities of funding social services commissioning”* (national expert).

### The social services commissioning recipients

Based at the outcomes of the study, the social service commissioning recipients were civic, charitable organizations and charitable foundations (CO “Faith. Hope. Love”, Odesa City; CO “Initiative for life”, Mykholayiv City; CO “Light of Hope”, Poltava City; CF “Sion”, Khmelnytskiy City; CF “Besht”, Khmelnytskiy City etc.). It’s important to indicate that these organizations have been permanent recipients of social services commissioning during the last two-three years.

*“Very often the same organizations submit applications for the social services commissioning, as in some oblasts there are very few strong civic organizations”* (local authorities’ representative).

*“...The third sector is underdeveloped in terms of the organization management. We have a lot of organizations which even do not renew their tax documents, do not have any accountant, do not conduct any economic activities”* (NGO representative).

There were no cases in any of the oblasts when social services commissioning was obtained by the physical person-entrepreneur or a private organization. Most respondents indicated that they were not even aware of any cases when physical persons-entrepreneurs were social services providers.

*“Physical persons – entrepreneurs - we even have not worked with such”* (local authorities’ representative).

At the same time, some respondents-representatives of the Departments mentioned that they were not ready to consider any applications submitted by physical persons-entrepreneurs, even in case they were submitted.

*“I am not ready to answer. As if it’s the CF, we are able to look at its experience – ... we are aware [in the oblast] who works and how: we meet, see, read about, and receive feedback on how they work... But if it’s a physical person – entrepreneur, I would not have any trust, as these are people; each service is shadowed by a person. If we provide funding for service delivery, we have to be responsible for the outcome. In other words, I am not ready... as it is not clear how the quality of his(her) very services should be assessed, which standards (s)he uses, what should be required from him(her)... I do not know. Honestly... And what to do in case of poor quality provision?”* (local authorities’ representative).

Similarly, one respondent who is a physical person – entrepreneur and provides social services, when asked the question on whether she could apply for the call for proposals for social services commissioning, gave a negative response. She explained it by the fact that there was not such opportunity ensured in the local Regulation on social services commissioning.

*“In principle, it should be. As an alternative and an option...”* (NGO representative).

Some representatives of powerful organizations which have experience and large budgets, which main part is international funding, consider social services commissioning exclusively as an opportunity to improve the civic

organization image, to establish closer relations with the local authorities. They do not consider it to be sufficient funding source for services.

*“Our participation in the social services commissioning is an image activity, as a component of the city hall trust to our organization”* (NGO representative).

Therefore, as one of the respondents thinks, *“social services commissioning is important for young, beginning organizations which total number is 20,000 – it’s very significant. And they will be doing their best; they will run around and work hard to achieve this...”* (NGO representative).

#### Social services provided by social services commissioning

The study outcomes evidenced that based at the social services commissioning the following services were provided: counselling, social adaptation, social rehabilitation, social maintenance/patronage, social prevention, social-psychological rehabilitation of demobilized ATO militaries.

The above were provided to homeless, ex-prisoners, senior citizens, pregnant women living with HIV/AIDS, youth, demobilized ATO militaries etc.

Prevention services, in terms of their meaning defined in the Strategy for Enhancing Access of HIV Infection High Risk Populations to Prevention Services for 2014 – 2018, were not provided by any of the organizations in the regions studied. Moreover, part of the activities envisaged by the list of prevention services for key populations, was implemented at the account of social services commissioning funds within the framework of such services like adaptation, counselling, social maintenance and social prevention. The above activities were:

- raising awareness (including by means of disseminating the informational-educational materials) on HIV, STI, TB and Hepatitis B and C infection prevention;
- social maintenance.

Besides, social services provided by social services commissioning are delivered occasionally, as a rule, during three-four months, as this is the term for which the funding is sufficient only.

#### Social services commissioning funding and its procedures

All the respondents indicated that funding social services commissioning envisaged making payments exclusively after the services were provided, and due to that the organization had to ensure service provision on its own resources.

*“All of them have to provide services on their own cost and at the end of month we ensure reimbursement to them”* (local authorities’ representative).

*“We are able to make payments only for the services actually provided”* (local authorities’ representative).

Such a procedure complicates the civic organizations’ opportunities to provide services based on social service commissioning.

*“Additional challenges which some organizations are not able to address are that the organization received social services commissioning at first has to conduct some activities, and only after that it receives funding, on the fact of actual execution... But it needs to take these costs somewhere...”* (national expert).

The largest challenge for civic organizations which received and execute social services commissioning is the issue of financial reporting required by the State Treasury.

*“Budgetary funds are such a responsibility, reports, and requirements to the reports. It’s impossible in another way. Maybe, because of that most of the civic organizations do not wish to participate in such projects. They work rather fruitfully, but when it [the call for proposals] was announced, we have reached the information agencies in different ways. Unfortunately, only two organizations submitted the applications. We thought there would be more. But it’s good that there are two of them, they participated, submitted documents”* (representative of local authorities).

Moreover, the respondents-representatives of civic organizations indicated that quite often, when they received state funding, their organization activities were inspected by the Department for Control and Audit.

*“It’s extremely difficult to work with the state funds. Firstly, there are problems with the State Treasury: I can not make the accountant to stay in those crazy queues, to check every comma... And I will tell you that we have won the call for proposals. We were granted UAH 20,000. They congratulated us at the Mayor's office. And then all this mess started with the State Treasury. At the end of the year the accountant asks: ‘What is there with those funds? The Mayor's office owes us UAH 20,000’. I tell her: ‘Call them and clarify it’. The response was something like ‘...write that the Mayor's office owes you UAH 20,000’. So, we have been writing until present... And we were able to wring from them only [UAH] 5,000, and the rest of funds we were not able to receive.*

*Either they do not have any or its transfer procedure... In fact, receiving these funds is a humiliating procedure for the civic organization in terms of bureaucracy which they [the state authorities] facilitate in order these funds could be obtained”* (NGO representative).

The implications of the above are that some organizations which used to receive social services commissioning switch over to the other forms of funding the services they provided. Thus, for instance, the CO “Light of Hope” which advocated social services commissioning in Poltava City and executed it, currently uses the social agreement. The latter allows it to receive larger funding, ensures its sustainability and reduces the organization personnel’ load related to financial reporting.

And representatives of the two organizations refused to further participate in the calls for proposals for social services commissioning, motivating this by small funds they received.

*“If you see the budget of civic organizations working in our region, it would be around [UAH] 10-15 millions. In other words, this amount is several times higher than the oblast program budget”* (NGO representative).

*“The organization budget is around [UAH] 1,000,000, thus, the funds for social services commissioning make a small percentage. But our work trains the authorities in thinking that we are capable to be social services providers, and we provide these services not worse, but even better than the state institutions”* (NGO representative).

### Education and training of professionals to work with the social services commissioning

The research data evidences that almost all the respondents interviewed were trained in social services commissioning based on their own experience, and from the other colleagues from other oblasts. Only one representative of local authorities had an opportunity to gain enhanced knowledge due to the international projects activities and participation in the UNDP Support to the Social Sector Reform in Ukraine Project.

All the respondents indicated the necessity of training both for representatives of local authorities as potential social services commissioning customers, and for the civic organizations – potential recipients of social services commissioning.

*“Education and training – it should be the two way process of training recipients and customers... I was telling it many times”* (local authorities’ representative).

Several respondents suggested possible options for training: the training could be organized by the Department for Social Protection or a professional responsible for social services commissioning preparation and maintenance.

*“There is a need to create at the Department for Social Protection something like methodological unit or a kind of a resource centre which could fully manage social services, take somewhere some literature; in other words, to develop themselves in this direction, and not only to concentrate on procedures”* (local authorities’ representative).

*“I think an important role can be played here by training – both the staff of local authorities and civic organizations. In particular, there should be a responsible person there (at the Departments of Social Protection) which would support CO that receives social commissioning”* (national expert).

In addition, the respondents paid attention to the need for additional special training for accountants of the organizations which received social services commissioning.

*“Their accountants require special training ...”* (national expert).

### Monitoring and evaluation of the social services commissioning outcomes



The interviewed respondents indicated that monitoring was conducted via submitting the reports provided by the social services commissioning recipient and its inspection.

The social services commissioning executors submit monthly the statements on the activities held to the Department/Division of Finances based on which the service customers make payments.

In addition, at the end of the year, the social services commissioning executors submit analytic and financial reports based on the outcomes of services provided to the Department/Division of Social Protection.

*“They submit to us the analytic report on the services provided”* (local authorities’ representative).

*“Every year they require the financial and program reports from us”* (NGO representative).

The other forms used during the monitoring are visits of representatives of the Departments/Divisions to the organization-the social services commissioning executor and attendance of the activities within the service provision framework.

*“In general, the higher rank department managing the funds is not interested so much in making inspections. They know that this is a responsibility of organizations, that there are controlling bodies which are inspected by the financial inspection every five years. None would like to do extra work”* (NGO representative).

At the same time, the social services commissioning executors point out to the fact that they trust the organizations providing social services commissioning.

The data received evidences that social services commissioning enhances the services’ efficiency and quality. But it is difficult to prove the latter as one of the problems is imperfection of the social services quality assurance mechanism. From the one side, there is a challenge that the services provided by the social services commissioning are not fully financed within the framework of the latter. And, from the other side, there are existing challenges on using available Guidelines on monitoring and evaluation of social services quality suggested by the Ministry of Social Policy.

*“It’s difficult to monitor services as the funds allocated are not so large to result into some kind of effect... At present the organizations work at the account of grants, their own resources, and most of the work on the services provision they do for these funds”* (local authorities’ representative).

*“We do not have enough knowledge and understanding and there is no common terminology... This Order of the Ministry on monitoring has some figures, comparisons in it, but how to evaluate quality...”* (local authorities’ representative).

The respondents turned their attention to the fact that there was a lack of systematic approach to funding services based on the social services commissioning which had a negative impact on its quality. The social services

commissioning recipients provided services only during the period of three-six months. As a result, the social services users, in case the organization stopped provision of services, accused the very organization in the absence of services.

### ***3.4. Social services commissioning for HIV prevention and their perspectives***

The national experts think that existing legislative framework allows practicing social services commissioning for HIV prevention. However, an important aspect of its implementation is the need for active work with the stakeholders – both with customers and recipients of the social services commissioning.

*“It’s quite difficult at present to receive social services commissioning for these services, but that does not mean it’s impossible. It’s very important for CO and representatives of the Departments for Social Protection and Health Care to raise awareness, to explain the danger of these diseases spread to Deputies and community, what kind of impact it have and why these prevention services should be provided ...”* (national expert).

Moreover, most of the respondents, representatives of local authorities and NGOs, think that at present within the frames of social services commissioning there can be only part of the activities implemented which are identified as social prevention service, as they consider the social services to be commissioned only those from the List of social services approved by the Order of the Ministry of Social Policy

*“There can be only some of the services delivered. For instance, counselling on prevention, dissemination of information and education materials, case management, social maintenance, - we will be able to do it, but not in full”* (NGO representative).

*“Well, examination, identification, treatment and prevention – these are doctor’s duties and responsibilities. This is all done by a doctor. And after that – to motivate a patient so as he could stay at the hospital for treatment, and have the full course of treatment; to motivate him for the repeated course of examination; in three months (if concerns syphilis) have the repeated course of treatment, - this is the social services commissioning”* (local authorities’ representative).

Most of respondents paid attention to the fact that HIV prevention services required multidisciplinary approach. Thus, not only the Departments/Divisions of the Social Protection should have the right to implement the social services commissioning for the above.

*“Social services commissioning should be implemented not only by the Department of Social Protection. ‘Social services’ is an interdisciplinary term and it can not be narrowed to the Department of Social Protection”* (local authorities’ representative).

Some respondents connected the prospects for social service commissioning for HIV prevention services with the decentralization processes which envisaged transfer of funding responsibilities to the local level.

*“Social services commissioning should be about the Administration procuring services for the community. And then there would not be any question whether this is a social protection, or a medicine, or an education, or the service for children... However, the main issues are about funding, as we will not be able to fund it. Even if we are able to do it at the organizational level, at present nobody gives us funds for this...”* (local authorities’ representative).

In addition, fears were expressed on ensuring confidentiality for the users of services provided at the base of social services commissioning.

*“Even if the Central Revision Commission comes, they would ask for the passport data, identification code of those who received syringes. Confidentiality would be violated”* (NGO representative).

Thus, social services commissioning for HIV prevention services can be implemented based at the acting regulatory documents. But its implementation requires active work with the subjects of social services commissioning and their immediate interest. At the same time, the difficulties arise related to the need to implement a multidisciplinary approach in the above service provision, whereas funding is based at the sectoral approach and the funds required for social services might be allocated by the Departments/Divisions for Social Protection.

### ***3.5. Case study of social services commissioning practice in Khmelnytskiy Oblast***

Khmelnytskiy Oblast State Administration has the longest experience of introducing social services commissioning, and its specialists participated in developing its regulatory base and piloted it. Thus it is important to describe it in details.

In Khmelnytskiy Oblast, for July 1, 2015, there are 1, 297,700 inhabitants. According to the State Employment Service of Ukraine data, the number of homeless people registered for the end of July 2015 was equal to 13,000 persons. The level of registered unemployment across the oblast was 1.7% of the population of employable age, in particular, in rural community – 1.6%, in urban communities – 1.7%.<sup>50</sup>

Khmelnytskiy Oblast is a subsidized one. Tax revenues per person (for general and special funds) are only UAH 1,499,700 which extremely limits its opportunities to fund a wide range of social services. There are very few powerful organizations which have resources and qualified personnel. At the Oblast Passport it is stated that “most of the registered civic non-governmental

---

<sup>50</sup> Khmelnytskiy Oblast State Administration. News [Electronic resource] - Available at: <http://www.adm.km.ua/>.

organizations, charitable civic foundations and organizations do not implement any active civic activities and there are few of them”. The data is available re: some civic organizations which were active in 2014, the number of which was over 20<sup>51</sup>.

All the interviewed representatives of local authorities and part of the interviewed representatives of civic organizations turned their attention to the small number of civic and charitable organizations working in the area and their extremely limited resources, both human and material and technical.

*“There are possibly four-five professional organizations and over 420 registered organizations in the total...”* (NGO representative).

Such a situation makes the Oblast State Administration and the Department for Social Protection being permanently in search for various resources to provide social services for the population. They actively cooperate with different foundations and international organizations and implement innovative projects. One of them was the Support to the Social Services System Development in Ukraine project which was implemented within the Twinning Program and funded by the European Union. The project partners were the Ministry for Social Policy of Ukraine and the Ministry of Social Affairs and Health Care of France. One of the project components was support to development of the social services commissioning mechanism. During the project implementation the representatives of Khmelnytskyi Oblast State Administration were trained. They also worked jointly with the international and national experts as well as with the representatives of the Ministry for Social Policy while piloting the social services commissioning mechanism created with joint efforts.

Thus, by the decision of Khmelnytskyi Oblast Council No 26-12/2012 as of July 17, 2012, there was an amendment made to the Oblast Complex Care Program for Social Protection of the Population for 2011-2015. These amendments allowed engaging non-governmental organizations into social services provision based on the social services commissioning. There was UAH 65,000 allocated for its implementation from the oblast budget.

Two charitable foundations - Khmelnytskyi Oblast Charitable Foundation “Sion” and Khmelnytskyi Charitable Foundation “Hesed Besht” - submitted proposals for the call for proposals and provided services on these funds for 22 clients each.

In the next year of 2013 in Khmelnytskyi Oblast for social services delivery based on the social services commissioning there was UAH 95,000 allocated (this amount of expenses is kept until present), and that allowed procurement of most of the services but with the very limited budget.

Like in the previous year, social services commissioning was received by Khmelnytskyi Charitable Foundation “Hesed Besht” for providing the social rehabilitation service for senior citizens (total UAH 17,000), and Khmelnytskyi

---

<sup>51</sup> Khmelnytskyi Oblast State Administration [Electronic resource] - Available at: <http://www.adm.km.ua/index1.php?link=1>.

Oblast Charitable Foundation “Sion” for providing the social rehabilitation service for ex-prisoners, drug and alcohol addicted people (total UAH 27,630).

UAH 15,000 was received by Khmelnytskiy Oblast Charitable Centre for drug addicts’ rehabilitation and social adaptation “New Life” to provide social rehabilitation service. Khmelnytskiy Oblast Branch of the All-Ukrainian Charitable Organization “The All-Ukrainian Network of People Living with HIV/AIDS” received UAH 17,970 for social maintenance/patronage of 35 persons living with HIV. And Khmelnytskiy Oblast Charitable Foundation “Caritas” provided social maintenance/patronage to people who were in difficult life circumstances, specifically to unemployed youth aged 18-30, having received UAH 17,400 for that.

In 2014 in Khmelnytskiy Oblast there was procurement of social services for the similar amount of UAH 95,000 made. Amongst the recipients there were again the Charitable Foundation “Hesed Besht” (UAH 19,353 for social rehabilitation of senior citizens), Charitable Foundation “Sion” (UAH 27,720 for the social adaptation of ex-prisoners, drug and alcohol addicted people); Charitable Centre for drug addicts’ rehabilitation and social adaptation “New Life” (UAH 9,078 for social rehabilitation of drug and alcohol addicted people); Khmelnytskiy branch of the All-Ukrainian Charitable Organization “The All-Ukrainian Network of PLWH” – for social maintenance and patronage of HIV positive pregnant women and HIV positive children who need disclosure of their status - UAH 21,021); Charitable Foundation “Caritas” (UAH 11,065 for social maintenance of unemployed youth). The new organization which received funds for social maintenance of families and people in difficult life circumstances (UAH 6,761) was the Centre for social guardianship and adaptation of children without parents’ guardianship “The Children’s Hope”.

In the current year the amount for the social services commissioning was the same – UAH 95,000, and its recipients were the same organizations as in the previous years. One of them is Khmelnytskiy Charitable Foundation “Hesed Besht” - UAH 16,980 for social rehabilitation services provision to 24 senior citizens and disabled people. The second one is the Oblast Charitable Foundation “Sion” (UAH 31,781 for social adaptation services (55 persons) for ex-prisoners and for drug and alcohol addicted people). In addition, amongst the recipients - Khmelnytskiy Oblast Branch of the All-Ukrainian Charitable Organization “The All-Ukrainian Network of PLWH” (UAH 24,999 for social maintenance/patronage for 35 persons), Khmelnytskiy Oblast Charitable Foundation “Caritas” (UAH 11,983 for provision social maintenance/patronage to 56 people with limited capacities), and for Khmelnytskiy Charitable Centre for drug addicts’ rehabilitation and social adaptation “New Life” (UAH 11,983 for provision of social rehabilitation services for 20 drug and alcohol addicted people).

Thus, during the four years of implementing the social services commissioning in Khmelnytskiy Oblast its amount did not exceed UAH 95,000 annually. Most organizations, once having received the social services

commissioning, keep receiving it during the next several years. At the same time, the number of organizations which received social services commissioning has been permanently increasing. However, funding for every single organization was reducing relevantly, as well as the number of clients who were receiving these services. An additional factor for reducing the number of service users was a high inflation level.

Several organizations submitting the documents for the call for proposals, having learnt about the amount to be allocated for their services, refused to participate in the call for proposals.

As Khmelnytskiy Oblast State Administration participated in the development and piloting the social services commissioning, all the relevant documents for its organization and implementing have been developed, and that in some way facilitated the staff's work on its implementation. Besides, the Director of the Department for Social Protection during the last several years is a Deputy in the local Council, and that allows obtaining the information in time on the opportunities of funding, as well as to advocate and monitor the procedure for its budget approval. The Department specialist responsible for the social service commissioning has been working during the several years and participated in developing its procedures and piloting the project.

It's important to mention an existing understanding and support of social services commissioning from the other departments, the financial one, in the first instance. However, even within these favourable conditions, all the respondents-representatives of local authorities mentioned that the social services commissioning procedure was extremely complicated, envisaged several stages, required a lot of efforts and time, and all the above, in case of the Department staff's overload, created a lot of difficulties. They have also mentioned that this procedure was not an easy one both for the CO and CF which decided to submit applications for the call for proposals.

Social services commissioning recipients have similar view. They paid attention to the need of preparation and submitting a huge number of documents, and to produce the latter there was a need to pay. The same documents are needed to be certified and submitted again annually if organizations submit the documents for the call for proposals for the second time. There are documents which are required at the beginning of the call for proposals. But until the time when the decision is made on providing funding for social services commissioning, they are expired, and the organizations have to resubmit the documents again.

The practice of needs assessment and formation of services provided at the social services commissioning base includes joint efforts of both organizations-potential recipients of social services commissioning, and the Departments specialists. The latter often directly inform the organizations' directors on the opportunities to participate in the competition, its specific, procedure, terms. Moreover, they particularly stress that the organizations have to be ready to provide services during a long time on their own costs, and

provide update on the information placed at the Oblast State Administration website. This practice has been positively evaluated by the representative of the social services commissioning recipients, as there is no staff in the organization which could search the information at the Oblast State Administration website at a permanent base.

Representatives of the organizations-providers of services based on social services commissioning indicated that the requirement to provide services on their own cost was the biggest problem for the social services commissioning. Its urgency is evidenced by the fact that funding is not always launched in time, sometimes it might be postponed – due to the lack of costs or different technical reasons.

Another important problem for the staff of the organizations-service providers based on the social services commissioning is relations with the Treasury. The latter are complicated due to the fact that submitting reports and the need for personal visits requires a huge amount of work time from the accountant who, as a rule, independently manages all the organization's issues.

The other challenge is the fact that the staff of the State Treasury has low awareness of what social services are about. Thus the directors of the organizations themselves had to go to the Treasury and to explain the core of the services provided. Besides, that required a significant amount of work on development of additional documents which could be understood by the Treasury staff.

*“We described everything we have been doing for a client and calculated the exact cost of all the activities for each of the twenty service users. After that they [the Treasury] became satisfied; they needed everything to be supported by the documents. However, at the end we have been persuading them ...”*

This work, similarly to documenting and service provision, to the opinion of one of the directors of the organizations-service providers, was possible only because *“we have very well trained staff, we were trained by international experts and we have been training our staff at a permanent base...”*

It's worth noting that one of the organizations-executors of social services commissioning even was able at the outsourcing base to procure transport services for the funds received for executing the social services commissioning needed by clients.

All the respondents - both the representatives of social services commissioning recipients and the respondents of local administration – unanimously indicated that funding social services was extremely poor, and it was sufficient only for a short term. If the service provision based at the social services commissioning is stopped, it results into clients' dissatisfaction, and they can accuse the organization in everything.

*“Our users are getting used to receive services and afterwards they do not understand what happens to them... For instance, our services anticipated that in case of illness the client gets improved nutrition, and after the funding ended, we stopped doing this... Or the client got used that the worker comes and*

*takes him out for a walk... We can not give a spoon of honey to a person, and then take it away from him... It's very serious...*” (NGO representative).

This creates additional difficulties for the organizations too, as potential clients and other organizations continue referring to them with the requests after termination of the services delivery.

Respondents paid attention to the fact how important it was to train both civic organizations and charitable foundations in delivering social services as well as in everything concerning social services commissioning.

*“This should be the first step made. And we did not train [any of them], and are in search for those who will execute social services commissioning”* (the CF representative).

One of the organizations which has been a recipient of social services commissioning for a long time is ready to train other organizations in case relevant funding is ensured. Representatives of local authorities and CF are convinced that it's necessary to establish “methodological/procedural centres” or “methodological cabinets” within the Department for Social Protection or at the charitable foundation with the relevant experience. They think there should be a methodologist there with the relevant knowledge on social services commissioning who could provide consultations to civic organizations, as lack of knowledge and experience negatively influences the capacities of the latter to execute social services commissioning.

All the respondents who had experience of social services commissioning think that it should be developed further, but in parallel they emphasize that social services commissioning should be provided at a long-term base.



## CONCLUSIONS AND RECOMMENDATIONS

Based on the outcomes of the study held on the opportunities for applying social services commissioning to provide HIV prevention services, the following *conclusions* can be made:

1. Social services commissioning is quite a widespread practice to fund social services both in Western and post-Soviet countries. In Ukraine social services commissioning has been developed over the last decade and is actively implemented by civic and charitable foundations in the cities of Odessa, Kharkiv, Poltava, as well as in the recently joined Mykholayiv, Khmelnytskyi, Zaporizhzhya and Cherkasy Oblasts.

2. The main basis for implementing the mechanism of social services commissioning is the need to enhance competition amongst the subjects-social service providers, quality of services, quality assurance system, monitoring and evaluation of efficiency of services, correspondence of services to service users' needs, timeliness and efficiency of the services provided.

3. Social services commissioning practices are actively studied in various countries. In Ukraine there are some examples of exploring such an experience by the experts which represented the international organizations. At the same time, there are very few analytic papers on social services commissioning practices in Ukraine. However, during the last several years the interest to this issue has significantly increased mainly because of the activities by the Ministry for Social Policy of Ukraine targeting the social services provision system reform, the UNDP Support to the Social Sector Reform in Ukraine Program and active promotion of the social services commissioning for HIV service organizations.

4. The general regulatory framework for introducing social services commissioning in terms of regulating content, standards, minimum package of services, the procedure for social services commissioning implementation, the funding procedure, has been formed. But the mechanisms for its implementation are still being formed and developed. A sufficient number of documents developed and approved in 2012-2013 require review and amendments, as during the last three years the current legislation has been significantly changed. First of all, it concerns the Law of Ukraine On Social Services (revised as of October 18, 2012) and the Budget Code of Ukraine, as at the end of September 2015 there were changes made to the Laws of Ukraine On the Local State Administrations and On Public Procurement.

5. Due to the decentralization processes described in the Draft Law of Ukraine On Introducing Changes to the Constitution of Ukraine (on Decentralized Governance), there are new approaches and requirements to formation of the local budgets allocated for the social services commissioning.

6. The following issues are required to be modified: a) regulation of the content, the standards, the minimum package of services; b) the procedure of social services commissioning; c) the funding order; d) development of social

services commissioning subjects, including their organizational and personnel potential.

A) Regulation of services (their content, standards, minimum package)

There are contradictions in definitions of social services which are in the Law of Ukraine On Social Services and in the List of social services provided to people in difficult life circumstances who are not capable to overcome them. The latter was approved by the Order of the Ministry of Social Policy of Ukraine No 537 as of September 3, 2012. Thus, in the Law of Ukraine On Social Services the services are defined as social ones, psychological, social-pedagogical, social-medical, social-economical, legal, employment services, information services. And in the above List of social services approved by the Ministry of Social Policy of Ukraine the services are defined as care, supported residence, palliative/hospice care, service on placing into the family forms of upbringing, social adaptation service, social integration and reintegration service, abilitation service, social rehabilitation service, providing shelter, crisis and urgent intervention, counselling, social maintenance/patronage, advocacy, mediation, social prevention.

Not all the social services identified in the List have relevant standards for their provision developed. At the same time, the standards on prevention services to key populations vulnerable to HIV<sup>52</sup> are out of date as they do not take into consideration the new definition of social services. The above standards were developed to implement the Law of Ukraine On Approval of the State HIV/AIDS Prevention, Treatment, Care and Support Program for People Living with HIV/AIDS for 2009-2013 and approved by the joint Order of the Ministry for Family, Youth and Sport, the Ministry of Labour and the Ministry of Health Care of Ukraine as of September 13, 2010.

There are contradictions in interpreting the social prevention service in the List of social services and in the Strategy for enhancing access for representatives of the HIV infection high risk groups to prevention services for 2014-2018. And in the Law of Ukraine On Social Services such service has not been defined at all.

The practice of service provision based on the social service commissioning is limited due to the fact that the local administration can commission only the social services shortlisted in List of social services, approved by the Order of the Ministry of Social Policy of Ukraine. At the same time, the social prevention services are integrated and require an interdisciplinary approach, as they envisage both medical and social activities.

Besides, in the new Draft Law on making amendments to the Law of Ukraine On Social Services there is a specific interpretation of “integrated” care: prevention services are not considered as those which require interdisciplinary/intersectoral approach. Instead they are defined as “*social*

---

<sup>52</sup> The Standard for HIV prevention services provision for people with high HIV infection risk associated with sex; The List of prevention services for the high HIV infection risk groups

*services which envisage agreed actions of different professionals to ensure permanent or systematic integrated care (care, placing into the family forms of upbringing, social maintenance/patronage, crisis intervention, supported residence, social adaptation, social integration and reintegration etc)”. In addition, the specialized services are distinguished there as “specific social services provided to a certain group of social service users (for people with HIV associated problems)”. The above mentioned collisions which would arise in case the Law is approved might create additional difficulties resulted from ambiguous understanding of “HIV prevention services” by the local authorities.*

The Procedure for social services’ fees calculation has not been approved officially, and that limits opportunities for its use to calculate estimated funding for services provided at the social service commissioning base.

HIV prevention services are not considered by the local authorities as priority ones, and the preference is given to the services of care, social maintenance/patronage, in particular when they concern such groups like children, families and senior citizens.

#### B) The procedure of the social services commissioning implementation

The procedure of the social services commissioning implementation is a complicated one. It requires from the representatives of local authorities preparation of a large number of documents, both from the point of view of service customers and executors. At the same time, the term of issue for some of the documents (references etc) submitted with the application expires until the review procedure is completed, and they lose validity.

Despite the fact that the Procedure for needs assessment for social services of the population from the administrative-territorial unit is valid, in practice, like it was earlier, for estimated expenditures the information is used on actual social services users who received social services in the reporting period. It results into the situation when funding social service provision to new groups of potential service users like internally displaced people can not be ensured as their needs are not addressed.

The social service commissioning recipients and customers have different understanding of the selection criteria for the call for proposals winners. Representatives of the local authorities have to be guided, in the first instance, by the lack of accounts payable and availability of financial resources that enable civic organizations and charitable foundations to provide services on their own cost during a long time. The service providers consider qualified staff and experience of service provision to be the most important. Concerning the requirement of the call for proposals participant’s experience in social services provision, while taking into consideration underdeveloped market of social services providers, at this stage it might have a secondary role in the process of selection of winners.

The procedure of receiving funds is extremely complicated too. As the funds are provided based at the statements on the activities held, it means that

social services commissioning recipients have to provide services on their own cost during the three-six months. There were cases when funds were transferred to the organization account only at the end of financial year.

There are difficulties in interaction with the Treasury bodies and the Department for Control and Auditing, providing relevant documents to them. It concerns, first of all, the need to open special accounts at the Treasury bodies and to submit financial reports on the funds used.

In case the organization is the social services commissioning recipient, it can be audited by the representatives of the Prosecutor's Office and the Department for Control and Auditing, and that requires from its representatives significant time and efforts.

The result of the above is that the organizations refuse from participating in the call for proposals for the social services commissioning or from implementation of the above (in case they became winners and received social services commissioning). Similarly, some Departments being aware of the procedure complexity for their staff and their organizations avoid implementing social services commissioning.

In addition, while implementing social services commissioning its customers and executors have to permanently consult with the Ministry of Social Policy and financial departments which interpret the procedure for social services commissioning receiving and provision in different ways.

### C) Social services commissioning funding procedures

The amount of funding for the services based at the social services commissioning which can be secured by the local authorities is very small as the local budget resources are extremely limited. The latter has resulted from the economic crisis and reduction of the expenses for social area during the recent time.

The total amount of funding social services based on social service commissioning for 2015 in Khmelnytskiy and Mykholayiv Oblasts, cities of Poltava and Odesa was equal to around UAH 400,000.

To avoid additional expenditures related to tender procedures, in practice the local administrations restrict funding social services commissioning to the amount of UAH 100,000 for all the services provided based at the social services commissioning. The national experts claim that there are no restrictions of such kind secured by the legislation. They explain such a situation by the fact that in this case inappropriate interpretation of regulations statements on sites takes place. At the same time, representatives of financial departments insist on the above interpretation and avoid additional risks which might be brought to them by an ambiguous interpretation of this norm by different subjects.

Besides, the amount of funding which might be allocated for the social services commissioning constitutes very small part of the budget of civic or charitable organization (potential recipients of social services commissioning), which makes it unattractive.

If the Department/Division for Social Protection or Social Development authorized to commission social services is interested in social services commissioning and initiates relevant procedures, its implementation depends much on the decisions by the Department/Division of Finances on its scope and funds allocation.

However, to plan efficiently and to secure funding for social services commissioning, there is a need to improve the calculation procedure, specifically, for identifying the exact number of service users, list of services, standards for their provision and the standard for funding the service user.

Additional challenges for the social services commissioning implementation within a short-term perspective are created by the decentralization process launched in Ukraine, as either local authorities or civic organizations are not able to predict the estimated amounts for local budgets and priorities in their formation.

#### D) The social services commissioning subjects: customers and potential executors

The social services commissioning, according to the effective law, is exclusively a prerogative of the Department/Division for Social Protection. There is no experience of other Departments in social services commissioning.

The work on organization of social services commissioning is considered by the representatives of the Departments/Divisions for Social Protection as an extra load which takes huge amount of time.

Social services commissioning customers often do not perceive civic and charitable organizations as quality social service providers. The rationale for that is that, from one side, in some regions there are few organizations which have experience and base for services provision, and, from the other side, the local authority is not aware of their opportunities and resources for social services provision.

The study participants demonstrated lack of information awareness on the opportunities of other market participants, but for civic and charitable organizations, which could participate in the call for proposals for the social services commissioning.

Unwillingness to risk and uncertainty about positive outcomes of the activities held by the social services commissioning executors (civic organizations and charitable foundations) has a negative impact on decision making process on developing social services commissioning at the local level.

In addition, at the local level there is a lack of coordination of the various departments' activities while organizing the social services commissioning. In particular, if we speak about HIV prevention services which include medical and social issues, there is a domination of the branch approaches and a prevalence of internal interests which results into unwillingness of the relevant departments (health care and social protection) to share budgetary funds.

An additional challenge for applying the social service commissioning is professional unpreparedness of many civic organizations and charitable foundations to implement jointly the tasks with the authorities within the frames of social programs and projects, as well as the lack of their experience in budgetary funds use, with the State Treasury support and maintenance.

Finally, it is worth noting that experts, representatives of the local authorities and professionals of civic and charitable organizations identify almost similar prospective for the social services commissioning. That might evidence the available consensus in understanding most of the social services commissioning challenges and limitations. All of them indicated that while making decisions on applying social services commissioning in the current conditions, there was a need to consider that social services commissioning in the situation of decentralization could not be the main source of funding HIV prevention services. They think it would be relevant to use it in combination with the other mechanisms of raising funds for prevention services.

## **PRACTICAL RECOMMENDATIONS**

Based on the study outcomes, to ensure enhancing opportunities for applying the social services commissioning for HIV prevention services, the following recommendations should be given:

### 1. On making relevant amendments in the regulatory framework:

- 1) to harmonize the definition of social services in the Law of Ukraine On Social Services and the approved by the Ministry of Social Policy List of social services for persons in difficult life circumstances;
- 2) to develop and to approve the Standard for HIV social prevention service, including the order for its cost calculation, while considering new standards for accounting which enter into the force since January 2016;
- 3) to make amendments to the State Classifier of social standards and norms which would take into consideration the regulatory documents recently approved;
- 4) to develop and to approve the Regulation on social services commissioning at the local levels;
- 5) to approve the following documents:
  - a) The Procedure for social services' fees calculation;
  - b) The Model Contract on social services provision with budgetary funding;
  - c) Guidelines on social services commissioning implementation;
- 6) to develop and to approve the Procedure for interaction of subjects while HIV social prevention service provision;
- 7) to make amendments to the Law of Ukraine On Social Services which provide definition of "integrated services" that require

interdisciplinary/intersectoral approach and which content addresses social protection, health care, education etc;

- 8) to make amendments to the Order of the social services commissioning and to indicate that the requirement for the experience of the call for proposal participant in social services provision is of the recommendation character, as the market of social services providers from non-governmental sector is underdeveloped, and it's difficult to ensure the requirement implementation, at least in the nearest time;
- 9) to review and to abridge the package of documents requested by the call for proposals for the social services commissioning, and to identify which of them are needed in case the organization receives the social services commissioning for the next year.

## 2. On the social services commissioning procedure:

- 1) to develop guidelines on social services commissioning for the "integrated" services (which require interdisciplinary/intersectoral approach) the content of which could be defined by various departments (social protection, health care etc) at the local level;
- 2) to develop the scheme for the social services commissioning implementation at the local levels while taking into consideration the decentralization processes;
- 3) to develop methodological materials for the local authorities on the range and specification of social services, in case there is a lack of standards;
- 4) for the Ministry of Social Policy – to provide additional interpretations on the maximum amounts of funds for commissioning one social service;
- 5) for the local state administrations – to create electronic resource for potential service providers;
- 6) to ensure an opportunity to transfer costs for the social services commissioning implementation not only to the separate treasury accounts which each recipient of the social services commissioning has to open, but directly to the account of the social service commissioning recipient;
- 7) for the National Council to Counteract Tuberculosis and HIV/AIDS – to initiate creating working group out of the number of representatives of the Ministry of Social Policy, Ministry of Health Care, Ministry of Finances and civic organizations, in order to develop the joint Draft Order of relevant ministries on the procedure of the subjects' interaction while HIV social prevention service provision.

## 3. On the subjects of social services commissioning and development of their potential:

- 1) To ensure training for the social services commissioning subjects on the content and procedure to implement it at the local level, specifically, on the scope, specifics of funding procedure and reporting. This should be done while taking into consideration relevant changes secured by the Law

of Ukraine On Making Amendments to Some of the Laws of Ukraine on Public Procurements to Correspond Them with the International Standards and to Overcome Corruption No 679-VIII as of September 15, 2015;

- 2) for the leading HIV/AIDS organizations – to develop the system for encouragement and support for those regional organizations which will receive the social services commissioning for HIV prevention service;
- 3) for the leading HIV/AIDS organizations – to develop Guidelines for preparation and participation in the call for proposals for the social services commissioning for regional organizations providing services to key populations;
- 4) to organize at the national and local levels webinars and other forms of interaction of the social services commissioning subjects (including representatives of the State Treasury, Ministry of Finances and the Departments for Control and Audit on sites) for the experience exchange. The latter will ensure communication and timely addressing the issues arisen during the social services commissioning implementation.



## REFERENCES

1. Exploring mechanisms to ensure sustainability of HIV/AIDS prevention activities for high risk groups while considering reduction of international financial aid for Ukraine. Report on the study outcomes [Electronic resource] // Socioconsulting Analytic Centre and ICF “International HIV/AIDS Alliance in Ukraine”. – Kyiv, 2015. – 48 p. – Available at: [http://www.aidsalliance.org.ua/ru/library/our/2015/3\\_03\\_%D0%90%D0%9D\\_%D0%9E%D0%A2%D0%A7%D0%95%D0%A2.pdf](http://www.aidsalliance.org.ua/ru/library/our/2015/3_03_%D0%90%D0%9D_%D0%9E%D0%A2%D0%A7%D0%95%D0%A2.pdf).
2. Dubych K. Social services commissioning as an efficient mechanism for social services provision in Ukraine [Electronic resource] / K. Dubych. // Public Governance: Theory and Practice. - 2013. – No 1. - Available at: [http://nbuv.gov.ua/j-pdf/Dutp\\_2013\\_1\\_14.pdf](http://nbuv.gov.ua/j-pdf/Dutp_2013_1_14.pdf).
3. The Law of Ukraine On Approval of the National Targeted Social Program to Counteract HIV/AIDS for 2014 – 2018 No 1708-18 as of October 20, 2014 [Electronic resource]. – Available at: <http://zakon4.rada.gov.ua/laws/show/1708-18>.
4. The Law of Ukraine On Local Self-Government in Ukraine No 280/97-BP as of May 21, 1997 (revised as of July 2, 2015) [Electronic resource]. - Available at: <http://zakon.rada.gov.ua/l>.
5. The Law of Ukraine On Local State Administrations No 586-XIV as of April 9, 1999 (revised as of May 21, 2015) [Electronic resource]. – Available at: <http://zakon4.rada.gov.ua/laws/show/586-14>.
6. The Law of Ukraine On Social Services No 966-IV (revised as of October 18, 2012, reason [5290-17](#)) as of June 19, 2003 [Electronic resource]. – Available at: <http://zakon.rada.gov.ua/>.
7. Guiding principles of HIV voluntary testing and counselling (protocols) / The MoH Order On Improving Voluntary HIV Counselling and Testing No 415 as of August 19, 2005 (with amendments made by the Order of the Ministry of Health Care No 114 as of February 14, 2012) [Electronic resource]. – Available at: [http://search.ligazakon.ua/l\\_doc2.nsf/link1/RE11684.html](http://search.ligazakon.ua/l_doc2.nsf/link1/RE11684.html).
8. Kochemyrovska O. On development of social services provision system in Ukraine at a modern stage. Policy Brief [Electronic resource] / O. Kochemyrovska, A. Avchukhov // National Institute of Strategic Studies under the auspices of the President of Ukraine. – Kyiv, 2013. – Available at: <http://www.niss.gov.ua/articles/1328/>.
9. Guidelines on the social services commissioning implementation [Electronic resource]. - Kyiv: The Ministry of Social Policy of Ukraine, 2012. – 40 p. – Available at: <http://www.hiv.org.ua/events/content?id=66>.
10. The Order of the Ministry of Social Policy of Ukraine On Approval of the State Classifier of Social Standards and Norms No 293 as of June 17, 2002, [Electronic resource]. – Available at: <http://ua-info.biz/legal/basepe/ua-xmwxwr/index.htm>

11. The Order of the Ministry of Social Policy of Ukraine On Approval of the List of Social Services to be Provided for People in Difficult Life Circumstances Who are not Capable to Overcome Them No 537 as of September 3, 2012 [Electronic resource]. – Available at: <http://zakon4.rada.gov.ua/laws/show/z1614-12>.
12. The Order of the Ministry of Social Policy of Ukraine On Approval of the Action Plan of the Ministry of Social Policy of Ukraine to Implement the Program of Activities of the Cabinet of Ministries of Ukraine and the Coalition Agreement No 1057 as of December 18, 2014 [Electronic resource]. – Available at: [http://www.mlsp.gov.ua/labour/control/uk/publish/article?art\\_id=170247&cat\\_id=107177](http://www.mlsp.gov.ua/labour/control/uk/publish/article?art_id=170247&cat_id=107177).
13. The Order of the Ministry of Social Policy of Ukraine On Approval of the Procedure for Evaluation of the Participants' Project Applications for the Call for Proposals for Social Services Provision with Budgetary Funding No 332 as of March 26, 2015 [Electronic resource]. – Available at: [http://www.mlsp.gov.ua/labour/control/uk/publish/article;jsessionid=5EF18915316DC5CF5C4B9D19CE7B4D18.app1?art\\_id=175682&cat\\_id=102036](http://www.mlsp.gov.ua/labour/control/uk/publish/article;jsessionid=5EF18915316DC5CF5C4B9D19CE7B4D18.app1?art_id=175682&cat_id=102036).
14. The Order of the Ministry of Family, Youth and Sport of Ukraine, Ministry of Labour and Social Policy of Ukraine, Ministry of Health Care of Ukraine No 3123/275/770 (z0903-10) as of September 13, 2010 [Electronic resource]. – Available at: <http://vin-ocssdm.com.ua/docs/nakazi/N%203123-275-770%20-%2013-09-2010%20HIV.pdf>.
15. National and international mechanisms for civic society funding. International actions to enhance trust between the state and civic society [Electronic resource]. – Kyiv: Pheniks, 2011. – 336 p. – Available at: <http://www.osce.org/uk/ukraine/86186?download=true>.
16. Assessment of NGOs' potential (including employment) and needs in technical aid. Report on the study outcomes [Electronic resource] // ICF "International HIV/AIDS Alliance in Ukraine" and GfK Ukraine. – Kyiv, 2014. – 16 p. – Available at: <http://www.aidsalliance.org.ua/ru/library/our/2014/potential%20ukr.pdf>.
17. Package of documents on social services commissioning with budgetary funding // UNDP in Ukraine. – Kyiv, 2012. – 88 p. - Available at: <http://www.slideshare.net/undpukraine/undp-48336354>.
18. Plan of Activities of Cherkassy Oblast Council on Counteracting Tuberculosis and HIV/AIDS for 2014 as of December 24, 2013 [Electronic resource]. – Available at: [http://snidu-ni.ck.ua/index.php?option=com\\_content&view=category&layout=blog&id=6&Itemid=2](http://snidu-ni.ck.ua/index.php?option=com_content&view=category&layout=blog&id=6&Itemid=2).

19. Directive of the Cabinet of Ministers of Ukraine On the Order of Social Services Commissioning with Budgetary Funding No 324 as of April 29, 2013 [Electronic resource]. – Available at: <http://zakon.rada.gov.ua/>.
20. The Directive of the Cabinet of Ministries of Ukraine On Approval of Criteria for Activities of Subjects-Social Services Providers No 1039 as of November 14, 2012 [Electronic resource]. – Available at: <http://zakon4.rada.gov.ua/laws/show/1039-2012-%D0%BF>.
21. Explanatory Note to the Order of the Ministry of Social Policy of Ukraine On Approval of Procedure for Social Services' Fees Calculation [Electronic resource] // Ministry of Social Policy of Ukraine. – Kyiv, 2014. – Available at: [http://www.mlsp.gov.ua/labour/control/uk/publish/article?art\\_id=164334&cat\\_id=102036](http://www.mlsp.gov.ua/labour/control/uk/publish/article?art_id=164334&cat_id=102036).
22. Protocol No 1 of the session of Cherkassy Oblast Council on Counteracting Tuberculosis and HIV/AIDS as of May 16, 2014, Cherkassy City [Electronic resource]. – Available at: [http://snidu-ni.ck.ua/index.php?option=com\\_content&view=article&id=99:-1-160514&catid=8:2012-02-08-08-05-31&Itemid=29](http://snidu-ni.ck.ua/index.php?option=com_content&view=article&id=99:-1-160514&catid=8:2012-02-08-08-05-31&Itemid=29).
23. Regulation of the Cabinet of Ministers of Ukraine On Approval of the Concept of Social Services System Reform No 178-p as of April 13, 2007 (not valid since 08.08.2012) [Electronic resource]. – Available at: <http://zakon.rada.gov.ua/>.
24. Regulation of the Cabinet of Ministers of Ukraine On Approval of the Strategy of Social Services System Reform No 556-p as of August 8, 2012 [Electronic resource]. – Available at: <http://zakon.rada.gov.ua/>.
25. Social services commissioning in post-Soviet countries. Collection of analytic and regulatory materials of the International meeting of experts on introducing social services commissioning mechanism in post-Soviet countries. Odesa, November 25-26, 2013 / Ed. by A. Krupnyk. – Odesa: Yevrodruck, 2013. – 216 p.
26. Social services commissioning in Ukraine: 10 years practices / Ed. by I. Brudnyy, A. Krupnyk // Collection of analytic, regulatory and procedural materials. – Odesa: Yevrodruck, 2011. – 156 p. – Available at: <http://samoorg.com.ua/wp-content/uploads/2011/08/socialny-zakaz-v-ukraini.pdf>.
27. Sator B. International practices of funding civil society organisations [Electronic resource]. - OSCE, 2010. – 162 p. - Available at: <http://www.osce.org/ukraine/76889>.
28. Demchenko I. How to make HIV prevention services sustainable. Guidelines for representatives of HIV service NGOs and public institutions / I.Demchenko, M. Varban, O.Popiuk, M.Zelenska // ICF “International HIV/AIDS Alliance in Ukraine”. – Kyiv, 2015. – 64 p.

29. Bullain N., Panov L. A Handbook on Non-State Social Service Delivery Models: a guide for policy makers and practitioners in the CIS region / N. Bullain, L. Panov. – Bratislava: UNDP, 2012. – 124 p.
30. WHO, UNODC, UNAIDS Technical Guide for countries to set targets for universal access to HIV prevention, treatment and care for injecting drug users // World Health Organization, 2009. – 44 p. - Available at: [http://www.unodc.org/documents/hiv-aids/idu\\_target\\_setting\\_guide.pdf](http://www.unodc.org/documents/hiv-aids/idu_target_setting_guide.pdf).