

**THE CURRENT STATE, KEY
ACHIEVEMENTS, AND STRATEGIC VECTOR
OF FURTHER DEVELOPMENT OF THE
SOCIAL SERVICES SECTOR IN UKRAINE**

2025

Analytical Report



International Charity Foundation
"Caritas Ukraine"

Prepared within the framework of the project:

“Advocating for Sustainable Social Services provided by 5 Caritas Social Centers to vulnerable people affected by Ukrainian conflict within the new Decentralisation Reform in Ukraine”

With financial support from the Federal Ministry for Economic Cooperation and Development of the Federal Republic of Germany (BMZ) and Caritas Germany (DCV)

© **International Charity Foundation “Caritas Ukraine”, 2025**

Authors:

Rostyslav Kis

Olesia Balyan

Mariana Prokopyk

Yuliana Fedoruk

Sofiia Korliuk



Table of Contents

List of Abbreviations	5
Introduction	6
1. Baseline Status of the Social Services Sector Prior to Project Implementation	6
1.1. Financing mechanisms and deviations from the standard regulatory framework.....	11
1.2. Funding sources: predominance of local budgets, limited service scope, short-term provision, first state financing attempts	12
1.3. Needs assessment practices: divergence between actual methods and regulatory requirements	13
2. Reform-Oriented Policy Interventions Designed to Address Structural Sectoral Challenges.....	16
2.1. International best practices and comparative experience	16
2.2. State budget financing mechanisms	18
2.3. Direct contracting and implementation of the 'Money Follows the Person' principle.....	19
2.4. National Procurer of Social Services.....	20
2.6. Independent monitoring and quality assurance mechanisms	21
2.7. Development of service protocols and rate frameworks	22
3. Key Achievements and Systemic Improvements Since 2022	23
3.1. Introduction of a single purchaser: the Social Protection Fund for Persons with Disabilities	23
3.2. Innovative financial models for state-funded procurement of social services	24
3.2.1. <i>Direct contracting modalities</i>	24
3.2.2. <i>Application of the 'Money Follows the Person' Principle</i>	25
3.2.3. <i>Competitive and contest-based procurement approaches</i>	26
3.3. Financing of the provision of social services from the state budget.....	28
3.4. Digital case management	29
4. Shortcomings and Systemic Gaps of Existing Model. What Still Needs to Be Improved.....	30
4.1. Transition from pilot initiatives to permanent legislative regulation.....	30
4.2. Incomplete implementation of online needs assessment mechanisms	32
4.2.1. <i>Advanced approaches to community-level needs data collection</i>	37
4.3. Harmonization of service provider status across ownership types and standardisation of service cost calculation.....	40
4.4. Inconsistency of community co-financing mechanisms and proposed amendments to the Budget Code	42
4.5. Revision of the service classifier: absence of standardized service protocols and pricelists	54
4.6. Lack of independent monitoring and quality assessment systems.....	56

4.6.1. Harmonization of the Provisions of the Procedure for Monitoring the Provision and Quality Assessment of Social Services with the Law "On Social Services" 57

4.6.2. Transfer of information on the results of monitoring the provision of social services and the assessment of their quality from the "Providers" section to the "Recipients" section 58

4.6.3. Role of quality assessment reports and synchronization of reporting timelines 59

4.6.4. User roles, interaction protocols, and data submission mechanisms..... 60

4.6.5. Feedback from the Social Service Recipient. Comparative information on the quality and rating of the social service provider, as well as reviews regarding the provider's personnel..... 61

4.6.6. Monitoring of social service provision and statistical analytics of the Register 63

4.6.7. Harmonization of regulatory oversight for monitoring and statistical analysis of social services. Expansion of the functions of the Register..... 63

Conclusions..... 67

References..... 68

List of Abbreviations

Law No. 2671 – Law of Ukraine “On Social Services”

TC – Territorial Community

CEA – Central Executive Authorities

IDP – Internally Displaced Person

DLC – Difficult Life Circumstances

LSG – Local Self-Government Bodies

CMU, Cabinet of Ministers – Cabinet of Ministers of Ukraine

MoH – Ministry of Health of Ukraine

NSSSU, National Social Service Center – National Social Service of Ukraine

NHSU – National Health Service of Ukraine

RLA – Regulatory Legal Act

UN – United Nations

MNPE– Municipal Non-Profit Enterprise

PIT – Personal Income Tax

EU – European Union

FRG – Federal Republic of Germany

Introduction

Efforts aimed at achieving positive change in the field of social protection of the population, and social services in particular, within the Caritas Ukraine network began with the establishment of the first home care service units in 1998–2000. As experience accumulated and knowledge was gained through cooperation with donor partner organizations of the Caritas Europa Confederation, which supported the development of social services in Ukraine, a deeper understanding emerged of the state of the sector, its operational principles, and the necessary legal and regulatory framework –viewed from the perspective of social service recipients. The expansion of a regional network of social service provider organizations enabled Caritas Ukraine to draw the attention of the donor community in the Federal Republic of Germany to the challenges associated with the formation of a sustainable social services delivery system in Ukraine.

Beginning in 2012, with financial support from Caritas Germany, joint charitable projects incorporated activities aimed at identifying the needs of social service recipients, improving their living conditions, facilitating access to equitable and high-quality social services, fostering the development of a competitive social services market, and promoting the establishment of a coherent and effective regulatory framework governing the provision of social services. This engagement enabled Caritas Ukraine to actively contribute to the discussion and adoption of the Strategy for Reforming the Social Services Delivery System (2012)¹, as well as the Action Plan for 2013–2016 for the Strategy for Reforming the Social Services Delivery System implementation². The experience and policy recommendations developed by Caritas Ukraine were also submitted to the Ministry of Social Policy of Ukraine during the drafting of the State Standard for the Home Care Social Service, which was adopted in 2013.

The initial years of operation of the Caritas network following the introduction of decentralization reform at the community level opened new horizons for engagement and implementation priorities. With the launch of the project “Advocating for Sustainable Social Services provided by Five Caritas Social Centers to vulnerable people affected by Ukrainian conflict within the national Decentralisation Reform in Ukraine,” implemented with the financial support of the Federal Ministry for Economic Cooperation and Development of Germany (BMZ) and Caritas Germany (DCV), efforts to introduce qualitative changes in approaches to social service delivery at the community level were significantly intensified. These efforts focused on promoting models that envisage the involvement of private social service providers in service delivery, with the aim of ensuring the protection of the rights and legitimate interests of service recipients, including persons living in difficult life circumstances. The integration of community-based social work with advocacy activities at the national level enabled the Caritas network to systematically monitor the processes of needs identification and needs satisfaction within communities, formulate evidence-based proposals for improving the legal and regulatory framework grounded in the network’s accumulated “field experience,” and provide structured feedback to local councils and central executive authorities regarding adopted policy and regulatory decisions.

This comprehensive engagement enabled the expert team of Caritas Ukraine to contribute directly to the development of Cabinet of Ministers of Ukraine Resolution No. 449 of June 01, 2020, “On Approval of the Procedure for Monitoring the Provision and Quality Assessment of Social Services,” as well as the “Procedure for the Establishment and Maintenance of the Register of Social Service Providers and Recipients and Access thereto.”

1 On Approval of the Strategy for Reforming the Social Services Delivery System. Cabinet of Ministers of Ukraine. Resolution No. 556-r dated August 08, 2012. URL: <https://zakon.rada.gov.ua/laws/show/556-2012-%D1%80#Text>

2 On Approval of the Action Plan for 2013–2016 for the Implementation of the Strategy for Reforming the Social Services Delivery System. Cabinet of Ministers of Ukraine. Resolution No. 208-r dated March 13, 2013. URL: <https://zakon.rada.gov.ua/laws/show/208-2013-%D1%80#Text>

In 2020, Caritas Ukraine submitted proposals regarding the implementation status of the National Strategy for Reforming the System of Institutional Care and Upbringing of Children for 2017–2026. Based on the Action Plan for the second phase of the Strategy, Caritas also proposed amendments to ensure the proper execution of the deinstitutionalization reform. In collaboration with the Directorate for the Development of Social Services and Protection of Children’s Rights of the Ministry of Social Policy of Ukraine, Caritas Ukraine developed a draft Procedure for Assessing the Needs of Individuals and Families in Social Services. Following the piloting of draft social service standards, and together with specialists from regional member organizations of the network, Caritas submitted proposals for the third draft of the State Standard for Home Care, the State Standard for In-Kind Assistance, the State Standard for Support during Inclusive Education, and the third draft of the Social Services Classifier, some of which have been partially incorporated into the final documents.

To strengthen the network’s advocacy voice, Caritas began identifying like-minded civil society organizations (CSOs) for partnership in defending the rights and legitimate interests of target population groups. In February 2021, the Platform for Legal Reforms for Civil Society Organizations was launched. Caritas Ukraine became a member of the Platform alongside ISAR Ednannia, the Ukrainian Independent Center for Political Studies (UICS), the Centre for Democracy and Rule of Law (CEDR), the International Renaissance Foundation, and the Ukrainian Helsinki Human Rights Union (UHHRU). During 14 meetings, proposals for the Legal Reform Map for CSOs were submitted and agreed upon. Over the course of six additional meetings in 2021, the Platform prepared the National Strategy for the Promotion of Civil Society Development in Ukraine, which was submitted for consideration to the Cabinet of Ministers Secretariat, the Office of the President of Ukraine, the Ministry of Social Policy, the Ministry of Digital Transformation, the Ministry of Education, and the Ministry of Finance. In December 2021, the Strategy was officially adopted by Presidential Decree. The Action Plan for the implementation of the Strategy extends through 2026 and includes measures for the reform of social services, many of which were proposed by Caritas Ukraine. Caritas also became a co-founder of the Alliance of Ukrainian CSOs, which unites over 27 of the largest charitable and humanitarian networks (with over 80 meetings held since 2023), and co-founded the Coalition of Social Service Providers, which brings together 52 non-profit civil society organizations.

In an effort to balance the tax burden associated with the provision of social services, Caritas Ukraine, together with the Ukrainian Independent Center for Political Studies (UICS) and other civil society organizations (CSOs), submitted proposals to exclude social services from the calculation of taxable income. These proposals contributed to the adoption of the Law of Ukraine “On Amendments to the Tax Code of Ukraine and Other Legislative Acts of Ukraine to Ensure Balanced Budget Revenues,” which introduced changes to the taxation of social service provision under personal income tax (PIT).

The outbreak of the war shifted priorities toward large-scale humanitarian response, which required work on proposals for amendments to the Law on Volunteer Activity, the Tax Code to introduce tax liberalization for the reimbursement of volunteers’ expenses incurred in the course of their activities, and Cabinet of Ministers Resolution No. 174 of 1 March 2022, “Certain Issues Concerning the Clearance of Humanitarian Aid through the Customs Border of Ukraine under Martial Law,” to enable the import of vehicles for humanitarian response. Proposals were also submitted for amendments to the Law on Humanitarian Aid (Law No. 4608), which were subsequently taken into account. The coordination of efforts and alignment of positions between Caritas Ukraine and other humanitarian and volunteer organizations took place through multiple platforms, including: the Coordination Meeting “Legislative Regulation of Volunteer Activity in Ukraine: Addressing Threats and Improving the System”; the Summit of Volunteer and Civic Initiatives, organized by ISAR Ednannia in partnership with the Lviv Oblast Regional Military Administration; meetings with the Ministry of Social Policy, dedicated to improving mechanisms for humanitarian assistance during martial law; the Roundtable “Development of Social Services during the War: Challenges

and Opportunities,” organized by Right to Protection NGO with support from USAID; and the annual Civil Society Development Forums, organized by ISAR Ednannia.

From the very first days of the war, Caritas Ukraine joined the work of the IDP Coordination Headquarters and the Working Group on Humanitarian Recovery, Social Protection, and Volunteer Activities under the Vice Prime Minister, and later under the Deputy Head of the Office of the President of Ukraine, Ms. Iryna Vereshchuk (participating in over 150 meetings). These platforms serve as key mechanisms for humanitarian coordination between executive authorities and civil society organizations (CSOs).

Strengthened engagement with international donor structures enabled Caritas Ukraine’s advocacy specialists to participate in the Advocacy Working Group of the NGO Humanitarian Platform (over 100 meetings since 2022), the Caritas Internationalis Humanitarian Policy Task Force, the Advocacy Working Group of the Ukraine Country Forum of Caritas Europa, and the Humanitarian Legislation Task Force, organized by OCHA.

In 2025, Caritas Ukraine was included in the International Task Force on Social Services, organized by UNHCR, UNICEF, and FCDO under the auspices of the Economic Recovery Center and the Ministry of Social Policy of Ukraine, with participation from CER, Rokada, R2P, Caritas, UNFPA, Social Synergy, TCHU, IOM, Protection Cluster, JICA, OECD, Expertise France, and the Embassies of the United States and Austria.

In 2021, Caritas Ukraine sent a letter to the President of Ukraine, requesting the submission of draft laws to the Verkhovna Rada regarding amendments and additions to the Budget Code and the Law on Social Services. This advocacy contributed to the adoption of Presidential Decree No. 30/2021, “On Certain Measures to Ensure Citizens’ Right to Quality and Safe Social Services,” which obligated the Cabinet of Ministers of Ukraine to develop and submit draft laws aimed at transitioning from institutional funding of state and municipal social service providers to a “money follows the social service recipient” financing model. To implement this Decree, the Cabinet of Ministers established a Working Group on Improving Legislation for the Development and Regulation of the Social Services Market, in accordance with Resolution No. 125 dated February 17, 2021. The group included representatives of ministries, members of parliament, officials from the Office of the President, and representatives of civil society organizations. Throughout 2021, Caritas Ukraine, as part of this working group (specifically within the subgroup on the development of the social services market and reform of financing mechanisms), prepared and submitted proposals for amendments to the following regulatory legal acts: Law of Ukraine “On Social Services”; Law of Ukraine “On Local Self-Government”; Cabinet of Ministers Resolution No. 783 dated August 26, 2020, “On Certain Issues of the National Social Service of Ukraine”; Cabinet of Ministers Resolution No. 185 dated March 03, 2020, “On Approval of Activity Criteria for Social Service Providers”; Procedure for Monitoring the Provision and Quality Assessment of Social Services, approved by Cabinet of Ministers Resolution No. 449 dated June 01, 2020; and Procedure for Determining the Needs of the Population of Administrative-Territorial Units in Social Services, approved by Order No. 28 of the Ministry of Social Policy of Ukraine, dated January 20, 2014.

In April 2022, by Presidential Decree, the National Council for the Recovery of Ukraine from the Consequences of the War was established, tasked with developing the Ukraine Recovery Plan. To ensure the Council’s effective operation and the preparation of expert proposals, 24 working groups were formed, each covering a specific societal sector. Representatives of Caritas Ukraine (R. Kis, O. Balyan) joined the working group on social protection within the National Recovery Council, participating in the subgroups “Social Support” and “Digitalization.” Between May and June 2022, Caritas Ukraine representatives took part in five meetings of the working group and its subgroups, during which a vision for reforming the social sector in Ukraine was developed. The Ukraine Recovery Plan was presented in Lugano, Switzerland, in early July 2022 at a conference on Ukraine’s recovery and received positive reception from the international

community. Subsequently, in 2024 and 2025, the President of Caritas Ukraine participated in the Ukraine Recovery Conferences held in Berlin (URC 2024) and Rome (URC 2025).

In August 2022, advocacy experts from Caritas Ukraine, at the invitation of the Office of the President of Ukraine and UNDP, participated in strategic sessions alongside the future Minister of Social Policy, O. Zholnovych, representatives of the Presidential Office, and other experts, to discuss the vision for reforming the new social services delivery system in Ukraine and the post-war procurement and financing model for social services. Caritas Ukraine representatives (R. Kis, O. Balyan) presented proposals for reforming the social services system, emphasizing the involvement of non-state social service providers under the “money follows the service recipient” principle. This model allows for individualized assessment of needs and directs funding to each case, regardless of the recipient’s location. The principles of this model were subsequently adopted as the foundation for experimental projects by the Ministry of Social Policy, which commenced in 2023 and continue to this day.

Caritas Ukraine continues to monitor the reform process and engage with the Ministry of Social Policy of Ukraine as a participant in its organized events and platforms. These include: the Digital Social Forum “Building Capacity Instead of Dependency” (2023), the Global Digital Social Forum (2024), the presentation of the Social Services Development Strategy project (2025), the working group on improving legislation on social service provision and preparing the Social Services Development Strategy, the working group on updating the current Social Services Classifier, the working group on the implementation of a comprehensive social service for resilience-building and the establishment of resilience centers, the working group on challenging issues in the field of humanitarian aid, and meetings dedicated to improving mechanisms for humanitarian assistance during martial law. This work has been accompanied by the submission of proposals for amendments to Resolution No. 1049, “On the Implementation of the Experimental Project for the Introduction of the Comprehensive Social Service for Resilience-Building”, Resolution No. 888, “Certain Issues of the Implementation of the Experimental Project on the Provision of Residential Care and Supported Living Services to Internally Displaced Elderly Persons and Persons with Disabilities under the ‘Money Follows the Person’ Principle”, as well as amendments and additions to subordinate regulatory acts governing humanitarian assistance and volunteer engagement.

The practical experience of the Caritas network’s participation in experimental social service projects enabled Caritas Ukraine representatives to organize a series of joint meetings between relevant directorates and departments of the Ministry of Social Policy and Caritas Ukraine project managers providing supported living, home care, palliative care, and residential care services for persons who have lost their means of subsistence. A Memorandum of Understanding and Cooperation was concluded between Caritas Ukraine and the Ministry of Social Policy of Ukraine, the Ministry for Temporarily Occupied Territories of Ukraine, and the Ministry for Veterans Affairs of Ukraine on the joint implementation of project tasks and the provision of assistance to persons experiencing difficult life circumstances due to hostilities, who have lost or suffered damage to their housing and require additional humanitarian aid and social services.

In June 2025, under the coordination and with the participation of the Director of the Legal Department and the Partnership Relations Manager of Caritas Ukraine, a meeting was held between the President of Caritas Ukraine and the Minister of Social Policy of Ukraine, Ms. Oksana Zholnovych, which summarized the positive joint experience and outlined the directions for further collaboration.

A critically important sector of the work of Caritas Ukraine’s legal team has been, and continues to be, collaboration with the Verkhovna Rada of Ukraine, particularly with the Committee on Social Policy and Protection of Veterans’ Rights. Caritas Ukraine regularly participates in events organized by the Committee, including meetings and roundtables on topics such as “Problems of Persons with Disabilities During Wartime”, “Social Services: Challenges and Prospects”,

the International Forum “Veterans – Path Home”, the Congress of the Coordination Platform “VzaemoDiya”, discussions on problematic aspects of providing supported living social services, Committee sessions on the draft Concept of the Social Code of Ukraine, on Draft Law No. 12010 regarding amendments to Articles 6 and 15 of the Law of Ukraine “On Humanitarian Aid”, as well as on the refinement for second reading of the Draft Law on Amendments to the Law of Ukraine “On Social Services” (No. 12124) concerning the improvement of social service delivery procedures. Following the successful adoption of the latter, a series of meetings was held with the Chair of the Subcommittee on Social Protection of Children Affected by the Armed Aggression of the Russian Federation Against Ukraine, Member of Parliament Ms. T. Tsyba, to discuss ways to further intensify the reform of the social services system.

Effective engagement with the Office of the Verkhovna Rada Commissioner for Human Rights was established through participation in multiple events, including the forum “Civil Society and the Office of the Ombudsman of Ukraine: Joint Action for Human Rights”, regional forums “Human Rights in Ukraine: Challenges of War and Paths to Protection”, the presentation of the National Strategy for Creating a Barrier-Free Environment in Ukraine by 2030, and discussions on the role of civil society organizations in its implementation.

National-level advocacy can be effective only when grounded in practical experience and feedback from network organizations that directly provide social services at the community level. Since 2020, the advocacy team of Caritas Ukraine has conducted regular meetings and consultations (over 120 sessions) with network members regarding the current status of compliance with social services legislation in communities, licensing of medical practice within palliative care and integration of medical components, tax risks associated with providing paid social services funded by service recipients, VAT taxation, the standardization and improvement of employment contracts and job descriptions, and the registration and amendment of founding documents for inclusion in the social service providers’ registry. During meetings with directors of regional Caritas organizations, discussions cover issues such as obtaining the status of an organization critically important for the national economy, implementation of an automated humanitarian aid accounting system, and preparation for participation in experimental projects on the resilience-building service (Resolution No. 1049) and Supported Living service (Resolution No. 888). As part of monthly advocacy meetings, tasks are coordinated for advocating shared issues at the national and local levels, alongside continuous updates on legislative changes and reforms at the national level, in which the Caritas Ukraine team actively participates.

Taking into account the work carried out by Caritas Ukraine’s advocacy specialists since 2020, this report outlines the state of the social services sector in Ukraine prior to the war, highlights positive developments and challenges arising since the onset of the war, and describes the current situation, while also drawing attention to the measures that still need to be taken to ensure the successful adaptation of the system to the challenges of the war and the post-war period.

1. Baseline Status of the Social Services Sector Prior to Project Implementation.

1.1. Financing mechanisms and deviations from the standard regulatory framework.

Work on the social services reform model began during the implementation phase of Ukraine's decentralization reform, which transferred full responsibility for social services to local territorial communities. This encompassed the entire cycle of authority: assessing community needs for services, allocating funding for service provision, and delivering the services. Under the Law of Ukraine "On Social Services"³ (hereinafter referred to as the Law No. 2671), which was amended following the decentralization reform, the responsibility for providing social services was assigned to municipal providers, whose funding came from a dedicated line in the local budget, as well as to non-governmental social service providers, who were engaged on a competitive basis through special "social procurement" competitions.

The regulatory framework defining the mechanisms for financing social services from local budgets was established by the Resolution of the Cabinet of Ministers of Ukraine No. 450⁴ dated June 01, 2020, "On the Approval of the Procedure for the Provision of Social Services through Social Procurement and Compensation to Providers for the Cost of Provided Social Services." This document codified a competitive approach to social service financing, stipulating the conclusion of contracts between the procurer (the local self-government body or an authorized body) and the provider based on defined standards and expected results, following the competitive selection of potential participants. In recent years, the social procurement mechanism was applied only in isolated communities, covering a small portion of funded services. The main obstacles cited by communities were the complexity of procedures and the lack of clear calculation tools to determine the unit cost of services.

The implementation of social procurement also required additional knowledge regarding community needs for services, as well as the duration and number of cases to be funded. These elements were expected to be included in the procurement announcement. Communities, lacking this knowledge and, in many cases, unwilling to assess needs, refused to apply the social procurement mechanism and instead reverted to more familiar methods, such as public procurement procedures, social projects, and participatory budgets. The public procurement mechanism on the Prozorro⁵ online platform is based on the electronic auction (reduction) principle, widely applied in international procurement practice (the so-called "Belgian auction"). Participants gradually lower their price proposals, competing to offer the lowest service cost. This mechanism was commonly used for procuring most goods and services in communities (asphalt, streetlights, sewage systems, etc.). It simplified the procurement process and allowed communities to avoid detailed assessments of quality or appropriateness. Social projects and participatory budgets, as a separate procurement instrument, involved evaluating competitive applications on general social protection topics, with the community approving or rejecting participants' proposals. The burden of determining the quantity, cost, and duration of services fell on the participant, meaning this mechanism required minimal additional effort from the community, apart from deciding on the winner.

3 On Social Services: Law of Ukraine No. 2671-VIII dated January 17, 2019, URL: <https://zakon.rada.gov.ua/laws/show/2671-19#Text> (accessed on October 02, 2025).

4 On the Approval of the Procedure for the Provision of Social Services through Social Procurement and Compensation to Providers for the Cost of Provided Social Services: Resolution of the Cabinet of Ministers of Ukraine dated June 01 No. 450, 2020. URL: <https://zakon.rada.gov.ua/laws/show/450-2020-%D0%BF#Text> (accessed on October 02, 2025).

5 On Public Procurement: Law of Ukraine No. 922-VIII dated December 25, 2015 (as amended). URL: <https://zakon.rada.gov.ua/laws/show/922-19#Text> (accessed on October 02, 2025).

The use of open bidding tools, in particular price-reduction auctions, has led to the predominance of the criterion of “lowest price” as the decisive factor in selecting a winner, with most participants attempting to reduce costs to the level of production cost, which directly affects the quality of services. This approach is appropriate for material procurement, but it does not correspond to the nature of social services, where quality, continuity, and professional competence are of critical importance. It should be noted that current Prozorro rules impose a limit on the weight of non-price criteria⁶ (up to 30%), and the removal of this limit is being discussed at the level of the Ministry of Economy of Ukraine⁷ to enhance procurement quality. The lack of systematic contract monitoring further complicates the evaluation of procurement effectiveness and prevents even successful practices from being scaled up. Typically, contract execution control relies on the availability of properly executed acceptance-transfer acts, which contain information on the number of services provided, recipients, their total cost, and service provision period.

Although the legislation allows the use of comprehensive evaluation criteria that consider service quality and effectiveness alongside price, in most cases, these criteria are applied only formally or not applied at all. As a result, there is an increasing gap between the legally intended approach, which is based on standards and results, and the actual practice, which is based solely on the lowest cost. For case-oriented services, such as care or social support, this mechanism is particularly risky, as it does not account for the labor intensity, individual case complexity, or continuity of service provision.

1.2. Funding sources: predominance of local budgets, limited service scope, short-term provision, first state financing attempts

From a financial perspective, the initial hope placed in the new mechanism for non-governmental service providers turned into disappointment. Procurement of social services from non-governmental organizations proved possible only when there were surpluses in the local budget. The revenue side of local budgets, under the decentralization reform, is formed from personal income tax (PIT) receipts⁸. Sixty percent of PIT is allocated to local budgets, while the remainder stays at the state level, which effectively limits the annual expenditure ceiling of communities for contracting services. In the context of the informal economy in small communities, where over 50% of the working-age population is employed without official registration, this tax does not generate sufficient revenue even to finance municipal service providers. The inefficiency and low investment attractiveness of small communities prevent them from generating an adequate revenue base. Budget revisions to allocate funds for the procurement of social services typically occur only after sufficient revenue is collected, in the second half of the year (July–September). Consequently, at best, a community is able to allocate only a limited amount, sufficient to purchase two or three services from non-governmental providers.

The funding level for municipal service providers, financed from the local budget, allows them to operate residential institutions regardless of occupancy and to provide between two and five of the seventeen basic services. Funding is allocated to the institution as a whole, rather than to the service for a specific recipient according to a standard; unified approaches to calculating the

⁶ Transparency International Ukraine. Non-Price Criteria in Prozorro: What the Government Is Willing to Pay More For. 2021. URL: <https://ti-ukraine.org/wp-content/uploads/2021/02/Non-Price-Criteria-in-Prozorro.-What-the-Government-Is-Willing-to-Pay-More-For.pdf> (accessed on October 02, 2025).

⁷ Ministry of Economy of Ukraine. Presentation 5-MoE ver. 2 (April 2025), slide 13. URL: <https://infobox.prozorro.org/upload/files/main/2345/680/5-moe-ver-2-mineconomy-april-2025.pdf> (accessed on October 02, 2025).

⁸ Budget Code of Ukraine dated July 08, 2010 No. 2456-VI (as amended). URL: <https://zakon.rada.gov.ua/laws/show/2456-17#Text> (accessed on October 02, 2025).

“unit cost of service” are absent in most communities. As of 2025, only a few communities have developed a social services procurement system to a level that allows planning for periods longer than one fiscal year. Among the communities where Caritas network organizations operate, only three out of forty-nine have reached this level. Procurement generally covers only a few of the simplest services. If municipal providers do not offer the full range of basic services, communities typically do not engage independent providers to fill the gaps, resulting in significant unmet needs among the population. The first evidence of the inability of local communities to finance social services emerged in 2020, which led to the development of a pilot project⁹ and the allocation of UAH 10 million in the state budget to support private providers. However, due to the inertia of communities (which were supposed to participate in the project alongside service providers) and excessive requirements imposed on them, the project was unsuccessful. Unused funds were carried over to the next fiscal year for several consecutive years.

Current mechanisms for financing social services combine funding from communities for municipal providers with competitive procurement funding for private providers, which is significantly constrained due to the martial law situation. Since 2023, the state has been testing new tools for financing social services from the state budget. Among them are Cabinet of Ministers resolutions No. 888 dated August 06, 2024, No. 40 dated January 17, 2025 (in partnership with UNICEF), and the “resilience service”, which performs preventive and social functions for the population (Cabinet of Ministers resolution No. 1049 dated October 03, 2023). These mechanisms primarily provide payment for the service provision period and also involve grant transfers, typically lasting six to twelve months. These transfers are earmarked funds of state or donor origin, used to pay municipal or private providers within pilot projects. Their short-term nature prevents the formation of stable personnel teams, planning of infrastructure development, and ensuring continuity of services for recipients. The absence of guaranteed continuation of funding in the next budget period forces providers to operate in a state of constant uncertainty, making long-term contracting and strategic planning impossible. Although these mechanisms demonstrate progress toward a co-financing system, their scale remains limited. A more detailed analysis of these instruments is provided in Section 3.

1.3. Needs assessment practices: divergence between actual methods and regulatory requirements

The total number of social service standards was initially set at 17 basic services as defined by Law No. 2671, and was later expanded to 45 services in the Social Services Classifier¹⁰. The assessment of community needs was intended to be conducted through data collection, provider surveys, and analysis of community statistical research. In practice, even the most active communities merely sent letters to providers requesting information on needs, thereby involving the private sector; at best, they organized one or two meetings or roundtables of collegial bodies to review reports on the situation. The collegial body – the working group on determining the population’s need for social services – is intended to assess community needs and consists of representatives from institutions and local councils. However, combined with the lack of funds to exercise social service provision powers, this structure leads to a one-sided and ineffective approach, focused not on ensuring the rights and interests of service recipients, but on saving local budget resources. The majority of rural communities, however, conduct no such assessments at all.

⁹ Pilot Project “Development of Social Services” and the budget program “Social Protection of Citizens in Difficult Life Circumstances”, as provided for in the Law on the State Budget of Ukraine for 2021.

¹⁰ On the Approval of the Classifier of Social Services: Order of the Ministry of Social Policy of Ukraine No. 429 dated June 23, 2020. URL: <https://zakon.rada.gov.ua/laws/show/z0700-20#Text> (accessed on October 03, 2025).

Under wartime conditions, the size and structure of the population change rapidly, so reliance on last year's data systematically underestimates actual needs. According to the International Organization for Migration (IOM), as of April 2025, there are approximately 3.76 million internally displaced persons (IDPs) in Ukraine and 4.14 million persons who have returned to their places of residence. Both groups face limited access to social and psychological services, requiring regular updates on population needs at least twice a year, taking into account the dynamics of migration flows¹¹.

For budgeting municipal providers, communities rely on quantitative indicators of beneficiaries served in the previous year. The original data collection cycle envisioned the analysis of previous year data by mid-current year to prepare adjustments to the next year's budget. Thus, the planned budget reflects two-year-old dynamics and supports a structured allocation of service expenditures. With the onset of martial law, the frequency of reviewing needs volumes was reduced to once per calendar month. Normatively, the procedure for determining needs stipulates defining the number of beneficiaries, type of service, service duration, and projected cost¹²; however, in practice, communities are often limited to formal report collection without in-depth analysis. An additional data source can be service monitoring and quality assessment¹³, approved by CMU Resolution No. 449 dated June 01, 2020. If the results of such monitoring are systematically integrated into annual planning, communities would receive not only quantitative coverage indicators but also actual data on service effectiveness and workload. Currently, such data are used in fragmented manner and rarely influence budget decisions.

There is a direct correlation between available information on social service needs in a community, the allocation of funds by the community to meet these needs, and the delivery of social services by providers (see Diagram 1).

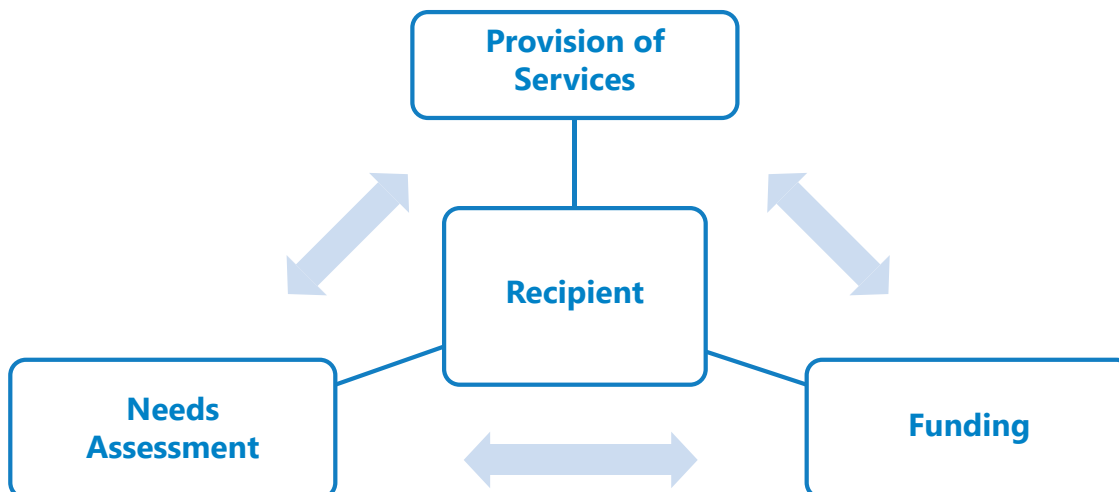
Feedback and interdependence lie in the fact that social services will not be procured by the community if no funds are allocated for this purpose. At the same time, funds will not be included in the community budget if information on the need for social services is absent or indicates no need.

11 IOM. Ukraine Internal Displacement Report, Round 20 (April 2025). URL: https://dtm.iom.int/sites/g/files/tmzbd11461/files/reports/IOM_UKR_Internal%20Displacement%20Report_GPS%20R20_April%202025.pdf?iframe=true (accessed on October 03, 2025).

12 On approval of the Procedure for determining the needs of the population of a territorial community for social services: Order of the Ministry of Social Policy of Ukraine dated April 19, 2023, No. 130-N. URL: <https://zakon.rada.gov.ua/laws/show/z1169-23#Text> (accessed on October 03, 2025).

13 On approval of the Procedure for monitoring and assessing the quality of social services: Resolution of the Cabinet of Ministers of Ukraine dated June 01, 2020, No. 449. URL: <https://zakon.rada.gov.ua/laws/show/449-2020-%D0%BF#Text> (accessed on October 03, 2025).

Diagram 1. “Triangle” of Interdependence: Needs Assessment – Financing – Service Delivery.



The existence of a real need for social services in the population implies that this need must be met through services financed from the local budget. Therefore, the function of needs assessment often becomes subject to abuse, neglect of duties, data distortion, and blocking of alternative sources of information by communities, which shows signs of local authoritarianism. The absence of documented needs is used as an indicator of local government efficiency, turning budget planning from a managerial tool into a political mechanism and distorting the real picture of the community’s situation.

One of the potential tools for improving the situation could be the Unified Social Services Information System¹⁴. However, in practice, the system currently does not provide complete coverage and is not integrated into the expenditure planning process, which reduces its function to a statistical rather than an analytical role. Due to the lack of systematic data collection, communities plan expenditures not based on actual needs but on available resources. This leads to chronic underfunding of services that are not included in the basic service list or do not carry political weight at the local level. As a result, social services requiring an individual approach—such as supported living, family crisis support, or services for persons with disabilities—remain outside budgetary planning. This imbalance between the normative framework and actual practice only exacerbates the gap between needs assessment, financing, and the quality of social service provision.

¹⁴ On approval of the Regulation on the Unified Social Services Information System: Resolution of the Cabinet of Ministers of Ukraine dated April 14, 2021, No. 404. URL: <https://zakon.rada.gov.ua/laws/show/404-2021-%D0%BF#Text> (accessed on October 03, 2025).

2. Reform-Oriented Policy Interventions Designed to Address Structural Sectoral Challenges

2.1. International best practices and comparative experience

The current model of social service provision in Ukraine is the result of gradual changes and improvements to the post-Soviet system of social services. The focus was historically placed on planned financing, institutional provision of social services through a network of municipal service providers, the secondary role of the needs of service recipients, and the adaptation of services to the capacities of the providers. Any changes to such a system of social service provision, throughout Ukraine's independence, were implemented extremely cautiously, slowly, and accompanied by long-term testing and piloting of proposed reforms.

No country maintains a single model of financing and delivering social services unchanged over decades. Social protection and the system of social service provision should reflect actual conditions and respond to economic, political, financial, and demographic challenges in the country.

The full-scale military aggression of the Russian Federation to Ukraine has created challenges that require changes in approaches and an update of the social service provision model. In preparing proposals for social service reform, Caritas Ukraine drew on the experience of European countries, including Germany, the United Kingdom of Great Britain and Northern Ireland, and the Kingdom of Belgium. Each of these countries, at different points in history, stood at the origins of modern social policy models that later gained worldwide recognition. At the same time, at their current stage of development, they are reassessing and moving away from their traditional models of social protection and social service provision. The model combined the classical conservative "corporatist" social protection system of Bismarck (Otto von Bismarck)¹⁵ with the classical liberal system – the Beveridge System¹⁶. Bismarck's social protection model (typical of Austria, Belgium, Germany, Luxembourg, the Netherlands, and several other EU countries, also referred to as the continental model introduced social insurance funds, where the state plays a significant role in financing social services, while doctors and caregivers operate as independent professionals offering their services on the healthcare market). In contrast, the classical liberal Beveridge system is characterized by weak state social protection structures and relatively modest social benefits. Typical features include limited coverage by state institutions, reliance on national health insurance, and outsourcing of services to private providers. Countries where social protection is organized according to these principles include the United Kingdom and Ireland. This system is named after William Henry Beveridge, who in 1942 presented a comprehensive report on social policy to the British Parliament. Beveridge's report contained specific proposals for creating an integrated social insurance system, which would include the coordination of various forms of social insurance, the establishment of a National Health Service, including workplace accident insurance, family support measures, maintenance of high and stable employment, and protection against mass unemployment. These proposals became the foundation of the post-war British social insurance system.

¹⁵ Institutional Advocacy. Research on Practices for Strengthening Links with Governments: International Charitable Foundation "Caritas Ukraine", Caritas Europa, 2021. URL: <https://caritas.ua/wp-content/uploads/2021/02/institutional-advocacy-caritas.pdf> (accessed on October 05, 2025).

¹⁶ Typology of Welfare State Models: Analysis of Key Approaches: N.M. Khoma, *Derzhava i pravo*, 2012, Issue 56, pp. 621–622. URL: <https://nasplib.isofts.kiev.ua/server/api/core/bitstreams/8634968c-ce31-4e93-a0bc-f74170b46d47/content> (accessed on October 05, 2025).

Despite external differences in governmental structures and historical development, these countries share several features with Ukraine:

- As in the corporatist continental Bismarckian systems, financial coverage of social protection and welfare relies on contributions from employees and employers. However, both Belgium and Germany have gradually shifted away from the pure corporatist Bismarck model—which primarily focused on the welfare and support of workers – toward the Beveridge model, which is primarily aimed at preventing poverty and other conditions that hinder individuals from becoming self-sufficient members of society. In the context of wartime and post-war decline, when the socio-economic situation in the United Kingdom was extremely difficult, the state’s priority was not to support the special status of particular social groups, but to improve the well-being of the population as a whole. For the Ukrainian system, even as a post-Soviet structure, the distribution of social protection resources is also aimed at meeting the needs of all people without exception. In post-war Ukraine, reducing poverty and improving the overall living conditions of the population are no less relevant than they were in the United Kingdom in the era of William Henry Beveridge.
- The experience of Bismarckian-model countries (Belgium and Germany) in effectively integrating Beveridge system mechanisms – particularly the development and expansion of services provided by private, commercial providers – can be valuable for introducing competitive conditions in the social services market in Ukraine.
- All selected countries view social services and social care as a means of preventing risks to life and health insurance, and they successfully integrate social work with medical assistance and care. Ukraine, in turn, has already applied the British model in preparing and implementing its medical reform, and further close integration of medical care and social services will be a natural continuation of reforms in these sectors.
- Ukraine, as well as all the selected countries, faces the task of prudent and efficient use of financial resources to provide social services of the highest quality that fully meet the needs of individuals in difficult life circumstances. Therefore, their experience with so-called indirect funding services – where payments are not made directly to the social service provider but transferred to the service recipient for their efficient use – is of significant importance for Ukraine.
- All three models are client –oriented and adhere to the ‘Money Follows the Person’ Principle to maximize financial efficiency; therefore, the experience of the selected countries will be valuable for integrating this principle into the Ukrainian social services model.
- The labor market and demographic situation in Belgium are similar to Ukraine’s (high unemployment and a rapidly aging population requiring social services), making Belgian approaches to mobilizing additional revenue sources for social services relevant and applicable in Ukraine.
- Common with Ukraine, given the challenges facing each of these economies, is the desire and active efforts to adopt best practices from other existing models, particularly the British Beveridge system with an emphasis on indirect service funding, and the increasingly active development of social services provided by non-state actors, including for-profit providers.

In analyzing the models and financing mechanisms of the countries under review, particular attention was given to social care services. This focus is emphasized by the countries themselves and is driven by the demographic situation in the analyzed states and the trends of population aging. Considering the share of national expenditure on providing these services in each jurisdiction, this type of service is the only one among social services taken into account in the compilation of analytical statistics by Eurostat and in the economic development indicators of member countries

of the Organisation for Economic Co-operation and Development (OECD)¹⁷. This type of service is comprehensive and includes the largest and most diverse set of standards and measures, provided for both children and adults.

Although each of these countries has its own underlying reasons for developing and initiating reforms, a commonality with Ukraine is the necessity to adapt the system to socio-economic and demographic challenges such as an aging population, unemployment, and increasing social service expenditure.

At the same time, despite the experience of European democracies, the proposed model reflects the specific characteristics of Ukraine and is designed to address the challenges facing the country. In particular, among the objectives of the social services reform model are: Establishing a balance of influence and control between central executive authorities and local councils, as well as between social service providers and local authorities; equalizing the status of providers and ensuring respect for the rights of social service recipients; demarking the powers related to commissioning social services, financing them, and assessing their quality; and preventing administrative or other artificial interference with the objectivity of data on the state and volume of social service provision in the country.

2.2. State budget financing mechanisms

The need for social services exists in all territorial communities, regardless of their budget capacity. The current financing model, where the main burden falls on local budgets while certain areas are supported by the state budget, is inefficient and does not ensure full coverage of the existing needs. Analysis shows that there is no direct link between the growth of local budget revenues and spending on social services. As a result, less affluent communities cannot fund their needs due to a lack of resources, while higher-income communities do not always allocate more resources to social services¹⁸. Caritas Ukraine began developing a model for reforming the social services sector and financing social services in 2017, based on the practical experience of interaction between organizations in the Caritas network and local councils regarding the procurement of social services. This model is specifically aimed at addressing existing imbalances and disparities, ensuring equal access to quality social services for residents of all territorial communities who are in difficult life circumstances.

The model envisions a combination of several sources of financing:

- Local community budgets;
- State budget. Funds may come from various ministries (Ministry of Social Policy, Ministry of Veterans, Ministry of Health), since at this stage, the state budget allocates expenditures on social services under the authority of different ministries.
- Complementary sources of financing, which, although they should not constitute a significant or decisive share, can be used during the transitional period—such as donor funds and contributions from social service recipients (for those who are financially able to pay for services or are required to contribute based on legal requirements).

17 The Effectiveness Of Social Protection For Long-Term Care In Old Age. Is social protection reducing the risk of poverty associated with care needs? Tiago Cravo Oliveira Hashiguchi, Ana Llana-Nozal : OECD Health Working Paper No. 117. URL: <https://www.oecd-ilibrary.org/deliver/2592f06e-en.pdf?itemId=%2Fcontent%2Fpaper%2F2592f06e-en&mimeType=pdf> (accessed on October 24, 2025)

18 Source: NGO "Center for Economic Recovery."

Under this model, the state guarantees financing for services from its own resources and of ensuring that local communities fulfill their responsibilities regarding financing social services. This will allow funding communities that do not have sufficient resources to meet the needs and reduce individuals' dependence on local community financing. Inter-budgetary relations between the community and the state budget should ensure mutual settlement and horizontal equalization through the state budget to cover communities' arrears in their own contributions to financing social services.

The key elements of the social services financing system reform are:

- Implementation and adherence to the "money follows the person" principle.
- Equal rights for private and municipal social services providers to access funding, regardless of ownership form.
- Local communities (local councils) and municipal social service providers should not perform the functions of service commissioners.
- Introduction of state financial guarantees for the provision of social services and a state-guaranteed package of social services.
- Competition among social services providers.
- Systematic planning of expenditures.
- Subsidiarity – delegating powers for financing social services to the lowest possible level of government that can ensure adequate accessibility, quality, and economic efficiency of assistance, along with the necessary resources to implement it.

2.3. Direct contracting and implementation of the 'Money Follows the Person' principle

One of the key changes in reforming the social services system should be the transition from institution-based financing to financing services provided to specific recipients. This approach is based on the "money follows the person" principle, which involves allocation of budget funds to finance social services actually received by the recipient, rather than to maintain an institution.

Observations from the healthcare reform in Ukraine have demonstrated the effectiveness of this approach: payments are made based on the results of the provider's work, rather than the number of beds or staff positions. The positive experience with the financial mechanisms introduced by the healthcare reform has already been noted by Caritas centers that holding medical licenses. In the social services sector, the outdated institution-based financing model persists, which allocates funds for the maintenance of institutions, staff, and basic administrative costs regardless of the actual number or complexity of cases. This creates a situation where the financial stability of the provider does not depend on the effectiveness of their work, economic performance, or the satisfaction of recipients' needs.

The introduction of direct contracts between the purchaser (the state or the community, represented by the Single National Social Services Purchaser) and the service provider would allow payment for services actually delivered. Such contracts should stipulate the procurement of a defined number of services for a specific number of recipients at approved rates. For some basic or auxiliary services, a simplified financing mechanism based on a global rate may remain in place, meaning payment for a set period of service provision to all recipients within the community. It is only necessary to clearly define the list of such services to prevent misuse.

The "money follows the person" mechanism ensures a direct link between funding and the number of cases, service complexity, and actual needs of individuals. This addresses the issue of the rigidity of local budgets during periods of internal migration or emergencies, when communities cannot promptly reallocate resources. This approach is particularly important for provision of

comprehensive services in crisis situations related to war, population displacement, or the social vulnerability of certain groups.

Funding should be planned based on the cost of each individual case, in accordance with an individualized service plan. To achieve this, it is necessary to:

- Determine funding volumes based on the actual costs of each case;
- Develop community social development plans using data from the Registry of Social Service Providers and Recipients, which reflects the real needs of the population;
- Approve a list of social service standards for which funding is provided proportionally to the services actually delivered, according to established tariffs.

As a result, each recipient should have the ability to independently choose a service provider, and allocate budget funds directly to chosen provider for the management of a specific case. This approach eliminates dependence on the financial capacity of a particular community or the territorial availability of providers. If a necessary service is not available in the community, local authorities must ensure its provision – either by contracting it from the non-state sector, establishing a municipal provider, or, if necessary, providing the recipient with a monetary compensation to access the service independently.

2.4. National Procurer of Social Services

A key element of the vision for the social services reform proposed by Caritas Ukraine is the creation of a National Procurer of Social Services, serving as both a procurement operator and administrator of budgetary subsidy funds. This refers to the independent institution that would pool funds from the state and local budgets into a single financial resource and allocate them to pay for specific cases of service provision.

The model is based on the successful experience of the medical reform and the activities of the National Health Service of Ukraine (NHSU). Organizationally, the National Procurer of Social Services would function as a central executive authority, coordinated by the Cabinet of Ministers of Ukraine through the Ministry of Social Policy, Family, and Unity. To implement its powers, it was proposed to establish regional units independent of local councils, thereby preventing political or administrative pressure.

The National Procurer of Social Services is not the owner, founder, or manager of service providers, which ensures a clear separation between the functions of the procurer and the provider. Funding will be carried out according to approved tariffs and service protocols, ensuring objective decision-making and stability of financial flows. Funds from all sources will be consolidated into a single treasury account, with services paid using funds held in that account according to established standards, eliminating the possibility of discretionary management of funds at the local level. The introduction of the National Procurer of Social Services will create a unified social services market, increase transparency in funding, standardize financial mechanisms and standards within the framework of the state-guaranteed service package, and eliminate duplication of oversight functions. The institution will publicly report on its activities and provide annual proposals for financing the social services system.

2.5. Digitalization of needs assessment processes

One of the main shortcomings of the social services system is the dependence of needs assessment on the subjective decisions of local government authorities. In practice, this often leads to an underestimation of the actual number of cases, as communities frequently limit the recognition of needs due to budget constraints or reluctance to assume responsibilities. Such practices distort data, hinder planning, and exacerbate social inequality.

A common problem is the lack of systematic assessment of social service needs, which makes it impossible to plan social sector expenditures effectively. According to the Ministry of Finance, local budget expenditures on social policy increased by almost 60% in 2023 compared to 2021. In 2022, budget execution for social sector expenditures reached 83.17% of the revised annual plan, meaning that almost UAH 5.9 billion was not spent. By the end of 2023, budget execution for social protection and social welfare expenditures reached 90.97% of the revised annual plan, leaving nearly UAH 4.45 billion from local budget funds allocated to the social sector unspent.

This may indicate underperformance in planned budget revenues, low quality of budget planning in the social sector, and, in some cases, untimely managerial decision-making, which are partly related to the absence of systematic assessment of the population's social service needs¹⁹.

This approach could be replaced by the creation of a national digital platform for collecting data on social service needs. Various stakeholders would have access to the platform, including social service providers, social services, law enforcement agencies, Centers for Administrative Services (CNAPs), child protection services, guardianship councils, courts, and the penitentiary system. In this way, data would be collected from multiple sources in real time, eliminating the possibility of manipulation by local councils.

In addition to tracking actual cases, the digital system should serve a preventive function by monitoring potential recipients with a potential need for services. This would involve integration with existing state databases, such as demographic registries, income data, health information, and property records.

2.6. Independent monitoring and quality assurance mechanisms

Considering that current practice entrusts local self-government bodies with quality control of social services, this has created risks of a formalistic approach and does not ensure an adequate level of objectivity. To address these shortcomings, it was proposed to introduce a mechanism for independent monitoring and quality assessment, to be carried out by specialized legal entities and/or individuals – independent auditors with the appropriate qualifications and accreditation in the field of social service evaluation.

The quality assessment should be financed from a dedicated source, which may be covered by the state budget or through special budgetary support programs. Monitoring should be organized selectively – using a rotation system, periodically, or in response to complaints from service recipients. The effectiveness of the control system directly depends on the existence of clearly defined performance indicators and service provision protocols, which would allow for measurable, rather than declarative, evaluation of quality.

¹⁹ Financing of the Social Sector: Who Provides Funding and What Procedures Are Followed – Legislative Initiatives Laboratory, URL: <https://parlament.org.ua/analytics/finansuvannya-soczialnoyi-sfery-hto-finansuye-ta-yaki-procedury/> (accessed date: October 05, 2025).

The international experience confirms that independent oversight is an essential component of an effective social protection system. In particular, the United Kingdom operates the Care Quality Commission, which inspects social service providers regardless of their ownership form, and publishes the inspection results publicly. Implementing a similar model in Ukraine would help overcome the current practice of “self-assessment,” which is often limited to formal reports without real quality analysis.

Compliance with state social service standards provides leverage over providers, including the possibility of temporarily restricting, changing the status of, or removing them from the Register of Providers until identified violations are corrected. Equally important is the establishment of a mechanism for rapid response to complaints from service recipients, which ensures their right to quality assistance.

The introduction of an independent monitoring system creates conditions for provider accountability, increases public trust in the social service delivery system, and ensures continuous improvement of social service standards and practices.

2.7. Development of service protocols and rate frameworks

An effective social service system is impossible without the introduction of unified, economically justified tariffs and service delivery protocols. Since their adoption, state social service standards have mostly defined only general principles: methods for provider selection, criteria for eligibility of target groups, procedures for record-keeping, and the duration of service provision. At the same time, the specific measures, their scope, sequence, and associated costs remain at the discretion of local specialists, which leads to significant variations in service quality and creates risks of inefficient use of budgetary funds.

To ensure transparency, standardization, and financial sustainability of the system, it has been proposed to establish uniform tariff rates for social services provided in accordance with state standards. In particular, the proposal includes:

- Determining the cost of each individual measure within the social service standard;
- Introduction of a unified methodology for calculating the tariff for each service using a specific formula that takes into account case complexity, distance, and the need for additional equipment or specialists;
- Calculation of the total cost of covering the social service needs in a community based on the unified tariff rates;
- Ensuring full auditing and transparency in the use of budgetary funds.

The cost of a social service should be determined based on planned, economically justified expenditures, taking into account its content, duration, and required resources. For a significant portion of services, state standards have not yet been approved, and some existing standards were adopted before the enactment of Law No. 2671 and require revision in accordance with modern requirements. Without a standard, it is impossible to calculate a tariff and, consequently, to develop a realistic budget for the social sector²⁰.

Simultaneously with the improvement of standards, protocols for the provision of social services should be approved – detailed instructions that define the sequence of actions, time and labor costs, necessary resources, as well as qualitative and quantitative performance indicators.

20 Ibid.

These protocols are analogous to medical treatment protocols and guarantee a minimum assured level of service quality.

The introduction of protocols should begin with an audit of the 17 basic state social service standards, and then methodologies and protocols, it will be possible to objectively calculate time expenditures, labor intensity, and the cost of each measure, thereby forming economically justified tariffs at the level of each standard.

Thus, unified tariffs, combined with protocols, create the foundation for fair funding, accountability, improved service quality, and the ability to forecast needs at the community, regional, and national levels.

3. Key Achievements and Systemic Improvements Since 2022

3.1. Introduction of a single purchaser: the Social Protection Fund for Persons with Disabilities

The full-scale war has become a driving force for changes in the social services system and has exposed the incapacity of the financial mechanisms that existed as of February 2022 to meet the needs of vulnerable individuals for social services. Even before the full-scale war, financially constrained communities were unable to fully fund and meet the social service needs of their residents (and the responsibility for organizing and financing basic social services lies by law with the local councils in the communities). With the onset of the full-scale war and the mass influx of internally displaced persons (IDPs) and evacuated individuals into new communities, which clearly could not have anticipated such numbers of people in need, meeting and financing the social service needs of all residents in need proved to be an unrealistic task – even for financially well-off communities.

The state began actively seeking solutions for this problem, and one of these solutions was the financing of certain social services from the state budget. To implement this financial mechanism, a national-level fund manager was required. The Ministry of Social Policy, Family and Unity of Ukraine (hereinafter – the Ministry of Social Policy) decided to establish a National Procurer of Social Services, whose authority was assigned to the Fund for Social Protection of Persons with Disabilities. The Fund is a non-profit budgetary institution, whose activities are directed, coordinated, and supervised by the Ministry of Social Policy of Ukraine²¹. The Fund's authority to act as the National Procurer of Social Services was initially defined by separate resolutions of the Cabinet of Ministers of Ukraine, which approved pilot projects for the provision of social services. In particular, these Cabinet of Ministers of Ukraine resolutions stipulate that the Fund must use state budget funds to pay for the social services provided – either directly to service providers or by transferring funds to recipients so that they can independently pay service providers within the framework of the Budget Program No. 2501370, "Development of the Social Services System." Subsequently, the powers of the Fund as the National Procurer of Social Services funded by the state budget were defined by the Resolution of the Cabinet of Ministers of Ukraine dated December 22, 2023, No. 1352, "On the Approval of the Procedure for the Use of State Budget

²¹ On the Approval of the Regulation on the Social Protection Fund for Persons with Disabilities: Order of the Ministry of Social Policy of Ukraine dated April 14, 2011, No. 129 (as amended by the Order of the Ministry of Social Policy of Ukraine dated March 27, 2017, No. 477). URL: <https://zakon.rada.gov.ua/laws/show/z0528-11#Text> (accessed date: October 10, 2025).

Funds for the Development of the Social Services System.”²²

Corresponding amendments were also introduced to the relevant law No. 2671, which established that one of the main directions of state policy in the field of social services is the procurement of social services of nationwide significance using state budget funds through a specially authorized organization for the procurement of social services. The list of entities within the social services provision system was expanded to include a budgetary institution responsible for organizing and carrying out the procurement of social services with state budget funds in cases and according to procedures established by the Cabinet of Ministers of Ukraine²³.

3.2. Innovative financial models for state-funded procurement of social services

As of October 2025, the Ministry of Social Policy has implemented seven pilot projects to test various financial mechanisms for the procurement of social services using state budget funds. Among these mechanisms, direct contracts between the National Procurer of Social Services and service providers are being piloted, as well as the ‘Money Follows the Person’ principle and competitive approaches.

3.2.1. Direct contracting modalities

The Cabinet of Ministers of Ukraine, by Resolution No. 1050 of October 03, 2023, “On the Implementation of a Pilot Project for the Introduction of a Contractual Form of Social Service Provision for the Social Support of Servicemen and Their Family Members in Military Units (Subdivisions) of the Armed Forces,”²⁴ provides that the Fund shall publish on its official website a notice of its intention to conclude a contract for the provision of social services for the social support of servicemen and their family members in military units (subdivisions) of the Armed Forces, along with the draft contract. Thereafter, social service providers that meet the established criteria submit to the Fund a statement of intent to provide the social service within the framework of the pilot project, together with supporting documents. The Fund then compiles a list of such service providers and concludes contracts with them for the provision of social services in the order of submission of statements and taking into account the demand for such social services. The contract is concluded by the Fund sending the draft contract to the service provider, which is then signed by the service provider. The contract specifies the procedure for providing the service, reporting on the service provided, the price, and the procedure for payment for the services rendered. The contract price and the cost of services are calculated by the Fund taking into account the projected number of service recipients (military personnel and their family members), the number of person-hours required to provide the social service, and the maximum cost of one person-hour. The maximum cost of providing a social service per person-hour is

22 On the approval of the Procedure for the use of state budget funds for the development of the social services system: Resolution of the Cabinet of Ministers of Ukraine dated December 22, 2023, No. 1352. URL: <https://zakon.rada.gov.ua/laws/show/1352-2023-%D0%BF#Text> (accessed date: October 10, 2025).

23 On amendments to certain laws of Ukraine regarding urgent issues in the healthcare and social sectors: Law of Ukraine dated May 22, 2024, No. 3728-IX. URL: <https://zakon.rada.gov.ua/laws/show/3728-20#n27> (accessed date: October 15, 2025).

24 On the implementation of the experimental project introducing a contractual form of social service provision for social support of servicemen and their family members in military units (subunits) of the Armed Forces: Resolution of the Cabinet of Ministers of Ukraine dated October 3, 2023, No. 1050. URL: <https://zakon.rada.gov.ua/laws/show/1050-2023-%D0%BF#Text> (accessed date: October 10, 2025)

established by Cabinet of Ministers Resolution No. 1050 and amounts to 317 hryvnias. Payment for services rendered is made by the Fund on a monthly basis based on the report on services provided submitted by the social service provider and the acceptance certificate for the service provided, through a cashless transfer to the bank accounts of service providers opened in banking institutions. The Fund concludes contracts with social service providers within the limits of budget allocations for this purpose, as provided in the State Budget of Ukraine for the relevant year.

A similar approach to financing and providing social services through the conclusion of direct contracts is provided within the framework of the experimental project on the introduction of a contractual form of providing shelter services to persons with reduced mobility among internally displaced persons. The procedure for its implementation is defined by the Cabinet of Ministers of Ukraine Resolution dated September 17, 2025 No. 1169, "Certain Issues of Support for Internally Displaced Persons."²⁵ The Fund publishes an announcement on its official website regarding the conclusion of contracts, which specifies, among other things, the conditions for submitting proposals by social service providers and the draft contract for the provision of social services. A service providers wishing to provide shelter services under the experimental project must submit to the Fund their proposal expressing the desire to conclude a contract with the Fund, after which the Fund sends the contract to the providers for signing. The Fund concludes contracts with service providers in the order of receipt of their proposals and within the limits of the budgetary allocations provided for this purpose for the respective budget period. The planned cost of the shelter service under the contract (contract price) is calculated as the product of the planned number of persons with reduced mobility among internally displaced persons who require shelter services, the planned number of days the service is provided, the number of months of the contract term, and the maximum daily cost of the shelter service. The tariff for shelter services per recipient is established by Resolution No. 1169 and is set at the maximum daily cost of the shelter service, which amounts to 262.3 hryvnias. The Fund makes payments for the shelter service actually provided based on the report on the services rendered, submitted by the provider in accordance with the concluded contract, on a monthly basis through the transfer of budget funds to the provider's bank account.

3.2.2. Application of the 'Money Follows the Person' Principle

The "Money Follows the Person" principle has been implemented by the Resolution of the Cabinet of Ministers of Ukraine dated August 06, 2024, No. 888 «Certain Issues of the Implementation of the Experimental Project on the Provision of Residential Care and Supported Living Social Services to Internally Displaced Elderly Persons and Persons with Disabilities under the 'Money Follows the Person' Principle"²⁶. The Resolution provides that the financing of residential care and supported living social services for a specific target group of recipients – elderly persons and persons with disabilities who are internally displaced persons (IDPs) – is carried out from the state budget based on the principle whereby the service recipient, regardless of their place of residence or location, independently chooses a service provider and pays for the services provided from their bank account to the account of the service provider.

Social service providers wishing to participate in this experimental project submit an

²⁵ Certain Issues of Support for Internally Displaced Persons: Resolution of the Cabinet of Ministers of Ukraine dated September 17, 2025, No. 1169. URL: <https://zakon.rada.gov.ua/laws/show/1169-2025-%D0%BF#Text> (accessed date: October 10, 2025).

²⁶ Certain Issues of the Implementation of the Experimental Project on the Provision of Residential Care and Supported Living Services to Internally Displaced Elderly Persons and Persons with Disabilities under the 'Money Follows the Person' Principle": Resolution of the Cabinet of Ministers of Ukraine dated August 06, 2024, No. 888. URL: <https://zakon.rada.gov.ua/laws/show/888-2024-%D0%BF#Text> (accessed date: October 09, 2025).

application to the Fund expressing their intention to provide services within the framework of the experimental project, along with supporting documents confirming their compliance with the established criteria. The authorized local self-government body determines the recipient's need for one of these social services and, upon making a decision to provide the services, provides the recipient with a list of service providers operating in the respective community. The recipient independently selects a service provider from this list. The contract for the provision of social services is concluded between the service provider and the recipient of social services. Budget funds are transferred by the Fund on a monthly basis to the recipients' current accounts with a special usage regime, starting from the date of contract conclusion and throughout the period of service provision specified in the contract. Recipients of social services make monthly payments from their accounts to the current account of the service provider for the services received. The maximum cost of social services within the framework of the experimental project is determined by the Ministry of Social Policy.

The 'Money Follows the Person' Principle is also enshrined in the Law of Ukraine "On Social Services," which was amended in May 2024. According to these amendments, when private social service providers are engaged in the provision of social services, payment for social services may be made by means of a non-cash transfer of funds to the social service recipient. The recipient then uses these funds to pay the selected social service provider, who is registered in the Register of Social Service Providers and Recipients and meets the requirements for providing the respective social service, in the manner and under the conditions established by the Cabinet of Ministers of Ukraine²⁷.

3.2.3. Competitive and contest-based procurement approaches

Among the pilot mechanisms for financing social services from the state budget, competitive mechanisms are also envisaged. One such competitive mechanism is implemented within the framework of the experimental project on the introduction of a comprehensive social service focused on resilience building, approved by the Resolution of the Cabinet of Ministers of Ukraine dated October 3, 2023, No. 1049 "On the Implementation of the Experimental Project on the Introduction of a Comprehensive Social Service focused on Resilience Building"²⁸. This project establishes a two-level competition: first, the Ministry of Social Policy, Family and Unity of Ukraine selects territorial communities to participate in the project; subsequently, the Fund conducts a competition among social service providers for each selected territorial community. Based on the competition results, the Fund concludes contracts for the provision of the comprehensive social service focused on resilience building with the winning service providers, within the limits of the budgetary funds allocated in the state budget. The contract price is calculated by the Fund taking into account the cost of the comprehensive service, which includes direct expenses for salaries and the unified social insurance contributions for the employees of the service provider, as well as the purchase of goods and services directly related to service provision. The Fund makes monthly payments for the services provided based on reports submitted by service providers, transferring funds to the providers' bank accounts. A key innovation of this experimental project is the Ministry's effort to create truly transparent and competitive conditions for all types of service providers. Specifically, budgetary institutions are allowed to participate in the competition only

²⁷ On Amendments to Certain Laws of Ukraine Regarding Urgent Issues in the Health Care and Social Spheres: Law of Ukraine dated May 22, 2024, No. 3728-IX. URL: <https://zakon.rada.gov.ua/laws/show/3728-20#n27> (accessed date: October 10, 2025).

²⁸ On the Implementation of the Experimental Project on the Introduction of a Comprehensive Social Service for Life Resilience Formation: Resolution of the Cabinet of Ministers of Ukraine dated October 3, 2023, No. 1049. URL: <https://zakon.rada.gov.ua/laws/show/1049-2023-%D0%BF#Text> (accessed date: October 10, 2025).

under the condition that a decision is made to terminate the budgetary institution through its reorganization (transformation) into a non-profit enterprise.

A two-level competitive approach is also provided in the experimental joint project on providing financial assistance in the form of small grants for social services to families with children and children and/or early intervention services, approved by the Resolution of the Cabinet of Ministers of Ukraine dated January 17, 2025, No. 40 "On the Implementation of a Joint Project with the United Nations Children's Fund (UNICEF) Regarding the Provision of Financial Assistance in the Form of Small Grants for Social Services for Families with Children and Children and/or Early Intervention Services"²⁹. Under this joint project, the Fund first selects territorial communities eligible to participate in the project and, upon verifying their compliance with the established criteria, publishes the list of selected communities on its official website. Subsequently, the Fund conducts a competitive selection of social service providers for each selected territorial community. Based on the results of the competitive selection, a contract is concluded to ensure the provision of services funded by the small grant between the Fund, the small grant recipient, and the small grant administrator — an organization with which the United Nations Children's Fund has concluded an agreement to administer and manage processes within the project. The small grant, which may amount to up to USD 60,000, is provided through two payments transferred by UNICEF (via the small grant administrator) to the grant recipient's account. The amount of each of the two payments within the total grant sum is determined in agreement with UNICEF based on the results of the competitive selection. Service providers are required to submit quarterly reports and analytical notes on services provided under the joint project to both the Fund and the respective authorized body of the territorial community.

A form of competitive selection is also provided within the framework of the experimental project on the procurement of social services for the comprehensive development and care of children with disabilities, approved by the Resolution of the Cabinet of Ministers of Ukraine dated June 25, 2025, No. 764 "On the Implementation of an Experimental Project on the Procurement of Social Services for the Comprehensive Development and Care of Children with Disabilities."³⁰ Under this project, the Fund conducts a selection of territorial communities that have expressed interest in participating in the experimental project and meet the criteria established in the Procedure for Implementing the Experimental Project on the Procurement of Social Services for the Comprehensive Development and Care of Children with Disabilities. The list of eligible communities is published on the Fund's official website. The authorized bodies of the territorial communities carry out an open selection of social service providers within their community. Based on the results of this selection, an agreement on the provision of social services for the comprehensive development and care of children with disabilities is concluded between the Fund, the authorized body of the territorial community, and the selected provider. The Fund enters into agreements with the authorized community bodies and service providers in the order of receipt of applications from the authorized bodies, within the limits of budget appropriations allocated for this purpose under the Budget Program No. 2501370 "Development of the Social Services System" for the respective year. Payment for the provision of social services is made based on the social service tariff, established as a capitation rate of UAH 24,425 per month. Payment is made directly to the service provider in accordance with the concluded agreement, within the budgetary allocations provided under the Budget Program No. 2501370 "Development of the Social Services System."

²⁹ On the Implementation of a Joint Project with the United Nations Children's Fund (UNICEF) Regarding the Provision of Financial Assistance in the Form of Small Grants for Social Services to Families with Children and Children and/or Early Intervention Services: Resolution of the Cabinet of Ministers of Ukraine dated January 17, 2025, No. 40. URL: <https://zakon.rada.gov.ua/laws/show/40-2025-%D0%BF#Text> (accessed date: October 10, 2025).

³⁰ On the Implementation of an Experimental Project on the Procurement of Social Services for the Comprehensive Development and Care of Children with Disabilities: Resolution of the Cabinet of Ministers of Ukraine dated June 25, 2025, No. 764. URL: <https://zakon.rada.gov.ua/laws/show/764-2025-%D0%BF#Text> (accessed date: October 10, 2025).

The Fund makes payments based on the service provider's report on the social service rendered and the form confirming the actual provision of the service, which is certified by representatives of the child. The cost of the social service actually provided is paid by the Fund within the limits of the monthly appropriations of the general fund of the State Budget, by transferring budget funds to the accounts of the service providers specified in the agreements. Funding from the budgets of the territorial communities participating in the experimental project and/or from other sources not prohibited by law, mobilized by the respective territorial communities, is used to cover: utility services in the premises where the social service is provided, including cleaning; transportation services; meals for recipients; reconstruction of the premises (if necessary); and the arrangement of premises and playgrounds (if necessary).

3.3. Financing of the provision of social services from the state budget

The Fund for Social Protection of Persons with Disabilities, acting as the National Procurer of Social Services, procures social services on equal terms from providers of state, communal, and private ownership forms, using funds from the State Budget under the Budget Program No. 2501370 "Development of the Social Services System." The mechanism for utilizing funds allocated in the general fund of the State Budget under the Budget Program "Development of the Social Services System" is determined by the Procedure for the Use of State Budget Funds for the Development of the Social Services System, approved by the Resolution of the Cabinet of Ministers of Ukraine dated December 22, 2023, No. 1352³¹. The Procedure establishes that the Ministry of Social Policy is the main administrator of budget funds and the responsible executor of the Budget Program, while lower-level budget fund administrators for the procurement of social services within experimental projects are the Fund for Social Protection of Persons with Disabilities.

According to the amendments made to Law of Ukraine No. 2671, social services of nationwide significance are financed from the State Budget. Such services are recognized as unique, comprehensive, and accessible high-quality social services provided for a specific purpose across the entire territory of Ukraine, based on the results of experimental projects, and aimed at satisfying a nationwide public interest. This interest consists of supporting certain categories of citizens in difficult life circumstances and mitigating the consequences of such circumstances. The list of social services of nationwide significance is to be approved by the Cabinet of Ministers of Ukraine³². As of October 2025, this list has not yet been approved by the Cabinet of Ministers of Ukraine. The procurement of social services of nationwide significance is carried out using State Budget funds through a specially authorized social service procurement body, which, at the time of this report, is the Fund for Social Protection of Persons with Disabilities.

Thus, alongside basic social services, the responsibility for providing and financing which lies on local councils and local budgets, the legislator has introduced the concept of nationwide social services, which are to be financed from the State Budget.

31 On Approval of the Procedure for Using State Budget Funds for the Development of the Social Services System: Resolution of the Cabinet of Ministers of Ukraine dated December 22, 2023, No. 1352. URL: <https://zakon.rada.gov.ua/laws/show/1352-2023-%D0%BF#Text> (accessed date: October 10, 2025).

32 On Amendments to the Law of Ukraine "On Social Services" Aimed at Improving the Provision of Social Services: Law of Ukraine dated March 26, 2025, No. 4332-IX. URL: <https://zakon.rada.gov.ua/laws/show/4332-20#n19> (accessed date: October 10, 2025).

3.4. Digital case management

The provision of social services is accompanied by the maintenance and completion of a large volume of documentation. This paperwork is highly time-consuming. In order to facilitate case management and free up more time for professionals to work directly with individuals or families rather than engage in bureaucratic processes, the Ministry of Social Policy has introduced the digitalization of case management and implemented an electronic case management system.

The digital tool “Case Management” is a component of the Unified Information System of the Social Sector (hereinafter – UISSS, the Unified System) in accordance with the Regulation on the Unified Information System of the Social Sector, approved by the Resolution of the Cabinet of Ministers of Ukraine dated April 14, 2021, No. 404.³³ Pursuant to this Regulation, the UISSS is an information and communication system that directly ensures the implementation of the functions of the Unified System’s entities, provides information support and accompaniment of their activities, and constitutes a set of interrelated general and functional subsystems, software and information complexes, and software and technical means that ensure the logical integration of relevant information resources, data processing and protection, and electronic information exchange. The digital tool “Case Management” is one of the functional subsystems of the Unified System, alongside such tools as the Register of Social Service Providers and Recipients, the “Social Services” subsystem, and others. The “Case Management” digital tool is defined as a component of the Unified System designed to ensure the organization of social service provision, in particular with regard to maintaining case files of individuals and/or families who are in difficult life circumstances, assessing the needs of individuals and families for social services, developing an individual social service provision plan, facilitating information exchange among social service providers and other public service providers, recording provided services and other forms of support, and conducting an assessment of the impact of the provided social services on the individual’s or family’s life situation.

The use of the digital tool “Case Management” is provided for, inter alia, by the Procedure for Organizing the Provision of Social Services, approved by the Resolution of the Cabinet of Ministers of Ukraine dated June 1, 2020, No. 587 “On the Organization of the Provision of Social Services,” as amended on December 27, 2024³⁴. The Procedure stipulates that structural units responsible for social protection of the population of district state administrations in the cities of Kyiv and Sevastopol, as well as executive bodies of village, settlement, and city councils (hereinafter referred to as the authorized bodies), in their interaction with recipients of social services, social services providers, social managers, and social work specialists, use, among other things, electronic tools of the Social Web Portal of Electronic Services of the Ministry of Social Policy at <https://soc.gov.ua> (hereinafter – the Social Portal of the Ministry of Social Policy), in particular: to inform recipients/potential recipients of social services about social services available in the community, the conditions and procedure for their provision; and to send notifications to a social manager/social work specialist/social service provider regarding the need to conduct an assessment of the needs of an individual/family for social services. At the same time, the social manager/social work specialist/social worker of a social service provider uses the digital tool “Case Management” to prepare and submit to the authorized bodies acts of assessment of the needs of a family/individual for social services, etc. The appointed case manager carries out case management using the electronic case manager’s account on the Social Portal of the Ministry of Social Policy, where

³³ Regulation on the Unified Information System of the Social Sector: Resolution of the Cabinet of Ministers of Ukraine dated April 14, 2021, No. 404. URL: <https://zakon.rada.gov.ua/laws/show/404-2021-%D0%BF#Text> (accessed date: October 12, 2025).

³⁴ On the Organization of the Provision of Social Services: Resolution of the Cabinet of Ministers of Ukraine dated June 1, 2020, No. 587. URL: <https://zakon.rada.gov.ua/laws/show/587-2020-%D0%BF#Text> (accessed date: October 13, 2025).

they are able to prepare and store all documents necessary for maintaining the personal file of a recipient of social services.

A person in need of social services may submit an application for the provision of social services through the individual's electronic account on the Social Portal of the Ministry of Social Policy. The Social Portal of the Ministry of Social Policy may also be used by third parties to submit notifications regarding the need to provide social services to persons who are in difficult life circumstances.

The Social Portal of the Ministry of Social Policy became operational on September 27, 2024. The procedure for the functioning of the Social Portal of the Ministry of Social Policy is regulated by the Regulation on the Social Web Portal of Electronic Services of the Ministry of Social Policy, approved by Order of the Ministry of Social Policy of Ukraine dated December 12, 2024, No. 578-N³⁵. The main objectives of the functioning of the Social Portal of the Ministry of Social Policy include ensuring remote access for authorized users to submit applications, requests, and notifications regarding the provision of social services and/or other types of social support, the need for assistive rehabilitation devices and/or other rehabilitation services; providing information on social support, including social services; providing authorized users with information on the progress of consideration of requests, applications, notifications, and decisions on the provision, termination, or refusal to provide social services; introducing tools for monitoring and assessing the quality of provided social services, in particular through surveys of authorized users regarding their satisfaction with the social services and/or other types of social support received; publishing informational materials on social support for users; conducting user surveys regarding initiatives aimed at improving governance in the social sphere, etc.

As of October 2025, the digital tool "Case Management" operates only for social services that are financed from local or state budget funds.

The digitalization of case management is also enshrined at the level of the sector-specific legislation. Amendments to Law No. 2671 dated March 26, 2025 provide that the process of providing social services to an individual must be recorded in an electronic personal case file of the individual/family through the use of an automated information and communication system³⁶.

4. Shortcomings and Systemic Gaps of Existing Model. What Still Needs to Be Improved

4.1. Transition from pilot initiatives to permanent legislative regulation

The experimental projects of the Ministry of Social Policy are intended to pilot several innovative approaches to the provision of social services. These include, in particular:

- new sources of funding (state budget funds and donor funding);

³⁵ Regulations on the Social Web Portal of Electronic Services of the Ministry of Social Policy of Ukraine: Order of the Ministry of Social Policy of Ukraine dated December 12, 2024, No. 578-N. URL: <https://zakon.rada.gov.ua/laws/show/z1988-24#Text> (accessed date: October 08, 2025).

³⁶ On Amendments to the Law of Ukraine "On Social Services" Aimed at Improving the Provision of Social Services: Law of Ukraine dated March 26, 2025, No. 4332-IX. URL: <https://zakon.rada.gov.ua/laws/show/4332-20#n19> (accessed date: October 08, 2025).

- new types of target groups of social service recipients (military personnel, veterans, and their families);
- new financing mechanisms (direct contracts with service providers, the 'Money Follows the Person' principle, and the involvement of donor funds);
- new social service standards (life resilience service, supported living service); and
- new service provision settings (resilience centers, which do not necessarily fall under the balance of municipal social service providers, and military units in specific pilot regions).

The implementation of experimental projects became possible thanks to funding from the state budget. This, in turn, was made possible by the inclusion of expenditures for the pilot project "Development of Social Services"³⁷ in the state budget in 2021.

Thus, the main function of experimental projects is to test innovative mechanisms for delivering social services. This explains their temporary nature, both in terms of duration and funding volumes. After more than two years of implementing experimental projects, a pause has emerged in the sector in general. Against the backdrop of private service providers actively participating in these projects, local communities and municipal providers have taken a wait-and-see approach. There are several reasons for this: there is an unclear understanding of how the sector will develop after the conclusion of the experimental projects, which brings communities back to understanding that the responsibility for providing social services has not been removed from them and that this burden continues to fall on their shoulders.

The situation is further exacerbated by the war, which has impacted both national and local budgets, shifting priorities toward the defense sector, as well as reducing the number of personal income taxpayers due to job losses and migration. Moreover, the historical development of the social services sector in Ukraine has taught communities that nationwide pilots and experiments, often, upon completion, end up being transferred to the shoulders of local communities, along with the maintenance of facilities that were equipped for the pilots. Taken together, these factors have led communities to adopt at least a wait-and-see approach, seeking to understand what will happen next and what the operational rules will be for the coming years. For a significant portion of communities, this translates into a "ride out" approach, with the aim of enduring the pilot phase and returning as quickly as possible to "business-as-usual" methods of social service provision and financing.

Overall, these tendencies manifest a refusal to participate in experimental projects (for example, the life resilience service, where community involvement is expected; the supported living service; and residential care), a refusal to plan in local budgets for the next year expenditures for facility adaptation or preparation to deliver these services, and reluctance to allocate funds for purchasing social services from private providers. Thus, while pilots foster change, they can also hinder it if they do not lead to the next logical stage of sectoral development.

The further trajectory of social services reform requires greater legal certainty. Experimental projects need to acquire the status of permanent legislation. However, simply terminating or extending the duration of experimental projects will not change the situation regarding the provision of social services, even if permanent funding from the state budget is subsequently allocated specifically for these experimental services. Currently, experimental projects operate in a modular fashion — as a temporary overlay that has not led to any significant changes in the sectoral legislation and can be dismantled at any moment. Updated legislation should focus on systemic changes that will have a long-term impact on the sector and the stakeholders involved.

³⁷ On Approval of the Procedure for the Use of Funds Provided in the State Budget for the Implementation of the Pilot Project "Development of Social Services": Resolution of the Cabinet of Ministers of Ukraine dated March 03, 2020, No. 204. URL: <https://zakon.rada.gov.ua/laws/show/204-2020-%D0%BF#Text> (accessed on October 02, 2025).

The first signs of such changes are observable in the Law of Ukraine “On Amendments to the Law No. 2671 Regarding the Improvement of the Provision of Social Services” dated March 26, 2025³⁸. This law introduces new definitions (basic social services, case management, nationwide social services, among others) and, in its transitional provisions, sets a task to prepare and submit to the Verkhovna Rada of Ukraine by January 01, 2026, draft laws to clarify the types of social services, the specifics of their provision, and the delineation of powers and funding sources.

The transition from experimental projects to a permanent legislative framework should ensure:

- the dissemination of innovative financing and procurement instruments to all social services listed in the Classifier on a permanent basis;
- the determination of funding sources for social service procurement in amounts sufficient to meet actual needs;
- the adaptation and revision of social service standards and the Classifier to the requirements of martial law;
- the regulatory framework for combining financing of social services from multiple sources;
- comprehensive and impartial assessment of social service needs, with results recorded in real-time in online databases; and
- independent monitoring and evaluation of social services.;

First and foremost, legislation should establish state guarantees for the provision of services and liability for failure to fulfill the duty to provide them. Current legislation allows local communities to neglect their responsibilities for assessing social service needs. At first glance, this may appear as one of many tasks that communities fail to perform; however, by a domino effect, the failure to assess social service needs – or the distortion of need indicators – directly affects decisions on allocating local budget funds for the procurement of social services, and, consequently, impacts the procurement itself. During their operation, the experimental projects of the Ministry of Social Policy have so far managed to bypass the issue of determining social service needs, focusing exclusively on cases served within pilot programs. At the same time, due to the absence of changes in the legal regulation of social service needs assessment, the problem remains caught between the powers of local councils under the decentralization reform, the budget deficits of communities, and their reluctance to acknowledge their own inefficiencies.

The direct and feedback connections, as well as the interdependence between service provision, financing, and needs assessment – depicted in Diagram 1 – will persist. Therefore, the starting point for transitioning from pilot projects to full-scale reform should be the launch of a comprehensive audit of social service needs, both at the community level and nationwide. This process should initiate the accumulation of first-year data in real time, which can subsequently be used for expenditure planning, assessment of community capacity, and analysis of trends in subsequent years compared to the first year of analysis.

4.2. Incomplete implementation of online needs assessment mechanisms

Despite the launch and availability of the subsystems of the Unified Social Sphere Information System (hereinafter – UISS), including the Register of Social Service Providers and Recipients, the “Social Services” subsystem, and the digital tool “Case Management” as elements of the digital

³⁸ On Amendments to the Law of Ukraine “On Social Services” Regarding the Improvement of the Provision of Social Services: Law of Ukraine dated March 26, 2025, No. 4332-IX, URL: <https://zakon.rada.gov.ua/laws/show/4332-20#n2> (accessed on October 07, 2025).

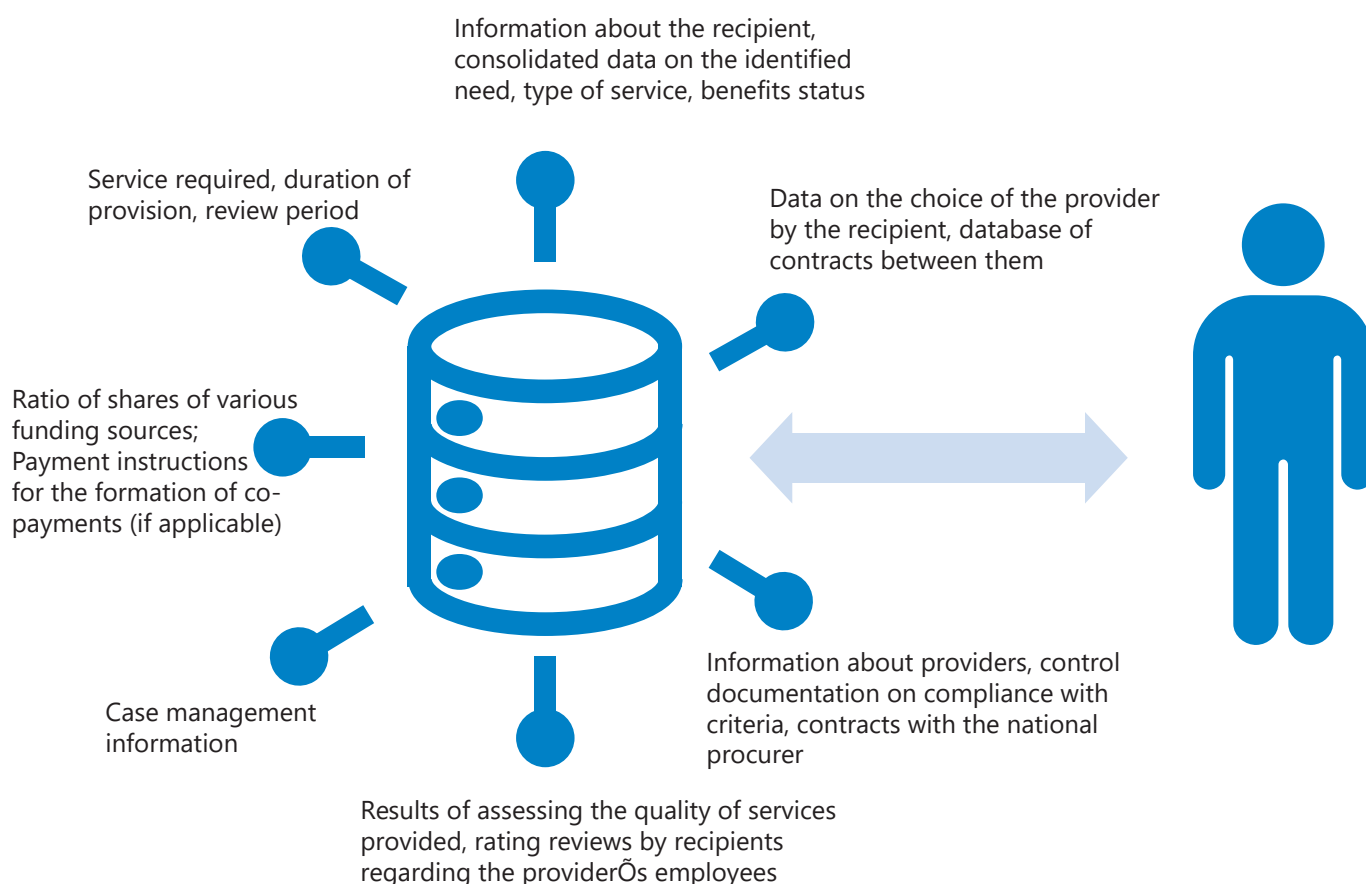
accounting infrastructure, needs assessment is not currently conducted using these tools.

A significant step forward was the adoption of the Law of Ukraine "On Amendments to Law No. 2671 Regarding the Improvement of Social Services Provision" dated March 26, 2025³⁹, which supplemented Article 15 of Law No. 2671 with provisions stipulating that the formation of the Register is carried out by entering relevant information into it by authorized bodies of the social service system and by social service providers (except for individuals providing care services under this Law without engaging in entrepreneurial activity), as well as through electronic information interaction of state electronic information resources in accordance with information protection legislation. Information must be entered into the Register within one day from the occurrence of the relevant event (receipt of an application/notification for social services, assessment of the needs of an individual/family for social services, decision on granting or denying social services, provision of social services, including one-time or emergency/crisis services), as well as for the purposes of state supervision (control) to ensure compliance with social service legislation.

A foundation has been laid for assessing social service needs in real time and for enabling interaction between state electronic information resources for this purpose. However, further work should focus on establishing specific regulations regarding the functionality of each system user and on maximizing the alignment of capabilities between private and municipal providers in the process of collecting data on social service needs in the community. Currently, the scope of entities that can access the Register to enter information about cases remains undefined. Access for entering needs is not provided for non-state providers outside of cases funded by the state or local budgets. Membership in a particular target group and the determination of which quality standard should be applied to the service remain under the jurisdiction of the local community. Mechanisms for verifying case information and its assessment (front office vs. back office, or whether the need was correctly interpreted) and enforcement measures for neglecting community needs requests (requests rejected as insufficient for service provision) are absent. Additionally, methods and legal instruments for appealing actions or inaction regarding needs assessment, case interpretation, and case management have not been established. No feedback system or rating mechanism exists for providers or individual social workers of a provider. Each case requires the creation of a virtual file (Diagram 2) that should integrate information about the identified need and the case management process, along with financial and legal components documenting the contract, the type of service provided, the funding structure applied to the case, duration, and the results of monitoring and evaluating the quality of social services.

39 Ibid.

Diagram 2. Information blocks that should be received and processed for the provision of social services



Considering the interdependence outlined above, the process of assessing social service needs in a community is highly susceptible to influence and data manipulation by the community itself, as an entity with extremely limited financial resources and a constant conflict of interest regarding this data. The **Conflict of Interest** stems from the combination of the roles of the social service procurer (payer) and the needs assessor being concentrated in the same entity – the local council. This situation is reinforced by the current Procedure for Assessing the Social Service Needs of the Population of an Administrative-Territorial Unit / Territorial Community⁴⁰. According to this procedure, at both the community and regional levels, a collegial body or working group on assessing the population's social service needs must be established. Its composition includes representatives of the local social protection authority, structural subdivisions of district state administrations in Kyiv and Sevastopol, or executive bodies of village, settlement, and city councils responsible for education, healthcare, finance and economy, youth and sports, child protection services, social managers, and social work specialists. By mutual agreement, the working group may also include representatives of territorial bodies of the National Police of Ukraine, probation authorities, social service providers and recipients and their associations, civil society organizations – including persons with disabilities, charitable and religious organizations, research institutions, representatives of vulnerable population groups, local council deputies, and other interested stakeholders. The working group prepares a report on the assessment of social service needs through formal meetings. Beyond the conflict of interest, the current procedure, even assuming good faith on the part of the community, implements the powers for needs assessment extremely slowly: the process can take several months to a year. During martial law, the review frequency is

⁴⁰ On approval of the Procedure for determining the needs of the population of a territorial community for social services: Order of the Ministry of Social Policy of Ukraine dated April 19, 2023, No. 130-N. URL: <https://zakon.rada.gov.ua/laws/show/204-2020-%D0%BF#Text> (accessed on October 02, 2025).

shortened to monthly, which still renders the information largely outdated.

The conflict of interest described above, coupled with the slow response to changes in social service needs, can only be effectively addressed through digitalization of the needs assessment process. The digital tool “Case Management”, introduced in 2024 as part of the Unified Information System of the Social Sector (UISSS), represented a step toward the overall digitalization of social services evaluation. This tool is designed to support the organization of social service provision, in particular: managing the case of an individual or family in difficult life circumstances, assessing their social service needs, and creating an individual plan for service provision (including, where technically possible, the use of UISSS automated decision-support subsystems); facilitating information exchange between social service providers and other public services; recording provided services and other types of support; and evaluating the impact of the services on the client’s life situation⁴¹. A potential service recipient’s request to a social manager responsible for case management ensures that the information about the case is entered into the appropriate UISSS section. Ordinary, concerned citizens also gained the ability to report known cases of vulnerable situations (relatives, neighbors, or even strangers observed in public places, etc.) via CNAPs (Centers for Administrative Services). This serves as an additional source of data that complements the overall picture of service needs in the community. The Social Portal of the Ministry of Social Policy has only just begun operating and is intended to become a micro-management tool for individual cases, as well as a platform for communication between service providers and recipients.

However, case management as a digital tool does not intervene in the procedure for determining social service needs within the community. The social manager is a member of the working group on needs assessment; however, data from the online database of the digital tool are not considered a source of information for determining needs. Although, according to Law No. 2671, the recommendations of the social manager, within the scope of their powers, are mandatory for consideration by local executive authorities, local councils, and must be implemented by social work specialists and social service workers.

The social manager is an official of the relevant municipal/city executive body, which implies that this novelty does not reduce, but rather strengthens, the influence of the community on case management and the determination of social service needs.

Therefore, the reform model must ensure a balance of influence and control between central executive authorities and local councils, between social service providers and local councils, and between providers and recipients of social services.

Creating an information environment of unbiased and objective data on social service needs will require the implementation of the following tasks:

- Collection of data in real time on the information and communication platform of the Ministry of Social Policy;
- Providing access for data entry, alongside authorized local self-government officials, to service providers of all ownership forms who identify cases, to Centers for Administrative Services (CNAP), territorial bodies (units) of the National Police of Ukraine, authorized probation bodies, guardianship authorities, medical institutions, and other bodies and institutions that may have information in connection with their activities regarding persons in need of social services;
- Establishing a mechanism for entering cases into the system even if the individual’s ID data are temporarily unknown;

⁴¹ On the Approval of the Regulation on the Unified Information System of the Social Sphere: Resolution of the Cabinet of Ministers of Ukraine dated April 14, 2021, No. 404, URL: <https://zakon.rada.gov.ua/laws/show/404-2021-%D0%BF#Text> (accessed on October 07, 2025).

- Using the database of collected information as the single source of information on needs at the community, regional, and national levels;

- Implementing two-level verification mechanisms for decisions of entities entering data into the relevant section of the Unified Information System of the Social Sphere regarding the inclusion/exclusion of cases in the database, interpretation of the composition of persons in difficult life circumstances (DLC), and assignment of the applicable social service standard for a specific case;

- Creating and applying a mechanism for appealing decisions, actions, or inaction of entities entering data into the relevant section of the Unified Information System of the Social Sphere, both through the dispute resolution procedure at the level of the regulator/unified procurer and in court.

Among the arguments of those who wish to preserve the current state of need assessment in Ukraine, there are quite significant concerns, particularly regarding the potential reverse effect of the conflict-of-interest issue if responsibility for collecting data on existing social service needs in a community is shifted. Delegating the power to assess social service needs to service providers could provoke the identification of non-existent problems and vulnerability for each potential service recipient. As well as assessments of the individual/family needs in social services that contain false conclusions about the state of the family, with the aim of artificially inflating the number of people in need. This, in turn, would necessitate increased funding for services provided by such unscrupulous social service providers.

There are several counterarguments. The example of healthcare reform already implemented in Ukraine envisages the work of a family doctor authorized to refer a patient to other doctors based on the initial consultation. This is, essentially, the influence of an authorized person from among healthcare providers on who can be considered a patient in need of care, and on whom budget funds under the state-guaranteed medical service program should be spent. Despite known instances of abuse during the implementation of healthcare reform, such cases have been isolated rather than systemic. This has been made possible, in part, due to the balance of monitoring and control, as well as the constant and systematic work of the regulator, the National Health Service of Ukraine (NHSU). At the same time, a referral by a family doctor does not restrict the patient's choice of healthcare providers. The patient may seek care at any private or municipal medical institution. Therefore, the creation of an effective model for accounting social service needs must involve a balanced approach with a clear distribution of roles among information collectors, a system of checks and balances in decision-making authority, and mutual control over the quality of decisions and actions taken.

The practice of creating and using a Register (or database) of social service recipients is a mandatory element of most social protection systems, both in EU countries with a similar level of development and in countries that differ in terms of development, geography, social structures, and historical characteristics, such as Turkey, Georgia, India, North Macedonia, Montenegro, Mexico, Pakistan, and others.

In the United Kingdom, specifically in England, the Integrated Care System (ICS)⁴² register of social service recipients is integrated with the patient register of the National Health Service (NHS). This integration occurred gradually because, firstly, the social service provision system largely depends on the health status of the service recipient, which determines the scope of need. This requires constant interaction with the patient register. Secondly, the administrative division into counties and regions, which granted them additional rights, initially encouraged the creation of isolated local registries. Between 2019 and 2021, these local registries began to merge

⁴² Integrated Care System (ICS) – English. <https://www.healthcareitnews.com/news/emea/nhsx-confirms-37-42-icss-have-shared-care-records>

into a unified communication system for data exchange at the national level in England. For identification in the social service recipient register, the individual registration number assigned by the NHS – used by the person to access medical services – is applied.

A similar structure exists in the Kingdom of Belgium, which, given its federal system, maintains the Vitalink medical register at the national level, along with the Hub/Metahub system for mutual exchange of information about social service recipients between territorial entities, aligning the data contained in the Vitalink register on the health status and needs of patients/social service recipients.

4.2.1. *Advanced approaches to community-level needs data collection*

The current state of assessment and accounting of social service needs could be considered logical, provided that all the Register users listed above—who are currently classified according to their powers in the field of social policy, as granted by legislation on central executive authorities and local councils, as well as according to the distribution of their own and delegated powers within the framework of the decentralization reform—carry out their duties in good faith. However, this does not happen in practice. Therefore, the desired changes in social service accounting policies should dictate new approaches based on best global practices, aimed at eliminating ineffective algorithms and not necessarily relying on the normative regulation currently in force in Ukraine.

For a clearer understanding of functions and delineation of responsibilities among Register users, it is necessary to consider the experience of creating similar automated information and telecommunication systems in other countries. The distribution of responsibilities is carried out based on somewhat different criteria. The architecture of such registries for establishing the chain “Recipient – Provider – Register – Community – State,” in particular in Germany and Belgium, involves the creation and differentiation of powers between the so-called “**front office**” and “**back office**”⁴³. The “front office” performs the function of reception and dialogue with the provider or recipient/potential recipient (depending on the reason for the interaction: registration of the recipient, notification about a recipient, identification of needs, quality assessment). Its tasks include the initial collection of information, informational and explanatory work, receipt and registration of documents, feedback, and fieldwork. The responsibilities of the front office also include converting offline information into online data (O2O), i.e., transforming paper-based, oral, visual (or other analog) information gathered during field activities into a digitized data package. In contrast, the “back office” is primarily responsible for assessing needs and conditions to determine potential eligibility for social services or other social programs/benefits, making relevant management decisions, and reviewing complaints, all based on the digitized data available in the register.

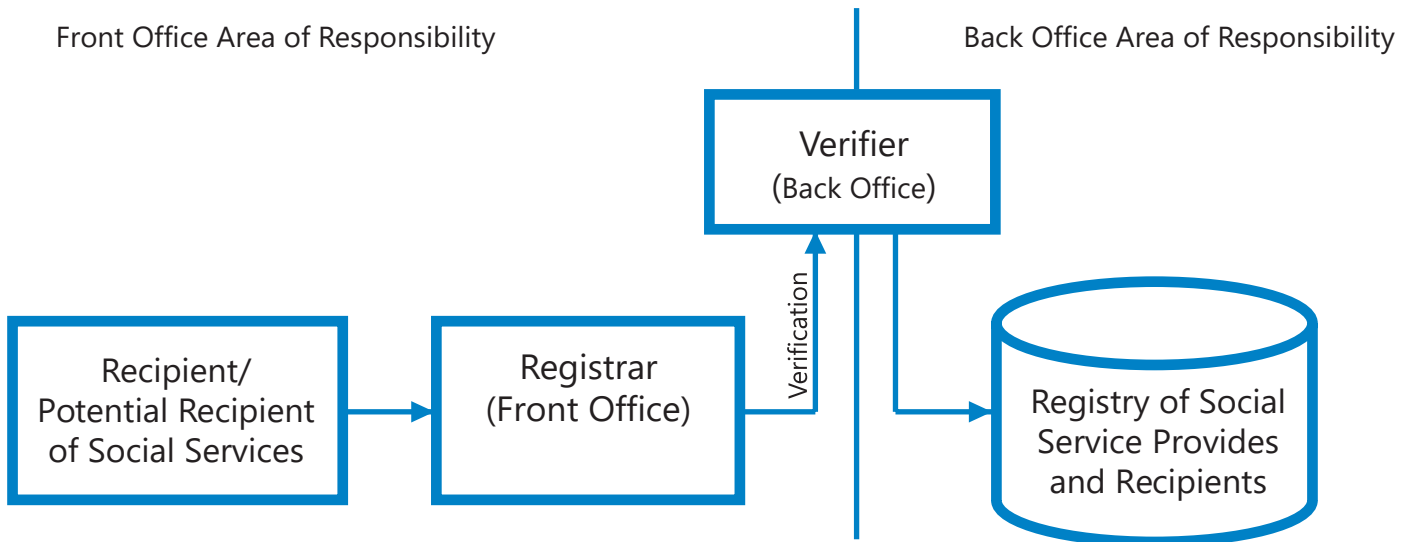
If users of the register are classified according to their functions and powers in the register, they are divided into two groups: front office participants, proposed to be called registrars for the purposes of this report, and back-office **participants**, proposed to be called **verifiers** for the purposes of this report (Diagram 3). Namely, those tasked with verifying the information collected in the first stage. Initial steps toward transforming the system have already taken place. For Ukraine under present circumstances, the functions of Register registrars (front office) are performed by any persons who, by circumstances, or by their powers/official duties, may identify individuals in vulnerable life situations. These include, in particular:

- Social service providers (social workers who identify individuals in vulnerable life situations – VLS),

43 “Front office” and “Back office” – English.

- Centers for Administrative Services (CNAPs) (receiving information from concerned citizens or from the VLS individuals themselves),
- Structural subdivisions of local councils (case managers, child protection services, and other authorized bodies), law enforcement agencies, courts, structural subdivisions of the central executive authority implementing state policy in the field of probation, etc.

Diagram 3. Verification during the entry/editing/deletion of information about a recipient⁴⁴



If verification remains exclusively in the hands of local councils, the conflict of interest described above regarding the determination of needs will be preserved. Therefore, to ensure a balance of interests for service recipients and neutralize conflicts of interest, it is proposed to introduce a mechanism for appealing the decisions, actions, or inactions of registrars and verifiers at the level of a second-level verifier (Diagram 4). These appeals may concern neglect of duties regarding the collection of information about needs by authorized persons, data distortion, incorrect interpretation of needs in the case of decisions by a social manager, and other issues. The following are proposed as candidates for the role of second-level verifiers (Back Office):

- Regional offices of the National Social Service in the oblasts;
- Regional divisions of the Single Purchaser of Social Services⁴⁵;
- Relevant departments of the oblast administrations.

The presence of additional verification and control does not preclude the right of the service recipient/potential recipient or another interested party to appeal the actions/inactions of the relevant official/employee in court.

Registrars are granted access to the Registrar with the following responsibilities:

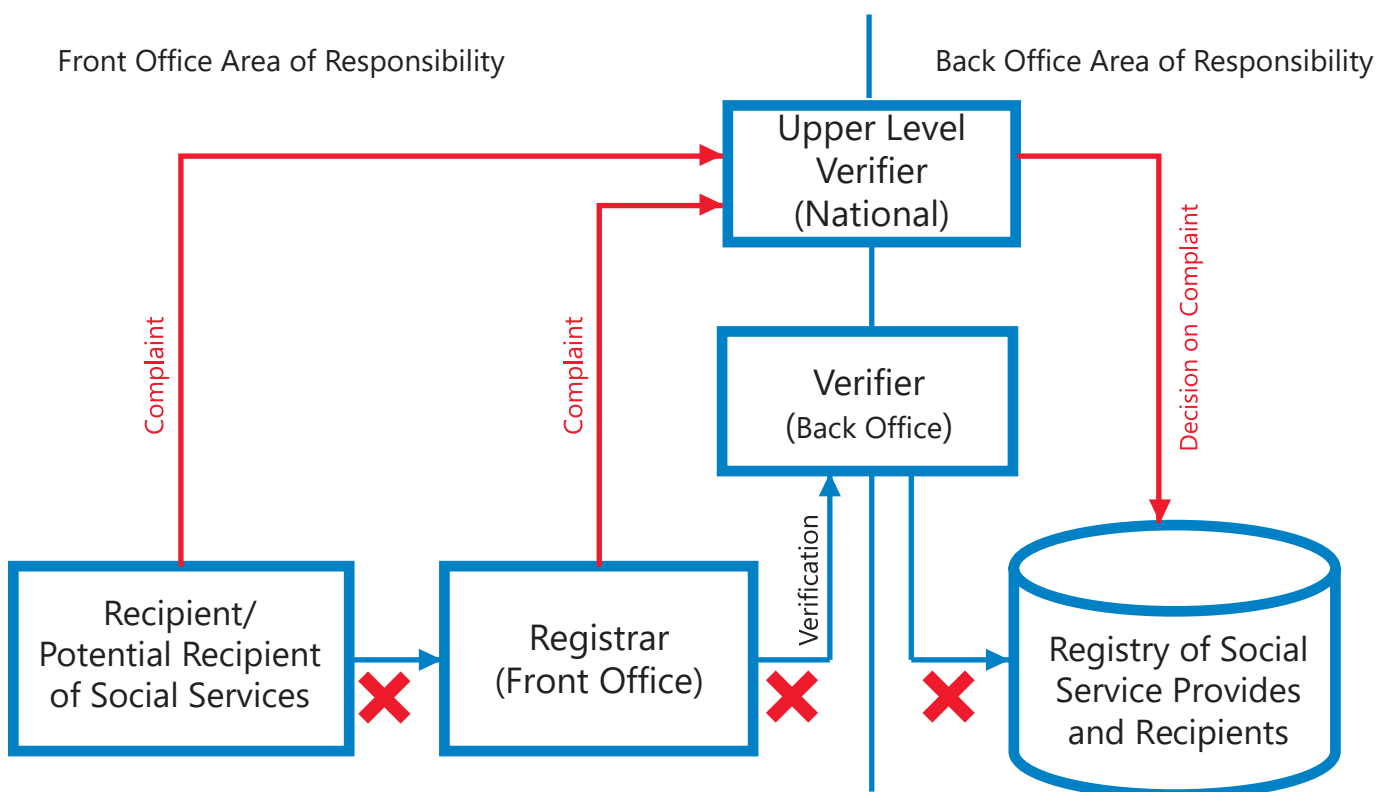
- Verify and identify the service recipient/potential recipient;

⁴⁴ Hereinafter, in the schemes, "Register of Social Service Providers and Recipients" is a term that encompasses all digital tools for recording needs and cases.

⁴⁵ As of October 09, 2025, within the framework of the implementation of experimental projects and in accordance with paragraph 1-1 of Part One of Article 8 of the Law of Ukraine "On Social Services," the budgetary institution that organizes and carries out the procurement of social services using funds from the state budget, in cases and according to the procedure established by the Cabinet of Ministers of Ukraine, is the Social Protection Fund for Persons with Disabilities.

- Accept documents/information submitted for entry into the Register;
- Review submitted documents/information for compliance with legal requirements;
- Create a registration card;
- Form a registration case and forward it to the registration subject for further review;
- Create a description of the submitted documents/information and provide it to the applicant;
- Prepare proposals for inclusion/exclusion of the service recipient/potential recipient in the Register, updating information about the service recipient/potential recipient, or returning submitted documents for revision;
- Ensure users receive an access identifier to the Register in accordance with the procedure established by law;
- Ensure information protection in the Register according to legislation and within granted powers;
- Review applications, inquiries, and notifications regarding the provision of social services;
- Assess the needs of the individual/family for social services;
- Edit and review the information they have entered.

Diagram 4. Appeal mechanism for refusals/actions/inactions in verification/entry/editing/deletion of service recipient information



Verifier (Back-office):

- Reviews documents/information submitted for entry into the Register and verifies their compliance with legislation on the provision of social services;
- Checks the correctness of registration card and the formation of the registration case file;
- Confirms the entry/update of information about the service provider in the Register / returns submitted documents for revision;
- Confirms the entry/update of information about the recipient/potential recipient of social services in the Register / returns submitted documents for revision;

- Adds/deletes information in the Register and edits it when necessary;
- Submits a request to the 2nd-level verifier in cases of disputed situations or difficulties in determining the standard of the social service or the type of assistance to be provided for a specific case;
- Ensures the protection of information in the Register in accordance with legislation and within the scope of granted powers; and
- Edits and reviews information entered by themselves and other users.

Second-level verifier:

- Reviews cases referred by a verifier in which there are difficulties determining the social service standard or the type of assistance to be provided, makes decisions on such cases, enters documents/information into the Register, and verifies their compliance with legislation on the provision of social services;
- Reviews complaints from recipients/potential recipients regarding completeness, inaccuracies, inclusion/non-inclusion of information in the database, actions/inactions related to case processing by the verifier; checks the correctness of filling out registration (card and case file) documentation;
- Confirms/reverses decisions on entry/update/non-entry of information about a recipient into the Register, or returns submitted documents to the verifier for revision;
- Adds/deletes information in the Register and edits it as necessary.

These functions help neutralize the negative influence of local council bodies on the formation of the community's data profile in the Register, including the section on service providers and recipients, information on potential recipients, and the state of social service needs in the community, thereby promoting the objectivity of information for each community and across the state.

4.3. Harmonization of service provider status across ownership types and standardisation of service cost calculation

The proposed model for implementation in the context of Ukraine is designed to reflect the country's specific circumstances and to address the challenges it faces during the war and in the post-war period. Among the objectives that this model must achieve are: balancing the checks and controls between central executive authorities and local councils, as well as between social service providers and local councils; aligning the status of providers and respecting the rights of social service recipients; delineating the powers of ordering social services, financing them, and assessing their quality; and preventing administrative or other artificial influence over the objectivity of data regarding the state and volume of social services provided nationwide.

Municipal social service provider institutions receive funding for maintenance needs from the local budget, according to the relevant budget line. The budgets of these institutions are typically approved by the same local councils that own these institutions. For the budget administrator, this creates a conflict of interest, as they simultaneously act as both the purchaser of social services (on behalf of the community) and, indirectly, as a provider (through the institution under their ownership). These interests may conflict because it is not always advantageous for municipal sector providers to deliver exactly the services required or in the manner most convenient for the recipient according to their needs. In some cases, this results in turning a blind eye to the existence of the recipient and their needs. However, by combining both roles, local authorities lack the

financial and institutional incentives to act always exclusively in the interest of the recipient rather than in the interest of specific service providers.

Formal compliance with service provision standards and regulatory requirements regarding the staffing levels of institutions and the salary rates, given the funding shortages caused by inefficient allocation requirements, creates an institutional climate in which everyone seeks to survive rather than to enhance the functionality and efficiency of the system. Under such circumstances, there is virtually no room for the service recipient and their legitimate interests. The “money follows the recipient” principle prioritizes the interests and needs of the recipient, subordinating the entire financial discipline and logic of management decisions to new rules and principles. The provider is incentivized to pay attention to the recipient/potential recipient, to locate them, study their needs, and record the identified cases in the Register.

Ensuring extraterritoriality in service financing implies funding the case rather than the institution, regardless of the individual’s location or residence. Service funding should be provided in accordance with the recipient’s identified needs as recorded in the Register of Social Service Providers and Recipients, and on the basis of a contract between the service recipient and their chosen provider. Accordingly, a contract for the procurement of social services under the social guarantees program is concluded between the social service provider, regardless of their ownership form (whose details are entered into the Register of social service providers in accordance with the procedure established by law), and the National Procurer of Social Services. The social service provider is considered a contractor who, after the order is placed – that is, after the contract for service provision is concluded – delivers the service on behalf of the state or the service procurer.

This same principle should also serve as the basis for developing payment models for social service providers (regardless of ownership form) for the services they deliver on a per-case basis. The testing of this model is ongoing within the framework of experimental projects by the Ministry of Social Policy.

Another equally important payment model involves **direct contracts**, under which the National Procurer of Social Services concludes a contract for the provision of a social service with a social service provider capable of delivering the service. This model has also become part of the testing process within the experimental projects of the Ministry of Social Policy⁴⁶.

The consolidated pool of funds to be administered by the national social services purchaser and used to finance service provision should enable a harmonized funding model based on individual cases, individual beneficiaries, and objectively identified needs. A uniform operational framework applied by the national procurer to all providers would necessitate discontinuing the practice of financing municipal providers through dedicated expenditure lines in local budgets and transitioning such providers into independent non-profit economic entities. Under this model, municipal providers would enjoy equal access to funding and beneficiaries alongside private providers, generating revenue in accordance with approved service rates. Initial steps toward this transformation have already been taken through amendments to Law No. 2671, which entered into force on 16 June 2025. These amendments introduced the option for budgetary institutions to be reorganized into municipal non-profit enterprises (hereinafter referred to as “MNPEs”). At present, this transformation remains voluntary.

The subsequent stage of converting municipal budgetary institutions into MNPEs should involve further amendments to Law No. 2671, specifically:

46 Resolution of the Cabinet of Ministers of Ukraine dated August 06, 2024, No. 888 “Certain Issues of the Implementation of the Experimental Project on the Provision of Residential Care and Supported Living Services to Internally Displaced Elderly Persons and Persons with Disabilities under the ‘Money Follows the Person’ Principle” and Resolution of the Cabinet of Ministers of Ukraine dated October 3, 2023, No. 1050 “On the implementation of the experimental project introducing a contractual form of social service provision for social support of servicemen and their family members in military units (subunits) of the Armed Forces.”

- amending Parts 3 and 4 of Article 11 to expand the powers of local state administrations and executive bodies of territorial communities by establishing a statutory obligation to promote the development of a diversified network of social service providers, including municipal non-profit enterprises and privately owned providers;

- amending Part 2 of Article 13 to define providers in the state and municipal social services sector as state and municipal non-profit enterprises delivering social services as independent economic entities operating on a non-profit basis. The financing arrangements for state and municipal social service providers funded from public budgets should be regulated by a separate normative act;

Further alignment of the social services financing system will also require the abolition of the application of public procurement procedures, social contracting, and other competitive funding instruments, with the exception of those administered by the national social services purchaser. In particular, Law No. 2671 should be amended as follows:

- to repeal paragraph 16 of part one of Article 1 concerning social contracting as a means of regulating activities within the system of social service provision through the contractual engagement of social service providers to meet the needs of individuals/families for social services in accordance with the results of determining the needs of the population of an administrative-territorial unit/territorial community for social services;

- to repeal Article 26 concerning social contracting in order to eliminate a mechanism that allows the formation of funding volumes for each social service through tendering and competitive procedures, rather than on the basis of uniform approved rates;

For the purpose of harmonising the cost of social services and eliminating the dependence of their funding volumes on the financial capacity of territorial communities, the development and implementation of substantiated rates (cost estimates) for social services is critically important. To achieve this, within the framework of implementation of the Law of Ukraine "On State Financial Guarantees for the Provision of Social Services", it is necessary to adopt a Resolution of the Cabinet of Ministers of Ukraine "On Certain Issues of Implementation of the Programme of State Guarantees for the Provision of Social Services to the Population", which will determine funding volumes for all social service standards in accordance with their differentiation into basic social services, comprehensive social services (including those involving provision of accommodation), comprehensive specialised social services, and auxiliary social services. The Resolution shall define which social services are to be purchased based on an approved rate and cost estimate. The same Resolution shall annually approve the rate for each rate type and each social service standard, as well as the proportions of co-payment from different sources of funding.

4.4. Inconsistency of community co-financing mechanisms and proposed amendments to the Budget Code

Since the provision and financing of social services fall within the competence of local councils, there are virtually no effective instruments to address the inaction of communities in procuring such services, except for holding them politically accountable through regular local elections. However, even in the absence of martial law in Ukraine – which currently makes elections impossible – electoral mechanisms alone are incapable of resolving the systemic lack of social services at the community level. Municipal social service providers, which are intended to ensure the delivery of the basic social services listed in Articles 1 and 16 of the Law on Social Services, have been formally established in only 805 out of 1,469 territorial communities, according to data from the Register of Social Service Providers and Recipients (with 460 communities currently

under occupation⁴⁷). For example, in the Ivano-Frankivsk Oblast, 62 communities have only 18 registered municipal providers and 17 private social service providers. In the Kyiv Oblast, 69 communities are served by 37 municipal and 40 private providers. In the Kirovohrad Oblast, 49 communities have 18 municipal providers and only 5 private social service providers registered⁴⁸. A significant number of rural communities are composed of several settlements spread over large territories. For instance, the Velyka Severynka Territorial Community in the Kropyvnytskyi Raion of the Kirovohrad Oblast, covering an area of 223.7 square kilometers, comprises 11 separate settlements. However, the only municipal social service provider – the Municipal Institution “Center for the Provision of Social Services to the Population of the Velyka Severynka Village Council of the Kropyvnytskyi Raion, Kirovohrad Oblast” is located in the village of Velyka Severynka. At the same time, the majority of municipal providers in such communities do not deliver the full range of even basic social services envisaged by Article 16 of the Law on Social Services. In particular, the Velyka Severynka municipal provider has declared the provision of only 11 basic social services out of them⁴⁹.

Following the decentralization reform, the revenue side of local community budgets is formed, on average, by 65.5% from personal income tax (as of 2023)⁵⁰. Given the generally high share of the informal economy and the widespread prevalence of undeclared, non-taxed employment relationships, this tax constitutes an inefficient and unstable source of revenue. In addition, a major structural problem of the current system of personal income tax collection and allocation lies in the fact that the tax is credited to the local budget based on the tax registration of the legal entity (employer), while the consumption of most local public services by taxpayers takes place at the individuals’ place of residence⁵¹. A more equitable approach would be to allocate personal income tax revenues to the territorial community that actually provides social services to residents, as such a model would better align the economic interests of taxpayers with the communities responsible for service provision⁵².

Therefore, the absence of municipal social service providers in communities, the incomplete provision of the basic social services framework, and the lack of competitive procurement procedures for purchasing social services from private providers are, among other factors, a direct consequence of limited financial capacity at the local budget level. This issue will persist regardless of the local electoral process. It represents a systemic shortcoming of the decentralization reform with respect to the transfer of social service provision responsibilities to territorial communities.

In addition to funding from local budgets, social services may also be financed from the state budget. The program-based approach to state budget planning is likewise applied in this area. And the existence of a dedicated budget program constitutes a prerequisite for financing such expenditures. A relevant example of state-funded programs is the pilot project “Development

47 In Ukraine, 460 territorial communities are temporarily occupied. URL: <https://www.ukrinform.ua/rubric-tymchasovo-okupovani/3971875-v-ukraini-timcasovo-okupovanimi-e-460-gromad.html> (accessed on October 04, 2025).

48 As of October 09, 2025.

49 Social Web Portal of Electronic Services of the Ministry of Social Policy of Ukraine, List of Social Service Providers and Recipients, <https://soc.gov.ua/edata/providers-list> (accessed on October 09, 2025).

50 Analysis of Tax Revenues to Local Budgets under Martial Law Conditions, Granovska I.V., Makarchuk I.M., Granovskyi O.S. *Economics and Entrepreneurship*, 2024, No. 2 (132), p. 75, URL: http://www.econom.stateandregions.zp.ua/journal/2024/2_2024/14.pdf (accessed on October 09, 2025).

51 Tax Policy under Wartime Conditions and Its Impact on the Formation of Local Budget Revenues, Dub A.R., Medynska T.V. *Problems of the Economy*, 2022, No. 4, pp. 214–221. URL: <http://jnas.nbu.gov.ua/article/UJRN-0001398399> (accessed on October 10, 2025).

52 Analysis of Tax Revenues to Local Budgets under Martial Law Conditions, Granovska I.V., Makarchuk I.M., Granovskyi O.S. *Economics and Entrepreneurship*, 2024, No. 2 (132), p. 74. URL: http://www.econom.stateandregions.zp.ua/journal/2024/2_2024/14.pdf (accessed on October 09, 2025).

of Social Services”, which has been included as a separate expenditure line in the State Budget since 2021. This budget line finances all experimental projects implemented by the Ministry of Social Policy. These projects were intended to test various methods and mechanisms for financing and calculating the cost of social services. At the same time, a clear and rigid boundary between expenditures of local budgets and those of the central budget has remained unchanged. Due to strict budgetary discipline, these expenditure streams do not overlap. Recent terminological changes and legal distinctions introduced by Law No. 2671 – specifically, the separation between basic social services (financed from local budgets) and social services of national significance (financed from the state budget)—have effectively entrenched this division.

At present, the issue of a comprehensive financial reform of social services remains unresolved, largely due to attempts to preserve key elements of the decentralization reform, namely the responsibility of, and financial engagement by, territorial communities in the provision of services. This creates a fundamental dilemma: whether to pursue incremental changes within the existing framework or to dismantle and fundamentally redesign the entire ecosystem. An updated model should ensure that funds contributed by territorial communities are not transferred directly to service providers, but instead are pooled within a centralized national purchaser. Such an entity would also act as a financial guarantor in cases where a community fails to fulfill its share of social service financing obligations.

Implementing this model would necessitate amendments to the Budget Code to align the new system of social service provision and financing with legislation governing decentralization, including through targeted changes and supplements to the relevant regulatory framework, in particular through amendments to:

- Paragraph 9 of Part One of Article 87, subparagraph “i”: “state program of guarantees for the provision of social services in the manner and volumes determined by law;”
- Subparagraph “a” of paragraph 4 of Part One of Article 89, in the new wording: “state program of guarantees for the provision of social services in the manner and volumes determined by law;” and
- Subparagraph “a” of paragraph 4 of Part One of Article 90, in the new wording: “state program of guarantees for the provision of social services in the manner and volumes determined by law;”

The powers and responsibilities for the direct provision of social services within communities should appropriately remain with social service providers of all ownership types operating at the community level. However, compared with the current system, the scope of responsibility of local councils must be revised. The objective of the updated model should be to harmonize financing procedures for non-state and municipal service providers. While it could be considered to transition municipal providers to competitive financing mechanisms similar to social procurement or public tenders, experience shows that, although participation in public procurement by municipal providers does not impose substantial difficulties, competitive and auction-based funding methods are inherently inflexible in terms of variable demand, service volumes, duration, and frequency. This rigidity is particularly problematic in conditions of martial law and internal migration. Therefore, transitioning all social service providers to competitive or auction-based procurement would further slow the system and render the provision of social services largely insensitive to changes in local community needs. The recommended approach is a shift toward direct, centralized funding of social services existing within the community, with the involvement of state budget resources.

The transfer of authority for commissioning social services from local councils to the National Social Services Procurer aims to eliminate one of the primary shortcomings of the previous stage of social services reform. Namely, the inability of local communities to form and execute local budgets for social services exclusively based on the needs of each individual service recipient, with

full respect for the recipient's rights, adherence to technical calculations, and compliance with established social service standards, irrespective of biased, politically or economically motivated considerations of local leadership.

The overarching goal of the social services financing reform is the establishment and implementation of a new funding model. It has to ensure: clear and transparent state guarantees regarding the volume of social services; enhanced financial protection for individuals who are, or may become, subject to difficult life circumstances; efficient and equitable allocation of public funds and reduction of informal payments; creation of incentives to accurately identify actual service needs; improvement of the quality of social service provision to the population through the equitable engagement of service providers of all ownership types on equal terms.

The new funding model should be founded on the following principles:

Financial protection – ensuring that no individual in the community is denied or deprived of essential social services due to a lack of funds, slow or inadequate financing mechanisms, or delays in decision-making by local councils. All social services provided must be fully monetarily supported.

Universality of coverage and equitable access – guaranteeing access to state-guaranteed social services for all individuals in need, regardless of place of residence or location. Service providers must have access to recipients and guaranteed funding for services, irrespective of ownership type.

Transparency and accountability – prohibition the use of corrupt schemes, ensuring clarity of obligations for all parties, openness in the use of public funds, and full documentation of all expenditures.

Effectiveness – maximizing the return on every unit of budgetary expenditure invested in the social services system, improving both the quality and accessibility of services for recipients, while also enhancing working conditions and income for sector employees.

Freedom of choice – allowing recipients to independently select the service provider that best meets their needs.

Provider competition – engaging service providers of all ownership forms on equal terms, creating incentives to deliver higher-quality services, implement scientifically and economically sound practices, and ensure compliance with state standards and protocols for social service provision.

Predictability of social service funding in the state budget – enabling comprehensive strategic planning of expenditures on social services.

Subsidiarity – allocating authority for financing social services to the lowest possible level of government that can ensure accessibility, appropriate quality, optimal economic efficiency of the assistance, and the necessary resources to support it.

The execution of the social service commissioning function by the National Social Services Purchaser is feasible only with the accumulation of budgetary funds into a single pool for subsequent use. Economic assessment and national situational analysis, as well as the determination of rates for specific services, only partially define the characteristics of future social service financing through the state budget. The inefficiency of local budget expenditures is also driven by their excessive fragmentation. Effective financing of social services requires pooling funds to distribute the financial risk of each case across as many taxpayers and contributors as possible (analogous

to an insurance system). Similar to the costs of medical treatment for an individual citizen, the frequency and complexity of a case entering a situation of social vulnerability are difficult to predict both in terms of probability and magnitude. The larger the pool of contributions collected by the insurer, the more resilient the system becomes in meeting unexpected expenditures arising from any new case.

The optimal size of the financial pool to fully distribute risk among participants is determined based on the law of large numbers and the actuarial techniques used in long-term and short-term life and property insurance operations, i.e., actuarial calculations. The term “actuary” derives from the Latin *actuarius* (an official responsible for civil register records). Over time, it came to denote a specialized professional group within the insurance system. The foundations of actuarial theory were laid in the 17th century in the works of John Graunt, Jan de Witt, and Edmond Halley. The development of actuarial methods was further advanced by the establishment of the Equitable Life Assurance Society in London in 1762.

Unlike earlier insurance companies, the Equitable Life Assurance Society introduced age-differentiated life insurance premiums based on mortality tables⁵³. Actuarial methodology applies probability theory, along with demographic, epidemiological, and other relevant statistical data. Existing research in this field indicates that the larger the insurance pool, the more financially resilient it becomes; however, the minimum effective coverage requires between 450,000 and 1.5 million insured individuals. Critically, the risk distribution mechanism requires that the administrator of the funds collected through pooling must have the ability to utilize the entire pool to finance claims arising within that pool. Only in this way is the significance of the mathematical calculations used to determine the pool preserved. In other words, a formed pool cannot be partitioned into separate “pockets.” If it is, each fragment loses financial resilience, potentially resulting in bankruptcy or underpayment to insured individuals⁵⁴. Currently, the pool of funds generated through taxes and contributions at the level of each territorial unit is highly fragmented because its formation is delegated, in particular, to the municipal and district levels. According to the 2001 census, the average population of cities in Ukraine (excluding Kyiv) was approximately 130,000, while the average population of a district was only 45,000. Consequently, the majority of local budgets and their communities are not financially resilient against risks⁵⁵.

The financing model for the social services system, administered by the National Procurer of Social Services as the custodian of budgetary funds, collected through general taxation, mitigates both fiscal and social risks associated with the introduction of a new mandatory contribution to the state social health insurance system and the significant informal sector of the economy and employment prevalent in Ukraine. This model ensures:

- Equity and universality in collection and allocation of funds based on the principle of solidarity: all citizens contribute through general taxation and are entitled to access services within the framework of the state-guaranteed social services package;
- Standardization of base reimbursement rates for costs associated with the provision of services included in the state-guaranteed social services package;
- Manageability of the transition process from the current model – where municipal sector providers are maintained through funding from respective local budgets – to a model in which

⁵³ Kozmenko, O.V., & Kuzmenko, O.V. *Actuarial Calculations: Textbook*. 2014. URL: https://essuir.sumdu.edu.ua/bitstream-download/123456789/53229/7/Kozmenko_Aktuarni_rozrakhunky.pdf;jsessionid=98B5103287318CA0C19FBD773A4DA5C5 (accessed on October 13, 2025).

⁵⁴ Cabinet of Ministers of Ukraine. On Approval of the Concept for Reforming the Healthcare Financing System. Order, November 30, 2016, No. 1013-r. <https://zakon.rada.gov.ua/laws/show/1013-2016-%D1%80#Text> (accessed on October 13, 2025).

⁵⁵ Ibid.

providers of social services are reimbursed for costs via the mechanism of strategic social service procurement.

The proposed model moves away from financing social services exclusively through local budgets. At the same time, financing that is fully subsidized from the national budget would have a demotivating effect on local government and could foster a persistent tendency to disengage from the process of providing social services within the community as a whole. In contrast, partial participation of the national budget, conditional on the community budget contributing to the financing of social services, would promote improved budgetary discipline.

Regarding the use of state budget funds, it is crucial to address the possibility of involving budgetary resources from multiple administrators. This issue became particularly relevant during the period of martial law; however, even in peacetime, various agencies are involved in serving the same target groups and addressing the same needs. In this context, mention should be made of the Ministry of Veterans Affairs, the Ministry of Health, and the Ministry of Education and Science of Ukraine.

Furthermore, the participation of social service recipients in the financing process should be more formalized and adapted to new conditions (this is partially provided for in current legislation, for example, Article 88 of the Law of Ukraine "On Pension Provision"⁵⁶). Involving service recipients in co-payment is necessary to reduce the tendency toward the institutionalization of care.

In practice, the system of residential institutions for children and youth has incentivized parents in intact families—particularly in rural areas—to place their children in such institutions without sufficient objective justification, often while traveling abroad for employment in the EU or other countries. Similarly, not all individuals residing in residential care facilities genuinely require such care. At the same time, these individuals may have family members who must not forget their legal obligation, as established in Article 51 of the Constitution of Ukraine⁵⁷ and Part 1, Article 202 of the Family Code of Ukraine⁵⁸, to care for their incapacitated parents and participate in covering their material expenses. Therefore, structurally, the funds accumulated in the treasury account of the National Procurer of Social Services, as the administrator of budgetary resources, are proposed to be formed from three sources:

- A portion of funds from the state budget (with the possibility of including shares of subsidies from various budgetary administrators);
- A portion of co-payment funds from the local budget; and
- A portion of co-payment funds from social service recipients.

Depending on the specific service standard, financing may be provided exclusively from a single source or from a combination of sources. The basic proportions and shares of funds from the above sources for the cost of each service are determined separately for each standard (detailed below) and may range from 0 to 100% contribution by each co-paying participant, depending on the social service standard. Direct payments of these shares at the community level (local budget to provider, recipient to provider) are not envisaged (Diagram 5).

⁵⁶ On Pension Provision: Law of Ukraine No. 1788-XII, dated November 5, 1991. URL: <https://zakon.rada.gov.ua/laws/show/1788-12#Text> (accessed on October 15, 2025).

⁵⁷ Constitution of Ukraine: Constitution of June 28, 2006. URL: <https://zakon.rada.gov.ua/laws/show/254%D0%BA/96-%D0%B2%D1%80#Text> (accessed on October 15, 2025).

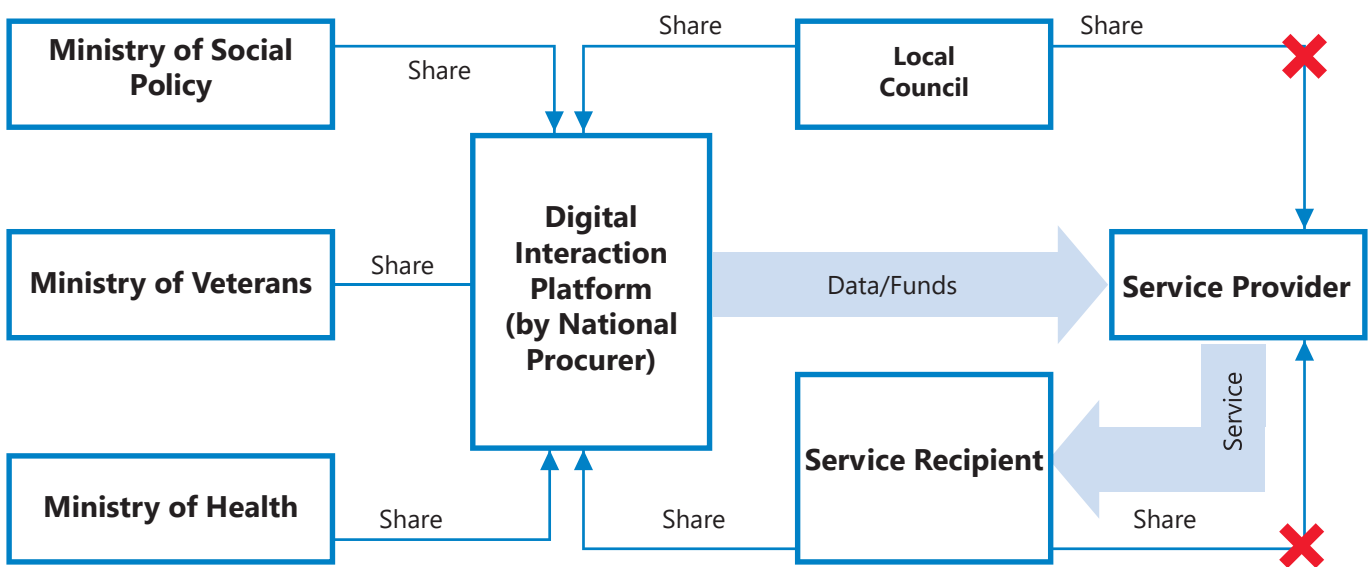
⁵⁸ Family Code of Ukraine: Code dated January 10, 2002, No. 2947-III. URL: <https://zakon.rada.gov.ua/laws/show/2947-14#Text> (accessed on October 15, 2025).

Local municipalities transfer funds to the relevant treasury account in fulfillment of their obligations to the National Service Procurer based on the respective payment orders and requests on a monthly basis. Failure of a local council to fulfill its obligations to the National Procurer of Social Services by the end of the budgetary year should trigger a reduction in transfers provided from the State Budget of Ukraine to local budgets (Article 97 of the Budget Code), either through the basic grant or via subsidies for the implementation of state social protection programs (an alternative approach – at year-end, in the form of offsetting with reverse grants or inter-budgetary subsidies) in the amount of the community’s debt. This approach to participation and contribution, in particular for local councils, ensures their fulfillment of obligations regarding their portion of the service cost in monetary terms, reduces (though not entirely eliminates) the likelihood of incomplete offsets with municipal-sector providers, and enhances overall fiscal discipline in the sector.

Direct transfers of the share of state budget subsidies from the relevant ministries to the social service provider are not envisaged. Such funds are transferred to the appropriate treasury account of the National Procurer of Social Services.

All funds intended for payment of social services are accumulated and disbursed exclusively from the relevant treasury account of the National Procurer of Social Services or its regional structural unit.

Diagram 5. Financing of Social Service Provision from Multiple Sources⁵⁹



Proposals regarding the total annual funding necessary for the upcoming period to implement the State Guarantees Program for the Provision of Social Services shall be prepared by the National Procurer of Social Services through the publication of an annual activity report. This report shall contain a balanced package of funding proposals for the social services system. It should take into account an analytical memorandum prepared based on data and reporting contained in the Unified State Register of Social Service Providers and Recipients, as well as the annual accounting and treasury reports on the utilization of funds from the State Guarantees Program for the Provision of Social Services. The report shall include:

- Proposals regarding the detailed composition of the State-Guaranteed Social Services

⁵⁹ Financing from three sources occurs only for the provision of certain social services. Some services will be financed from two sources, while others will be financed from a single source.

Package for the planned budget year and the two subsequent budget years;

- Proposals concerning the structure and level of unified national rates for the corresponding services, the procedure for their payment, as well as the level of co-payment by social service recipients and local councils for the planned and two subsequent budget years;
- A detailed report on the economic assessment of the budgetary funds required to finance the proposed volume of the State-Guaranteed Social Services Package, assuming the application of the proposed rate levels and co-payments, along with an analysis of alternative scenarios for these indicators and justification of the optimal solution.

The National Procurer of Social Services, based on its annual activity report, shall ensure the preparation of a budget request for submission to the Ministry of Finance and the Cabinet of Ministers of Ukraine in accordance with the Budget Declaration and the requirements of the budget request preparation instructions. In the annual State Budget, a budgetary program for the guarantees of social service provision is planned. For the effective implementation of these tasks, it is necessary to reorganize the structure of budgetary programs in accordance with the key functions of the system and to allocate the State-Guaranteed Social Services Package as a separate budgetary program. Additionally, expenditures for individual social services should be separated from expenditures for the maintenance of institutions. It is proposed to introduce five main budgetary programs:

- State-Guaranteed Social Services Package;
- Prevention;
- Rehabilitation and Medical-Social Assistance;
- Social Education, Research, and Professional Development; and
- Administration, Centralized Procurement, and Other Expenses.

Each program shall include subprograms that align with the primary objective and do not overlap with one another. Subprograms shall be organized around types and standards of social services rather than types of institutions. Accordingly, social service provider institutions may receive funding from multiple programs simultaneously, provided they deliver the corresponding services.

Implementation of the State-Guaranteed Social Services Package

The implementation of a clearly defined State-Guaranteed Social Services Package, based on the priorities of social protection and taking into account the economic situation of the country, will enable the legislative framework defining which social services recipients are entitled to receive free of charge (at the state's expense), the specific mechanisms of payment, and which services require payment (in full or partially), including the amount, method, and conditions of such payments. Annually, in addition to the allocation of expenditures in the Law of Ukraine "On the State Budget" for the implementation of the State-Guaranteed Social Services Program, the Cabinet of Ministers of Ukraine shall adopt a Resolution "On the Implementation of the State-Guaranteed Social Services Program for the Population" for the relevant year. This Resolution shall define so-called packages, which group social services of the same type according to their payment method.

The State-Guaranteed Social Services Package applies to all citizens of the country without exception and includes services categorized, in accordance with Article 16 of Law No. 2671, as follows:

- Basic Social Services;
- Comprehensive Social Services (including services with accommodation);
- Specialized Comprehensive Social Services;
- Auxiliary Social Services.

Services not included in the State-Guaranteed Social Services Package require full payment by the service recipient. Such services include, but are not limited to: work performed by a social worker or other staff during specifically allocated times (or outside regular working hours); services provided by specialists to individuals who do not meet the eligibility criteria under the State-Guaranteed Social Services Package; and certain types of diagnostic services. The development and implementation of additional services that are not part of the guaranteed package will allow for increased financial inflows, primarily benefiting providers in the municipal sector. Upon transitioning to the status of a Communal Non-Profit Enterprise (CNPE), these providers will have greater autonomy to plan their development and manage their budgets. The following types of rates for social services are proposed:

Capitation (or “Future”) Rate

This rate is proposed for simple social services that do not involve the provision of continuous or systematic comprehensive support (potentially applicable to “resilience-building service” after the pilot period, once they transition to permanent social services). The principle of this rate is that the state pays for the provision of social services to a single service recipient, regardless of the number of actual contacts or requests from that recipient for the service within a specified period. The service provider informs in advance the planned number of unique recipients they will be able to serve. At the end of the reporting period: if the planned targets are not met, and the number of actual recipients served is lower, payment is made based on the actual number of recipients served. For exceeding the planned targets, a corrective coefficient is applied to increase the payment. Additionally, corrective coefficients are applied for proper referral or counseling of recipients.

This rate shall not apply to shelter services classified by law as simple social services (codes 005.0 – provision of shelter, 005.1 – night shelter, 006.0 – short-term accommodation). For this block of services, a “Per Service Rendered” rate is proposed (see the rate description below).

Global Rate

This rate shall be proposed for all non-individualized social services (crisis hotlines, trust lines, helplines) where it is impossible to track individual recipients’ contacts and there is no direct interaction with them. The principle of this rate is the payment of a fixed sum to the service provider for a predetermined period, for services provided to an undefined group of recipients, regardless of the number of actual contacts each recipient makes within the period. Corrective coefficients may be applied for proper referral or counseling of recipients.

Per –Case-Management Rate

This rate shall be used for complex social services, which require coordinated actions by specialists to provide continuous or systematic comprehensive support (care, education,

cohabitation, social accompaniment, crisis intervention, supported living, social adaptation, social integration and reintegration, etc.). The concept of this rate is that the state does not pay for each separate component or activity within a service provided to a recipient. Instead, the rate covers the entire set of measures required under the service standard during its provision. This rate is also proposed for specialized complex social services provided to specific categories of recipients (persons living with HIV, persons with substance dependencies, victims of human trafficking, refugees, persons with mental disorders, etc.). Corrective coefficients are applied depending on factors such as the recipient's mobility group, case complexity, progress in improving their situation, exit from difficult life circumstances, and similar indicators.

Fee-for-Service Rate

This rate is proposed for auxiliary social services provided in the form of in-kind assistance (food products, personal hygiene items and supplies, sanitary and cleaning products, care items, clothing, footwear and other basic necessities, meal provision, fuel supply, etc.), as well as for technical services (transport services, sign language interpretation, and similar services). Under this rate, the state pays for each service actually provided. This category also includes all services under Code 018 – Temporary respite care for persons providing care to children and/or persons with disabilities (018.0–018.2), as well as shelter services, including: 005.0 – Provision of shelter; 005.1 – Night shelter; 006.0 – Short-term accommodation.

Rate Variations.

1. Service Voucher. One of the objectives of the reform is to create a “win-win” strategy for overcoming difficult life circumstances. One such approach may involve the temporary retraining of unemployed persons who have lost their jobs as social workers or social care assistants. This approach addresses two challenges simultaneously: on the one hand, it helps to mitigate shortages of social workers; on the other hand, it reduces the fiscal burden associated with unemployment benefit payments. Positive experience with this type of rate has been drawn from Belgium, where it has been successfully applied to specific activities within home care services, as well as to transport services and accompaniment services for persons with disabilities.

It is proposed to apply this payment instrument under the fee-for-service rate for in-kind assistance services (either selected services or the full range thereof). The instrument consists in providing the service recipient with a voucher (an electronic or paper-based document confirming the right to receive a unit of service, calculated in hours, items, or kilometres, depending on the type of assistance provided). The recipient is entitled to independently choose the service provider and to settle payment for the service using the voucher. The maximum annual number of vouchers is subject to a cap (it is proposed to set the limit at no more than 500 vouchers per year). For certain categories of recipients, in particular persons with disabilities, a higher annual limit may be established. Where necessary, vouchers exceeding the maximum annual limit are proposed to be purchased by the recipient at their own expense. At the same time, upper limits are introduced on the maximum number of vouchers that may be purchased using personal funds. As these services do not require additional specialised qualifications, they are provided by individual workers employed by legal entities (which are not necessarily social service providers), provided that such entities have concluded a voucher service agreement with the National Procurer of Social Services. Voucher service agreements are also concluded with: Employment centres, which create income opportunities for individuals who are actively seeking employment; the State Criminal Enforcement Service and the courts, with regard to the execution of community service sentences imposed on persons who have committed minor criminal offences or administrative offences.

Each year, the unit value of a voucher is established for each voucher type corresponding to

grouped in-kind assistance services, including household support, transportation, meals, hygiene products, and other comparable forms of assistance. In addition, it is proposed to exempt from taxation: income earned by individuals providing services through the voucher mechanism; and transactions whereby service recipients purchase vouchers using their own funds beyond the established publicly funded annual limit. This mechanism is designed as a multi-purpose policy instrument capable of addressing several objectives simultaneously across a broad range of users. Specifically, it: ensures access to social services for eligible recipients; promotes employment and income-generation opportunities; facilitates the formalisation of work performed by low-skilled workers; supports labour-market reintegration for individuals with interrupted employment histories, enabling entry or re-entry into the workforce, the acquisition of practical experience, and the restoration of social and professional skills (including women and men returning from childcare-related career breaks).

2. Direct Payment. This payment instrument is proposed for use across all rate types described above, as a form of compensation to the service recipient in cases where the required social service cannot be provided within the local community and where local authorities have been unable to ensure its delivery. In such circumstances, the service recipient is enabled to organise the service independently. The amount of the direct payment shall be equivalent to the monetary value of the service that the individual was entitled to receive. An alternative application of this mechanism is the provision of funds for the purchase of appropriate rehabilitation equipment, within the scope of the social services for which the recipient qualifies.

3. Hourly Payment. This payment instrument is proposed for highly specialised interventions or services that can be clearly defined and accurately accounted for based on time spent. Only the actual time spent directly with the service recipient and dedicated exclusively to the delivery of service-related activities is eligible for remuneration. Any ancillary or indirect costs, including travel time, equipment depreciation, utility expenses of the provider, or other overhead costs, are not subject to reimbursement.

Contract Performance Results Rate

This rate is offered to a social service provider upon the achievement of positive outcomes in the delivery of services under contracts concluded with the National Procurer of Social Services. In essence, this mechanism functions as a performance-based incentive. The rate is applied in addition to existing rates and adjustment coefficients and serves as a financial motivation for institutions and provider teams to achieve measurable positive results in service provision. Payments under this rate are calculated only after the development and approval of performance indicators specific to each service provider, which form the basis for outcome assessment.

For certain social service standards, additional adjustment coefficients may be introduced, including but not limited to: the presence of a multidisciplinary service provision team; possession of a license to provide medical services; delivery of services at the recipient's place of residence or stay; round-the-clock service availability; and readiness to provide services in response to emergencies or crisis situations.

Co-payment

Within the framework of the reform, five co-payment levels for social services are proposed:

- Full (100%) financing from the State Budget
- This level applies to services financed under the "Contract Performance Results" and

“Payment per Service Provided” rates.

- Partial co-financing from the State Budget and the local community budget
- This level applies to services financed under the Capitation (or “future”) and Case Management rates, except for those services that are subject to three-source financing (State Budget, local community budget where the service is delivered, and the service recipient).
- Partial co-financing from the State Budget, the local community budget where the service is delivered, and the service recipient
- This level applies to services delivered under specific standards financed through the Case Management rate, in particular institutional (residential) care services (codes 015.2, 015.3, 015.3.1, 015.4).
- Full financing from the local community budget where the social services are delivered
- This level applies to services financed under the Global Rate.
- Full financing by the social service recipient
- This level applies to additional social services that are not included in the State Guaranteed Package of Social Services.

The assignment of a particular social service to a specific co-payment category may be revised by introducing relevant amendments to the annual Resolution of the Cabinet of Ministers of Ukraine “On Certain Issues of Implementing the State Guarantees Programme for the Provision of Social Services to the Population.” Such revisions may be made no more than once per calendar year and shall be contingent upon the prevailing fiscal conditions of the State, the overall balance of public budgets, the assessed demand for social services, the occurrence of emergency situations, and other objectively justified factors.

As an incentive mechanism for local communities, it is proposed to introduce adjustment coefficients governing the level of participation of local community budgets in the co-financing of social services. The aim is to reflect the objective situation with regard to prevention and early identification of complex life circumstances, public awareness of existing rights and opportunities to access social services, objectivity and impartiality in decision-making, and support for the development of a competitive social services market involving providers of all forms of ownership. These coefficients would allow for either a reduction or an increase in the share of financial participation by local community budgets in the provision of social services delivered under co-payment arrangements, depending on measurable performance and contextual indicators.

Corrective coefficients are introduced based on the following calculations:

1. The ratio of cases initiated by self-referral of an actual/potential recipient of social services to cases identified by community service provider staff;
2. The ratio of early detection of difficult life circumstances (DLC) cases to standard detection;
3. The ratio of identified needs cases to cases where the need for social services has been resolved;
4. The ratio of genuinely identified cases to false referrals;
5. The ratio of the total number of complaints regarding refusal to register a recipient to the number of successful appeals against such decisions;
6. The ratio of social services provided by private service providers to those provided by municipal service providers;
7. A comparative analysis of the dynamics (increase/decrease) of DLC cases related to violence, alcoholism, gambling/ substance addiction between the current and the previous reporting periods.

The list of indicators is not exhaustive and may be expanded to allow for a more precise determination of adjustment coefficients. Any increase or decrease in the share of participation of a local community budget in the financing of social services is proposed to be recalculated no more than once per year, based on the results of the preceding reporting period and prior to the

preparation of the budget request for the State Financial Guarantees Programme for the provision of social services.

The proposed allocation of social services by rate types is not final, as the typology of social services established by the Law of Ukraine “On Social Services” remains insufficiently detailed, and the Social Services Classifier⁶⁰ is currently undergoing conceptual revision and improvement. In parallel with the process of improving social service standards, protocols for the provision of social services should be approved, including cost estimates that detail time inputs, labour costs, and additional material resources required for service provision.

Depending on the specific characteristics of a given social service, the combination of multiple rate types within a single service may be applied. In addition, taking into account the geographical specifics of social workers’ activities and the spatial distribution of cases, it is proposed to introduce mountainous-area coefficients in territories and communities with the corresponding status. In such areas, access to social services is significantly constrained and may only be ensured effectively through the application of additional resources.

The proposed allocation of social services by rates is not final, as the typology of social services in the Law “On Social Services” is not sufficiently detailed, and the Social Services Classifier is currently under review and refinement. In parallel with the process of improving service provision standards, protocols for providing social services should be approved, including detailed cost estimates of time, labor, and additional material resources required to deliver each service. Depending on the specifics of a social service, it is also possible to combine payment rates for a single service into mixed or combined rates. Additionally, taking into account the geographic specificity of social workers’ activities and the distribution of service cases, it is proposed to apply mountain coefficients in areas and communities with the relevant status, as access to social services in these locations is significantly limited and may require additional resources to ensure effective service provision..

4.5. Revision of the service classifier: absence of standardized service protocols and pricelists

At the community level, with the exception of experimental projects, the provision of social services by municipal or state-owned providers does not follow the rates that define the cost of each service standard, but is carried out on a planned basis, covering salaries, bed occupancy, and utility expenses, regardless of the number of recipients. A municipal or state social service provider receives funds from the local budget to maintain the institution and its staff, and the staff provide services throughout the budget year, irrespective of how many recipients actually request services. Even in institutions that provide complex services, requiring residents to stay in the facility under stationary conditions for a certain period, when preparing the local budget program passport, the basis is the “Rules for the Preparation of Passports of Local Budget Programs and Reports on Their Implementation”⁶¹. It considers the number of beds that can be occupied in a particular institution, statistical data on the number of recipients actually served in the previous year, and the quotas of social workers/managers relative to the total population of the community. Neither the complexity of cases nor the varying duration of stay in such institutions, depending on the individual case, is taken into account. The budget of the provider institution does not change whether it is a complex case requiring 10 activities within the social service standard over

⁶⁰ On the Approval of the Social Services Classifier: Order of the Ministry of Social Policy of Ukraine dated June 23, 2020, No. 429. URL: <https://zakon.rada.gov.ua/laws/show/z0643-20#Text> (accessed on October 01, 2025).

⁶¹ Rules for the Preparation of Passports of Local Budget Programs and Reports on Their Implementation: Order of the Ministry of Finance of Ukraine dated August 26, 2014, No. 836: URL: <https://zakon.rada.gov.ua/laws/show/z1104-14#Text> (accessed on October 08, 2025).

5 months, or a simple case requiring 2 months of stay and 5 activities within the state standard of the relevant service.

The presence of a fixed budget tied solely to a time period motivates the provider institution to use funds sparingly, which in turn encourages minimizing activities that could increase expenses and reduce the projected monthly budget. This affects case management, the number of cases, the number of interventions planned in individual plans, the outcomes achieved, as well as prevention and identification of new cases and those in need. Linking funding to the number and complexity of cases is intended to be achieved through unified rates and price-lists for social services and individual interventions within them. Currently, such unified rates do not exist in Ukraine.

Nonetheless, in the resolutions regulating the implementation of experimental projects by the Ministry of Social Policy, indicators for the cost per hour (Resolution No. 1050), services (Resolution No. 888), or the maximum amount funded per provider (Resolution No. 1049) have been outlined. Prior to the full-scale Russian aggression, for evaluating competitive proposals under social procurement from private providers, the calculation and submission of the cost per unit or per hour of social services were required based on the Ministry of Social Policy Order No. 1186 dated December 07, 2015, "On Approval of Methodological Recommendations for Calculating the Cost of Social Services"⁶². At the same time, municipal and state-owned providers calculate only those social services they offer for a fee or differentiated payment. This calculation is no longer carried out based on Order No. 1186, but according to Accounting Regulation (Standard) 16 "Expenses"⁶³.

Linking institutional budgets to the number and complexity of cases through rates can eliminate the passivity of municipal and state providers and provide motivation to identify and serve every person in need in order to receive payment for services. Partly, the absence of a rate system is explained by the lack of clarity in describing the activities within each state social service standard and the list of actions (duration, frequency, complexity) that a provider must perform to fulfill their responsibilities. In other words, state standards currently lack service provision protocols. Unified approaches to delivering social services under each state standard, presented in the form of service provision protocols, can ensure the objective calculation of the cost of such activities and services, timely delivery, and the adequacy of selected and performed actions within the service framework. The review of existing standards has already been initiated by the Ministry of Social Policy within the work on the Strategy for Reforming Social Services.

The list of services in the Classifier requires revision due to the number of services, inconsistencies in definitions and volumes, and terminology (some actions are treated both as activities and as standards). The structuring of the updated classifier should consider the proposed funding sources, the current state situation, and the planned service packages and rates. In particular, grouping standards into packages should be based on need rather than the status of the person, structured according to resource/financial expenditures, required qualifications, and additional knowledge needed to provide each state standard service – from simple (requiring minimal financial input) to complex (high-cost services requiring substantial knowledge and resources). This approach will simplify future work on defining activities within standards, calculating their cost, distinguishing between the costs of different standards, and assessing service needs.

Since mid-2025, work has been underway to develop a new resilience standard, intended to transform the pilot project into a permanent social service. Discussions are ongoing regarding

62 On the Approval of Methodological Recommendations for Calculating the Cost of Social Services: Order of the Ministry of Social Policy of Ukraine No. 1186 dated December 07, 2015. URL: <https://zakon.rada.gov.ua/rada/show/v1186739-15#Text> (accessed on October 11, 2025).

63 On the Approval of the National Accounting Standard 16 "Expenses": Order of the Ministry of Finance of Ukraine No. 318 dated December 31, 1999. URL: <https://zakon.rada.gov.ua/laws/show/z0027-00#Text> (accessed on October 11, 2025).

the removal of mediation, counseling, and information services from the list of social service standards, as well as transferring the palliative care service under the authority of the National Health Service of Ukraine (NHSU). Service provision protocols for each service are meant to define the distinctions between standards, justify their cost and differences in cost, and help standardize the methodology for delivering each social service regardless of the location (whether a city of one million inhabitants or a village of 1,000 people). Clearly defined volumes and activities within each standard, along with the sequence and prioritization of actions, simplify the evaluation of cost-effectiveness in service provision, as well as the monitoring and quality assessment of social services. Clearly articulated expected outcomes of each activity/service support the understanding of effective and ineffective methods, encourage their review and improvement, and thus provide the most critical advantage during martial law – savings in budget expenditures.

4.6. Lack of independent monitoring and quality assessment systems

First of all, it should be noted that according to the amendments introduced on May 10, 2022, to Resolution No. 449 of June 1, 2020 “On Approval of the Procedure for Monitoring the Provision and Assessing the Quality of Social Services”, the assessment of social service quality is not conducted in the event of the introduction of a state of emergency or martial law in Ukraine or in the relevant administrative-territorial unit where social services were provided, and for three months following its termination (revocation)⁶⁴. As for the pre-war period, the existing legislative models for assessing quality, particularly internal assessments by service providers, inherently involve a conflict of interest. A review of the overall effectiveness of the system and expenditures nationwide should be conducted systematically and regularly. This review should begin with an assessment of the effectiveness of funds used by a specific service provider, the compliance of provided services with declared quality standards, and the correspondence of payment to the level of services actually delivered. Under conditions of strict budgetary savings, monitoring and quality assessment of social services should serve as an audit. Therefore, it must be independent, impartial, and ensure the absence of conflict of interest. This can be achieved by engaging economic entities specialized in conducting assessments. Such assessment should be carried out alongside monitoring by the National Social Services Center (NSSC), acting as the regulator. The procedure for procuring independent monitoring and evaluation services should be regulated by a separate normative act and should provide funding from the general pool of the National Procurer of Social Services, treated as a distinct type of service.

The current regulatory framework governing the procedures for monitoring the provision and assessing the quality of social services must be reviewed to meet the challenges and requirements of the new model of social service provision. Since improving the monitoring and quality assessment procedures themselves is not the subject of this report, it only outlines the key changes that should occur in the procedures for monitoring the provision and assessing the quality of social services, and how these changes should affect the functionality of the Register of Social Services Providers and Recipients and the overall quality of services. These key changes include:

- Introduction of independent quality assessment of social service provision, involving entities specialized in quality evaluation;
- Inclusion of the results (reports) of social service quality assessments into the Register of Social Services Providers and Recipients;

⁶⁴ On approval of the Procedure for monitoring and assessing the quality of social services: Resolution of the Cabinet of Ministers of Ukraine dated June 01, 2020, No. 449. URL: <https://zakon.rada.gov.ua/laws/show/449-2020-%D0%BF#Text> (accessed on October 12, 2025).

- Introduction of a recipient-based evaluation system for providers and their personnel as an additional mechanism, with the publication of such ratings and feedback in the Register.

4.6.1. Harmonization of the Provisions of the Procedure for Monitoring the Provision and Quality Assessment of Social Services with the Law "On Social Services"

Information on the date and results of the monitoring of social service provision and the assessment of their quality, which are required to be entered into the Register under paragraph 19, part 6, Article 15 of Law No. 2671, are not currently recorded in the Register of Providers and Recipients. The Procedure for monitoring and assessing the quality of social services according to Resolution of the Cabinet of Ministers of Ukraine dated June 1, 2020, No. 449⁶⁵ (hereinafter, Resolution No. 449), provides that during the monitoring of social service provision, the following should be taken into account: results of quality assessments of social services; surveys of residents of the respective administrative-territorial unit regarding social service provision; national research (where available); control over compliance with the requirements of Law No. 2671. According to this resolution, results and surveys are published in official printed publications, on the official website, on the unified state open data web portal, on the information boards of the regional social protection authority, or by any other means. However, the provisions of Resolution No. 449 are not aligned with Law No. 2671, and despite the existence of the aforementioned legal requirements, the resolution does not contain any reference to the Register, the need for information exchange, or the mechanism for entering data into the Register during monitoring and quality assessment of social services.

The results of the assessment of the quality of social services, including the final report on the external assessment, are communicated to the staff of the social service provider, the recipients of social services, and the residents of the administrative-territorial unit where the provider operates. This is done by publication in official printed publications, on the official website, on the unified state open data web portal, on information boards, or by any other means.

References in the provisions regarding both monitoring and quality assessment of social services to the "unified state open data web portal" may be interpreted as referring to the corresponding section of the Register. However, Resolution No. 449 is dated June 01, 2020, at which time both the Unified Information System of the Social Sector and the Register had already been established in the legislation.

Solution

The Procedure for Monitoring the Provision and Assessment of the Quality of Social Services, approved by the Cabinet of Ministers of Ukraine on June 01, 2020, No. 449, as a sectoral subordinate regulatory act in the field of monitoring and quality assessment of social services, must be brought into compliance with the requirements of the reform. To achieve this, the following amendments and additions to Resolution No. 449 are proposed:

- Paragraph 5 should be revised as follows:

"5. Reporting on the conduct of monitoring and assessment of the quality of social services (statistical, administrative, operational reports) shall be prepared in electronic form and entered into the Register of Social Services Providers and Recipients within the timeframes established by this Procedure."

- Amend paragraph 27 by removing from the Procedure the provisions regarding the procedure and timing of external quality assessments of social services

⁶⁵ Ibid.

and stipulate that such procedure and timing shall be defined by a separate regulatory act.

- Paragraph 28 should be revised as follows:

“28. Based on the results of the external assessment of the quality of social services, the entities conducting the external assessment shall prepare a report and enter it into the Register of Social Services Providers and Recipients.”

- Paragraph 30 should be revised as follows:

“30. The final report on the external assessment, which contains information regarding achievements, shortcomings, and recommendations for improving the quality of provided social services and the organization of the provider’s work, shall be made available to the social service provider through the electronic cabinet of the Register of Social Services Providers and Recipients.”

- Paragraph 31 should be revised as follows:

“31. The results of the quality assessment of social services, including the final report on the external assessment, shall be communicated to the staff of the social service provider, the recipients of social services, and the residents of the administrative-territorial unit where the provider operates, through publication in the Register of Social Services Providers and Recipients.”

Additionally, the following changes and additions are proposed to Law No. 2671:

- Remove paragraph 7, part 1, article 18: “conducting monitoring of the provision of social services and assessment of their quality.”

4.6.2. Transfer of information on the results of monitoring the provision of social services and the assessment of their quality from the “Providers” section to the “Recipients” section

Law No. 2671 stipulates that information on the date and results of monitoring the provision of social services, as well as the assessment of their quality, must be entered only in the section on Social Services Recipients. At the same time, there is no such requirement for the section on social service providers. However, information on the conducted quality assessment of social services is an important indicator for evaluating the performance of providers and allows recipients to choose a provider who delivers services at a high standard and with quality.

Solution

The quality assessment of social services is conducted based on the performance of social services providers; therefore, placing reports on the quality assessment of social services in the section on recipients is impractical. Reports on the assessment should be placed either on the dashboard of the Social Services Providers’ section or in a separate section of the Register. This will facilitate their search and review by service recipients and provider staff and will contribute to building a rating system for social service providers. To address this situation, the following measures are proposed:

- 1) Amendments to Law No. 2671:

- Delete item 19, part 5, Article 15.
- Supplement part 3, Article 15 with a new item 7 in the following wording:

- “- date and results of monitoring the provision of social services, assessment of their quality;”
- Supplement part 4, Article 15 with a new item 7:
- “- date and results of monitoring the provision of social services, assessment of their quality;”

2) Amendments to Resolution No. 99:

- In Appendix No. 1 to the Procedure, which defines the Register form, supplement the section on social service providers with a new column where information on the conducted quality assessment of services by providers will be entered, including the date of assessment, the name of the body that conducted the assessment, the assessment results (positive/negative), and a list of remarks based on the assessment results.

4.6.3. Role of quality assessment reports and synchronization of reporting timelines

In the current version of Resolution No. 99, references to the results of the quality assessment of social services appear only once. Clause 26 provides that legal entities or individual entrepreneurs who provide social services involving round-the-clock stay/residence, overnight or daytime stay at the premises of the social service provider, including services with meals (care, supported living, shelter, etc.), social services provided on an emergency (crisis) basis, and auxiliary social services, may additionally submit a copy of a public report on their social service activities and documents on the results of the quality assessment of social services (for providers with more than three years of experience in the social services sector). The term “assessment” used here does not correspond to the term “quality assessment of provided services” as applied in Law No. 2671 and Resolution No. 449. Furthermore, reports and documents of the quality assessment of social services cannot be included in the list of documents submitted for the registration of social service providers and cannot serve as grounds for acquiring provider status. The quality assessment of social services is an instrument for monitoring the current activities of existing providers. Such reports should reflect the evaluation of services delivered by a registered (legalized) social service provider. If a provider with prior experience plans to change their specialization or expand the range of social services they provide (as envisaged in Clause 26 mentioned above — care, supported living, shelter, emergency/crisis services, etc.), then reports on the results of quality assessments of services previously provided should not be submitted by such candidates. Instead, these reports should be uploaded from the corresponding section of the Register.

Solution

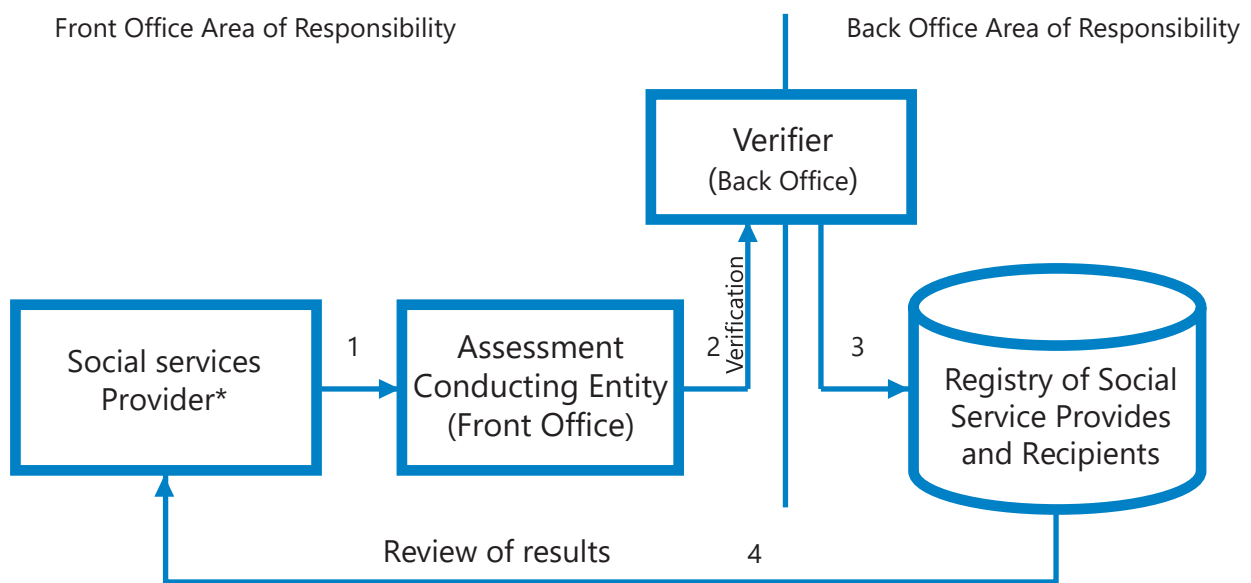
The reference to the submission of reports and documents on the results of the quality assessment of social services should be removed from Resolution No. 99. To achieve this, the following amendments should be made to the text of Resolution No. 99:

- Part 4, paragraph 26 should be amended to read as follows: “public report on the activities of providing social services;”
- A separate section should be introduced in the text of Resolution No. 99 regarding the procedure for recording the results of social services quality assessments.

4.6.4. User roles, interaction protocols, and data submission mechanisms

The right of recipients to freely choose a social services provider, as guaranteed under the current version of Law No. 2671, has the potential – if properly implemented – to serve as a powerful mechanism for ensuring the quality of social services. However, relying on recipient choice as a means of quality control is ineffective in contexts where the social services market is underdeveloped. In some communities, there are no local providers, while in others, only a limited number of municipal providers operate, offering a restricted range of services. The role of quality control of social services is to ensure that the recipient is not left alone with a provider who may attempt to maintain a dominant position in the services market due to the lack of competition. To simplify reporting and the functionality of social service providers, it is proposed to retain only the external assessment of the quality of social services. In conditions of provider autonomy, the internal assessment conducted annually by the provider should become optional, allowing the provider to decide how often, or whether, to conduct it at all. The results of such assessments will not be collected or processed through the Register. Consequently, the previous dual status of providers – as both subjects and objects of quality assessment – is eliminated, leaving providers solely in the role of objects for quality evaluation. This approach eliminates the inherent conflict of interest embedded in the system through the internal assessment procedure of the quality of social services, which was acceptable under the previous planned financing model. The methods for conducting external quality assessments in the current version of the Procedure for Monitoring and Assessing the Quality of Social Services also require revision. Firstly, it is proposed to standardize the assessment methods for providers across all forms of ownership. Secondly, the procedure for conducting external assessments by the founder of a provider must be revised due to the inherent conflict of interest. This can be addressed by involving independent entities to conduct the external assessment. Under the proposed model, this function should be assigned to independent business entities specializing in monitoring and evaluating the quality of social services, the Single Social Services Purchaser, and the National Social Service. Participants in the interaction during the submission and verification of assessment information in the Register include: the provider, the entity conducting the assessment, and the user-verifier (Diagram 6).

Diagram 6. Submission and Verification of Reports on the Quality Assessment of Social Services⁶⁶



66 Here, "Social Service Provider" is a comprehensive term, which includes the results of surveys of social service recipients, observation of the social service provision process, interviews with the personnel of the social service provider, review of the provider's documentation, and other documentation, including inquiries from social service recipients.

Upon completion of data collection, the entity conducting the assessment prepares a report and subsequently uploads it to the Register via the electronic cabinet (the selection of the Register section, as proposed above, is subject to agreement: either a separate section or within the providers' section). The report undergoes verification by a verifier (an authorized person) to ensure the presence and justified presentation of achievements, deficiencies, and recommendations for improving the quality of social services and the organization of the service provider's operations. After verification, the report is entered into the Register, where, for a period of 10 calendar days, access for review is granted only to the social service provider whose activities were assessed, the entity that conducted the assessment, and the commissioning body (the Unified Social Services Purchaser, the National Social Service). During this period, the social service provider has the right to submit an appeal regarding the report's results and conclusions to the National Social Service. If the social service provider does not exercise the right to appeal and is satisfied with the results, the report is verified as final and entered into the general database of social service quality assessment reports in the Register, after which all Register users gain access to it through their electronic cabinets.

In the event that the service provider submits an appeal, the National Social Service considers it and either rejects or grants the appeal, and may order a new assessment of the quality of the social services provided. This reassessment can be conducted by an independent assessment entity newly appointed by the National Social Service Center, or by a commission consisting of representatives from the National Social Service Center, the National Procurer of Social Services, and an independent assessment entity (different from the one that conducted the initial assessment). The report resulting from such an appeal is final and is uploaded immediately to the general database of social service quality assessment reports in the Register, where it can be reviewed by the service provider, their staff, service recipients, and other Register users. For uploading reports to the Register, the entity conducting the assessment—both for the initial and appeal assessments—must have user access to the Register.

Reports on external quality assessments of social services are proposed to be divided into two categories:

- Regular reports, conducted on a planned basis, annually, or within another timeframe established by law;
- Individual reports, conducted in response to: a complaint from a service recipient; an appeal by the service provider regarding the results of a previously conducted external quality assessment of the services they provided; a request from the service provider due to identified cases of negligent or poor performance by staff; as well as a request from an individual employee of the service provider delivering social services.

4.6.5. Feedback from the Social Service Recipient. Comparative information on the quality and rating of the social service provider, as well as reviews regarding the provider's personnel

An important additional element for monitoring and evaluation of the quality of social services provided should be the rating evaluation of the service provider's performance, and separately – of its personnel. In the current quality assessment format, there is a lack of individual evaluation of the performance of the professionals among the provider's staff, which should become part of the overall rating of the service provider itself. Some service recipients pay significant attention to the staff's attitude toward them, professional competence, and emotional stability. These aspects can be assessed through feedback and ratings. In conditions of free choice by the service recipient, the absence of the possibility to examine the existing offerings, including via transparent ratings, limits the practical exercise of this right to free choice or may distort the decision-making process.

Solution

The implementation of tools for evaluating social service providers at the national level, based on developed indicators, as well as the introduction of ratings for both staff and providers and performance metrics, should be carried out through the use of the Register. This includes leveraging existing datasets within the Register according to the relevant benchmark criteria. As an element of social services monitoring, the collection and statistical analysis of data on providers, staff (education, experience), and their activities (e.g., visit frequency, number of interventions, average consultation duration, frequency of refusals by recipients, territorial coverage, number of cases successfully resolved from difficult life circumstances, frequency of engagement of external specialists, etc.) creates a statistical performance profile for each provider. It also establishes their position relative to other social service providers when comparing identical indicators. Based on these objective parameters, provider ratings are automatically generated, which recipients can use to guide their choice.

An additional tool for information interaction and feedback between the provider and the recipient regarding service quality on the Register platform is a mechanism for recipients to submit reviews about specific social workers.

This tool is implemented via an electronic cabinet or a dedicated portal for the social service recipient (optional setup). A recipient may leave feedback within 14 calendar days after receiving a service (for simple, auxiliary, or emergency/crisis services), or no earlier than one month after starting longer-term services (complex or specialized complex social services). Feedback is submitted by logging into the recipient's personal electronic account (on the Register platform or a designated portal linked to the Register). Using the "Leave Feedback" function, the recipient enters the text of the feedback and assigns a service quality rating (measured in stars from 1 to 5, where 1 = very dissatisfied and 5 = fully satisfied with the service provided, or via another visual scale). The "Leave Feedback" function is available only to recipients who have officially received or are receiving social services and are registered in the Register, exclusively regarding the provider who delivered the service, and within the timeframes established for feedback submission. Feedback and ratings submitted by recipients are stored in the corresponding Register database and verified only for the presence of offensive language, promotion of violence, cruelty, or incitement of racial, national, or religious hatred. To simplify the selection process for recipients (both for individual specialists and providers) and facilitate feedback, these data are made publicly accessible. Access to reviews and ratings is granted to both social service recipients for informed selection of providers and to the providers themselves to view feedback and ratings about their staff. This mechanism aims to improve service quality and serves as a basis for incentivizing personnel. Ratings for individual specialists of a provider are displayed after receiving at least 10 evaluations from recipients.

To implement this instrument, the following measures shall be necessary:

1. Register Access for the Evaluating Entity: The entity conducting the quality assessment must have authorized access to the Register through its electronic cabinet.
2. Individual Registration of Social Service Staff: Social workers, social work experts, and social managers must be individually registered in the Register.
3. Detailed Algorithm for Selecting/Assigning the Evaluating Entity: A clear procedure must be established for choosing or appointing the entity responsible for assessing the quality of social services provided.
4. Detailed Algorithm for Selecting/Assigning the Entity/Commission for Appeals: A precise procedure must be defined for appointing an entity or commission to conduct quality assessments based on submitted appeals.

5. **Software Implementation for Recipient Feedback and Rating:** The system must allow social service recipients to submit feedback and assign ratings for services received, with the results recorded in the appropriate field for the provider in the Register.

6. **Software Implementation for Statistical Analysis of data on providers** according to selected service provision criteria, including but not limited to: frequency of visits; number of activities or interventions; average duration of consultations; rate of refusals by recipients from this provider; territorial coverage; number of cases successfully resolving complex life circumstances; frequency of involvement of external specialists; and other relevant indicators. Detailed procedures for statistical data analysis in the Register and the monitoring of social service provision are discussed in the following section.

4.6.6. Monitoring of social service provision and statistical analytics of the Register

Another function of the Register proposed for enhancement is the preparation and generation of statistical data/reports based on the information entered into it. This function is provided for, in particular, by part 7, paragraph 11 of the current version of Resolution No. 99. The collection and processing of information on the provision of social services, the analysis of aggregated information, and the planning of activities for the development of the social service provision system are also envisaged during the monitoring of social service provision, in accordance with paragraph 7 of Resolution No. 449. Information on the provision of social services consists of statistical, administrative, and operational data regarding: the needs of residents of an administrative-territorial unit for social services, the activities of social service providers, and their number. The data contained in the Register constitute the material that should be used and analyzed when generating statistical reports. The Register, in its proposed version, is capable of providing practically all the data used during the monitoring of social service provision. According to paragraph 12 of the Resolution dated June 1, 2020, No. 449, these include data regarding:

- the activities of social service providers (their number, types, capacity, etc.);
- the needs of residents of the administrative-territorial unit for social services;
- the reasons for the emergence (or change) of residents' needs for social services in the administrative-territorial unit;
- the dynamics of the administrative-territorial unit's need for social services by type compared to the previous reporting period;
- the actual number of social services provided during the reporting period;
- human and budgetary resources mobilized for the provision of social services;
- social groups receiving social services;
- programmatic planning for the provision of social services, including local programs for social work and service provision;
- socio-economic development of the regions;
- targeted use of budgetary funds.

4.6.7. Harmonization of regulatory oversight for monitoring and statistical analysis of social services. Expansion of the functions of the Register

At present, the regulatory acts governing both the functioning of the Register and the procedure for monitoring the provision of social services are not aligned with each other and do not reflect or reconcile each other's provisions. In the Procedure for the formation, maintenance, and access to the Register of social service providers and recipients, mechanisms for interaction with

monitoring data are not mentioned, except for statistical data/reports. Conversely, the Procedure for monitoring the provision and assessment of the quality of social services does not refer to the tools of the Register at all; all information is collected and analyzed in a simple text format. In this case, the Register is used solely for data storage (its warehouse function) and not for analysis or monitoring. Statistical analysis and monitoring, on the other hand, involve using the Register as a source of data for processing. At the same time, all system entities involved in the provision of social services, without exception, are required, under the provisions of Law No. 2671, to interact at all stages of the Law's implementation, including with regard to monitoring the provision of social services, assessing their quality, and ensuring compliance with the requirements established by social services legislation (Part 4, Clause 2, Article 8). These responsibilities (within the scope of their authority) are simultaneously assigned to:

- Ministry of Social Policy, as the central executive authority responsible for shaping state policy in the field of social protection;
- Council of Ministers of the Autonomous Republic of Crimea, regional, Kyiv, and Sevastopol city state administrations, as well as district and district-in-city (Kyiv and Sevastopol) state administrations;
- executive bodies of city councils of regional significance, and councils of united territorial communities;
- social service providers, and associations of social service system personnel; and
- associations of social service providers and recipients.

Effective interaction among all these entities within the social service provision system, regarding the fulfillment of their duties related to monitoring the provision of social services—both during martial law and after its termination, and in the context of a thorough review of approaches to social service provision – is impossible without the use of a digitalized tool: the Register of Social Services Providers and Recipients, along with the case management tool.

Solution

The functionality of the Register must be expanded to allow for real-time statistical analysis and monitoring of the volume and status of social services provision at all levels: from the level of an individual service recipient to the aggregated nationwide level. For the purposes of monitoring, analysis, and the generation of statistical reports, all information must be anonymized. Paragraph 46 of Resolution No. 99 mentions that the Register data is automatically published (except for confidential information) on the official website of the Register holder. To ensure this, all indicators in the sections, within the data sets entered into the Register by users, must be converted from text format and must have a separate input field for each specific indicator/response/value, or a selectable field from a predefined list of indicators/responses/values, without the need for accompanying free-text or extended answers (except for comments and extended responses in case management documentation).

Resolution No. 99 provides for different levels of access to the Register depending on the user's role: the Register holder, registrars, persons authorized to enter information into the Register, authorized representatives of registration entities, social service providers/their authorized representatives, the Ministry of Finance, and the National Social Service Center. The last two – Ministry of Finance and the National Social Service Center—are granted maximum access, including the ability to view all documents and data contained in the Register. For the National Social Service Center, this level of access is intended specifically for monitoring and controlling the provision of social services.

These restrictions primarily concern the entry, modification, and review of information. However, regarding access to statistical data and the generation of statistical reports, no specific

limitations or special conditions are provided. According to paragraph 48, the administrator ensures open, round-the-clock access to the Register. Such access includes the ability to search, view, copy, and print documents/information, as well as download documents in various commonly used data formats. Access to the data must be provided to all Register users. In the current version of Resolution No. 99, there are two types of interaction with the Register regarding data retrieval: extracts of specific data from the Register (in paper or electronic form) and direct access to view data.

Regarding the analysis of data and the generation of statistical reports based on selected criteria, considering the large volumes of data involved in processing requests, and in order to reduce system load, it is deemed appropriate to introduce certain limitations: for social service recipients (within their community or region of residence); for entities conducting evaluations (within the scope of reporting on the quality of provided social services); and for social service providers of all forms of ownership (limiting the number of requests, with fees applied for requests exceeding a set threshold).

For working with statistical data in the Register, at a minimum, a separate tab should be allocated in the user's electronic cabinet, or alternatively, a separate section/subsection of the Register with a dashboard for displaying available information. The interface should allow the user to set parameters for searching and filtering data. At the same time, it must provide the ability to filter using multiple user-defined parameters simultaneously. The process of searching and generating results/reports is performed automatically. The following is the minimum set of filters to be applied:

- Filter by territorial principle – for generating aggregated quantitative statistical reports on social services provided within a community, district, region, or nationwide.
- Filter by time period – for a specific year, a specific month, or a custom period.
- Filter by social service provider – for generating statistical reports on social services provided by a specific provider, a sector of providers (by form of ownership), or by legal/organizational form.
- Filter by social service standard – for generating statistical reports on services provided according to a specific state standard or individual measures within the state standard of a social service.
- Filter by social service recipient – by gender, age, type of living conditions, history of service requests (first-time, repeated, after previous refusal), employment status.
- Filter by type/method of funding – state budget, local budget, mixed, differentiated payment, or paid by the social service recipient or third parties.
- Filter by volume of funds spent – in the community, district, region, or nationwide (alternatively, available on the Unified Social Service Purchaser platform).
- Filter by social service provider rating.
- Filter by provider staff rating.

(The list of filters is not final and may be expanded depending on the objectives set by the inquirer).

After selecting all filters, the "Generate" command is confirmed, which produces a document in text or tabular format and displays it on the screen for decision-making regarding printing, exporting to a file for storage on disk, or saving in the user's electronic cabinet folder.

For the selected and filtered data, there should also be the capability to generate graphs showing the dynamics of trends over time (e.g., growth in demand for a particular service over a specified period, reduction in the number of individuals in a specific type of living arrangement, etc.). This outlined data analysis tool, based on information available in the Register, will allow drawing conclusions about the current state of each administrative-territorial unit and the country as a whole, the level of achievement by communities in prevention and mitigation of social risks,

and the adequacy of social service provision, without the need for intermediate local data collection and interpretation followed by submission to the National Social Service Center and the Ministry of Social Policy and/or the Cabinet of Ministers of Ukraine. At the central level, direct access to data allows immediate retrieval in an unaltered form. By linking the data in the Register and its filters to funding volumes, this tool will enable analysis of the level and efficiency of financial support for the sector, promoting targeted and more economical use of resources.

Implementation requirements:

1. To amend to the Law No. 2671 wording as follows:

- Part 1 of Article 15 should be supplemented with a new item 7 as follows: "7) monitoring the provision and quality assessment of social services, processing and analyzing statistical data on the state of social service provision;"

2. To amend to the Resolution No. 99 wording as follows:

- Part 7 of item 11 should be restated as follows: "conducting monitoring of social service provision, preparing and compiling statistical data/reports based on information entered into the Register."

3. To amend to the Resolution No. 449 wording as follows:

- Item 9 should be restated as follows: "During the monitoring of social service provision, statistical data from the Register of social service providers and recipients, results of quality assessments of social services, surveys of residents of administrative-territorial units regarding social service provision, national studies (if available), and compliance with the requirements of the Law of Ukraine 'On Social Services' are taken into account."

- Part 1 of item 12 should be restated as follows: "12. During the monitoring of social service provision, data from the Register of social service providers and recipients regarding:"

- Item 13 should be restated as follows: "Social service providers, local social protection authorities, and regional social protection authorities collect and enter information on provided social services into the Register of social service providers and recipients, and carry out analysis and generalization of such information;"

- Items 14 and 15 should be deleted.

4. Preparation of technical specifications for adapting the electronic cabinet interface to the following needs:

- Monitoring and statistical analysis with integration of search filters;

- Arrangement of dashboards for different categories of users and visualization tools for monitoring quantitative indicators (charts, tables of process dynamics by territories and other filters);

- Tools for exporting and storing reports of analysis results.

5. Preparation of technical specifications for the implementation of a separate subsection/section (option) for monitoring and statistical analysis of data, filters, and implementation of access restriction rules for individual users.

Conclusions

Since the onset of martial law, Ukraine has made significant progress in rethinking the challenges of the social services sector. The first tangible steps have been taken by executive authorities and legislators toward a reform capable of making the sector efficient. At the same time, a long and challenging path lies ahead for implementing the achievements of experimental projects into permanent legislation. The proposed model of social services financing opens access to a wide range of levers and mechanisms for regulation and precise adjustment of financial flows intended for the execution of the state financial guarantees program for the provision of social services. This will enable accurate calibration of expenditure on social services funding, taking into account the current demand for social services within the community, and will contribute to increased system flexibility and faster responsiveness to the challenges that Ukraine will face in the post-war period.

The reform is intended to actively stimulate the motivation of social service providers, foster competition among and within communities, and ensure the lawful rights of service providers. Its implementation will necessitate a thorough reassessment of approaches to the formation and redistribution of budget revenues and expenditures, a reevaluation of the process for assessing individuals' property and financial status to determine eligibility for social services, and the refinement of existing as well as the development of new models for allocating tax revenues and other financial inflows. The effectively tuned system will directly influence not only the responsiveness of social services to the individual needs of each recipient, but also the efficiency and prudence of public resource utilization under conditions of constrained budgets. By orienting the system toward measurable outcomes in the lives of service recipients, the model establishes a range of incentivizing mechanisms designed to assist individuals in overcoming complex life circumstances, facilitate their transition to fully engaged and productive lives. As a result, this approach is expected to lower expenditures associated with social issues, enhance the overall social well-being and resilience of the population. Ultimately, the successful implementation of this reform will contribute significantly to the social recovery of Ukraine and success of the state in the post-war period.

References

Legislation and Regulatory Acts

1. Бюджетний кодекс України від 08.07.2010 № 2456-VI (зі змінами). URL: <https://zakon.rada.gov.ua/laws/show/2456-17#Text>;
2. Constitution of Ukraine dated July 28, 2006 URL: <https://zakon.rada.gov.ua/laws/show/254%D0%BA/96-%D0%B2%D1%80#Text>;
3. On amendments to certain laws of Ukraine regarding urgent issues in the healthcare and social sectors: Law of Ukraine dated May 22, 2024, No. 3728-IX. URL: <https://zakon.rada.gov.ua/laws/show/3728-20#n27>;
4. On Amendments to the Law of Ukraine "On Social Services" Aimed at Improving the Provision of Social Services: Law of Ukraine dated March 26, 2025, No. 4332-IX. URL: <https://zakon.rada.gov.ua/laws/show/4332-20#n19>;
5. On Pension Provision: Law of Ukraine No. 1788-XII, dated November 05, 1991. URL: <https://zakon.rada.gov.ua/laws/show/1788-12#Text>;
6. On Public Procurement: Law of Ukraine No. 922-VIII dated December 25, 2015 (as amended). URL: <https://zakon.rada.gov.ua/laws/show/922-19#Text>;
7. On Social Services: Law of Ukraine No. 2671-VIII dated January 17, 2019, URL: <https://zakon.rada.gov.ua/laws/show/2671-19#Text>;
8. Family Code of Ukraine: Code dated January 10, 2002, No. 2947-III. URL: <https://zakon.rada.gov.ua/laws/show/2947-14#Text>;
9. Certain Issues of Support for Internally Displaced Persons: Resolution of the Cabinet of Ministers of Ukraine dated September 17, 2025, No. 1169. URL: <https://zakon.rada.gov.ua/laws/show/1169-2025-%D0%BF#Text>;
10. Certain Issues of the Implementation of the Experimental Project on the Provision of Residential Care and Supported Living Services to Internally Displaced Elderly Persons and Persons with Disabilities under the 'Money Follows the Person' Principle": Resolution of the Cabinet of Ministers of Ukraine dated August 06, 2024, No. 888. URL: <https://zakon.rada.gov.ua/laws/show/888-2024-%D0%BF#Text>;
11. On approval of the Regulation on the Unified Social Services Information System: Resolution of the Cabinet of Ministers of Ukraine dated April 14, 2021, No. 404. URL: <https://zakon.rada.gov.ua/laws/show/404-2021-%D0%BF#Text>;

12. Regulations on the Social Web Portal of Electronic Services of the Ministry of Social Policy of Ukraine: Order of the Ministry of Social Policy of Ukraine dated December 12, 2024, No. 578-N. URL: <https://zakon.rada.gov.ua/laws/show/z1988-24#Text>;
13. Rules for the Preparation of Passports of Local Budget Programs and Reports on Their Implementation: Order of the Ministry of Finance of Ukraine dated August 26, 2014, No. 836: URL: <https://zakon.rada.gov.ua/laws/show/z1104-14#Text>;
14. On Amendments to Certain Laws of Ukraine Regarding Urgent Issues in the Health Care and Social Spheres: Law of Ukraine dated May 22, 2024, No. 3728-IX. URL: <https://zakon.rada.gov.ua/laws/show/3728-20#n27>;
15. On the Approval of the Social Services Classifier: Order of the Ministry of Social Policy of Ukraine dated June 23, 2020, No. 429. URL: <https://zakon.rada.gov.ua/laws/show/z0700-20#Text>;
16. On the Approval of Methodological Recommendations for Calculating the Cost of Social Services: Order of the Ministry of Social Policy of Ukraine No. 1186 dated December 07, 2015. URL: <https://zakon.rada.gov.ua/rada/show/v1186739-15#Text>;
17. On the Approval of the National Accounting Standard 16 "Expenses": Order of the Ministry of Finance of Ukraine No. 318 dated December 31, 1999. URL: <https://zakon.rada.gov.ua/laws/show/z0027-00#Text>;
18. On approval of the Regulation on the Unified Social Services Information System: Resolution of the Cabinet of Ministers of Ukraine dated April 14, 2021, No. 404, URL: <https://zakon.rada.gov.ua/laws/show/404-2021-%D0%BF#Text>;
19. On the Approval of the Regulation on the Social Protection Fund for Persons with Disabilities: Order of the Ministry of Social Policy of Ukraine dated April 14, 2011, No. 129 (as amended by the Order of the Ministry of Social Policy of Ukraine dated March 27, 2017, No. 477). URL: <https://zakon.rada.gov.ua/laws/show/z0528-11#Text>;
20. On approval of the Procedure for determining the needs of the population of a territorial community for social services: Order of the Ministry of Social Policy of Ukraine dated April 19, 2023, No. 130-N. (registered with the Ministry of Justice dated July 11, 2023 No. 1169/40225);
21. On the approval of the Procedure for the use of state budget funds for the development of the social services system: Resolution of the Cabinet of Ministers of Ukraine dated December 22, 2023, No. 1352. URL: <https://zakon.rada.gov.ua/laws/show/1352-2023-%D0%BF#Text>;
22. On Approval of the Procedure for the Use of Funds Provided in the State Budget for the Implementation of the Pilot Project "Development of Social Services": Resolution of the Cabinet of Ministers of Ukraine dated March 03, 2020, No. 204. URL: <https://zakon.rada.gov.ua/laws/show/204-2020-%D0%BF#Text>;

23. On the Approval of the Procedure for the Provision of Social Services through Social Procurement and Compensation to Providers for the Cost of Provided Social Services: Resolution of the Cabinet of Ministers of Ukraine dated June 01, 2020, No. 450. URL: <https://zakon.rada.gov.ua/laws/show/450-2020-%D0%BF#Text>;
24. On approval of the Procedure for monitoring and assessing the quality of social services: Resolution of the Cabinet of Ministers of Ukraine dated June 01, 2020, No. 449. URL: <https://zakon.rada.gov.ua/laws/show/449-2020-%D0%BF#Text>;
25. On the Organization of the Provision of Social Services: Resolution of the Cabinet of Ministers of Ukraine dated June 1, 2020, No. 587. URL: <https://zakon.rada.gov.ua/laws/show/587-2020-%D0%BF#Text>;
26. On the Implementation of an Experimental Project on the Procurement of Social Services for the Comprehensive Development and Care of Children with Disabilities: Resolution of the Cabinet of Ministers of Ukraine dated June 25, 2025, No. 764. URL: <https://zakon.rada.gov.ua/laws/show/764-2025-%D0%BF#Text>;
27. On the implementation of the experimental project introducing a contractual form of social service provision for social support of servicemen and their family members in military units (subunits) of the Armed Forces: Resolution of the Cabinet of Ministers of Ukraine dated October 03, 2023, No. 1050. URL: <https://zakon.rada.gov.ua/laws/show/1050-2023-%D0%BF#Text>;
28. On the Implementation of the Experimental Project on the Introduction of a Comprehensive Social Service for Life Resilience Formation: Resolution of the Cabinet of Ministers of Ukraine dated October 3, 2023, No. 1049. URL: <https://zakon.rada.gov.ua/laws/show/1049-2023-%D0%BF#Text>;
29. On the Implementation of a Joint Project with the United Nations Children’s Fund (UNICEF) Regarding the Provision of Financial Assistance in the Form of Small Grants for Social Services to Families with Children and Children and/or Early Intervention Services: Resolution of the Cabinet of Ministers of Ukraine dated January 17, 2025, No. 40. URL: <https://zakon.rada.gov.ua/laws/show/40-2025-%D0%BF#Text>;
30. Cabinet of Ministers of Ukraine. On Approval of the Concept for Reforming the Healthcare Financing System. Order, November 30, 2016, No. 1013-r. URL: <https://zakon.rada.gov.ua/laws/show/1013-2016-%D1%80#Text>
31. Social Web Portal of Electronic Services of the Ministry of Social Policy of Ukraine, List of Social Service Providers and Recipients, <https://soc.gov.ua/edata/providers-list>
32. Financing of the Social Sector: Who Provides Funding and What Procedures Are Followed – Legislative Initiatives Laboratory, URL: <https://parlament.org.ua/analytics/finansuvannya-soczialnoyi-sfery-hto-finansuye-ta-yaki-procedury/>

Electronic Resources:

33. Kozmenko, O.V., & Kuzmenko, O.V. Actuarial Calculations: Textbook. 2014. URL: https://essuir.sumdu.edu.ua/bitstream-download/123456789/53229/7/Kozmenko_Aktuarni_rozrakhunky.pdf;jsessionid=98B5103287318CA0C19FBD773A4DA5C5
34. Analysis of Tax Revenues to Local Budgets under Martial Law Conditions, Granovska I.V., Makarchuk I.M., Granovskyi O.S. Economics and Entrepreneurship, 2024, No. 2 (132), p. 75, URL: http://www.econom.stateandregions.zp.ua/journal/2024/2_2024/14.pdf
35. In Ukraine, 460 territorial communities are temporarily occupied. URL: <https://www.ukrinform.ua/rubric-tymchasovo-okupovani/3971875-v-ukraini-timcasovo-okupovanimi-e-460-gromad.html>
36. Institutional Advocacy. Research on Practices for Strengthening Links with Governments: International Charitable Foundation "Caritas Ukraine", Caritas Europa, 2021 URL: <https://caritas.ua/wp-content/uploads/2021/02/institutional-advocacy-caritas.pdf>
37. Ministry of Economy of Ukraine. Presentation 5-MoE ver. 2 (April 2025), slide 13. URL: <https://infobox.prozorro.org/upload/files/main/2345/680/5-moe-ver-2-mineconomy-april-2025.pdf>
38. Tax Policy under Wartime Conditions and Its Impact on the Formation of Local Budget Revenues, Dub A.R., Medynska T.V. Problems of the Economy, 2022, No. 4, pp. 214–221. 2022. URL: <http://jnas.nbu.gov.ua/article/UJRN-0001398399>
39. Typology of Welfare State Models: Analysis of Key Approaches: N.M. Khoma, Derzhava i pravo, 2012, Issue 56. URL: <https://nasplib.isoftware.kiev.ua/server/api/core/bitstreams/8634968c-ce31-4e93-a0bc-f74170b46d47/content>
40. IOM. Ukraine Internal Displacement Report, Round 20 (April 2025). URL: https://dtm.iom.int/sites/g/files/tmzbdl1461/files/reports/IOM_UKR_Internal%20Displacement%20Report_GPS%20R20_April%202025.pdf?iframe=true
41. Transparency International Ukraine. Non-Price Criteria in Prozorro: What the Government Is Willing to Pay More For. 2021. URL: <https://ti-ukraine.org/wp-content/uploads/2021/02/Non-Price-Criteria-in-Prozorro.-What-the-Government-Is-Willing-to-Pay-More-For.pdf>

