

Financing of Social Services Provision for Children in Ukraine: Legal
Processes and Decision Making Practices

Initial Report
September 2006

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2 Abbreviations used in this report

AEN	Additional educational needs
CWD	Children with disabilities
EU	European Union
MFC	Money Follows Child
MYA&S	Ministry for Youth Affairs and Sport
MSL	Minimum Subsistence Level

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4 Introduction

This report outlines the results of the work carried out by Beate Gross, Senior Financial Expert, in Kiev Oblast, Ukraine from 22 September to 30 September 2005.

The report begins by outlining the tasks the expert was expected to carry out and goes on to describe systems of social services countries in a number of EU member states. It then briefly summarises aspects of key legislation relating to the funding of social services for children, before delving more deeply into the concept of Money Follows Child (MFC), lists other forms of funding for supporting children in the Ukraine, and carries out a very brief comparison of different types of costs and funding for children (based, at this stage, on assumptions which will be verified during future planned research). The report briefly covers the question of who governs the rayons (which is relevant in terms of managing social services funding), and discusses the issue of which organisation/department will take charge of social services for children and their funding. Finally the report outlines the next steps to be taken.

Note that in this report the term 'minimum living wage' has been replaced by the term 'minimum subsistence level' since the meaning of the words used in the former term implies earnings from work, but the term does not, and it causes confusion with the term 'minimum wage' which does refer to income from work.

5 Tasks

Tasks to be completed during this mission (for full terms of reference see Annex A):

Draft detailed Terms of Reference for the local financial expert

Identify key personnel who can support data gathering activities, including:

Ministry of Labour and Social Protection

Ministry of Finance (Department of Budgeting, Department of Local Government Finance)

Kyiv Oblast Deputy Head of Finance (Mrs Alla Antonova)

Ministry Youth Affairs and Sport (Mr Fyodor Gritsenko)

Ministry YA&S, Director of Childcare, (Mrs Ludmilla Volynets)

DFID Public Expenditure Review Project (Mr Yuriy Dzhygyr)

EU TACIS Project Strengthening Regional Social Services (Ms Rasost Toftisova)

EveryChild, Deputy Director for and Monitoring and Training, (Mr Sergiy Lukashov)

Gain an improved understanding of the current situation in Kiev Oblast in relation to financing social services for children

Assess the understanding of the 'money follows child' concept and progress in implementing it.

6 Social Services Funding in Other Countries and 'Money follows Child'

Provision for the concept of 'Money follows Child' is made in the legislation "On providing organisational and legal conditions for social protection of child orphans and children deprived of parental care" No 2342-IV 13 January 2005 frequently referred to as 'Feldmans Law' and referred to in the Presidential Decree No. 1086/2005 11 July 2005. The concept is not defined and it is therefore useful to examine how is applied in

different countries, and then to explore the Ukrainian understanding and usage of the concept.

It is worth noting that in all countries there are issues in relation to the cross-over between health, education and social services and social services, in particular in relation to persons with disabilities. Often these are resolved through working together, placing workers of one service into another service etc. This should also be looked at in the context of deinstitutionalisation.

6.1 The United States

The 'Money Follows the Person Act 2005' aims to establish demonstration projects to 'Eliminate barriers or mechanisms, whether in the State law, the State medicaid plan, the State budget, or otherwise, that prevent or restrict the flexible use of medicaid¹ funds to enable medicaid-eligible individuals to receive support for appropriate and necessary long-term services in the settings of their choice'². This law particularly refers to persons with disabilities, and it allows eligible individuals (who have lived in an inpatient facility for no less than 6 months) to choose the setting within which they receive the services they require.

In order to receive funding under the act, the person needing support undergoes an assessment (together with their carer, if required) to establish exactly the kind of services they require. The total cost of the services (the service plan) is then calculated and the individual and/or their family or carers are instructed in how to go about providing or obtaining the services they require (Self-directed services). Then they receive the money and buy their own services. The current experiment is expected to run for 5 years, and it is up to individuals whether they choose to participate or not. Funding for the scheme is likely to increase over the years according to a formula yet to be developed.

Note that this project relates exclusively to very disabled persons who have long-term needs – hence the likely increase in funding over the years. This is quite unlike the majority of children in the Ukraine institutions who are healthy and whose situation might in fact be improved, at a cost considerably less than the expenditure currently incurred on them in children's homes or internat.

6.2 UK

6.2.1 Funding for Social Services

In the UK all expenditures relating to children's social services are funded by their local authorities, NGOs, their parents, private donors, or a combination of all of these. (In England and Wales regions are generally not involved in providing social services; in Scotland there are no regions, but a system of unitary local authorities). There are no national children's institutions, or national children's services. Although the government strongly prescribes which services should be available, and which targets local authorities should meet in the performance of their duties, essentially it is up to local authorities to organise their services in a way that best meets the needs of their population.

¹ A form of health insurance for persons on a low income, organised at state level

² 'Money Follows the Person Act', United States Senate, March 3, 2005

Funding is allocated to local authorities (of whom there is only one level in the UK) currently according to a formula fixed by the central government. This formula is based on the following factors:

- A basic amount for each child in the local authority area
- A deprivation top-up based on increased amounts per person, consisting of:
- An amount per child for children living in flats
- An amount per child for children with limiting long term illness
- An amount per child for children of poor families
- An amount for children in one adult households

Multiplied by a factor taking into account the density of population in the area (ie the lower the density, the higher the cost of providing social services); a factor to take account the level of foster care costs compared to the national average, and multiplied by a further area cost adjustment (e.g. where salaries are higher than the national average).

Currently the UK government is carrying out a public consultation exercise on how the social services budget should be calculated in the future; it is suggesting that the basic amount should be reduced, and the deprivation top-up should be changed in composition, focusing more on poverty (there are a number of proposals of how this can be achieved). This ensures that the local authorities with the most social problems receive the most funding to tackle these.

Local authorities then decide how best to spend the funding for the children. In many cases there is continuing on-going funding, e.g. where a child has long-term needs. However, every child's needs are reviewed on an annual basis. If the child requires specific services, these are either supplied by the local authority, or it buys it from other providers, including boarding schools, secure children's homes etc. Since the amount of money is not linked to the number of children *receiving* services and it is also limited, this provides a strong incentive for local authorities to provide services as economically as possible, including using foster placements, encouraging children to remain in their families etc in order to ensure that all children in need will be able to receive support (this also directly fits in with the child's right to a family life). The social worker's job therefore is not only to assess the needs of the children, but also to balance the needs of particular children with those of other children, i.e. to allocate fixed resources to where they are most needed.

In the UK no children with disabilities live in long-stay institutions; they either live with their parents or with foster or adoptive parents, since the family setting is considered the best form of support for these, as well as all other children. They receive considerable support from social services, the education system and the health system, and at times the parents act as coordinators between the different systems. The parents are also instructed to carry out many quite technical aspects of medical care, including dialysis, physiotherapy etc, to allow the child to live a life as normal as possible. Children with disabilities also receive special benefits to help cover some of the cost of their care, and the main carer can claim an 'Invalid Care Allowance' for looking after them, although the amount is very low compared even to the minimum wage.

From the school entry age, if not earlier, children with disabilities join the education system, either in a mainstream school, a special school, or very rarely a boarding

school. Increasingly some mainstream schools set up special units which may take all the children with a particular disability from the surrounding area (e.g. a unit for children with hearing difficulties).

There are some children's homes, but generally these are intended to be used on a short-term basis – though sometimes a child's stay can become longer. Residential nurseries for children under 3 were abolished in the 1970s. Foster parents in the UK can specialise in both short-term (including emergency) and long-term fostering (in situations where adoption is not possible). They are trained to deal with the idea that the child should return to the birth parents wherever possible.

There are user charges for children using social services, depending on the family's income. Children or their parents can also receive direct payments to help them buy the services they require.

In terms of 'money follows child' the amount of funding available for each child needing services is that which suffices to cover the costs of the services (though sometimes there are disputes between the children's parents and the social services organisation of what constitutes a child's 'needs'). It is never taken to mean that the same amount of cost of institutional care would follow a child to his or her foster family, or back to their own extended family. It is extremely important to be aware of the fact that often the most economically efficient form of support is also the most socially effective, e.g. the prevention of problems by providing support at home, or at times of crisis which may prevent the child from ever needing care outside his or her own family.

Relatives other than parents looking after children receive the same state benefits as parents of children would receive, provided they are entitled to them on income grounds. If the child is placed with these relatives by the local authority, and the relatives are subsequently approved as foster parents, an allowance can be paid. Often these are less than for 'skilled and experienced' relatives, but this depends on the local authority in question. A residence order can also be made for a child, typically after he or she has left other forms of care; in this case, if the child is living with relatives, it is up to the local authority's discretion of whether they pay an allowance to help support the child. The relatives' first port of call in relation to funding the child should always be state benefits³.

6.2.2 Funding for Education

Education funding in the UK consists of schools funding and funding for other forms of education. The schools budget for each local authority is decided upon by the Department for Education and Science using a formula, which, like the formula used in Ukraine, is based on pupil numbers, rather than the number of children in the local authority area. This is because about 6% of children attend private schools and some children are also educated at home. Like the Ukrainian formula, the UK formula fails to capture those children who do not attend school. There is no separate funding for children attending residential schools, although there is additional funding for children with 'additional educational needs' (AEN). The amount of funding for such pupils is approximately 50% of the amount for an average pupil, but it is multiplied with the

³ M Greenfields, 'Financial Support available to kinship carers', <http://www.frg.org.uk/Publications/Financial%20Support%20Kinship%20Carers.pdf>

proportion of children who are considered 'deprived'. As an example, the City of London is allowed 2892 GBP per child under 5; the amount for AEN children is 1450 GBP. The City of London is considered to have 30% of children⁴ with such needs, so the average AEN funding for all pupils in the City of London is 30% of 1450 = 430 GBP. Then the amount is increased by an area cost adjustment since costs are higher in London (47.64%), so the total amount of funding for one child under 5 in the City of London is $(2892+430)*1.4764= 4904$ GBP. This covers costs for all children in London, whether they have AEN or not, and it is up to the local authority to spend the money in a way that meets the needs of all its children.

The schools are usually flexible enough to deal with situations where children leave their private education and join the publicly-funded schools system – since children have a right to education, a place must be provided, although it may not always be at the child's first choice of school.

Boarding schools in the UK are mostly used by middle class parents who pay considerable sums of money to give their children an exclusive education; this is particularly useful for parents who travel or relocate often in the course of their work. Some local authority and state boarding schools exist for specialist provision, such as music or dance; but even there parents have to contribute to the living costs of the child, if their income exceeds a certain level. In some remote locations, eg the Scottish Islands, children live in a boarding house near their school on the mainland during the week and return home for the weekend.

Children of school age, living away from their birth parents, attend the local school near the children's home or their foster family – there are no boarding schools for orphans.

6.3 Germany

In Germany social services are organised and funded by a variety of sources. General social services relating to children and young people are provided by the equivalent of rayon authorities from their own budgets (as is basic social benefits funding). Each local authority has a department for young people and children which provide not only care (including child protection) services, but also cultural services for children and young people (though schools are under a different department of the municipality).

Services are generally bought from independent providers, of whom there are many long-established ones in Germany, ranging from church organisations to the Workers Welfare ('Arbeiterwohlfahrt'), although fostering placements are organised directly by the local authority. In addition to family-type placements many cities also have supported living homes for teenagers who no longer can live with their families. In these homes they live relatively independently, but with some supervision, and are prepared for full independence at a later age.

Health care services are funded by thousands of different health insurance providers, and personal care needs in the case of disability are provided by care insurance (Pflegeversicherung) which either organises services direct, or pays a sum to the person requiring care to buy services themselves. Often this money can allow a member of the family to give up work in order to look after the person with the disability, and this is

⁴ this does not mean disability but can also refer to needs such as additional language tuition etc

acceptable. Some very disabled children attend special residential institutions, often only during the week, where they can receive intensive therapy and education, after which they return home on the weekend.

6.4 Austria

Austria, a federation of 9 states, has delegated the responsibility for social assistance to the states. In some cases the states and its cities are coterminous (Vienna, Salzburg) - whereas other states contain a number of cities at different levels – some are self-governing, others are directly accountable to the state. The social assistance legislation in each state differs a little, although it is intended to make it more coherent throughout Austria, and in any case the legislation has to fit in with European Union requirements.

For example, in the case of Oberoesterreich, the responsibilities are allocated as follows: The state's (equivalent to oblast) responsibilities include:

The prevention of social problems via

- Residential care arrangements
- Supported living arrangements
- Provision of help to enable people to join the work force
- Advice for people with debt problems
- General family advice.
- Provision of social assistance
- While in institutions or supported living arrangements
- One-off benefits
- The provision of financial support to providers of social care to develop suitable care institutions
- The development of projects and other measures to help specific population groups
- The provision of information to people over 60 on the social assistance available to them.

The regional bodies' (equivalent to rayon) responsibilities include:

- Those social services not provided by the state under paragraph 30
- A number of activities relating to people who live in one region but need help from another region
- The provision of decentralised social advice centres within the requirement of the local population both in terms of population mix and in terms of access to the centre (opening times)
- The division of their geographical area into social care districts ('sozialsprengel') suitable for the provision of a coordinated, transparent and speedy provision of services.

Smaller communities unite in a Social Assistance Union (Sozialhilfeverband) which allows them to distribute the costs of social assistance between them (this is not appropriate in the Ukraine since there are no small communities independent of a raion).

The organisations providing the services (either direct provision or buying them in) are responsible for funding them where the funding is not covered by user charges (where the user of the services might pay). The state also supports the costs of setting up the decentralised social advice centres at the local level (the local level sets up and provides

the centres, and 55% of the costs of locally provided social services. The amount of funding for social services depends on the number of residents in the local area counted at the last census⁵. The state pays advances of its support to the local authority and each quarter the sums of money actually spent are calculated and the future advance is adjusted.

The Austrian system, like the Ukrainian system, therefore allows the individual municipalities to pass on the financial responsibility of dealing with more difficult situations to the state. This in itself does not encourage de-institutionalisation.

6.5 Lithuania

In Lithuania social services are also funded by the municipality (rayon level) or city. The municipalities provide both social services and social benefits (generally low income benefits, and some privileges). The benefits are funded by the government whereby the Ministry of Finance allocates a specific sum of money to each local authority based on previous usage of benefits and a prognosis of future uptake.

Social services can be provided directly by municipalities, e.g. Vilnius municipality provides home care services, or the services are bought in (e.g. the NGO 'Viltis' provides services for people with learning disabilities for local authorities throughout Lithuania). An interesting example of some of 'Viltis' activities is the hostel for adults with learning disabilities near Vilnius, where the residents leave each day to go to work in a day centre. Any medical needs are taken care of within the general polyclinic nearby – they do not have their own doctor (i.e. their medical needs are funded by the health system not the social system).

User charges are now being introduced for people who can afford to pay for services.

Like Ukraine, Lithuania still has a number of children in children's homes and boarding schools, although fostering is also being introduced, and all relevant ministries are working to achieve deinstitutionalisation. For example, the health ministry has only 365 infants in its care (total population 3.5 million) and is aiming to reduce this further. The government provides a fostering allowance of 500 litas (about 800 UAH) per month which is paid to families who foster a child (it is also used to finance some NGO homes – this is probably not the best use, but in Lithuania the fostering culture is also taking some time to settle in). In addition the state also pays amounts for orphans who move out of care, or who continue their education beyond the age of 18.

7 Ukraine

7.1 Legislation

⁵ 'Residents' includes all people living in the area according to census data. This figure does not rely on registration data, or on citizenship. Not all residents will have been entered on the census, but this should give a more accurate figure of the real population than registration data. For similar reasons the UK uses the census data as a base of calculation – also because there is no registration system for people living in the UK.

3 main pieces of legislation have been reviewed so far. These include the Presidential Decree 'On Primary Measures for Children's Protection' of 11 July 2005, the Presidential Instruction on social insurance of 11 July 2005, and the Cabinet of Ministers Regulation No 1195 of 5 September 2001, as amended 23.03. 2005. All of these make some reference to social services

7.1.1 The Presidential Decree

It makes three mentions in relation to funding:

Paragraph 3 refers to encouraging entrepreneurs to also support children's services

Paragraph 6 requires the Cabinet of Ministers 'to develop mechanism to finance maintenance costs for children-orphans and children, deprived of parental care irrelevant of the form of their placement, in accordance with the principle "money follow the child";

Paragraph 7 requires the Cabinet of Ministers 'to envisage in the course of drafting laws on State Budget of Ukraine for 2006 and for the subsequent years maintenance costs for children-orphans and children, deprived of parental care, irrelevant of their form of placement; the costs should be not less than double amount of living (subsistence) wage, set by the law'.

This will be discussed later in the report, in section 7.2.

7.1.2 The Presidential Instruction

On 'measures for improving the system of mandatory state social insurance' is probably less relevant to deinstitutionalisation of children, given that social insurance generally relates to people of working age. However, it also provides orphan's pensions and pensions for children with disabilities.

Although the fund is encouraged to focus more on insurable activities, the document requires at least two activities relevant to this project which are a little incongruous in a social insurance setting:

In paragraph 2 the 'purchase of travel packages for sanitation ['visits to sanatoria?'] of children from poor families and families with many children'

Later in the same paragraph 'on the basis of material state of the family to increase financial aid for the child as soon as it reaches the age of 3 years old'.

Both these activities are not traditionally social insurance type activities. They both imply a kind of means test, and the chances are that many of the families involved contribute relatively little or nothing to the fund. Generally social insurance funds concentrate on insurable events, such as unemployment, sickness or disability, maternity, and old age – 'poverty' is not conventionally an insurable event.

Clearly the implications of the second bullet point above need to be investigated, since the availability of such increased levels of benefit could well provide an incentive for parents to keep their children at home.

7.1.3 Regulation 1195 of 5 September 2001, revised 23 March 2005

This outlines the formulas used in the financial support of levels below the Ukraine Republic level. These refer both to the general equalisation of republican support to the lower levels (intergovernmental transfers between state and local level), as well as to specific amounts to be budgeted for specific activities including health, education and social services.

The amounts of intergovernmental transfer depend generally on the existing income level of the local government unit, economic forecasts, and its population, whereby the amounts for smaller units are scaled up since larger units can benefit from economies of scale.

7.1.3.1 Health Care

According to paragraphs 19 – 21 of the regulation Oblasts receive 35% of the funding for health care and rayons receive 65%. The amount of expenditure depends on:

The normatives of health care costs in the area

The government index of all expenditures for health care (presumably a type of inflation-calculation)

Whether the area is a designated mountainous area

35 % of the total oblast health care budget (the other 65% goes to the rayon budget)

a correction ration relating to salary costs

a ratio relating to the age structure

the gender and age distribution of the local population

the number of the local population also in relation to the overall population of the Ukraine

the cost of food at health care institutions

In the case of rayon level the amount is then further adjusted on whether it is a place of regional significance (which might have the more advanced services) or not, which is also reflected in the amounts related to salary levels.

Generally this seems quite a reasonable formula since the availability of funds is linked to the make-up of the population of the area (which is based on a World Health Organisation model). It is not clear why salary levels are accounted for separately, and also food rather than 'hotel charges' for hospitals. Ideally formulas relating to health care expenditure should not only be based on expenses but also take into account mortality and morbidity of a particular region (though indirectly this must be reflected in the expenditure).

It is also good that it does not focus on the types of health care institutions (like the subsequent education example); this should encourage health care providers on providing other forms of care, such as day services and family practitioner services.

7.1.3.2 Education

Paragraphs 22 to 25 outline the formulae relating to supporting the educational system, specifically 'secondary' education. (It is assumed that this means education from ages 6 – 17, although there are 'primary' schools for ages 6 to 9). The funding is allocated per pupil.

The budget for the **Oblast level** is based on the following factors:

A financial normative amount for each pupil (regardless of age)

The number of pupils in daytime secondary schools (not boarding schools)

An amount for the upgrading and training of certain teachers (7.2% of the standard normative amount per pupil, for the number of pupils)

The number of pupils in military boarding schools multiplied by a factor of 6.5 compared to a day school pupil

The number of pupils in sports boarding schools and colleges, multiplied by a factor of 8.4 compared to a day school pupil

The number of pupils in boarding schools in mountain settlement areas, multiplied by a factor of 5.7 compared to a day school pupil

Number of pupils attending [day?] classes at mountain area boarding schools, multiplied by 1.1

The number of pupils attending mainstream boarding schools, multiplied by a factor of 5

The number of pupils in mainstream boarding schools *who attend lessons (day pupils?)*

The number of pupils at boarding schools for children with disabilities⁶ in mountain settlement areas; multiplied by a factor of 7.5

The number of pupils at boarding schools for children with disabilities not in mountain settlement areas, multiplied by a factor of 6.6

The number of pupils at boarding schools for children with disabilities attending classes (day pupils?), multiplied by a factor of 2.5

Number of children in children's homes in mountain settlement areas, multiplied by factor of 14.8

Number of children in children's homes, multiplied by a factor of 13

Number of children at boarding schools for orphans, multiplied by a factor of 10

An amount for the training of specialists of higher education establishments in the autonomous republic in Crimea

A amount for increasing scholarships for children who are orphans or without parental care, and attend higher education (also an amount for graduates)

An amount for meals for children without parental care and orphans at mainstream boarding schools

The amount available for **rayons** (districts, towns of regional significance in the Crimea) is based on the following factors (the amount for infant education was not intended to be less in 2004 compared to 2003):

A coverage ratio for children aged 0 -6 living in the areas. Given that the coverage ratio is higher for cities than for rural areas this is assumed to mean the availability of infant school places.

Different additional coverage amounts, where infant school places are available to more than 55% or 30% of children of this age group

Number of secondary school day pupils in towns of regional significance

The number of pupils brought (from outside town?) to schools in towns of regional significance and their ratio (assumed to be 84%); similarly for mountain areas

Number of secondary day schools pupils in urban areas, and the proportion of pupils brought to these schools (assumed to be 92.6%); similarly for mountain areas

Number of secondary day pupils attending schools in rural areas and their ratio compared to all secondary schools in the Ukraine. This ratio can have five values, which depend on classroom size – the smaller the class, the higher the funding (calculated once every three years); similarly for mountain areas

The number of children in schools for children with disabilities, multiplied by a factor of 2.5

The number of pupils attending evening secondary schools

The number of children aged 0-6

⁶ The document uses the phrase 'needing mental or physical development correction'

A one-time benefit for orphans or children without parental care who will turn 18 during the year

There is a separate formula for the cities of Kyiv and Sevastopol. This is broadly similar to the other formulae, but specifies also an amount for children in a family type orphanage which is multiplied by a factor of 6.5 compared to a day school pupil.

The following comments can be made on the education paragraphs of this law:

The funding is based on the number of users of the services, and not on the number of children within the Oblast. Therefore if children do not attend school (because they play truant, are street children, they work in the fields or on the markets, their parents think they are too disabled to attend school) effectively there is no funded service available to them. (Unregistered children such as street children may fall out of all calculations for any funding).

Similarly the funding for pre-school education is based on an assumed amount of coverage. Since the ratio is fixed at Oblast level (even if slightly different rates for different types of localities) this provides no incentive to rayons to extend their provision of pre-school education, except at their own expense.

All boarding schools are funded at Oblast level, whereas the funding for day schools is passed on to Rayon levels. The multiplying factors for the different types of boarding schools (and other types of specialist provision) already give an indication of the costs of these establishments.

The costs of children in a family type home are assumed to be half the cost of a child in conventional children's home, and about two thirds of the cost of children in a boarding school for orphans.

There is no mention of any external income the schools system might have, such as parental contributions where the better-off parents pay towards the cost of maintaining their child (state education should be free, but the 'hotel costs' could be supported).

Since the funding is based on the number of users of the services, including of boarding schools, this provides a direct incentive to the Oblast to maintain the number of people in boarding schools.

7.1.3.3 Social Welfare

The amount of funding available for social welfare is based on the number of receivers of such benefits and services. It is based on:

A 'specified rate' for the support of rest homes, homes for children with disabilities, education and resettlement of disabled people, based on the fixed rate per person for such homes, times the number of people, increased by a factor for mountainous areas if possible (Oblast budget).

A specified rate for the volume of expenditure for minor (younger?) children's homes, based on a fixed rate per bedspace (not per user) in each home (Oblast budget).

A specified rate for the support of territorial centres for pensions, single unemployed persons and home care services, based on a fixed amount per person and the number of single unemployed residents (of all ages) either using home care services or territorial centres, or using permanent residential accommodation, adjusted by an amount for mountain areas if necessary (Oblast budget).

A specified rate for the volume of expenditure for activities for family, women, children, and young people, based on a standard rate multiplied by the population numbers of the

area, adjusted for the status of a mountain settlement if necessary. 40% go to Oblast budgets, 60% to raion budgets

A specified rate for information processing in relation to family benefits, compensations and subsidies, based on the amount of claims to benefits etc processed during the year preceding the business year (Oblast budget)

A specified rate for the volume of benefit expenditures for the care of people with a mental disability (disorder?) and within disability categories I and II; a specified rate per person with a learning disability and disability groups 1 or 2 (Oblast budget).

A specified rate of the expenditure volume of benefits for honoured citizens; a specific set amount multiplied by the number of potential recipients of the amount (Oblast budget)

A specified rate of the expenditure volume for other social safety net programmes (separately defined, and it seems to have focused in 2004 on the over 600,000 people illegally deported from the Ukraine)

A specified rate of the expenditure volume for the burial of battle participants; based on a fixed amount per person and the mortality index for people over 70 in a region (Oblast budget).

The following comments can be made:

Like the education budget, this budget is entirely based on the number of users – hence if no services were provided, and as a result there were no users, no money would be available either

There is no incentive for deinstitutionalisation

The funds are almost entirely available to the Oblast, apart from the funds for general activities

7.1.4 General Conclusions on the legislation

Generally the part of Regulation 1195 of 5 September 2001, as amended on 23 March 2005, is much better in relation to health than in relation to education and especially social services.

In both education, at least during the compulsory school age, and social services, funds should be based on the relevant population rather than the number of the users of the services. While it is hoped that all children of compulsory school age attend school, the reality will be that they do not. The education budget shows clearly the increased cost of boarding schools and of children's homes. The social services budget, almost exclusively spent by the Oblast level, relates to people in homes, honoured citizens (as it does in many former Soviet Union countries), and some activities for women, children and young people – the safety net aspect of it does not relate to anti-poverty measures.

The following tentative suggestions can be made in relation to the education budget:

The education budget should be based on the number of the relevant population under the age of 18 rather than the number of users. This would ensure maximum education provision such as access to early childhood provision.

There should be no special provision for boarding schools (specialist boarding schools like military schools, arts or sports institutions, and boarding *houses*⁷ in mountainous areas might need to be exempted from this)

⁷ a boarding house is an establishment where children from remote areas live during the week or during term time, and from which they attend the general local school

The costs of boarding schools could be divided into education costs and 'hotel charges'⁸. Education costs should be borne by the education budget, hotel charges and rehabilitation costs should be funded from the social services budget. (This means that the schools can continue to operate as general schools, open to the general public). It remains to be discussed how such an idea could be implemented practically. Parents of children attending boarding schools should contribute to the hotel costs according to their income.

The following tentative recommendations can be made in relation to the social services budget:

This budget should be held at Raion level since the local community should be responsible for its children.

The social services funding should be based on the total number of children (plus funding for adults). The basic amount per person would be quite low, since not all children will need social services, but should be adjusted eg for a mountainous area, local levels of poverty or deprivation, and other generally accepted and measurable indicators of 'deprivation' (perhaps the number of children in one adult households, the number of children not living with their parents etc). By basing the funding on the total number of children, the raion will have an incentive to avoid institutionalisation since many more services can be provided to support children at home, than if some children use up the funds for expensive institutional care. This new system needs to be communicated very clearly by the government to the public who must be made aware that there is funding for 'all our children'.

Only one ministry should hold the funding for social services for children, to ensure coherence.

Homes for infants should be transferred to the ministry responsible for social services for children in the short term, before they are being replaced by other forms of care for such children. Although traditionally in many post soviet countries such homes are within the health ministry, infancy is not an illness.

The social services system needs to have a 'gatekeeper' body which should hold the funding for children and make decisions, ideally in a case conference type setting, of what would be the best placement for children. (Again children requiring specialist education such as those attending military schools, arts or sports institutions may need to be exempted from this).

To ensure that the funding is spent properly the ministry responsible for social services needs to have a facility for inspection; to assess the spending of the funds, assess the decisions made in relation to particular children, to look at the quality of care being provided.

7.2 Money for Children

7.2.1 Money follows Child Implementation – Ministry of Families, Youth and Sport

The ministry is currently working on implementing the concept of 'money follows child' in the Ukraine. The concept is expected to be rolled out nationwide in 2007, and from January 2006 it will be trialled in Kyiv Oblast. It focuses entirely on orphans and on children who have been deprived of parental care, and currently has no link to supporting children in families at risk. The aim is that children should be cared for within

⁸ hotel costs include accommodation and food charges

the community in which they live, and that the raion level of government should be responsible for the child.

There are however some concerns that raions and the Oblast are not yet ready for the full implementation of this scheme. There are suggestions that amendments are needed to the budget code. In addition the number of foster parents and family homes, ready to receive children, is still very low. Anecdotal evidence suggests that already 3600 children living with extended families have asked for support under this scheme – but these are children who are not ‘on the street’ in any case, though undoubtedly it may be hard for many of these families to support the children. (Assuming a cost of 1000 UAH per child per month, these children alone would cost 43.2 million UAH per year, or 12,000 UAH per child per year – only very little less than the cost of a place in a baby home [16,000 UAH] or a boarding school [14599.7 UAH, according to the state allocation for boarding schools (data supplied by Kyiv Oblast)].)

The concept will work as follows:

Every eligible child will be entitled to a monthly sum consisting of two⁹ minimum subsistence levels for his or her age; a minimum subsistence level (MSL) for children aged 0 – 6 is 370 UAH, and an MSL for children aged 6 (7?) – 18 is 468 UAH. In addition there will be an amount X for the carers of the child to cover other costs and provide a small income (the minimum wage is about 450 UAH per month). For children with special needs like those who have disabilities additional amounts are available according to special legislative norms.

This money is available to the child regardless of whether they live in a family care type home, a foster family or with members of their extended family.

This initiative will be funded by new money by a subvention from the central government to the local level. The money will be ring fenced. Currently there are no plans to move money from the Oblast education (boarding school) or social welfare (homes for children with disabilities) budget in order to fund such services. An inter-agency working group involving 7 ministries is currently developing the mechanism relating to this money. Contact has also been made with the Ministry of Finance. The first relevant document has been drafted and comments have been received, although these have not yet been incorporated into a second draft.

While it is very easy to work with a standard amount for each affected child, it would be better to match the amount more flexibly to the needs of the child, since the extended family should not really require a salary to look after their own kin. Even one MSL should adequately provide for a child living in an extended family. It would be better to have different rates for different types of settings, to standardise rates on the one hand, but still meet children’s needs and at the same time the need for prudent budget management.

As far as family support services are concerned, the Ministry for Families, Youth and Sport feels that legislation needs to be developed first, also that additional services for children with special needs should be part of a separate system of services. There is therefore no link between the money follows child initiative and the provision of family

⁹ the logic is that the first MSL covers survival costs, and the second MSL covers the child's development needs

social services, which would in many cases prevent the need for children to leave the parental home.

It also needs to be clarified who exactly will be responsible for the management and monitoring of the funding, and how the raion can be stopped from sending children, especially more difficult children, to boarding schools or other residential institutions. The money follows child funding needs to be a certain funding stream for years to come, in a way that the current funding for boarding schools is.

7.2.2 Other funding for Children in the Ukraine

In addition to current funding for all three types of social services, and the proposed Money Follows Child initiative, a number of benefits are available to support children:

There are five types of children's benefits:

Once-off child birth benefit of 22.6 MSLs for age 0-6 ($=22.6 \times 376 = 8486$ UAH; a minimum wage is about 450 UAH) of which 9 MSL are paid on claiming, and the remainder during the first year of the child's life. All women receive this, whether insured or not. The insured women claim it from the social insurance fund, families where both parents are uninsured claim it from the state budget. This benefit was introduced in April 2005. The department of social protection of the population has its inspectors and health visitors who regularly check on the family and children. If a child is admitted to an institution, the money is put into a personal account for the child – and mechanisms are currently being worked out when the child should get the money (on age 16 or 18 maybe). Uninsured people can claim up to 6 months after the birth, insured people up to 3 years later – Ukrainian citizens can also claim the benefit if the child is born abroad. The benefit can be stopped if the parents are deprived of parental care, they abandon the child, the money is misspent, the parents are in prison, they die or the child loses the parents in some other way. By 1 September 2005 almost 100,000 **uninsured** people had applied for this benefit or its predecessor, and 125,415,900 UAH was paid out (in September the amount to be paid was 58.313 mln UAH).

Benefit for pregnant and nursing women. This is paid to insured and uninsured women for 70 days before the birth, and 56, 70 or 120 days after the birth of the child, depending on whether it is a normal pregnancy, a complicated one, or whether she is affected by the Chernobyl disaster. It is based on the woman's average monthly salary if she is working (and thereby insured); if she is not working, she gets 25% of the monthly minimum wage, which is 113.25 UAH. 144,000 uninsured women had applied by 1 Sept 2005, which cost 52 mln UAH (the cost for September was 10 mln UAH) (this would be considerably more for women who are insured, where it is paid from the social insurance fund). They can claim up to six months after the end of potential entitlement.

Childcare benefit for children aged up to three. Insured people get 105 UAH per month from the social insurance fund, uninsured receive 90 UAH per month from the state budget. The benefit should be one MSL, but there is insufficient money in the budget. From January it will be half a minimum wage, ie about 225 UAH. The assistance is paid from the date of application; it can also be transferred to the father or another person in the family who does not work and looks after the child. The new applicants for 2005 until September totalled 324, 424 people; the total of people currently receiving the benefit is 560,499 people and the amount paid out by 1 September was 367,718,500 UAH. The monthly sum paid is 55 mln UAH.

Single mother (parent) benefit. This is paid to mothers whose children have the father's name entered on the birth certificate as 'registered according to the mother's

words'; widow's children can also receive this (but if the child receives a pension he or she will not get this assistance), or if the mother or father died after divorce. If the mother gets married and the child is not adopted by the new husband, they can continue to receive the benefit. Divorced mothers do not get this benefit because they receive alimony instead (it is assumed). The money is paid irrespective of any other kind of assistance; if a child is in an institution, the mother will not receive it, only during the summer holidays. The amount is means tested, in that they will receive 50% of the minimum wages minus the actual income per person, based on the earnings of the last 6 months. The minimum they receive is 10% of the MSL. Every six months the mother has to reapply; if she does not, the amount will be reduced to the minimum payment. The benefit is paid till the child is aged 16 or 17; up to age 18 if the child continues at school. 238 397 new families have claimed this benefit by 1 September 2005, with a total of 376,305 families receiving it, and it has cost 160,108 mln UAH by this date.

Benefit for children under care or guardianship. This is paid to guardians looking after children whose parents have died or who are deprived of parental care. It is not provided in residential institutions, or when the child lives with relatives. If the child lives in a home not funded by the state, this benefit can be paid, eg if the child lives with foster parents or in a family type home. The child receives the MSL for their age less their pension and any alimony that may be paid. It is paid up to age 18. The benefit can be stopped earlier when the guardian is also deprived of his right, or if the child gets married or starts work. The benefit is paid to 18,245 children at a cost of 31.787 mln UAH by 1 September 2005.

The law on social assistance for poor families – available to all poor families; this applies if the family income is lower than the social assistance MSL for the family due to lack of budget resources. This is a notional MSL and consists of 100 UAH for people who can work, 140 for children or pensioners, and 150 for persons with disabilities. If two or more children are in the family, the amount per child is increased by 20%. Eg a family with a husband, wife and three children, is considered to have needs of $2*100 + 3*140*1.2 = 704$ UAH. If their income is 500 UAH they would be entitled to 204 UAH per month. The maximum they can receive, if their income is lower, is 75% of the notional MSL; if there are working people in the family, and they are still not working after 6 months, the benefit will be cut to 50% of the notional MSL. When people make a claim, the benefit will be appointed within 10 days; they submit new documents every 6 months. The benefit is not paid if a person capable of work does not work (unless there are good reasons like study, or looking after a disabled person), if within 10 months of making the claim they bought a very expensive item like a car, if they own two apartments, or if they have land exceeding 0.6 ha. In cases of hardship, the raion committee can override this restriction. If the notional MSL goes up, the benefit is increased automatically. The benefit is paid from the state budget, and in September 2005 364,464 families received 698.726 mln UAH.

Carer's benefit for people looking after persons (not only children) with learning disabilities (category I or II disability). This is also means tested, by deducting the income from the MSL; the least they will receive is 10% of the MSL (less than 50 UAH). 12831 people receive this benefit, costing 12,503 mln UAH.

It should be noted that since a number of benefits have recently increased, the amount paid in September is not proportionate to the amounts paid earlier this year. This is particularly the case in relation to child birth benefit, which increased in April from under 1000 UAH to over 8000 UAH. It is difficult therefore to calculate an annual cost based on current data.

Pensions System

There are two main benefits for children (not called pensions any more):

Orphan's pensions. Only for orphans of insured persons. This is based on whether the child has lost one breadwinner or two, the deceased person's gender, labour record and their salary. If there is only one child, 50% of the pension will be awarded, if two children or more, 100% of the pension will be awarded. The minimum pension is 332 which two children will get if the deceased person has a low labour record with low earnings; the absolute minimum for one child is 284.69 UAH, and in this case if the mother has two children she will only receive 332 UAH. The benefit is paid until the child is aged 18, or 23 if in higher education. If the child is a full orphan, the money will be paid until the child is aged 23 in any case. The children of uninsured deceased persons will receive funds through the social assistance budget, but these are less. Data on this were not very clear; there are 748,505 people receiving breadwinner loss payments but these include all ages. There are 29888 full orphans receiving an average of 241 UAH per month each – a total of 86.434 mln UAH per year. If the child attends a boarding school,

Benefits for children with disabilities. They can qualify in 4 categories, the categories I-III of disability status, and those who have not yet received such a category. A total of 300 000 children receive such benefits. The law will change from 2006 when they can receive two benefits, if they are entitled to them, ie the orphan's benefit and the disability benefit together. There is also a state social assistance benefit for children disabled from birth. For CWD with disability group I the state social assistance of over 500 UAH per month will be higher than the disability benefit, for those of groups II and III the benefit is higher than the social assistance. The average rates and number of recipients currently are as follows: group I disability – 45,000 recipients at 295 UAH per month, group II disability 89,000 at 295 UAH per month, group III disability – 43,000 recipients at 216 UAH per month, and unclassified disability 122,000 recipients at 294 UAH per month. Total annual cost 28,183,404,000 UAH. It is not within the scope of this project to ask why these levels of benefit are so similar for considerably different levels of disability.

Carer Compensation – pensioners who look after persons with disabilities receive 15% of the MSL in addition to their own pension; a total of 23 – 25 UAH per month. A non-relative can also receive this money.

In addition, early indications have been obtained from Kyiv Oblast on the costs of children. These include
an amount of 2000 UAH per child attending day school,
16,000 UAH for a child in a baby home,
14599.7 UAH for children at an (yet unspecified) type of internat.

The total amount of money spent on education from the Oblast budget in the first 8 months of this year is 356 million UAH (approximately 534 million UAH per year). Assuming that the total number of pupils (2330) in boarding schools shown in the table in Annex B is correct, and assuming that the sum spent on them per year is 14599.7 (this cost is probably one of the lower rates), these 0.7% of all children¹⁰ in Kiev Oblast

¹⁰ According to Unicef data, http://www.unicef.org/infobycountry/ukraine_statistics.html#1, the Ukraine has a population of 48.5 million, of whom just under 8 million are children between 6 and 17. Kyiv Oblast has a population of 1.8 million. Assuming that the proportion of school age children is approximately average for the Ukraine, this suggests that Kyiv Oblast should have 297,000 children. This means that the 2330 children in institutional care represent 0.7% of the school population. Note that most of these figures are currently based on assumptions which still have to be confirmed.

use 34 ml UAH, or 6% of the education budget. These data still need to be clarified and corrected.

7.2.3 Comparison of amounts of funding for children in the Ukraine

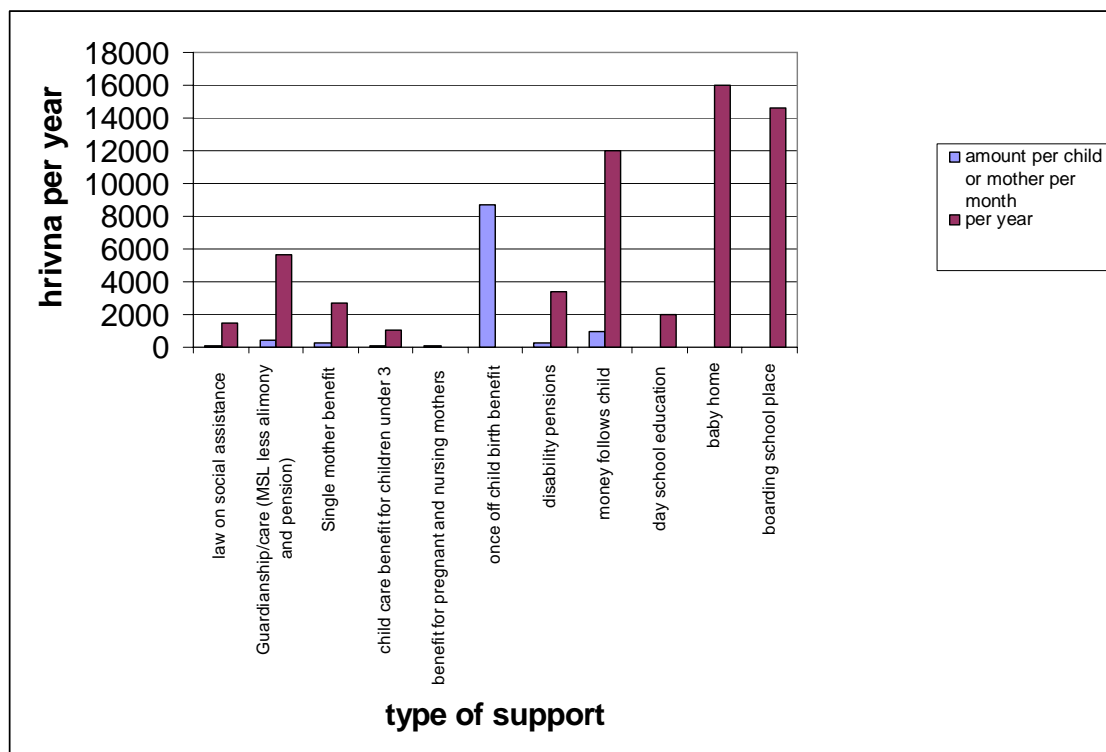
The table and chart below are based on very preliminary data, but already provide an impression of the scale of the difference between different types of funding available to children in the Ukraine. Data for social insurance fund recipients of some of the above benefits have not yet been obtained.

Figure 1 - Amounts of Funding available to support Children in the Ukraine

Benefit or Resource	amount per child or mother per month	per year	no of recipients	total cost per year
law on social assistance (maximum amount)	126	1512	364464	UAH 8,384,712,000
Guardianship/care (MSL less alimony and pension)	468	5616	18245	UAH 47,680,500
Single mother benefit (max), paid for mother	225	2700	376305	UAH 240,162,000
child care benefit for children under 3 (state budget part only); paid for mother	90	1080	560499	UAH 551,577,750
benefit for pregnant and nursing mothers (uninsured only)	113.25		144000	UAH 78,000,000
once off child birth benefit (uninsured only)	8684		100000	UAH 125,414,900
disability pensions	283	3396	299000	UAH 28,183,404,000
money follows child (assumed) 2*MSL +carer salary	1000	12000		
day school education (approximately)		2000		
baby home		16000		
(unspecified) boarding school place		14599.7		

The table clearly shows the difference of funding available to poor families who look after their own children (about 1500 UAH per year) and that used by families who do not look after their own children (12,000 UAH and more). The first three benefits are means tested and only available to low income families. There is no overall child benefit for every child. While it is a requirement of the Council of Europe to have such a benefit for all children, the required level is set at 3% of the minimum wage (13.5 UAH), and it will also add little benefit. The country in Europe with the highest birth rate, Sweden, also has one of the most generous child support systems, both in terms of direct financial support as well as in relation to child care provision for working mothers. In Sweden it is clearly shown that whenever provision for children is improved, the birthrate goes up shortly afterwards.

The same data can be shown more graphically in a table:



7.3 Government of Raions

The question arose in how far raion administrations are accountable to the local population, and whether, if the raions were to receive the funding for social services, it would then be properly spent.

It is understood that all raions have some form of elected body (there are raion-based elected body, as well as lower level community councils). These are not considered to be particularly powerful. While some raions have elected mayors (towns of regional significance?) in other raions the mayor is appointed by the president. A constitutional

reform has been promised by the current president for 2006, but this will be preceded by a general election in March 2006 whose outcome is uncertain.

According to the law, self-governing raions are independent, and it needs to be assessed whether ministries would be legally able to assess and inspect these raions. Currently ministries are seen as legislative bodies, and they are reported to visit the more progressive raions seeking information, rather than acting as inspectors to ensure that legislation is being correctly applied.

7.3.1 Who will administer funds for social services for children

In principle the body who decides where to send a child for care, or what services to provide, should hold the funds to pay for the services. The funds should always be held at local level to encourage the local government level to take responsibility for its own children, a number of organisations are competing for this position:

- The Raion Child Protection Committee
- The Medical/pedagogical examination commission
- The state service for minors
- The raion service for Families and Youth
- The Raion social services for children and youth department

This is also linked to the question of who manages the funds for social services in general, since a similar situation exists in relation to social services to other people. Since children and young people have needs other than social services, which also need to be provided by the local authority (eg culture) social services should be subordinate to either the state service for minors or the families and youth department. At the moment there seem to be too many bodies all focusing on the same client group – this is also not good for the intended beneficiaries of the services.

It needs to be decided as a matter of urgency between all these bodies which of these will take the lead in relation to this issue.

8 Finance Working Group

A group of people who could contribute considerably to a Finance Working Group has now been identified. These include:

- Ministry of Labour and Social Protection (Mr Volodymyr Kulchytsky)
- Ministry of Finance (still to be identified)
- Oblast Deputy Head of Finance (Mrs Alla Antonova)
- Ministry for Families, Children, Youth and Sport (Mr Fyodor Gritsenko)
- Mrs Volynets, Director of Childcare, MFCYA
- DFID Public Expenditure Review Project (Mr Yuriy Dzhygyr)
- Head of Family Policy, Brovary City, (Mrs Tetyana Mykhailivna Kortrak)
- Sergey Lukashov, Deputy Director for Training and Monitoring, Everychild

The people involved have not yet been approached in relation to the setting up of a working group, and much depends on their time availability. In any case, they need to be invited formally, via their respective organisation heads.

9 Recommendations

While within the text (see section 7.1.4) there are general recommendations in relation to the distribution of government funding for education and social services in particular, at this stage it is absolutely vital to:

Urgently review the plans for the MFC initiative since it has the potential of becoming very expensive at a cost of 12,000 UAH per child per year leading to family breakup (it may be easier to pass the child to the grandmother, funded generously by the state while the parents go abroad to work) if not adequately funded and unsupported by sufficient services, it will lead to a public relations disaster and distrust of the government at a time approaching a general election. The funding should depend on the child's needs, not the child's status. Take decisions on who will take the responsibility for children's social services, to ensure that there is one body in each raion that can manage all social support for children.

10 Next Steps

The following next steps need to be taken:

The Terms of Reference for a complete cost analysis of different types of state care for children in Kyiv Oblast will be completed along with this report. This should include information concerning who makes decisions about which budgets and where delegated authorities lie. Children in state care include those in residential institutions, family type homes and foster care placements. Other forms of support should also be costed.

During the next mission (late October/early November) the expert will work closely with the international service development expert. It is also intended to focus more deeply into the MFC initiative which appears to have the potential for a considerable public relations issue, if not all funds and systems are in place at the time of implementation. Issues also have to be addressed urgently in relation to the sums involved. During this mission the expert can also work with the National Finance expert on carrying out the costs analysis. In addition the expert can begin to examine the relevant legislation.

It is expected that in the course of the next few months clarity will arise over which organisation will be in overall charge of children's social services. This will contribute considerably to the development of mechanisms for funding new services, and for monitoring service costs. Once the organisational structure has been agreed, a strategy for the sustainable funding of social services for children can be developed. This work requires close cooperation with other projects in this area such as the work being carried out in the context of the Ukraine Social Investment Fund.

11 Annex A

Development of Integrated Social Services for Exposed Families and Children

Terms of Reference – EU Senior Expert Social Finance Research and Planning

These ToRs relate to Specific Project Objective 1: To develop and implement in the pilot region a basic package of social services for exposed families and children.

They contribute to Result 1.1: Scope, financial mechanisms and organisational structures of existing social services delivered by state to families and children at risk assessed and Result 1.8: Methodology to define and allocate budget resources for the development and operation of services able to provide timely and flexible packages of intervention elaborated.

11.1.1.1 Background:

The project Developing Integrated Social Services for Exposed Children and Families is financed by the European Union and implemented by the EveryChild Consortium. Its main aim is **to reduce the number of children placed in boarding institutions and social orphanages in Kyiv oblast by assisting the State Social Services for Children Family and Youth in developing and implementing efficient integrated social services able to provide effective support for vulnerable families and children.**

The project has the following three Specific Project Objectives (SPOs):

SPO 1: To develop and implement in the pilot region a basic package of social services for exposed families and children

SPO 2: To provide assistance to the Ministry for Youth Affairs and Sport and its State Social Services for Children Family and Youth to elaborate recommendations for the improvement of the existing legislation that should facilitate the implementation of the new forms of social services and social care included in the package.

SPO 3 To increase the capacity of the staff of the State Social Services Centre and its regional branch in Kyiv oblast in implementing the new model of integrated social services for exposed families and children by launching training programmes and public awareness campaigns.

The main project partner is State Social Services for Family, Children and Youth as part of the Ministry of Youth and Sport of Ukraine. Kyiv oblast and its relevant departments, which have responsibility for the care of vulnerable children, is another important partner with whom the project works closely.

The project timescale is from April 2005 until October 2007.

The EveryChild consortium methodology reflects a commitment to working in partnership with the stakeholders and beneficiaries, engendering local ownership at all levels and facilitating inter-agency working underpinned by the UN Convention on the Rights of the

Child. It aims to promote development of policy, which is underpinned by good practice. The Project will build on the existing services in Ukraine, both those provided by the government and those provided by non-governmental structures in order to develop a coherent strategy for childcare through appropriate child-centred, family-based social services for vulnerable children and their families. The philosophy of this project provides an opportunity to develop an empowering approach that incorporates practical development and a systematic change in policy in order to provide a long-term sustainable impact.

EU and local experts will work alongside, and in partnership with, key decision makers from the relevant governmental ministries and departments and non-governmental organisations in developing the direction of the project activities.

The Expert will be expected to familiarise her/himself with the project Terms of Reference and Technical Proposal in order to place this activity within the overall framework of project objectives, activities and anticipated outcomes.

Activity:

These ToR refer to **activity 1.1.4** Complete an analysis of current childcare expenditure and major cost centres across the oblast which will contribute to **activity 1.8.1** Establish the comparative costs of services including new models of services proposed and **activity 1.8.2** Propose and pilot a methodology to fund new services.

The cost analysis will form the basis for developing a new funding mechanism for children's services in Kyiv oblast. From an economic perspective one of the key issues which prevents the deinstitutionalisation of children is that institutions are mainly funded from the oblast budget and new services e.g. foster care, family support services, are funded from the rayon budget. It is crucial that the analysis take into account these different sources of funding and other sources such as private donations or NGO's. It is anticipated that the analysis will demonstrate that the system leaves very little for children in families (the highest expenditure is on children in State institutional care) and is intended help to show that benefits could be spread to more children if these budgets were released from institutional care.

The analysis will help form the basis of three important project components:

- reviewing of the current strategy for reforming the child care system in Kyiv oblast and developing an action plan
- developing a proposal for new funding mechanisms
- contribute to a public awareness strategy in the oblast

Some of the information will be available through documentation held at oblast level but other information will require visiting the rayons in Kyiv oblast.

11.1.1.2 Inputs

Draw up a Terms of Reference for a complete cost analysis of different types of state care for children in Kyiv oblast. This should include information concerning who makes decisions about which budgets and where delegated authorities lie. Children in state

care include those in residential institutions, family type homes and foster care placements

Identify key personnel within Kyiv oblast State Administration, Ministry of Finance etc who can support data collection and analysis

Work with National Finance Expert to undertake the cost analysis and present results with recommendations for action within the project context. This will include conducting field visits to collect information and should involve local round tables/focus groups of key personnel at both oblast and rayon level

Work with Project Legal Team to support costing of existing and new legislation

Work with Project Legal Team to develop a thorough understanding of the Ukrainian Budget Code and Parliamentary mechanisms for supporting innovation in service development

Develop a mechanism for monitoring costs of new services developed throughout the life of this project. Consideration should also be given to transitional arrangements

Develop and implement a strategy, with Project Partners and key stakeholders, which will ensure that appropriate government funding mechanisms are in place to support new services in the long term and which supports the principle of 'money follows child'.

Outputs

Service Cost Analysis Report

Replicable mechanism for monitoring and evaluation of new service costs

Proposal for reallocation of funding to finance new services at pilot site level and at national level with accompanying management plan, targets and timeline submitted to Project Partners.

Reporting

Please see attached reporting guidelines.

Duration

60 days to be agreed with Team Leader.

Initial visit end August beginning September 2005

Elayn Sammon

Team Leader

28 June 2005

Annex B – data supplied by Everychild on the numbers and costs of children in institutions in Kyiv Oblast (containing errors)

Type of institution	No of units	funder	Number of children			No of orphans and children deprived of parental care			Total cost should be sum of columns k-o)	breakdown of costs					actual sum of columns k-o
			1.1. 2005	1.1. 2006	average	1.1. 2005	1.1.2006	average		salaries	food	equipment	communal charges	capital expenditure	
total boarding schools sanatorium type schools for orphans and children deprived of parental care	13	ob	2330	2304	2317	862	804	833	15879.5	18424	5039.6	1256.6	1880.2	1550.7	28151
Schools for CWD	3	ob	706	713	709.5	73	72	72.5	7757.2	4520.4	1457.4	306.1	371.7	375	7030.6
Total Children's homes, family type homes, foster care families	2	ob	578	634	606	422	430	426	6535.3	3965.1	1184.6	394	519.9	80.7	6144.3
children's homes	8	ob	1046	957	1001.5	367	302	335	1587	9938.4	2397.6	556.5	988.6	1095	14976.1
	55	Oblast or raion or Oblast	1228	1384	1306	1071	1150	1111	12380.9	6917.1	2744.6	315.6	1132.1	327.4	11436.8
	30	Oblast	1077	1213	1145	929	988	959	11259.5	6556.3	2306.6	235.8	1048.*	295.4	9394.1

family type															
homes	18	raion	150	162	156	141	153	147	1083.6	359.1	424.1	75.3	83.1	32	973.6
foster families	7	raion	1	9	5	1	9	5	37.8	1.7	13.9	4.5	1	0	21.1
children under guardianship	0	raion	131	137	134	131	137	134	80	0	0	0	0	0	0
infant homes	2	Oblast	167	170	168.5	118	129	124	4978.4	4144.7	295	5	195.2	32.2	4672.1
other places for orphans and children deprived of parental care	2	raion	30	30	30	30	30	30	235.3	163.3	32	3	11	0	209.3
		Total	3558	3688	3623	1933	1954	1944	28260.4	25341	7784.2	1572.2	3012.3	1878.1	39587.8