

**Strategy development for the
reform of the state care
system for children deprived
of parental care living in state
care institutions**

**A report for
UNICEF Ukraine**

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Executive Summary and recommendations

This report is written for UNICEF building on an earlier consultancy in 2006 (Carter 2006a). The intention of the current work is to identify the key elements for a strategy to take forward the Government of Ukraine's programme for the reform of child welfare.

The report identifies three essential elements in an effective reform process: these are: (i) the **reintegration**, where possible, of children with their own families; (ii) where it is not, placement of children in **alternative family-based care**; and (iii) **prevention** of institutional placement. Work elsewhere in the region has shown that, in any real reform, it is essential to include all three of these elements.

The report goes on to discuss progress in the reforms so far, including the promulgation of the Government's Concept for Reform and the Kyiv Oblast experiment on the payment of social benefits, and suggests that, although these represent a considerable advance, much further action is necessary.

The joint UNICEF/World Bank project *Changing Minds, Policies and Lives* identified three key components for reform, namely decision making processes ('gatekeeping'), redirecting resources into preventive and family-based services, and establishing standards of care.

Effective **gatekeeping** ensures that services for children in difficulty are targeted to achieve the best outcomes, **redirection of resources** is aimed at moving resources from institutional care (which should become a last resort) to more family-based and inclusive care programmes and **standards** need to be clearly defined and require a quality assurance mechanism to implement and monitor them.

The report reviews the current situation for reform in Ukraine, discussing the various initiatives that have been taken so far. These include the development of foster care and of social services in a number of oblasts, the attempted decentralisation of budgets and a number of pilot experiments, including flexible funding mechanisms and individual child assessment.

Based on this analysis of the work done so far, the report makes the following recommendations:

Recommendation 1: UNICEF to work with government ministries – and specifically the Ministry of Family, Youth and Sport – to develop structure(s) to support coordination and development of policy/strategy at national level.

Recommendation 2: UNICEF should encourage the development of more oblast-wide pilots of gatekeeping systems.

Recommendation 3: UNICEF should facilitate more oblast-wide projects to develop integrated social services in, for example, an oblast like Khmelnytska.

Recommendation 4: UNICEF should advocate the development of short-term foster care placements as a means of providing support for families in difficulty.

Recommendation 5: UNICEF should promote the further development of independent gatekeeping commissions operating on the basis of the best interests of the child.

Recommendation 6: UNICEF to promote the use of training for social workers in assessing clients' needs and providing practical support for those clients

Recommendation 7: UNICEF should engage with government to press for improved record-keeping and more reliable information systems

Recommendation 8: UNICEF to investigate, in conjunction with the Ministry of Finance, alternative measures of need for children's services in calculations of Oblast budgets.

Recommendation 9: UNICEF to work with government ministries – and specifically the Ministry of family, Youth and Sport and the Ministry of Finance – to establish Money Follows the Child as a source of parallel financing for new community based services

Recommendation 10: UNICEF to investigate the scope for modifying local legislation to enable greater flexibility in who is able to provide local services and to provide models for contracting for and vetting services.

Recommendation 11: UNICEF to argue that resources should be diverted from renovation of institutions into the development of family-based alternatives

We suggest three areas for immediate and specific actions that would help to provide a sharp focus and clear direction for continuing reform and provide an action framework within which the above recommendations can be undertaken.

1. Government ministries – and specifically, the Ministry of Finance – **to develop the budgetary framework** in a way that will enable oblasts to transfer resources from institutional care to community services.
2. Government ministries –specifically the Ministry of Family, Youth and Sport – to develop structure(s) **to support coordination and development of policy/strategy** at national level.
3. Individual oblasts – starting with Khmelnytsky Oblast, following our meeting with the Deputy Governor there – **to develop programmes which will stimulate whole-system reform** in an extension of the work already carried out in the TACIS project in Kyiv Oblast.

Adopting these immediate actions should be part of the process of moving towards achieving the longer-term recommendations. This approach would be valuable in helping to extend the various experiments that have already shown that effective action is not only essential, but that it is practicable. We urge UNICEF to take these actions to support the government in promoting further reform

Introduction

This report is provided for UNICEF as the output from the consultancy undertaken by Professor Andy Bilson and Dr Richard Carter following a series of meetings and visits in Kyiv and Khmelnytsky Oblast between 31st March and 5th April 2008 (for full details of the programme of visits, see **Appendix 1**). The aim of the report is to outline key elements for a strategy to reform the state care system for children deprived of parental care and to suggest priorities for UNICEF to work with State and local government on the level of policy development and implementation.

The report will start from an analysis of the strengths and weaknesses of the current situation before identifying key areas requiring further development. The aim is to identify priorities for UNICEF on a strategic level which would help Ukraine to move on beyond the various individual pilot projects that have been implemented. From this point of view the focus will be on supporting and developing systems that promote the implementation of the President's Decree of 11 July 2005 (No 1086/2005: "On primary measures for children's protection") with the aim:

... to improve the social protection of children, including child-orphans and children deprived of parental care, to solve the problem of child abandonment and homelessness, to ensure proper conditions for socio-psychological children's adaptation, and to provide exercising children's right for family care and healthy development.

Such a development will require both a policy and legal framework at the national level and a system for transparent and effective individual decision making, resource allocation and service planning based on need to support decentralization to oblast, city and raion level.

1 The essential elements of the reform

Experience both in Ukraine and elsewhere in Central/Eastern Europe and the former Soviet Union (Carter 2005a and 2005b) shows that, for reform of the ex-Soviet system to be effective, there are three essential elements. These are:

i. Reintegration of children in institutions with their own families

Where possible, children in institutional care should be reintegrated within their own families. There will, of course, be occasion cases where this is not possible, for example where a child has been placed for a long time with little or no contact with their parents, or where the family is not prepared to take the child back, or where the child has been subject to or is in danger of abuse. But where it is possible, this is by far the best solution not only for the child but for society as a whole.

ii. Placement in alternative family-based care

Where reintegration with the child's birth family is not possible, placement in alternative family-type care is the next best choice: either in the extended family ('kinship care'), in short-term foster care or in an adoptive family.

iii. Prevention of institutional placement

If all the children in Ukrainian child-care institutions were placed in family care tomorrow, the problems would not end as the institutions would very soon fill up again. This is because institutional care represents the only real choice for families in difficulty, since the current system does not provide any other means of support for children in vulnerable families. What is needed is a system of provision of support for families to forestall the need for institutional placement. Most families in difficulty are experiencing a temporary crisis. Poverty is an underlying cause of the need for support, but it is not necessarily the only cause: usually it is some other event which causes a temporary crisis, and the provision of support at this time can prevent altogether the need for institutional placement.

Each of the three elements (and all three are essential for real reform; if any one is missing, it will fail) needs the establishment of teams of social workers:

- For **reintegration**, to trace families, determine whether reintegration is possible and, this having been done, to prepare them for it and to monitor afterwards that all is going as planned;
- For **alternative family placements**, to identify whether placement in the extended family is possible and to prepare for the placement once identified and monitor it as before or, where foster care or adoption are the best solutions, to recruit and train potential fosterers or adopters to prepare them and to provide ongoing support once the placement has happened; and
- For **prevention**, to work in the communities concerned to identify families with problems so as to provide support before the problems become unmanageable.

Finally in this section is an essential point, which we will return to later, is the cost of reform. Against many people's expectations, the provision of alternative forms of care is in fact much less costly than institutional care.

2 What is required to implement the reform?

The main objective of the reform process, as set out in the President's Decree is "to improve the social protection of children [and] to solve the problem of child abandonment and homelessness" and the means to achieve this is through the development of national programmes or action plans. Some work has been carried out along these lines since the promulgation of the decree, specifically:

- A Concept of state reform entitled "Family support in 2006-2010," adopted by the Cabinet of Ministers Decree No. 244 on February 19, 2007. This set out as its objective the creation of conditions "to strengthen moral and physically healthy, successful and socially safe family, to ensure that families accomplish their main functions." The main ways in which it was proposed to achieve this objective was the provision of financial support, although social protection and the provision of social supervision of families was also cited.
- Order No 263-p approving the Concept of reform by the Cabinet of Ministers on May 11 2006. This described a programme of reform over a 10-year period with a number of objectives but mainly aimed at reform of the system of

institutions for “orphaned children and children deprived of parental care;” The main way in which this was to be achieved was the closure of the present large institutions and the establishment of a system of smaller-scale institutions, with capacity not exceeding 50 children.. On the positive side, children were to be brought up in their place of origin, the protection of their right to communicate with their families was to be preserved and conditions were to be created to ensure the physical, mental and spiritual development of every child.

- After this Concept paper the State Programme was developed under the title: “The State Social Programme of Reform of the System of Institutions for Orphans and Children Deprived of Parental Care;” this was approved by the Cabinet of Ministers Decree No. 1242 of October 17, 2007. This programme mainly reflects the gatekeeping approach and a focus on prevention services.
- Finally, an experiment was to take place in Kyiv Oblast on the payment of state social benefits to child-orphans and children deprived of parental care. This experiment, generally referred to as “Money follows the Child,” was approved by the Cabinet of Ministers in 2006 took place in 2006 and 2007 in Kyiv Oblast under the following regulations: the Cabinet of Ministers Decree No 106 of February 6, 2006 and the Cabinet of Ministers Decree No. 81 of January 31, 2007, covering “Money follows the Child” in 2006 and 2007 respectively. Because it represents a significant attempt at reform, will be discussed in rather more detail later on in this report.

These moves to implement the needed reforms represent a considerable advance but, as we will discuss later, they are only a start, and much further action is necessary. The problem is that Ukraine has inherited a system from the Soviet era in which there are limited services to support families in difficulty. Furthermore, the great majority of these resources are focussed on placement in institutional care.¹ This is not only an expensive option which operates as a *replacement* for families rather than as *support* for them but one which causes severe damage to the children within it. The President’s objective requires substantial reform of the child protection system if it is to combat the overdependence on institutional care and the relative lack of community based services for children in need. This is urgently needed as the outcomes for children who enter institutions are very poor indeed: even where institutional care is relatively satisfactory, as in Western Europe, outcomes are not good: for example the situation in England is stark with poor educational attainment (DFES 2006) high levels of female pregnancy (NCH 2005) and prostitution (O’Neil *et al.* 1997), 37% not in employment education or training (DFES 2008) and over half of prisoners aged under 25 having been in care (Social Exclusion Unit 2003). See also further studies by Saunders and Broad (1997) and Mendes and Moslehuddin (2004).

This problem is not unique to Ukraine and the need for reform has been recognised in other countries that were previously part of the Soviet Union. For example President Voronin said, in his preamble to a similar call for reform, that “the current child protection system in the Moldovan Republic is fragmented and inefficient ... this residential system that we inherited from the Soviet period does not meet the current

¹ A recent analysis of expenditure on services for children (Kvitko 2006) shows that, although the sums devoted to children in institutional care were roughly equal to those spent on allowances, at least two thirds of the latter sums were allowances paid to all children, regardless of whether they were in difficulty or not. And there are about 110 times as many children in the general population as there are in institutional care (UNICEF 2007), so the discrepancy in expenditures is vast.

requirement any more and is not an appropriate way of helping children who need care that would replace their families.” President Voronin’s decree calls for the development of a “programme to reduce to an absolute minimum the system of all-type institutions for child-orphans and children deprived of parental care and substitute a system of family support to avoid the need for institutional placement.”

The UNICEF and World Bank project *Changing Minds, Policies and Lives* (UNICEF 2003a, 2003b and 2003c) was implemented to support governments undertaking reform of their child protection system. The coming together of UNICEF and the World Bank signifies that the issue of an effective child protection system is necessary not only to promote the government’s commitment to secure and promote children’s rights but impinges on all aspects of life in a country including supporting a healthy economy. The project identified three ‘essential components of the reform processes, namely decision making processes (‘gatekeeping’), redirecting resources into preventive and family-based services, and standards of care.’ (Reichenberg and Posarac 2003, p. viii). We will now look at each one of these in turn, describe its key elements, assess the current situation and suggest priorities for the reform process before going on to look at recommendations for how UNICEF can support the government’s reform strategy.

i. Gatekeeping

Gatekeeping is central to having an effective system for child protection. The aim of gatekeeping is to ensure that services for children in difficulty are targeted to achieve the best outcomes. The minimum requirements for an effective system of gatekeeping proposed by the *Changing Minds, Policies and Lives* project (Bilson and Harwin 2003) are:

- *A range of community based services to support families and children in difficulty.* Children find themselves in difficulty for a wide range of reasons and have many different problems. The aim of a system of child protection is to support families and local communities to deal with these issues.
- *A process of allocation of services that is based on an assessment of the child and family’s needs.* This includes a process of assessment to inform the allocation of services along with regular review of the services given to children especially those in institutions where active work is required with them and their families to return to their family and community, other family based accommodation or independent living.
- *An agency responsible for coordinating the assessment and managing services and service contracts.* Unlike Ukraine, many other countries that were previously part of the Soviet Union have not yet taken the step of developing a social services agency to employ social workers in relation to children’s services.
- *An information system to monitor and review the outcomes and provide feedback on operation of the system as a whole.* International experience demonstrates that reforms can often have the opposite effect to the ones that policy makers intended. For example the introduction of a new service such as foster care as a replacement for institutions can instead result in an increase in the number of children placed without parental care and leave numbers in institutional care unaffected (UNICEF 2001, Bilson and Markova 2007). In order to avoid these unintended consequences of reform, it is essential that the outcomes of reforms are constantly monitored so that strategies can be adjusted where necessary.

ii. Redirecting Resources

The second area identified by *Changing Minds, Policies and Lives* is redirecting resources into preventive and family-based services. The objective of this change is for countries to use more family-based and inclusive care programmes, reducing the use of institutional care which should become a last resort. In this way financial flows will be used to support families to care for their vulnerable members rather than place them in institutions.

Changing the financial system will not in itself bring about reforms but in combination with more effective gatekeeping and improved quality controls (discussed below) it will ensure that there are funds for community based services. The following pillars are proposed as the aim for financial reform (Fox and Gotestam 2003):

- *Establishment of a purchaser with clear incentives to serve clients, not the provider.* The role of the purchaser is to assess people's needs and to find the appropriate care and service for them; create a care plan; manage the budget for the services it purchases; and monitor outcomes. The pilot project in Kyiv Oblast has shown that a model of integrated social services can be applied that will fulfil the basis for this reform.
- *Changes in financing procedures to allow output oriented financing to providers.* When all costs for care and services are related to their value, i.e. to the quality of what is being produced, this is referred to as an output based finance system. The decentralisation of budgets for institutions to Oblasts using equalisation transfers which allows flexibility in expenditure (Money follows the Child) is a first step in this direction. However the formula for future year's budgets for social care expenditure is tied solely to places in institutions, so that any switch to alternative modes of care which involved reducing numbers in institutions would lead to reductions in budgetary allocation in following years without compensating increases to pay for the alternatives. Consequently, the allocation mechanism provides a strong disincentive to invest in alternative methods and acts as a brake on any effective reforms.
- *Development of tools for agreements between the purchaser and the provider.* There will also need to be a range of tools such as contracts, rules on pricing and tendering.
- *Reform of the existing providers.* There are problems in legitimating the role of the NGO and private sector as service providers. At the same time there will need to be plans to reduce the number of institutions. The purchasing agency needs to plan for an appropriate range of services promoting a mixed economy where services are purchased from other arms of the state or from the NGO or private sector. The purchasing agency has a key role in developing the market in a way that ensures the most effective range of services is available with flexibility to meet community's changing needs.

iii. Standards of Care

The final area of reform is in terms of standards which are accepted or approved criteria to measure and monitor the management, provision and quality of services and their outcomes. Standards need to be clearly defined and require a quality assurance mechanism to implement and monitor them.

The *Changing Minds, Policies and Lives* project (Bilson and Gotestam 2003) proposed the following pillars for an effective system of standards:

- *Definitions of standards.* There need to be standards for all services (as well as the purchasing/social services agency) to provide guidance on minimum standards for the environment and quality of life as well as to ensure the protection of the rights of children. Standards should be developed using a transparent and inclusive approach.
- *Monitoring quality.* There need to be effective systems to regulate services and professions involved in child protection. This includes systems of accreditation, licensing and certification (for definitions see Bilson and Gotestam, 2003). Alongside this there need to be systems to monitor standards. These systems start from the foundation for all standards, self-regulation, whereby staff and managers in services actively seek to improve the quality of the services they provide. At the other end of the spectrum are systems such as inspection and formal complaints monitoring as well as advocates and ombudsmen focusing on children's rights.
- *Improving quality.* The implementation of better services requires a constant process of improving quality. The role of central and local government in this is to ensure there is a framework that encourages service providers (including state services) to actively pursue service improvement. This requires action in a range of areas from legislation, through to contracting and training and is best achieved through a process which is transparent and involves services users (children and their families) as well as staff, managers and policy makers.

3 The current situation in Ukraine

In recent years the basis for some of the reforms discussed above has been put in place though developments are sometimes localised. The presidential decree has led to an increased focus on child protection issues and ministries and local government have responded to this. This has led to some important initiatives as follows:

- *Foster care and Family type children's homes*
Foster care and family type children's homes have been established with funding provided through targeted subvention. This has led to the establishment of a number of placements around the country. For example, Khmelnytskyi Oblast had 45 foster families and 12 family-type children's homes. This provides a resource for children who need long stay, adoption like care. This sound start to the development of alternatives to institutional placement provides a good basis for some necessary further developments discussed below.
- *Social Services*
Pilot projects have been carried out in a number of oblasts, particularly an EU funded project "Development of Integrated Social Services for Exposed Families and Children" which was implemented in the whole of Kyiv Oblast" (Sparks 2007).
- *Coordination by Ministry of Family, Youth and Sport*
One of the first points in the Presidential Decree of 11 July 2005 was that, by the 1st of September that year, proposals should have been submitted to develop and submit, for consideration by the Verkhovna Rada a draft law delegating adoption issues to the Ministry of Family, Youth and Sport. This was an improvement,

although it still left responsibility for institutions for children with disabilities with the Ministry of Labour and Social Policy and for Baby Homes with the Ministry of Health.

- *Decentralisation of budgets*

The budgets for social care of children have, to a certain extent, been decentralised to the Oblasts and are supposed to be provided on the basis of equalization transfers so as to allow flexibility in expenditure of this budget. This represents a substantial step towards decentralization and gives some flexibility for planning for responses to local needs; nevertheless, budget allocation is still a serious issue for the development of social services according to local needs, and even within this system, flexibility is still only possible at city level, to extend even this relatively limited flexibility to other oblasts would need changes in the Budget Code. The pilot of integrated services in Kyiv Oblast has demonstrated how this flexibility can be used to develop services for children. As will be discussed below, some further enhancements to this decentralization can strengthen this reform in a way which will actually promote the strategies required to implement the President's decree.

- *Flexible funding mechanisms piloted*

The pilot of 'Money follows the Child' in Kyiv Oblast provides extra money for children who are orphans or who have had parental rights removed. This initiative shows the government's willingness to consider flexible funding mechanisms for children in its care, which is good. However, whilst the willingness to increase spending on children is most welcome, there is a real danger that, in its current form, it will provide incentives to keep children in institutions, thus preventing the very reform it is designed to implement. This will be discussed further, along with possible adaptations in the section on strategy below.

- *Assessment piloted*

UNICEF has recently concluded work, jointly carried out with the Consortium for Enhancement of Ukrainian Management Education, to provide individual expert evaluations of children in four pilot institutions in each of two oblasts, Kherson and Khmelnytsky. This work involved the collection of information about the children in the institutions (including compiling social histories, analysing the potentiality for reintegration and examining the social environment of the children) was carried out by teams of social workers. In addition, a comprehensive evaluation of the children was carried out by a group of experts, which included paediatricians, neurologists, psychologists and social pedagogues) of the children's needs. This was a valuable exercise, but was restricted to children already in institutional care, and there does not appear to have been much direct involvement with the families of the children.

Assessment also formed a significant part of the Kyiv Oblast pilot, discussed above under the heading Social Services, although in that pilot the assessment was based on an evaluation of the conditions not just of children in institutional care but of those who were being considered for institutional placement, and this involved an assessment of the family itself, based on the situation in the home (for details of this, see EveryChild Ukraine 2007).

- *Integrated social services piloted*

This was the central element of the Kyiv Oblast pilot.

- *Gatekeeping piloted*
This is also an element of the Kyiv Oblast pilot.

4 Developing a reform strategy

As can be seen from the above there are a range of improvements and initiatives in child protection that give a strong basis for further reform. We will now look at the three areas for action identified in *Changing Minds, Policies and Lives* and identify priority areas for action to promote a better system for child protection that provides support for families of children in difficulty. A carefully planned strategy will be needed to implement any changes. However the political instability at national level has limited the amount that has been gained and continued development of the process of reform is required. The programme stemming from the President's decree could be enhanced by developing a strategy that has as much cross party political support as possible. UNICEF is in a unique position to act as an intermediary in trying to broker a process of developing principles and a strategic plan on this basis.

Coordination between the relevant agencies

One of the problems of the child care system – and this is common to all countries in the former Soviet Union – is that responsibility for children's welfare is divided between four or five different ministries, and there is a powerful need to improve coordination between ministries and between national and local government. Part of this problem would be solved by the proposal in the Presidential Decree for the Ministry of Youth and Sport to take on much of the responsibility for children, but (as mentioned above) this would still leave out institutions for children with disabilities. UNICEF is in a good position to advocate for better coordination. One possibility would be to establish an inter-ministerial group to steer the reform process.

Recommendation 1: UNICEF to work with government ministries – and specifically the Ministry of Family, Youth and Sport – to develop structure(s) to support coordination and development of policy/strategy at national level.

Gatekeeping

The implementation of effective gatekeeping is central to the needed reform process. There are a number of specific issues that need to be addressed. These concern the range of services, the decision making processes, the social services agency and information systems. In addition there have been a number of pilot projects demonstrating specific services, assessment etc. and the next step is to provide models for wholesale reform at local levels. This will require the development of local systems of gatekeeping and these should build on the experience of the pilot in Kyiv Oblast whilst informing a reform strategy at national level. UNICEF can play a part in this, for example by taking up the offer of cooperation in Khmelnytsky Oblast, made by the Deputy Governor there in our meeting with him.

Recommendation 2: UNICEF should encourage the development of more oblast-wide pilots of gatekeeping systems.

Range of Services

It has been found in a number of countries that instituting effective gatekeeping can quickly reduce the number of places needed in institutional care. The pilot project in Kyiv Oblast described above has already reduced the numbers of children in institutional care in that oblast by 12 per cent. Similar falls were found in projects in projects in regions of Moldova (Carter 2006b, Bilson 2006) and Bulgaria (Bilson and Markova 2007) as well as in the national reforms in Georgia in where there was a fall of 34% in admissions in the regions where there were social workers (i.e. where an assessment was carried out) over the period 2004-06. (Natsvlshvili 2007). The following issues will need to be addressed in the reform process:

a) Developing a range of family support services

As we have already shown, the majority of current expenditure on children in difficulties is focussed on institutional care. One of the important issues raised by the successful implementations of gatekeeping discussed above is that the support needed by a large proportion of families who are considering placing their child(ren) in institutions is short-term help to get over a family crisis. This might include help with accessing social benefit entitlements, homelessness, unemployment and so on (see box below for an example). At the moment there is very little support which helps families in difficulty get through a crisis and the result is the use of long-term institutional placement for families who might have been helped to keep their child. Experience in Kyiv Oblast and in Moldova suggests that about 80% of the children in difficulty who would have entered institutions require this sort of short term crisis support.

In addition there will need to be services for the smaller group of families which need on-going support to deal with deeply engrained problems or difficulties. In the case of children with disability specific services are needed to enable children to access medical or education services or to provide respite for carers.

Keeping a family together

Maria is 39 and lives in Lviv, Ukraine; she has six children: Oksana (18), Ivan (17), Volodya (16), Natalia (15), Marijka (13) and Mykola (2). She divorced their father whose drink problem made him act abusively towards the family. Maria works as a nurse in one of the local hospitals but, after repeated beatings from her ex-husband, she has difficulties with her hearing and memory loss. The family's living conditions are very poor: the taps leak and the small gas stove has to be used for cooking and heating.

With so little money coming into the family, they built up large utility debts. Unable to cope with the pressure, Maria sent her five oldest children to be cared for in the nearby institution. Unfortunately the *internat* was for children with severe mental disorders – and none of Maria's children had any kind of learning difficulties. It was at this point the family were referred to the project.

The social worker helped the family restructure their debts, negotiated with the local housing agency for the renovation of the apartment and provided the family with the necessary materials. She has also given the family much needed emotional support as well as practical guidance. Food vouchers were provided for the youngest child who lives at home and he was enrolled into a day care centre, which enabled his mother to go to work.

Oksana graduated from the *internat* and is keen to continue her education at college next year, working as a nurse in the hospital in the meantime. In the next academic year, Marijka, Natalya, Volodya and Ivan will return home and continue their education in a mainstream school, which means that the whole family will be kept together.

In addition there will need to be services for the smaller group of families which need on-going support to deal with deeply engrained problems or difficulties. In the case of children with disability specific services are needed to enable children to access medical or education services or to provide respite for carers.

It is likely that the range of services will need to vary considerably between one area and another. For example there will be differences between the needs of families in rural and urban areas, rich and poor and so on. Similarly different areas may have specific problems such as high levels of cancer and disability in areas affected by the Chernobyl reactor explosions. For these reasons the range of services will need to be based on a thorough assessment of the types of difficulties faced by children and their families in local communities (Bilson and Markova 2007). It is important to develop community needs assessments as this is the basis both for better focussed services with engagement of local communities and prevents any tendency to apply centralised rigid structures that have no basis in local need. Such planning needs to be inclusive and multidisciplinary involving local government at different levels, NGOs and other potential service providers, and involving representatives of local communities, parents of children at risk or using services, and children.

Recommendation 3: UNICEF should facilitate more oblast-wide projects to develop integrated social services in, for example, an oblast like Khmelnytska.

b) Short-term support

Almost all current services (institutional care, foster care, family type homes) provide long-term replacements for family care rather than being focussed on solving particular family problems. In particular foster care and family type children's homes provide only long term placements for orphans and children deprived of parental care which are similar to a paid form of adoption. This is only a small part of the role played by these services in other countries where foster care is used flexibly for a number of different purposes such as short term support, whilst a family is helped through a crisis; placement whilst a child waits for adoption; respite care for children with disabilities or for families requiring support. A recent study in the UK (Bilson and Thorpe 2007) showed that 62% of children entering foster care or institutions stayed for less than four weeks and only 12% stayed for a year or more.

Developing short term and more flexible placements in foster care would need legislative changes as well as a change in the view of the role of accommodation for supporting families in difficulty. This availability of placements could ensure that no babies or small children are placed in institutional care.

Recommendation 4: UNICEF should advocate the development of short-term foster care placements as a means of providing support for families in difficulty

Decision making processes

The pilot integrated social services project in Kyiv Oblast demonstrated that gatekeeping could provide a system of decision making that used regulations passed by Oblast councils. This system ensured that children at risk of entry to institutional care were assessed for services and their families helped. In Moldova, a similar approach of using local regulations was used to set up an independent gatekeeping commission which advised on any decision concerning the placement of a child in an

institution or foster care. In both cases, decisions were based on comprehensive assessments of family situations undertaken by social workers which can take into account the best interests of the children concerned. This process of decision-making needs further dissemination with a view to implementation nationally. The pilot projects should work further on developing effective decision making.

Recommendation 5: UNICEF should promote the further development of independent gatekeeping commissions operating on the basis of the best interests of the child.

Social services agencies

If effective community-based services are to be implemented, it is essential for the local workforce to be trained and prepared for this kind of work. At present, although local social workers exist, their main activity is based around providing what limited benefits and allowances are available. They are, therefore, familiar with dealing with the members of the public who make up their client base, but they are not used to undertaking the kind of practical work which is needed to work with vulnerable families or with the process of family assessment which is an essential part of this work. It is necessary, therefore, to provide training in the carrying out of social work with such families.

Recommendation 6: UNICEF to promote the use of training for social workers in assessing clients' needs and providing practical support for those clients

Information systems

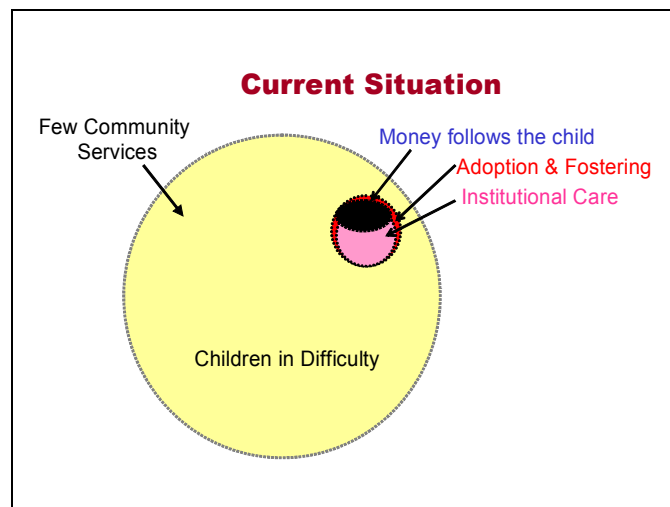
The country's information systems are limited and of doubtful accuracy: for example, there are doubts over even so simple a matter as the number of children in institutional care. The official figure (UNICEF 2007) is that the total is around 45,000, whilst an estimate based on a Ukrainian government report (Carter 2005b) suggests the true figure was nearer 80,000. Such discrepancies are by no means unusual – a study in Georgia uncovered similar discrepancies, with registered children missing and unregistered children present and even whole institutions apparently non-existent (Child and Environment 2005) – and they underline the need for better information on child care. If the present situation is unclear with such inadequate information, no proper reform will be possible.

Recommendation 7: UNICEF should engage with government to press for improved record-keeping and more reliable information systems

Redirecting Resources

The diagram below illustrates the point which we made earlier, that the number of children in institutions and foster care form only a small proportion of the total number of children in difficulties, yet the financial expenditure is focussed almost exclusively – and quite disproportionately – on the institutional sector. This imbalance will have to be reversed in order to provide the range of alternative family-type services which we have described above. In order to achieve this, further flexibility is required in the financial mechanisms building on the reforms already undertaken. In particular there needs to be further work on the devolved budgets and the “Money follows the child” initiative, as well as the development of a mixed economy of care in which NGOs and others can provide services and the social services agencies can

purchase or provide them. This will require reform of financial regulations at national level.



To achieve these essential reforms, UNICEF should work with government to develop a budgetary framework which will allow oblasts to transfer resources from institutional care to community services and, in so doing, develop a mixed economy of care. In particular, there is a need to focus on two issues: a) developing flexibility in oblast budgets to prevent them being penalised for reducing the number of places in institutional care; b) a substantial adaptation of the “Money follows the Child” initiative; and c) work to enable the provision of services by NGOs and other non-state providers.

Developing flexibility in oblast budgets

The allocation system in the process for determining Oblast budgets is very complex (See **Appendix 2**), containing as it does both a direct element and an equalization transfer element for social care services. The latter is based on the numbers of children already in institutional care and contains no specific allocation for community services. This means that, whilst oblasts have the flexibility to spend the budget allocation flexibly, if they successfully develop community based services which reduce the number of places in their institutions their future budgets will be reduced and they will have no funds to maintain the community services. This formula needs to be amended urgently as it forms a major disincentive to reforms that directly affect the number of children in institutions. A new formula is required that encourages community provision and does not penalise Oblasts for successfully implementing the presidential decree.

A relatively modest change in the formula is needed. If the use of the numbers of children in institutional care were to be substituted by a more accurate measure of the numbers of children in difficulty or, more simply, on the number of children, then this disadvantage would be removed at a stroke. This would then mean that the allocation formula would then allow local authorities the flexibility they need to reduce the reliance on institutional care.

A variety of figures could be substituted; the ideal would be one that represented the level of need for support by vulnerable families in each community – although there

may be difficulties in obtaining the relevant figures readily. So, for example, if the numbers of children living in poverty in each administrative area could be obtained both reliably and on a regular basis, this would provide a much superior measure of need. Alternatively, the level of unemployment in the area or similar measures could represent proxy measures for need, but if none were available, simply the number of children living in the area could be used.

Recommendation 8: UNICEF to investigate, in conjunction with the Ministry of Finance, alternative measures of need for children's services in calculations of Oblast budgets.

"Money follows the child"

It is welcome that the government is providing extra money for children and targeting it on orphans and children whose parental rights have been removed. However, as "Money follows the Child" is currently defined (see Joshua and Y Dzhygyr 2006) it covers only those children who are either orphans or are deprived of parental care by a state decision, and thus covers only a proportion of the children who are in foster care, family type children's homes or institutions. Consequently, it serves only to increase expenditure in this narrow area, in which international experience (see for example Bilson *et al* 2000) show that any improvement in outcomes produced by increased expenditure is likely to be minimal. It is also likely to have the following adverse effects:

- The extra money is focussed solely on children already within the institutional and foster care sector and does nothing to increase support for families in difficulty; this will be likely to provide incentives for placement of children in foster care and institutions.
- The focus solely on orphans and children whose parental rights have been removed leads to a two tier system for children placed in institutions (for example children with disabilities whose parents are still involved, will be relatively penalised).
- The scheme directly funds long term placements in foster care and is thus a disincentive to use foster care to provide short term support
- The scheme will lead to pressures to increase the use of removal of parental rights even where there had been hope of a return to the parents, thus reducing opportunities for supporting children's return to parents. One informant told us that this had already happened in the pilot of "Money follows the child."
- The scheme will increase pressure on parents to give up on contacts and plans to return their child as this will mean their child will not receive the extra money

Thus in its current form the scheme is likely to increase the use of long term placements in foster care and maintain placements in institutions. It provides no incentive to replace institutional placements with foster placements and removes a focus on community services. The term "Money follows the client" as referred to by the World Bank and UNICEF in fact relates to a far wider concept which is the introduction of a purchaser provider split aimed at increasing services for children in their own families and communities (see Fox and Gotestam 2003 p.14 for a discussion of this).

The scheme does legitimate and fund long term foster placements. The next step in developing foster care is to create an integrated service which provides short-term

care for children in order to support families through a crisis; to hold children waiting for adoption placements as a replacement for institutional care; or for respite care to support children with disabilities or families in difficulty.

Two key issues in replacing institutional care with community support are the need for protecting (sometimes called ring fencing) budgets to ensure that the reform does not lead to a reduction in the expenditure on children in difficulty and this was the focus of the recommendation above about Oblast budget formulas. The second is the need for a period of parallel funding during the period in which institutional services are run down and community services are established. The extra funding provided by Money Follows the Child could provide this parallel funding and reduce the adverse affects by more effective targeting. The funds could be used to fund a range of community services both foster care (including short term placements) and other services with a formula linking allocation of funds to community services based on reductions in the number of placements in institutional care

Recommendation 9: UNICEF to work with government ministries – and specifically the Ministry of family, Youth and Sport and the Ministry of Finance – to establish Money Follows the Child as a source of parallel financing for new community based services

Enabling the provision of services by NGOs and other non-state providers

At present, what services are provided, are handled by local authorities, and this is written into the legislation. More flexibility is needed here: for example, some services could be provided by NGOs, and there is a need for the development of more flexible mechanisms by which this can be done. This would include the need legislation to enable the contracting of services by local government and systems for effective contracting for high quality community based services and for vetting and registering services.

Recommendation 10: UNICEF to investigate the scope for modifying local legislation to enable greater flexibility in who is able to provide local services and to provide models for contracting for and vetting services.

Standards

At the moment the child protection system has still only started on the path to reform. So, whilst there are standards for care in institutions in Ukraine, these refer only to the material environment and physical needs of children (these are termed ‘environmental standards’), whereas social and psychological needs (which are termed ‘quality of life standards’) are not addressed at all. In our visit, we found that attempts were being made to improve the physical standards in institutional care, and a considerable amount of money was being spent on this improvement in the institutions. Whilst it might seem this is a good thing (how would it be possible to argue that improving the level of care was a bad thing?) there is a serious problem in trying to improve services which, in almost all cases can never provide adequate care because they are inherently damaging or which should be replaced by community based services.

Unfortunately many of the institutional services currently operating in Ukraine are inherently damaging to children. These include large institutions and, in particular, the institutions for babies and very young children – because the greatest damage done to children’s development occurs in the early months (Carter 2005a, 2005b). In these cases, whilst developing physical standards might reduce to some extent the harm done, it can have little or no effect on the emotional and intellectual development of the children in them.

There is, therefore, a serious need to plan for the replacement of these institutions as soon as possible – in fact, Mulheir and Browne argue (2007) that the first essential step in reforming post-Soviet institutions should be to close the baby homes – not only because they do the most damage but because they tend to act as feeders to the institutions for older children, thus establishing a route to a lifetime in institutional care.

Fortunately, evidence from other post-Soviet countries shows that it is possible quickly to develop community based services that allow a large proportion of current entrants to be supported in their own families (Bilson and Markova, 2007; EveryChild Consortium, 2007). This would leave only a small proportion of children for whom it would be necessary to provide replacement family based care.

Not only, however, is the further development of institutional care a waste of precious resources for the reasons mentioned above, but it will tend to deflect attention away from the development of reforms that will have the effect of improving child care in Ukraine: the more resources are put into institutions, the more it will be likely that some will argue not only that reform has been carried out, but that this investment should not be wasted by then closing institutions. There are, then double dangers in this course of action. This leads to our final recommendation:

Recommendation 11: UNICEF to argue that resources should be diverted from renovation of institutions into the development of family-based alternatives

5 Priority targets of UNICEF action to stimulate the reform strategy

Our recommendations provide a framework for long-term reform. In this final section we suggest three areas for immediate and specific actions that UNICEF should adopt as their first priority in assisting the Government of Ukraine’s reforms. These would help to provide a sharp focus and clear direction for continuing reform and provide an action framework within which the above recommendations can be undertaken.

We therefore UNICEF should work with:

4. Government ministries – and specifically, the Ministry of Finance – **to develop the budgetary framework** in a way that will enable oblasts to transfer resources from institutional care to community services.
5. Government ministries –specifically the Ministry of Family, Youth and Sport – to develop structure(s) **to support coordination and development of policy/strategy** at national level.
6. Individual oblasts – starting with Khmelnytsky Oblast, following our meeting with the Deputy Governor there – **to develop programmes which will stimulate**

whole-system reform in an extension of the work already carried out in the TACIS project in Kyiv Oblast.

Adopting these immediate actions should be part of the process of moving towards achieving the longer-term recommendations. This approach would be valuable in helping to extend the various experiments that have already shown that effective action is not only essential, but that it is practicable. We urge UNICEF to take these actions to support the government in promoting further reform.

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**Appendix 1: Agenda for Andy Bilson and Richard Carter:
Schedule of meetings, 30 March – 5 April 2008**

Monday 31 March 2008		
9.30 – 11:30	<i>Briefing at UNICEF Ukraine Office</i>	<i>UNICEF office, Klovsky Uzviz, 5</i>
12.00- 13.00	Meeting with Ms. Vira Shynkarenko, Head of the Section of the Pre-school, Beginning, and Special Education under the Department of the School and Pre-School Education. MoES is responsible for methodological guidance of children home and boarding schools for children deprived of parental care (4 – 18 years of age).	Prospect Peremohy, 10 Office 305
14.30- 16.30	Inter-departmental meeting on issues of the implementation of the system ‘money follows the child’ Ms. Tetyana Kondratiuk, Deputy Minister Ms. Liudmyla Volynets, Head of Department of Adoption and Child Rights protection Ms. Iryna Shcherbyna, Director General of the Institute of Budget and Socio-Economic Research MoFYS is responsible for the deinstitutionalisation policy development; methodology guidance of foster families (1-4 children) and children homes of family type (5 – 10 children); shelters for children (up to 9 months of stay)	<i>Desyatynna Str., 14</i>
Tuesday 1 April 2008		
11.30- 13.00	Meeting at Ministry of Labour and Social Policy. MoLSP is responsible for methodological guidance to the institutions for children with moderate and severe disabilities (mostly mental); and administration of benefits to children deprived of parental care Ms. Natalia Krentovska, Head of the Department for Veterans and Elderly People Ms. Valentyna Pavliuchenko, Head of Section for Institutions and Recreation Facilities	Contact at the MoLSP International Relations Depart. - Iryna, tel.: 289-71-85, tel./fax, bondari@mlsp.gov.ua
14.00- 15:30	<i>Meeting at the Ministry of Health. MoH is responsible for methodological guidance of infant homes (children up to 3 years of age/4 years in case of disability).</i> Ms. Valentyna Pedan, Deputy Head of Department of Motherhood, Childhood, and Recreation Ms. Tetyana Kysil, Chief Specialist of the Department of Motherhood, Childhood, and Recreation	
16:00 – 17:30	Meeting at SSSFCY, with Iryna Dubinina, Deputy Director. Responsible for organisation of social support to foster families, training of foster families.	

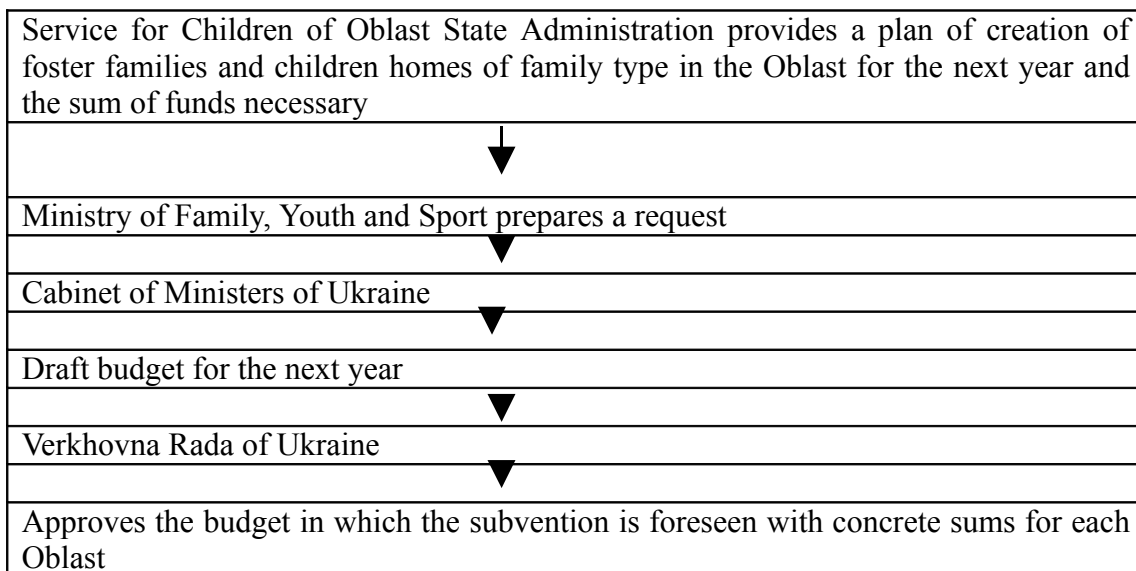
Wednesday 2 April 2008		
9:30 – 11:00	<p>Introductory briefing at the Khmelnytsky Oblast Centre of Social Services for Families, Children and Youth, Mr. Ivan Fedorov, Director</p> <p>Ms. Alla Sheremet, Director of the Oblast Mother and Child Centre; consultant for UNICEF supported deinstitutionalisation work in 2005 – 2007 at the level of Oblast</p> <p>Ms. All Ruda, Chief Specialist of the Oblast Centre of Social Services for Families, Children and Youth</p>	
10:45 – 12:30	<p>Visiting Khmelnytsky Oblast Pre-School Children Home. The institution established two ‘family groups’ with children who reached the school age and now attend a community school</p> <p>Ms. Oksana Veryasova, Director of the Children Home</p> <p>Mr. Serhiy Vozniuk, Head of the Oblast Education Department</p> <p>Ms. Iryna Melnyk, Chief Specialist of the Oblast Education Department</p>	
12:30 - 14.00	<p>Visiting Khmelnytsky Oblast Infant Home Transfer</p> <p>Chief Doctor Ms. Kateryna Goryn</p> <p>Head of the Oblast Health Department Ms. Tetyana Kosovska</p>	
14.30 -16.00	<p>Visiting a Khmelnytsky City Centre of Vocational Education of Children with Special Needs</p> <p>Deputy Head of the Centre Ms. Maryna Stokrata</p> <p>Methodology Expert of the Centre Ms. Halyna Androsiuk</p>	
16:30 – 18:00	<p>Visiting a foster family in Khmelnytsky</p>	
Thursday 3 April		
9:00 – 12:00	<p>Khmelnytsky Oblast Education Department</p> <p>Khmelnytsky Oblast Department for Children</p> <p>Discussions on issues financing the institutions under the education department, and issues of protection of vulnerable children</p> <p>Ms. Nataliya Zholobok Deputy Head of Education Department</p> <p>Ms. Iryna Melnyk Chief Specialist of Education Department</p> <p>Ms. Nina Mahur, Head of the Oblast Department for Children</p>	

12:00 – 13:00	Oblast Department of Social Protection and Labour, Financing Foster Families and Children Homes of Family Type; Financial benefits for vulnerable groups Mr.Vadym Maruniak, Deputy Head of the Department	
14:30 – 15:30	Oblast Department of Social Protection and Labour, Olena Deminska, Finance Expert, on financing of the Oblast’s institution for children with disabilities	
15:30 – 17:00	Concluding meeting with the Khmelnytsky Oblast’s Deputy Governor Mr.Mykola Vavrynychuk and Departments of Education, Health, Children, and Social Services.	
4 April 2008, Friday		
10:00 – 13:00	<i>Meeting with NGOs and experts, UNICEF office</i> <ol style="list-style-type: none"> 1. Halyna Postoliuk, Hope and Homes for Children 2. Olena Gerasymova, Holt International 3. Taras Bryzhovaty, Service of Protection of Children 4. Oksana Bryzhovata, All Ukrainian Network of PLWH 5. Iryna Zvereva, Child Wellbeing Fund (formerly Christian Children Fund) 6. Yuriy Dzhygyr, FISCO, Director 7. Nadiya Pylypchuk, Doctors of the World – USA / Ukraine 8. Artem Miroschnychenko, Kyiv International Institute of Sociology 	
14:30 – 17:00	<i>EveryChild’s seminar for deputy heads of rayon administrations in the Kyiv Oblast</i>	

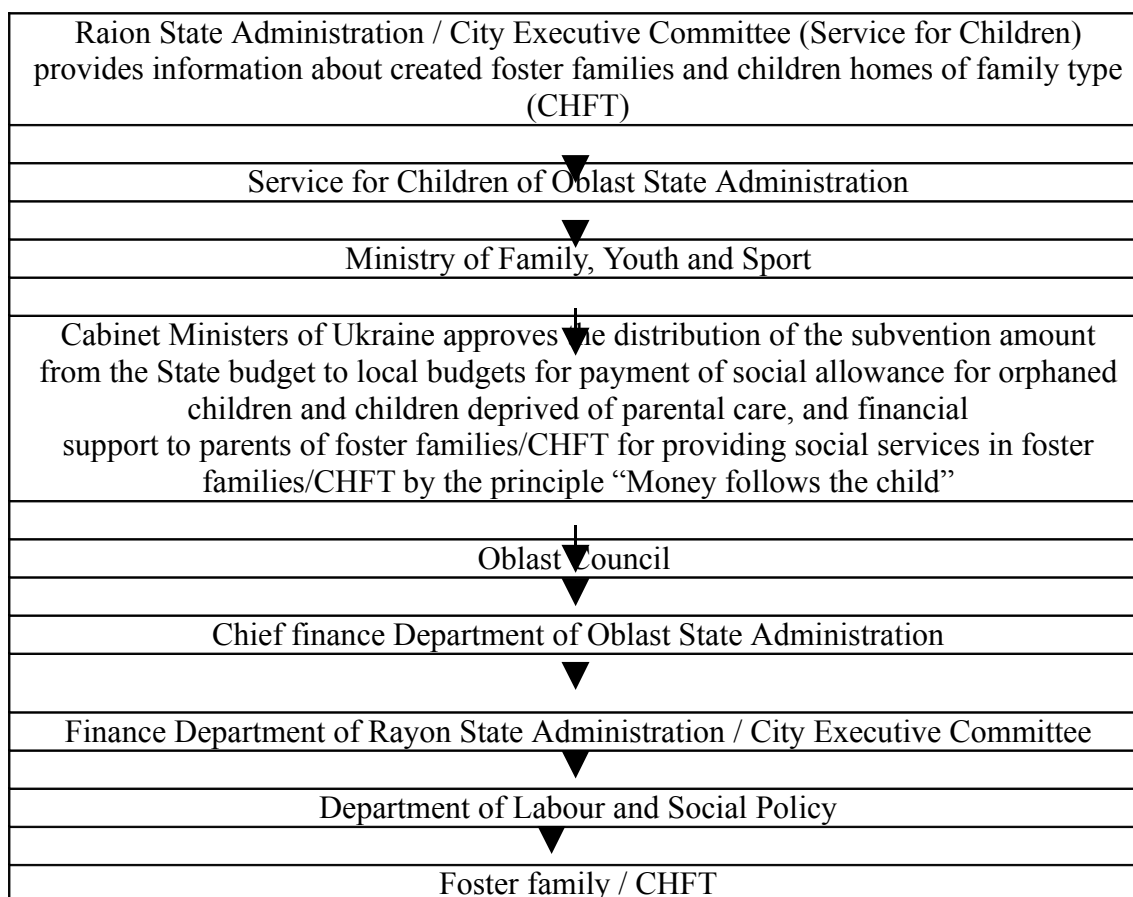
Appendix 2: Scheme of financing for foster families and family type children's homes

(Information provided by the Khmelnytsky Oblast Centre of Social Services for Family, Children and Youth 2-3 April 2008)

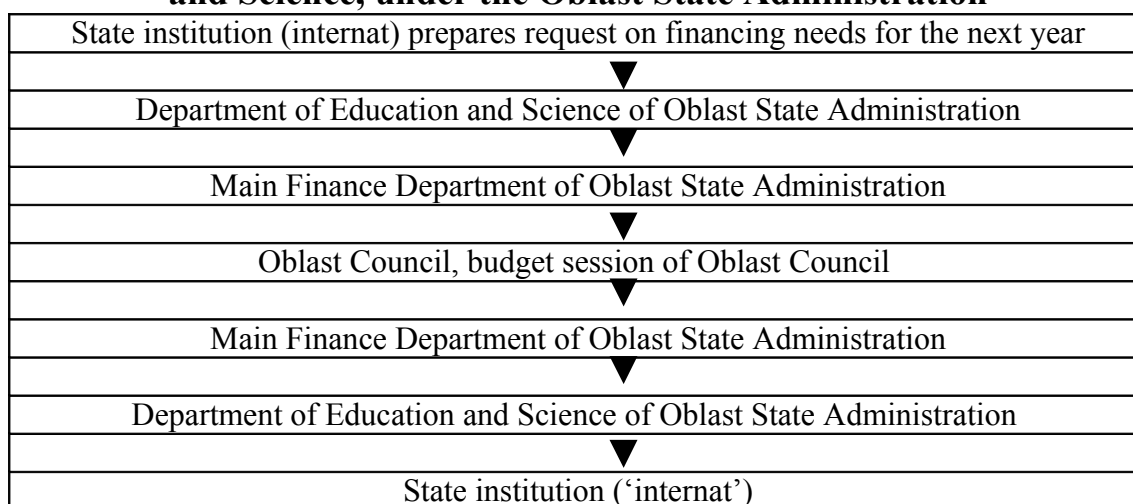
Stage I: Forming the budget



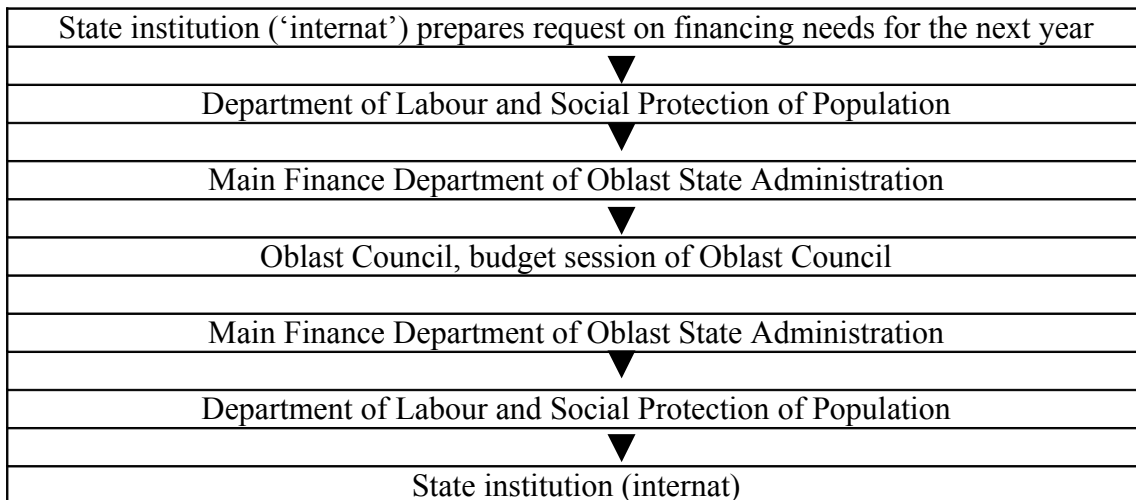
Stage II. Financing



Financing of state care institutions of the Department of Education and Science, under the Oblast State Administration



Financing of state care institutions of the Department of Labour and Social Protection of Population, under the Oblast State Administration



Financing of State institutions of the Department of Health, under the Oblast State Administration

