

Stakeholders/Partners

Presidential Administration

Cabinet of Ministers of Ukraine

Ministry of Health of Ukraine

Ministry of Labor and Social Policy of Ukraine

Ministry of Family, Youth and Sport of Ukraine

Ministry of Education and Science of Ukraine

Ministry of Economy of Ukraine

Ministry of Finance of Ukraine

United Nations in Ukraine, including

- UNDP
- WHO
- UNAIDS
- ILO
- UNICEF
- UNFPA
- UNODC
- UNHCR
- IOM
- WB
- IMF

Delegation of the European Commission to Ukraine

Swedish International Development

Cooperation

Swiss Agency for Development and Cooperation

USAID

OSCE

Global Fund against AIDS, Tuberculosis and Malaria

HIV/AIDS Alliance

International Renaissance Foundation

All-Ukrainian Network of People Living with HIV/AIDS

Coalition of HIV-Service Organizations

Additional Information

United Nations in Ukraine

<http://www.un.org.ua/en/publications/>

- Common Country Assessment for Ukraine. Kyiv. October 2004
- The State and the Citizen: Delivering on Promises. The Blue Ribbon Commission for Ukraine. Kyiv. 2006
- Ukraine - Millennium Development Goals 2000+5. Ministry of Economy and European Integration of Ukraine. Kyiv. 2003

World Health Organization

<http://www.euro.who.int>

- Health Care Systems in Transition: Ukraine. Lekhan, Valeria, Rudiy, Volodymyr, Nolte, Ellen. WHO Regional Office for Europe on behalf of the European Observatory on Health Systems and Policies, Copenhagen. 2004

World Bank

<http://www.worldbank.org.ua>

- Key strategies for further development of the health care sector in Ukraine. Joint report / Under joint editorship by V.M.Lekhan and V.M.Rudiy. Kiev, Ukraine. 2007
- Socioeconomic Impact of HIV/AIDS in Ukraine. Washington, DC. May 2006
- Ukraine Poverty Update. Report No.39887-UA. Washington, DC. June 20, 2007
- Creating Fiscal Space for Growth in Ukraine: A Public Finance Review. Report No. 36671-UA. Washington, DC. September 14, 2006

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United Nations in Ukraine

Analytical Brief

The Development of Social and Health Systems in Ukraine

November 2007

Context

Ukraine is the second largest country in the Europe with a population of 46 million. Its gross domestic product (GDP) per capita constituted US\$ 7,520 (PPP) in 2006. Ukraine suffered one of the steepest declines compared to other former Soviet Union states, with GDP falling to 45 percent of the 1991 level by 1998. Since 2000 Ukraine has enjoyed a strong economic recovery with GDP growth by more than 50 percent from 2000 to 2006.

The Ukrainian Millennium Development Goals are a set of 6 goals – adapted from the UN Millennium Declaration – for the country's long-term development, to be achieved by 2015. Concerning social and health issues, progress on reaching MDGs can be summarized as follows.

- **Goal 1 “Poverty Reduction”.** Ukraine has already reached its target to halve the number of people whose daily consumption is below US\$ 4.30. A more complex task is to reduce relative poverty measurable by share of the population below nationally defined poverty line.
- **Goal 4 “Improved maternal health and reduced child mortality”.** Ukraine is the only Central and Eastern European state that showed better-than-expected results in reducing child and mother mortality, particular having reached the level planned for 2015.
- **Goal 5 “Reducing and slowing the spread of HIV/AIDS and tuberculosis”.** Reaching this goal still represents a serious challenge for Ukraine, which now has the most severe AIDS epidemic in Europe.

Ukraine has made the ‘European Choice’ to approximate its national social and economic development to European standards. Important progress has been made, and reform efforts are ongoing.

Key Issues

Dynamic growth of the Ukrainian economy has facilitated a sharp decline in poverty, falling from 32% in 2001 to 8% in 2005 according to World Bank statistics. The main causes were the rapid increase in labour productivity, as well as generous increases in public sector wages, social transfers, and pensions. This differs from Ukrainian Government estimates that show poverty remaining constant during 2001–2005 at approximately 27%.

Ukraine's social assistance system suffers from a number of shortcomings that undermine efficiency, strain the budget, and thwart equity. The authorities grant many categories of aid and benefits to a wide range of citizens, so that the total financial obligations exceed the country's means. Social transfers are poorly targeted; around a third of transfers are made to those who do not actually qualify.

Ukraine's pension system encompasses a variety of challenges that threaten its fiscal sustainability. These challenges range from poorly designed features on both the revenue and expenditure sides of the system, to such threats as an aging population.

The government has traditionally played a central role in Ukraine's health care system, and popular expectations of “free” comprehensive public health care remain strong. However, Ukraine's health care system is unable to provide universal access to quality health care, spending patterns are inefficient, and informal fees are endemic.

Ukraine has the most severe AIDS epidemic in the region, with an estimated adult prevalence of 1.46%. Despite the efforts of stakeholders, the coverage and effectiveness of most HIV/AIDS programmes in Ukraine are still too limited to have a significant impact on the epidemic.

The Way Forward

Social Protection System

- focus the social assistance system on poverty alleviation
- tailor social commitments to available resources
- improve benefit and pension targeting
- reduce the number of benefits and monetize them
- introduce a unified social contribution
- increase the pension system's retirement age
- lengthen the contribution period required to become eligible for a full minimum pension
- suspend pension benefits if the pensioner continues to work
- eliminate or at least reduce early retirement entitlements and special pension privileges for certain occupational categories

Health System

- revise the legal guarantees of free, universal health care
- give priority to primary care
- encourage preventive medicine and promote healthy lifestyles
- develop more sustainable financing through modifying the existing budget system and/or introducing mandatory health insurance
- move to a pay-for-service basis for funding of health care institutions
- shift to evidence-based standards of diagnosis and treatment
- implement effective AIDS programmes to ensure Universal Access to prevention, treatment, care and support services