

PUBLIC-PRIVATE PARTNERSHIP AS A STRATEGY FOR PREVENTING CORRUPTION IN UKRAINE'S PUBLIC HEALTH SECTOR MANAGEMENT

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Summary

The article explores the potential of public-private partnership (PPP) as an effective anti-corruption tool in the healthcare sector of Ukraine. Given the traditionally high level of corruption risks in this area – especially in procurement, infrastructure development, and public resource management – the study emphasizes the transformative role of PPP in promoting transparency, accountability, and integrity. The paper analyzes the legal framework, including the Law of Ukraine "On Public-Private Partnership" and related legislation, and highlights the importance of long-term contractual obligations, open competition, independent audits, and the use of digital monitoring tools. Particular attention is paid to existing institutional and legal barriers, such as insufficient regulatory detail, limited professional capacity among civil servants, and the lack of standardized procedures for risk assessment. The article also underlines the importance of public control, the role of national anti-corruption bodies, and the need for independent oversight mechanisms. The experience of EU countries is referenced as a model for reform. The authors conclude that PPP can serve as both a mechanism for attracting investment and a strategic instrument for corruption prevention – provided that it is supported by strong legal safeguards, political will, and inclusive governance. Recommendations are made for improving regulatory standards, digital infrastructure, and civic participation in PPP implementation.

Key words: healthcare, corruption prevention, medical services, integrity, transparency, public resource management, public policy, partnership relations.

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1. Introduction

Problem statement. Public-private partnership (PPP) is increasingly being considered as an effective tool for modernizing the healthcare sector, while it is gaining particular importance in the context of the systemic fight against corruption. In Ukrainian realities, the issues of increasing transparency and accountability in the use of budget funds, effective property management, and the provision of medical services without abuse remain among the most pressing challenges. The presence of corruption risks in the healthcare sector, especially in the procurement, construction, and operation of infrastructure facilities, necessitates the search for new approaches that can ensure both increased resource efficiency and reduced abuse.

Public-private partnership can become such a tool, as it provides for a clear division of responsibilities, long-term commitments, the implementation of corporate governance standards, and increased attention to open tender procedures, monitoring, and audit. At the same time, insufficient regulatory detail, uneven practice of PPP application in the medical sector, lack of permanent anti-corruption safeguards in PPP projects create risks for the effective

implementation of this mechanism. There is a need for scientific understanding of the potential of public-private partnership as a tool for overcoming corruption in the healthcare system, as well as substantiation of directions for its development taking into account modern challenges and strategic objectives of the state.

2. The Anti-Corruption Potential of Public-Private Partnership in Healthcare

Public-private partnership in the healthcare sector of Ukraine appears as a tool not only for modernizing infrastructure and attracting investments, but also an important factor in forming an anti-corruption paradigm. In the context of the long-term reform of the industry, accompanied by attempts to increase the efficiency of public administration and provide quality medical services, PPP allows for the introduction of new approaches to resource and project management based on the principles of integrity, responsibility and openness. The participation of the private sector in the implementation of projects implies greater discipline in the use of funds, stricter reporting requirements, as well as an independent audit of the fulfillment of obligations, which reduces the likelihood of corruption abuses.

One of the key advantages of PPP in the context of combating corruption is the ability to optimize procurement procedures, construction, operation of medical facilities and provision of services. Due to the competitive selection of partners, contractual regulation with fixing of responsibility for violation of the terms of the contract, as well as the availability of control instruments from both the state and the public, the commission of illegal actions is significantly complicated. Moreover, private investors interested in long-term cooperation and protection of their own reputation usually adhere to higher standards of transparency, which has a positive effect on the overall level of management culture. In 2010, the Law of Ukraine “On Public-Private Partnership” was adopted, which created the basis for the legal registration of the interaction of the state and business, enshrined the principles of transparency, equality of parties, risk sharing and accountability, which are extremely important in the context of overcoming corruption practices in the healthcare sector (*Law of Ukraine ‘On Public-Private Partnership’, 2010*). This regulatory act establishes requirements for the competitive selection of a private partner, control over the implementation of contracts and conditions for attracting state resources, which makes it impossible to conclude agreements in the interests of individuals.

3. Legal and Institutional Challenges in the Implementation of PPP Projects

At the same time, the practice of implementing public-private partnerships in the medical sector of Ukraine faces a number of barriers that limit its anti-corruption potential. In particular, the lack of clear and detailed project selection procedures, the opacity of some decisions, a formal approach to risk assessment, as well as the weak institutional capacity of individual public authorities reduce the effectiveness of this mechanism. Also, proper public participation in the process of planning and monitoring the implementation of projects is not always ensured, which leaves opportunities for informal influence and decision-making in the interests of individuals or groups.

The anti-corruption effect of PPPs largely depends on the application of the principles of openness of public finances. In particular, the Budget Code of Ukraine provides for mandatory open reporting on the use of budget funds used within the framework of PPP projects (*Budget Code of Ukraine, 2010*). This creates an additional tool for controlling the targeted use of funds within the framework of the implementation of medical initiatives with the participation of private capital.

Another problematic aspect is the insufficient level of training of officials responsible for initiating, implementing and monitoring PPP projects. Lack of professional knowledge in the field of risk management, contract law and project management leads to the conclusion of poor-quality contracts that do not provide adequate protection of state interests and can become a tool for covering up abuses. Under these conditions, there is a need not only to improve the regulatory framework, but also to form a holistic system of training, methodological support and monitoring of the implementation of partnership projects. An additional guarantor of transparency in the implementation of PPP projects is the Prozorro system, which provides open access to information on all stages of public procurement. The Law of Ukraine “On Public Procurement” requires the publication of the terms and results of procurement, including those taking place within the PPP (*Law of Ukraine ‘On Public Procurement’, 2015*). This minimizes the risks of collusion, overestimation of the cost of services or goods and allows the public to monitor.

4. Digital Tools, Public Control, and the Role of Key Institutions

It is also worth noting that the anti-corruption effect of PPP largely depends on the political will for change, as well as on the systematic interaction between all participants in the process – state bodies, private partners, the public, and regulatory authorities. Creating an effective PPP mechanism as an anti-corruption tool requires the introduction of a mandatory assessment of corruption risks at all stages of the project, unification of transparency standards, mandatory public reporting, and the use of digital control tools. In this context, it is especially important to introduce reference models of PPP projects in the healthcare sector that have already proven their effectiveness and have become an example for other regions to follow. The successful use of public-private partnerships as an anti-corruption tool requires not only proper legal regulation, but also the formation of trust between all participants in the process. This involves ensuring transparency at the initiation stage, thorough justification of the feasibility of the project, conducting independent expertise, and regular public control. Involving independent observers, specialized anti-corruption organizations and representatives of patient associations in decision-making processes significantly increases the level of trust and prevents manipulations related to the choice of a private partner, investment volumes or sources of financing. It is especially important to ensure public access to all documents related to the implementation of PPP projects in the healthcare sector. In countries with developed institutional traditions and established public management practices, PPP plays a significant role in reducing the level of corruption in the healthcare sector. In particular, the experience of some European countries shows that transparent mechanisms for selecting contractors, open databases on costs, digitalization of processes and a system of independent assessment of the results of the implementation of partnership agreements contribute to the formation of an effective and honest healthcare system. Successful implementation of such approaches in Ukrainian conditions is possible only under the condition of a comprehensive reform of the institutional capacity of the state, a change in management culture and the consistent implementation of the principles of good governance.

One of the important elements of ensuring the anti-corruption effectiveness of PPP is the creation of specialized information platforms that allow tracking the progress of medical projects, monitoring the use of budget funds, recording the stages of work and reporting by the private partner. Such tools should be open to citizens and control bodies, which will ensure constant public supervision and minimize the likelihood of misuse of resources. Of particular importance is the implementation of electronic document management and automated systems for verifying the integrity of participants participating in tenders for PPP contracts.

An important factor remains the role of state financial control bodies, anti-corruption institutions and law enforcement agencies in supporting PPP projects. Their activities should not be repressive, but preventive, focused on preventing risks and ensuring a timely response to identified violations. Instead of formal intervention, it is necessary to participate in the creation of recommendations, the analysis of the most typical schemes of abuse, as well as the development of standard contracts with built-in anti-corruption safeguards. This approach will create an environment of mutual responsibility in which risks will be predictable and their prevention will be systemic. In addition, significant attention should be paid to the issues of long-term economic efficiency of partnership projects in medicine. Corruption often occurs where there is no clear methodology for assessing effectiveness or when the expected social effects of the project do not correspond to real costs. Public-private partnership should be not only an anti-corruption tool, but also a mechanism of social responsibility, based on transparent rules, patient interests and a focus on results. The introduction of a system of strategic analysis and post-audit of the results of the PPP implementation allows not only to detect abuse, but also to improve the quality of decisions in the future.

Another key aspect of the effective use of public-private partnerships as an anti-corruption tool in the healthcare sector is the formation of legal certainty in the relationship between the parties to the partnership. Clear regulation of rights, obligations, responsibilities and interaction procedures within the framework of the contract allows avoiding double interpretation of provisions and manipulations. At the same time, it is necessary to ensure the uniformity of the terms of such contracts at the national level, since their excessive variability creates the basis for abuse and hidden corruption interests. It is important that each contract in the PPP sector not only meets the requirements of the legislation, but also contains special anti-corruption provisions, provides for mechanisms to prevent conflicts of interest, as well as sanctions for violations of integrity standards.

The role of the National Agency for the Prevention of Corruption (NAPC) in the PPP sector consists, in particular, in the development of anti-corruption programs for government bodies and in the analysis of corruption risks in projects financed by the state. In its analytical report for 2023, the agency emphasizes the importance of taking into account the specifics of the medical sector when developing anti-corruption measures in the PPP (*National Agency on Corruption Prevention, 2023*).

Decree of the President of Ukraine No. 722/2019 “On the Decision of the National Security and Defense Council of Ukraine of October 18, 2019 “On Measures to Ensure State Anti-Corruption Policy”” emphasizes the need to involve non-state actors in the implementation of health policy, including PPP mechanisms (*Decree of the President of Ukraine ‘On the Sustainable Development Goals of Ukraine until 2030’, 2019*). Thus, it has been determined at the highest level that cooperation with business should take place taking into account the principles of transparency and integrity.

Given that PPP projects in the healthcare sector are long-term in nature, there is a need to ensure their stability, predictability and protection from political influence. Corruption often uses a change in political course as a tool for pressure or redistribution of influence. In order to protect partnership projects from such risks, it is advisable to create independent PPP support institutions that will be devoid of political bias and will be guided exclusively by professional and legal criteria. Such an institutional approach allows for the establishment of stable mechanisms for risk management, process standardization, and the accumulation of knowledge and experience, which makes situational and corrupt influence on decision-making impossible.

The State Audit Service of Ukraine plays an important role in ensuring proper control over the implementation of PPPs in the healthcare sector. The report on the results of the monitoring of procurement in 2022–2023 indicates that the main violations remain the opaque determination of the expected cost, circumvention of procedures through fragmentation of procurement and insufficient justification of technical conditions (*State Audit Service of Ukraine, 2023*). These risks should be taken into account when developing contractual documentation for PPP projects. At the regulatory level, the implementation of anti-corruption tools in PPP is supported by the Law of Ukraine “On Prevention of Corruption”, Article 19 of which directly provides for the mandatory anti-corruption examination of draft decisions of government bodies that have signs of public-private interaction (*Law of Ukraine ‘On Prevention of Corruption’, 2014*). This norm allows for the introduction of preventive measures even before the implementation of initiatives in the medical sector begins.

In the conditions of martial law and post-war reconstruction of Ukraine, the anti-corruption potential of public-private partnerships in the healthcare sector is becoming particularly relevant. Against the background of limited financial resources, the need to quickly restore the destroyed medical infrastructure and the need for modern technologies, PPP can become a tool for effective mobilization of private capital and management decisions. At the same time, in emergency situations, the risk of weakening control increases, which, in turn, creates a favorable environment for corruption. Therefore, it is extremely important to ensure a balance between the efficiency of project implementation and compliance with transparency and accountability standards.

The issue of fair distribution of benefits from the implementation of partnership projects requires special attention. Society should see the real effect of PPP in the form of more accessible and high-quality medical services, and not just the formal implementation of infrastructure tasks. Violation of this principle creates risks of social tension, distrust in the PPP mechanism itself and, as a result, discrediting the idea of anti-corruption partnership. Analysis of judicial practice shows that corruption violations in the healthcare sector are often associated with manipulations in the conclusion of contracts for the construction and reconstruction of medical facilities. According to the Unified State Register of Court Decisions, a number of cases have been identified where the terms of contracts were changed after they were concluded in the interests of the private partner (*Unified State Register of Court Decisions, n.d.*). This emphasizes the need for legislative restrictions on such changes in PPP contracts. That is why it is advisable to introduce a mandatory assessment of the social impact of PPP projects with the involvement of independent experts, patient organizations and the professional community.

Mechanisms of public control, in particular the participation of public councils and patient organizations, are provided for by the Resolution of the Cabinet of Ministers of Ukraine No. 996 of November 3, 2010 “On Ensuring Public Participation in the Formation and Implementation of State Policy” (*Resolution of the Cabinet of Ministers of Ukraine No. 996 ‘On Ensuring Public Participation in the Formation and Implementation of State Policy’, 2010*). The implementation of this resolution in PPP projects creates conditions for the real involvement of stakeholders in supervising compliance with the principles of integrity. Issues of transparency and assessing the effectiveness of PPP projects are also considered in the Concept of the Development of Electronic Governance in Ukraine until 2025, approved by the Resolution of the Cabinet of Ministers of Ukraine No. 225-p of March 17, 2021 (*Directive of the Cabinet of Ministers of Ukraine No. 649-p ‘On the Approval of the Concept for the Development of E-Government in Ukraine’, 2017*). The document defines digital transformation as one of the key tools for preventing corruption through data openness, process automation, and the elimination of human intervention.

5. Conclusion

Summarizing the results of the study, it should be noted that public-private partnerships in the healthcare sector of Ukraine have significant anti-corruption potential, which, if properly implemented, can become one of the key elements of the formation of an effective, transparent and accountable public administration system. Involving the private sector in the implementation of socially significant medical projects contributes not only to the investment attractiveness of the industry, but also to the formation of a fundamentally new management culture based on integrity, responsibility and control over the result. The effectiveness of PPP as an anti-corruption tool requires the presence of systemic safeguards: clear legal mechanisms, transparent tender procedures, independent supervision, public participation, as well as a mandatory assessment of both the financial and social feasibility of projects. Insufficient regulations, low legal awareness of participants, political instability and the absence of effective public oversight mechanisms leave the risks of corruption manifestations that can offset the potential benefits of such a partnership.

In this context, the improvement of the regulatory framework for PPPs with an emphasis on the medical sector, the formation of standard contracts with built-in anti-corruption provisions, the development of digital control tools and ensuring stable support of projects by independent experts are of paramount importance. It should be emphasized separately the need to form professional human resources among representatives of public authorities, capable of professionally and responsibly implementing PPPs, adhering to the principles of integrity and openness.

Thus, public-private partnerships can not only ensure the material and technical modernization of the healthcare system, but also act as an effective mechanism for reducing corruption risks. But this is possible only under the condition of a comprehensive and balanced approach, which involves mutual trust, transparency of processes and control by society. Future research should be aimed at assessing specific practices of PPP implementation in the medical sector, identifying typical corruption risks and developing methods for their neutralization through the tools of modern public administration.

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