

Impact Story



TRANSPARENCY AND ACCOUNTABILITY IN PUBLIC ADMINISTRATION AND SERVICES / TAPAS



“Just as I was finishing renovations for a new drugstore, Ukraine entered a nationwide lockdown. The chance to get a pharmaceutical license online was a lifesaver.”

Entrepreneur Kateryna Osipova was nearly finished renovating her new business, a drugstore, when Ukraine went into COVID-19 lockdown on March 18, 2020. This would be the first drugstore in Kateryna’s neighborhood of Mala Korenykha, on the outskirts of the southern city of Mykolaiv. “Just when I was ready to apply for my license, trains stopped running and offices of public institutions closed,” she says.

The abrupt shutdown came as a shock to Kateryna. But it also presented an opportunity: to become the first applicant to receive an online license for the sale of pharmaceuticals.

From hired worker to private entrepreneur

Kateryna lives in a remote neighborhood on the outskirts of Mykolaiv, a regional center in the south of Ukraine. All her life, Kateryna worked at drugstores in Mykolaiv in various positions up to store manager. Each day, Kateryna spent two

hours commuting between work and home. Nearing age 45 and tired of this routine, she decided to open her own establishment closer to home. Her neighborhood lacked its own drugstore, and opportunity beckoned.

Kateryna got down to business. Her first step was to find out how to apply for a pharmaceutical license from the State Service for Medicines and Drugs Control. This would be her first experience both in entrepreneurship and in electronic government services.

The first user and ambassador of a service

In December 2019, the State Service for Medicines and Drugs Control began testing the issuance of e-licenses for the sale, import, and manufacture of pharmaceuticals.

The Ukrainian pharmaceuticals market is composed of over 7,000 producers, importers,



and retailers, each of whom must procure a license to conduct business. These individuals work with over 22,000 pharmacies across the country, each of which must also operate under a separate license. Previously, each of these actors was required to physically apply for a new license every time they wanted to start activities or update data. With e-licenses, individuals can quickly apply for licenses online, eliminating bottlenecks and streamlining market activity across the country. The project was implemented in partnership with the Ministry of Digital Transformation, with support from USAID/UK aid's Transparency and Accountability in Public Administration and Services (TAPAS) activity.

In March 2020, Kateryna became the first individual to prepare all documents for an e-license application independently. "When a representative of the State Service for Medicines and Drugs Control contacted me and asked whether I need help, I was very surprised," the entrepreneur recalls. Yet she was confident in her ability to sort out the procedure herself.

Without this e-service, Kateryna would have had to wait for at least two months, until the lockdown was lifted, to travel to Kyiv to submit licensing documents in-person.

In reality, this wait would hardly have been limited to just two months and two trips. The first three times Kateryna submitted documents in electronic form, they contained errors that had to be corrected. Should this have occurred in-person, the mistakes would have necessitated three additional trips to Kyiv. During the pandemic, inconvenience aside, such trips presented both health risks and financial outlays. A round trip ticket from Mykolaiv to Kyiv costs approximately \$30; three trips to the capital to submit documents and another to pick up

the license would've set her back by \$120, a substantial sum for residents of Mykolaiv Oblast, where the average monthly salary is approximately \$450. Meanwhile, her drugstore would have stayed closed and Kateryna out of work. Following Kateryna's successful application, the State Service for Medicines and Drugs Control published a story about Kateryna's experience on the website apteka.ua, including her contact information for fellow interested professionals. Peers began asking Kateryna for help with preparing documents. Kateryna says she was flooded with requests during the first few months.

Indeed, demand for e-licenses continues to rise. In 2020, just 19% of users opted for the electronic format of applying for a license for the sale of pharmaceuticals. Between January 1 and August 31, 2021, however, more than 1,200 entrepreneurs applied online for a retail sales license, representing 32% of such licenses issued in this period.

Thanks to the online service from the State Service for Medicines and Drugs Control, Kateryna's drugstore has been operational for a year to date. Residents of her Mala Korenykha neighborhood get the medicines they need efficiently, without hours spent traveling to the city center. What's next for Kateryna? She plans to master other useful government services now provided online. "I have already registered personal accounts on both the pension fund's and the tax service's online platforms. It is much better than going everywhere in person," she says.

"I will continue to use electronic services. I am also ready to help others to fill out an application for a e-license!"

The USAID / UK aid Transparency and Accountability in Public Administration and Services / TAPAS Activity supports citizens and the Government of Ukraine in reducing or eliminating corruption in key public administration functions and services through eGovernance reform and introduces best international practices in the key areas of eProcurement, Open Data, and eServices