

ROADMAP OF REFORMS

FOR THE VERKHOVNA RADA OF UKRAINE OF THE 8TH CONVOCATION

Reanimation
Package of Reforms



The Roadmap of Reforms has been prepared by the civil initiative Reanimation Package of Reforms – association of experts, leading nongovernmental organizations and Ukrainian think tanks set up to promote reforms in the country.

| 2015 |



Dear Ladies and Gentlemen!

The Revolution of Dignity, carried out by several generations of Ukrainians, gives us a unique opportunity to make changes which we shall not neglect.

The Reanimation Package of Reforms civil initiative was set up by the activists of the Euromaidan and has pooled the knowledge and energy of hundreds of people ready to act to bring about these changes.

Understanding the need of urgent transformations in the spirit of law, democracy, and common good, seeing Ukraine as a united, strong country, the experts of the initiative adopted the role of co-creators and promoters of such an advance.

Never before have we been so united and zealous. The Revolution of Dignity shall go on! We propose a Roadmap of Reforms in 18 domains of state policy which represents a vision of the experts' group of the changes needed in Ukraine.

We know what shall be done to make the state a partner of the society, its goal being support of civil rights.

We understand that the changes demanded need hard work on a daily basis, but we are sure that they can be achieved.

We believe that common actions and common responsibility is a recipe for success, and we are ready for active cooperation.

Our goal is to gain support of a wide range of like-minded people: public activists, representatives of legislative and executive authority of all levels, journalists from all over Ukraine. If we pool our efforts, in the nearest future Ukrainians would be considered an amazing society that facilitates its own growth.

Glory to Ukraine!

CONSTITUTIONAL REFORM



DESCRIPTION OF THE REFORM

The constitutional reform is critical for the implementation of all sectoral reforms. One of its key tasks is to determine such a mechanism of government authority that would prevent any high-ranking government official from usurping power and, at the same time, guarantee the continuity of government policy. The reform should secure independent and professional work of the judges, as well lay the foundation for the local self-government reform and decentralization of power.

THE MAIN OBJECTIVES OF THE REFORM

- 1 Improve the credibility of the Constitution by carrying out the constitutional reform in an open and transparent manner with active participation of the civil society on every stage.
- 2 Achieve balance between the three branches of power according to the principle of checks and balances within the parliamentary-presidential republic.
- 3 Guarantee the continuity of government policy.
- 4 Formalize in legislation such a status of the Government that would make it possible to effectively develop and implement government policy.
- 5 Secure constitutional guarantees of independent and professional work of the judges and fair trial.
- 6 Carry out decentralization and offer guarantees to the local self-government.
- 7 Bring the status of prosecutors office in line with the European standards. To remove the chapter "Prosecution" in the Constitution of Ukraine and limit its powers to criminal justice.
- 8 Guarantee independent work of the Constitutional Court of Ukraine and its ability to protect the Constitution, as well as legally resolve political conflicts.

ACTION PLAN TO ACHIEVE THE GOALS OF THE REFORMS

1

STEP

Conduct comprehensive public discussion of the conceptual framework of the constitutional reform and guarantee that it is implemented in a transparent and open manner.

2

STEP

Ensure the reform developed and finalized by the constitutional commission involving leading independent experts-constitutionalists.

3

STEP

Present the text prepared by the experts and hold public discussions. Amend the text by implementing reasonable proposals brought forward by the public.

4

STEP

Provide wide media coverage of the concept of the reform and organize an outreach campaign.

5

STEP

Adopt the law "On the All-Ukrainian Referendum" in a version which complies with the Constitution of Ukraine and the European standards and has been prepared by the working group headed by V. Shapoval.

6

STEP

Introduce amendments to the Constitution in accordance with the constitutional procedure.

STATUS OF THE REFORM

Neither the Parliament, nor the President have set up an expert body (the Constitutional Commission) to prepare the constitutional reform. The authorities do not open the process of the constitutional reform development to the public or experts. Two draft laws on amendments to the Constitution of Ukraine have been submitted to the Parliament, but they introduce only a few specific amendments (the issues of MPs' immunity and implementation of the Rome Statute) and have no relation to the implementation of a comprehensive constitutional reform. The Parliament also failed to amend the unconstitutional law "On the All-Ukrainian Referendum" which is still in force.

In summer 2014 the President of Ukraine submitted to the Parliament the draft law No. 4178a "On Amendments to the Constitution of Ukraine" (of high-priority). However, the draft law was withdrawn from the agenda. Although it was claimed to have happened because of the parliamentary elections, the actual reason was disagreement between the MPs as regards the key amendments to the Constitution.

In general, it is a positive fact that the draft law which proposes comprehensive constitutional amendments has been submitted to the Parliament. There is a whole range of conditions calling for the constitutional reform in Ukraine.

However, it should be emphasized that the constitutional reform shall meet the criteria of legitimacy, transparency, and publicity. There was no progress in the implementation of the constitutional reform after the presidential draft law had been submitted, because the action plan to achieve the goals of the reforms had not been followed: in particular, the public and the experts have been denied participation in the development and discussion of the reform.

THEREFORE, IT IS NECESSARY TO TAKE THE FOLLOWING ACTIONS:

- 1 To set up a Constitutional Commission (a working group to prepare the draft law (draft laws) on amendments to the Constitution) involving leading independent experts in constitutional law;
- 2 To actively engage civil society on every stage of development and implementation of the constitutional reform;
- 3 To submit to the Parliament the draft law (draft laws) on amendments to the Constitution of Ukraine regarding improvement of the parliamentary-presidential form of government, securing independence of the judicial branch of power, strengthening local self-government, and authority decentralization;
- 4 To immediately amend the unconstitutional law "On the All-Ukrainian Referendum" by adopting it in a new version, taking as a basis the draft law prepared by the public working group.

ANTI-CORRUPTION REFORM



DESCRIPTION OF THE REFORM

Successfully fighting corruption is based on three main components:

- 1 Political will of prominent national leaders;
- 2 Eliminating (or reducing) conditions and stimuli that enable corruption;
- 3 Effectively detecting, prosecuting, and punishing corruption.

Anti-corruption measures should focus on reducing corruption in the following areas: politics, public administration, the judiciary, prosecution service, law-enforcement agencies, "petty corruption", and the private sector.

THE MAIN OBJECTIVES OF THE REFORM:

- 1 Strengthen the ability to detect and prosecute corrupt actions, as well as to ensure perpetrators are punished according to the law.
- 2 Strengthen good faith and accountability in public sector.
- 3 Limit the influence of private money in politics.
- 4 Eliminate the state monopoly on information and guarantee access to socially important information.

KEY ACTIONS OF THE REFORM:

1

DETERMINE RESPONSIBILITY FOR ILLEGAL ENRICHMENT

Introduce "illegal enrichment" as a crime in accordance with the UN Convention Against Corruption. Illegal enrichment is defined as a public servant having substantial property that could not be explained by his legal sources of income).



The Law "On the National Anti-Corruption Bureau" No. 1698-VII of 12.10.2014 (came into force on 25.01.2015).

ACCOMPLISHED

2

DISCLOSE THE INFORMATION ON REAL OWNERS OF COMPANIES AND ENHANCE FINANCIAL CONTROL OF NATIONAL POLITICAL FIGURES

Offer mandatory recording of information on individuals – beneficiary owners of legal entities during their state registration and publication of this information on the Internet. To extend the notion of "public figures" in the legislation on combating money laundering to national public servants.



The law "To Amend Several Legislative Acts of Ukraine regarding determination of the eventual beneficiaries of legal entities and public figures" (No. 1701-VII of 14.10.2014, came into force on 25.11.2014) and the Law "On Prevention and Counteraction to Money Laundering, Financing Terrorism and Proliferation of the Weapons" of 20.08.2014 (No. 1702-VII of 14.10.2014, came into force on 06.02.2015).

ACCOMPLISHED

3

ENSURE INEVITABILITY OF PUNISHMENT FOR CORRUPTION CRIMES

Ensure at the legislative level the possibility of a special criminal proceeding concerning a suspect (an accused) who is hiding from the pre-trial investigation agencies and the court in order to evade criminal responsibility for corruption crimes (consideration in absentia).



The law "To Amend the Criminal Code and the Code of Criminal Procedure of Ukraine regarding inevitability of punishment for certain crimes against the basics of national security, civil security and corruption crimes" No. 1689-VII of 07.10.2014.

ACCOMPLISHED

4

LIMIT THE INFLUENCE OF PRIVATE MONEY ON POLITICS

Restore direct state financing of political parties that have received certain support of voters according to the results of parliamentary elections; to limit the amount of contributions in support of a party and candidates nominated by it on the part of private donors; to ensure transparency and accountability of political party financing (not connected with elections) and financing of campaigns on elections and referendums; to introduce independent public control and effective and proportional sanctions in this sphere in accordance with international standards and recommendations for Ukraine by GRECO and other international organizations.



The draft law will be ready in March-April 2015

5

CREATE AN EFFECTIVE INSTITUTIONAL SYSTEM FOR CRIMINAL PROSECUTION OF CORRUPT ACTIONS

Create on the basis of the law a specialized agency (National Anti-Corruption Bureau) for detection and pre-trial investigation of corruption crimes in public sector. Such agency should conform to the international standards of independence and efficiency (autonomy from other government agencies, transparent and competitive selection of the head and main personnel, impossibility to dismiss the head for political reasons, sufficient resources) and deal exclusively with grand corruption crimes committed by political officials or other public officials of high rank, judges, prosecutors, etc. that constitute a special social threat in connection with the extent of the crime or the damages it has inflicted. To create Specialized Anti-Corruption Prosecution Service with high level of autonomy from other prosecution service agencies and with competitive selection of the staff. To introduce specialization of judges or courts in criminal proceedings belonging to the competence of the National Anti-Corruption Bureau. To establish on the basis of the law the State Bureau of Investigations for pre-trial investigations of corruption crimes among the staff of the National Anti-Corruption Bureau and Specialized Anti-Corruption Prosecution Service.



Legislative basis was created, namely the following laws were adopted: The Law "On the National Anti-Corruption Bureau of Ukraine" No. 1698-VII of 14.10.2014 and the Law "To Amend Several Legislative Acts of Ukraine regarding supporting the activity of the National Anti-Corruption Bureau and the National Agency on Prevention of Corruption" (adopted on 12.02.2015). The draft law "On State Bureau of Investigations" (No. 2114 of 12.02.2015).

6

REFORM THE SYSTEM OF PREVENTING CORRUPTION

Introduce new mechanisms for prevention of conflict of interests, declaration of income, property and expenditures of public servants (as well as beneficiary ownership of legal entities by public servants); establishment of an independent institution for supervision over the observance of anti-corruption legislation (National Agency on Preventing Corruption – a collegiate central executive body that corresponds to the requirements of independence and checks the declarations of property and incomes, supervises observance of norms regarding conflict of interests and other requirements in the sphere of preventing corruption; to introduce anti-corruption program in every government agency and legal entities of public law on the grounds of risk analysis; to introduce the procedure for monitoring public servants' lifestyle (checking the conformance of the living standards to the declared incomes of a public servant and his/her family); to ensure at the legislative level effective protection of persons who inform about corrupt actions (protection of whistleblowers).



The legislative basis was created, namely the following laws were adopted: the Law "On Preventing Corruption" (No. 1700-VII of 14.10.2014, will come into force on 26.04.2015) and the Law "To Amend Several Legislative Acts of Ukraine regarding supporting the activity of the National Anti-Corruption Bureau and the National Agency on Prevention of Corruption" (adopted on 12.02.2015).

ACCOMPLISHED

7

ELIMINATE CORRUPTION STIMULI FOR PUBLIC SERVANTS

Reform the system of remuneration for public servants by substantially increasing salaries (with consideration of the size of salaries for similar positions in the private sector) that are distributed upon the management's discretion; cancellation of the unreasonable privileges and benefits.



New version of the law "On Public Service" (the draft law elaboration by the RPR group on reformation of public administration).

8

ENHANCE ACCOUNTABILITY AND CONTROL IN PUBLIC SECTOR

Introduce by means of the law a procedure for checking public servants for their good faith (modeling situations similar to the ones occurring in their professional activity in order to determine whether a public servant would act in good faith), based on which a claim on bringing to disciplinary responsibility is filed, the consequences can even include dismissal from office (the results of such checks cannot be the basis for criminal proceedings).



The draft law "On Checking Good Faith of Persons Entitled to Perform the Functions of the State or Local Self-Government".

9

CONTINUE THE REFORM OF PUBLIC PROCUREMENT TO REDUCE POSSIBILITIES FOR CORRUPTION AND IMPROVE TRANSPARENCY

Amend the legislation on state procurement regarding improvement of the system of state procurement and electronic procurement.



The draft law will be ready in February-March 2015

10

OPEN ACCESS TO INFORMATION ON THE ACTIVITIES OF THE VERKHOVNA RADA, ITS COMMITTEES, AND PEOPLE'S DEPUTIES OF UKRAINE

Ensure disclosure of information on the activities of committees of the Parliament and people's deputies, on-line broadcasting of the sessions of the Verkhovna Rada, the budget of the Parliament and its draft, etc.



The draft law "To Amend Several Laws of Ukraine regarding ensuring open access to information on activity of the Verkhovna Rada of Ukraine, its committees, and people's deputies of Ukraine" (Reg. No. 1591 of 23.12.2014).

11

ENHANCE GOOD FAITH OF PERSONS OCCUPYING POLITICAL POSITIONS

Determine special mechanisms to prevent and settle conflicts of interests for people's deputies of Ukraine, deputies of local councils, and members of the Cabinet of Ministers of Ukraine.



The draft law will be ready in June-July 2015

12

ENSURE ACCESS TO INFORMATION ON BUDGET EXPENDITURES

Ensure disclosure and access to the information on the use of public funds administered by governmental agencies and local self-government agencies, economic agents of state and municipal ownership, institutions of mandatory state insurance, and Pension Fund agencies, particularly by publishing on-line and providing access in real time mode to all transactions with the accounts of the State Treasury Service.



Legislative basis was created, namely the following law was adopted: The Law "On Openness of Public Fund Use" (adopted on 11.02.2015).

13

ENSURE ACCESS TO INFORMATION IN THE "OPEN DATA" FORM

Introduce the standards of "open data" for repeated use of information that presupposes disclosure by public bodies and subsequent free use of data sets suitable for automated processing (including procurements databases, register of legal entities, public servant declarations).



The draft law "To Amend Several Legislative Acts of Ukraine regarding access to public information in the form of open data" (No. 2171, submitted by the President of Ukraine 19.02.2015).

ACCOMPLISHED

14

DISCLOSE THE INFORMATION ON OWNERS OF IMMOVABLE PROPERTY AND LAND PLOTS

Ensure disclosure and effective access on the Internet to the information of the Single Register of Title to Immovable Property and the State Land Cadaster, including the information on the subjects of the respective rights by searching the information on the owners of rights to immovable property according to the subject of the right, not only its object.



The Law "To Amend Several Legislative Acts of Ukraine regarding determination of the eventual beneficiaries of legal entities and public figures" (No.1701-VII of 14.10.2014, came into force on 25.11.2014 – stipulates access to information on the objects of rights in the Single State Register of Title to Immovable Property).

15

ENHANCE STATE PROTECTION OF THE RIGHT TO ACCESS TO INFORMATION

Determine the government body of non-judicial control over observance of the right to access to information that would correspond to the standards of independence and efficiency.



The draft law on amendment of the Law of Ukraine "On Access to Public Information" and several other legislative acts will be ready in March-April 2015



REFORM OF PUBLIC ADMINISTRATION



DESCRIPTION OF THE REFORM

The idea of administrative reform lies in the necessity to turn the Government and ministries into agencies capable of forming and implementing effective public policy, and public service into a patriotic, professional, politically-neutral corpus, oriented at catering for public interests and proper implementation of citizens' rights, as well as turning the system of administrative service provision into a convenient and transparent mechanism that would allow the citizens to exercise their rights.

THE MAIN OBJECTIVES OF THE REFORM

- 1 Reform the Government and Ministries, turn them into efficient agencies capable of carrying out reforms.
- 2 Reform the system of public service. Turn public servants into efficient and politically neutral developers and executors of public policy.
- 3 Reform the system of administrative service provision. Decentralize, deregulate, and simplify the procedures, and to increase comfort of getting administrative services by individuals and businesses.

KEY ACTIONS OF THE REFORM

1

REFORM THE GOVERNMENT AND MINISTRIES

Reformation of ministries (integration of departments; introduction of full-fledged positions of chief of staff of the ministries – professional public servants (state secretaries), introduction of transparent procedures for preparation and adoption of government decisions on the basis of "policy analysis" with respective public consultations, deconcentration and rationalization of powers (deputy ministers should be appointed upon the ministers' petitions; heads and deputy heads of "other central executive bodies" should be appointed following the legislation on public service); "other executive bodies" (services, inspections, and agencies) should be transformed into exclusively administrative agencies that do not form public policy; local state administrations should be transformed into politically neutral bodies with supervisory powers; national commissions in the sphere of natural monopolies should be removed from direct subordination to political bodies (the President, the Government), and their establishment should be held observing transparent procedures of candidate selection and real collegiality and transparency in decision making.



Amendments to the laws "On the Cabinet of Ministers of Ukraine", "On Central Executive Bodies", "On Local State Administrations", and "On Natural Monopolies". Texts of the draft laws are ready for submission to the Verkhovna Rada of Ukraine. New Rules of Procedure of the Cabinet of Ministers of Ukraine (requires drafting).

2

REFORM THE SYSTEM OF PUBLIC SERVICE

It is necessary to exclude political posts and patronage officials from the list of public service positions; all public servants should be banned from membership in political parties; preferential system should be abolished; remuneration system should be reformed so as to substantially increase fixed component of their salary and increase the official salary (with consideration of remuneration level for similar positions in the private sector), ungrounded privileges and benefits should be cancelled; selection to all positions of public service should be made on a competitive basis; a new joint body, the Council of Public Service, should be established to form the higher corpus of public service and protect public servants from political corruption.



New version of the Law "On Public Service". The text is ready for submission to the Verkhovna Rada of Ukraine.

3

REFORM THE SYSTEM OF ADMINISTRATIVE SERVICE PROVISION. NORMALIZE THE SYSTEM OF PAYMENT FOR ADMINISTRATIVE SERVICES

Decentralization, that is delegation of powers to provide basic administrative services (registration of residence/temporary residence, issuance of passports; state registration of legal entities and sole proprietors, property rights, citizen association, and acts of civil status; state registration of land plots; registration of vehicles, and issuance of driving license) to the local self-government bodies. At the stage of transition, it is necessary to introduce amendments to the legislation that would provide for provision of basic administrative services of executive bodies: State Migration Service, Ukrainian State Register, State Land Agency, at the centers of administrative services through the representatives of the abovementioned agencies.

Deregulation means reduction of number of administrative services, especially of permits and licenses for businesses.

Regulate the relations regarding payment for administrative services by determining the criteria of availability of administrative services at a fee / without any fees, and the procedure for determining the amounts of administrative fee. In addition, it is necessary to determine legitimate and grounded amounts of fees for basic administrative services. The funds received for administrative services should not be "attached" to service providers.



Texts of the draft laws on decentralization, development of administrative service centers, and fees for administrative services have been elaborated and are ready for submission to the Verkhovna Rada of Ukraine.

4

ADOPT THE CODE OF ADMINISTRATIVE PROCEDURE

This legislative act is a basis for independent governance and should regulate relations of executive and local self-government bodies with citizens and economic agents. It has to guarantee the right to be heard to every person (including "interested persons") before the decision limiting their rights or determining their obligations is taken; each agency should motivate their negative decisions. It also prescribes effective procedures of administrative (non-judicial) appealing against administrative acts, cancellation/withdrawal of such acts, etc.



Text of the draft law is ready for submission to the Verkhovna Rada of Ukraine.

5

NORMALIZE THE SYSTEM OF PASSPORT ISSUANCE, INCLUDING FOREIGN PASSPORTS

The Parliament has received a draft law "On the Documents Identifying Persons and Giving the Right to Go Abroad". This draft law will facilitate introduction of the European standards of passport issuance with clear procedures, just and transparent payment of passport administrative services, proper protection of personal data, and decentralization of powers in regard to issuance of the "domestic" passports (with simultaneous reform of the passport system) and driving licenses. It also envisages the cancellation of the Single Demographic Register, an unnecessary integrated and centralized information base, which should contain personal data of each citizen, and the existence of which threatens information security of the citizens and the state, and opens broad possibilities for manipulations with personal data, and violates human rights. The draft law is important for optimization of Ukraine's progress towards the visa-free regime with the EU, and is an example of combating corruption in the sphere familiar to every citizen.



The draft law "On the Documents Identifying Persons and Giving the Right to Go Abroad" (Reg. No. 1632 of 25.12.2014).

JUDICIAL REFORM AND REFORM OF THE PROSECUTION SERVICE



DESCRIPTION OF THE REFORM

Justice, good faith, and independence will be the main values of the renewed judiciary. Main tools for adoption of new quality of judge will be: removal of political agencies from making decisions concerning judge careers; transparent competitive selection to all judicial positions; just mechanisms of responsibility; real judicial self-government; civil control of judicial system and administration of justice. Trust to courts will build up as a result of a successful reform. Ukraine will rise to the level of European countries in international ratings on independence of justice, its accessibility, and combating corruption, which will have a significant effect on investment climate and investments inflow.

The status of the Prosecution Service will be brought into conformance with European standards. It will cease being an instrument for execution of political orders. Powers of this agency will be limited by criminal justice.

THE MAIN OBJECTIVES OF THE REFORM:

- 1 Renew judiciary and public prosecution. Achieve independence of judges and prosecutors, and strengthen responsibility for misconduct.
- 2 Ensure improved accessibility of justice and enforcement of judgments.
- 3 Deprive Prosecution Service of the "Soviet-style" powers.

KEY ACTIONS OF THE REFORM

1

SIMPLIFY JUDICIAL SYSTEM AND STRENGTHEN ITS INSTITUTIONAL CAPACITY. TO IMPROVE THE MECHANISMS OF SELECTION AND DISCIPLINARY RESPONSIBILITY OF JUDGES IN ORDER TO REINFORCE THEIR INDEPENDENCE AND STRENGTHEN RESPONSIBILITY. TO SIMPLIFY AND STRENGTHEN JUDICIAL SELF-GOVERNMENT.

Deprive the President of Ukraine and the Verkhovna Rada of Ukraine of the powers to transfer judges, issue their credentials, and administer an oath, etc, which are not envisaged by the Constitution of Ukraine. To introduce competitive principles for appointment of general jurisdiction judges, including higher courts. Institutions of higher education will not be involved into special training of judges, as required by European standards, for such training belongs to the competence of the National School of Judges. Done, control over implementation needed. To determine a clear list of grounds for disciplinary liability of judges, in particular such that may result in dismissal of a judge due to oath breaking. To unify disciplinary procedure in the disciplinary bodies. To determine a vast scale of disciplinary penalties and clear period of limitation for bringing a judge to disciplinary responsibility; it will be possible to dismiss a judge for oath breaking only as a result of a disciplinary procedure (partially done, control over implementation needed). To introduce a number of new measures aimed at ensuring fair practice of judges – conduct checks of fair practices and monitoring of judges' lifestyle (respective procedures should be stipulated by anti-corruption legislation). To introduce a system of regular assessment of judges by different subjects. Done, control over implementation needed. To leave only such bodies of judicial self-government as judges' meeting in every court, judiciary convention and the Council of Judges. To endow the Council with competence in the sphere of forming court budgets. To reduce the number of administrative positions in courts. Done, control over implementation needed. To introduce jury trials for resolution of commercial disputes, where the jury will be composed of the representatives of the business community and experts in different branches of law. Application of arbitration methods will help overcome corruption in economic processes and provide business with an efficient instrument for protection of their rights. To deprive chief judges and their deputies of the levers of influence on judges; to forbid chief judges and their deputies whose powers were terminated by the Law "On Restoration of Trust to Judicial Power in Ukraine" to be nominated to these positions again for a certain period of time.



The law "On Safeguarding the Right to Fair Trial" of 12.02.2015, draft laws on amendment of the Law of Ukraine "On Judiciary and the Status of Judges" and other legislative acts regarding:

- overcoming illegal influence of people occupying administrative positions;
- reduction of political influence on justice system;
- grounds and procedures to bring the judges to disciplinary responsibility;
- functioning of the judicial system in special conditions (the ATO, state of emergency, defense emergency);
- single judicial information system;
- financial support of courts;
- introduction of jury trials for resolution of commercial disputes

(will be elaborated on the basis of provisions of the draft law Reg. No. 1497).

2

IMPROVE ACCESS TO JUSTICE

Create a procedural mechanism that will allow the court to return an application because of its non-cognizability or not belonging to the court's jurisdiction – the court that received the claim will have to transfer it to the respective instance. To strengthen the principles of publicity and openness of the trial: to record a video a person will not be obliged to obtain a permission from the court (partially done, control over implementation needed). In exceptional cases stipulated by the procedural law, the court will only be able to limit the use of video recording devices in an open court hearing. To create legislative preconditions for functioning of e-justice, in particular, ensure the possibility of communication between the court and users of judicial services with assistance of information technologies. To determine a clear and unified for different kinds of justice administration mechanism for service of court judgments. To unify the procedures of judge disqualification, so that the disqualification issue will be resolved not by the judge that received the claim, but by another judge of this court. To prolong the periods for appeals of court judgments. To strengthen the role of the Supreme Court in establishment of a consistent court practice. Apart from the decisions of the European Court of Human Rights, the decisions of UN committees, whose competence to consider individual cases was recognized by Ukraine, will be the grounds for reconsideration of cases at the Supreme Court. In addition, before solution of a case, the Supreme Court may determine the jurisdiction for cases that are problematic from this perspective.



The draft laws on amendment of procedural codes and other laws (will be elaborated on the basis of provisions of the draft law Reg. No. 1497).

3

UNIFY THE PROCESS OF JUDGE SCREENING AND BRING IT INTO CONFORMANCE WITH THE EUROPEAN STANDARDS

Dismissal of judges affected by screening should be the result of checks by an independent body- Interim Special Commission for Checking Judges. The majority of this body should consist of retired judges elected by the judges, the rest – of civil representatives. To extend the period of commission's work from one year to two years. To determine a remuneration to commission members for their work. The Commission should conduct checks of all judges who took respective decisions during the events connected with Euromaidan, and not only of those in regard to whom claims were filed.



The draft law "To Amend Several Legislative Acts re improvement of the mechanism for restoration of trust to judiciary" (Reg.No. 1881, submitted to the Parliament).

4

REDUCE THE COURTS' LOAD OR OVERCOME LONG-TERM LITIGATION

Withdraw from court jurisdiction the majority of cases upon the suits of government agencies to individuals or legal entities by envisaging an efficient administrative procedure for resolution of such issues. To introduce the system of completely electronic satisfaction of non-controversial financial claims and execution of the respective orders. To transfer a number of categories of cases to notaries.



The draft laws on amendment of procedural codes and other legislative acts on reduction of court load (are being prepared)

5

CREATE EFFECTIVE MECHANISMS FOR ENFORCEMENT OF JUDGMENTS BY DEMONOPOLIZING THE SYSTEM OF JUDGMENT ENFORCEMENT

Introduce the institute of private enforcers who will operate in parallel with the state enforcement service. Private entrepreneurs will conduct their activity as a result of selection made by the National Association of Private Enforcers – a non-governmental non-profit professional organization supported by membership fees. National Association will determine professional standards for private enforcers, give license to practice, and decide issues of disciplinary responsibility. Collector will be able to choose between a private enforcer and the State Enforcement Service. Private enforcer will be able to enforce all enforcement proceedings on equal terms with the state enforcement service, except the proceedings that belong to exclusive competence of the latter (for instance, proceedings where the debtor is a governmental agency, local self-government body, or a legal entity more than 50% of whose statutory capital belongs to the state; proceedings concerning eviction/forced moving in into a residential unit; proceedings on taking away a child; proceedings where the object of collection is immovable property of public or municipal ownership). The process of enforcement proceedings conducted by a private enforcer, as well as his/her rights and obligations should be governed by the Law of Ukraine "On Enforcement Proceedings". Private enforcer will be entitled to remuneration in case of full or partial performance of judgment.



The draft law "On Private Enforcement Activity" does not exist but can be prepared within two months.

6

INTRODUCE A REAL JURY TRIAL IN CRIMINAL CASES. TO MAKE CRIMINAL PROCESS MORE HUMANE. TO INTRODUCE SPECIAL MECHANISM FOR RECONSIDERATION OF SENTENCES IN REGARD TO ILLEGALLY SENTENCED

Introduce a real jury trial where the jury would decide the issue of a person's guilt and a professional judge will award the punishment in case a person is found guilty. To extend the sphere of jury trial application. To set court control over prolongation of the investigation. To deprive the investigators and prosecutors of the powers to send binding summons for questioning to witnesses, victims and suspects, for this belongs to the competence of the court. To introduce mandatory video recording of the majority of procedural actions at the pre-trial stage. To abandon the institute of operational-investigative activity outside the criminal process. To envisage obligatory participation of the defense counsel in all proceedings on the basis of agreements in summary proceedings. To limit the detention period at the trial stage. To renounce the use of cages for the accused in courts. To envisage the possibility of sentence reconsideration on the grounds of evidence being fabricated. To introduce a mechanism of reviewing sentences in regard to the convicts due to fabricated or illegally obtained evidence, or due to violation of the right to defense.



The laws on amendment of the Code of Criminal Procedure of Ukraine (are being prepared).

7

BRING CONSTITUTIONAL PROVISIONS ON JUSTICE AND PROSECUTION SERVICE INTO CONFORMANCE WITH THE EUROPEAN STANDARDS. CREATE CONDITIONS FOR RENEWAL OF JUDICIARY.

Simplify the court system. The system of general jurisdiction courts has to be three-tier with the Supreme Court of Ukraine at the top. The system of administrative justice with the Administrative Court of Ukraine at the top should be separated. To stipulate that simple cases could be adjudicated by peace justices elected by the community. To preserve the institutes of people's assessors and jurors.

To introduce the principle of permanence of judges. The President and the Verkhovna Rada of Ukraine have to be eliminated from the process of forming the judiciary; all decisions on appointment, dismissal or transfer of judges should be taken by the new permanent High Council of Judicature, established according to the European Standards (the majority should consist of judges elected by judicial self-government bodies, the rest – highly qualified representatives of the legal community). All appointments and transfers of a judge to another court may be effected only on competitive basis.

The High Council of Judicature should combine the functions of the High Council of Justice, High Qualification Commission of Judges, and the Council of Judges of Ukraine.

Following the law, the High Council of Judicature will establish qualification, disciplinary, and other commissions, as well as the State Judicial Administration, and the National School of Judges.

To refer appointment of chief justices to powers of judicial self-government bodies – judges' meeting in every court.

To narrow down the judges immunity to its functional aspect (that is, not to extend the immunity to crimes that judges can commit outside their professional activity).

To eliminate a separate section on prosecution service – regulate its status by a separate article in the section on justice; to limit the competence of the prosecution service exclusively by the sphere of criminal justice turning it into the Service of State Prosecution. The head of such service should be appointed for a long period of time on the basis of a competition.

To stipulate in transitory provisions the procedure of selection and appointment of the acting judges for renovation of the judiciary. To envisage the possibility of ratification of the Rome Statute and recognition of the jurisdiction of the International Criminal Court.

The draft law "To Amend the Constitution of Ukraine re reform of the system of justice and prosecution" is ready for submission to the parliament.



8

BRING THE LEGISLATION ON COURT ORGANIZATION, STATUS OF JUDGES, JUDICIARY INTO CONFORMANCE WITH AMENDMENTS THAT ARE TO BE MADE TO THE CONSTITUTION OF UKRAINE

Determine the organization of the system of general jurisdiction and administrative courts. To ensure transition to the three-tier system. To regulate the procedure of establishment and operation of the High Council of Judicature. To regulate the procedure of selection and career of judges with consideration of constitutional novelties. To determine new content of the cassation appeal considering the transition to the three-tier system.



The draft law "To Amend the Law of Ukraine "On Judiciary and the Status of Judges" and other legislative acts regarding their harmonization with the Constitution of Ukraine" will be prepared within two months after submission of the draft law "To Amend the Constitution of Ukraine re reform of the judiciary and prosecution service" to the Parliament.

9

TURN THE PROSECUTION SERVICE INTO THE SERVICE OF STATE PROSECUTION

Transform the rules of organization and operation of the prosecution service into the rules concerning the State Service of Prosecution of Ukraine with consideration of amendments to the Constitution of Ukraine re competence of this service in criminal justice only.



The draft law "On Prosecution Service" Reg. No. 3541.

The draft law "On the Service of State Prosecution of Ukraine" will be prepared within two month after submission of the draft law "To Amend the Constitution of Ukraine re reform of the judiciary and prosecution service" to the Parliament



ELECTORAL REFORM



DESCRIPTION OF THE REFORM

Successfully reforming electoral law requires:

- 1 the political will of national leaders and political forces represented in the Parliament;
- 2 a consolidated position concerning the issue of electoral systems at elections to the Parliament and local representative bodies;
- 3 reform based on the principles of openness, transparency and inclusiveness.

THE MAIN OBJECTIVES OF THE REFORM:

- 1 Implement a comprehensive reform and unification of the election laws. This will ensure the accountability of elected officials to their constituents. It will also provide voters with the opportunity to vote for specific candidates. Such reforms should also lead to a more efficient activity of the Parliament, stability of the party system, and the possibility of rotating political elites at the national and local levels.
- 2 Implement proportional, efficient and preventive sanctions against all violations of the electoral legislation, ensure inevitability of punishment for such crimes.
- 3 Ensure unification of election procedures for national and local elections.
- 4 Create a more balanced representation of men and women in elected bodies and ensure universal and equal suffrage for all citizens.

KEY ACTIONS OF THE REFORM:

1

ENSURE IMPLEMENTATION OF THE PROPORTIONAL ELECTORAL SYSTEM IN PARLIAMENTARY ELECTIONS WITH THE POSSIBILITY OF VOTING FOR INDIVIDUAL CANDIDATES FROM THE LISTS.

Prepare and conduct a broad and inclusive discussion with Parliament of new Law "On Election of People's Deputies of Ukraine". The goal is for Parliament to adopt the law in the first half of 2015. This will involve replacing the mixed (parallel) electoral system with the proportional representation system where voters will have the opportunity to vote for specific candidates in multi-member constituencies, thus ensuring efficiency of the Parliament and accountability of people's deputies to their voters.



The Concept of amendments to Law "On Election of People's Deputies of Ukraine" is prepared. Ukrainian MPs have introduced a new draft law "On Election of People's Deputies of Ukraine" (Reg. No. 1068-2) to be discussed in the Parliament; it was prepared in cooperation with experts of the RPR Election group.

2

ENSURE THE ADOPTION OF NEW LAW "ON ELECTION OF DEPUTIES OF VERKHOVNA RADA OF THE AUTONOMOUS REPUBLIC OF CRIMEA, LOCAL COUNCILS AND VILLAGE, TOWN AND CITY HEADS." THIS INVOLVES RENUNCIATION OF THE USE OF THE MIXED ELECTORAL SYSTEM FOR LOCAL ELECTIONS.

Prepare and conduct a broad and inclusive discussion and ensure adoption by the Parliament in the first half of 2015 of a new version of Law "On Election of Deputies of Verkhovna Rada of the Autonomous Republic of Crimea, Local Councils and Village, Town and City Heads". The law will include: 1) conducting elections to local councils (except for oblast councils and city councils) based on the majority voting system of relative majority with voting in multi-member constituencies for candidates nominated by parties and self-nominated; 2) conducting elections of deputies to oblast and city councils by the proportional voting system with open lists of candidates, analogous to the electoral system of the Parliamentary election; 3) unification of electoral procedures of local elections according to the election procedures for Parliamentary elections; 4) preservation of the majority voting system of relative majority at elections of city mayors.



The Concept of amendments to the law "On Election of Deputies of Verkhovna Rada of the Autonomous Republic of Crimea, Local Councils and Village, Town and City Heads" is prepared.

3

IDENTIFY THE SPECIFIC FEATURES OF CONDUCTING LOCAL ELECTIONS IN THE AREA OF THE ANTI-TERRORIST OPERATION

After preparing the new draft law "On Election of Deputies of Verkhovna Rada of the Autonomous Republic of Crimea, Local Councils and Village, Town and City Heads" to prepare a draft law on the specific features of conducting local elections in the area of the anti-terrorist operation which will specify the order of local elections in Donetsk and Luhansk oblasts where the ATO is implemented.



There are certain workings.

4

LIMIT THE INFLUENCE OF THE PRIVATE MONEY ON POLITICS (IN COOPERATION WITH THE RPR ANTI-CORRUPTION GROUP)

Restore direct public funding of political parties that received support of voters in the Parliamentary elections. The goal is also to ensure transparency and accountability of funding of political parties (not related to election) and financing of election campaigns and referendums, as well as independent public supervision in this area in accordance with international standards and GRECO recommendations for Ukraine.



The Concept of amendments to the current legislation of Ukraine focused on bringing the regulation of party funding and electoral campaign financing into compliance with international standards.

5

ENSURE UNIFICATION OF PROVISIONS AND HARMONIZATION OF LEGISLATION IN THE ELECTORAL FIELD.

Ensure unification of electoral procedures for Parliamentary, Presidential and local elections.



There are certain workings.

6

CREATE OPPORTUNITIES FOR BALANCED REPRESENTATION OF MEN AND WOMEN IN ELECTED BODIES, AS WELL AS PROPER IMPLEMENTATION OF THE PRINCIPLES OF UNIVERSAL AND EQUAL SUFFRAGE

Amend the law "On the State Register of Voters" to bring the definition of the concept of election address in compliance with the definition provided for in the primary version of the law. This will eliminate the need to change the voting place without changing the election address before each election. Formalize in the legislation on elections and/or law on the financing of political parties and election campaigns mechanisms that will ensure the balanced representation of both men and women in the Parliament. Conduct monitoring of the convenience of voting for voters with disabilities and expand opportunities for their participation in elections (for instance, by setting additional requirements to equipping voting premises, supply of stencils with Braille in such premises, etc.).



It is expected to generate the concept of amendments to corresponding laws on elections and related legislation aimed at implementing this objective, to discuss it and (taking into account results of the discussion) to draft amendments to the legislation.

REFORM OF LAW ENFORCEMENT BODIES



DESCRIPTION OF THE REFORM

The success of a country in protecting the rule of law, in struggling against crime and in enforcing criminal penalties, as well as the work of officials responsible for implementation of these activities are based on three key components:

- 1 professional competence of involved officials;
- 2 elimination of the political aspect from their activity;
- 3 eradication (or minimization) of the conditions and incentives for corruption in their activity.

THE MAIN OBJECTIVES OF THE REFORM:

- 1 Create a state system of law enforcement which is effective and accountable to the public, combats crime in the public interest, and is based on human rights standards
- 2 Humanize and bring the system of criminal offense into compliance with the European system of standards; legislatively provide maximum guarantees of human rights and freedoms during criminal proceedings for all parties of the process.
- 3 Ensure that the work of the correctional system safeguards the rights and freedoms of prisoners, encourages resocialization of persons who go through correctional institutions, as well as contributes to reducing crime.
- 4 Put an end to impunity of criminals or crime of omission on the part of high officials, judges, prosecutors and law enforcement officers.
- 5 Remove offenses of criminal or civil nature from the administrative legislation.

THE MAIN OBJECTIVES OF THE REFORM:

1

REFORM THE STRUCTURE AND FUNCTIONS OF THE SECURITY SERVICE OF UKRAINE (SSU) BASED ON EUROPEAN STANDARDS.

- 1) elimination of all regional offices of the SSU;
- 2) cancellation of the function of preliminary investigation and liquidation of the corresponding departments (requirement of PACE);
- 3) abandoning administrative powers, including those under the Administrative Code;
- 4) abandoning on the legislative level of the Soviet practice of having informants in positions in large enterprises, institutions and organizations;
- 5) leaving the SSU with only two functions – those of counter-intelligence and counter-terrorism;
- 6) reduction of the SSU personnel to a tenth of its current size (from 33 500 to 3000 persons);
- 7) the staff is recruited by state civil servants on a competitive basis. The level of salary for employees is established by law;
- 8) the SSU Academy will turn into the SSU School. Only those who have higher education, underwent 1-year training at the SSU School of Security and passed exams in the form of anonymous testing will be admitted to the service.
- 9) annual publication of reports on activity, including those concerning the number and place of performed counterintelligence activities (audio interception, etc.);
- 10) a single Law on the SSU will bring together 3 existing laws – that on the Security Service of Ukraine, on its structure and size, and on its counterintelligence activities.

Draft law "On the Security Service of Ukraine" can be ready within 2 months after agreeing upon the main directions of the reform.



2

CREATE THE STATE BUREAU OF INVESTIGATION.

- 1) The State Bureau of Investigation (SBI) is a state government body aimed at preventing organized crime, terrorism and other particularly serious violent crime, prevention of torture-related crime, investigation of these crimes, as well as military and some corruption-related offenses;
- 2) the SBI will not be established on the basis of the existing special units, such as those of the Ministry of Internal Affairs and Security Service of Ukraine, since they have not provided a reliable barrier to organized crime and corruption. However, some of the most experienced and honest investigating officers of the Prosecutor's office, and in some cases of the Ministry of Internal Affairs and Security Service of Ukraine might be employed in the SBI;
- 3) the SBI will be headed by the Chairman appointed by the Cabinet of Ministers of Ukraine for five years on the basis of open competitive selection on the proposal of the Prime Minister of Ukraine (and the latter chooses a candidate upon the recommendation of the interview panel);
- 4) activity of the SBI is based on the principles of independence and political neutrality and non-partisanship of its employees;
- 5) salaries, bonuses and other incentives for SBI employees are established exclusively by law, which should guarantee their independence in performing their duties;
- 6) there is an opportunity of selection to the SBI for persons who never previously worked as investigators (and "have no stained reputation" of a former law enforcement officer).

Draft law "On the State Bureau of Investigation"



3

CONDUCT A COMPREHENSIVE REFORM OF BODIES OF INTERNAL AFFAIRS AND TAX POLICE BY TRANSFORMING THE EXISTING REPRESSIVE POLICE MODEL INTO CUSTOMER SERVICE POLICE WHOSE WORK ON PREVENTION, SUPPRESSION AND INVESTIGATION OF OFFENSES IS BASED ON THE PRINCIPLES OF THE SUPREMACY OF LAW AND THOROUGH OBSERVANCE OF HUMAN RIGHTS AND FUNDAMENTAL FREEDOMS.

- 1) Demilitarization of police. We need to change the status of police and turn it from paramilitary forces into an agency providing public services pertaining to securing safety, law and order. Police officers should be recognized as civil servants rather than as army-men. The task of the police does not involve intimidation and terror; it concerns provision of police services, such as: 1) ensuring public order; 2) protection and ensuring safety of objects of special importance, embassies, participants of the criminal proceedings, state border; 3) proceedings in cases concerning administrative violations; 4) investigation of cases concerning criminal offenses;
- 2) De-politicization of the police. The Minister of Internal Affairs as a political person should be deprived of the powers related to operational management of the police;
- 3) Implementation of a new police structure: 1) Local police; 2) National Police (administrative and criminal police); 3) Financial police; 4) Border Police. The apparatus of the Ministry and central police bodies consists exclusively of civil servants subject to the law on civil service and on the service in local self-government bodies;
- 4) Decentralization of police: creation of local police maintained at the expense of the local community budget. The Local police should ensure order and safety in residential areas and at sites of local importance (roads, lakes, parks, forests), fulfill orders of criminal police, impose penalties for certain administrative offenses. The state reserves the function of investigating criminal offenses and ensuring safety at the sites of regional and national importance.
- 5) A comprehensive list of police powers and an expanded list of their duties should be formalized in legislation. Similarly, the law will regulate procedural guarantees for detainees and define the rights that people have when dealing with the police. It is exactly legislation that should clearly define principles and rules for application of measures and means of coercion (handcuffs, service dogs, a warning shot, shot to hit, etc.). The key principle of application of coercive measures is proportionality. Thus, departmental regulations should regulate only technical issues, such as logistics, exchange of information between departments, etc., rather than human rights and freedoms.
- 6) A single law establishes equal status for all police officers, regardless of the police department where they serve. The law provides for the maximum total number of police officers, the structure of the central apparatus, a common approach to wages, bonuses and fringe benefits for police officers. It will not be possible to create additional police forces that are not provided for in the legislation by an order of the minister or the head of the police.
- 7) Professionalism and accountability of the police to the public is assured due to the fact that a person can be appointed to any position in the police (including management staff) only through competitive selection carried out through anonymous testing and examination after training at the police school. Competitive selection is exercised by Police Commissions composed of representatives from the Ministry of Internal Affairs, the public and other legal professions. Police Commissions also consider complaints against police officers in the framework of the competitive procedure specified in detail in the legislation. When carrying out disciplinary powers, the Commission includes a police officer elected by an assembly of police officers.
- 8) A clear list of personal databases is established and can be used by police in their activities. The information from these databases must be protected. In addition, a certain term for preserving information in police databases will be established.
- 9) The police is released from uncharacteristic functions, such as: vehicle registration; control over the trade in vehicles; testing for the right to drive vehicles and issuing driver's licenses; issuing permits for transportation of hazardous freight; valuation of property and property rights; licensing certain economic activities. All these functions should be transferred to entrepreneurs.
- 10) The existing state universities, national academies, institutes of internal affairs should be partially eliminated or transferred to the jurisdiction of the Ministry of Education of Ukraine. On the basis of police schools and colleges, we need to create 4 police schools for training police officers and carrying out the qualification exam; retraining and advanced training of police officers in the sphere of human rights standards; conducting research on the issues of improving police service and study of international experience.

Draft law "On Police and Policing" is registered under No. 1692-1.



4

REFORM THE SYSTEM OF EXECUTION OF PUNISHMENTS.

- 1) complete demilitarization of the prison service personnel, except for guard units;
- 2) elimination of operational units (and corresponding deprivation of powers), as well as of special purpose units within the penitentiary service;
- 3) subordination of medical service agencies to the Ministry of Health;
- 4) reduction of the 27 regional offices and equal penitentiary service administrations to 4-5 regional administrations;
- 5) creation of the probation service;
- 6) change in the procedure of application of incentives and disciplinary penalties to detainees and convicts – involving the public.

1. Draft Law of Ukraine "On Probation." Reg. No. 1197-1.
2. Draft law "On the System of Execution of Punishments" might be ready within 2 months after agreeing upon the main directions of reform.



5

BRING THE SYSTEM OF CRIMINAL JUSTICE INTO COMPLIANCE WITH EUROPEAN STANDARDS AND HUMANIZE CRIMINAL LAW, INTRODUCING THE CONCEPT OF CRIMINAL MISDEMEANORS.

- 1) introduction of a jury consisting of 7 jurors in all cases of particularly serious crimes;
- 2) establishment of judicial control over extension of investigation;
- 3) stripping investigators and prosecutors of the power of compulsory summoning of witnesses, victims and suspects (this is a judicial function);
- 4) introduction of video fixation for the majority of procedural actions at the pre-trial stage;
- 5) laying down that the investigation report cannot be viewed as evidence;
- 6) establishing that prosecution should collect evidence only through investigative actions and measures;
- 7) elimination of the provision concerning non-procedural demanding of documents and information, holding inspections and audits, etc.;
- 8) cancellation of the concept of operational investigative activities (like in Western Europe, Slovenia, Estonia, Lithuania);
- 9) mandating participation of a legal representative in all proceedings on the basis of agreements in simplified court proceedings;
- 10) limitation of the custody term for people at the trial stage;
- 11) elimination of cells in court rooms;
- 12) establishment of the procedure for making decisions about preventive measures at the preparatory court hearing;
- 13) Ukraine adopts the European crime system: felony - misdemeanor - administrative infraction;
- 14) 100% of the present elements of crime will be qualified as criminal misdemeanors;
- 15) the punishment for misdemeanors will be relatively mild, such as a fine, declaring ineligible for certain positions or types of activity, public or community works, and in exceptional cases (particularly for violent misdemeanors) arrest for up to three months.
- 16) arrest and detention shall not apply to persons who have committed misdemeanors;
- 17) the procedure of preliminary investigation and court hearing of misdemeanors will be simple and fast;
- 18) there will be no criminal record for misdemeanors;
- 19) abolition of administrative detention and administrative arrest for 15 days;
- 20) persons accused of committing misdemeanors will receive all the rights and guarantees that are characteristic of the criminal procedure (currently people are deprived of these in cases of administrative violations).

Draft law "On Amendments to Certain Legislative Acts of Ukraine to Bring the System of Criminal Justice into Compliance with European Standards" is ready for registration



6

REFORM THE SYSTEM OF ADMINISTRATIVE RESPONSIBILITY BY ADOPTING A NEW CODE OF UKRAINE ON ADMINISTRATIVE INFRACTIONS.

- 1) the Code brings together all the regulations providing for administrative infractions. The provisions on responsibility for administrative infractions will be removed from the other 60 statutory instruments, including subordinate legislation;
- 2) offenses of criminal or civil nature or those subject to administrative courts are excluded from the scope of administrative tort law;
- 3) both individuals and legal entities will be recognized as subjects of administrative infractions;
- 4) administrative infractions will be within the jurisdiction of only executive power bodies and bodies of local self-government, i.e. administrative bodies. Courts are removed from this list;
- 5) the list of administrative penalties is reduced. It includes: warnings, fines and deprivation of the right to engage in certain activities;
- 6) the method of determining the amount of fines will change. They fall into eight categories based on the severity of administrative infractions.

Draft Code of Ukraine on Administrative Infractions has been prepared.



LOCAL SELF-GOVERNMENT AND DECENTRALIZATION REFORM



DESCRIPTION OF THE REFORM

In Ukraine, centralized governance system is ineffective and unsustainable. Decentralization and the delegation of power to local authorities guarantees a more effective use of resources and prevents democratic rollback.

Effective local government is based on three key elements:

1

Authority - Appropriate distribution of powers between different levels of government;

2

Resources – the volume of resources shall match the powers;

3

Accountability – the authorities shall be accountable to the public for their actions and to the state for their compliance with the law.

THE MAIN OBJECTIVES OF THE REFORM:

- 1 Create an effective and well-balanced system of local self-government and executive authorities with the necessary powers, ample resources, and accountability to the public and the state.
- 2 Determine the appropriate system of administrative and territorial division in Ukraine.
- 3 Delineate powers in the system of local self-government and local executive authorities according to the principle of subsidiarity.
- 4 Delineate the powers between the local executive authorities and local self-government bodies according to the principle of decentralization of power.
- 5 Create appropriate material, financial (financial decentralization), and organizational conditions to make sure that local self-government bodies are able to carry out their powers, including those delegated to them.
- 6 Secure predictable financing of regional development.

KEY ACTIONS OF THE REFORM

1

INITIATE CHANGES IN THE ADMINISTRATIVE AND TERRITORIAL DIVISION OF UKRAINE

Introduce a mechanism of voluntary association of territorial communities and create conditions for implementing a reform of the administrative and territorial division – to determine a territorial basis for the activity of the local self-government bodies and executive authorities.



The Law of Ukraine "On Voluntary Association of Territorial Communities"

ACCOMPLISHED

2

ESTABLISH A FRAMEWORK FOR STATE REGIONAL POLICY

Determine main points of the state regional policy, the powers of the national and local authorities, the procedure of preparing projects and programs, and stable sources of their financial support.



The Law of Ukraine "On the Principles of State Regional Policy"

ACCOMPLISHED

3

CARRY OUT BUDGET DECENTRALIZATION IN UKRAINE

Transition from a rigid system of balancing income and expenditures to a flexible system of income levelling which shall increase the income, streamline operating management of local finances, create conditions for the formation of competent local self-government bodies, set the procedure of estimating the expenditures for the delegated powers, and strengthen the responsibility of the officials and bodies for the violation of budget laws.



The Law of Ukraine "On Amendments to the Budget Code"

ACCOMPLISHED

4

SECURE FINANCIAL STABILITY OF LOCAL BUDGETS

Expand the tax base and the possibility of regulating the rates of local taxes and duties, especially those of the taxes connected with the real estate, and to empower the local self-government bodies to administer local taxes.



The Law of Ukraine "On Amendments to the Tax Code"

ACCOMPLISHED

5

CREATE CONDITIONS FOR THE COOPERATION OF TERRITORIAL COMMUNITIES

Standardize the mechanism of pooling the resources of territorial communities to carry out joint projects, and to determine organizational and legal principles, forms, and mechanisms of cooperation.

ACCOMPLISHED



The Law of Ukraine "On Cooperation of Territorial Communities"

6

PREPARE A CONSTITUTIONAL BASIS FOR THE LOCAL SELF-GOVERNMENT REFORM

Amend the Constitution to form a three-level administrative and territorial division, delineate the powers between local self-government bodies and local state administrations, and formalize in legislation that local state administrations shall supervise local self-government bodies and coordinate territorial subdivisions of central executive authorities.

Draft law "On Amendments to the Constitution of Ukraine." Submitted by the President of Ukraine, needs further improvement in part of local state administrations being subordinate to the Cabinet of Ministers of Ukraine, not the President of Ukraine.



REGULATE THE ADMINISTRATIVE AND TERRITORIAL DIVISION OF UKRAINE

Lay down the principles of formation of administrative and territorial division, and determine the conditions and the order of formation of administrative and territorial units, their reorganization, the status of settlements, the procedure of naming and renaming settlements and administrative and territorial units.

The draft law "On Administrative and Territorial Division of Ukraine." Ready for submission to the Parliament.



7

CREATE COMPETENT LOCAL SELF-GOVERNMENT

Determine the status of local self-government, the procedure of formation of local self-government bodies, their authorities, responsibility, and relationship with the public authorities. To secure public participation in local governance through local initiatives, community meetings, and public consultations. Establish the procedure of formation and activity of bodies of public self-organization.

The draft law "On the Local Self-Government in Ukraine" (a new version). Ready for submission to the Parliament.



8

CREATE COMPETENT PUBLIC AUTHORITY BODIES IN UKRAINE

Determine the status of local state administrations, the status of heads of local state administrations, their functions, the procedure of their appointment and rotation, the powers of local state administrations, the procedure of supervision over the acts of local self-government bodies and coordination of territorial subdivisions of central executive authorities on the part of local state administrations, interaction between the heads of local state administrations and the Cabinet of Ministers and the President of Ukraine.

The draft law "On the Local Executive Authorities" (a new version). Ready for submission to the Parliament.



9

REGULARIZE THE SYSTEM OF AUTHORITIES IN KYIV

Delineate the powers between Kyiv City State Administration and the executive body of Kyiv City Council headed by Kyiv mayor. Determine the status of Kyiv mayor who cannot hold other public employment. Set up district councils in Kyiv and delineate the powers between them and Kyiv City Council. Determine the order of interaction between the local self-government bodies of Kyiv and the authorities of neighboring territories, as well as the status of a suburban area.

The draft law "On the City of Kyiv – Capital City of Ukraine" (new version). Ready for submission to the Parliament.



10

11

DETERMINE THE PROCEDURE OF IMPLEMENTING THE LAWS ON THE DECENTRALIZATION REFORM

Formalize in legislation a comprehensive procedure of implementing the decentralization reform in Ukraine.



The draft law "On Administrative and Territorial Reform (regarding procedure of implementing the laws on the decentralization reform)." Ready for submission to the Parliament.

12

SECURE PUBLIC PARTICIPATION IN LOCAL GOVERNANCE

Guarantee that the citizens of Ukraine residing in the territory of a particular administrative and territorial unit shall be able to exercise their right to make decisions on the critical local issues through a local referendum.



The draft law "On the Local Referendum." Ready for submission to the Parliament.

13

SECURE PUBLIC PARTICIPATION IN LOCAL PROBLEM-SOLVING

Create such conditions that would enable the citizens to tackle the local issues by establishing local self-government bodies. Make it possible for the local councils to delegate their powers and transfer their resources to the bodies of public self-organization



The draft law "On the Bodies of Public Self-Organization" (new version). Ready for submission to the Parliament.

14

INTRODUCE NEW APPROACHES TO THE EMPLOYMENT IN THE LOCAL SELF-GOVERNMENT BODIES

Introduce new legal, organizational, and material terms of employment in the local self-government bodies. Determine new standards of activity of the local self-government officials and legal safeguards of their employment.



The draft law "On Employment in the Local Self-Government Bodies" (new version). Ready for submission to the Parliament.

15

SECURE PUBLIC PARTICIPATION IN LOCAL DECISION-MAKING

Secure the citizens' right to take part in the decision-making process through organizing local community meetings.



The draft law "On Community Meetings (Conferences)." Ready for submission to the Parliament.



ENERGY INDUSTRY REFORM



DESCRIPTION OF THE REFORM

The reform aims at achieving a country with transparent energy market consuming minimum energy with proper level of comfort and safety of citizens, and effective energy resource supply of economic agents, which uses eco-friendly mixture of different types of energy, and receives profits from recycling wastes using high-end technologies

THE MAIN OBJECTIVES OF THE REFORM

- 1 Improve transparency of energy markets in Ukraine in order to limit the possibilities of corruption on these markets and ensure preconditions for their effective operation, particularly by ensuring accessibility and openness of all energy agreements.
- 2 Eliminate artificial entrance barriers for new players on energy markets and minimize artificial monopolistic segments on energy markets.
- 3 Achieve energy saving by forming incentives and motivations, as well as state and mixed investments into energy saving projects.
- 4 Change the general level of energy consumption of the Ukrainian economy without violating the factors that ensure development (down to stimulation of structural changes in economy).
- 5 Ensure the necessary level of energy security of Ukraine by decreasing unproductive energy consumption and optimizing the use of energy resources and diversification of their sources
- 6 Decrease negative load of the energy sector on environment.
- 7 Restructure energy markets in order to ensure maximum level of competition in all sectors, except those, which having the respective level of knowledge and technologies have to remain natural monopolies for some time, effective operation of such markets in long-term perspective, and providing security and reliability of energy supply and safety and reliability of energy systems, and facilitating effective investment into the energy sphere.

KEY ACTIONS OF THE REFORM

1

DETERMINE A SINGLE GOVERNMENTAL AGENCY RESPONSIBLE FOR ENERGY DEVELOPMENT

Implementation of the state policy on sustainable energy development, determination of a State Agency On Energy Efficiency and Energy Saving of Ukraine as a single coordinating agency endowed with respective powers. The agency implements the single state policy on energy efficiency, energy saving, renewable energy sources, and alternative fuels.

Resolution of the Cabinet of Ministers of Ukraine "On adoption of the Provision for the State Agency on Energy Efficiency and Energy Saving in Ukraine" of 26.11.2014. No. 676



2

DETERMINE SINGLE POLICY ON ENERGY EFFICIENCY

Determine main trends, objectives, tools, and indicators of successful state policy.



Change tariff policy in energy sectors

3

CHANGE TARIFF POLICY IN ENERGY SECTORS

Eliminate cross-subsidizing of energy carriers. To determine single price to gas and electricity for all categories of consumers. Transparent and understandable tariff formation. To ensure a mechanism for social protection of low-income persons.



Text of the draft law will be ready in April-May 2015.

4

PROHIBIT SALE OF ENERGY RESOURCES, WATER AND HEAT WITHOUT METERING MEANS AND ENSURE OPENNESS OF SUCH AGREEMENTS

Installation of energy and water meters by consumers will reinforce transparency of tariff policy, and determine the level of energy resource use on their way to the consumer, as well as give impetus to modernization of housing infrastructure. In addition, introduction of registration of consumption of heat and water is a necessary component to harmonize Ukrainian legislation with Directive 2006/32/EU, according to the requirements of the Energy Community and European Integration Policy.



The draft law "On Commercial Register". Text of the draft law will be ready in March 2015

ACCOMPLISHED

5

CREATE EFFECTIVE ALGORITHMS FOR DECISION MAKING BY CO-OWNERS OF MULTI-APARTMENT HOUSING STOCK

Providing the co-owners with a possibility to take decisions regarding their common property (in particular, in regard to thermal modernization) by a majority of votes without the necessity to establish a condominium association and solution of problematic issues in work of the existing condominium associations.

The draft law "On Peculiarities of Exercising the Property Right in an Apartment Block" Reg. No. 1565. The Verkhovna Rada adopted it as a basis; it is being prepared for the second reading.

ACCOMPLISHED



6

PROVIDE FINANCIAL MECHANISMS FOR STIMULATING ENERGY EFFICIENT MEASURES IN HOUSING STOCK

The law on support of measures for thermal modernization of buildings creates a state system of support of building insulation by compensating a part of credit at the cost of reorienting a part of government allowances for cheapening of gas to insulation of buildings and heating mains. Implementation of this law will result in cutting energy consumption from 25 to 75% in residential and government-owned buildings, which in a five-year perspective may lead to decrease of gas import by 7-8 billion cubic meters.

The draft law "On Thermal Modernization of Buildings". Text of the draft law is ready for submission to the Parliament.



7

ELIMINATE LEGISLATIVE AND TECHNICAL BARRIERS FOR INTRODUCTION OF ENERGY SAVING MEASURES IN APARTMENT BLOCKS

Regulate the relations in the sphere of utility service provision, demonopolization of potentially competitive markets in the sphere of housing and utility sector, ensuring transparent and understandable price formation on natural monopoly markets.

The draft law "To Amend Several Legislative Acts of Ukraine (re provision of utility services)" Reg. No. 1621 has been registered at the Verkhovna Rada.



8

STIMULATE DECREASE IN ENERGY CONSUMPTION IN GOVERNMENT-OWNED BUILDINGS THROUGH ELIMINATION OF LEGISLATIVE BARRIERS AND ENGAGEMENT OF ENERGY SERVICE COMPANIES

It is necessary to make amendments to the Budget Code – to enable government agencies to conclude agreements with ESCO's, and the Law of Ukraine "On Public Procurement" – for the clients to be able to choose an energy service company in a tender. Along with that, it is suggested to change the criteria of ESCO selection during tender procedures. According to the current rules, a governmental agency should choose the services of the company that offers the lowest price. In a multitude of spheres, the quality of services suffers because of such "quantitative" approach. Therefore, a different approach that would take into account the efficiency indicator is suggested in regard to ESCO. That means that the more economy a project could offer, the higher should be its chances. The latter draft law offers definitions of energy service contacts

The draft law "On Introduction of New Investment Possibilities, Guaranteeing Rights and Lawful Interests of Business Entities for Large-Scale Energy Modernization" Reg. No. 1313 and the draft law "To Amend the Budget Code of Ukraine (re introduction of new investment possibilities, guaranteeing the rights and lawful interests of business entities for large-scale energy modernization)" Reg. No. 1409 – The draft laws have been adopted by the Verkhovna Rada in the first reading and are now being refined for the second reading.

ACCOMPLISHED



9

INTRODUCE EUROPEAN ENERGY STANDARDS

The draft law introduces European standards of energy management, energy properties of buildings, energy audit, eliminates technical barriers for implementation of energy efficiency and energy saving projects.

The draft law "On Energy Efficiency of Buildings" Reg. No. 1566 has been registered at the Verkhovna Rada of Ukraine and sent for further refinement.



10

HARMONIZATION OF THE AMOUNT OF GOVERNMENT STIMULATION OF ALTERNATIVE ENERGY DEVELOPMENT WITH GLOBAL STANDARDS, CREATION OF FAVORABLE CONDITIONS FOR BALANCED DEVELOPMENT OF THE ELECTRICITY MARKET PRODUCED FROM ALTERNATIVE SOURCES.

The draft law offers a clear, balanced and grounded mechanism for stimulating development of alternative energy production by unifying the conditions of development of all sub-branches of alternative energy production. Needs to be refined before the second reading.



11

CREATE AND IMPLEMENT THE SYSTEM OF RECORDING ENERGY STATISTICS AND ENERGY BALANCES

Adoption of the law will create the necessary conditions for implementation and functioning of the State Monitoring System, which, in its turn, will determine the main organizational and methodological, and legal principles of forming regional, territorial, and national level energy balances according to all types of energy resources, including establishment of complete ongoing state energy audit. In the process of introducing the State Monitoring System, information support and openness of energy resource (coal, gas, electricity, utility services) markets will be ensured, as it is required by provisions of the agreement on Ukraine's accession to the Energy Community, conditions for competition in good faith will be created, and effective control at the governmental level will be ensured.

The draft law is ready for submission to the Parliament.



12

DEMONOPOLIZE THE MARKET OF ENERGY SUPPLIERS

Amendments to the law No. 663-VII preserve its positive features (meeting the requirements of the Second Energy Package) and provide for:

1. Provision of a market price setting mechanism for electricity
2. Elimination of the process of leakage of funds from public companies to private ones.
3. Creation of a mechanism for financing projects related to development of energy infrastructure in the country.

Draft law on amendment of the Law No. 663-VII "On Electricity Market" is ready for submission to the parliament.



13

HIGHLIGHT INFORMATION ON THE ACTIVITY OF NATURAL MONOPOLISTS THAT INFLUENCES PRICE SETTING

Hiding behind trade secrets, monopolists refuse to answer or do not answer to the point when it comes to requests concerning access to public information. It is not available in a generalized form that would represent data on all enterprises.

The draft law "To Amend Several Legislative Acts of Ukraine re Ensuring Transparency of Economic Activity in Housing and Utility Sector". The draft law is ready for submission to the parliament.



14

ENSURE UKRAINE'S PARTICIPATION IN INTERNATIONAL TRANSPARENCY INITIATIVES

Ensure Ukraine's active participation in international transparency initiatives and to reach correspondence to the standards of the independent Extractive Industries Transparency Initiative (EITI), in particular by ensuring regular publication of verified data on payments by extraction companies to the government, revenues received by the government, as well as creating a supervision system that would involve public to oversee the ways the revenues from extraction industry are used.

Concept is in the process of its elaboration.



DEREGULATION. INVESTMENT. DEVELOPMENT OF ENTREPRENEURSHIP



DESCRIPTION OF THE REFORM

The goal of the reform is to create a favorable business climate in Ukraine, introduce effective instruments of a competitive market, and support attraction of investments and job creation. The reform should also develop an effective and transparent mechanism of economic activity regulation, prevent illegal pressure on the entrepreneurs exerted by the supervisory authorities, and promote access of Ukrainian goods to foreign markets.

THE MAIN OBJECTIVES OF THE REFORM

- 1 Create a favorable business climate in Ukraine, attract investments into the national economy, and create new jobs in Ukraine at a pace and quality on par with neighboring European countries.
- 2 Provide economic conditions that improve citizens' standard of living and their social security.
- 3 Remove regulatory barriers and set free market incentives to support rapid development of high-technology enterprises and include Ukrainian companies into the global value chains.

KEY ACTIONS OF THE REFORM

1

INTRODUCE 3G TELECOMMUNICATIONS STANDARD IN UKRAINE

Frequency conversion has been completed. An open competition for three 3G licenses has been organized in the Ukrainian market



ACCOMPLISHED

2

REFORM THE ECONOMIC REGULATORY SYSTEM

Reduce number of regulatory acts; make governmental regulation more effective and decrease budget expenditures on the officialdom; guarantee state protection of the consumer safety and right of ownership in line with the European standards and regulations.



A draft law "On Changing the Economy Regulation System" (Reg. No. 1069 of 27.11.2014) is being finalized by the committees of the Verkhovna Rada of Ukraine.

3

PROMOTE DEVELOPMENT OF INDUSTRIAL PARKS IN UKRAINE AS A WELL-KNOWN AND CONVENIENT MECHANISM OF ATTRACTING INVESTMENTS AND CREATING JOBS.

The law came into effect in 2012; the amendments to this law shall remove extra and corruptive barriers, grant more powers and responsibility to the local authorities, and make it easier to establish industrial parks with the same favorable conditions as in the parks in the neighboring countries.

Amendments to the Law of Ukraine "On Industrial Parks" are being finalized.



4

CREATE A LEGAL FRAMEWORK FOR INTRODUCING A EUROPEAN MODEL OF ECONOMIC RELATIONS REGULATION IN UKRAINE, WHEREBY REGULATORY AND SUPERVISORY FUNCTIONS OF THE NATIONAL AND LOCAL AUTHORITIES SHALL DECREASE, WHILE THE ROLE OF BUSINESS ASSOCIATIONS, ORGANIZATIONS, AND CHAMBERS OF COMMERCE AND INDUSTRY SHALL INCREASE.

A draft law has been drawn up, but it should be considerably improved to remove the threats of monopoly and corruption.

A draft law "On Self-Regulation" has been drawn up, needs further improvement.



5

CREATE A LEGAL FRAMEWORK FOR FUNDING THE INVESTMENT PROJECTS AT THE INTERNATIONAL RATES

It is necessary to create a legal framework to support establishment and activity of a development bank according to a special law, on the model of Germany, Japan, etc.



A draft law "On Development Bank" has been drawn up, needs further improvement.

6

CREATE A REGULATORY FRAMEWORK TO INCREASE EXPORT OF HIGH VALUE ADDED DOMESTIC GOODS, ESPECIALLY BY INTRODUCING UP-TO-DATE MECHANISMS OF PROMOTING COMPETITIVE DOMESTIC GOODS IN THE FOREIGN MARKETS.

Remove barriers to establishment of foreign branches, companies, and representative offices of Ukrainian enterprises; to set up a specialized body/authority in charge of export insurance and funding to promote access of Ukrainian export merchants to the foreign markets.



A draft law "On Export Credit Agency" has been drawn up, needs further improvement.

7

INTRODUCE 4G TELECOMMUNICATIONS STANDARD IN UKRAINE.

Ensure technology neutrality and spectrum refarming by making necessary amendments to the regulatory acts.



A document is being drawn up.

8

GUARANTEE PROPERTY RIGHTS PROTECTION.

Formalize in legislation that changes to the composition of the board of founding directors and directors of the company, as well as to the statutory documents shall be made provided the original document covering these changes has been submitted to the state registrar. Currently these changes are made on the basis on a notarized or an uncertified copy of a corresponding document, which poses the risk of fraud.



A draft law "On State Registration of Legal Entities and Sole Proprietors" (Reg. No. 1475 as of 16.12.2014) was submitted to the Verkhovna Rada of Ukraine.

9

CREATE A SYSTEM OF SEPARATE PACKAGING WASTE COLLECTION, INTEGRATED RECYCLING, AND UTILIZATION IN UKRAINE; TO INCREASE ITS USE AS UTILITY WASTE; TO CREATE CONDITIONS FOR FAIR COMPETITION BETWEEN ECONOMIC ENTITIES OPERATING IN THIS FIELD; TO DRAW ON EUROPEAN EXPERIENCE IN THIS SPHERE.

Ukrainian laws shall be harmonized with the European Union legislation in part of packaging and packaging waste treatment.



A draft law "On Packaging and Packaging Waste."

10

REGULATE E-COMMERCE IN UKRAINE.

Systematize and regulate e-commerce in legislation.



A draft law "On E-Commerce" (Reg. No. 0957 as of 27.11.2014).

11

SIMPLIFY USE AND ADMINISTRATION OF CASH REGISTERS.

Regulate the relationship between the economic entities required to use cash registers and manufacturers, suppliers, and service centers providing technical servicing of cash registers, as well as simplify cash register administration.



A draft law on amendments to the Law of Ukraine "On Using Cash Registers in the Sphere of Commercial Business, Public Catering, and Services" (Reg. No. 1088 of 28.11.2014).



MEDIA REFORM



DESCRIPTION OF THE REFORM

Long experience of organizing election campaigns in Ukraine, unbalanced activity of media during the EuroMaidan, the use of state media by the terrorist organizations of Donetsk and Luhansk People's Republics have again proved the inefficiency of state media. Adoption of the framework law on public broadcasting in April 2014 has become the first step towards implementation of the reforms and needs further action to support its execution. The reform of state printed media should abolish unfair competition in the press market and promote distribution of high-quality periodicals on the regional level. Introduction of new regulations for the television and radio broadcasting market should guarantee a more transparent licensing process, while the citizens should be granted a free access to the information about the actual owners of media.

THE MAIN OBJECTIVES OF THE REFORM

- 1 To support introduction of public broadcasting and denationalization of media, to make the information on media ownership more transparent, to prepare a new version of the law on online media regulation, to unify the regulations, and to extend the rights of media during the election campaigns.
- 2 To reform state and municipal press.
- 3 To make the information on media ownership more transparent.
- 4 To amend the Constitution in part of the right to information and remove the clauses contradicting the freedom of speech.
- 5 To strengthen protection of journalists from illegal intervention with their professional activity
- 6 To introduce international standards regarding online and printed media both de jure, and de facto

KEY ACTIONS OF THE REFORM

1

TAKE ACTION TO INTRODUCE PUBLIC BROADCASTING

Adopt amendments to the law supporting introduction of public broadcasting. Follow the procedure of electing the Supervisory Board of the public broadcaster and adopt subordinate laws on establishing the National Public Television and Radio Broadcasting Company and reorganizing state television and radio broadcasting companies.



Law of Ukraine "On Public Television and Radio Broadcasting of Ukraine" of 17/04/2014 No. 1227-VII.

Draft law on amendments to several laws of Ukraine regarding Public Television and Radio Broadcasting of Ukraine No. 1357 of 10.12.2014. Adopted in the first reading on January 13, 2015. Scheduled for consideration on March 17-20, 2015.



2

IMPROVE MEDIA REGULATIONS OF ELECTION LAWS

Adopt agreed regulations on the rights and obligations of media during all kinds of elections. Prohibit or severely restrict political advertising



There are working drafts that can be submitted as amendments or incorporated to the unified draft law on election.

3

IMPLEMENT THE REFORM OF STATE AND MUNICIPAL PRESS (DENATIONALIZATION)

Adopt the law on reforming the state and municipal press which shall create the conditions necessary for the implementation of the state and municipal press reform. Initiate the process whereby the executive authorities shall no longer be considered founders of the state press. To support implementation of the law.



The draft law by Mykola Tomenko No. 1123 of 01/12/2014 Under committee review

4

MAKE THE INFORMATION ON MEDIA OWNERSHIP TRANSPARENT

Adopt amendments to the legislation whereby the information about the persons who are ultimate beneficiaries (controllers) of media shall be published. Thus, the citizens will be able to get information about the owners of media.



The concept of the draft law is being developed.

5

STRENGTHEN PROTECTION OF JOURNALISTS' RIGHTS

Introduce amendments to the Criminal Code regarding protection of the rights of journalists and the connected persons (press photographers, cameramen, etc) to institute legal proceedings against the persons interfering with the journalists' activity.



The draft law has been prepared by the experts.

6

INTRODUCE AMENDMENTS TO THE CONSTITUTION IN PART OF THE RIGHT TO INFORMATION AND REMOVE THE CLAUSES CONTRADICTING THE FREEDOM OF SPEECH

The media community insists that during the preparation of a new version of the Constitution, any mentions about the bodies not complying with the international standards or practicing censorship should be removed, and reliable guarantees of the freedom of speech, the right to access public information, and the freedom of Internet access should be offered.



Proposals have been prepared.

7

LIQUIDATE GOVERNMENT BODIES IN MEDIA SPHERE

Liquidate the National Expert Commission of Ukraine on the Protection of Public Morality as essentially a censorship agency. After the public broadcasting reform - liquidate the State Committee on Television and Radio Broadcasting as an agency losing most of its functions.



The draft law No. 1647 was adopted in entirety. Returned with the signature of the President on 3.03.15.



8

ADOPT A NEW VERSION OF THE LAW ON TELEVISION AND RADIO BROADCASTING (REGARDING AUDIO-VISUAL MEDIA SERVICES)

The effective Law of Ukraine "On Television and Radio Broadcasting" is outdated, fails to take into account the present-day technological development and platform convergence, and does not offer an appropriate system of control over television and radio broadcasting. A new version of the law, prepared in 2012-2013, should resolve these issues. Considering the changes in media space, the draft law needs some improvement, after which it should be lobbied and adopted in entirety.



The working draft is being reviewed by the State Committee on Television and Radio Broadcasting.

TAX REFORM



DESCRIPTION OF THE REFORM

Construction of the tax system should generate the necessary conditions for sustainable development of the national economy and provide adequate resources for state and local budgets to carry out their functions. The tax system should be simple, economically fair, and time-efficient when it comes to the calculation and payment of taxes (the concept of the objective is included in the Strategy for Sustainable Development "Ukraine-2020"; approved by Presidential Decree № 5/2015 of January 12, 2015)

THE MAIN OBJECTIVES OF THE REFORM

- 1 Ukraine's tax system should consist of the following taxes:
 - income tax;
 - value added tax;
 - tax on personal income;
 - excise tax;
 - rent;
 - duty;
 - environmental tax;
 - property tax;
 - single tax.These taxes should match their economic substance and provide effective tools for equitable redistribution of GDP for sustainable economic growth in Ukraine.
- 2 The tax reform should ensure the full-fledged implementation of electronic services for taxpayers providing online opportunities to obtain information about the date of payment and reporting of taxes, as well as necessary declarations; the need to control your payments, to get advice concerning taxes on time etc. Penalties for violations that did not result in reduction of the budget should be abolished. The inspector should not punish, but rather help taxpayers calculate, pay and report correctly.
- 3 The tax system should be different for different categories of taxpayers, namely for micro, small and medium business, big business and monopolies.
- 4 The main objective of the tax system for micro-business is to promote maximum employment – a single fixed payment or turn-over tax, no current reports, only the general annual declaration and responsibility to their clients.
- 5 The main objective for small and medium business is to promote its further development – namely, taxation of distributed profits, the possibility of applying the cash method of determining VAT liabilities, transition to a single tax document, transferring the responsibility for paying taxes on the employee.
- 6 The main objective for big business is to facilitate the process of tax administration, reduce variable interpretations of tax regulations, improve the ranking in Business Doing in terms of the taxation system evaluation and enhance protection of business from abuse by fiscal authorities.
- 7 The primary goal of the tax reform for monopolies consists of introducing transparent rules for control of transfer pricing, rent tax reform, strengthening of the antitrust laws to prevent cases of unfair competition
- 8 The reform of wage taxation involves reducing the overall tax burden on wages to the average European one; establishing socially fair scale for income taxation for individuals; introduction of mechanisms to combat tax evasion.
- 9 Income tax reform is aimed at introducing a mechanism for taxation of distributed profits, which will facilitate administration of the tax and reduction of the corruption component, increase domestic investment, etc.
- 10 The reform of VAT involves abolition of special accounts that distract circulating assets of enterprises and make its administration more complicated, as well as development and economic substantiation of differential rates that may help lessen the burden on socially important goods (food, drugs), reduce the amount of compensation in export-oriented branches, increase circulating assets and thus improve their competitiveness.
- 11 Rental payment reform includes the development of scientifically substantiated approaches to determining the tax base and rates, which will significantly increase revenues to the state budget of Ukraine.
- 12 The reform of property tax implies identifying the tax base depending on the value of the property, rates and mechanisms of calculation, which will reduce the burden on wages and redistribute it to more well-off ones. This, in turn, will help overcome social inequality which has evolved in Ukraine.
- 13 Excise tax reform involves a review of the tax base, rates and mechanisms of its collection, including the abolition of retail excise tax, which greatly complicates administration of this tax.
- 14 Customs reform is supposed to make it possible to carry out effective control over the movement of goods across the border, to determine their real value, facilitate the registration procedure and totally eliminate corruption schemes.
- 15 A prerequisite for the implementation of the tax reform consists in the significant reduction of GDP redistribution through the tax system and effective control over budget costs.

KEY ACTIONS OF THE REFORM:

1

REFORM THE TAX SYSTEM

Reduce the number of taxes. Restructure their administering, determining the algorithms of setting tax rates, the procedure of payment, reporting etc.



The concept is ready, a draft law is being developed.

2

REFORM VALUE ADDED TAX

Abolish special accounts, implement mechanisms that will eliminate shady schemes and schemes of tax avoidance, introduce differentiated VAT rates.



A draft law "On Amendments to the Tax Code Concerning Value Added Tax." Ready for submission to the Parliament.

3

REFORM INCOME TAX

Draft a law that would establish a new approach to calculation of VAT – specifically elimination of taxation registration; payment of taxes when using income (for example, when dividends are paid) rather than based on the results of a certain period; introduce the minimum threshold for paying this tax at the rate of one per cent of the value of the fixed assets.



A draft law "On Amendments to the Tax Code Concerning Income Tax." Ready for submission to the Parliament.

4

REFORM UNIFIED SOCIAL TAX

Remove unjustified safeguards on the application of the reduction ratio when paying UST, drafting legislation to reduce the UST for all taxpayers.



A draft law "On Amendments to the Law of Ukraine 'On Collection and Accounting of the Unified Tax for Obligatory State Social Insurance'" (concerning creation of conditions for legalization of the work of small business) "(Reg. No. 1863).

5

REFORM SOCIAL INSURANCE IN UKRAINE

Create a single social security fund that will unite all funds, reduce the cost of its administration, make it possible to eliminate non-core expenses (gifts, trips, etc.), facilitate making payments to this fund and getting payments from it.



A draft law "On Social Protection Fund." Ready concept, the draft law is being drafted.

6

REFORM THE SYSTEM OF VALUE ADDED TAX REFUND

Set clear mechanisms of VAT refund, which will prevent acts of corruption by public authorities and make it possible to minimize or completely eliminate chances for illegal reimbursement of VAT.



The concept is ready, the draft law is being drawn up.

7

REFORM THE SINGLE TAX

Improve existing single tax mechanism in order to prevent exploitation of this taxation system in illicit corruption schemes.



The concept is ready, the draft law is being drawn up.

8

DUTY REFORM AND IMPROVE THE MECHANISM OF CUSTOMS CLEARANCE

Implement electronic mechanisms of control on border crossing of goods, automatic verification of the customs value with the customs of the country of origin, prevention of smuggling and abuse during customs clearance.



The concept is ready, the draft law is being drawn up.

9

INCREASE CONTROL ON BUDGET COSTS

Improve the existing mechanism for granting public access and openness of information concerning the use of public funds of Ukrainian taxpayers spent by administrators of state and local budgets, public and municipal entities, funds of compulsory state insurance agencies and pension fund bodies.



The concept is ready, the draft law is being drawn up.

ACCOMPLISHED

REFORM OF THE FINANCIAL (BANKING) SECTOR



DESCRIPTION OF THE REFORM

Construction of a stable, transparent and efficient financial sector in Ukraine that would contribute to the long-term economic growth of the country and its financial security and would be able and ready to integrate into the global economy without threatening national interests. For a comprehensive review of the problems that occur in the banking sector, it is necessary to identify the shortcomings of the past monetary policy to determine long-term targets and clear (transparent) mechanisms of action for their implementation

THE MAIN OBJECTIVES OF THE REFORM

- 1 Provide conceptual foundations for independent professional monitoring of state financial regulatory agencies (NBU), publicity, transparency and unambiguity of monetary, currency and credit policy so as to generate competitive business climate;
- 2 Define the powers of the National Bank in conducting monetary, currency and credit policy, which implies clear delineation of the spheres of responsibility in the macroeconomic policy of the government;
- 3 Expand and computerize instruments of bank activity in accordance with contemporary European requirements (standards) of functioning of the banking sector;
- 4 Ensure the free circulation of capital (liberalization) taking into account the stages of economic stabilization and business environment;
- 5 Improve the efficiency of the interest-rate policy of the NBU, tighten the connection between the rates on operations of the NBU and market rates of banks on the public and transparent basis;
- 6 Establish a mechanism for hedging risks of foreign currency transactions, specifically involving creation of a market for exchanging foreign currency, which will contribute to increasing its liquidity and transparency;
- 7 Create favorable conditions for domestic business loans (primarily in the real economy sector) by introducing a competitive market for financial services;
- 8 Ensure publicity, transparency and clarity in the work of state financial regulatory agencies (NBU), providing free public access to the results of their activity.

KEY ACTIONS OF THE REFORM

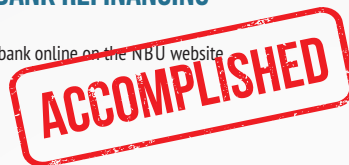
1

ENSURE PUBLICITY AND TRANSPARENCY OF BANK REFINANCING

This implies a monthly posting of data concerning refinancing of each bank online on the NBU website



Law of Ukraine "On Measures Aimed at Supporting Capitalization and Restructuring of Banks" of 28.12.2014 No. 78-VIII.



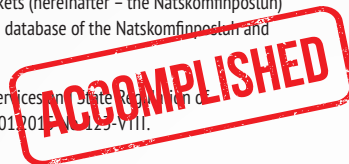
2

IMPROVE THE RELIABILITY OF FINANCIAL (BANKING) INSTITUTIONS — PROVIDING PUBLIC ACCESS TO INFORMATION ABOUT OWNERS AND INSIDERS

The innovation is supposed to ensure disclosure of information by financial market participants supervised by the National Commission for State Regulation of Financial Service Markets (hereinafter – the Natskomfinposluh) by publishing such information free of charge in the public information database of the Natskomfinposluh and on the websites of licensees in the Internet



Law of Ukraine "On Amendments to the Law of Ukraine 'On Financial Services in the Republic of Ukraine' of 15.01.2015 No. 123-VIII.



3

IDENTIFY KEY PRIORITIES FOR THE BANKING SYSTEM UNDER THE CONDITIONS OF STAGFLATION

The reform is aimed at identifying the mechanism the NBU can potentially apply (within their authority) to influence the level of inflation by means of the refinancing rate and credit conditions against the background of decline in industrial production (stagnation). Given the fact that the inflationary component, which has already occurred due to the rapid devaluation, is over, but can emerge again because of the increase in rates and continuous growth of money supply through explicit and implicit (via treasury bills) issue of money, it is necessary to implement a mechanism of price stability through inflation targeting. If emission (to make up for the budget deficit) is an insuperable factor of the governmental policy (there is no use targeting inflation with falling GDP and rising unemployment), it is important to clearly define its share in the targeting process and clear the NBU of charges of the sudden inflation.



It is declared in the Memorandum with the IMF that there is a need to introduce an inflation targeting mechanism. We have drafted the necessary amendments to the legislation to be submitted to the second session of the VIII convocation in 2015.

4

IMPROVE THE RELIABILITY OF FINANCIAL (BANKING) INSTITUTIONS — GRANTING PUBLIC ACCESS TO INFORMATION ABOUT OWNERS AND INSIDERS.

This is aimed at introducing the commitment to disclose information about the ultimate owners (beneficiaries) of financial (banking) institutions; as well as at determining the responsibility of banks for not disclosing information about their ultimate owners (beneficiaries) and insiders when giving loans (restrictions on bank lending for associated persons).



The initiative has been accepted for financial non-banking institutions. We have prepared for consideration a draft law concerning responsibility of banks for failure to disclose information about ultimate bank owners and insiders when giving loans (restrictions on bank lending for associated persons), which is to be submitted to the second session of the VIII convocation in 2015.

5

INCREASE THE LIQUIDITY (STABILITY) OF THE BANKING SYSTEM

The legislation provides for two types of bank deposit contracts: that on demand and term contract. However, at the same time, regulations stipulate it that banks are obliged to return any deposit, including that under a term contract, on demand of the natural person-depositor. As a result, banks always have a problem of balancing their liabilities in the form of customer funds that are essentially deposits on demand against term credit assets. That is, banks raise funds for a short (unpredictable) period and lend money for a much longer period, assuming high risk of occurrence of situations where resources will be insufficient to continue their activity. Therefore, it is necessary to legally secure the right of the depositor to choose the type of deposit agreement, on the one hand, and provide banks with legal instruments for maintaining the balance of assets and liabilities via a fixed mechanism of return of term deposits, on the other hand.



A draft law "On Amendments to Certain Legislative Acts of Ukraine (regarding the conditions of repayment of term deposits)" has been registered in Verkhovna Rada.

6

INTRODUCE A MECHANISM OF SOCIAL PROTECTION FOR INSOLVENT BORROWERS—NATURAL PERSONS (BANKRUPTCY)

The aim is to introduce a mechanism of social protection for insolvent borrowers, including enhancement of protection of the rights of the consumer of financial services.



A draft law is being prepared and scheduled for submission in the first quarter of 2015

7

IMPROVE THE RELIABILITY OF FINANCIAL (BANKING) INSTITUTIONS — INCREASE OF RESPONSIBILITY OF PERSONS ASSOCIATED WITH A BANK

It solves the problem of the lack of responsibility of related parties primarily of persons associated with a bank, first of all, that of bank CEOs, ultimate beneficial owners of the bank, other major shareholders of the bank when making decisions that may adversely affect the financial state of the bank, i.e. deliberate driving into bankruptcy.



A draft law "On Amendments to Certain Legislative Acts of Ukraine regarding Responsibility of Persons Associated with the Bank" has been registered in Verkhovna Rada.

8

ENSURE THE TRANSPARENCY OF THE PROCESS OF FLEXIBLE EXCHANGE RATE FORMATION

1. This is aimed at improving the mechanism for calculating the REER (real effective exchange rate), which currently accounts only for the parity of purchasing power of the countries-trading partners. In a stable economic and political situation, the exchange rate comes closest to competitive realities; while in case of escalation (of political, economic, social and other risks), the dynamics in the foreign currency exchange market develops in many respects under the influence of emotional factors that lose their effect after stabilization of the situation in the country. The transparency of calculation of this indicator (REER) will make it possible to relieve panic emerging due to the uncertain macroeconomic situation, exonerate the NBU of the responsibility for the macroeconomic situation which is not dependent on it, and launch a constructive academic discussion of the involved approaches and calculation parameters so as to improve them. It is important to point out that this indicator will not hinder the current mechanism of determining the market (official) mechanism of the exchange rate on the interbank market, which may be influenced by other unforeseen circumstances;
2. It is intended to conceptually define the criteria for intervening in the interbank market by the NBU;
3. The NBU should be obliged to substantiate its temporary introduction of administrative restrictions for currency trading (cash withdrawal from banks);
4. The market should be allowed to apply instruments of hedging currency risks, such as forward, swap, option, etc. Their implementation can be gradual to avoid excessive risks in working with new tools, but we have to give economic entities a chance to effectively manage their currency risks and improve their professional level.
5. Decree of the Cabinet of Ministers of Ukraine "On the System of Currency Regulation and Currency Control" should be reviewed.



We have prepared for consideration draft laws "On Derivative Financial Instruments (derivatives)" and "On Currency Regulation in Ukraine", which will be submitted to the second session of the VIII convocation in 2015.

9

MAKE SURE THE PROCESS OF BANK REFINANCING IS OPEN AND TRANSPARENT

We suggest considering the option of daily publishing on the site of the NBU of data concerning debts on refinancing loans with the mandatory division into overnight, repo and stabilization loans for each individual bank indicating the type of security. The opacity of conditions for issuing these loans generates the negative public perception of the selective support to banks and raises suspicions that there is a corruption component in this process. The counter-argument as to the potential panic among bank customers as a result of publicizing these data, does not seem to be significant – the media have long been publishing semi-legal copies of records of bank debts to the NBU, there is an exchange of financial and statistical data between banks and the public knows the total amount of refinancing, which is getting larger and larger. On the other hand, when banks realize that this information will be made public, they might take a more prudent approach to obtaining refinancing and ensure their transparency.



The NBU undertook the legislatively adopted obligation of monthly disclosing data concerning the issued refinancing loans for each bank on their website. There is a bill drafted on the further improvement of the transparency of such data – daily taking into account the total remaining balance for each bank (it is supposed to be submitted in the first half of 2015).

10

DEREGULATE CURRENCY TRANSACTIONS

1. Cancel individual licenses for investing in foreign companies in OECD countries. This measure will encourage the development of export potential of small and medium-sized companies of Ukraine, providing them the opportunity to easily register trading companies with further promotion of their products on the above mentioned markets;
2. Introduce wide opportunities of making transactions with external contractors through international payment systems (e.g., PayPal). Similarly to the previous point, this action will make it possible for small and medium-sized companies from Ukraine to get additional competitive advantages in foreign markets;
3. Simplify the process of registration for non-resident credits.



We have prepared for consideration draft law "On Currency Regulation in Ukraine", which has been submitted to the second session of the VIII convocation in 2015.

11

ADOPT THE CONCEPT OF REFORMING THE BANKING SECTOR OF UKRAINE BY 2020 AND INTRODUCTION OF RELEVANT CHANGES TO LAWS AND REGULATIONS ON THIS BASIS

We expect to agree with experts and adopt a comprehensive document highlighting the financial condition of Ukraine, including rapid analysis of the real economy and monetary policy for 20 years, to determine the long-term targets and adopt clear (transparent) mechanisms of influence distributing them in time.



The concept is at the stage of a project; it is undergoing the final agreement by experts and will be ready for submission in the first half of 2015.

12

IMPROVE THE INSURANCE SYSTEM IN UKRAINE

One of the main problems of development of the insurance market comes from legislation which is outdated in many aspects. The current law of Ukraine "On Insurance" was adopted in 1996. At the time of adoption, this Law reflected the state of the insurance market in Ukraine. But the current state of Ukraine's economy and in particular the development of insurance requires a change in approaches to regulation in this sector. Therefore, it is reasonable to draft its new version rather than simply amend it; this version should reflect the reality and provide a framework for the further development and integration of the Ukrainian insurance market into the world one



A draft law "On Insurance" has been registered in Verkhovna Rada.

REFORM OF PUBLIC FINANCE



DESCRIPTION OF THE REFORM

The reform of public finance is based on the following main components:

- 1 enhancement of financial transparency and accountability of government bodies;
- 2 introduction of international standards in the system of assessment;
- 3 reform of state fiscal control bodies;
- 4 reform of approaches to local budgeting.

THE MAIN OBJECTIVES OF THE REFORM

- 1 Bring the statistical accounting system into compliance with international standards;
- 2 Make the treasury system independent of outside influence;
- 3 Enhance the internal fiscal control of government bodies;
- 4 Improve the external financial control (new law "On the Auditing Chamber");
- 5 Improve transparency and accountability of spending budget funds;
- 6 Enhance methods of monitoring and evaluation of budget and public special purpose programs;
- 7 Change the system of local budgeting towards fiscal decentralization (after the active phase of escalation in the East and South of the country is over);
- 8 Enhance of monitoring over the use of public funds by authorities.

KEY ACTIONS OF THE REFORM

1

BRING THE STATISTICAL ACCOUNTING SYSTEM INTO COMPLIANCE WITH INTERNATIONAL STANDARDS

Implement methodology of ESA 2010 in public finances.



A draft law will be ready by spring-summer of 2016

2

MAKE THE TREASURY SYSTEM INDEPENDENT OF EXTERNAL INFLUENCE

The reform implies drafting and analysis of relevant legislation pertaining to improvement of the system of treasury services for local budgets that will be implemented by way of introducing to the Budget Code of Ukraine new principles of treasury servicing for local budgets concerning revenues and expenditures, as well as setting deadlines for fulfilling payment orders of administrators of funds from local budgets.



A draft law will be ready in the summer of 2015.

3

IMPROVE THE INTERNAL FISCAL CONTROL OF GOVERNMENT BODIES

The reform is aimed at the legislative settlement of the issue of auditing in public government bodies and the transparency of their reporting; implementation of a system of internal control and auditing in government bodies in accordance with EU standards, which means that corresponding structural units of government bodies will have to assume the functions of assessing the implementation of strategic and operational plans of these bodies and their achievement of strategic objectives.



A draft law "On Internal Audit" will be ready in the spring of 2015.

4

ENHANCE OF THE EXTERNAL FINANCIAL CONTROL (NEW LAW ON THE ACCOUNTING CHAMBER)

Draft and adopt a new Law of Ukraine "On the Accounting Chamber" which will include:

- exercise of powers of the Accounting Chamber concerning control over the revenues and expenditures of the State Budget of Ukraine and local budgets (only those related to inter-budget transfers), specifically pertaining to evaluation of the effectiveness of implementation of infrastructure projects;
- allocation of the functions of the supreme auditing institution in Ukraine to the Accounting Chamber;
- expansion and bringing of tasks, trends and areas of activity of the Accounting Chamber into compliance with contemporary requirements, specifically expanding them to include the audit (control) of state budget revenues, local budgets (only those related to inter-budget transfers), political parties (in case of adoption of the law on public funding of political parties), state-owned enterprises (including own revenues) and property in general, natural monopolies;
- promoting independence and professional competence of the members of the Auditing Chamber;
- granting public access, openness and transparency in the work of the Accounting Chamber;
- establishing effective cooperation between the ACU and civil society by providing free public access to the results of its operations
- formalizing the necessity and procedure of implementation of international accounting standards INTOSAI EUROSAI;
- improvement of the mechanisms of interaction of the Accounting Chamber and Verkhovna Rada as well as other public bodies so as to improve the efficiency of implementation of proposals and recommendations of the Accounting Chamber by the results of control and analytical activities.



The new version of law "On the Accounting Chamber" (amendments to Law of Ukraine "On the Accounting Chamber» (№2072) submitted by the President of Ukraine are being prepared).

5

INCREASE THE TRANSPARENCY AND ACCOUNTABILITY OF USE OF BUDGET FUNDS

The reform involves implementation of a system of "Transparent budget" (draft law No. 0949 "On the Transparency of Use of Public Funds") to ensure the availability of information on state financial public use (in 2015) providing open reporting on all funds used by recipients of budget funds on their official websites granting real-time access to all transactions that occur in the accounts of the State Treasury.



The legislative framework was established by adopting in February 2015 of 0949 Law of Ukraine "On the Transparency of Use of Public Funds."

ACCOMPLISHED

6

IMPROVE METHODS OF MONITORING AND EVALUATION OF BUDGET AND PUBLIC SPECIAL-PURPOSE PROGRAMS

The reform is supposed to improve the legislation that regulates the issues of engagement and monitoring of funds of international financial institutions related to simplification of the procedure for approval of projects for funding and strengthening the mechanisms for monitoring their use. It also implies designing and providing content for an online portal for monitoring funds raised by the Government of Ukraine from international financial organizations; implementation of a full-fledged system of planning and evaluation of the state budget utilization according to results (implementing a comprehensive system of key performance indicators, including effective performance indicators of public services provision) on the basis of the system of state planning and forecasting.



A draft law will be ready in the autumn of 2015

7

CHANGE THE SYSTEM OF LOCAL BUDGETING TOWARDS FISCAL DECENTRALIZATION (AFTER THE ACTIVE PHASE OF ESCALATION IN THE EAST AND SOUTH OF THE COUNTRY IS OVER)

The reform implies introduction of new approaches to local budgeting, determining the principles of transfer policy and inter-budget relations, which will include:

- granting financial independence of local budgets;
- allocation to local budgets of stable sources of revenue and expansion of the revenue base of local budgets, simultaneously identifying standardized regulations concerning deductions from the tax on personal income and corporate income tax for each type of budget;
- division of powers between the executive bodies and local self-governments bodies at various levels so as to ensure their most efficient implementation based on the principle of subsidiarity and ensuring that the powers of local self-government bodies correspond to the volume of their financial resources;
- implementation of effective mechanisms for realization of the right of communities to voluntary associations so as to generate a proper logistical and financial base for local communities, thus introducing direct inter-budget relations between the united communities and the state budget;
- change of the current mechanism of fiscal regulation and leveling of the tax capacity of territories by the new system;



Changes to the Budget and Tax Code. The text of the draft law will be developed and implemented along with the decentralization reform.

8

ENHANCE MONITORING OVER THE USE OF PUBLIC FUNDS BY AUTHORITIES.

Participation in drafting regulations aimed at the establishment of the Service of Financial Investigations – a single body for the prevention, detection, inquiry and investigation of economic crimes against the state.



A draft law will be ready by autumn 2016.



HEALTHCARE SYSTEM REFORM



DESCRIPTION OF THE REFORM

The development of an insurance healthcare model that would ensure just access of the citizens to medical services guaranteed by the state and determine the delineation of obligations in regard to health between the citizen, community, and the state, as well as will determine the role and responsibility of medical professionals. Creation of a system of public health within the new system of insurance healthcare to ensure constitutional rights of citizens to life and health, and full access to information that is important for health, as well as protection from main threats to life.

THE MAIN OBJECTIVES OF THE REFORM

- 1 Legitimize all possible sources for healthcare funding which are not prohibited by the Constitution. To minimize (exclude) informal payments from the healthcare system.
- 2 Maximally extend the rights and obligations of local communities and medical teams in regard to economic and medical activity of healthcare facilities for provision of accessible health care to people.
- 3 Regulate the issue of using the social consumption funds (budget funds and medical insurance) as a basis for guaranteeing the citizens common and just access to healthcare through the respective norms of the Constitution and the legislation.
- 4 Create a contemporary public health system, ensure sanitary and epidemiological well-being, ensure real access to the information on food products, consumer goods, and services that are important for one's health, and living environment (air, water, conditions of work and living, education, and upbringing of children).
- 5 Introduce the mechanisms of professional responsibility of medical professionals through the system of medical professions self-government.
- 6 Create effective legislative mechanisms for observance of the requirements of bioethics, medical ethics, and deontology in biological, medical, and pharmaceutical fields, and in the field of healthcare in accordance with norms of moral.

KEY ACTIONS OF THE REFORM

1

HARMONIZE THE CONSTITUTION OF UKRAINE WITH ACTUAL ECONOMIC REALITIES

Determine the scope of the state's obligations in regard to guaranteeing the rights of citizens and human rights to having an attainable level of health regardless of ethnicity, sex, age, social status or paying capacity; environment that is safe for living and actual access to information important for one's health; universal and equal access to medical services provided for by the state through joint system of financing and organizing healthcare with consideration of possibilities of all budget levels, and the country's economy in general. To ensure correspondence of article 49 to article 95 of the Constitution.



The draft law will be ready in January 2015.

2

ADOPT IN THE FIRST READING AND AS A WHOLE THE DRAFT LAW ON THE PROCEDURE OF CONTINUING REFORMATION OF THE HEALTHCARE SYSTEM IN VINNYTSIA, DNIPROPETROVSK, AND DONETSK REGIONS, AND KYIV CITY.

This Law determines organizational and legal principles of finishing reformation of the primary medical aid within healthcare system in Vinnytsia, Dnipropetrovsk, and Donetsk regions, and Kyiv City.



The draft law "On the Procedure of Continuing Reformation of the Healthcare System in Vinnytsia, Dnipropetrovsk, and Donetsk regions, and Kyiv City" has been registered at the Verkhovna Rada (Reg. No.2050 of 6 February 2015).

3

RENEW THE STATUSES OF ALL PARTICIPANTS OF THE HEALTHCARE SYSTEM.

Improvement of the fundamentals of healthcare legislation – harmonizing the rights and obligations of citizens, the state, healthcare system and medical professionals in accordance with modern political, social, and economic realities



The draft law will be ready in June 2015.

4

HARMONIZATION OF THE ANTI-TOBACCO LEGISLATION OF UKRAINE WITH DIRECTIVE 2014/40/EU

Introduction of new terminology in regard to tobacco products and their derivatives; Ban on use of flavoring agents/substances and their components; Prohibition to mark the packages with messages that create an image of less harmful cigarettes or promote sales; Regulation of the market of herbal products for smoking and electronic cigarettes; Submission of reports on ingredients and components to the Ministry of Healthcare and not to the Cabinet of Ministers of Ukraine; Increasing fines for violations.



The draft law "On Harmonization of the Laws, Rules and Administrative Provisions regarding production, presentation, and sale of tobacco and accompanying goods, and cancellation of Directive 2001/37/EC" is ready for submission to the Verkhovna Rada of Ukraine.

5

CREATE MODERN PUBLIC HEALTHCARE SYSTEM.

Introduction of mechanisms for state's ensuring constitutional guarantees to the citizens regarding their right to life and health, safe living environment and access to information that is important for health.



The draft law "On Public Health, Safety of Living Environment, and Ensuring Epidemic Welfare of Ukraine's Population" will be ready in September-October 2015.

6

INTRODUCE MECHANISMS OF PROFESSIONAL RESPONSIBILITY OF MEDICAL PROFESSIONALS THROUGH MEDICAL PROFESSION SELF-GOVERNMENT SYSTEM.

Legislative introduction of mechanisms for ensuring professional responsibility of doctors, pharmacists, chemists, and nurses through the instruments of self-regulation and self-government of their profession.



The draft law "On Professional Responsibility and Self-Government of Medical Professionals" will be ready in May 2015.

7

EXTEND THE RIGHTS OF MEDICAL TEAMS, LOCAL COMMUNITIES IN REGARD TO ECONOMIC AND MEDICAL ACTIVITIES OF HEALTHCARE FACILITIES.

Determine at the legislative level the principles of functioning and peculiarities of operation of healthcare facilities, the procedure of their establishment and closure; rights and obligations of local communities, state and other owners of healthcare facilities in regard to their financing and management; rights and obligations of medical staff in regard to management of economic and medical activity, disposal of property and entering contractual relations with property owners and commissioners of medical services; servicing the population at the cost of budget funds.



The draft law "On Healthcare Facilities and Medical Practice" will be ready in June 2015.

8

ENSURE ACCESS TO VITAL MEDICATIONS TO A WIDER RANGE OF PATIENTS.

This draft law aims to ensure the possibility to procure medications at the cost of the state budget with involvement of international procurement organizations that provide medication procurement services to states and other agents in order to apply transparent procurement procedures and save budget costs, which will help provide Ukrainian patients with vital, effective, safe, and quality medications.



The draft Law "To Amend Several Legislative Acts of Ukraine (re ensuring timely access of patients to the necessary medications by public procurement with engagement of international procurement organizations)" will be ready for submission to the Verkhovna Rada of Ukraine in March 2015.

9

ENSURE ACCESS TO VITAL MEDICATIONS TO A WIDER RANGE OF PATIENTS.

The draft law presupposes amending the Tax Code of Ukraine in order to exempt from VAT the operations of import and supply of medications procured by international procurement organizations, which would allow for decreasing the price of such medications, and ensure access of a wider range of patients to them.



The draft law "To Amend the Tax Code of Ukraine (re VAT exemption of medication import operations)" will be ready for submission to the Verkhovna Rada in March 2015.

PENSION REFORM



DESCRIPTION OF THE REFORM

The pension system in Ukraine is socially unfair and inefficient, as there is a lack of financial resources to cover the needs of the Pension Fund, and the financial support of the retired persons is below standard. Immediate implementation of the second level of the pension system shall prevent the default of the Pension Fund and create conditions for the development of the financial sector of Ukraine. The aim of the reform is to create a new social and economic model of pension coverage matching the situation in the country and securing a long-term growth of economy and public welfare.

The pension reform shall mutually agree with the reforms of the public finance system, taxation system, social policy, and financial market.

THE MAIN OBJECTIVES OF THE REFORM

- 1 Gradually transform the pay-as-you-go pension scheme into the system of social support of low-income citizens who have not saved the money due to objective reasons.
- 2 Implement the second level of the pension system as such that encourages to choose the retirement age voluntarily.
- 3 Differentiate the fees payable to the pension funds depending on the job class or the level of responsibility, especially for government offices and high-risk occupations.
- 4 Formalize within the savings system that employees have the right to possess their pension contributions, as well as those made by the employer, and, as a result, the right to bequeath them, should they pass away before reaching the retirement age
- 5 Differentiate the pensions at the sole expense of personal contributions.
- 6 Render active the third level of the pension system.
- 7 Form the domestic investment resource and cut down its cost.
- 8 Promote a responsible attitude towards one's life after the retirement.
- 9 Cut down pension expenditures of the pay-as-you-go pension scheme to a moderate level (in a long-term perspective – to not more than 10% of the GDP).
- 10 Cut down pension expenditures of the pay-as-you-go pension scheme to a moderate level (in a long-term perspective – to not more than 10% of the GDP).
- 11 Achieve a generation balance.

KEY ACTIONS OF THE REFORM

1

LAY DOWN THE LEGISLATIVE PRINCIPLES FOR REFORMING THE PENSION SYSTEM

The document shall be presented in the form of a Concept and shall have the following chapters: description of the problems; short-term and long-term measures to overcome them; the list of regulatory legal acts, performance periods, and the persons responsible for their preparation.



The concept of the pension system reform (shall be prepared by 01.06.2015).

2

REFORM LEVEL I OF THE PENSION SYSTEM — PAY-AS-YOU-GO PENSION SCHEME

A pay-as-you-go pension scheme shall gradually transform into the system of social security (welfare payment) and shall depend on the level of income of the retired person and their family (household).



The draft law "On Mandatory State Pension Insurance" (new version). Shall be prepared by 01.07.2015.

3

REFORM THE OLD-AGE WELFARE SYSTEM

After the person becomes 65 years of age, the payments from the Old-Age Welfare Fund shall match the minimum subsistence level provided the person's savings did not exceed this level. The terms of payment depend on the income of the retired person and their family (household).



The draft law under working title "On the Old-Age Welfare Fund." Shall be prepared by 01.09.2015.

4

REFORM LEVEL II OF THE PENSION SYSTEM — SAVINGS SCHEME

Immediately implement a savings pension scheme, when the payment amount shall be formed from the savings of citizens and legal entities. Reform the system of supervision over the financial institutions in the system on non-governmental pension system.



The draft law "On Amendments to Several Legislative Acts of Ukraine regarding the Pension System Reform." Shall be prepared by 01.09.2015.

5

STIMULATE DEVELOPMENT OF LEVEL III OF THE PENSION SYSTEM (VOLUNTARY SAVINGS)

Immediately introduce tax benefits for the employers and the citizens in part of voluntary pension savings.



The draft law "On Amendments to the Tax Code." Shall be prepared by 01.09.2015.



INTRODUCTION OF A FREE-TRADE ZONE AND ACCESS OF UKRAINIAN PRODUCERS TO THE EUROPEAN UNION MARKET



DESCRIPTION OF THE REFORM

EU-Ukraine Association Agreement is, first of all, an 'economic' document focusing on a number of sectoral reforms and the issues of domestic and foreign trade in particular. Introduction of a free-trade zone and access of domestic producers to the European Union markets is one of the top-priority aspects of the Association Agreement implementation.

To prepare for a free-trade zone, it is necessary not only to remove customs barriers to the access of Ukrainian goods to the European Union markets, but also to implement a number of important reforms to lift sanitary, phytosanitary, and technical barriers in Ukraine-EU trade, to promote domestic competition, to streamline customs clearance procedures, etc.

To introduce a free-trade zone and provide access of domestic producers to the European Union markets, the following actions should be taken:

- 1 harmonization of Ukrainian laws on sanitary and phytosanitary measures with the EU law;
- 2 improvement of the national antimonopoly laws in line with the European practices;
- 3 bringing customs legislation and procedures of Ukraine in line with the EU practices;
- 4 implementation of the EU directives and regulations, as well as European standards in the sphere of industrial (non-food) production in Ukraine in accordance with the new laws adopted in 2010-2015.

THE MAIN OBJECTIVES OF THE REFORM

- 1 Effectively implement the EU-Ukraine Association Agreement, especially the free-trade zone;
- 2 Increase the volume of mutual trade in animal production between Ukraine and the EU and to improve safety and quality of the production sold in the domestic market of Ukraine;
- 3 Bring the customs legislation and procedures of Ukraine in line with the EU practices to promote development of bilateral international trade;
- 4 Secure transparent activity of the Antimonopoly Committee of Ukraine and guarantee effective realization of rights of persons in the relations with the bodies of the Antimonopoly Committee of Ukraine;
- 5 Improve the rating of Ukraine in Doing Business ranking and create favorable conditions for international trade, business operations, and investments;
- 6 Guarantee that conformity certificates for the industrial (non-food) production are mutually recognized both in Ukraine and the EU;
- 7 Create a common market with EU in the area of industrial (non-food) production and increase exports of such production from Ukraine and the EU.

KEY ACTIONS OF THE REFORM

1

FURTHER ADAPTATION OF UKRAINIAN LEGISLATION IN PART OF SANITARY AND PHYTOSANITARY MEASURES

- 1) It is necessary to adopt the law "On Feeding Stuff" to form the national system of food safety in accordance with the basic principle of the EU food law, when the safety of a food product is controlled through the whole food supply chain – 'from field to table';
- 2) It is necessary to adopt the law "On Informing the Consumers about the Qualities of Food Products", as:
 - the issue of food products labeling is currently regulated by a number of regulatory legal acts, which leads to legal collisions and inflicts business losses;
 - new food products labeling rules came into effect in EU in December 2014, and they have to be taken into account while preparing a respective draft law in Ukraine.



Draft laws "On Feeding Stuff" and "On Informing the Consumers about the Qualities of Food Products" (the draft law published on the website of the Ministry of Public Health can be taken as a basis, but it can be submitted to Parliament only after review and improvement) are being finalized.

The Law of Ukraine "On Amendments to Several Legislative Acts of Ukraine regarding Food Products" (Reg. No. 1602-VII of 22.07.2014). In force.

The Law of Ukraine "On Amendments to Several Legislative Acts of Ukraine regarding Identification and Registration of Animals" (Reg. No. 1648-VII of 14.08.2014). Comes in force 20.09.2015.

2

IMPROVEMENT OF THE NATIONAL ANTIMONOPOLY LAWS IN LINE WITH THE BEST PRACTICES OF THE EU

- 1) Adoption of the law "On Amendments to the Laws of Ukraine on Competition regarding Introduction of the Methodology of Calculating the Penalties Imposed for the Violation of Laws on Competition" should help to set transparent rules of game, as well as clear and predictable sanctions for the economic entities violating the antimonopoly laws. The existing mechanism of penalizing is non-transparent, while different companies are given different penalty rates for the same violations;
- 2) Adoption of the law "On Amendments to the Law of Ukraine "On Protection of Economic Competition" regarding Simplified Procedure of Processing an Application for a Concentration Permit" should streamline processing of applications for concentration permits and operations that have a major impact on the competition in Ukraine. Today most of the transactions which have no impact on the competition in Ukraine require a preliminary permit of the Antimonopoly Committee of Ukraine. It takes a long time to prepare and review the application, which makes the parties delay the transaction completion until the permit is obtained, whereas concentration has no impact on the competition in Ukraine.



The draft law "On Amendments to the Laws of Ukraine on Competition regarding Introduction of the Methodology of Calculating the Penalties Imposed for the Violation of Laws on Competition" (to develop and adopt the penalizing methodology, amendments shall be introduced to the Laws of Ukraine "On the Antimonopoly Committee of Ukraine", "On Protection of Economic Competition", and "On Protection from Unfair Competition") is being finalized. The draft law "On Protection of Economic Competition" regarding Simplified Procedure of Processing an Application for a Concentration Permit" is being finalized.

3

BRING THE CUSTOMS LEGISLATION AND PROCEDURES OF UKRAINE IN LINE WITH THE EU PRACTICES

- 1) It is necessary to adopt the law "On Implementation of (EU) Regulations Stipulated by the Association Agreement" to streamline customs clearance in accordance with the EU standards; to introduce an integrated transit procedure during the movement of goods across the Ukraine-EU border; to improve the regulations on the protection of intellectual property rights during the movement of goods; to bring the system of customs duty exemptions in line with the EU practices.
- 2) It is necessary to adopt the law "On Introduction of a Single Point of Contact" to: reduce extra regulatory burden on the economic operators; to abolish redundant types of governmental supervision; to submit all the permits in an electronic form only; to introduce a risk-oriented approach to the determination of the objects of supervision and the principle of tacit consent during the issue of permits.



The draft law "On Amendments to the Customs Code of Ukraine" (re Implementation of (EU) Regulations Stipulated by Clause 84 of the EU-Ukraine Association Agreement) is being finalized. The draft law "On Amendments to the Customs Code of Ukraine and Several Other Legislative Acts regulating the Movement of Goods Subject to Restrictions Across the Customs Border of Ukraine" (regarding Introduction of a Single Point of Contact) is being finalized.

4

REMOVE NON-TARIFF BARRIERS TO TRADE BETWEEN UKRAINE AND THE EU (GAIN ACCESS OF INDUSTRIAL GOODS TO THE EUROPEAN MARKET)

Adoption of the necessary laws should help to abolish the Soviet standards and adopt, instead of them, technical regulations laying down basic requirements for the product safety and the European standards. Should the European regulations and standards be adopted and a corresponding agreement with the EU be signed, conformity certificates for the industrial production shall be mutually recognized – the EU shall recognize Ukrainian products, while Ukraine shall recognize the EU products without extra certification.



All basic laws in this sphere have been adopted. It is urgent to adopt the Strategy of Technical Regulation System Development For the Period up to Year 2020 by the end of the first quarter of 2015 and approve the action plan on its implementation. It is also necessary to draw up and adopt subordinate legislation to secure functioning of the new laws, as well as technical regulations in line with the EU law and European standards. The Law of Ukraine "On Standardization" (Reg. No. 1315-VII of 5.06.2014). In force since 3.01.2015. The Law of Ukraine "On Metrology and Metrological Activity" (Reg. No. 1314-VII of 5.06.2014). Comes in force on 1.01.2016. The Law of Ukraine "On Technical Regulations and Conformity Assessment" (Reg. No. 124-VIII of 15.01.2015). Comes in force on 10.02.2016.

ACCOMPLISHED

PROMOTING UKRAINE'S EUROPEAN INTEGRATION



DESCRIPTION OF THE REFORM

Ukraine's European integration policy will be pursued in accordance with the EU-Ukraine Association Agreement. The Agreement primarily focuses on key reforms designed to promote Ukraine's economic recovery and development, as well as good governance and sectorial cooperation in a number of spheres. The Agreement also includes compulsory rule-based regulations and cooperation arrangements. Special attention is paid to the issues of Agreement implementation and its further execution within the established deadlines.

THE MAIN OBJECTIVES OF THE REFORM:

One requirement of the EU Agreement calls for improved monitoring and evaluation of the implementation of projects and programs, including those in the sphere of budgetary aid. Proper evaluation provides feedback to public authorities to see whether the goals have been reached, and if the actions of the authorities have been useful for the citizens. It is also a basis for decision-making, proper planning, and effective management of budget funds. In addition, it guarantees that the authorities work in a transparent and open manner, creates conditions for improving state policy. Evaluation supports implementation of the European principles of good governance (effectiveness, performance, openness, and accountability).

Therefore, it is important to create a system of monitoring and evaluation of the results of the EU-Ukraine Association Agreement implementation. It is also necessary to determine the methodology of monitoring and evaluation of the EU-Ukraine Association Agreement and EU law implementation and to train the experts in monitoring and evaluation of policy documents aimed at the EU-Ukraine Association Agreement implementation. Public monitoring of the EU-Ukraine Association Agreement implementation shall also be introduced.

KEY ACTIONS OF THE REFORM

1

ANALYZE AN EXISTING SYSTEM OF PLANNING AND MONITORING POLICY DOCUMENTS ON THE IMPLEMENTATION OF THE ASSOCIATION AGREEMENT

Determine the structure, the issues, and the drawbacks of the system



Analytical document

2

EXPERT DEBATES OF THE POSSIBLE METHODS OF MONITORING AND EVALUATING THE ACTION PLAN TO IMPLEMENT THE ASSOCIATION AGREEMENT AND THE ACTION PLANS TO IMPLEMENT THE EU LAW

Engage a number of national and foreign experts in the debates



Expert conclusion

3

DEVELOP THE METHODOLOGY OF MONITORING AND EVALUATING THE ACTION PLAN TO IMPLEMENT THE ASSOCIATION AGREEMENT AND THE ACTION PLANS TO IMPLEMENT THE EU LAW

Develop the methodology and attract national and foreign experts to discuss the methodology and its instruments



Proposals regarding the methodology of monitoring and evaluation of the Action Plan to implement the EU-Ukraine Association Agreement

4

SELECTIVE MONITORING OF THE IMPLEMENTATION OF THE ACTION PLAN, ESP. A NUMBER OF SECTORAL DRAFT LAWS

Selective monitoring of particular items of the Action Plan



Report on the results of the selective monitoring of the implementation of the Action Plan, esp. a number of sectoral draft laws

5

PREPARE THE PROPOSALS REGARDING THE FORMAT OF THE NATIONAL PROGRAM ON THE IMPLEMENTATION OF THE ASSOCIATION AGREEMENT, DISCUSS AND ADVOCATE IT

Have the experts determine the format of the program and to organize a corresponding advocacy campaign.



Proposals regarding the format of the National Program on the Implementation of the Association Agreement
Results of the discussion and advocacy
A regulatory act to represent the stand of major stakeholders

6

PREPARE THE PROPOSALS REGARDING THE REQUIREMENTS SPECIFICATION FOR AN ELECTRONIC SYSTEM OF MONITORING OF THE NATIONAL PROGRAM ON THE IMPLEMENTATION OF THE ASSOCIATION AGREEMENT

Streamline the procedure of monitoring – to set the tasks and determine the requirements for an electronic system of monitoring considering the needs of the European Integration Office and other public authorities



A draft of the requirements specification

7

PREPARE THE PROPOSALS REGARDING THE FORMAT OF PUBLIC MONITORING OF THE IMPLEMENTATION OF THE EU-UKRAINE ASSOCIATION AGREEMENT

Develop an alternative point of view regarding implementation of the Association Agreement and to advocate the actions to be taken to implement the Agreement.



A project of the public monitoring methodology

8

ASSESS THE NEED OF TRAINING THE EXPERTS IN MONITORING AND EVALUATION OF POLICY DOCUMENTS ON THE IMPLEMENTATION OF THE ASSOCIATION AGREEMENT

Inquire the public authorities whether there is a need to train the experts



Needs assessment – analytical note

EDUCATION REFORM



DESCRIPTION OF THE REFORM

The Ukrainian education system does not meet the requirements of society in terms of its quality and performance management. There are numerous cases of corruption and abuse of office in educational institutions and education management bodies. The main objectives of the reform include decentralization of management; purification and renewal of the headship, community involvement in decision-making and monitoring of the condition of the system; improving the quality of education and bringing it closer to the needs of society and to the people who study; creating conditions for the existence of different types of educational institutions that provide quality education.

THE GENERAL PLAN OF REFORM IMPLEMENTATION

- 1 Amending the Constitution and legislation.
- 2 Implementation of new legislation, development of an appropriate regulatory framework.
- 3 Drafting projects that are not associated with changes in legislation and are aimed at the gradual transformation of education and its coming closer to the demands and needs of citizens.
- 4 Searching for and supporting public education initiatives.

THE MAIN OBJECTIVES OF THE REFORM

- 1 Amendments to the Article 53 of the Constitution of Ukraine
- 2 Preparation of suggestions to the basic Law "On Education", Law of Ukraine "On Preschool Education", "On General Secondary Education", "On Vocational Education", "On Postgraduate Education", "On Higher Education" and expert evaluation of relevant draft laws.
- 3 Implementation of independent professional certification for educators. Reform of the system of certification and professional development training for teachers.
- 4 Reform of the system of management and of the financial and economic mechanisms of the education system in Ukraine.
- 5 Introduction of external independent assessment of learning outcomes acquired at each educational level.
- 6 Development of alternative educational projects
- 7 Intensification of the application of modern technologies in educational management, organization of the educational process, monitoring of learning outcomes and implementation of automated information systems.
- 8 Pilot projects to test new tools for the management and organization of educational activity.

KEY ACTIONS OF THE REFORM

1

DRAFT A PROJECT OF AMENDMENTS TO THE CONSTITUTION OF UKRAINE AND SUGGESTIONS AS TO NEW LAWS PERTAINING TO EDUCATION.

Create a new field of Ukraine's educational system so as to improve the quality of Ukrainian education and bring it closer to the needs of society and EU standards



Draft amendments to the Constitution of Ukraine, suggestions as to the basic Law "On Education" and other laws pertaining to education.

2

REFORM THE SYSTEM OF HUMAN RESOURCES IN EDUCATION.

Implement certification for educational activities, reform the system of performance tests, mid-career training and salaries in education.



Draft regulatory instruments: Regulation on Certification of Educators, Regulation on Mid-career Training for Educators, Regulation on the Independent Agency for Certification of Educators.

3

DRAFT A ROADMAP OF REFORM IN THE SYSTEM OF EDUCATION MANAGEMENT AND FINANCING.

Review powers and accountability of managerial bodies at various levels, as well as functions and mechanisms of state and public control of education. Introduction of real autonomy of educational institutions. Develop the mechanisms of "bottom budgeting" based on the need to meet educational standards. Purify and upgrade the system of management.



Proposals to Laws of Ukraine "On Reforming the Management and Financing of Education" (educational basket, educational district, service center, etc.), Provisions on the Bureau for developing information systems in education and other draft regulatory documents.

4

CREATE LEGAL PRINCIPLES FOR INDEPENDENT EXTERNAL EVALUATION OF LEARNING OUTCOMES AT ALL EDUCATIONAL LEVELS

Enable to get education at any educational level only on the results of the independent external evaluation of learning outcomes at the previous level.



Draft Resolution of the Cabinet of Ministers of Ukraine on conducting the experimental independent external evaluation of graduates of primary and basic secondary school and students of the bachelor level in higher educational institutions. Resolution of the Cabinet of Ministers of Ukraine on participation of Ukraine in international comparative education studies.



REFORM OF THE SPHERE OF SCIENCE AND RESEARCH



DESCRIPTION OF THE REFORM

Contemporary economies of developed countries are based on knowledge. An economy is considered to be a knowledge economy if 40% of its GDP consist of high-tech and science-consuming technologies. Ukraine is in a strange situation – having a high scientific potential and highly qualified human resources, it lacks the economic power to use them so as to transform its economy from the resource-based into a knowledge-based one. Therefore, it is absolutely necessary to create new mechanisms for managing the scientific and research sphere, which would help Ukraine develop its full potential, without destroying the existing infrastructure.

Reform of the research and scientific sphere in Ukraine is aimed at creating a single National Research Environment that is open to the world and based on the domestic market, where there is free exchange of researchers, scientific knowledge and technology, and through which the government and commercial institutions can improve their scientific and technological logistics, competitiveness and opportunity to jointly address the major challenges of society, thus making the country competitive.

THE MAIN OBJECTIVES OF THE REFORM

- 1 To create an effective system of management of the scientific and research sphere based on the European principle of partnership between government bodies and the scientific community with the aim of attracting expert scientific community to make important managerial decisions in the sphere of science and research
- 2 To ensure the efficient use of public funds allotted to science and research-and-development activities by increasing the share of competitive research funding and establishing optimal proportions between baseline and grant funding.
- 3 To ensure the effective use of extra-budgetary funds of domestic origin and those coming from international cooperation to improve the existing research infrastructure and create an innovative one.
- 4 To implement an effective personnel policy, to establish the most favorable system of incentives for researchers at different stages of their scientific career, as well as a methodology for promoting science-related professions among young people.
- 5 To launch a system of independent, competitive and objective scientific expertise, to create a base for the expert community involving foreign experts.
- 6 To eliminate legal barriers to the integration of Ukraine into the European academic environment

KEY ACTIONS OF THE REFORM

1

PREPARE THE LEGAL FRAMEWORK FOR THE REFORM OF MANAGEMENT IN THE SPHERE OF SCIENCE.

Amend the Law of Ukraine "On Science and Scientific and Technical Activity" pertaining to the establishment of the National Research Council composed of the committee of advisers and executive committee for preparing strategies and priorities for the development of the scientific sphere, and their effective implementation.



Amendments to the articles of "Law on Research and Scientific and Technical Activity" (are being drafted).

2

CHANGE THE SYSTEM OF FINANCING SCIENCE.

Establish effective mechanisms for funding research through establishment of the National Research Foundation while ensuring the basic science funding at 0.5% of GDP and competitive financing – at 1%; as well as to defend intellectual property rights and attract extra-budgetary funds of internal and external origin.



Amendments to the articles of "Law on Research and Scientific and Technical Activity", new Law of Ukraine "On the National Research Foundation" (are being drafted).

3

CREATE THE LEGISLATIVE FRAMEWORK FOR THE FUNCTIONING OF INDEPENDENT SCIENTIFIC EXPERTISE IN UKRAINE.

Formulate the basic principles of scholarly, scientific and technical expertise, methods and principles of recruitment of experts, certification of research institutions and assessment of scientific projects.



New Law of Ukraine "On Research and Scientific and Technical Expertise" (is being drafted).

4

CREATE LEGAL FOUNDATIONS FOR UKRAINE'S INTEGRATION INTO THE INTERNATIONAL SCIENTIFIC COMMUNITY

Lay the foundation for establishment and development of national research infrastructures and networks of key laboratories and their integration into the network of European scientific infrastructures, as well as to draft effective legislation that can ensure mobility for Ukrainian scientists; in particular, opportunities to have academic internships abroad, including long-term ones.



Draft Resolution of the Cabinet of Ministers of Ukraine "Regulations on Academic Trips and Internships."

Draft Resolution of the Cabinet of Ministers of Ukraine "On the Procedure of Joining the European Research Infrastructures Consortium (ERIC) and Consent of Ukraine to be Bound by the International Treaty."

The key document in the making: Draft law "On Amendments to the Law of Ukraine on Research and Scientific and Technical Activity" is being drafted in cooperation with Verkhovna Rada Committee on Education and Science and the Ministry of Education and Science.

REFORM OF NATIONAL SECURITY AND DEFENSE



DESCRIPTION OF THE REFORM

The reform aims at protecting vital interests of human beings and citizens, society and the state.

For the whole period of Ukraine's existence, national security and defense were ensured by leading an exhaustive public policy following the laws, doctrines, concepts, strategies and programs in all spheres adopted according to the respective procedures. However, underestimation in the military sphere, lack of attention to military organization of the state, and its constant underfunding lead to substantial deterioration of Ukraine's defense potential. In conditions of violation of geopolitical balance in the world, Ukraine appeared to be incapable of resisting new challenges and threats.

New threats that appear all the time in foreign, domestic, economic and other spheres are not found in time, and are not prevented. Inability of governmental agencies to react promptly to appearing challenges proves the system of national security imperfect. Therefore, it is undeniable that the system of national security and defense requires immediate reformation, and the main policy trends in regard to national security should be reconsidered.

Reform of Ukraine's national security and defense envisages analyzing the problems in this area, developing a number of practical recommendations and draft laws, and ensuring public control over the activity of agencies involved in national security and defense.

THE MAIN OBJECTIVES OF THE REFORM

- 1 Ensure implementation of the state policy regarding prognosis, timely discovery, prevention and neutralization of threats to national interests in foreign and domestic spheres, in the sphere of state defense and protection of the state border of Ukraine, in information, environmental, social, and humanitarian spheres, as well as in the spheres of combating corruption, law enforcement, and migration policy.
- 2 Prepare draft legislative acts in order to amend the current legislation on national security and defense and bring it into conformance with contemporary challenges and threats.
- 3 Initiate measures of democratic civic control over defense planning, as well as strategic planning of armed forces and other military formation use on the basis of the reviewed legislation on defense.
- 4 Develop proposals on reforming the system of national security and defense of Ukraine and improve its functioning.
- 5 Take measures on realization of the public control over the activity of agencies ensuring national security and defense. To provide advisory and expert assistance to the people's deputies of the Verkhovna Rada of Ukraine for parliamentary control over the military organization and law enforcement agencies
- 6 Extend proposals on realization of the state information policy in conditions of aggression, as well recommendations on counteracting the informational war of the Russian Federation.

KEY ACTIONS OF THE REFORM

1

PREPARE AMENDMENTS TO THE LAW OF UKRAINE "ON PRINCIPLES OF DOMESTIC AND FOREIGN POLICY OF UKRAINE" REGARDING ABOLITION OF UKRAINE'S NON-PARTICIPATION IN MILITARY AND POLITICAL ALLIANCES

The Law of Ukraine "On Principles of Domestic and Foreign Policy" (Article 11. The Principles of foreign policy, clause 2) determines among the main principles of foreign policy observance of non-aligned status, which determines Ukraine's non-participation in military-political alliances, priority of participation in improvement and development of the European system of collective security, continuation of meaningful partnership with the NATO and other military-political blocks in regard to all issues that are of mutual interest. This provision of the law limits the possibilities of Ukraine to use international system of collective security for protection of its sovereignty and territorial integrity.

Adopted as a whole, signed by the President.



ACCOMPLISHED

2

AMEND THE LAW OF UKRAINE "ON THE FOUNDATIONS OF THE NATIONAL SECURITY OF UKRAINE"

In its current version, the law contains a list of threats that are not topical or of high priority in current circumstances. Primarily, it is necessary to determine real threats detected as of now both in the military sphere, and in the sphere of state border security. These spheres should be separated, for this influences the tasks and functions of different agencies ensuring national security and defense. According to the list of threats specified in Article 8 of the law, it is necessary to clearly define the trends of state policy on national security in the above-mentioned spheres.

A draft law "To Amend the Law of Ukraine "On Foundations of National Security of Ukraine is ready for submission to the Parliament.



3**PREPARE PROPOSALS IN REGARD TO IMPROVEMENT OF THE SYSTEM OF MATERIEL AND TECHNICAL SUPPORT OF THE ARMED FORCES OF UKRAINE**

The experience of military operations in the ATO area has revealed a number of drawbacks in the system of materiel and technical support of the Armed Forces of Ukraine (AFU), which appeared as a result of ill-considered reformation of the AFU during the previous years. Proposals regarding improvement of the system of materiel and technical support of the Armed Forces of Ukraine are aimed at their prompt restoration.

The analysis of the existing system of technical support of the Armed Forces of Ukraine and recommendations concerning their implementation have been sent to the Administration of the President of Ukraine and the Ministry of Defense of Ukraine

**4****PREPARE A DRAFT LAW “ON THE SOCIETY FOR SUPPORT OF UKRAINE'S DEFENSE”**

The above-mentioned draft law aims at systematization of norms of the laws of Ukraine and resolutions of the Cabinet of Ministers of Ukraine on preparation of Ukrainian citizens to protect their homeland. Its adoption would facilitate legal regulation of relations connected with activities of the Society.

The draft law “On the Society for Support of Ukraine's Defense” to be prepared by 30.02.2015

**5****AMEND SOME LEGISLATIVE ACTS OF UKRAINE ON BORDER ISSUES**

A draft law aims at regulating the relations between the subjects of national security in the cause of protecting and guarding the state border in accordance with the Constitution and the laws of Ukraine.

The draft law “To Amend and Supplement Several Legislative Acts of Ukraine on Border Issues” is ready for submission to the Parliament.

**6****PREPARE A DRAFT RESOLUTION OF THE CABINET OF MINISTERS OF UKRAINE “ON ESTABLISHMENT OF A SPECIAL FORMATION – DEFENSE FORCES OF TERRITORIAL COMMUNITIES”.**

The draft resolution of the Cabinet of Ministers of Ukraine “On Establishment of a Special Formation – Defense Forces of Territorial Communities” determines legal grounds for activity of territorial communities that will be able to master the skills of protecting their homes, villages, towns and cities from military and terrorist threats, and participation in liquidation of emergencies on a voluntary basis.

The draft resolution of the Cabinet of Ministers of Ukraine “On Establishment of a Special Formation – Defense Forces of Territorial Communities” to be prepared by 28.02.2015.

**7****PREPARE PROPOSALS REGARDING AMENDMENT OF “PROVISIONS ON PREPARATION OF RECRUITS IN MILITARY AND TECHNICAL PROFESSIONS” APPROVED BY THE CABINET OF MINISTERS OF UKRAINE ON 30 NOVEMBER 2000 NO. 1770**

Ensure preparation of specialists for the AFU and other military formations, it is necessary to extend the circle of those who study military and technical majors.

Draft resolution of the Cabinet of Ministers of Ukraine to be prepared by 30.02.2015

**8****PREPARE PROPOSALS CONCERNING INTRODUCTION OF THE SYSTEM OF STRATEGIC PLANNING AND PROGNOSTICATION IN ORDER TO PREVENT THREATS TO NATIONAL SECURITY**

It is of crucial importance for Ukraine to form modern infrastructure of analytical activity, to establish a system for monitoring and prognostication of threats to national security of Ukraine. Introduction of the system of strategic planning and prognostication to prevent the threats to national security requires intellectual, and research and expert support.

Expert assessments and methodological recommendations on introduction of the system of strategic planning and prognostication to prevent threats to national security to be prepared by 30.04.2015.

**9****ANALYZE THE DRAFT LAWS REGISTERED AT THE VERKHOVNA RADA OF UKRAINE, WHICH ARE PREPARED UNDER THE GUIDANCE OF THE COMMITTEE ON NATIONAL SECURITY AND DEFENSE, AS WELL AS SUPPORTED AND LOBBIED BY IT**

A number of draft laws pertaining to the sphere of national security and defense have been submitted to the Verkhovna Rada. These draft laws are aimed at regulating state policy in conditions of challenges and threats. However, they were not considered or were sent for revision by the Verkhovna Rada of the previous convocation.

Amendment of the Law of Ukraine “On Foundations of the National Security of Ukraine” regarding determination of energy security of Ukraine.
The draft law on measures to ensure national security in economy in conditions of armed aggression against Ukraine.
Amendment of the Law of Ukraine “On the Legal Status of the Military Law” (regarding peculiarities of power termination in the period of military law).
Amendment of the Law of Ukraine “On Social and Legal Protection of Servicemen and Members of Their Families” (regarding provision of financial assistance to participants of the anti-terrorist operation).
Amendment of the Law of Ukraine “On Mobilization Training and Mobilization” regarding intensification of social protection of families of the mobilized.
Amendment of the Law of Ukraine “On Military Duty and Military Service” (regarding pre-army training in educational institutions).
Draft law on the principles of information security of Ukraine.
Amendments to the Strategy of the National Security of Ukraine and the Military Doctrine of Ukraine. From 1.12.2014 to 1.05.2015.



REFORM OF THE NATIONAL MEMORY POLICY



DESCRIPTION OF THE REFORM

The reform has three key objectives:

- 1 Restoration of national memory providing access to the history that was prohibited by repressive regimes.
- 2 Overcoming totalitarian legacy, implementation of decommunisation of public relations aimed at developing democratic practices, respect for human rights and freedoms and public tolerance.
- 3 Restoration of justice for victims of political repression, genocide, crimes against humanity and war crimes that took place in Ukraine in 1917–1991, as well as honoring fighters for freedom and independence.

KEY OBJECTIVES

- 1 Implement coherent policy of national memory in Ukraine.
- 2 Ensure proper functioning of institutions responsible for the policy of national memory.
- 3 Implement a European approach to granting public access to documents of Soviet oppressive bodies of 1917–1991. Establishment of a special archive for preservation and open processing of the documents of repressive bodies of the former USSR as a Branch State Archive of the Ukrainian Institute of National Memory.
- 4 Promote public understanding and tolerance through broad national dialogue.
- 5 Preserve memory and open access to falsified or concealed facts about the Ukrainian liberation movement in the twentieth century.
- 6 Contribute to creation of a Museum of Maidan/Museum of Liberty.
- 7 Establish cooperation with member-countries of the European Union so as to get Ukraine involved in relevant pan-European programs, projects and networks.
- 8 Promote establishment of the National Pantheon in Kyiv, develop guidelines to public policy concerning memory sites, including graves of those who died for Ukraine

KEY ACTIONS OF THE REFORM

1

DETERMINE THE PRINCIPLES OF THE NATIONAL MEMORY POLICY AND STRENGTHEN THE INSTITUTIONAL INDEPENDENCE OF THE UKRAINIAN INSTITUTE OF NATIONAL MEMORY.

The reform will involve key principles of policy implementation, regulate and determine the procedure of functioning and powers of the Ukrainian Institute of National Memory, equivalent to similar institutions in the EU, as well as ensure the greatest possible independence of the UINM of any current political moment. The innovation will be based on the best practices of Central and Eastern European countries, such as Poland, the Czech Republic, Lithuania and others.



- 1) Resolution of the CMU of July 9, 2014 No. 292 "The Issue of the Ukrainian Institute of National Memory";
- 2) Resolution of Verkhovna Rada of Ukraine of February 11, 2015 No. 184-VIII "On Celebration of Memorable Dates and Anniversaries in 2015";
- 3) Draft law "On the Principles of the Policy of National Memory and UINM." Conceptual vision.

2

PROVIDE OPEN ACCESS TO DOCUMENTS OF THE SOVIET REPRESSION BODIES OF 1917-1991. TO PROVIDE FOR ESTABLISHMENT OF THE ARCHIVE OF NATIONAL MEMORY.

This will help introduce European standards of access to the archives of the USSR repressive system. As documents that contain information about large-scale violations of human rights, these materials cannot be classified or secret.

The reform will open access to information and identify the criteria of documents falling within a special law.

A draft law "On Access to Archives of Internal Affairs Bodies and Repressive Bodies for the Period of 1917–1991." Ready for presentation in Verkhovna Rada.



3

MAKE POLITICAL AND LEGAL ESTIMATE OF CRIMES OF THE COMMUNIST REGIME AND BAN PROPAGANDA OF TOTALITARIAN SYMBOLS

The action is aimed at laying the foundation for carrying out large-scale decommunization by condemning totalitarian Communist and Nazi regimes. It implies prohibiting any propaganda of totalitarian symbols, making public information about crimes against humanity and commemorating the victims of both regimes. It will be legislatively required to replace communist place names, and introduce certain restrictions as to employment of totalitarian symbols and proper names in the names of populated localities, streets etc. Adoption of this law will contribute to the impossibility of returning to totalitarian practices.



A draft law "On Condemning Communist and National Socialist (Nazi) Totalitarian Regimes in Ukraine and Prohibition of Propaganda of Their Symbols." Ready for submission to Verkhovna Rada.

ACCOMPLISHED

4

RECOGNISE AND COMMEMORATE THE FIGHTERS FOR THE INDEPENDENCE OF UKRAINE IN THE 20TH CENTURY.

It will determine the status of participants in the struggle for the independence (restoration) of the Ukrainian state in the 20th century; and provide for the public recognition of those who fought against totalitarian occupation regimes.

Today, when Ukrainians again have to take up arms to defend their independence, it is very important to redress this decade-long negligence, since it will attest to the importance of fighting for your own state and serve as a kind of a guarantee that no citizen who defends the right to sovereignty will be forgotten.



1) Decree of the President of Ukraine of October 14, 2014 No. 806/2014 «On the Day of the Defender of Ukraine»;

2) Draft law "On the Legal Status and Commemoration of Participants in the Struggle for the Independence of Ukraine in the 20th Century."

ACCOMPLISHED

5

RESTORE THE RIGHTS OF VICTIMS OF REPRESSION OF THE COMMUNIST REGIME

It will establish a legal mechanism for completing the restoration of historical justice, settlement of social relations pertaining to the restoration of civil, social, economic, political, cultural and spiritual rights and freedoms of citizens, rights and interests of social, religious and ethnic groups who fell victims to tyranny and lawlessness.

The goal is rehabilitation of citizens of Ukraine – victims of political repressions that took place between November 7, 1917 and August 24, 1991 in the former Soviet Union, in particular in Ukraine, including the Autonomous Republic of Crimea, as well as in the territories of states where during and after the Second World War Soviet troops were temporarily deployed; restitution of their civil rights; compensation for their moral and material damage; as well as elimination of other social consequences of the rampage of the totalitarian regime.



A new version of Law "On Rehabilitation of Victims of Political Repression"

ACCOMPLISHED

6

INTRODUCE COMMEMORATION OF THE VICTIMS OF THE SECOND WORLD WAR AND THE VICTORY OVER NAZISM IN ACCORDANCE WITH THE EUROPEAN TRADITION OF COMMEMORATION

This will facilitate transformation of memory and traditions of honoring the end of the Second World War in Europe, namely, substitution of the Soviet concept of the "Great Patriotic War" and glorification of war with the European tradition of honoring the victims of military action and condemnation of crimes committed by totalitarian regimes. The draft law should replace the current law "On Eternalizing of the Victory in the Great Patriotic War of 1941–1945", which replicates the corresponding Russian law and stop promoting postulates "of the Russian world" in regard to the memory of World War II.



A draft law "On Eternalizing of the Victory over Nazism in the Second World War of 1939–1945 years." Ready for submission to Verkhovna Rada.

ACCOMPLISHED

7

CREATE A MUSEUM OF MAIDAN/ MUSEUM OF LIBERTY AND PRESERVE THE MEMORY OF THE DEMOCRATIC MOVEMENT OF THE INDEPENDENCE PERIOD

This will imply creation of a museum dedicated to the three "Maidans" which contributed to the reinforcement of the democratic system in Ukraine. By so doing, we will enshrine the need to preserve the memory of the struggle for human rights and civil liberties. Establishment of such a museum will make it possible to both eternalize the memory of the people who died defending European values, as well as to carry out active information and educational campaigns aimed at promoting awareness concerning human rights and peaceful non-violent resistance.



A draft law No. 2058 "On Eternalizing the Memory of the Revolution of Dignity of 2013–2014." Submitted to the Parliament.



E-GOVERNMENT REFORM



THE OBJECTIVE OF THE REFORM

Leverage information and communication technologies to create an effective, responsible, and innovative system of government in Ukraine.

THE TASKS OF THE REFORM

- 1 Provide public services (administrative and electronic) online.
- 2 Maintain standards of electronic interaction between the public authorities and reuse of data in the information and communication systems of public authorities.
- 3 Provide electronic access to the governmental data.
- 4 Enable the public to participate electronically in policy-making.

KEY ACTIONS OF THE REFORM

1

PROVIDE PUBLIC SERVICES ONLINE

- Simplify public access to the services provided by the government.
- Create an up-to-date system of electronic identification and authentication of the users. Ensure multi-purpose use of secure e-authentication systems.
- Improve ICT skills of the public officials (in particular, concerning information security). Expertise and skills in this sphere shall become a part of the institutional culture of public officials.



The Green and the White Book of state policy on e-government, the concept and the draft law on "The State Special-Purpose Program on E-Government Development in Ukraine for Years 2015-2020", the draft law "On Electronic Signature and Electronic Identification", amendments to the Law of Ukraine "On Administrative Services", the draft law "On Administrative Procedure" / The Code of Administrative Procedures, normative acts "On the Concept of an Open Data Portal" and "On Technical Requirements for the Open Data Portal Development."

2

MAINTAIN THE STANDARDS OF ELECTRONIC INTERACTION AND REUSE OF DATA IN THE INFORMATION AND COMMUNICATION SYSTEMS OF PUBLIC AUTHORITIES

- Implement the principle of “single data registration”, whereby the citizens provide all the necessary data to the public authorities one time only, while the public authorities shall reuse this data to provide a range of services.
- Set up an integrated governmental technological platform / computer-integrated technologies which shall function in a coordinated and reliable fashion in various public sector institutions providing an uninterrupted exchange of information (systems interconnection, data integration, metadata content management, and access to the electronic services) between the public authorities.
- Guarantee security and privacy of personal data.
- Prepare a standardized list of governmental terms.



The Green and the White Book of state policy on e-government, the concept and the draft law on “The State Special-Purpose Program on E-Government Development in Ukraine for Years 2015-2020”, the draft law “On Amendments to Several Legislative Acts of Ukraine regarding Access to the Information in the Form of Open Data and Reuse of Information”, the draft law “On the Integrated System of Electronic Interaction.”

3

ELECTRONIC ACCESS TO THE GOVERNMENTAL DATA

- Improve online access of the citizens to their personal data. To develop a simple and effective system of online notification of citizens about the use and automatic processing of their personal data. To develop and use new technologies and services which allow the users to monitor how the public authorities gather their personal data and check who accessed their administrative data.
- Guarantee that non-personalized data (geographical, demographical, statistical, ecological, etc) shall be published in the format supporting electronic data processing.
- Provide online access to the information about legislation, other regulatory acts, state policy documents, programs, and budgets.
- Upgrade the existing telecommunication networks to provide high-speed and secure access to the governmental information.



The Green and the White Book of state policy on e-government, the concept and the draft law on “The State Special-Purpose Program on E-Government Development in Ukraine for Years 2015-2020”, amendments to the law “On Electronic Documents and Electronic Document Flow.”

4

ELECTRONIC PARTICIPATION OF THE PUBLIC IN POLICY-MAKING

- Secure participation of the public and the representatives of the private sector in the development of state policy in the sphere of e-government in Ukraine.
- Develop and secure use of effective, simple, ICT-based ways and methods of participation of the interested parties in the process of consultations, discussions, formation, and implementation of the state policy



The Green and the White Book of state policy on e-government, the concept and the draft law on “The State Special-Purpose Program on E-Government Development in Ukraine for Years 2015-2020”, amendments to the law “On Public Appeals.”

E-DEMOCRACY REFORM



DESCRIPTION OF THE REFORM

Profound democratic transformations require significant material resources, but more importantly they require enormous human effort. Therefore, the aim of e-democracy is to cut down on potential losses and reduce social tension by turning the dialogue between the citizens and the elected authorities into an effective instrument of cooperation.

E-democracy needs citizen-oriented and well-balanced rules and regulations. It is important to focus on the needs of the public and, if necessary, limit the powers of the public authorities. Recommendations of the Council of Europe Committee of Ministers put special emphasis on avoiding excessive regulation and leaving room for the initiatives of interested parties, especially civil society. Recommendations of the Council of Europe Committee of Ministers lay special emphasis on it.

THE MAIN OBJECTIVES OF THE REFORM

- 1 Develop and adopt a conceptual framework of e-democracy development in Ukraine by adapting European law and implementing international best practices.
- 2 Formulate the policy of e-democracy development and introduction in Ukraine by carrying out cross-industry analysis, drawing on the international experience, initiating wide public discussion of the policy, and informing the governmental authorities about public opinion
- 3 Develop a range of e-democracy instruments to establish effective interaction between the public and the authorities and to fully implement Article 5 of the Constitution of Ukraine.
- 4 Secure the use of e-democracy instruments to develop an effective process of community self-government

KEY ACTIONS OF THE REFORM

1

INTRODUCE AN INSTRUMENT OF E-PETITIONS TO THE MAIN GOVERNMENTAL AUTHORITIES AND LOCAL SELF-GOVERNMENT BODIES

Adopt the laws introducing e-petitions – an instrument of effective communication of the public with the main governmental authorities and local self-government bodies. To create an acceptable mechanism of immediate response to public challenges and needs. To make it possible for the citizens to submit petitions in an electronic form.



A draft law has been developed and approved by a joint working group involving representatives of the public and the Administration of the President of Ukraine. It is being prepared to be submitted to the parliament by the President of Ukraine.

2

DEVELOP A HOLISTIC POLICY ON E-DEMOCRACY INTRODUCTION AND DEVELOPMENT IN UKRAINE

Carry out cross-industry analysis, draw on the international best practices, and create a public policy paper on e-democracy introduction and development in Ukraine, including the Green and the White Book on e-democracy and an action plan. To have the main public authorities implement this document maybe in a form of a regulatory legal act.



A working group involving the experts of the E-Democracy Reform Group of the Reanimation Package of Reforms and external experts has been set up to develop the policy. The Green Book is being prepared; a vision of e-democracy has been formulated; a range of analyses is being carried out. Preliminary results are to be publicly discussed after the first iteration.

3

DEVELOP AND ADOPT A CONCEPTUAL FRAMEWORK OF E-DEMOCRACY INTRODUCTION IN UKRAINE DRAWING ON THE EUROPEAN EXPERIENCE

Develop a framework document (conceptual framework) on e-democracy introduction in Ukraine on the basis of adaptation of the European law (esp., Recommendations of the Council of Europe Committee of Ministers concerning e-democracy). To have all the interested parties (the public and the authorities) approve this document to ensure that they share the same understanding of e-democracy and cooperate within the corresponding conceptual framework (see Clause 2).



Recommendations of the Council of Europe Committee of Ministers are being translated into Ukrainian. The text of the conceptual framework is being prepared.

4

CREATE E-SERVICES FOR PUBLIC/NON-GOVERNMENTAL DEVELOPMENT OF E-DEMOCRACY INSTRUMENTS

Develop and launch public e-services to promote the instruments of e-democracy in line with the principle of e-democracy development in Ukraine whereby people are the source of power. To launch basic instruments of e-democracy and create new ways of communication in expert/public environment.



Web portal enarod.org is to be launched in the second quarter of 2015.

REFORM IN THE FIELD OF ENVIRONMENTAL PROTECTION



DESCRIPTION OF THE REFORM

To improve the condition of the environment within a short period of time and ensure sustainable development that will make it possible to keep and maintain a proper condition of the environment for future generations, it is necessary to implement policies aimed at protection, sustainable exploitation, renewal of natural resources, and environmental sanitation; to provide a proper system of accountability of the government, as well as specific officials and citizens for violations of environmental laws and to implement regulations granting sufficient funding for the sector.

THE MAIN OBJECTIVES OF THE REFORM

- 1 Ensure that necessary and sufficient strategic environmental assessment and evaluation of environmental effects is conducted for potentially hazardous environmental activities.
- 2 Launch an effective system of waste management, transportation and transformation into resources where possible. These measures are supposed to result in reduction of the amount of waste, especially the one that takes a long time to degrade and pollutes the environment; as well as in decrease of the area of landfill sites and waste dumps that do not meet environmental standards (that is to say, the vast majority).
- 3 Ensure harmless for health and environmentally safe treatment of hazardous waste by adopting corresponding legislation for dealing with hazardous waste and its disposal.
- 4 Generate a proper information policy concerning environment. To provide all citizens with the access granted by the Constitution of Ukraine to environmental information by creating a single all-Ukrainian electronic system for environmental information.

KEY ACTIONS OF THE REFORM

1

ENSURE THAT NECESSARY AND SUFFICIENT STRATEGIC ENVIRONMENTAL ASSESSMENT (SEA) AND ENVIRONMENTAL IMPACT ASSESSMENT (EIA) IS CONDUCTED FOR POTENTIALLY HAZARDOUS ENVIRONMENTAL ACTIVITIES

The new legislation on SEA and environmental impact assessment (EIA) must meet the following criteria:

- the EIA procedure must fully comply with the provisions of Directive 2011/92/EC (included in the Association Agreement between Ukraine and the EU);
- the EIA procedure should be consistent with the current procedure of granting construction permits according to the Law of Ukraine "On Urban Planning and Urban Development Activity" and other permits that are not related to construction but subject to this procedure in accordance with Directive 85/337/EEC (it is to be implemented by January 1, 2013 according to the Agreement on Energy Community) and in accordance with international agreements. This especially concerns the extension of the validity period of permits;
- since certain activities may affect the health of people and environment in other countries, the EIA procedure must comply with Espoo Convention on trans-boundary EIA procedures;
- the EIA mechanism as a whole should integrate relevant requirements in the nuclear legislation and corresponding decision-making procedures for projects in this area in Ukraine;
- the EIA procedure should ensure full-fledged public participation in decision-making in this sphere, access to information and generally conform to the Aarhus Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters;
- The mechanism should be as transparent as possible and not corrupt.



Draft Laws "On the Strategic Environmental Assessment" and "On Environmental Impact Assessment" that take into account these requirements have been developed in a working group jointly by the public and authorities. The final versions are being agreed upon.

2

REDUCE THE AMOUNT OF GENERATED WASTE WHICH TAKES A LONG TIME TO DECOMPOSE AND POLLUTES THE ENVIRONMENT, PARTICULARLY THAT OF PLASTIC

It is necessary to legislatively limit the circulation of disposable plastic products – specifically packets and other containers, which will reduce their volume and encourage production of more environment-friendly products.



The draft law is at the stage of a concept.

3

CLOSE THE EXISTING LANDFILLS AND WASTE DUMPS THAT DO NOT MEET ENVIRONMENTAL STANDARDS (OVER 90%), AND INSTEAD, TO OPEN NEW ONES MEETING EUROPEAN STANDARDS

At the first stage of settling the problem of household waste in Ukraine, it is vitally important to close the existing landfills that pollute the air, groundwater and soil and simultaneously create dumps that would meet environmental standards and accept waste for disposal at the first stage.



Rather than introducing changes to the legislation, the main tool consists in raising funds to close the old landfills and open new ones via state programs and international financing. The initiative is at the concept stage so far.

4

CREATE AN EFFECTIVE SYSTEM OF WASTE MANAGEMENT, WASTE SEPARATION, TRANSPORTATION AND TRANSFORMATION INTO RESOURCES WHERE POSSIBLE

Launch an effective national system of waste management that would begin with prevention of waste generation and ensure separate waste collection, transportation and transformation into resources wherever possible we need a fundamentally new model for regulation of these relations in Ukraine – i.e. division of responsibility for the generated waste, a model of funding of the unprofitable stages of waste disposal (such as transportation), encouraging citizens to assume more environmentally-friendly behavior. This model should be based on the calculation of the amount of waste per capita, the existing infrastructure, possible fare for people and legal entities, and other factors. It is necessary to provide for a separate special system of managing hazardous waste.



Draft Law "On Packaging and Packaging Waste." It is being comprehensively finalized by experts, among them a working group at the Ministry of Regional Construction.

5

CREATE A UNIFIED ELECTRONIC SYSTEM OF ACCESS TO ENVIRONMENTAL INFORMATION PRTR+ (EUROPEAN POLLUTANT RELEASE AND TRANSFER REGISTER) FOR AUTHORITIES AND THE PUBLIC SO AS TO PROVIDE EVERY CITIZEN WITH ACCESS TO ENVIRONMENTAL INFORMATION AND PROMOTE GOOD GOVERNANCE IN THE SPHERE OF ENVIRONMENTAL PROTECTION

Ukraine has no comprehensive electronic system of environmental information, despite repeated attempts to create it. The main issue is to obtain support from the Cabinet of Ministers of Ukraine and the Ministry of Ecology and Natural Resources so as to create a single unified electronic system of environmental information for all regions of Ukraine combining multifaceted information about permits, reports, examination results, etc. For full-scale implementation and operation of this system it is necessary to introduce some legislative changes.



Pilot elements of the system are already in operation in Lviv and partly in Volyn and Kyiv regions (<http://prtr.org.ua/>). Legislative changes are at the concept stage.

Reanimation Package of Reforms

Kyiv, 6A Olhynska Str.,
2-nd floor, office 21
067 401 20 48

platforma-reform.org
platforma.reform@gmail.com
www.facebook.com/platforma.reform
twitter.com/ReformsWeNeed

Reanimation Package of Reforms is the initiative
of public activists and journalists, who united
to promote reforms in Ukraine

