

# ROADMAP OF REFORMS

## 2019-2023

REANIMATION PACKAGE  
OF REFORMS



Roadmap of Reforms is an analytical visionary paper developed by experts of the coalition of civil society organizations Reanimation Package of Reforms in order to support appropriate elaboration and implementation of reforms in Ukraine.



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**CENTRE FOR DEMOCRACY  
AND RULE OF LAW**

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In this publication, experts of the Coalition of NGOs Reanimation Package of Reforms analyze the key issues and set the goals and objectives of the reforms that should be implemented in Ukraine in 2019-2023. A list of authorities responsible for decision-making is given for each state policy area, as is a list of coalition NGOs that are studying issues and proposing draft decisions in the relevant field.



# ROADMAP OF REFORMS

for 2019-2023

# PREFACE

This Roadmap of Reforms is an analytical vision document prepared by the experts of the coalition of NGOs Reanimation Package of Reforms.

RPR Coalition established after the 2014 Revolution of Dignity brings together more than 80 NGOs and about 300 experts that have joined their forces to support proper development and implementation of the reforms necessary for Ukraine.

The Roadmap of Reforms sets out the coordinated position of the coalition members on the goals and key tasks of reforms for Ukraine over the next 5 years.

What is the purpose of this document? It is to offer a program of changes for Ukraine which can be embedded in the electoral programs of those running for office at the presidential and parliamentary elections and then introduced by them in the state policy, in case of trust on the part of voters.

The Roadmap for Reforms is an open offer of the expert civil society for the politicians and society. This is the RPR's contribution to a professional and responsible debate on a program of change for Ukraine, which, unfortunately, is often replaced by populism and political technologies in the electoral period.

The structure of the document consists of the analysis of 21 state policy spheres which are thematically grouped into four general areas: rule of law and national security, public administration, economy and sustainable development, humanitarian development. The analysis of each sphere includes: description of the issues to be addressed by the reform, the goals and objectives of the reforms, the list of decision-making authorities.

The document has been developed by the coalition experts in cooperation with the specialists from the state and local self-government bodies, representatives of businesses and professional associations, experts of public organizations and political parties. The final stage of development was the public discussion of the RMR on the RPR website and in the format of open expert discussions.

Co-authors of the document and public organizations – coalition members who work in the respective areas of state policy are referred to at the beginning of each section of the Roadmap of Reforms.

The presented document is the third updated version of the Roadmap. The previous ones were developed in 2014 and 2016.

Hopefully, the Roadmap for Reforms will be a useful and applicable document that will contribute to the development of a public agenda for the necessary reforms and their high-quality implementation in Ukraine.

*Best regards,  
Reanimation Package of Reforms Team*

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# RULE OF LAW AND SECURITY



## CONSTITUTIONAL REFORM

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### THE FOLLOWING NGOs ARE MEMBERS OF THE RPR EXPERT GROUP:

- Centre of Policy and Legal Reform

## ISSUES TO BE SOLVED BY THE REFORM

After undergoing changes in violation of constitutional procedure in 2004, 2010 and 2014, the Constitution of Ukraine cannot serve as the legal basis for effectively organizing the state and society. Thus, it is doomed to be neglected both by the state and society. Public authorities (especially higher ones) when executing their powers are often guided by political expediency and manipulate constitutional provisions. The constitutional provisions are mere declarations and the constitutional governance mechanism varies depending on changes to unstable political interests.

Officials guilty of violating the Constitution have not borne any political or legal responsibility. Apart from inaction on the part of authorities, low public awareness of its provisions is also a cause. More than 50% of citizens have never read the Constitution.

Additionally, constitutional provisions contain a number of significantly profound short-

comings: a lack of clarity on the democratic principle, specifically, the declarative nature of the right of people to change and establish the constitutional order and the declarative nature of constitutional human and civil rights; the dependence of MPs on their respective political party leader (imperative mandate); discrepancy between the status of the President of Ukraine and the powers vested therein; the constitutional method of forming Government establishes conflict with regard to working in unison as a team thereafter; it creates an inefficient system of central executive bodies; a weakness of constitutional justice; prevents administrative and territorial reform and completion of decentralization reform, etc.

As a result, the unstable and indistinct Constitution is ineffective and cannot be used as the basis for much-needed social reforms, i.e. political, administrative, local self-government reform and decentralization.

### GOAL 1

### An effective and legitimate Constitution of Ukraine

1. Develop comprehensive constitutional changes through an inclusive process, extensive public consultations while taking into account the recommendations of the Venice Commission.
2. Change the Constitution of Ukraine in accordance with constitutional procedures.
3. Strengthen the role of civil society in the constitutional process by raising awareness of the ideology of constitutionalism and the provisions of the Constitution of Ukraine.

**DECISION-MAKING AUTHORITY:** Verkhovna Rada of Ukraine and the Ukrainian people through a nationwide referendum if amendments are made to Section I, III, XIII of the Constitution of Ukraine.

## GOAL 2

**The state ensures the implementation of constitutional rights and freedoms**

1. Define the realistic socio-economic rights of citizens in the Constitution of Ukraine based on the balance of obligations and resources of the state.
2. Establish effective mechanisms for securing constitutional rights and freedoms; specifically, legislatively regulate the implementation of constitutional rights and freedoms of people and citizens (participate in governance through national and local referendums, etc.).

**DECISION-MAKING AUTHORITY:** Verkhovna Rada of Ukraine.

## GOAL 3

**The state governance mechanism is capable of effectively managing the state for the benefit of Ukrainian society**

1. Consolidate the balance of power within the parliamentary-presidential republic, which would make it impossible for any of the senior officials to usurp power.
2. Strengthen the parliamentary system, in particular abolish the imperative mandate for MPs, change the procedure for parliamentary adoption of laws, along with the introduction of various kinds of legislative bills, and consolidate the key role of Parliament in forming Government.
3. Enshrine the status of Government which would enable it to effectively develop and implement a unified state policy. To this end, strengthen the role of Government in the legislative process and its accountability before Parliament. Reinforce the role of ministers in public policy in each relevant area.
4. Clearly delineate responsibility fields between the President of Ukraine and Government.

**DECISION-MAKING AUTHORITY:** Verkhovna Rada of Ukraine.

## GOAL 4

**Decentralized power with a competent local self-governance system in place**

1. Formalize in the Constitution of Ukraine an administrative and territorial system that would be the best for establishing competent local and regional self-governance in Ukraine.
2. Formalize in the Constitution competent local self-governance, i.e. establish guarantees for provision of material, financial and organizational resources to local self-governments for implementation of their own and delegated powers.
3. Establish effective state control over the legality of activities of local self-government bodies.

**DECISION-MAKING AUTHORITY:** Verkhovna Rada of Ukraine.

**GOAL 5****An effective mechanism for protecting the Constitution of Ukraine is in place**

1. Provide for effective accountability procedures for the President of Ukraine, MPs, and officials for constitutional violations. Namely, simplify the procedure of impeachment of the President of Ukraine, and limit parliamentary immunity.
2. Establish guarantees for the formation and functioning of an independent and professional Constitutional Court of Ukraine that is capable of defending the Constitution of Ukraine by legal means.
3. Impose criminal liability on officials guilty of violating the Constitution during the introduction of constitutional amendments in 2004, changes of the Constitution via the Constitutional Court in 2010, as well as the violation of constitutional rights of people and citizens during the Revolution of Dignity.

**DECISION-MAKING AUTHORITY:** Verkhovna Rada of Ukraine, regarding criminal punishment – the court based on a motion filed by the General Prosecutor's Office of Ukraine.





# JUDICIAL REFORM

## PROPOSALS WERE PREPARED BY THE EXPERTS:

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## THE FOLLOWING NGOs ARE MEMBERS OF THE RPR EXPERT GROUP:

- DEJURE Foundation, Centre of Policy and Legal Reform

## ISSUES TO BE SOLVED BY THE REFORM

Courts have always been social institutions with the lowest level of trust. In 2018, a mere 1.7% of citizens fully trusted the courts, and the overall level of trust did not exceed 8%.

Judicial reform, launched after the Revolution of Dignity, did not yield the desired results. Less than 1% of citizens consider the judicial reform to be quite successful.

The newly formed Supreme Court has not really become a new court. Almost 80% of its members are old judges, at least 29 judges of the new Court do not meet the criteria of integrity according to the opinion of the Public Integrity Council. For the most part, former heads of the eliminated higher courts have become the heads of the Supreme Court. Despite numerous appeals from the public to improve the procedures for the selection and evaluation of judges, they remained virtually unchanged.

Some progress was made through direct public participation in the clearing of the judiciary through the Public Integrity Council. Thanks to its activities, the criteria of integrity and professional ethics have been specified, and hundreds of judges and candidates for the position of judge have been assessed for the first time. Increased requirements for the declaration of property and family ties, as well as the need for checks and re-certification led to the fact that a significant number of judges (more than 2,000) voluntarily resigned. At the same time, procedures for the appointment and re-certification of judges have not become objective and transparent, which has prevented the effective upgrade of the judiciary. The High Qualification Commission of Judges composed of representatives of the judiciary by 2/3 has easily overcome the “veto” of the Public Integrity Council with regard to judges and candidates for a po-

sition of judge due to lack of real PIC's powers.

A full jury trial has not been introduced and advocacy reform has not been implemented. The potential of alternative (out-of-court) dispute resolution methods has not been realized. Justice is not friendly to vulnerable groups - children and people with disabilities.

In general, we are forced to say that, despite some shifts, judicial reform in Ukraine has failed.

This is due to the preservation of political control over the courts and the conservation of problems in the judiciary.

Corruption continues to exist in the judicial system, which is convenient not only for judges, but also for those who have the opportunity to “solve” their issues in courts through corruption, in particular malicious politicians, oligarchs. Collective responsibility and strength of corruption ties in the justice system have not been overcome and do not allow effectively counteracting corruption.

Courts' failure to ensure justice not only hinders the protection of human rights, negatively affects the credibility of the state, but also jeopardizes progress in other reforms. The lack of proper functioning of the justice system repels investors and impedes Ukraine's economic development.

Therefore, it is necessary to substantially revise those processes that constitute judicial reform in Ukraine, first of all, to change approaches to the formation of the judiciary bodies responsible for its implementation and grant a decisive role to independent civil society experts. It is also necessary to focus on improving standards for the training of lawyers and reducing state involvement in dispute resolution.

## GOAL 1

**Principles for the formation and operation of the judiciary bodies have been substantially changed to ensure effective clearing and renewal of the judiciary**

1. Change approaches to the formation of bodies for the selection of judges and bringing them to disciplinary responsibility (today such bodies are the High Qualifications Commission and the High Council of Justice). At least half of the members of these bodies should be the representatives of the public sector (human rights defenders, journalists, representatives of relevant NGOs).
2. Strengthen public influence on the competitive selection and assessment of judges through the Public Integrity Council until public representatives become members of the qualifications and disciplinary bodies.
3. Improve the qualification assessment procedures to ensure transparency of its results.
4. Implement a mechanism for reviewing the results of the current qualification assessment of judges.
5. Improve procedures for bringing judges to disciplinary responsibility in order to ensure the necessary balance between the rights of complainants and judges.

**DECISION-MAKING AUTHORITY:** Verkhovna Rada, High Qualifications Commission of Judges, High Council of Justice.

## GOAL 2

**High Anti-Corruption Court for the consideration of corruption cases involving highest officials has been established**

1. Establish the High Anti-Corruption Court in full compliance with the recommendations of the Venice Commission by conducting a transparent and fair competition, launch the High Anti-Corruption Court as soon as possible.
2. Amend the law to create a separate Anti-Corruption Chamber within the Supreme Court, form it according to the procedure for selecting anti-corruption judges.

**DECISION-MAKING AUTHORITY:** Verkhovna Rada, High Qualifications Commission of Judges, High Council of Justice.

## GOAL 3

**Full participation of citizens in legal proceedings has been ensured**

1. Introduce a jury trial where the jury will issue a verdict of guilty or not guilty, and the judge will pass a sentence based on the verdict. Expand the scope of the jury trial.
2. Create a mechanism for reviewing sentences passed on persons who have been randomly sentenced to long-term imprisonment for the crimes they did not commit, with the right to a jury trial.

**DECISION-MAKING AUTHORITY:** Verkhovna Rada.

## GOAL 4

**Vulnerable group friendly justice has been ensured**

1. Create an appropriate legal framework for the functioning of an effective system of child justice. Ensure proper protection and treatment of minors in contact with the law.
2. Concentrate efforts on the early withdrawal of juveniles from the criminal proceedings and preventive work on juvenile delinquency instead of punitive actions.

3. Introduce widespread use of alternative forms of punishment to minors in conflict with the law instead of imprisonment.
4. Ensure access to justice for people with disabilities, adult legally incapable persons and persons with limited legal capacity as per the Council of Europe's Strategy on the Rights of Persons with Disabilities (2017-2023) in accordance with European standards.
5. Determine the procedure for providing persons with disabilities with information on legal proceedings, the content and course of the trial in an accessible form, as well as personal assistance for their participation in court sessions.

**DECISION-MAKING AUTHORITY:** Verkhovna Rada, Ministry of Justice.

#### GOAL 5

**Effective mechanisms for protecting business rights have been created**

1. Introduce the possibility of resolving commercial disputes with significant property interests by a mixed court composition which will consist, in addition to a state judge, of authoritative lawyers delegated by business organizations (jurors to consider commercial cases).
2. Change the requirements regarding the competence, formation and operation of arbitration courts in order to ensure their full competence, independence and efficiency, to relieve judges and provide businesses with effective alternative dispute resolution methods.

**DECISION-MAKING AUTHORITY:** Verkhovna Rada.

#### GOAL 6

**Global standards in legal education and regulation of legal professions have been implemented**

1. Introduce legislatively European standards of legal education that would ensure training of professional high-qualified lawyers. Introduce external independent testing as a mandatory condition of getting access to legal profession.
2. Determine legislatively legal professions (attorney, judge, prosecutor, notary) and conditions of access to them, delimit them from other professions into which legal professionals may be involved.
3. Bring the legislation governing professional legal activity (judges, attorneys, prosecutors, notaries) into conformance with the best European practices, facilitate improvement of efficiency of self-government among law professionals.
4. Expand the powers and right guarantees of lawyers in order to ensure full protection of individuals in courts and pre-trial investigation bodies, ensure transparent and independent lawyer's self-government.

**DECISION-MAKING AUTHORITY:** Verkhovna Rada, Ministry of Justice, Ministry of Education and Science.

#### GOAL 7

**Ratified Rome Statute of the International Criminal Court**

1. The President of Ukraine shall submit to the Verkhovna Rada of Ukraine, on the legislative initiative, a draft law on the ratification of the Rome Statute, and the Verkhovna Rada of Ukraine shall adopt the law.

**DECISION-MAKING AUTHORITY:** President, Verkhovna Rada.



# REFORM OF LAW ENFORCEMENT BODIES

## THE FOLLOWING EXPERTS PREPARED THE PROPOSALS:

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## ISSUES TO BE SOLVED BY THE REFORM

In recent years, the system of law enforcement agencies in Ukraine has undergone changes designed to guarantee the security of every person. The ultimate goal of the reform is a state-of-the-art law enforcement system that focuses on providing services to the population and respecting human rights. Unfortunately, the changes that are taking place often fail not only to bring us closer to the stated purpose, but even have potential threats.

In particular, due to the lack of a strategic vision of reform, changes in the National Police are unsystematic in nature, and the process is often focused on the interests of the Ministry itself and the police rather than the needs of society. In 2015, a new Law “On the National Police” was adopted, it contains many progressive regulations on the procedure for the use of police measures, protection of human rights, and transparency of the procedure for the appointment of police officers. Finally, the delineation of powers has been carried out: the police head performs administrative functions while the minister provides political leadership. However, not all new positive innovations have been properly put into practice. Moreover, the crime rate is steadily high, and unified detective units and a simplified investigation procedure for misdemeanors have not been established yet. Pre-trial investigation bodies remain overloaded and ineffective.

The reform of the prosecutor’s office began after the Revolution of Dignity; it was one of the obligations before the Council of Europe and the requirement of the Constitution of

Ukraine though. The prosecutor’s office maintained a centralized militarized structure for a long time with an internal vertical subordination of prosecutors, which had been formed back in Soviet times. The new Law “On Prosecutor’s Office”, adopted in 2014, and the constitutional reform in the area of justice in 2016 finally deprived the prosecutor’s office of general oversight powers. In 2017, the prosecutor’s self-government bodies (conference and Council of Public Prosecutors), as well as the Qualification and Disciplinary Commission of Prosecutors began operating. In the same year, the prosecutor’s office was deprived of its powers of pre-trial investigation. However, a number of initiatives have not been carried out and an impact assessment of reforms has not been performed. Contrary to the provisions of the Constitution and the Criminal Procedural Code, investigative units of the prosecutor’s office continue to investigate crimes, and the prosecutor’s office is under heavy political influence. It also has not been deprived of the function of overseeing places of incarceration.

An important reform in the field of law enforcement should be the launch of the State Bureau of Investigations (SBI). SBI is a pre-trial investigation agency authorized to investigate crimes (other than those NABU is in charge of) committed by top politicians, MPs, senior civil servants, judges, prosecutors, police officers and other law enforcement officials. At present, competitive selection is taking place for all SBI levels, but the current legislative regulation is not fully conducive to successfully launching this body.

The issue of reconciling and bringing criminal and criminal procedural legislation in line with European standards is still a challenge. Since the CPC's (Criminal Procedure Code) adoption in 2012, the Code has been subjected to chaotic and non-systemic changes. Changes to the CPC and the Criminal Code of Ukraine have a significant impact on the effectiveness of the fight against crime, which has become a real challenge for law enforcement agencies. In particular, the effectiveness of the criminal justice system in general, including the workload on investigative and criminal intelligence units, the effectiveness of the criminal law and

adherence to the principle of inevitability of punishment, depend on the institution of misdemeanors.

Since December 2016, the activity of the tax police has remained beyond the law. Strong pressure by authorities on businesses is still high, and attempts to replace existing economic units of the police, the SSU (Security Service of Ukraine), and the tax police in order to improve the investment climate in Ukraine have been unsuccessful. Law enforcement agencies that investigate financial crimes should switch to analytical methods.

## GOAL 1

### Effective pre-trial investigation of criminal offenses

1. Adopt legislation on detective units in all pre-trial investigation bodies.
2. Introduce the institution of misdemeanors to increase the effectiveness of pre-trial investigation of petty crimes.
3. Bring the provisions of the CPC of Ukraine and Administrative Offenses Code of Ukraine into conformity with the Constitution of Ukraine in terms of ensuring the right to personal freedom and delineation of the powers of investigators (detectives) and prosecutors.
4. Bring the institution of secret activities of the law enforcement bodies in line with the European standards.

**DECISION-MAKING AUTHORITY:** Verkhovna Rada of Ukraine.

## GOAL 2

### Reformed prosecutor's offices that are independent

1. Strengthen the guarantees of independence of the prosecutor's self-government bodies (conferences and Council of Public Prosecutors), as well as the Qualification and Disciplinary Commission of Prosecutors.
2. Improve the mechanism of disciplinary proceedings against prosecutors, in particular ensure the effective right of claimants to challenge the decisions of the Qualification and Disciplinary Commission of Prosecutors in court and the High Council of Justice.
3. Bring the law on the prosecutor's office in line with the new provisions of the Constitution of Ukraine dated June 2, 2016.

**DECISION-MAKING AUTHORITY:** Verkhovna Rada of Ukraine, The Supreme Court, General Prosecutor's Office of Ukraine.

## GOAL 3

### An effective body that investigates crimes committed by law enforcement officials (State Bureau of Investigations)

1. Bring the procedure for the election and appointment of the Director of the State Bureau of Investigations, deputies, as well as the functioning of the body in line with the Constitution of Ukraine.



2. Introduce an effective mechanism of disciplinary proceedings against the SBI employees.
3. Introduce effective and transparent mechanisms of competitive selection for the positions in the SBI.

**DECISION-MAKING AUTHORITY:** Verkhovna Rada of Ukraine, Cabinet of Ministers of Ukraine, State Bureau of Investigations.

#### GOAL 4

#### Legislation on police that is in line with the Constitution of Ukraine and European standards

1. Introduce an effective mechanism of disciplinary proceedings against police officers.
2. Strengthen the social safety net for police officers.
3. Improve the mechanism of personal identification of police officers and guards of the National Guard of Ukraine.
4. Deprive the National Guard of law enforcement functions (demilitarization of public order protection).

**DECISION-MAKING AUTHORITY:** Verkhovna Rada of Ukraine, Ministry of Internal Affairs of Ukraine.

#### GOAL 5

#### A progressive and effective financial crimes investigation system

1. Establish a single body of financial investigations in the system of central executive authorities.
2. Introduce effective analytical mechanisms for the investigation of financial crimes.

**DECISION-MAKING AUTHORITY:** Verkhovna Rada of Ukraine.

#### GOAL 6

#### A effective system of public monitoring over the activities of law enforcement agencies

1. Introduce mechanisms of public participation in disciplinary proceedings against law enforcement officers.
2. Introduce mechanisms for engaging the public in recruitment and promotion.
3. Introduce mobile groups to monitor human rights in places of incarceration.

**DECISION-MAKING AUTHORITY:** Verkhovna Rada of Ukraine, Cabinet of Ministers of Ukraine, Ministry of Internal Affairs of Ukraine, law enforcement agencies.



# ANTI-CORRUPTION REFORM

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## ISSUES TO BE SOLVED BY THE REFORM

In recent years, the fight against corruption has been waged in Ukraine primarily through the creation of effective and independent anti-corruption bodies and the elimination of opportunities for corruption. However, the progress is insignificant: according to the 2017 Transparency International Corruption Perceptions Index, Ukraine received a mere 30 points (130th in the world) vs. 26 points in 2014. However, anti-corruption reform is still a priority for Ukrainians. As reported by the Ilko Kucheriv Democratic Initiatives Foundation, 59.5% of those polled in autumn 2017 designated it a priority.

Analysis of the reform implementation indicates: currently, the struggle is aimed at protecting the legislative changes that were introduced in the first post-revolutionary years. For example, during the launch of the electronic asset declaration system and its state certification, the authorities created artificial problems. Subsequently, several attempts were made to eliminate important rules on the financial monitoring of civil servants through relevant legislative initiatives, from amendments to the Law on the Prevention of Corruption to the proposal to introduce a so-called "zero declaration". There were also permanent technical problems in the functioning of the register of e-declarations.

The attempts to bring a number of high-ranking officials to liability – the ex-head of the State Fiscal Service of Ukraine and several MPs of the current convocation – proved unsuccessful. Consideration of proceedings of the National Anti-Corruption Bureau of

Ukraine (NABU) in the courts was also ineffective. There are several explanations: in particular, a large number of vacancies in courts of the first instance, heavy workload of judges and pressure on them and deliberate delay in dealing with cases by defendants, etc.

An independent pre-trial investigation body, NABU, is under pressure from political institutions throughout its existence and needs protection by civil society and international partners. Even in the absence of the right to independent tapping, NABU detectives successfully investigate high-level corruption, which is too annoying for potential suspects. However, it is doubtful that in the absence of a specialized anti-corruption court most of the aforementioned and other criminal proceedings will be promptly, legally and impartially considered by courts.

Significant obstacles that hamper its work are also faced by the National Agency of Ukraine for finding, tracing and managing assets derived from corruption and other crimes (Asset Recovery and Management Agency or ARMA). In particular, the court forbade the agency to manage arrested assets worth over UAH 500 million.

The most serious problems are currently encountered by the National Agency on Corruption Prevention (NACP). There is reason to believe that one of the key prerequisites for its effectiveness is independence. In the autumn 2017, NACP employees identified facts of abuse by NACP members and receipt of instructions from the Administration of the President of Ukraine during the verification of elec-

tronic declarations. A pre-trial investigation is underway, but the NACP members charged with the crimes still hold their positions. This situation is unacceptable, therefore the institution needs a complete reboot after legislative changes in light of the previous negative experiences.

One of the most anticipated achievements of anti-corruption reform – the launch of electronic declaration of incomes and assets by civil servants – has also not yielded the expected results yet. Last year, NACP managed to manually check only 143 declarations out of almost 2 million declarations. Verification of data from declarations could become much more effective if automated verification modules were launched, namely, the NACP would have direct access to all necessary state registries and databases. However, the institution refused to accept the developed verification modules for a long time and is preparing to do

so now.

An equally important area of anti-corruption activities is the fight against political corruption, which has also failed to achieve irreversible changes. The goals include: monitor the transparency of political party financing, establishment of liability for piano-voting (or multiple voting – the practice of MPs pressing the electronic voting buttons of their non-attending colleagues) in Parliament, complete ban on political advertising, lifting of the ban on telephone wire tapping, conducting searches and other investigative actions with respect to MPs.

In addition, the authorities cannot as much as determine the latest state anti-corruption policy: the matter of approving the draft of an anti-corruption strategy has been put on hold. If the direction of movement is not defined and the main steps are not determined, then, obviously, there is no movement whatsoever.

## GOAL 1

### A comprehensive system for bringing corruption offenses to justice

1. Preserve the independence of the National Anti-Corruption Bureau of Ukraine and the autonomy of the Specialized Anti-Corruption Prosecutor's Office, as well as to prevent interference with the investigative jurisdiction of NABU and limitation of its powers.
2. Grant the right to carry out independent wire tapping to NABU detectives.
3. Establish the High Anti-Corruption Court in accordance with Venice Commission recommendations, conduct a transparent and fair competitive selection process of judges, and launch the High Anti-Corruption Court as soon as possible.
4. Adopt legislative changes to enhance ARMA's institutional capacity.
5. Strengthen counteractive measures against the legalization of funds received through corruption by introducing full verification of information about beneficiary owners of companies, bolster accountability for the provision of false information about the ultimate beneficial owner of a legal entity, and introduce a risk-based approach to detecting suspicious transactions in financial institutions.

**DECISION-MAKING AUTHORITY:** Verkhovna Rada of Ukraine, High Qualification Commission of Judges, High Council of Justice, President of Ukraine, State Judicial Administration.

## GOAL 2

### An effective public sector corruption prevention system

1. Adopt amendments to the legislation on the NACP's activities: improve a mechanism for the selection of officials of this institution, conduct a new competitive selection process with an



upgraded composition of the selection commission on choosing NACP members elected after legislative changes; introduce annual external independent audits of the NACP; ensure the election of the NACP public council by means of online voting and extend its powers; clearly define the procedure for the competitive selection of NACP officials.

2. Launch an automated system for the verification of electronic declarations that contain information on a declarant's income and property, begin monitoring their lifestyle.
3. Provide NACP with direct automated access to all required registries and databases.
4. Change the procedure for the complete verification of electronic asset declarations in terms of the deadlines and priority of its implementation, logical and arithmetic control of previously submitted declarations, and provide for the possibility of checking the factual completeness of items that are declared.
5. Approve the procedure for monitoring the lifestyle of civil servants and ensure that this monitoring is carried out.
6. Implement integrity checks for civil servants subject to human rights standards.
7. Create effective mechanisms for the protection of corruption whistle-blowers and individuals who disclose information about the threat or damage to the public interest.
8. Develop and approve NACP's internal regulations for conducting audits to address conflicts of interest and compliance with the anti-corruption limitations by civil servants.
9. Improve legislative provisions on the deadlines and procedure for prosecuting administrative offenses related to corruption.
10. Cancel e-declaration requirements for public activists, which discourages citizens from counteracting corruption.

**DECISION-MAKING AUTHORITY:** Verkhovna Rada of Ukraine, President of Ukraine, National Agency on Corruption Prevention.

### **GOAL 3** Effective counteraction of political corruption

1. Introduce legislative mechanisms for bringing MPs of Ukraine to justice for piano-voting (or multiple voting – the practice of MPs pressing the electronic voting buttons of their non-attending colleagues).
2. Introduce an electronic system so that political parties could file financial statements and to enable their effective verification.
3. Abolish the restrictions established by the Law “On the Status of a Member of Parliament of Ukraine” and the Criminal Procedural Code on taking investigative actions with respect to the MPs of Ukraine, dilute the immunity of the MPs of Ukraine by abolishing the constitutional provision on the need to have the approval of the Verkhovna Rada to bring MPs to justice.
4. Limit the use of political advertising, in particular by prohibiting advertising on television, and prohibiting the use of public funding of political parties on political advertising.

**DECISION-MAKING AUTHORITY:** Verkhovna Rada of Ukraine, President of Ukraine, National Agency on Corruption Prevention.

**GOAL 4****State control over the observance of the right to access public information**

1. Determine by law the body in charge of independent state control over public access to information.
2. At the legislative level, ensure access to information on the activities of the Verkhovna Rada of Ukraine, its committees and MPs.

**DECISION-MAKING AUTHORITY:** Verkhovna Rada of Ukraine, President of Ukraine.

**GOAL 5****Reduced opportunities for committing corruption**

1. Continue structural reforms that will eliminate the preconditions for committing corruption, in particular, carry out deregulation, reform the civil service, privatize state and municipal enterprises, continue procurement of medicines through international organizations while using budget funds, etc.

**DECISION-MAKING AUTHORITY:** Verkhovna Rada of Ukraine, President of Ukraine, Cabinet of Ministers of Ukraine, and other state authorities.



# MEDIA REFORM

## THE FOLLOWING EXPERTS PREPARED THE PROPOSALS:

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## THE FOLLOWING NGOs ARE MEMBERS OF THE RPR EXPERT GROUP:

- Centre for Democracy and Rule of Law, Detector Media, Centre UA, Internews-Ukraine, Regional Press Development Institute

## ISSUES TO BE SOLVED BY THE REFORM

In 2014-2017, legislative changes in the area of media regulation and freedom of information propelled the reforms that were launched in the mid-1990s – early 2000s. On January 19, 2017, a public broadcasting legal entity was established – PJSC National Public Broadcasting Company of Ukraine (UA:PBC). In 2016, the process of reforming print media started. Founders of print media include state authorities and local self-government. Amendments were introduced that allowed the regulator – the National Council of Ukraine on Television and Radio Broadcasting – to impose effective sanctions – fines for violating legislation by online media, in particular regarding the protection of children.

However, the introduction of positive developments in the media sector requires systematic and long-term implementation, as well as bridging gaps and rectifying ineffective mechanisms. The version of the Law “On Television and Radio Broadcasting” adopted in 2006 was outdated back then, which caused systemic problems with the transition to digital broadcasting, the emergence of a non-transparent operator (Zeonbud LLC) and ineffective regulation by the regulator. The adoption of a new law on audiovisual media services is intended to improve the legal framework for the industry’s actors, improve the regulator’s tools and the mechanism of consumer protection. Adoption of the law is an obligation of Ukraine within the EU Association Agreement. It must be adopted by September 1, 2019.

Since the adoption of the law in 2014, pub-

lic broadcasting has undergone an extremely complex stage of transformation which has brought together 31 state-owned companies and institutions and turned them into UA:PBC, which is under constant financial pressure caused by chronic and politically motivated underfunding. In 2018, the company was allocated a mere 50% of the statutory budget, which puts it on the brink of bankruptcy. That is why changes to the law that stabilizes the source of funding and eliminates the risks of political interference are crucial for the broadcaster’s institutional independence.

Simplification of the legal environment for the press should ensure fair competition and minimize required state intervention. Adoption of a new law should serve as a legislative basis for this.

The election process is a key element of democracy, but current legislation does not contain any prohibitions or restrictions on emotional and meaningless election campaigning (advertising). A significant restriction with the prospect of a ban on advertising in audiovisual media should shift the discourse of candidates from emotions to content. Introduction of liability for breaking the law should ensure a higher level of transparency and accountability of the media.

Informational mayhem, propaganda, and hate speech have become attributes of election campaigns, and Russian online attacks are an element of military aggression against Ukraine and weaken the European commu-

nity. The Internet as a platform played a key role in the Revolution of Dignity providing true and the most up-to-date information on current events through various communication channels. Encouraging mass media toward self-regulation, and especially compliance with the basic media requirements – transparency and a code of ethics – is the most democratic way of developing online media. Any restrictions or limitations should be introduced in accordance with the standards of freedom of expression.

Access to public information is in existence for seven years. But this area needs constant

support. This is due to changes in personnel and legislative norms that have a direct impact on the openness of the authorities. Changes in court fee rates have created a significant obstacle to exercising and protecting the right to public information. A decrease in access rates should provide an effective mechanism for protecting such rights in the courts. Ratification of the Convention on Access to Official Documents, signed by Ukraine in 2018, should not only bring this sphere to the Convention level, but also share the experience of Ukraine and create an intergovernmental coordination group that will study the problems and best practices in the implementation in this area.

### GOAL 1

## Full-fledged functioning of an independent public broadcasting service

1. Amend legislation on public broadcasting to guarantee the independence of UA:PBC and its governing bodies.
2. Introduce a more secure and transparent model of public service broadcasting in line with the standards of the Council of Europe by reducing the discretion of the Government and Parliament when calculating the annual funding allocated to UA:PBC.
3. Oppose the adoption of initiatives aimed at the unlawful interference with the editorial freedom of UA:PBC.

**DECISION-MAKING AUTHORITY:** Verkhovna Rada of Ukraine, Cabinet of Ministers of Ukraine, Ministry of Finance of Ukraine.

### GOAL 2

## Reduced influence of “big money” on election campaigning in the media

1. Prohibit or fundamentally restrict paid pre-election campaigning on television and radio.
2. Improve monitoring mechanisms and prosecution of electoral law requirements by the media.

**DECISION-MAKING AUTHORITY:** Verkhovna Rada of Ukraine, National Council of Ukraine on Television and Radio Broadcasting, Central Election Commission.

### GOAL 3

## European standards for audiovisual media regulation

1. Adopt a new branch law “On Audiovisual Media Services” that will be in compliance with the Council of Europe standards and the requirements of EU Directive 2010/13/EU (as subsequently amended).
2. Improve legislation on transparency of media ownership and introduce a transparent media funding system and ensure its proper implementation.
3. Create effective co-regulation mechanisms in audiovisual media.

**DECISION-MAKING AUTHORITY:** Verkhovna Rada of Ukraine, National Council of Ukraine on Television and Radio Broadcasting.

## **GOAL 4** → **Guaranteed access to public information for citizens**

1. Ensure effective state monitoring of the right of citizens to publicly access information (in particular, improve mechanisms for the prosecution of violations of said rights).
2. Reduce the court fee and set a zero rate for advance payment for the enforcement of a court ruling in cases of protecting the right to access to public information.
3. Ratify the Council of Europe Convention on Access to Official Documents.

**DECISION-MAKING AUTHORITY:** Verkhovna Rada of Ukraine, President of Ukraine.

## **GOAL 5** → **Improved regulation of print media and increased protection of journalists**

1. Complete the process of denationalizing print media in due time.
2. Liberalize the procedure for registering print media and improve the requirements for their activities.
3. Abolish legislative norms on the influence of state bodies on the activities of mass media, in particular, the Law “On the Procedure for Covering the Activities of Public Authorities and Local Authorities in Ukraine by the Mass Media” and the Law “On State Support to Mass Media and Social Protection of Journalists”.
4. Broaden the definition of journalist’s professional activities in the Criminal Code of Ukraine so that it is not limited to one holding a press card.
5. Increase the effectiveness of investigating cases of obstructing journalist’s activities.

**DECISION-MAKING AUTHORITY:** Verkhovna Rada of Ukraine, State Committee for Television and Radio Broadcasting of Ukraine, law enforcement agencies.

## **GOAL 6** → **Freedom of expression on the Internet**

1. Establish a procedure for the voluntary registration (identification) of online media and requirements for the publication of information about the owners of web resources and those responsible for editorial policy.
2. Ensure that any mechanisms aimed at blocking online content will meet international standards of freedom of expression.

**DECISION-MAKING AUTHORITY:** Verkhovna Rada of Ukraine, market players.



# NATIONAL SECURITY

## THE FOLLOWING EXPERTS PREPARED THE PROPOSALS:

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## THE FOLLOWING NGOs ARE MEMBERS OF THE RPR EXPERT GROUP:

- Association of Development and Security, “Legal Hundred” NGO, Transparency International Defence and Security and Transparency International-Ukraine, Institute for Euro-Atlantic Cooperation, Ukrainian Homeland Defence Support Movement, Association for Support of Defense of Ukraine

## ISSUES TO BE SOLVED BY THE REFORM

National security reforms planned in 2014 have been implemented partially. The Basic Law “On National Security of Ukraine” was adopted as late as in 2018. The tasks to be implemented include the creation of a holistic system of normative legal acts, programs and plans for the development of a national security system, practical reform of the security and defense sector, and bringing it in line with the principles, standards and procedures with the EU and NATO for the purpose of becoming a NATO member state.

Mechanisms of democratic civilian monitoring of the security and defense sector need to be improved, in particular, it is necessary to strengthen parliamentary control over the activities of the Security Service of Ukraine (SSU) and intelligence agencies. Tools for monitoring the activities of civil society institutions and engaging the expert community in the decision-making process in the sector also need improvement.

The low level of transparency and accountability in the security sector, in particular asset and resource management, in the defense in-

dustry and in public procurement, poses high risks associated with corrupt transactions and ineffective management.

The challenges of the hybrid war with Russia highlighted the task of reforming counter-intelligence and intelligence agencies, as well as ensuring the state’s ability to withstand information aggression.

The system of manning, training and equipping military formations must be updated. An outdated approach to the arrangement and implementation of tasks of reserve forces and territorial defense units leaves opportunities for deploying potential defenders of the state unutilized.

The mental component has not yet become a central element of the national security system. Attitudes toward the military directly affects professional motivation, the desire to serve and is directly reflected in the combat effectiveness of the army. The current system does not ensure adequate social security for the military, veterans and their families and requires dramatic reforms.

### GOAL 1

## A holistic system that ensures national security in accordance with the principles of NATO member states

1. Develop and introduce amendments to Ukrainian laws, sectoral security doctrines and strategies, government programs and plans for reforming and developing components of the national security and defense sector.
2. Ensure interoperability of Ukraine’s security and defense sector with NATO in terms of uni-



formity of principles, concepts, doctrines, procedures, including through the implementation of the Strategic Defense Bulletin Action Plans and the annual NATO-Ukraine National Programs.

3. Introduce a unified system of strategic analysis, forecasting and planning in national security. Provide analytical support to the development and implementation of national security policy at the institutional level.
4. Include and attach the Ukrainian Ministry of Defense to public administration reform and create policy-making directorates, as well as the delineation of functions in policy development and implementation.

**DECISION-MAKING AUTHORITY:** Verkhovna Rada of Ukraine, Cabinet of Ministers of Ukraine National Security and Defense Council of Ukraine, Ministry of Defense of Ukraine.

## GOAL 2

### Effective democratic civilian control over the security and defense sector

1. Establish a parliamentary committee for special and intelligence agencies.
2. Increase the monitoring powers of the committees of the Verkhovna Rada of Ukraine over the security and defense sector and pass the law on ad hoc investigative commissions and temporary ad hoc commissions of the Verkhovna Rada of Ukraine.
3. Establish mandatory consideration and approval of the National Security Strategy of Ukraine and Strategy for the Development of the Defense Industry Complex by the Parliament.
4. Provide for reporting by the Prosecutor General to Parliament in response to every report filed by the Accounting Chamber of Ukraine and the State Audit Office of Ukraine about the facts of abuse by security and defense officials.
5. Taking into account international practices, establish an effective institute for the protection of the rights of military personnel: as a separate body (military ombudsman) or by extending the powers of external oversight through the Ukrainian Parliament Commissioner for Human Rights.
6. Statutorily establish a limitation period for retired military personnel (law enforcement officers) before their appointment to senior management civilian posts in the security and defense sector.
7. Increase the efficiency of public councils at the state security and defense authorities. Engage civil society representatives in developing planning documents.
8. Ensure that citizens are informed about reports on the implementation of the defense budget prepared by the State Audit Office of Ukraine and the Accounting Chamber of Ukraine. Continue the annual publication of the “white books” of the security and defense authorities for the purpose of informing the public.

**DECISION-MAKING AUTHORITY:** Verkhovna Rada of Ukraine, Cabinet of Ministers of Ukraine, National Security and Defense Council of Ukraine, Ministry of Defense of Ukraine.

## GOAL 3

### Effective management of defense procurement and defense industry

1. Increase transparency and accountability of defense procurement, formation and use of defense budget and defense forces’ budgets. The scope of classified information has to be brought in line with NATO standards.

2. Develop and adopt the Law on Defense Procurement by adapting the European Union Directive (EU/81/2009) on defense procurement in order to regulate the procurement of weapons and military equipment, works and services for defense purposes.
3. Disclose a large part of the State Defense Order by transferring a large part of defense procurement to the public procurement sphere (except for purchases related to the development and delivery of state-of-the-art weapons and military equipment). Simplify the procedure for inclusion in the register of manufacturers of products, works and services for defensive purposes.
4. Establish a Central Executive Body (CEB) which will ensure the development and implementation of state defense and industrial policy. Deprive State Concern Ukroboronprom (Ukrainian Defense Industry) of managerial powers that is not typical for such an entity.
5. Terminate the obligatory mediation of State Concern Ukroboronprom in export-import transactions on weapons and military equipment (WME). Authorize the Ministry of Defense of Ukraine to independently carry out international procurements for the entire range of supply items.
6. Promote the achievement of interoperability with NATO member states in the defense industry. Start using Western principles for WME standardization and certification. Promote Western investment and technology in the defense industry.
7. Ensure the establishment of a state quality assurance system through the adoption of NATO Standard (STANAG 4107), as well as the establishment of a national quality assurance authority.
8. Introduce standards approved by the OECD for corporate governance at state-owned enterprises at state defense enterprises. Ensure the establishment of supervisory boards, the majority of which will be composed of independent members selected through a transparent procedure. Ensure an independent financial audit of state defense enterprises.

**DECISION-MAKING AUTHORITY:** Verkhovna Rada of Ukraine, Cabinet of Ministers of Ukraine, National Security and Defense Council of Ukraine, Ministry of Defense of Ukraine, Ministry of Economic Development and Trade of Ukraine.

#### GOAL 4

#### Effective security and defense asset management

1. Conduct inventory auditing and assessment of the available real estate assets of the security and defense sector (land, housing, and infrastructure) and those that have been lost over the years of Ukraine's independence. Create electronic real estate registries.
2. Initiate investigation of crimes and return of assets (through court orders) that were illegally withdrawn from the security and defense sector.
3. Withdraw inoperative assets and state-owned enterprises from the Ministry of Defense of Ukraine.
4. Arrange contractual relations with land and real estate lessees.
5. Ensure implementation and scaling of electronic real estate management systems (software "Property" (Maino) and "Housing" (Zhytlo)).
6. Create a military-provided housing fund that terminates the practice of military-provided housing privatization.

**DECISION-MAKING AUTHORITY:** Verkhovna Rada of Ukraine, Cabinet of Ministers of Ukraine, National Security and Defense Council of Ukraine, Ministry of Defense of Ukraine, Ministry of Internal Affairs of Ukraine, Security Service of Ukraine.



**GOAL 5****Effective counterintelligence and intelligence agencies**

1. Reform the Security Service of Ukraine in accordance with the PACE 1402 (99) recommendation. Develop a new law on counterintelligence that will deprive the SSU of non-specific functions and strengthen its effectiveness in counterintelligence activities, fight against terrorism and national statehood protection.
2. Regulate the activities of the intelligence agencies of various bodies in accordance with the current challenges and standards of NATO member states. Expand the range of intelligence information recipients who receive the information directly.
3. Remove military counterintelligence from the SSU. Military counterintelligence units must provide counterintelligence support to the Armed Forces of Ukraine and the National Guard of Ukraine, other military institutions and formations.

**DECISION-MAKING AUTHORITY:** Verkhovna Rada of Ukraine, National Security and Defense Council of Ukraine, Security Service of Ukraine, Foreign Intelligence Service of Ukraine, Chief Directorate of Intelligence of the Ministry of Defense of Ukraine, Intelligence agency of the State Border Guard Service of Ukraine.

**GOAL 6****An effective territorial defense, military formations and reserve manning, equipping and training system**

1. Create an effective system from manning the Armed Forces of Ukraine with contract soldiers. Ensure the possibility of executing short-term contracts.
2. Improve territorial defense and reserve manning, and the equipping and training system. Create favorable conditions for continuing service in the reserve for military personnel and their employers.
3. Improve the system for training citizens for service in the Armed Forces and other military formations. Create regional training centers where military training can be conducted for Territorial Defense units, high school students ("Defence of the Fatherland" course), as well as military-patriotic activities for the youth.

**DECISION-MAKING AUTHORITY:** Verkhovna Rada of Ukraine, Cabinet of Ministers of Ukraine, National Security and Defense Council of Ukraine, Ministry of Defense of Ukraine, Ministry of Internal Affairs of Ukraine.

**GOAL 7****Guaranteed rights and social guarantees of military personnel and veterans**

1. Develop a change in the monetary support system for military personnel from the current "position - rank - length of service" model to "rank - length of service" model used in NATO member states.
2. Reform the system of housing support for military personnel, veterans, members of their families, which will include:
  - Creation of a military-provided housing fund and termination of military-provided housing privatization;
  - Worthy end-of-service monetary compensation, and concessional lending/co-financing programs for the purchase of housing;

- Use of non-core assets of the Ministry of Defense for housing;
  - Audit of the current queue for housing for military personnel.
3. Build a system for the preservation and restoration of mental and physical health, rehabilitation of military personnel, veterans and their families. Ensure access to proper healthcare.
  4. Establish a single state body responsible for the development and implementation of state policy on veterans and their families.
  5. Develop legislative changes to eliminate discrepancies and modernize the status of a veteran in Ukraine in accordance with NATO standards.
  6. Ensure social and professional adaptation of veterans, in particular, promote employment, entrepreneurial activity and education of veterans. Introduce a system of distance learning in higher educational institutions for military personnel.
  7. Prepare a single state policy for forming a positive image of the defender of Ukraine, honoring the memory of veterans, creating a system of military cemeteries and military burial traditions.

**DECISION-MAKING AUTHORITY:** Verkhovna Rada of Ukraine, Cabinet of Ministers of Ukraine, Ministry of Defense of Ukraine, Ministry of Internal Affairs of Ukraine, Ministry of Veterans Affairs of Ukraine.

## GOAL 8

## Adequate level of information and cyber security

1. Statutorily equate the information space as a place of warfare in accordance with the NATO concept "Information Warfare". Determine the achievements of the status of information superiority over the aggressor on the territory of the state and beyond its borders as one of the key indicators of information security.
2. Develop and introduce a new strategy and doctrine on information security in accordance with the new Law On National Security and NATO standards, indicating external and internal threats, state and public response mechanisms.
3. Create a Government Center for strategic communications and work with open sources using OSINT.
4. Reform the State Service of Special Communications and Information Protection. Demilitarize the SSSCIP and turn it into a specialized body ensuring cyber security. Provide the Armed Forces of Ukraine with a cyber defense function along with relevant units.
5. Introduce cyber security specialists in the staffing lists of state institutions and enterprises that are considered important and critical on a nationwide level. Ensure accountability of officials for compliance with the legislation related to information and cyber security.

**DECISION-MAKING AUTHORITY:** Verkhovna Rada of Ukraine, the Cabinet of Ministers of Ukraine, the National Security and Defense Council of Ukraine, the Ministry of Information Policy of Ukraine, the Administration of the State Service for Special Communications and Information Protection of Ukraine.

# PUBLIC ADMINISTRATION



## ELECTORAL LEGISLATION REFORM

### THE FOLLOWING EXPERTS PREPARED THE PROPOSALS:

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### THE FOLLOWING NGOs ARE MEMBERS OF THE RPR EXPERT GROUP:

- Civil Network OPORA, Internews-Ukraine, Ukrainian Center for Independent Political Research, Electoral Law Institute, Human Rights Platform

## ISSUES TO BE SOLVED BY THE REFORM

Electoral systems under which elections are held in Ukraine do not contribute to the rotation of political elites, and lead to the misuse of administrative resources and voter bribery. Although most of the political parties represented in Parliament declared the necessity of introducing proportional systems with open ballot party lists during parliamentary and local council elections, the relevant provisions of the Coalition Agreement are still not implemented. As late as in November 2017, the Verkhovna Rada of Ukraine managed to approve the Draft Election Code in the first reading, and as few as 226 MPs voted for this decision. And instead of actively working on the consideration of this particular document, MPs registered eight draft laws on the election of MPs of Ukraine. Such actions, in addition to signs that the Rules of Procedure of the Verkhovna Rada of Ukraine are violated, also testify to the reluctance of parliamentarians to change the electoral law.

Despite a significant number of criminal cas-

es against those who committed election offenses, most do not make it to court. And those cases that are heard by the courts result in either acquittal or symbolic punishment. The law does not provide for any liability for a significant number of violations, including for indirect voter bribery. As a result, election crimes go largely unpunished, which encourages their committal during the next election cycle.

At the same time, there is virtually no systemic interaction between the public and the Central Election Commission (CEC). A number of its decisions are criticized by the public and the expert community. For example, attempts to cancel the second round of voting at the Pavlohrad mayoral elections or to cancel “gender quotas”. This negatively affects the level of public trust in the CEC and the level of trust on the part of expert community as well as society as a whole. Institutionalization of interaction between the Central Election Commission, experts and the public could increase the level of trust in the CEC on the part of society.

### GOAL 1

**Stable and transparent party and electoral systems that ensure the renewal of political elites, development of inner-party democracy and prevent excessive factional fragmentation**

1. Introduce a proportional electoral system with open ballot lists during parliamentary elections.
2. Update legislation on local elections to ensure effective on-site political representation.

**DECISION-MAKING AUTHORITY:** Verkhovna Rada of Ukraine.

**GOAL 2** Inevitability of punishment for violating the electoral law

1. Implement an effective system of legal liability for electoral legislation violations which eliminates the possibilities for voter bribery and the use of administrative resources.
2. Strengthen control over the inevitability of punishment for electoral law violation.

**DECISION-MAKING AUTHORITY:** Verkhovna Rada of Ukraine.

**GOAL 3** Effective and principled Central Election Commission

1. Institutionalize cooperation between the expert community, the public and the Central Election Commission by creating a public council at the Central Election Commission.
2. Promote capacity building among the staff of the Central Election Commission and increase the quality of its decisions.
3. Ensure constant control over the effectiveness and integrity of the activities of the Central Election Commission.
4. Eliminate the possibility to hold office for an indefinite period by the Central Election Commission members.

**DECISION-MAKING AUTHORITY:** Verkhovna Rada of Ukraine, Central Election Commission.



# PUBLIC ADMINISTRATION REFORM

## PROPOSALS WERE PREPARED BY THE EXPERTS:

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- Centre of Policy and Legal Reform

## ISSUES TO BE SOLVED BY THE REFORM

Public administration reform is one of the main reforms in transition economies implementing complex reforms in various areas of state policy. Effective public administration system is one of the main factors of country's competitiveness. Effective activity of the Cabinet of Ministers of Ukraine in developing state policy in various spheres is possible if a professional, accountable, effective and efficient system of central government bodies is available.

Over the past 3 years, beginning in 2015, the Government and the Verkhovna Rada of Ukraine, with the active participation of Ukrainian and European experts, laid down the legislative framework for reforming public administration in Ukraine by approving:

- A new law "On Civil Service" with the necessary by-laws;
- Strategy for the public administration reform in Ukraine for 2016-2020;
- Strategy for reforming the public finance management system for 2017-2020;
- Concept for the introduction of reform specialist office;
- Concept for the optimization of the central executive authorities system;
- Concept for reforming the system of vocational training for civil servants, heads of local state administrations, their first deputies and deputies, local self-government officials and local counselors.

There are institutional changes in the field of public administration: Commission on Senior Civil Service, which holds competitions for the civil service category A, and competitive com-

missions in all state bodies, have been created; Ten pilot ministries and two state agencies launched the reform of their apparatus; Policy directorates and directorate for strategic planning and European integration have been established in 10 pilot ministries.

At the same time, the reform pace and consistency cannot be considered sufficient. According to the experts of the group, implementation level of the Public Administration Reform Strategy of Ukraine for 2016-2020 is a mere 47% of the target level set for March 31, 2018. Moreover, the problem is the lack of synchronization in the reform implementation in different areas: While implementation of measures in the area "Civil Service and Human Resource Management" is 74.4%, for example, in the area "Strategic Planning, Policy Development and Coordination" it is only 18.2%.

Unfortunately, public administration reform has slowed down "on the threshold" of local self-government bodies. Due to the veto of the President, the new Law "On Service in Local Self-Government Bodies" has not entered into force. The key reason behind the veto was the extremely questionable proposal of the head of state on the competitive selection of deputy local heads (despite the fact that the latter are in fact political offices).

Also, RPR experts believe that the law adopted in November 2017 abolishing civil service reform at the local and regional levels, removing the positions of the heads of local state administrations from the civil service system, and creating a so-called "presidential power vertical" not provided for by the Constitution of Ukraine is an anti-reform law.

As of late 2018, the public administration reform in general and civil service reform in particular failed to pass the “point of non-return”. Not only did it fail to become an institutional basis for implementing other reforms in Ukraine, but it is also under threat of revanche, especially given a possible change in political power as a result the coming presidential and parliamentary elections.

According to the Global Competitiveness Index, calculated by the World Economic Forum (WEF), based on the state institutions quality indicator in 2017-2018, Ukraine ranks 110th out of 140 countries.

In particular, the unresolved problems of the public administration reform as of late 2018 include:

- Incompleteness of the reform of the ministries, lack of legislative regulation of the vision of the target structures of the ministries, their functions and powers;
- Lack of a clear system of accountability of other central executive bodies (agencies, services and inspections), lack of reform of their apparatus and functions, unclear distribution of functions and powers among the ministries and other CEBs;
- Lack of a clear and legally-established system of policy analysis and strategic planning, an effective system of government decision-making and allocation of budget financing on the basis of qualitative analysis of the state of affairs in the relevant areas, impact analysis and financial and economic analysis of government decisions;
- Imperfection of the competitive procedure for the selection of civil servants;
- Obsolete system for training civil servants and their on-the-job training, which enhances and preserves ineffective civil service processes;
- Delay with the introduction of a new transparent system of remuneration for civil servants;
- Legislatively unregulated general administrative procedure, complexity and excessive centralization of the administrative services provision;
- Inefficient state property, institutions and state-owned enterprises management system; unprofitability of most state-owned enterprises;
- Insufficient system for public control over executive bodies, public enterprises and institutions, insufficiently transparent system of formation and distribution of state and local budgets according to priorities.

**Goal:** Build a modern effective executive power system in Ukraine as a basis for increasing global competitiveness of the country. According to the results of 2022-2023, Ukraine should be one of the top 40 countries of the world according to the Global Competitiveness Index calculated by the World Economic Forum (WEF), and based on the state institutions quality indicator, it should rank at least 50th.

## GOAL 1

## Effective development and implementation of the state policy for the sustainable development of Ukraine

### 1. Complete the reform of the executive authorities in accordance with the approved Public Administration Strategy of Ukraine for 2016-2020 and on the basis of SIGMA and OECD good governance practices:

- 1.1. Draft and regulate the list of state policy spheres and responsible ministries;
- 1.2. Determine the typical organizational structure of ministries and other CEBs;
- 1.3. Delimit functions of state policy development and implementation;
- 1.4. Ensure a clear division of powers and responsibilities between political positions and civil service positions, including but not limited to, by clearly defining the role and powers of deputy ministers and reducing their number;
- 1.5. Introduce a system of responsibility for the effectiveness and efficiency of the state policy implementation by all state bodies;
- 1.6. Establish a clear system of accountability of central executive authorities by combining



strategic guidance and oversight by the relevant minister while ensuring the operational autonomy of the subordinate body;

**1.7.** Introduce a system for delegating operational tasks by political leadership and state secretaries to a lower level of civil servants while ensuring their responsibility, proper control and accountability;

**1.8.** Reform the CMU Secretariat by transforming it into a) the secretariat of the CMU collegiate body; b) the Government's center responsible for coordinating, monitoring the implementation of reforms and implementation of government strategies and plans;

**1.9.** Implement consolidation and centralization of homogeneous functions within a single CEB or their system in order to improve the use of financial, time and human resources;

**1.10.** Review and improve the status of CEBs as separate legal entities of public law.

## **2. Ensure implementation of the provisions and principles enshrined in the Law of Ukraine "On Civil Service":**

**2.1.** Reform the remuneration system for civil servants and introduce classification of civil service professions (works);

**2.2.** Ensure the ability of state authorities to perform quality human resources management, in particular, by strengthening the capacity of human resources management services and training in human resources management skills at all levels of civil service management;

**2.3.** Ensure the implementation and full-scale use of a single Human Resource Management & Information System (HRMIS);

**2.4.** Identify clear requirements for the competencies of civil servants by developing a framework (list) of horizontal (cross-cutting) competencies to be developed by civil servants, depending on their level of office and functions;

**2.5.** Ensure that the procedure for conducting competitions for all civil service positions is transparent, unbiased, competitive and based on the assessment of competencies;

**2.6.** Ensure publication of all civil service vacancies without any exceptions via a transparent public web resource (site [career.gov.ua](http://career.gov.ua));

**2.7.** Ensure a clear link between the level of competence development, the system of vocational civil service training and the system of incentives for civil servants, in particular through the use of annual civil servant evaluation mechanism;

**2.8.** Increase the quality of professional training of civil servants during their service, including by eliminating the state monopoly for the provision of educational services to the state bodies and civil servants, as well as reforming the National Academy for Public Administration under the President of Ukraine and the All-Ukrainian Professional Advancement Center for Civil Servants and Local Self-Government Officials;

**2.9.** Ensure the formation of a new organizational culture of civil service.

## **3. Ensure the adoption of effective government decisions on the basis of a comprehensive analysis and in accordance with public priorities and public consultations:**

**3.1.** Introduce state policy analysis and development system, government decisions influence analysis system, financial and economic analysis system and strategic planning system in the ministries;

**3.2.** Introduce a result-oriented system for the executive bodies operational planning;

**3.3.** Ensure budget financing of government priorities on the basis of medium-term planning (for 3 years);

**3.4.** Combine state policy planning (strategic planning) with budget planning (medium and short-term).

- 3.5. Implement regular policies review and evaluation procedures, and introduce a sunset clause, i.e., an approach where any policy is implemented only for a certain period of time and is extended only if it is effective, based on the policy implementation assessment results;
  - 3.6. Implement the principles of project management in the civil service;
  - 3.7. Enhance openness of the public policy development and participation of the public in the decision-making process through the adoption of the Law “On Public Consultations”.
- 4. Reduce the cost of maintaining the state apparatus and continue to optimize and digitalize processes in government bodies:**
- 4.1. Introduce electronic interaction systems in state bodies;
  - 4.2. Implement consolidation and centralization of homogeneous functions within a single CEB or their system in order to improve the use of financial, time and human resources;
  - 4.3. Introduce digital by default principle for the state control processes in the state policy development;
  - 4.4. Improve procedures for interaction between the state bodies and citizens (citizens’ requests, access to public information, etc.).

**DECISION-MAKING AUTHORITY:** Cabinet of Ministers of Ukraine, National Agency for Civil Service, Minister of the Cabinet of Ministers of Ukraine, Ministry of Finance, Ministry of Economic Development and Trade, Ministries.

## GOAL 2

## Equality of citizens before the law and high-quality administrative services

- 1. Regulate the administrative procedure:**
- 1.1. Adopt the Law “On Administrative Procedure”.
  - 1.2. Review specific laws and bring them into line with the new administrative procedures;
  - 1.3. Hold educational events for public servants and information and awareness raising campaigns for citizens on the application of new legislation on administrative procedure.
- 2. Decentralize and simplify the procedures for providing administrative services:**
- 2.1. Entrust local self-government bodies with the provision of basic administrative services, in particular in the areas of civil status acts registration, registration of land plots, vehicle registration and issuance of driver’s licenses;
  - 2.2. Integrate administrative services provided on the basis of delegated authority at the Center for the Provision of Administrative Services (CPAS);
  - 2.3. Simplify procedures for providing basic administrative services, in particular registration of a place of residence, passport services, etc.;
  - 2.4. Streamline the relations on paying for administrative services through the adoption of the Law “On Administrative Fee”.
- 3. Reform the inspection and oversight activities:**
- 3.1. Minimize and optimize the regulatory activity of state bodies and focus on health and safety issues;
  - 3.2. Introduce risk management in inspection and oversight activities on the basis of government-approved methodologies instead of punitive functions;
  - 3.3. Ensure transparency and accountability of state inspections;



3.4. Deprive ministries of inspection functions as being non-typical.

**4. Ensure effective management of state property (enterprises, institutions, organizations):**

4.1. Conduct large scale privatization of state-owned enterprises: only strategic enterprises and strategic enterprises of the security sector should remain in state ownership;

4.2. Ensure proper corporate governance and profitability of all state-owned enterprises;

4.3. Introduce a clear system of accountability of state institutions and organizations;

4.4. Introduce a mandatory transparent recruitment of managers of state enterprises, institutions and organizations and establish their responsibility for performance on the basis of performance indicators.

**5. Ensure reasonable and fair redistribution of a part of the GDP through the State Budget:**

5.1. Continue budget decentralization and reduce the share of consolidated budget of Ukraine which is distributed through the state budget to 45-47%;

5.2. Ensure funding of budget and state programs on the basis of public priorities and priorities identified in the Medium-Term Action Plan of the Government;

5.3. Ensure openness and transparency of the expenditures of the state and local budgets.

**DECISION-MAKING AUTHORITY:** Verkhovna Rada of Ukraine, Cabinet of Ministers of Ukraine, Secretariat of the Cabinet of Ministers of Ukraine, Ministry of Justice of Ukraine, Ministry of Finance of Ukraine, ministries, State Property Fund of Ukraine.



# LOCAL SELF-GOVERNMENT REFORM AND DECENTRALIZATION OF POWER

## THE FOLLOWING EXPERTS PREPARED THE PROPOSALS:

- Anatolii Tkachuk, Yurii Hanushchak, Ivan Lukeria

## THE FOLLOWING NGOs ARE MEMBERS OF THE RPR EXPERT GROUP:

- Civil Society Institute, Ukrainian Center for Independent Political Research

## ISSUES TO BE SOLVED BY THE REFORM

The reform of local self-government and territorial organization of power, or decentralization, provides for the creation of conditions to form effective and accountable local governments that are capable of ensuring a comfortable and safe environment for people living throughout Ukraine.

Decentralization in Ukraine is taking place under the conditions of severe external pressure on Ukraine exerted by the Russian Federation, which has already annexed the Crimea and seized part of the Donbas; under conditions where a unitary Ukrainian space within the entire territory of the state is lacking; a demographic crisis; degradation of infrastructure and lack of skilled workers, which requires the pooling of efforts of all political actors, state institutions, local self-governments and civil society for the reform to be a success.

Decentralization in Ukraine does not only entail delegation of powers, resources and competences to address the main issues of life that are most closely related to the individual, where it can be done most effectively (in accordance with the principle of subsidiarity), but rather the creation of the basic element of local self-government – a capable territorial community.

The direction and logic behind the local self-government reform were identified in the Concept of the Reform of Local Self-Govern-

ment and Territorial Organization of Government in Ukraine approved by the Government on April 1, 2014.

Since the adoption of the Concept, a basic legal framework has been developed for the reform. It includes the following main areas: administrative and territorial reform, fiscal decentralization, extension of powers of local self-government bodies, and reform of the state regional policy.

During the reform process in Ukraine, 705 capable amalgamated territorial communities (ATC) have been formed and the first local elections have been held in these communities. Thus, at present, over 67% of the total population lives in a “decentralized Ukraine” – in cities of regional significance and ATCs. It covers about 34% of the territory of our state.

Today, Ukraine faces an extremely ambitious but realistic task to be fulfilled before the next local elections – complete the first stage of the reform, create a new territorial basis for the formation of local self-government bodies at the basic and district levels.

A modern “decentralized” and an old archaic Ukraine cannot exist together side by side. The whole territory of Ukraine should be the territory of capable territorial communities with unified powers, sufficient resources and accountability before the community and the state.

**GOAL 1****Established administrative and territorial structure that is optimal for Ukraine**

1. Complete the development and approval of Prospective Plans for the formation of community territories in all regions of Ukraine.
2. Improve the mechanism for recognizing amalgamated territorial communities as being capable by the decision of the Cabinet of Ministers of Ukraine to prevent the formation of ATCs which cannot fully execute statutory authority.
3. Determine principles for the administrative and territorial structure, conditions and procedure for the formation of administrative and territorial units, their reorganization through the adoption of a separate Law “On the Principles of the Administrative and Territorial Structure of Ukraine”.
4. Complete the formation of the administrative and territorial structure by adopting laws approving the administrative and territorial structure of each oblast on the basis of a prospective plan and community formation.

**DECISION-MAKING AUTHORITY:** Verkhovna Rada of Ukraine, Cabinet of Ministers of Ukraine, Ministry of Regional Development, Construction and Housing and Communal Services of Ukraine.

**GOAL 2****A capable local self-government is able to carry out its own and delegated powers**

1. Expand the tax base and the possibility of adjusting local tax and fee rates including tax associated with real estate. Use the same real estate tax formula for individuals which is also used for legal entities; not to determine the size of the area that is not subject to taxation; legislatively limit the range for tax purposes in order to prevent its redundancy.
2. Standardize the revenue part of local budgets in accordance with their expense obligations.
3. Resolve the issue of extending the jurisdiction of local self-government bodies of amalgamated territorial communities to the entire ATC territory.
4. Give authorization to amalgamated territorial communities to approve planning of the ATC territory and manage land resources within their jurisdiction in accordance with the approved planning documentation.
5. Authorize local self-governments to monitor the use of land resources in accordance with the approved urban planning documentation.
6. Enhance transparency and efficiency of budget funds usage by introducing a program-target method for the development and use of local budgets. Introduce procedures for transparent local budgeting with the engagement of the public and reporting on budget execution, electronic procedures for pre-threshold procurement, etc.
7. Improve the mechanism for determining the scope of subvention to form the infrastructure of amalgamated territorial communities and state guarantees for the specific amounts of financial assistance.

**DECISION-MAKING AUTHORITY:** Verkhovna Rada of Ukraine, Cabinet of Ministers of Ukraine, Ministry of Regional Development, Construction and Housing and Communal Services of Ukraine.

**GOAL 3****Communities participate in resolving local issues**

1. Introduce effective mechanisms for citizen participation in local self-government decision-making: local initiatives, electronic petitions, public hearings, general meetings of citizens, public expert examinations, advisory bodies, public consultations, participatory budgeting.
2. Ensure the right of territorial communities to conduct a local referendum and determine the range of issues that can be considered at a local referendum.
3. Improve the procedure for creating public self-organization bodies, determine a clear procedure for granting them partial powers that belong to local self-government bodies, except for those with a ruling nature, as well as provision of funds to exercise these powers.

**DECISION-MAKING AUTHORITY:** Verkhovna Rada of Ukraine, Cabinet of Ministers of Ukraine, Ministry of Regional Development, Construction and Housing and Communal Services of Ukraine.

**GOAL 4****Regional policy funding ensures development and increases the competitiveness of communities and regions**

1. Increase the size of the State Regional Development Fund (SRDF) up to 1.5% of the State Budget, while foreseeing the use of 1/3 of the fund to implement national priorities in the regions.
2. Improve the mechanism for distributing SRDF funds, part of which has to be used to finance the implementation of the State Regional Development Strategy until 2020.
3. Introduce a transparent process for selecting local self-government projects to be funded by the SRDF.
4. Ensure monitoring of the SRDF fund's use, control over its compliance with established performance indicators, and a reporting system.
5. Ensure medium-term budgeting for regional development projects.
6. Improve the procedure for preparing projects within the SRDF framework by determining planned amounts for the regions for the following year in January of the current year.

**DECISION-MAKING AUTHORITY:** Verkhovna Rada of Ukraine, Cabinet of Ministers of Ukraine, Ministry of Regional Development, Construction and Housing and Communal Services of Ukraine.

**GOAL 5****The state controls the legality of the activities of local self-government bodies**

1. Organize a system of state supervision and control over the activity of local self-government bodies through the adoption of a separate law.

**DECISION-MAKING AUTHORITY:** Verkhovna Rada of Ukraine, Cabinet of Ministers of Ukraine, Ministry of Regional Development, Construction and Housing and Communal Services of Ukraine.



# E-DEMOCRACY

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## THE FOLLOWING NGOs ARE MEMBERS OF THE RPR EXPERT GROUP:

- Center for Innovations Development in cooperation with the Coalition for the Development of E-Democracy in Ukraine

## ISSUES TO BE SOLVED BY THE REFORM

In 2016-2018, legal acts important for the reform implementation were adopted, in particular, amendments to the Law of Ukraine “On Citizen Petitions” (e-petitions and e-applications were introduced) and “On Access to Public Information” were adopted, Laws of Ukraine “On Electronic Trust Services”, “On the Openness of the Public Funds Use”, amendments to the Resolution “On the Approval of Resolution on Data Sets Subject to Disclosure in the Form of Open Data” were passed. Ukraine has acceded to the International Open Data Charter, the Government adopted the implementation concept and action plans: Concept for the Electronic Services System Development and Concept for the E-Governance Development in Ukraine for 2019-2020, as well as the development of e-democracy in Ukraine and the electronic services system in Ukraine, e-governance in Ukraine, digital economy and society of Ukraine for 2018-2020.

According to the 2018 UN E-Participation Index, Ukraine’s indicators deteriorated in two categories and dropped to: E-informa-

tion - 63% and E-consultation - 65%. However, the indicators increased significantly in the E-engagement block (almost doubled) - up to 82%. E-engagement is the innovative tools of participatory democracy, such as e-petition, public budget, e-appeal which are actively developing in Ukraine, including through the activities of the group members.

Society demands the regulatory introduction of new e-democracy tools, such as: on-line consultations, public discussions and public councils, electronic voting, electronic elections, electronic plebiscite, online empowerment and dismissal of officials. Data gathered by experts suggest that in order to successfully implement the e-democracy reform, it should be combined with the decentralization, e-governance and public service reform.

Regulatory consolidation is also important: proportionality of offline and online forms of participation in decision-making and voting, the right to access and use the Internet, freedom of information, anonymity, privacy and personal data protection.

### GOAL 1

### Citizens are involved in the development of public policy through electronic tools

1. Legislatively ensure the possibility of citizens’ participation in the management of state and local affairs in the form of electronic consultations and electronic voting for the purpose of decision-making and ensuring the electoral process.
2. Work out and implement a participatory model of the All-Ukrainian public budget, which will enable Ukrainian citizens to directly influence the use of budget funds on an all-Ukrainian

scale through online voting.

3. Expand the public budget participatory model at the local level.
4. Develop and implement an on-line e-democracy platform with a single citizen's personal account to develop interaction between citizens, citizens and authorities, citizens and businesses and government, electronic voting in the public councils elections.
5. Support the development of electronic petitions, online community budgets (participatory budgets), electronic local initiatives and other innovative e-participation initiatives at the local level.
6. Adopt a draft law on public consultations using e-democracy tools.

**DECISION-MAKING AUTHORITY:** Verkhovna Rada of Ukraine, Cabinet of Ministers of Ukraine, the State Agency for E-Governance of Ukraine, Ministry of Justice of Ukraine, Ministry of Regional Development, Construction and Housing and Communal Services of Ukraine, local self-government bodies.

## GOAL 2

**Public authorities and local self-government bodies implement public policy in accordance with the open government principles**

1. Update the action plan to implement the Concept for the E-Democracy Development in Ukraine (CMU Resolution No. 797-r) in cooperation with the relevant stakeholders.
2. Activate the participation of local self-government bodies and local executive authorities in the implementation of:
  - Principles and tools of open government, as evidenced by appropriate transparency rankings;
  - Participation and e-democracy tools, as evidenced by data on the number of users and successful cases (for example, the number of petitions supported and implemented, the number of implemented public budget projects).
3. Introduce state statistics on e-participation, include information on the use of e-democracy tools in the annual reports of the heads of local self-government bodies, the educational programs of the Ministry of Education and Science of Ukraine on online participation issues and the state awareness-raising campaign on e-democracy.
4. Create IT Solutions Bank as an array of data on the distribution of e-services in local self-government bodies, their quality, developers. Work out Recommendations for local self-government bodies regarding the use of the IT Solutions Bank in cooperation with the State Agency for E-Governance. Introduce pilot cases, cooperative processing of needs, choice of the best IT solutions, build common cloud services/platforms.
5. Hold an awareness raising campaign on e-participation - through the recommendations of the Ministry of Education and Science, engagement of national media, public opinion leaders and prominent activists; share the stories of positive experience in developing e-democracy at the local level.

**DECISION-MAKING AUTHORITY:** Cabinet of Ministers of Ukraine, State Agency for E-Governance of Ukraine, State Statistics Service of Ukraine, Ministry of Education and Science of Ukraine, UA:PBC, Ministry of Information Policy of Ukraine, Ministry of Regional Development, Construction and Housing and Communal Services of Ukraine, local self-government bodies.





# MUNICIPAL DEVELOPMENT

## THE FOLLOWING EXPERTS PREPARED THE PROPOSALS:

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## THE FOLLOWING EXPERTS FROM LOCAL RPR COALITIONS OFFERED THE PROPOSALS:

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## THE FOLLOWING NGOs ARE MEMBERS OF THE RPR EXPERT GROUP:

- Together against Corruption, Joint Efforts Agency, Eidos Centre, Centre of Policy and Legal Reform, All-Ukrainian Association of Small and Medium Businesses “Fortress”, Rodyna

## ISSUES TO BE SOLVED BY THE REFORM

More than 70% of Ukraine’s population lives in cities. Due to the active migration of the rural population to urban areas, urban sprawl is observed, however, this process is not accompanied by a commensurate infrastructural development, which significantly affects the comfort of people’s lives in cities.

Urban communities are experiencing a number of systemic problems. For example, chaotic housing development which is accompanied by conflicts. In many cities, we can observe allocation of land plots without the necessary urban planning documentation or facts of redrawing this documentation for the benefit of developers, which leads to a decrease in the number of green spaces. The lack of a sustainable cultural, toponymic and historical policy in the cities results in the destruction of and building over cultural monuments.

Public utilities and institutions are often inefficient, as a result, urban residents receive poor quality of services, in particular, municipal services, education and health care. Con-

siderable challenges are posed by the run-down energy infrastructure and the growth of consumer demand for electricity without the introduction of energy-efficient technologies and energy management.

A negative impact on urban development is exerted by the low activity of residents, lack of trust and low level of cooperation between the city authorities and the community in the process of developing city policy. There are also significant corruption risks against the background of increased funding of local budgets as a result of decentralization.

Effective municipal governance should aim at creating conditions for predictable urban development, which in particular includes: availability of a city development strategy, openness of city authorities and community engagement in addressing urban development issues, increase in urban economy competitiveness, ensuring comfortable living conditions in the cities, and development of cultural identity of cities.

### City development strategy

1. Enshrine the requirement for a city development strategy and ranking of planning documents in the legislation. Target programs must be in line with the city's development strategy. Develop recommendations for a city development strategy.
2. Develop methods for implementing Smart City solutions in cities.

### City planning

3. Bring city planning documents in line with the new building code.
4. Develop municipal plans for adapting to climate change and ensure their inclusion in strategic documents.
5. Ensure proper functioning and openness of urban planning cadastres, urban planning documents, in particular urban planning conditions and constraints.

### Budget process

6. Introduce mandatory approval of budget regulations of local councils. Develop recommendations on the content of budget regulations.
7. Develop local target programs in accordance with the approved Methodological Recommendations on the procedure for the development of regional target programs, monitoring and reporting on their implementation.

### Public procurement

8. Ensure equal conditions for business entities to participate in public procurement, including pre-threshold procurement, through the ProZorro system.
9. Ensure the mandatory sale and lease of municipal property on the basis of an auction/competition through ProZorro.Sale.

### Municipal property and land

10. Conduct inventory auditing of land plots and other real estate (buildings, amenities, etc.) of territorial communities with the introduction of information into open electronic databases and indicating their value, current use and terms of lease.

### Public utilities and institutions

11. Audit the activities of public utilities and institutions with the involvement of an independent auditor. Eliminate public utilities with low performance.
12. Develop and approve criteria for the mandatory establishment of supervisory boards for public utilities.
13. Develop and introduce key performance indicators for public utilities. Indicate them in contracts with managers of public utilities and institutions.
14. Introduce an open and independent competitive hiring process for managers of public utilities and institutions with the engagement of the public.

### Local self-government in Kyiv

15. Amend the Law "On the Capital" to ensure the implementation of local self-government in the city of Kyiv and its districts.

**DECISION-MAKING AUTHORITY:** local self-government bodies, Verkhovna Rada of Ukraine, Cabinet of Ministers of Ukraine, Ministry of Regional Development, Construction and Housing and Communal Services of Ukraine.

## GOAL 2

**The government is accountable,  
and the community takes part in developing urban policies**

### Openness and accountability

1. Develop recommendations on obligatory criteria of openness, accountability of local self-government bodies and community engagement in decision making; formalize them in the legislation and at the level of City's Statute. In particular, consolidate the right of the community to initiate public hearings.
2. Develop recommendations for the content of reports filed by city mayors and local lawmakers; approve the relevant regulation.
3. Prohibit 'double-hatting' – local council person shall not concurrently hold office in the executive body of the relevant council and public utility/institution to avoid conflicts of interest.
4. Ensure disclosure of information in the open data format in accordance with the requirements of legislation.
5. Ensure publication of itemized lists and list of work performed in the community.

### Inclusiveness of the decision-making process

6. Adopt changes to local council regulations that promote public engagement in decision making through the public consultation mechanism.
7. Introduce local e-democracy development programs based on the Concept for E-Democracy Development and Government Action Plan until 2020.
8. Ensure high-quality implementation of the participatory budget.

### Administrative services

9. Reduce the number of documents and procedures for obtaining administrative services at the local level in accordance with current legislation.

### Support for community initiatives

10. Develop municipal programs to support the activities of NGOs and for them to provide commissioned social services.
11. Create city centers to support community and youth initiatives, in particular youth centers.

**DECISION-MAKING AUTHORITY:** local self-government bodies, Verkhovna Rada of Ukraine, Cabinet of Ministers of Ukraine, Ministry of Regional Development, Construction and Housing and Communal Services of Ukraine.

## GOAL 3

**Ensured comfortable living conditions in the cities**

### Municipal improvement

1. Include public self-organization bodies in the process of accepting performed municipal improvement in a respective territory.
2. Introduce competitive procedures for the purpose of acquiring the right to temporarily use

municipal and state property for placing advertisement. Introduce appropriate amendments into the Law “On Advertising” and bring it into compliance with permit legislation and legislation on administrative services.

### **Housing and communal services, and energy efficiency**

- 3.** Approve a target program for the use of energy-efficient measures at state-financed entities and apartment buildings under the terms of co-financing by the co-owners.
- 4.** Facilitate the creation of housing cooperatives as a form of common property management in apartment buildings by the owners.
- 5.** Introduce energy monitoring and energy management of municipal buildings and housing stock.

### **Waste management**

- 6.** Ensure the reconstruction of existing landfills and construction of new landfills, waste treatment plants and closure of landfills that do not meet the environmental safety requirements.
- 7.** Ensure operation of specialized large and hazardous waste collection points.
- 8.** Ensure the reconstruction of existing landfills and construction of new landfills, waste treatment plants and closure of landfills that do not meet environmental safety requirements.

### **Transportation and parking**

- 9.** Create a public register of public transport routes indicating the type of route, timetable, the number of vehicles on the route, and features and information about the transport operator.
- 10.** Introduce a single e-ticket for public transportation.
- 11.** Calculate the number of parking spaces in the cities and ensure their minimum required amount in accordance with the requirements applicable to residential areas.
- 12.** Introduce an automated parking fee control system. Establish a parking inspector service (for large cities).
- 13.** Create the necessary infrastructure for cycle traffic and pedestrians in the cities.

### **Education**

- 14.** Ensure proper functioning of a sufficient number of preschool and secondary education institutions, including by creating and supporting the operation of new municipal and private establishments.

### **Healthcare**

- 15.** Provide residents with access to primary care through the establishment of a sufficient number of primary care facilities and the introduction of an online doctor appointment booking system.

### **Social assistance**

- 16.** Engage non-government organizations in the provision of social services and introduce a mechanism for compensation for the services rendered.

### **Safety**

- 17.** Develop and adopt a safe city concept. Introduce intelligent video surveillance and alarm systems to report emergencies and offenses to emergency services so that they could be used by residents and tourists around the clock. Coordinate the use of existing municipal, departmental and private video surveillance systems to enhance public safety.

## Environmental protection

18. Conduct certification of green spaces and recreational areas on the territory of the city and adopt a targeted program for their preservation and development.
19. Conduct certification of water objects on the territory of the city and take measures for their care and conserve coastal strips by prohibiting development there.
20. Inspect sanitary protection zones to check for the presence of regulated plantations and bring them in line with the State Sanitary Rules for Planning and Development of Settlements.
21. Ensure monitoring and disclosure of air and water indicators to determine their compliance with standards.
22. Develop and ensure that new sanitary norms for air protection in settlements come into force.

## Animal protection

23. Implemented European legislation in terms of ensuring the well-being of domesticated animals. Adopt the target program to humanely regulate the number of abandoned animals, ensure functioning of urban infrastructure for owners and their animals, and the rules for keeping domesticated animals.

**DECISION-MAKING AUTHORITY:** local self-government bodies, Verkhovna Rada of Ukraine, Cabinet of Ministers of Ukraine, Ministry of Regional Development, Construction and Housing and Communal Services of Ukraine, Ministry of Health of Ukraine, Ministry of Education and Science of Ukraine, Ministry of Ecology and Natural Resources of Ukraine, Ministry of Internal Affairs of Ukraine.

### GOAL 4

## Increased level of competitiveness of the urban economy

### Regulatory policy

1. Evaluate local regulatory acts in terms of their effectiveness, submit proposals for amendments to the acts that do not meet the requirements of current legislation, pose corruption risks or distort competition.

### Investment attraction and production

2. Develop and publish an investment passport for the city.
3. Adopt the provisions on conducting investment competitions for the purpose of considering investment projects and attracting investors using different mechanisms and tools, in particular: industrial parks, science parks, free economic zones, special tax and customs regimes, etc.
4. Promote the creation of manufacturing/processing enterprises, including those that use local raw materials.
5. Promote investment in the construction of renewable energy and distributed energy generation facilities to ensure a reliable energy supply.

### Small businesses

6. Create sections on the website of the city council for entrepreneurs and publish there information on the procedure for issuing permits required for starting and running a business, information on municipal property, tenders, competitions and auctions in which they can participate.

7. Ensure business start-up based on the “one-stop shop” principle.
8. Create small business development centers that will provide services to emerging entrepreneurs.
9. Introduce the Municipal Competitiveness Index.

**DECISION-MAKING AUTHORITY:** local self-government bodies, Ministry of Economic Development and Trade of Ukraine.

## GOAL 5

## Preserved cultural heritage and ensured tourist attractiveness of cities

### Culture

1. Develop and approve historical and architectural support plans for cities. Ensure proper control over the preservation of historical and cultural heritage.
2. Encourage the engagement of public initiatives and businesses in the restoration of cultural heritage, development of tourist routes, and holding of local cultural and artistic events.
3. Support the creation and operation of city cultural centers, non-government artistic communities, projects, partnership between non-governmental cultural institutions and municipal cultural institutions.
4. Introduce city programs that provide grants for cultural activities on a competitive basis.

### Tourism

5. Form an open calendar of public events in the city. Promote cultural, sports, business events in the cities.
6. Provide tourist destinations with navigation and sanitary facilities.
7. Introduce a single e-ticket for tourists (in cities popular with tourists).
8. Develop and promote city brands.
9. Introduce a tourist ranking of cities.
10. Create tourist information centers.

**DECISION-MAKING AUTHORITY:** local self-government bodies, Ministry of Culture of Ukraine, Ministry of Economic Development and Trade of Ukraine.



# ECONOMY AND SUSTAINABLE DEVELOPMENT



## ECONOMIC DEVELOPMENT

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### THE FOLLOWING NGOs ARE MEMBERS OF THE RPR EXPERT GROUP:

- Centre for Economic Strategy, Institute for Economic Research and Policy Consulting, CASE-Ukraine, EasyBusiness, Ukrainian Center for European Policy, Center of Reform Support

## ISSUES TO BE SOLVED BY THE REFORM

The annexation of the Crimea and military actions in the east deprived Ukraine of about 15% of its economic potential. This led to a protracted crisis which in 2014-2015 resulted in a 16% cumulative economic downturn. The set of measures implemented by the government stabilized the situation and ensured GDP growth by 2.3% in 2016 and 2.5% in 2017.

Positive changes have taken place in deregulation, in particular, the law envisaging additional protection of businesses from unlawful actions of controlling bodies has been adopted, and an electronic VAT refund system has been introduced. These measures allowed Ukraine to climb four positions up in the 2018 Ease of Doing Business ranking (76th place). According to the Government's Priority Action Plan for 2016, Ukraine should have been one of the top 50 countries in the 2017 ranking.

The pace of change is not sufficient to achieve the pre-crisis indicators of economic development. This is evidenced by the decline in Ukraine's investment attractiveness index (from 3.15 to 3.03 points out of 5) developed by the European Business Association. Ukraine has low positions in world rankings which in turn serve as a kind of indicator for international investors. In particular, according to the latest data, Ukraine's position in the leading rankings was as follows: (1) Ease of Doing Business index – 76/190; (2) Index of

Economic Freedom by the Heritage Foundation – 150/186; (3) Index of Economic Freedom by the Fraser Institute – 149/159; (4) Global Competitiveness Index – 81/137; (5) Moody's credit ratings – Caa2 (Positive), S&P – B- (Stable), Fitch – B- (Stable).

A number of important and urgent measures are needed to ensure proper pace of economic growth. One of the key areas for reforming the economy is improving the business climate and investment attractiveness. To do this, it is necessary to continue the deregulation processes, ensure proper protection of property rights, promote investment and innovation processes.

The existing legislation generates bureaucracy and corruption in the areas of permits and control. Such a situation highly complicates the business environment in Ukraine. It is necessary to reduce pressure on businesses, to abandon forceful methods of financial investigations in favor of an analytical approach, reduce the number and duration of inspections, ensure transparency of verification procedures, introduce a publicly integrated inspection base, and ensure the use of risk-based control.

Investments are one of the ways to modernize the economy. According to the latest data, the volume of foreign direct investment is insignificant. In addition, most investment

goes to non-productive industries, i.e., those that do not create a high value-added economy, are not export oriented (they function for domestic consumption), and not technologically intense. Instead, the most promising industries, such as the agrarian sector and IT, attract small amounts of investment. The main reason behind this is the existence of a number of obstacles for investors.

Innovation is a key driver of economic development. It is necessary to create infrastructure for start-ups and innovation support, in particular to develop an effective model for the functioning of industrial parks, accelerators and incubators, and to establish a functioning venture capital market.

In state property management, the problem of effectively managing state-owned enterprises remains unresolved. It is necessary to continue the reform of corporate governance of state-owned enterprises, as well as to carry

out large-scale and transparent privatization.

Opening of the agricultural land market may serve as a powerful stimulus for economic growth – 6.9 million landowners are deprived of the constitutional right to dispose of their property. The absence of an agricultural land market generates corruption schemes involving the lease of state land and free privatization. Therefore, land reform remains a key area in reforming the economy.

Support for small and medium-sized enterprises (SMEs) is also important, as is the implementation of a set of measures to foster competition. In Ukraine, SMEs provide 80% of employment and generate more than 60% of added value in the country. It is necessary to expand the SME support toolkit, in particular to facilitate access to funding and consultation, simplify procedures for providing administrative services and improve their quality.

## GOAL 1

### Improved business climate and investment attractiveness

1. Implement an effective tool for monitoring the level of bureaucratization of Ukrainian businesses and identify procedures that need to be canceled. Cancel unjustified regulatory restrictions and bureaucratic procedures. Eliminate existing discrepancies and ambiguous rules in the current legislation.
2. Identify key barriers that diminish Ukraine's investment attractiveness and create effective mechanisms to address them.
3. Reduce pressure on businesses, create a single body for combating economic crimes in the executive bodies. Increase the level of material liability for officials who engage in malfeasance during inspections.
4. Promote innovation, and develop and adopt a comprehensive Infrastructure Development Strategy for start-ups in Ukraine. Achieve an increase in the pace of venture capital development through the development and advocacy of relevant legislation.
5. Formulate recommendations for improving Ukraine's position in international rankings based on an analysis of the country's positional dynamics and the study of global best practices.

**DECISION-MAKING AUTHORITY:** Verkhovna Rada of Ukraine, Cabinet of Ministers of Ukraine, Ministry of Economic Development and Trade of Ukraine.

## GOAL 2

### Simplified conditions for international trade

1. Simplify and speed up customs procedures, in particular, establish an institute of economic operators and introduce a "one-stop shop" principle for cargo crossing the customs border

of Ukraine. This will reduce the time for obtaining a certificate of origin of goods.

**DECISION-MAKING AUTHORITY:** Verkhovna Rada of Ukraine, Cabinet of Ministers of Ukraine, Ministry of Economic Development and Trade of Ukraine.

### **GOAL 3** Implemented land reform

1. Cancel moratorium on the sale of agricultural land.
2. Regulate issues necessary to protect the rights of market participants: geocadastral database provisioning, anti-raiding measures, speculation prevention.
3. Open the agricultural land market in Ukraine under the terms that take into account the interests of land owners, agricultural producers, local communities and the state.

**DECISION-MAKING AUTHORITY:** Verkhovna Rada of Ukraine, Cabinet of Ministers of Ukraine, Ministry of Economic Development and Trade of Ukraine, Ministry of Agrarian Policy and Food of Ukraine.

### **GOAL 4** Effective state property management

1. Conduct the most large-scale, fast and transparent privatization of all state-owned enterprises that perform market functions, apart from strategically important ones.
2. Reform corporate governance at state-owned enterprises and centralize the function of state property management. Develop and implement an effective and transparent governance system for state-owned enterprises.
3. Create independent supervisory boards and introduce professional management at state-owned enterprises.

**DECISION-MAKING AUTHORITY:** Verkhovna Rada of Ukraine, Cabinet of Ministers of Ukraine, Ministry of Economic Development and Trade of Ukraine.

### **GOAL 5** Small and medium-sized businesses development and market competition

1. Create the necessary infrastructure to support and develop SMEs at the national and regional levels in order to integrate with global value chains. Create an SME Development Agency and an appropriate network of regional business support centers.
2. Ensure SMEs can take advantage of the benefits of the Association Agreement, namely the possibility to freely move goods, services and capital, thereby increasing the participation of Ukrainian SMEs in the EU's value-added chains.
3. Implement a set of measures to foster competition. In particular, reduce the provision of preferences to state monopolies and subsidies of individual industries and establish equal rules for all market players. Reform the Antimonopoly Committee of Ukraine in accordance with best international practices.

**DECISION-MAKING AUTHORITY:** Verkhovna Rada of Ukraine, Cabinet of Ministers of Ukraine, Ministry of Economic Development and Trade of Ukraine.



# TAX AND BUDGET REFORM

## THE FOLLOWING EXPERTS PREPARED THE PROPOSALS:

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## ISSUES TO BE SOLVED BY THE REFORM

Due to progress in tax reform, according to business surveys, “tax administration” placed lower than “tax rates” in the ranking of obstacles to doing business since the beginning of the survey. At the same time, the nominal tax burden has been substantially reduced because the unified social tax rate decreased to 22%. Transparent and anti-abuse VAT administration mechanisms and electronic taxpayer accounts have been also introduced; communication control of commercial activity in the administration of corporate income tax has been abolished; tax explanations and their use have been regulated; recently, the use of fiscal data recorders has been considerably simplified and the introduction of online registration of fiscal transactions and a number of other positive innovations have been launched. Concurrently, the State Fiscal Service (SFS) has been partially reorganized (primarily in terms of inspections) and the tax police has been formally abolished. Compared to 2013-2015, the economic size of the government – the percentage of GDP redistribution through public finances – has been somewhat reduced. Medium-term budget planning is being introduced.

However, problems in the tax system are still the most significant obstacles to doing business. Thorough institutional reforms of the tax and customs service have been postponed for an indefinite period of time, and the relevant concepts developed by experts under the auspices of the Ministry of Finance and approved by the Cabinet of Ministers of Ukraine have been canceled. Even the tax po-

lice continues to exist, albeit with an uncertain status. The lack of genuine reforms of the customs and fiscal services does not enable a reduction in the scope of abuse – smuggling, violation of customs rules and large-scale tax optimization with the use of offshore accounts, which remain the largest “gaps” in the tax system after the elimination of most “tax pits” which contributed to large-scale VAT evasion.

The struggle for corporate tax reform – a transition to the withdrawn capital (distributed profit) tax, which is a prerequisite for a profound SFS reform, – is underway. Labor taxation is still overly burdensome, and it drives the market underground.

Increase in revenues as a result of successful VAT reform was not used to reduce other taxes, while the economic size of the government after a substantial reduction in 2016 over the next two years steadily increased and is now equal to an average of 44.5% over the previous ten years, and this figure is higher than in Germany.

On the one hand, attempts are being made to preserve and expand the possibilities for corruption and pressure on businesses in the taxation area, and on the other hand to create new opportunities for tax evasion and optimization, in particular through tax benefits, as well as the dilution of past achievements and further reforms.

It is high time to continue and extend tax reform. After the introduction of a withdrawn capital (distributed profit) tax, a thorough SFS reform (“reboot”) should be initiated. It is nec-

essary to approve the plan developed by experts and jumpstart the reform of the customs service, to finally abolish tax police and to create a new, exclusively analytical structure for the investigation of large-scale economic crimes, which should also replace the relevant units of other departments.

Economic growth, revenues from privatization and eliminating the underground economy, as well as all possibilities for reducing budget and quasi-budget expenditures (including but not limited to the ProZorro effect,

verification of social and retirement benefits, optimization of expenses for other purposes) should be used to gradually decrease the government's economic size, which will further reduce the tax burden on wages.

Land and other real estate taxes need to be improved and streamlined, which will increase revenue from them and their use to further reduce labor and income taxes, which are the most harmful to economic growth, according to the OECD.

## GOAL 1

### A simple, transparent and predictable tax system that requires minimal time to calculate and pay taxes

1. Introduce a temporary VAT reimbursement arrears register and further improve VAT administration. Prohibit the cancellation of tax credit amounts by the controlling authority based on formal grounds, except for proven cases of collusion.
2. Improve the system of land and real estate taxation in order to reduce discretion, thus making it more equitable.
3. Move towards distributed profits taxation (withdrawn capital tax) and compensate budget losses by decreasing inefficient budget expenditures and improve taxation of property belonging to companies.
4. Reduce the tax burden on the payroll fund and compensate budget losses by decreasing inefficient budget expenditures, which will create conditions for taking businesses out of the shadow economy.
5. Introduce a single account for paying taxes (excluding VAT) and electronic services (digital payment transactions recorders, electronic register of fiscal checks, excise register) to ease and simplify business conditions. Implement supply chain control through an electronic tax-invoice system.
6. Prohibit the initiation of criminal proceedings before tax liabilities are reconciled and actual non-payment of agreed tax liabilities to the state budget.
7. Modify tax exemptions for VAT and local taxes and fees by reducing their amount.
8. Improve small business taxation and the simplified taxation system to minimize abuse.
9. Align business conditions for the "shadow" and the legal land lease market, in particular by reducing the difference in tax burden.
10. Transfer SFS databases to an independent data center (SE).
11. Ensure implementation of the minimum commitments of the BEPS implementation plan and improve transfer pricing control.
12. Bring the taxation of proceeds from the sale of personal property in line with the economic logic.
13. Exclude motor vehicles from the list of excisable goods.

**DECISION-MAKING AUTHORITY:** Verkhovna Rada of Ukraine, Cabinet of Ministers of Ukraine, Ministry of Finance of Ukraine.



**GOAL 2****Reduced level of GDP redistribution to 37% through public finances to ensure rapid economic growth**

1. Implement a fiscal policy aimed at reducing the share of public GDP expenditure to 37%, as well as fiscal rules that would restrict the share of GDP redistribution through public finances.
2. Review budget expenditures to optimize the structure, increase efficiency and reduce budget expenditures for 2019-2020.
3. Switch to medium-term budget planning (Draft Laws No. 8043 and No. 8044 have been developed and registered). Reform the budget process, in particular, improve the program-targeted financing method.
4. Create a system to verify welfare benefit recipients, other benefit recipients as well as retirement benefit recipients, which will help identify “phantom recipients” and lead to state budget savings.
5. Reform the social security system in order to reduce budgetary expenditures, in particular to abolish compulsory social insurance against industrial accidents, and replace it with mandatory private insurance.
6. Set KPI for budget programs, publishing estimates for all budgetary institutions.

**DECISION-MAKING AUTHORITY:** Verkhovna Rada of Ukraine, Cabinet of Ministers of Ukraine, Ministry of Finance of Ukraine, Ministry of Social Policy of Ukraine.

**GOAL 3****The State Fiscal Service becomes a service deprived of functions that are not relevant to it**

1. Reform the State Fiscal Service and Customs, in particular by recruiting employees at open competitions, guaranteeing decent salaries and automating processes.
2. Provide for the principles and procedures for the opening and operation of the customs regime of the free customs zone, as well as its components - customs posts and customs control zones - in the Customs Code.
3. Ensure opening of depersonalized information from the customs databases.
4. Eliminate the tax police and create a single analytical body investigating economic crimes in the system of executive bodies with a ban on working in a new body for old law enforcement officers.
5. Monitor KPI performance for a more thorough evaluation of SFS activities.
6. Strengthen the state's responsibility to taxpayers for damage caused by actions or omissions.

**DECISION-MAKING AUTHORITY:** Verkhovna Rada of Ukraine, Cabinet of Ministers of Ukraine, Ministry of Finance of Ukraine.





# FINANCIAL SECTOR AND PENSION SYSTEM REFORM

## THE FOLLOWING EXPERTS PREPARED THE PROPOSALS:

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## ISSUES TO BE SOLVED BY THE REFORM

Reform of the financial sector and pension system has been complicated by a number of factors in recent years. On the one hand, Parliament has significant influence groups that have their own interests and are not interested in the existence of a transparent and stable banking system, free movement of capital, transparent insurance market and modern pension system. On the other hand, there are a number of forward-looking stakeholders, including the National Bank of Ukraine, the Ministry of Finance of Ukraine, and international organizations interested in reforming the sector. Therefore, reforms are slow and difficult.

Regarding pension system reform, the first steps have been taken: The Verkhovna Rada of Ukraine has adopted a government pension reform project, taking into account the proposals offered by RPR experts. This contributed to the improvement of the solidary pension insurance system, canceled a number of non-typical expenditures, ensured the differentiation of pensions depending on the acquired insurance record and received earnings, made it possible to introduce uniform approaches to the calculation of pensions, and to begin the process of switching to a multi-tier pension system. But further reform and transition to a three-tier system require a consensus among the authorities, businesses, and civil society, which has not been achieved yet. Experts on pension legislation have to pay particular attention to the introduction of a

compulsory cumulative pension system and a professional pension system program for certain categories of employees.

Significant progress has been made in reforming the banking sector in recent years: institutional capacity and independence of the NBU have been ensured, a stable situation on the foreign exchange market has been ensured through flexible policies, a significant number of insolvent and “gimmick” banks engaged in money laundering, related-party lending and lending to industrial groups, as well as active attraction of deposits of the population with the purpose of transferring funds to offshore accounts for the benefit of the bank’s owners were withdrawn from the market, data on bank owners and bank refinancing have been disclosed, a mechanism for guaranteeing deposits of persons has been improved, etc. Finally, the Verkhovna Rada has passed laws protecting the rights of creditors and on personal bankruptcy, which will significantly improve the investment climate in the country.

At the same time, there are a number of problems that need to be resolved, including urgent decrease in the share of state-owned banks in the banking sector, resolution of issues of improving the protection of creditors and consumers of financial services, simplification of bank merger and acquisition procedures, simplify access of businesses and citizens to loans through the use of the entire range of financial tools, etc.

**GOAL 1**

**A stable and transparent banking system that performs the following main functions: savings, accrual, support payment settlements in the economy, and financial intermediation**

1. Increase the efficiency of the sale of assets of insolvent banks and problem assets of other banks, which will make the banking system more stable.
2. Strengthen the protection of financial service consumers' rights by increasing the responsibility of auditors, introduce the publication of the stress test results by the NBU, increase the amount of deposit guarantees up to UAH 1 million, and cancel the full guarantee of state bank deposits as of January 1, 2020.
3. Resolve issues of bad debts.
4. Stimulate and control the process of simplifying merger and acquisition procedures, registration of capital gains, and entry into the Ukrainian market.
5. Create conditions for the restoration of lending and rapid withdrawal of banks from the market, implement the mechanism of assets securitization both for banks and clients.

**DECISION-MAKING AUTHORITY:** Verkhovna Rada of Ukraine, National Bank of Ukraine.

**GOAL 2**

**Capital movement liberalization**

1. Ensure free conversion of cashless hryvnia, in particular, financial control only by the source of funds and the elimination of any fees for cashless transactions.
2. Eliminate the NBU's control over transactions for the purchase of goods and services abroad, first of all with OECD countries.
3. Provide individuals with the opportunity to execute any currency transactions between their accounts within Ukraine.
4. Ensure the possibility of using foreign currency in insurance activities and payments by promissory notes.
5. Liberalize currency transactions between traders, their resident clients and stock exchanges.
6. Remove restrictions on the participation of non-residents in stock exchange transactions with foreign securities, provide opportunities for participation in stock transactions to foreign investment companies.

**DECISION-MAKING AUTHORITY:** Verkhovna Rada of Ukraine, National Bank of Ukraine.

**GOAL 3**

**A transparent classical European insurance market**

1. Create a transparent insurance market by adopting a new Law "On Insurance".
2. Implement effective state regulation of financial service markets.
3. Establish a European consumer rights protection system by introducing a system for ensuring solvency of insurers, including by ensuring transparency of the ownership structure of insurers, disclosure/publication of information by insurance companies ("gross indicators"), bringing financial and regulatory reporting in line with the minimum European requirements, establishing a market exit mechanism, as well as creating a life insurance guarantee system.

**DECISION-MAKING AUTHORITY:** Verkhovna Rada of Ukraine.

1. Prepare and implement measures to balance the **first tier pension system** (solidary system – Pension Fund of Ukraine).
  - 1.1. Work out the ways of reforming the basic principles for the operation of the Pension Fund of Ukraine (Concept, draft law).
  - 1.2. Bring the PFU accounting system in line with international financial reporting standards, and introduce mandatory annual independent external audits.
  - 1.3. Verify all pensioners.
  - 1.4. Determine the expediency of using a formula for the direct dependence of the size of accrued pensions on the real amounts of paid contributions.
  - 1.5. Work out the issue of expediency of raising the retirement age: justification of the retirement age, duration of start, and calculation of economic effect. Work out the transformation mechanism.
  - 1.6. Work out the possibility of introducing a new model for the solidary system (in particular, models with a single minimum pension for everyone, while all special extra payments, for example for civil servants, will be made not from the budget of the solidary system, but from separate sources of funding).
  - 1.7. Work out the issue of improving and impracticability of canceling the mechanism for the PFU to reimburse paid preferential pensions from employers to their employees (for the rights partly acquired in the past periods) during the transformation period of transition to a professional pension plan for all employees with harmful working conditions (lists Nos. 1, 2).
  - 1.8. Review lists of jobs with harmful working conditions.
2. Introduce the **second tier pension system** – a compulsory cumulative pension insurance system under a number of conditions:
  - a) The burden on the payroll fund will not increase;
  - b) Introduction of proper state regulation of the financial services market;
  - c) Establishment of a financial ombudsman institution.
3. Promote the development of the **third tier pension system** – a voluntary cumulative pension insurance system. Activate pension accumulation for individuals by introducing appropriate legislative changes in the Tax Code of Ukraine and create incentives for legal entities and individuals.
4. Develop private pension systems. Implement EU Directive No. 41 into the legislation on non-state pension funds (requirements for corporate governance, disclosure of information, institutional capacity of the regulator, etc.).
5. Agree on the basic principles for the functioning and the process of introducing a **professional pension program** for certain categories of employees who need it (for example, due to the heightened detrimental effect of harmful working conditions on their health (so-called lists Nos. 1, 2); those who had state guarantees for early retirement based on the length of service in connection with the specifics of working conditions; civil servants in connection with the increase in occupational prestige, etc.). It is necessary to determine the optimal early retirement age in the professional system or to work out the possibility for the recipient to choose the age of retirement. A cumulative professional system is introduced after the successful start of the second tier on the basis of the newly created institutional elements of the compulsory accumulation system.

**DECISION-MAKING AUTHORITY:** Verkhovna Rada of Ukraine, Cabinet of Ministers of Ukraine.

**GOAL 5**

A capital market that is beneficial for people, companies and the economy

1. Finalize legislation on derivative financial instruments (derivatives).
2. Introduce individual pension and investment accounts.
3. Develop a program for integrating the Ukrainian capital market with developed global markets.
4. Introduce commercial securities market.

**DECISION-MAKING AUTHORITY:** Verkhovna Rada of Ukraine, National Bank of Ukraine.



# ENERGY SECTOR REFORM

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## ISSUES TO BE SOLVED BY THE REFORM

The main document defining strategic goals in the energy sector is the Energy Strategy of Ukraine until 2035. The success of this strategy depends, in particular, on solving below key issues.

**Dependence on the import of energy resources.** Today, given the shortage of primary energy resources, Ukraine depends on their imports. In 2018, natural gas was still supplied from the EU (more than 40% of total domestic consumption) to ensure the operation of district heating companies and to meet the needs of the population and other consumers. Coal is mainly imported from Russia (60% of total imports) for the operation of thermal power stations and combined heat and power plants of energy generating companies. There remains an absolute dependence on the import of nuclear fuel, although competition between the two suppliers has been achieved, which has had a positive impact on the stability of fuel supply for nuclear generation, which is more than 50% of the total energy mix in the electricity market.

**Near-monopolization of energy markets.** Despite the gradual reformation of the natural gas and electricity markets and the adoption of relevant laws in line with the requirements of the European Union’s Third Energy Package, in Ukraine there is still a monopoly of private financial and industrial groups, in particular through vertically integrated energy holding companies, which simultaneously

control companies in different sectors of the fuel and energy complex. Gas distribution companies, which use state-owned networks under economic management rights, and almost all electricity distribution companies are privately owned. The scarcity of alternatives to regional power companies for domestic consumers practically limits the right of choice of the electricity and natural gas supplier. On the markets, we can observe conditions (a transitional period, or “incomplete reform”) that do not encourage competitors to compete. In heat supply, there is also a monopoly of local heat utilities that are not interested in providing access to networks that are used/owned by them to other suppliers. At the same time, centralized thermal networks are run-down by 80%.

**Poor coordination between the key departments.** Several CEBs are simultaneously involved in the development and implementation of energy and utilities policies. Due to the lack of over-departmental priorities-setting in these spheres and the proper coordination of planning and actions determined by different CEBs, the developed and adopted decisions are often contradictory and, in the end, do not allow achieving the results for the efficient functioning and development of the energy industry. At the same time, the EU’s experience shows the need to harmonize climate and energy policies.

**Low level of energy efficiency policy im-**



**plementation.** The state policy in the field of energy efficiency plays a key role in addressing the issues of the country's energy dependence, sustainable development of the economy and ensuring a comfortable life for citizens. The energy intensity of Ukraine's GDP is three times higher than that of the European Union, with the largest potential for energy saving in buildings and the industrial sector being unused. The Energy Strategy of Ukraine until 2035, the National Energy Efficiency Action Plan until 2020, and other documents plan to increase energy efficiency in all sectors of the economy. In 2016-2017, great progress was made at the legislative level: the Laws "On Commercial Accounting of Utilities", "On the Energy Efficiency of Buildings", "On the Energy Efficiency Fund", "On Housing and Utility Services" were adopted, which should help to improve the situation. At the same time, as of August 2018, none of the above-mentioned laws were actually enforced, and sector reform came to nothing.

**Low awareness of the population and local authorities regarding the introduction of new legislative and regulatory acts.** Successful implementation of energy reform also depends on the level of understanding among the population and the ability of state and local officials to fulfill it.

The energy sector reform strategy in Ukraine should aim at the implementation of the following general principles and objectives:

- Provide consumers with affordable energy resources and utilities, while respecting the principles of energy efficiency and minimizing harmful effects on the environment.
- Usher in competitive energy markets with open access and further integration into pan-European markets.
- A transparently functioning energy sector, including mining and other industries.
- Pricing in energy markets balanced by supply and while phasing out budget subsidies and other subsidy mechanisms (including other market participants).
- Coordinate CEB policies with each other along with strategic sector documents, in particular on climate change and energy.
- Increase the scope of domestic mining and production energy resources while giving priority to renewable energy sources (RES) development in order to strengthen the country's energy independence.

These general principles and objectives are achieved through the fulfillment of goals and tasks in each energy sector.

## GOAL 1

## Gas. Key Objectives

1. Ensure full operation of the natural gas market in accordance with the Law "On the Natural Gas Market" by:
  - Introducing a market in which there is a daily accounting of the gas transportation system of Ukraine;
  - Restructuring NJSC Naftogaz in order to fulfill the requirements of unbundling and, accordingly, delineate activities on natural gas transit and storage.
2. Ensure the availability and openness of information on the state of the natural gas market for consumers and market participants.
3. Introduce measures to enhance competition and facilitate access to gas production in order to increase domestic natural gas production for the domestic market's needs.
4. Ensure a full accounting of natural gas and billing based on consumption data that matches as much as possible that of consumers.
5. Reduce the volume of natural gas losses in the distribution networks.

**DECISION-MAKING AUTHORITY:** Verkhovna Rada of Ukraine, Cabinet of Ministers of Ukraine, Ministry of Energy and Coal Industry of Ukraine, National Commission for State Regulation of Energy and Public Utilities.



## GOAL 2 Electricity. Key Objectives

1. Complete electricity market reform in accordance with the Law “On the Electricity Market” as follows:
  - Instill all market segments: bilateral agreements market, day-ahead market, intra-day market and ancillary services market;
  - Incorporate NPC Ukrenergo, certify the transmission system operator (TSO), unbundle by transferring the assets of NNEGC “Energoatom” and Ukrhydroenerho from the Ministry of Energy and Coal Industry to other CEBs;
  - TSO shall become members of the European Network of Transmission System Operators for Electricity (ENSO-E) and introduce interconnectors with the EU market.
2. Put the issue of opening the domestic market for electricity import, in particular, through the construction of DC inserts, on the agenda.
3. Ensure balanced development of renewable energy sources, in particular:
  - Develop and adopt a national action plan that provides for the development of RES by 2030 with a revision of the goals in 2023, taking into account climate change aspects in accordance with the practice of EU countries;
  - Update an incentive mechanism (auction system introduction) for the introduction of RES facilities for long-term development to increase the RES share;
  - Legislatively promote the development of dispersed small-scale generation facilities at the local level through the support of energy co-operatives, development and implementation of targeted financial programs.
4. Identify strategy for the development of nuclear energy in Ukraine:
  - Develop long-term strategy for nuclear energy development;
  - Develop an action plan for the implementation of the adopted strategy.
5. Encourage energy generating companies to reduce environmental pollution by reviewing environmental taxation standards approaching them to the European ones.
6. Introduce measures to stimulate the modernization of electric networks following the principle of balancing consumer’s and service provider’s interests. Take into account the need for the “smart grids” for the integration of dispersed low power generation facilities.

**DECISION-MAKING AUTHORITY:** Verkhovna Rada of Ukraine, Cabinet of Ministers of Ukraine, Ministry of Energy and Coal Industry of Ukraine, State Agency on Energy Efficiency and Energy Saving of Ukraine, Ministry of Ecology and Natural Resources of Ukraine, Ministry of Social Policy of Ukraine.

## GOAL 3 Thermal energy. Key Objectives

1. Create prerequisites for installing a competitive thermal energy market:
  - Ensure 100% thermal energy accounting throughout the whole chain from generation to consumption;
  - Introduce a system regulating heat energy consumption at the level of houses;
  - Determine criteria for heat supply systems to delineate the activity of producing and transporting thermal energy, taking into account the interests of consumers (price) and reducing the amount of primary energy in such systems (energy efficiency, ecology);
  - Open access of new market participants to heat supply networks.

2. Establish a minimum period for reviewing prices for the main type of fuel (natural gas) for heat-generating enterprises to ensure predictability of the tariff policy of district heating companies.
3. Introduce a pricing mechanism for thermal energy produced from alternative energy sources through reductions.
4. Provide open access to the detailed structure and justification of tariff items for heat suppliers of all levels.
5. Create conditions for encouraging the utilization of heat waste from enterprises and the development of combined heat and power generation (cogeneration) facilities using RES.
6. Encourage long-term planning of heat supply programs for settlements.

**DECISION-MAKING AUTHORITY:** Verkhovna Rada of Ukraine, Cabinet of Ministers of Ukraine, Ministry of Energy and Coal Industry of Ukraine, Ministry of Regional Development, Construction and Housing and Communal Services of Ukraine, National Commission for State Regulation of Energy and Public Utilities.

#### GOAL 4 Coal. Key Objectives

1. Systematically reduce the share of coal in the energy balance and reduce imports from Russia and the occupied territories.
2. Create a transparent coal market, in particular:
  - Develop and adopt common rules for all market participants;
  - Strengthen anti-trust policy on the coal market to ensure competition;
  - Ensure control over the coal's compliance with the environmental standards and take into account quality indicators for the purpose of pricing.
3. Reform the state-owned coal mining enterprises as follows:
  - Publish a list of all coal mines ranking them by the cost of production;
  - Terminate subsidies for the enterprises at the expense of the state budget;
  - Complete the privatization of profitable or promising enterprises;
  - Eliminate loss-making unproductive enterprises complying with the requirements for mitigating environmental and social consequences.
4. Develop and implement programs for the social rehabilitation of selected regions where coal mining enterprises are to be shut down, using best European practices.

**DECISION-MAKING AUTHORITY:** Verkhovna Rada of Ukraine, Cabinet of Ministers of Ukraine, Ministry of Energy and Coal Industry of Ukraine, Ministry of Regional Development, Construction and Housing and Communal Services of Ukraine, Ministry of Ecology and Natural Resources of Ukraine, Ministry of Social Policy of Ukraine.

#### GOAL 5 Energy Efficiency. Key Objectives

1. Include EU Energy Efficiency Directives (31, 27, 844) into the national legislation.
2. Introduce a system for monitoring energy consumption and energy management in local communities and state-owned buildings.

3. Improve ESCO and PPP mechanisms for deep energy modernization in residential and non-residential buildings.
4. Ensure affordable, continuous and sufficient financial resources to support energy-efficient projects in detached houses and apartment buildings, in particular, use part of the lease from fossil fuel mining to finance energy efficiency programs in the country.
5. Ensure regular reporting to the co-owners by the head of housing cooperative about the actual condition of the building and specific energy consumption so that they can make efficient energy-modernization decisions.
6. Ensure full monetization of subsidies for vulnerable groups at the household level. Develop mechanisms to encourage subsidy recipients to implement energy-efficient measures.
7. Complete reform in the housing and utility sphere through the implementation and critical consideration of the provisions of the laws from the energy-efficient package (“On Commercial Accounting”, “On the Energy Efficiency of Buildings”, “On Housing and Utility Services”, “On the Energy Efficiency Fund”), in particular:
  - Hold transparent competitive hiring of and appoint managers for the buildings that have not established housing cooperatives and have not elected a manager on their own;
  - Perform write-offs from the balance of apartment buildings by state authorities and local self-government bodies;
  - Abandon the practice of allocating budget funds for the repair of housing stock without co-financing on the part of co-owners.
8. Introduce cash subsidy payments for vulnerable consumers. Develop mechanisms to encourage subsidy recipients to implement energy-efficient measures.

**DECISION-MAKING AUTHORITY:** Verkhovna Rada of Ukraine, Cabinet of Ministers of Ukraine, Ministry of Regional Development, Construction and Housing and Communal Services of Ukraine, Ministry of Social Policy of Ukraine, State Agency on Energy Efficiency and Energy Saving of Ukraine, local self-government bodies.



# ENVIRONMENTAL PROTECTION AND SUSTAINABLE DEVELOPMENT

## THE FOLLOWING EXPERTS PREPARED THE PROPOSALS:

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## THE FOLLOWING NGOS ARE MEMBERS OF THE RPR EXPERT GROUP:

- Bureau of Ecologic Investigations, Environment-People-Law, MAMA-86

## ISSUES TO BE SOLVED BY THE REFORM

In recent years, mortality rate in Ukraine has exceeded birth rate, and the mortality rate is 14.4 per 1,000 citizens, which is quite high compared to other countries. In addition, the expected healthy life expectancy is about 64 years. These indicators and the health of Ukrainians are directly influenced by the environment which remains contaminated. Polluted air in Ukraine causes an average of 10.3% of all cases of cardiovascular diseases; 11% of digestive system diseases, 16% of respiratory diseases; 30% and 10.5% of lung cancer in men and lung cancer in women, respectively, and 3.6% of all cases of mortality in Ukraine. The waste management system in the country does not meet current challenges. Water resources and soil are virtually not monitored, and collected samples show heavy metal and dangerous substance contamination, which causes damage to the central nervous system, liver, heart, kidneys, fall in IQ rates, eyesight and sense of touch.

Such an environmental state leads to economic losses. For example, an economic assessment of the social value of premature deaths from illnesses caused by air pollution in Ukraine is about \$ 94 billion.

Measures to address environmental problems at the state level were laid down in the Agreement on the Coalition of Parliamentary Factions "European Ukraine", the Government's Medium-Term Priority Action Plan to 2020, and the Association Agreement between Ukraine and the EU. In addition, in 2017, with-

in the framework of sectoral budget support programs of the European Union, Ukraine received over UAH 243.5 million, and in 2016 more than UAH 1 billion 637 million. In 2018, the program is planning to add UAH 1 billion 83 million to the budget. These funds were used to introduce various reforms and measures, including in environmental protection. At the same time, most of the announced measures have not been implemented.

In particular, the Agreement on the Coalition in section 17 on the reform of the environmental management system and the integration of environmental policy in other areas of policy, such as ensuring environmental reform for a healthy nation and a strong state, has been implemented to a small extent. The reform of the environmental management system for the purpose of transforming it into an integrated system capable of ensuring the implementation of pro-European reforms and eliminating corruption schemes in environmental management and protection has not been implemented. As for the planned phased alignment of Ukrainian legislation with EU directives, only two out of ten clauses have been enforced: the Laws "On Environmental Impact Assessment" and "On Strategic Environmental Assessment" that allow for a proper environmental assessment to be implemented in order to comply with EU Directives 2011/92/EEC and 2001/42/EC have been adopted, and also a water management model has been introduced taking into account the basin management principle

and hydrographic zoning of territory. Other obligations remain virtually unfulfilled.

The Government's Medium-Term Priority Action Plan to 2020 in terms of preserving natural resources and ensuring the right of people to environment which is safe for life and health and compensation for damage caused by the violation of this right has not been implemented yet. This is due to the fact that environmental monitoring is not implemented due to separate business interests, including interests of those who are in power.

Due to the low level of implementation of

these documents and international obligations, a number of problems in environmental protection remain unresolved. In particular, environmental monitoring is practically non-existent, the environmental monitoring system remains ineffective (moratorium on environmental inspections is considered by the Government as a positive development within business deregulation), legal liability for causing environmental damage is inadequate and undervalued, and in many cases it is not borne, and supervision is identified as control, which only increases corruption risks in environmental protection.

## GOAL 1

### A transparent and accountable system of environmental protection and sustainable use of natural resources

1. Update the principles of state environmental policy by adopting a new law, approve the National Environmental Action Plan and the National Climate and Energy Plan until 2030, and ensure consistency of these documents.
2. Legislatively formalize the implementation of environmental monitoring.
3. Establish a regulatory procedure for state control over the use of pesticides.
4. Legislatively ensure the functioning of an electronic system of environmental information (permits, reports, inspections) for authorities and the public, create and start its operation.
5. Legislatively establish a mechanism of an integrated permit for the regulation of environmental pollution, prevention and control of pollution.
6. Introduce single state classification in environmental protection taking into account classifications used in EU countries.
7. Legislatively ensure the use of funds received from the reimbursement of environmental damage, as well as for prosecution of environmental violations, etc., for environmental protection.
8. Implement the mechanisms of SEA (Strategic Environmental Assessment) and EIA (Environmental Impact Assessment), and complete the development of a regulatory framework and good practice in their application.

**DECISION-MAKING AUTHORITY:** Verkhovna Rada of Ukraine, Cabinet of Ministers of Ukraine, Ministry of Ecology and Natural Resources of Ukraine, Ministry of Energy and Coal Industry of Ukraine.

## GOAL 2

### The inevitability of punishment for environmental offenses and ensuring compliance with environmental legislation

1. Reduce the frequency of inspections to comply with the requirements of environmental legislation while increasing their efficiency.
2. Impose legal liability for actions that damage or are likely to damage the environment, as well as strengthen the punishment for environmental offenses.
3. Implement an effective transparent accountable system of environmental taxes and fees.

4. Legislatively provide access to justice in environmental matters and compliance with environmental legislation by exempting those whose rights have been violated from court fees in such categories of cases.

**DECISION-MAKING AUTHORITY:** Verkhovna Rada of Ukraine, Cabinet of Ministers of Ukraine, Ministry of Ecology and Natural Resources of Ukraine.

### GOAL 3

### Sustainable use of natural resources and sustainable development

1. Legislatively ensure the implementation of a European waste management system (five-step hierarchy of waste management, waste classification, licensing systems, reporting, introduction of enhanced producer responsibility systems at least for such waste streams as used batteries, radiators and storage cells, electronics and electronic equipment, etc.).
2. Legislatively ensure the introduction of sustainable management of forests and protected areas of Ukraine.
3. Implement European standards to protect wild birds and preserve the habitats of wild flora and fauna.
4. Legislatively ensure mechanisms for the conservation of and sustainable management of small rivers.
5. Legislatively ensure the prohibition of using green tariffs for activities that cause environmental damage (garbage incineration, construction of mini-hydroelectric power stations, etc.).
6. Legislatively ensure the conservation and sustainable use of animals, as well as protection of the latter from cruel treatment.

**DECISION-MAKING AUTHORITY:** Verkhovna Rada of Ukraine, Cabinet of Ministers of Ukraine, Ministry of Ecology and Natural Resources of Ukraine, Ministry of Regional Development, Construction and Housing and Communal Services of Ukraine.



# HUMANITARIAN DEVELOPMENT



## HEALTHCARE SYSTEM REFORM

### THE FOLLOWING EXPERTS PREPARED THE FOLLOWING PROPOSALS:

- Svitlana Bubenchykova

### THE FOLLOWING NGOs ARE MEMBERS OF THE RPR EXPERT GROUP:

- Patients of Ukraine CF, Life Centre, Coalition of Civic Organizations “For Sober Ukraine”

## ISSUES TO BE SOLVED BY THE REFORM

Over the past year and a half, central authorities were keen on reforming and developing a comprehensive healthcare system. Foremost, this is confirmed by the key laws adopted in 2017, which initiated changes in this area.

However, despite the political will of central authorities, there are risks that health care reform at the regional level will not be implemented qualitatively. Indeed, not only did opposition toward reform, which existed before the adoption of healthcare laws, not disappear, it can grow on the eve of the upcoming elections for the purpose of discrediting the reform in the populist struggle for electoral support.

Under such circumstances, it is strategically important to ensure regular and high-quality communication with local authorities, the public and medical community representatives to

ensure a complete understanding of all the processes where it is being carried out.

An integral part of the successful implementation of the reform is the timely achievement of the goals set within the framework of the reform. This will demonstrate a high level of preparation and coherence of action at the highest state level and will contribute to an authoritative perception of healthcare reform implementation at the local level.

Taking into account the fact that society, the medical community and local self-government bodies, on the one hand, have high hopes and, on the other hand, have a biased attitude towards future changes, the Ministry of Health of Ukraine, in cooperation with other stakeholders, should ensure high-quality implementation of the tasks set for healthcare reform.

### GOAL 1

### An established effective infrastructure at the primary and specialized (secondary) levels of healthcare

1. Ensure the autonomy of healthcare facilities and introduce a new financing model at the primary and secondary levels of healthcare provision.
2. Develop and provide in the 2020 budget for a package of healthcare services guaranteed by the state at the primary and specialized (secondary) levels.
3. Ensure the development of appropriate infrastructure for the implementation of healthcare reform in rural areas.

**DECISION-MAKING AUTHORITY:** Verkhovna Rada of Ukraine, Cabinet of Ministers of Ukraine, Ministry of Health of Ukraine.

**GOAL 2****A comprehensive public healthcare system is created**

1. Establish a regional network of public healthcare centers.
2. Implement mechanisms to reduce premature mortality and morbidity from illnesses caused by tobacco use by adopting relevant regulatory documents and fulfilling Ukraine's commitments to the EU.
3. Ensure infectious control of socially dangerous diseases (HIV, TB, hepatitis C).

**DECISION-MAKING AUTHORITY:** Verkhovna Rada of Ukraine, Cabinet of Ministers of Ukraine, Ministry of Health of Ukraine.

**GOAL 3****Effective mechanisms for the purchase of medicines and medical devices at the national level**

1. Perform effective redistribution of authorization for the procurement of medicines and medical devices among international organizations, the "Affordable Medicines" program (reimbursement), central procurement organization and regional procurement.
2. Establish a central procurement organization.
3. Introduce electronic prescriptions for the sale of medicines under the "Affordable Medicines" program.

**DECISION-MAKING AUTHORITY:** Verkhovna Rada of Ukraine, Cabinet of Ministers of Ukraine, Ministry of Health of Ukraine.

**GOAL 4****Access to innovative treatment**

1. Reform the patent system and provide conditions for free competition in the market of pharmaceuticals and medical devices.
2. Introduce international treatment protocols.
3. Develop and implement normative acts for the compulsory licensing of medicinal products.

**DECISION-MAKING AUTHORITY:** Verkhovna Rada of Ukraine, Cabinet of Ministers of Ukraine, Ministry of Health of Ukraine.

**GOAL 5****Reformed emergency medical care, rehabilitation and disability assessment**

1. Provide for the expansion of the substation network, creation of emergency departments and modernization of the dispatch system.
2. Develop training programs for pre-hospital care professionals, as well as for police officers, firefighters, staff of the State Emergency Service of Ukraine, and the National Guard.
3. Introduce the International Classification of Functioning, Disability and Health.

**DECISION-MAKING AUTHORITY:** Verkhovna Rada of Ukraine, Cabinet of Ministers of Ukraine, Ministry of Health of Ukraine.



# EDUCATION AND SCIENCE REFORM

## THE FOLLOWING EXPERTS PREPARED THE PROPOSALS:

- Viktor Artemenko, Volodymyr Bakhrushyn, Yehor Stadnyi, Ivan Prymachenko, Inna Sovsun, Iryna Kohut, Liliia Borovets, Mykola Skyba, Mykhailo Vynnytskyi, Nataliia Radysh, Nataliia Shulha, Olena Panych, Yuliia Bezvershenko, Yuliia Solodko

## THE FOLLOWING NGOs ARE MEMBERS OF THE RPR EXPERT GROUP:

- Ukrainian Science Club, Civil Network OPORA, Prometheus, Center for Innovative Education “Pro.Svit”

## ISSUES TO BE SOLVED BY THE REFORM

Since 2014, several basic laws have been adopted, in particular, “On Education”, “On Higher Education” and “On Scientific and Scientific-Technical Activities”. They formed the basis for positive developments in the field of education and science.

The concept of the “New Ukrainian School” is a great advance since it contains mechanisms for introducing student-teacher partnerships, developing critical thinking, and academic attitudes toward mistakes. In addition, more funding for the facilities and resources is being allocated, the training network is being optimized.

The Law “On Higher Education” aims at increasing the autonomy of higher education institutions. But so far these institutions have not received real financial autonomy.

Development of standards based on competency approach has begun.

Unfortunately, due to the uncompetitive working conditions, school leavers who are far from being the best enter universities to become teachers in the future. And then graduates who are far from being the best come to schools to teach children. A significant part of such teachers do not have the necessary competencies, so they cannot make the learning process interesting and useful for their students. Similar processes take place in vocational and higher education. Laboratories of educational institutions have not been updated

ed for many years.

The content of education is far from the needs of society and the economy. Due to excessive regulation, it is impossible to use modern teaching methods and advanced technologies efficiently. The new laws have substantially restricted the powers of the Cabinet of Ministers of Ukraine and central executive authorities on these issues and expanded the academic autonomy of educational institutions. But many by-laws of various levels remain unchanged, which contradicts the new laws, as do obsolete practices of many local education authorities and educational institutions. A significant part of pupils, students and teachers neither study nor teach, they simply stay in an educational institution. This results in gradual deterioration of the human potential and competitiveness of the state.

Many provisions of the Law “On Scientific and Scientific-Technical Activity” cover accountability, assessment and transparency. The new assessment system for scientific work will allow conducting qualitative diagnostics of the state of the scientific sphere. The National Science and Technology Development Council of Ukraine has been set up, it must develop a systemic and transparent scientific policy, as well as create a system of independent expert examination of the state target scientific and scientific-technical programs, scientific projects. Not a single meeting of the Council has been held in three years

though. Also, the National Research Fund is being established now.

Over the past 20 years, Ukraine moved from the 27th to the 47th place in the world ranking by the scope and quality of scientific products according to the worldwide Scopus database. This has happened, among other things, due to a decrease in the scientific sphere funding from the state budget without compensatory investments from businesses. Gradually, the trust in, respect for and prestige of the scientists were lost.

It is necessary to stop the isolation and stagnation of research, create conditions for the growth of demand for qualitative training of researchers and developments in the field of fundamental and applied sciences, reduce the gap between research and results implementation. The scientific sphere reform is intended to integrate education and science of Ukraine into the educational and research space of the EU.

It is also necessary to overcome the attitude to education and science as a sphere of consumption, rather than the sphere that forms the basis for economic and social development. It is necessary to solve the problem with the lack of reliable data necessary for the management and public oversight, as well as to change approaches to funding which are now mostly aimed at maintaining the network of institutions without regard to the results of their activities. It is essential to establish efficient

relationship between education and science, on the one hand, and society and economy, on the other hand, and to build a systemic state policy in the field of education and science based on data and aimed at achieving the long-term goals of state development.

Therefore, systemic issues in education and science that need to be addressed are:

- Attitude to education and science as an of consumption, rather than one that forms the basis for economic and social development;
- Lack of reliable data necessary for management and public oversight;
- An inefficient funding model aimed at maintaining the network of institutions regardless of the results of their activities;
- Lack of close relationship between education and science, on the one hand, and society and the economy, on the other
- Lack of systemic state policy in the field of education and science based on data and which is aimed at achieving the long-term goals of state development;
- Insufficient level of autonomy, first of all financial autonomy, of educational institutions and scientific institutions;
- Preservation of obsolete legislation, lagging behind in terms of development of a new regulatory framework and its incomplete compliance with the reform ideology.

## GOAL 1

### A new approach to teaching pupils, and teachers' performance is assessed

1. Develop higher education standards for the teaching staff training, as well as modern state standards for basic and specialized general secondary education.
2. Introduce a metric for assessing the results of study for students and performance of teaching staff.
3. Determine the conditions and procedure for certifying teachers.
4. Ensure legal and financial conditions for quality training and continuous professional development of teaching staff.
5. Create an open register of vacancies for teaching, scientific-teaching and scientific staff.

**DECISION-MAKING AUTHORITY:** Verkhovna Rada of Ukraine, Cabinet of Ministers of Ukraine, Ministry of Education and Science of Ukraine, Ministry of Economic Development and Trade, Ministry of Finance of Ukraine, State Service for Education Quality, local self-government bodies.

## GOAL 2 University autonomy implemented in practice

1. Repeal legislation that impedes the academic mobility of teachers and students.
2. Ensure financial autonomy for higher education institutions, create conditions for this transition and start applying performance-based higher education institution funding.
3. Approve the Higher Education Development Strategy aimed at solving urgent problems of its development and further integration into the European Higher Education Area.

**DECISION-MAKING AUTHORITY:** Verkhovna Rada of Ukraine, Cabinet of Ministers of Ukraine, Ministry of Education and Science of Ukraine, Ministry of Economic Development and Trade.

## GOAL 3 Vocational education that matches the needs of society

1. Develop and adopt a vocational education law that is qualitatively new and up-to-date.
2. Develop strategic documents on the professional education development engaging employers and professional communities.
3. Strengthen the role of local self-government bodies in the management of vocational education institutions.

**DECISION-MAKING AUTHORITY:** Verkhovna Rada of Ukraine, Cabinet of Ministers of Ukraine, Ministry of Education and Science of Ukraine, Ministry of Economic Development and Trade, and local self-government bodies.

## GOAL 4 Good governance principles introduced in the industry

1. Modernize the structure of statistical information of educational and scientific institutions, and harmonize data collection methods with the best international practices.
2. Ensure the transition of education and science management bodies to work in an open data format.
3. Expand policy-making practices based on a full cycle.

**DECISION-MAKING AUTHORITY:** Verkhovna Rada of Ukraine, Cabinet of Ministers of Ukraine, Ministry of Education and Science of Ukraine, Ministry of Economic Development and Trade, and local self-government bodies.

## GOAL 5 A transparent and effective scientific field

1. Ensure the full launch of a new system of state certification of scientific institutions and the adoption of managerial decisions based on the assessment.
2. Ensure independent work of the National Research Fund.
3. Solve the issue of modernizing the National and Branch Academy of Sciences.
4. Create an open registry of research infrastructure.
5. Ensure implementation of the Roadmap for Ukraine's integration into the European Research Area.

**DECISION-MAKING AUTHORITY:** Verkhovna Rada of Ukraine, Cabinet of Ministers of Ukraine, Ministry of Education and Science of Ukraine, Ministry of Economic Development and Trade.





# CULTURE

## THE FOLLOWING EXPERTS PREPARED THE PROPOSALS:

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## THE FOLLOWING NGOs ARE MEMBERS OF THE RPR EXPERT GROUP:

- Congress of Cultural Activists, Ukrainian Archaeologists Association

## ISSUES TO BE SOLVED BY THE REFORM

Today, Ukraine is not paying sufficient attention to the formation of culture and creative industries. There is still no understanding of the significance of the cultural and creative industries (CCI) at all levels of government and, accordingly, the regulatory framework for this sector of the economy.

By force of habit formed back in the Soviet Union, current legislation still only regulates the state-run cultural sector. Thus, it “excludes” the non-state sector and businesses with all their diverse cultural practices that do not fit into the rigid, normalized system of “cultural industries” from relations with the state. The creation of the Ukrainian Cultural Foundation does not solve these problems.

The cultural sphere bears the burden of outdated infrastructure, which is increasingly underfunded and not modernized every year, and therefore loses the ability to provide quality services. The ineffectiveness of budget expenditures for cultural purposes and the low level of expenditures for culture in the minimal consumer basket result in the levelling of its ideological, educational and innovative roles.

At the same time, current funding is unfair and does not correspond to its added value.

The current system for protecting copyrights and other related rights does not ensure adequate protection of intellectual property rights. A gradual decline and lack of attention to intangible and tangible cultural heritage continues to negatively affect the ability of society to protect and pass down traditions, which makes it impossible to create, interpret and preserve symbols that shape one’s views and give meaning to life.

Due to problems in cultural and artistic education, citizens do not have enough skills that are formed in the cultural field. The level of cultural competence and cultural practices of Ukrainians is much lower than that of Europeans.

A new cultural policy should create conditions for the use of innovations, enhance creative industries, the protection of intellectual property and should become the first means of modernizing society, which will ensure economic growth and the development of human resources.

### GOAL 1

### A new cultural policy that activates the processes of social development

1. Develop, in accordance with the current challenges and opportunities, a long-term vision of cultural policy and cultural practices in Ukraine.
2. Develop strategies for the development of CCIs in the country and regions based on the unlocking of human potential and the development of modern social competencies.



3. Support projects and programs for the implementation of innovative forms of culture aimed at enhancing social dynamics and adapting Ukrainian society to global processes.

**DECISION-MAKING AUTHORITY:** Verkhovna Rada of Ukraine, Cabinet of Ministers of Ukraine, Ministry of Culture of Ukraine.

## GOAL 2

### An effective governance model in the field of culture on the basis of open access

1. Move from an industry-wide to a functional type of management, deregulate, and apply principles of efficiency, transparency and publicity.
2. Expand cooperation between the Ministry of Culture of Ukraine and other central authorities and local self-government bodies in drafting normative legal acts, and coordinate actions in the implementation of cultural policy.
3. Delegate certain cultural policy powers to the local self-government with the introduction of governance effectiveness indicators.
4. Democratize management in culture by expanding self-regulation and self-organization of culture.
5. Make the decision based on a professional analysis of data, in particular, create a system for continuous monitoring of cultural processes, an impact assessment within strategic planning, and encourage the study of cultural processes.
6. Introduce (and improve) the methodology for calculating the economic contribution of cultural and creative industries to GDP based on the cultural and artistic activities and by oblast.
7. Train new cultural managers who would be able to apply the latest management practices.

**DECISION-MAKING AUTHORITY:** Verkhovna Rada of Ukraine, Cabinet of Ministers of Ukraine, Ministry of Culture of Ukraine, local self-government bodies.

## GOAL 3

### Favorable conditions for the creation and consumption of cultural goods

1. Improve the regulatory framework for CCI development in terms of facilitating economic activity in the field of culture, as well as improving the quality and intensity of cultural consumption.
2. Eliminate restrictions on the use of budget funds, lift the ban on simultaneous project funding from the central and local budgets, and combining public funds and other sources of funding.
3. Increase the standards for funding culture from the state and local budgets, including the application of the international practice of spending part of funds from lotteries and/or excise taxes on culture.
4. Introduce long-term preferences for the cultural and artistic sector by providing tax privileges and exemptions from customs duties.
5. Create a system of economic incentives for the purpose of raising non-government sourced funds, donations from philanthropists and other charities to finance cultural and artistic activities, including for specialized funds.

6. Promote public-private partnerships for cultural and artistic projects that focus on upgrading cultural infrastructure, creating local centers for creative business, generating new products and creating innovative markets.
7. Develop and approve a state program to privatize state and municipal cultural and artistic enterprises, institutions and organizations (while preserving the same activity profile), facilitate the provision of municipal premises or other public grounds for cultural initiatives for permanent use or lease them out.
8. Ensure a high level of intellectual property protection, in particular:
  - 8.1. Bring intellectual property legislation in line with the requirements of the EU and international treaties which Ukraine is a party to;
  - 8.2. Improve the system for collecting, distributing and paying remuneration to authors and holders of related rights (increase its efficiency, fairness and transparency) through proper regulation of the collective management of property rights;
  - 8.3. Establish an intangible asset accounting and valuation system (balance sheet and off-balance sheet);
  - 8.4. Encourage the legal culture of «honest users» in Ukraine.
9. Foster cultural consumption by increasing spending on cultural needs in the minimal consumer basket.

**DECISION-MAKING AUTHORITY:** Verkhovna Rada of Ukraine, Cabinet of Ministers of Ukraine, Ministry of Culture of Ukraine, local self-government bodies.

#### GOAL 4

#### Comprehensive protection and update of cultural heritage

1. Legislatively ensure the appropriate level of protection of tangible and intangible cultural heritage by including European and international standards into national legislation.
2. Record (identify) tangible and intangible cultural heritage objects and disclose these registers in open data format.
3. Implement an effective archaeological heritage protection system: define the competence of governance bodies, introduce procedures for public consultations on plans for the development of territories and the use (storage, restoration) of the cultural-historic landscape.
4. Introduce financial incentives to encourage private sector investment (including through public-private partnerships) into national cultural heritage sites that have the potential to become powerful sources of revenue generation for local communities.
5. Introduce a state program to popularize cultural and natural heritage. Create conditions for the development of educational, world view, and tourism potential of cultural heritage sites, and presentation of Ukrainian cultural heritage abroad.

**DECISION-MAKING AUTHORITY:** Verkhovna Rada of Ukraine, Cabinet of Ministers of Ukraine, Ministry of Culture of Ukraine, Ministry of Economic Development and Trade of Ukraine, and local self-government bodies.

1. Increase the requirements for learning outcomes and competences in education standards in line with the European Qualifications Framework and the European Qualifications Framework for Higher Education, including their cultural component.
2. Adapt best international practices in arts and cultural educational institutions.
3. Support all forms of non-formal education at cultural institutions of any form of ownership.
4. Promote innovation through increased inter-sectoral interaction among representatives of the creative sector, education, business, science, etc.
5. Create conditions for the development of creativity and innovation in the regions, facilitate free public access to a variety of scientific and artistic works and new information technologies.
6. Encourage the mass media to increase cultural and educational content, promote the popularization of positive values, trust and sense of dignity.
7. Consolidate society and intensify integration of excluded communities (internally displaced persons, ethnic, cultural, and gender minorities, people with disabilities, etc.) into social life through art and values.
8. Introduce effective approaches to the promotion of Ukrainian culture abroad, in particular through support mechanisms of the most capable actors of the cultural process.

**DECISION-MAKING AUTHORITY:** Verkhovna Rada of Ukraine, Cabinet of Ministers of Ukraine, Ministry of Culture of Ukraine, local self-government bodies.



# YOUTH POLICY

## THE FOLLOWING EXPERTS PREPARED THE PROPOSALS:

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## THE FOLLOWING NGOs ARE MEMBERS OF THE RPR EXPERT GROUP:

- PLAST — National Scout Organization of Ukraine, Partnership for Every Child, Youth Nationalistic Congress, Union of Ukrainian Youth in Ukraine, Ukrainian Forum of Philanthropists

## ISSUES TO BE SOLVED BY THE REFORM

As of 2018, youth policy gets 1.7% of the budget of the Ministry of Youth and Sports of Ukraine, about the same amount of money is envisaged for children and families in the budget of the Ministry of Social Policy of Ukraine. These figures clearly illustrate the priority level in this area.

Today, there is a need to create effective government tools for protecting the rights of children, developing youth opportunities, active recreation and support to the social activity

of citizens despite their secondary status in the activities of relevant ministers and ministries.

It is reasonable to charge the Ministry of Youth and Sports of Ukraine with the issues of children, families, youth housing, camps and volunteering as it was before. And position it as the Ministry of Family, Children, Youth and Human Potential Development (in particular, supporting the development of non-formal and civic education) rather than as the Ministry of Sports.

### GOAL 1

#### Protected children and families supported by the state

1. Arrange a family child rearing system (foster families, family-type orphanages, small group homes) for orphans and children deprived of parental care who were in boarding schools and homes in early 2019. Reintegrate the children who have biological parents and whose parents are able to take care of them into families.
2. Develop in local communities such social services as patronage and other services for families with the purpose of strengthening the institution of the family. Engage non-profit organizations acting in this area to provide social services.
3. Provide support from local authorities for the financial and economic stability of parents to prevent the placement of children in boarding homes and loss of care by biological parents due to the lack of financial means to support children.
4. Supplement the activity of children's health improvement and recreation facilities with an educational function, in particular in civic education. Ensure children's access to summer camps for all citizens regardless of income level.

**DECISION-MAKING AUTHORITY:** Verkhovna Rada of Ukraine, Cabinet of Ministers of Ukraine, Ministry of Social Policy of Ukraine, Ministry of Youth and Sport of Ukraine.

### GOAL 2

#### Youth have mechanisms for realizing their opportunities in Ukraine

1. Adopt a new Law "On Youth", which, in particular, will provide for recognition of youth work,

strengthening of youth participation in the decision-making process by the authorities, introduction of institutional support for youth organizations, and the creation of a National Youth Initiatives Fund, which will provide funds and professional support for the implementation of youth initiatives.

2. Recognize youth workers as specialists in the field of youth policy on a legislative basis. Provide them with the opportunity to receive a legitimate salary for their work, and obtain appropriate education in higher education institutions.
3. Create a network of youth centers/spaces in all regions of Ukraine and most of the ATCs. Hold annual youth exchanges between different regions. Fund the activities of youth centers, regardless of ownership, with the use of funds from local budgets.
4. Meet the housing needs of young people through the launch of effective state and local programs.

**DECISION-MAKING AUTHORITY:** Verkhovna Rada of Ukraine, Cabinet of Ministers of Ukraine, Ministry of Youth and Sport of Ukraine, Ministry of Regional Development, Construction and Housing and Communal Services of Ukraine.

### GOAL 3

#### The state supports physical culture, first of all mass physical culture

1. Convert state and municipal children's and youth sports schools to local community sports centers (clubs) open to everyone who is interested.
2. Channel state support to sports federations and societies primarily for the strategic and institutional development of this segment of civil society (using specific growth KPIs) and for asset attracting and training.

**DECISION-MAKING AUTHORITY:** Verkhovna Rada of Ukraine, Cabinet of Ministers of Ukraine, Ministry of Youth and Sport of Ukraine.

### GOAL 4

#### Comprehensively supported public and volunteer activity of citizens

1. Promote the development of civic education in Ukraine. Increase the percentage of youth participation in public life and volunteering. Ensure recognition of the results of learning received through public and volunteering activities in formal education.
2. Grant every citizen of Ukraine the right to freely support a non-profit organization through the mechanism of "interest-based philanthropy" (personal income tax payer has the right to transfer 1-2% of this tax for public needs – directly to an organization working on addressing a public issue).
3. Provide citizens with an opportunity to monitor what their taxes are spent on to support community associations or charities, and the price at which purchases were made.
4. Support volunteering through partial tax exemption as compensation for the costs of volunteer activities. Provide opportunities for volunteer vacations and obtaining a non-formal education.

**DECISION-MAKING AUTHORITY:** Verkhovna Rada of Ukraine, Cabinet of Ministers of Ukraine, Ministry of Youth and Sport of Ukraine, Ministry of Education and Science of Ukraine, Ministry of Social Policy of Ukraine.



# NATIONAL MEMORY POLICY REFORM

## THE FOLLOWING EXPERTS PREPARED THE PROPOSALS:

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## ISSUES TO BE SOLVED BY THE REFORM

National memory policy is supposed to perform one of the key tasks of transforming post-totalitarian societies – to build social immunity against human rights violations.

The totalitarian regime was destroying national identity, distorting the structure of society, suppressing individuality, destroying the concept of civic responsibility and undermining the concept of human rights. Consequently, overcoming the consequences of totalitarianism is a necessary condition for the restoration of Ukraine as a democratic state and the implementation of European prospects.

The fifth year of reform allows for measuring achievements and outlining new challenges. Despite the results gained against the background of an overall positive public perception of reform, success consolidation requires a long-term action plan. It should be based on the further institutionalization of the national memory field. Policy principles, guarantees of its sustainability and independence from the electoral cycle are to be enshrined in the legislation.

Condemnation of totalitarian regimes, disposal of totalitarian propaganda symbols, open access to archives, and fair principles for the rehabilitation of victims of political repression, and inclusive approach to comprehending historical experience serve as the foundation for building stable democratic traditions.

It is time to stop the practice of honoring

the memory of communism, bring back the names and events that were censored, classified or distorted by Soviet propaganda back into the public historical narrative, and start the commemoration of the victims of the totalitarian regime and the fighters for Ukraine's independence.

An important goal is to preserve the memory of totalitarianism itself, its practices, as well as the liberation movements that fought against it, including the modern experience of struggling for rights (Revolution on Granite, Orange Revolution, Revolution of Dignity). For this purpose, institutional support for museums will be an important task, in particular, for the legal entity – Museum of the Revolution of Dignity, whose team is still working as an “out-door museum”.

Ukraine still does not have an established approach to drawing up an annual calendar of public holidays and other important holidays. The development of an integral policy of national memory requires legislative regulation for a calendar of public holidays.

Another important area is language policy. Adoption of the law on the functioning of the Ukrainian language as the official language will promote the observance of the rights of various communities and the support for the Ukrainian language which was adversely affected by the Russian Empire and Soviet Union. Indeed, the relevant law, the existence of which is required by art. 10 of the Constitution



of Ukraine, does not exist.

It is important to ensure the enforcement of the Law “On Access to the Archives of Repressive Bodies of the Totalitarian Communist Regime of 1917-1991” in connection with the creation of the Archive of the Ukrainian Institute of National Memory. The transfer of archives to the Archive of the Ukrainian Institute of National Memory from security agencies that do not have the function of preserving archives of Soviet institutions will guarantee a further lack of political influence on public ac-

cess to facts about their past and the democratization of security agencies and their further development on a European basis.

The general Ukrainian legislation on archives and archive-keeping needs to be updated taking into account the principles of open access to public information, namely, the basic principle of “open anything that has no reason to be restricted in access” as well as the legal framework for access and the use of copyright items and/or related rights items.

### GOAL 1

#### Sustainable and open access to archives, in particular documents of the Soviet repressive authorities of 1917-1991.

1. Create the Archive of the Ukrainian Institute of National Memory and ensure its operation.
2. Transfer documents of the repressive bodies to the Archive of the Ukrainian Institute of National Memory.
3. Develop updates to the general archival legislation in accordance with the innovations of the special law On Public Access to the Archives of the Repressive Bodies of the Soviet Union.

**DECISION-MAKING AUTHORITY:** Verkhovna Rada of Ukraine, Cabinet of Ministers of Ukraine, Ukrainian Institute of National Memory, State Archive Service of Ukraine, Ministry of Internal Affairs of Ukraine, Security Service of Ukraine, General Prosecutor’s Office of Ukraine.

### GOAL 2

#### The rights of victims of Soviet repressions are restored and the memory of totalitarianism and the struggle against it is preserved

1. Establish commissions on rehabilitation and ensure their operation.
2. Clarify the concepts and bring the laws on the status of veterans of war, guarantees of their social protection in accordance with the Law “On the Legal Status and Commemoration of Fighters for the Independence of Ukraine in the 20th Century”.
3. Build a memorial section to the National Memorial Complex of the Heavenly Hundred Heroes – Museum of the Revolution of Dignity and start the construction of the Museum.
4. Ensure the possibility of preserving the memory of repressive practices of totalitarianism through the creation of appropriate museum(s) – Museum of Totalitarianism/Museum of Occupation.
5. Develop concepts of the national pantheon of heroes and places of honorable military burials.

**DECISION-MAKING AUTHORITY:** Verkhovna Rada of Ukraine, Cabinet of Ministers of Ukraine, Ministry of Culture of Ukraine, Ministry of Social Policy of Ukraine, Ukrainian Institute of National Memory.

**GOAL 3****Reformed official language policy**

1. Enforce art. 10 of the Constitution of Ukraine by legislatively consolidating mechanisms for the functioning of the Ukrainian language as the official language on the whole territory of Ukraine in all areas of public life.
2. Create effective tools for protecting citizens' rights to receive information and services in the official language.

**DECISION-MAKING AUTHORITY:** Verkhovna Rada of Ukraine, Cabinet of Ministers of Ukraine.

**GOAL 4****A sustainable policy to overcome the consequences of totalitarianism**

1. Identify a coherent policy on public holidays and commemorative practices.
2. Enshrine the national memory policy as an integral and obligatory element of state policy, such as economic, educational, security policy, etc.
3. Provide the Ukrainian Institute of National Memory with special status and safeguard its political independence.
4. Deprive law-enforcement agencies and security agencies of non-typical functions regarding work with historical materials.

**DECISION-MAKING AUTHORITY:** Verkhovna Rada of Ukraine, Cabinet of Ministers of Ukraine, Ministry of Culture of Ukraine, Ukrainian Institute of National Memory.

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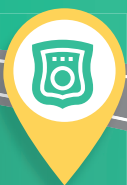
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