
HOW-TO, OR REFORMER'S MANUAL

Project Management Office of the National Reforms Council:
experience, achievements, lessons learned



HOW-TO, OR REFORMER'S MANUAL

Project Management Office of the National Reforms Council:
experience, achievements, lessons learned



NON-GOVERNMENTAL UNION

FOUNDATION FOR SUPPORT OF REFORMS IN UKRAINE

**How-to,
or Reformer's Manual**

Project Management Office of the National Reforms Council:
experience, achievements, lessons learned

Project Head: Dmytro Shymkiv

Editorial Board: Anna Chukhay, Igor Goncharenko, Peter Ivanov

Literary Editors: Andriy Bash, Olena Zvarych

Designer: Oleksandr Nesterenko

This edition was created by the Support Team of the National Reforms Council with the participation of the Project Managers Office from 2014 to 2017 as well as experts, civil society activists, and state officials involved in the Reforms Governance Model.

Edition created with financial support of



European Bank
for Reconstruction and Development



Organization for Security and
Co-operation in Europe
Project Co-ordinator in Ukraine

© Kyiv, 2017

CONTENTS

Foreword	5
Reforms Governance Model And The National Reforms Council	9
National Reforms Council: How It Works?	35
National Reforms Council's Project Management Office	43
Looking for Reformers	65
Strategic Documents For Reforms Implementation	71
Success Factors In Implementation Reforms Action Plans	87
The Experience of Preparing And Passing the New Law On Civil Service	88
Reform Institutional Support	93
Branding The National Decentralization Project	99
Better Regulation Delivery Office As a Method to Implement Reforms	103
State-Owned Enterprise Governance Reform	107
Digital Ukraine Initiative	113
E-Governance. Implementation Of The Electronic Document Management System In The Presidential Administration of Ukraine	119
Public Procurement Reform And The Prozorro Electronic System	129
Structuring And Monitoring Reform / Project / Initiative Implementation	139
Communicating On Reforms To The Public Effectively	169
Stakeholders Management	181
Authors	194



Dmytro Shymkiv,
Secretary of the National
Reforms Council

“You are indebted to create Good from Evil because there is nothing else from which to make it”

Robert Penn Warren
American poet, novelist, and literary critic

The first assignment I was given by the President of Ukraine when I joined the civil service was to develop a reform governance model. As we began analysing global best practices, we found plenty of examples of successful reforms in other countries, which were brilliant from a marketing perspective, but nothing was found about practical aspects of organising and structuring teamwork, creating content, and monitoring performance. Not a single word was written about how to seek compromise between branches of government and stakeholders or map out reforms.

Therefore, much time was spent looking for mechanisms that would allow us to quickly work out ideas, bring them up for discussion, and approve decisions. Later I learned that this process is called the “chimney effect”. It is one thing to generate content and workout alternative solutions or “start a fire in a fireplace”, but another to promote a topic or “create a draught”.

As a consequence, we have gained valuable organisational, political and content-building experience. Through this book we have to share best practices with the next generation of change agents and those joining the civil service. The country is facing numerous new challenges, and our experience can be of value on a way toward change.

The change management process is invariably complex. Successful change is a well-planned change. In politics, the significance of a window of opportunity can hardly be overestimated. However, more often than not even if a favourable opportunity presents itself, one may lack effective people, change concepts, or resources to grasp it. At the other extreme, even if all the above conditions are present this does not mean that the window of opportunity is open.

I want to thank the President, Members of Parliament, and civil servants (both current and former) for giving me the opportunity to contribute to the development of the National Reforms Governance Model. I would like to extend my gratitude to the International Renaissance Foundation for helping set up the National Reforms Council, to the European Bank for Reconstruction and Development, Delegation of the European Union to Ukraine, EDGE, and GIZ projects for supporting the Project Management Office, as well as to other international donors for their active involvement. Special thanks to current and former employees of the Project Management Office and Support Team of the National Reforms Council. Absent their personal commitment, this project would have not materialised.

According to Francis Fukuyama, there always exist three components: a problem, a set of solutions, and a window of opportunity. Creation of the latter is only possible by building capable teams and unifying stakeholders. The cornerstone of success is leadership, both political and personal. This is an issue for everyone who initiates or manages change.

Time progresses, and experience accumulates. It is important that the lessons we have learned and the achievements we have accomplished be made available for the next generation of change agents. This is the only way of making changes sustainable.

Dmytro Shymkiv,
Secretary of the National Reforms Council,
Deputy Head of the Presidential Administration of Ukraine

Acknowledgments

President of Ukraine	Petro Poroshenko	PwC Ukraine	Victoria Tsytsak, Oleksiy Kasyanenko, Oleg Tymkiv
National Investment Council Secretary	Borys Lozhkin	EU Delegation to Ukraine	Jan Tombinski, Berend de Groot, Tetyana Kovtun
15th Prime Minister of Ukraine (from February 27th 2014 to April 14th 2016)	Arseniy Yatsenyuk	Presidential Administration of Ukraine	Olena Droshchenko, Natalya Lebedenko, Yaroslav Sydorovych, Oleg Pavlovskiy, Olga Shevchuk, Liubov Slipetska
Prime Minister of Ukraine	Volodymyr Groysman	Civic Platform Nova Kraina	Valeriy Pekar, Andrii Dligach
Chairman of Verkhovna Rada	Andriy Parubiy	Sayenko & Kharenko	Mykhailo Kharenko, Nazar Chernyavsky
Government of Ukraine	of 2014 - 2016, and current	Kantar TNS Ukraine	Svitlana Vynoslavska
OSCE Project Co-ordinator in Ukraine, Ambassador	Vaidotas Verba	Foundation for Support of Reforms in Ukraine	Yuriy Shkil, Kateryna Bondar
European Bank for Reconstruction and Development (EBRD)	Sevki Acuner, Erik Berglof, Dimitri Gvindadze, Francis Malige, Bojana Rejner	AEQUO	Anna Babych
EDGE Agriteam	Tawnia Ammar, Kseniya Isaenko	Other	Vladislav Rashkovan
UK Department for International Development (DFID)	Ms. Francesca Stidston	Reform Executive Committee	Aivaras Abromavicius, Ganna Hopko, Dmytro Shymkiv, Oleksandr Saienko, Ivanna Klympush-Tsintsadze
International Renaissance Foundation	Yevhen Bystrytski	Project Management Office	Andrei Lobatch, Anna Chukhay, Archil Tsintsadze, Victoria Strakhova, Dmytriy Romanovich, Ivan Khilobok, Igor Goncharenko, Kristina Goutsalova, Maryna Krasnopolska, Maryna Tsapok, Maria Barabash, Mariia Gornostai, Nataliya Boyko, Oksana Movchan, Oleg Protsenko, Olena Zaplotynska, Olena Simonenko, Pavlo Kovtonyuk, Peter Ivanov, Sergiy Gayda
European Business Association	Anna Derevyanko		
American Chamber of Commerce	Andy Hunder		



TASKS

&

RESULTS

Launching the National Reforms Council as a platform for discussing priority reforms and consensual political decision-making

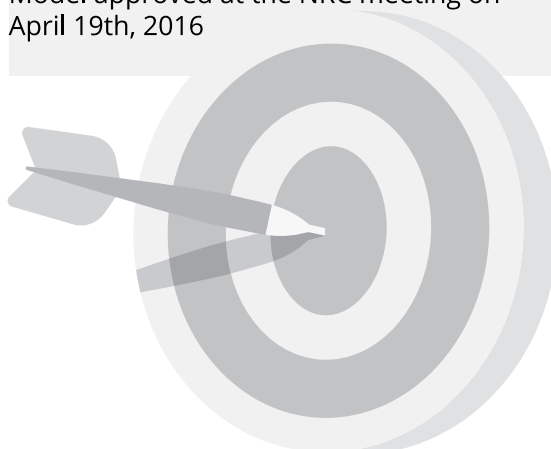
- ▶ To create either a model of reforms governance or infrastructure for its operation
- ▶ To create a platform for reaching political consensus regarding the reforms
- ▶ To reach consensus regarding the priorities, targets, and reforms tasks
- ▶ Set up a system for regular monitoring of NRC tasks implementation as well as reforms tasks
- ▶ To implement high quality standards for materials on reforms to use during political discussions and decision making

- ▶ 25 NRC meetings arranged, 296 decisions made, 74% of decisions implemented
- ▶ Reforms Governance Model created (version 1.0), decision made at the NRC meeting on December 24, 2014
- ▶ Strategy for sustainable development "Ukraine 2020" approved at the NRC meeting on December 24, 2014
- ▶ NRC Project Management Office created – NRC meeting on December 24, 2014

Transformation of Reforms Governance Model 2.0 and establishment of Reforms Delivery Office under the Cabinet of Ministers

- ▶ To update the Reforms Governance Model according to new phase of implementation of reform laws and concepts
- ▶ To integrate Reform Coordination Office into the executive branch system (Cabinet of Ministers)
- ▶ Scaling the model of the NRC Project Management Office with separate ministries

- ▶ The national Reforms Governance Model updated; set up efficient decision-making process for operational level according to general coordination and implementation of reforms
- ▶ Together with EBRD and EU Delegation office in Ukraine, the Reforms Delivery Office created under the Prime Minister of Ukraine, as well as Reforms Support Teams in different ministries
- ▶ Reforms Governance Model transformed (version 2.0)
- ▶ Project management office model scaled to Reforms Support Teams and Reforms Delivery Office
- ▶ New version of the Reforms Governance Model approved at the NRC meeting on April 19th, 2016



EXAMPLES OF THE KEY DECISIONS OF THE NRC MEETINGS

Public procurement reform

- Decision regarding the implementation of electronic procurement in all of the ministries – NRC meeting on March 4th, 2015. In the beginning of July 2015 all ministries started using e-procurement system
- Plan for the reforming public procurement approved at the NRC meeting on May 15th, 2015. Law On Public Procurement came into force August 1st, 2016.

Law on Civil service

- At the two NRC meetings – on July 23, 2015 and September 18, 2015 – decisions were made to stimulate work on the draft law. The law was approved by the Parliament on December 12th, 2015.

Visa liberalization between the EU and Ukraine

- Questions regarding the Action plan of Visa liberalization between the EU and Ukraine were on the table during few NRC meetings (June 3d and September 18th of 2015 few key decisions made, including launch of the online monitoring system for the Action plan). Visa-free regime with EU came into effect on June 12th, 2017.

Judiciary reform

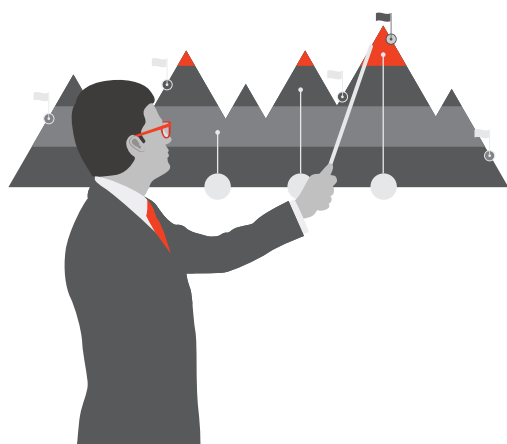
- Drafts amendments to the Constitution of Ukraine on Justice approved at the NRC meeting on October 9th, 2015

Draft law on Amendments to the Constitution of Ukraine enacted on September 30, 2016. The High Qualification Commission of Judges started the qualification evaluation of all judges.

REFORMS GOVERNANCE MODEL AND THE NATIONAL REFORMS COUNCIL

Anna Chukhay

Launching the National Reforms Council as a platform for discussing priority reforms and consensual political decision-making



The National Reforms Council (NRC) was established by the Decree of the President of Ukraine in July 2014. The primary objectives of the NRC as a political platform include:

- Reaching political consensus on reforms in Ukraine
- Coordinating reform efforts and setting up an effective mechanism of cooperation between public authorities and civil society institutions amid reforms
- Implementing a systematic approach to strategic planning
- Monitoring reforms implementation.

Contemporary Ukraine faces daunting challenges – novel to the nation as well as the world. To address these challenges, alongside the ambitious goals that Ukraine has set for itself, it is crucial to consolidate the efforts of all stakeholders: branches of government, civil society, experts, business community representatives, and international donors.

The preconditions for efficient collaboration and cooperation of numerous stakeholders

include:

- result-oriented teamwork
- clear delineation of duties and powers
- effective coordination

That is exactly why the National Reforms Council (NRC) was established by the Decree of the President of Ukraine in July 2014. The primary objectives of the NRC as

a political platform include:

- Reaching political consensus on reforms in Ukraine
- Coordinating reform efforts and setting up an effective mechanism of cooperation between public authorities and civil society institutions amid reforms
- Implementing a systematic approach to strategic planning
- Monitoring reforms implementation.

Members of the National Reforms Council are key policy makers: President, Prime Minister, Chairman of the Verkhovna Rada, Ministers of the Cabinet of Ministers, Governor of the National Bank, Secretary of the National Security and Defence Council, Chairpersons of Parliamentary Committees, and four civil society representatives. NRC members representing civil society were elected through competitive selection. In addition, NRC meetings are regularly attended by leaders of parliamentary coalition factions, representatives of business associations, and heads of other government authorities.

The National Reforms Council is primarily tasked with building political consensus about the reform agenda. NRC decisions are taken by majority vote subject to consensus among the President, the Prime Minister, and the Chairman of the Verkhovna Rada. There were the Reforms Executive Committee (REC) and the Project Management Office (PMO) set up to support the operation of the National Reforms Council. These bodies are the backbone of the new reforms governance infrastructure, namely the National Reforms Governance Model. NRC identified 18 priority reform areas and respective ministers, heads of other central executive agencies, or other persons responsible for the development and implementation of reforms. For their part, these responsible persons have set up Reform Task Forces (RTFs).

To ensure that all branches of government are represented in the Reforms Executive Committee, its members include the Deputy Head of the Presidential Administration, Minister of Economic Development and

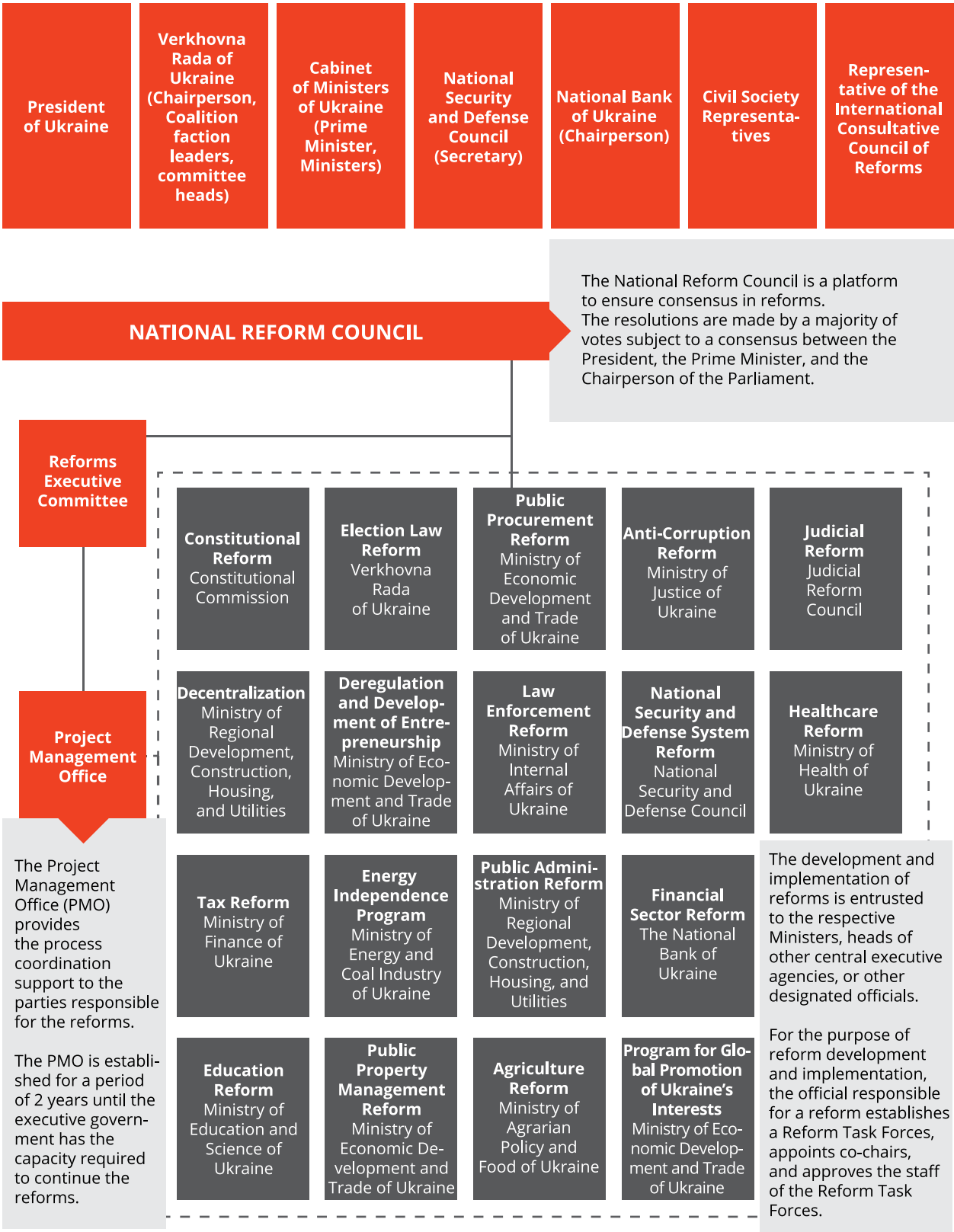
Trade, and Chair of the Verkhovna Rada Committee on Foreign Affairs.

The Reforms Executive Committee provides for the preparation and approval of the NRC meetings agendas and draft resolutions, develops reform performance criteria and indicators to assess progress in achieving reform objectives, monitors reform implementation efficiency and performance of the NRC decisions, and renders organizational and analytical support to the NRC operations.

The National Reforms Council's Project Management Office is mainly tasked with the provision of coordination, analytical and communication support to the Reform Task Forces set up by responsible persons (ministers or heads of central executive agencies).

The Project Management Office is financed by the EBRD's Multi-Donor Account.

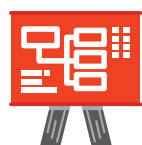
Reform Governance Model



National Reforms Council performance results: achievements and challenges

In the two years of its operation, the National Reforms Council has held 25 meetings and carried 260 resolutions, of which 77% have already been implemented, 11% are in progress, and 10% have been repealed.

Main Achievements of the NRC



Laying down the coordinates and the model for reform management



Implementing the practice of regular monitoring of the implementation of the NRC's plans and resolutions



Building a political consensus on the content and tempo of the reforms



Ensuring the involvement of the civil society in the decision making



Moderating controversial and problematic issues



Communicating the reform progress to the society



Accelerating certain processes in the legislative and executive fields

The National Reforms Council provided a frame of reference and Reforms Governance Model as well as set the standards for the preparation and implementation of reforms. NRC members approved the Strategy for Sustainable Development “Ukraine-2020” – a vision for the country’s development, identified priority reforms and those responsible for their implementation, set up Reform Task Forces to embark on priority reforms, and approved the reform progress monitoring system.

Supported by the Project Management Office, the National Reforms Council plays a pivotal role in the systematization of reform planning information which enables a comprehensive perspective. The NRC provides a platform for building political consensus around the content and pace of reforms, as well as for consolidating opinions and efforts of the principal stakeholders. NRC meetings afford the opportunity to share information, explain the essence of reforms, and receive feedback from the country’s key policy makers. Among other things, NRC meetings saw political consensus found around reforms related to corruption, prosecution authorities, Ukrainian Railways, education, public procurement, decentralization, and the financial sector.

Meetings of the National Reforms Council focus top government officials’ attention on specific reforms. They act as a catalyst for processes in the legislative and executive environments. NRC meetings approve pivotal decisions that speed up problem solving. Attention drawn to the Draft Law On Civil Service at one of the NRC meetings helped identify certain misunderstandings, speed up their resolution, and facilitate its passage by the Verkhovna Rada. The meeting dedicated to EU-Ukraine Action Plan on Visa Liberalization catalysed the implementation of the actions envisaged thereunder.

The National Reforms Council has introduced the practice of regular monitoring of the implementation of NRC strategic documents, plans, and resolutions. The Project Management Office has analysed Ukraine’s commitments and obligations under key strategic documents and developed a system to monitor their fulfilment (score-

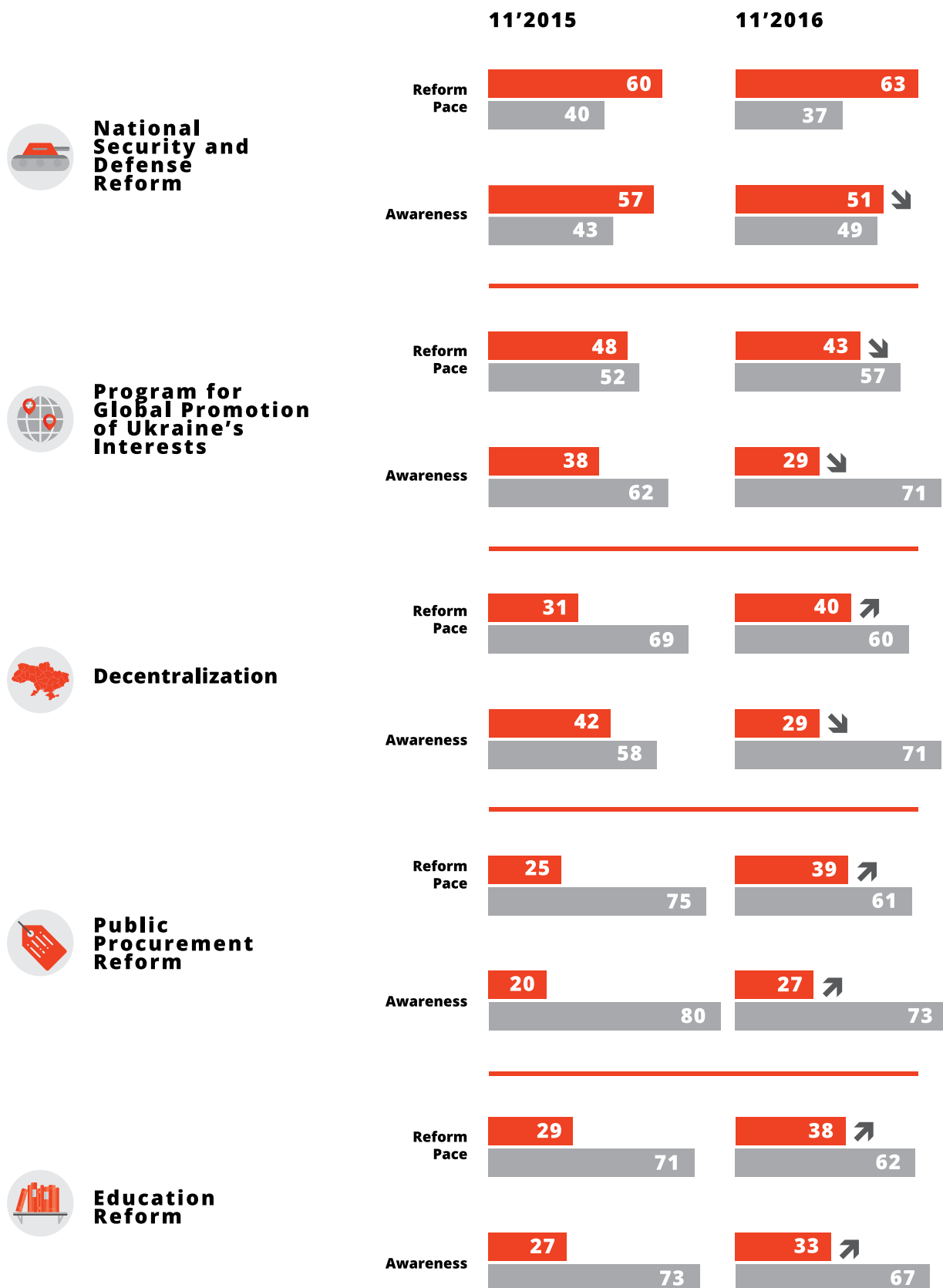
cards). Results of the monitoring are regularly used to report on reform implementation progress at the NRC meetings as well as in communicating thereof to the public. NRC has introduced the practice of submitting specific draft resolutions expected from the NRC members. The resolutions carried, specifying those responsible and setting deadlines, are regularly tracked by the Project Management Office and the NRC Secretariat.

The National Reforms Council engages civil society in the decision-making and ensures transparency of the reform process. Four civil society representatives sit on the National Reforms Council, while Ukrainian and international experts, and civil society activists are invited to the NRC meetings when the agenda requires. All materials discussed and resolutions carried at the NRC meetings are published on the Council’s website (www.reforms.in.ua).

The National Reforms Council has been acting as a moderator for controversial and challenging reform issues. NRC meetings saw all versions of tax reform presented and steps to agree on key points of their authors taken. In addition, the NRC stepped in as a mediator between the Ministry of Health and the Ministry of Regional Development, Construction, Housing, and Utilities to align healthcare reform with the decentralization strategy.

NRC has a crucial role to play in communicating reforms progress to society at large. NRC explains and reports on reforms to both senior political figures and the general public, and maintains public and media attention on crucial and often unpopular aspects of reforms.

Perception of the Reform Pace



 Active change is happening + There is relatively slow change
 No change is happening at all + There is hardly any change



Agricultural Sector Reform

11'2015

Reform Pace

21

79

Awareness

10

90

11'2016

Reform Pace

24

76

Awareness

10

90



Financial Sector Reform

Reform Pace

22

78

Awareness

19

81

Reform Pace

24

76

Awareness

15 ↘

85



Healthcare Reform

Reform Pace

13

87

Awareness

22

78

Reform Pace

23 ↗

77

Awareness

31 ↗

69



Constitutional Reform

Reform Pace

24

76

Awareness

42

58

Reform Pace

22

78

Awareness

29 ↘

71



Government Makeover and Anti-Corruption Reform

Reform Pace

17

83

Awareness

55

45

Reform Pace

21

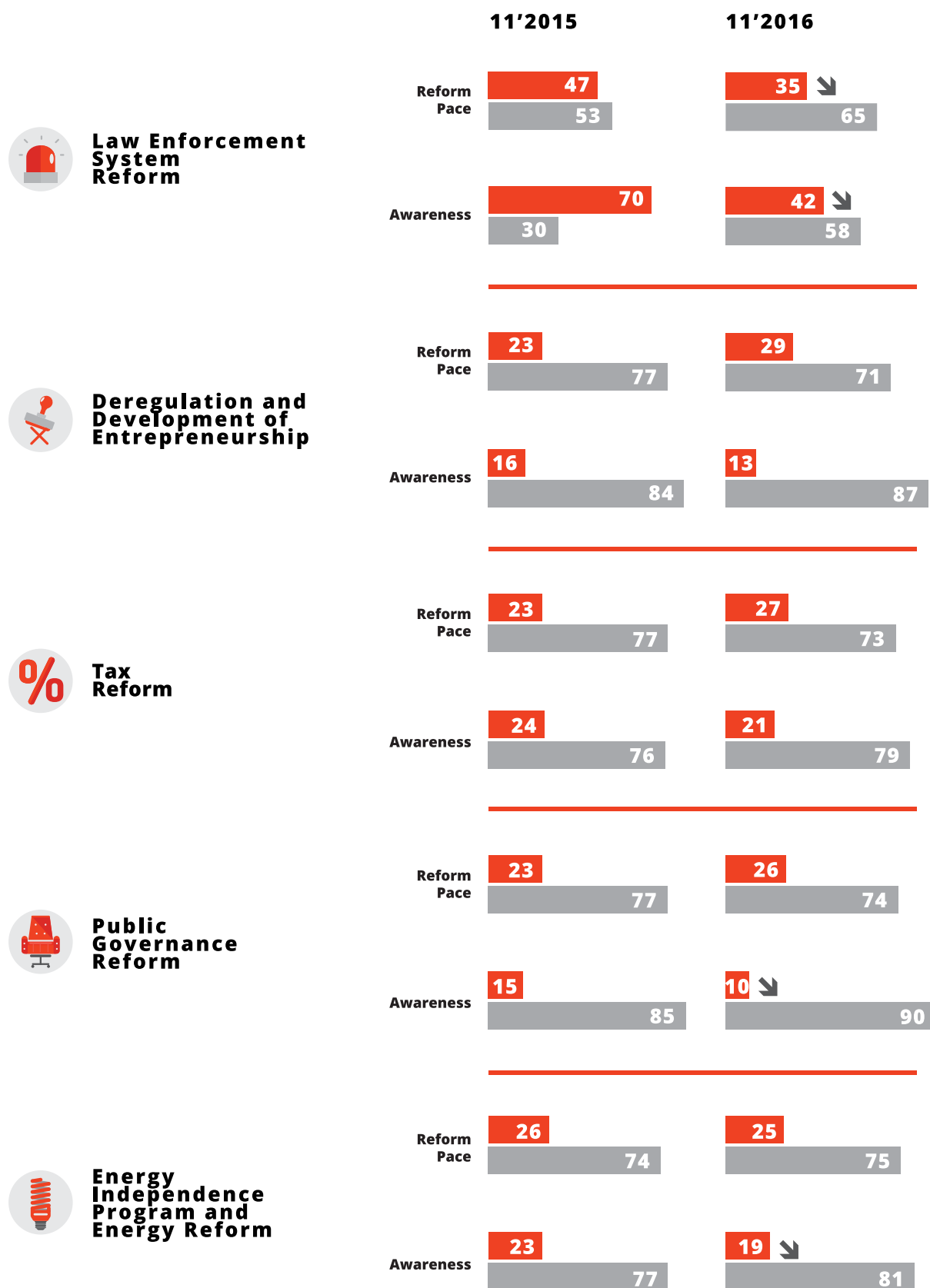
79



Awareness

53

47

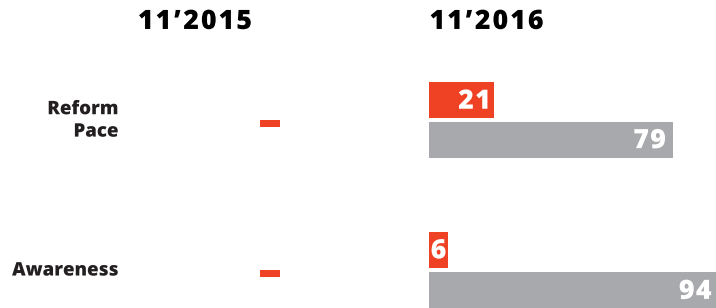
Perception of the Reform Pace



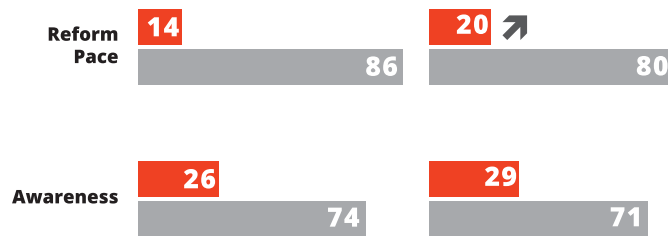
 Active change is happening + there is relatively slow change
 No change is happening at all + there is hardly any change



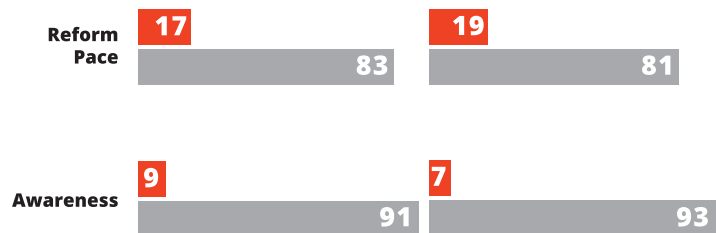
Penitentiary System Reform



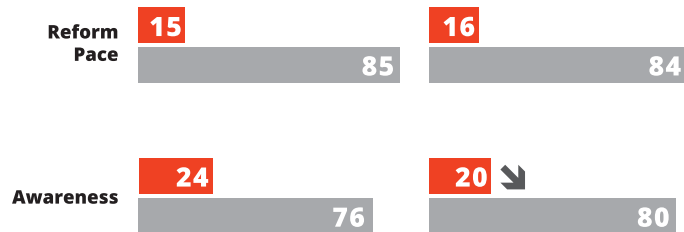
Judicial Reform



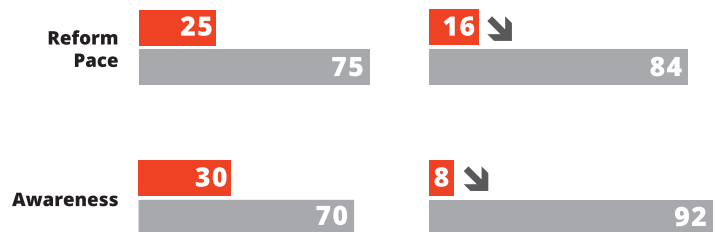
Public Property Management Reform



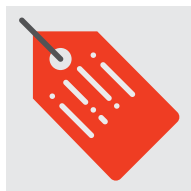
Prosecutor's Office



Electoral Law Reform

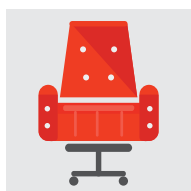


Examples of pivotal decisions taken at the NRC meetings



Public procurement reform

The National Reforms Council has played a pivotal role in engaging all ministries and central executive agencies in subthreshold public procurement through the ProZorro electronic system. The resolution to transition to ProZorro was carried at one of the NRC meetings. Each subsequent meeting saw a report on which agencies joined ProZorro, and which did not. Such method of control and internal competition among ministers resulted in the accession of all central executive agencies to ProZorro by July 2015.



Law On Civil Service

A misunderstanding revealed at the NRC meeting has had no small share in passing the Law On Civil Service by the Verkhovna Rada. The President of Ukraine stated that according to the available information, European partners did not support the draft. Several publications and public statements (including that of the EU Delegation to Ukraine) came in response, focusing attention on this draft law and garnering the support of Ukrainian experts, politicians, and foreign partners.



EU-Ukraine Visa Liberalization

The progress in the implementation of EU-Ukraine Action Plan on Visa Liberalization was addressed at the NRC meetings several times. The Ministry of Foreign Affairs provided a detailed report stressing problematic areas of delay. The NRC provided a platform for prompt identification of the challenges, creation of the roadmap to address them, and immediate next steps planning.



Judicial reform

NRC members reviewed Draft Amendments to the Constitution of Ukraine On Justice at the meeting dedicated to judicial reform. Key developers of the constitutional amendments, representatives of the Supreme Council of Justice, High Qualification Commission of Judges and Constitutional Commission as well as experts took part in the meeting. An in-depth review of the draft amendments at the NRC meeting yielded approval and support from all parties involved.

NRC meetings and standards for the preparation of materials for NRC meetings

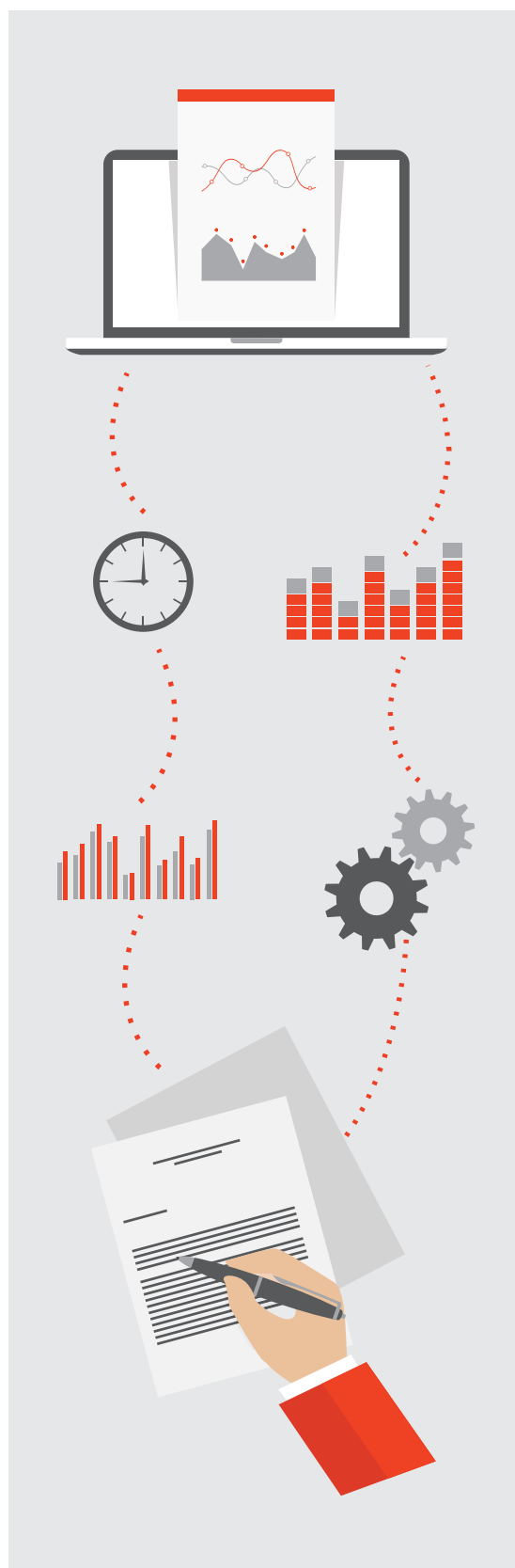
The key efficiency factors of the National Reforms Council meetings are relevance of the topic, clear agenda, and quality of materials. Persons responsible for the implementation of reforms, members of the Reforms Executive Committee, NRC members, the Secretariat and the Project Management Office lay proposals before the Council. The order of business takes account of the need for prompt decision-making and reaching political consensus around reform, tackling legislative issues at the government and parliamentary sessions, and securing reform progress.

It is important that a person responsible for reform implementation be willing to bring up a topic for discussion and that speaker's materials comply with the NRC standards.

The meeting agenda is developed in cooperation with keynote speakers. The fundamental principle is to provide for an in-depth discussion. Therefore, representatives of the different branches of government, i.e., Vice Prime Minister or minister and chairperson of the relevant parliamentary committee, speak at the meetings irrespective of their topics. Comments are invited from the NRC members or subject matter experts, civil society representatives, or other persons present who wish to support, complement, or present an alternative view on an issue.

Experience has shown that the NRC meeting is most productive if dedicated to a single topic. At the beginning of the NRC activities, agendas of the meetings have included several items pertinent to various reforms leaving no room for an in-depth and comprehensive review. Therefore, we have made it rule to consider one reform or reform direction per meeting. This kept the discussion focused in an effective manner.

NRC meetings afford a unique opportunity to communicate simultaneously with all parties involved in reform implementation. In addition, the NRC meetings provide speakers, who are usually those



responsible for reforms implementation, with a tool for ensuring progress in implementing changes. NRC meetings make it possible to address problems, align positions of the parties, accelerate action of related agencies, etc.

NRC meetings are held in the established format. Time limits on speeches and discussion are set out in the agenda. As a rule, a speech lasts 10 to 20 minutes, discussion – 10 to 30 minutes.

Materials for the meeting must meet the NRC requirements. NRC Secretariat controls their quality and provides advisory and technical support needed for their preparation based on its experience in holding the NRC meetings.

Materials for the meetings have to be concise and contain only key information. They also must set out a structured description of the problem, proposals as to its solving, expected deliverables,

implementation phases and deadlines, and identify persons responsible for each of the implementation phases. In addition, materials must contain draft resolutions of the NRC and identify respective responsible persons and deadlines.

The Secretariat turns political decisions of the National Reforms Council into assignments to individual public authorities, which can be controlled through bureaucracy resources. Goodwill thereby turns into responsibility. Resolutions are documented in the form of minutes listing the resolutions carried and stipulating responsible persons and implementation deadlines. Copies of the minutes are then forwarded to the NRC members and other officials in accordance with their authority.

Meetings agendas, materials and minutes are published on the website of the National Reforms Council (www.reforms.in.ua).



Requirements to the NRC Materials

Talk Structure

1. Reform status:

- ➔ a) Reform structure and stages
- ➔ b) Steps taken and results achieved
- ➔ c) Further steps, indicating the deadlines (required), responsible parties, and the participants

2. Problematic issues to be resolved

3. What do you want to receive at the meeting?

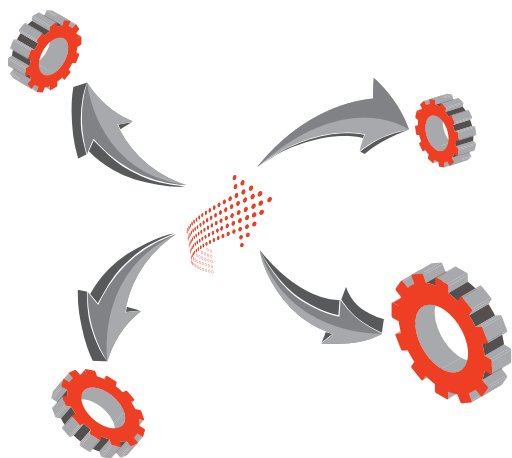
accelerate the process / coordinate actions / resolve problematic issues / etc.

4. Proposed NRC resolutions:

- ➔ a) Format: decision, responsible party(ies), deadlines
- ➔ b) Example wording

The on-screen presentation should be different from the handout materials

- 7 to 10 slides with the key information
- The on-screen presentation should complement the talk and the handout materials
- To make the presentation visible on the screen, use a font size of at least 24
- The optimal font size for the screens is 30



The NRC Secretariat transforms the political resolutions of the National Reform Council into assignments for specific government agencies, the performance of which may be supervised using bureaucratic resources. This converts good will into responsibilities.

NRC performance assessment (360-degree assessment)

In its activities, the National Reforms Council has been using leading business practices, in particular the “360-degree assessment”. In December 2015, the NRC Secretariat conducted a survey of the NRC members and persons involved in NRC operations. The purpose of the survey was to assess

the National Reforms Council performance results for 2015 and set the priorities for 2016. The survey was conducted by PwC with support from DFID’s UK-UA: Reform Assistance Programme in Ukraine.

The survey covered all those involved in the NRC activities as well as the Reforms Governance Model:

- NRC member ministers and those responsible for reforms
- Heads of Reforms Task Forces / deputy ministers
- Leaders of parliamentary coalition factions and chairpersons of parliamentary committees
- Representatives of the NRC member NGOs
- NRC Secretariat and Head of the Project Management Office
- Reform Project Managers



As a result, the NRC Secretariat obtained valuable feedback on the success of individual reforms and the factors behind this success, as well as on the NRC performance and proposed improvements.

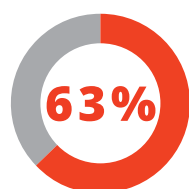
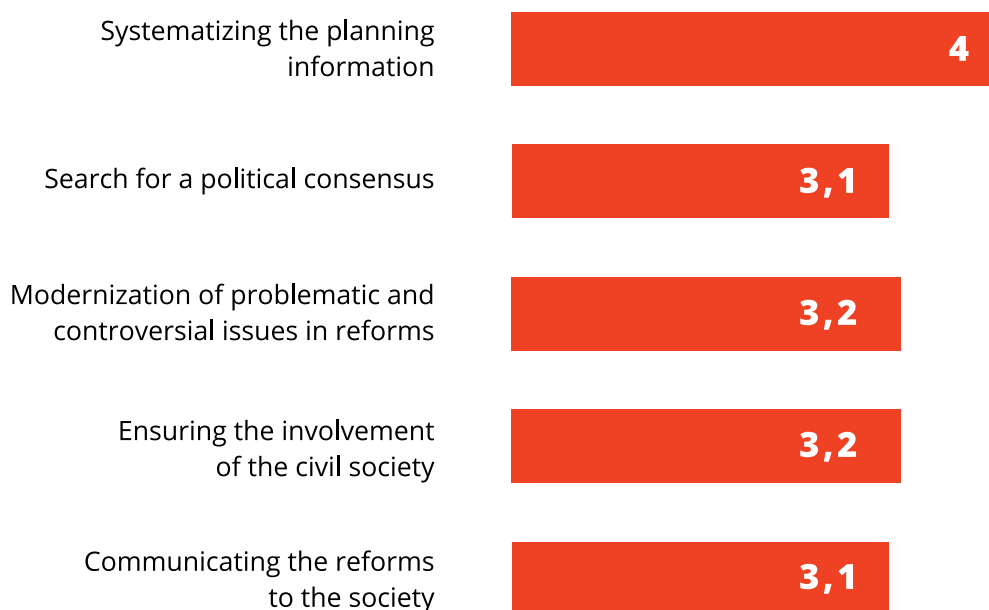


Assessment of the National Reform Council's Performance in 2015

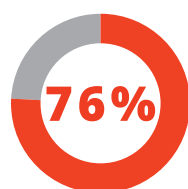
Feedback from meeting participants:

- insufficient review of reform concepts and lack of relation between reforms
 - civil society and business community experts in a number of areas are not included in the National Reform Council; SME interests are not represented
 - some responders pointed out that meetings are very lengthy (over 3 hours); no standard "coffee" breaks
 - some responders suggested holding NRC meetings on a quarterly basis in order to discuss reform statuses and progress in implementing the NRC resolutions (take adequate measures in the event of a failure to implement such resolutions)
 - it is necessary to ensure that the public perception of reforms is monitored on an ongoing basis.
-

The activity of the NRC was evaluated in 5 areas on a scale of 1 to 5



respondents believe that narrowing down the NRC's focus would improve its efficiency



respondents consider it desirable to introduce a platform for detailed discussion and search for political consensus

Results of Surveying NRC Members and Participants

■ The public procurement reform received the highest score according to all of the six criteria from most responders

■ It is necessary to develop reform

implementation plans and specify clear timeframes for their execution

■ There is a need in setting clear objectives, building teams and appointing reform leaders.

5 Most Successful Reforms in 2015

Public Procurement Reform



76

Decentralization



62

Law Enforcement Reform



63

Deregulation and development of entrepreneurship



59

Financial Sector Reform



58

5 Least Successful Reforms in 2015

Election Law Reform



12

Healthcare Reform



17

Public Administration Reform



18

Judicial Reform



25

Energy independence program and energy reform



34

% respondents who rated the reform positive according to all criteria

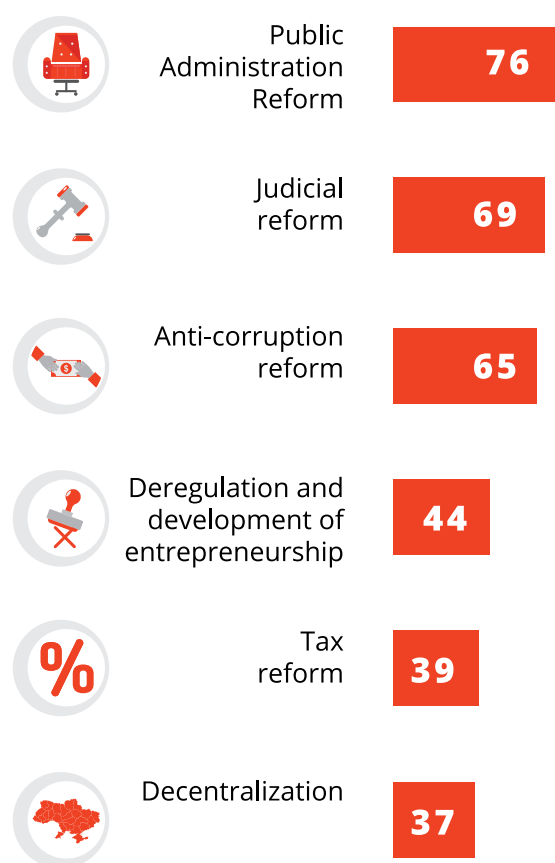
Reforms Worthy of Greatest Attention in 2016

In the course of the survey, the respondents stated:

■ The state governance reform is highly important

■ The economic sector is not included among the priority reforms

Top 6 reforms in 2016, %



Subjects that should be included for discussion in 2016



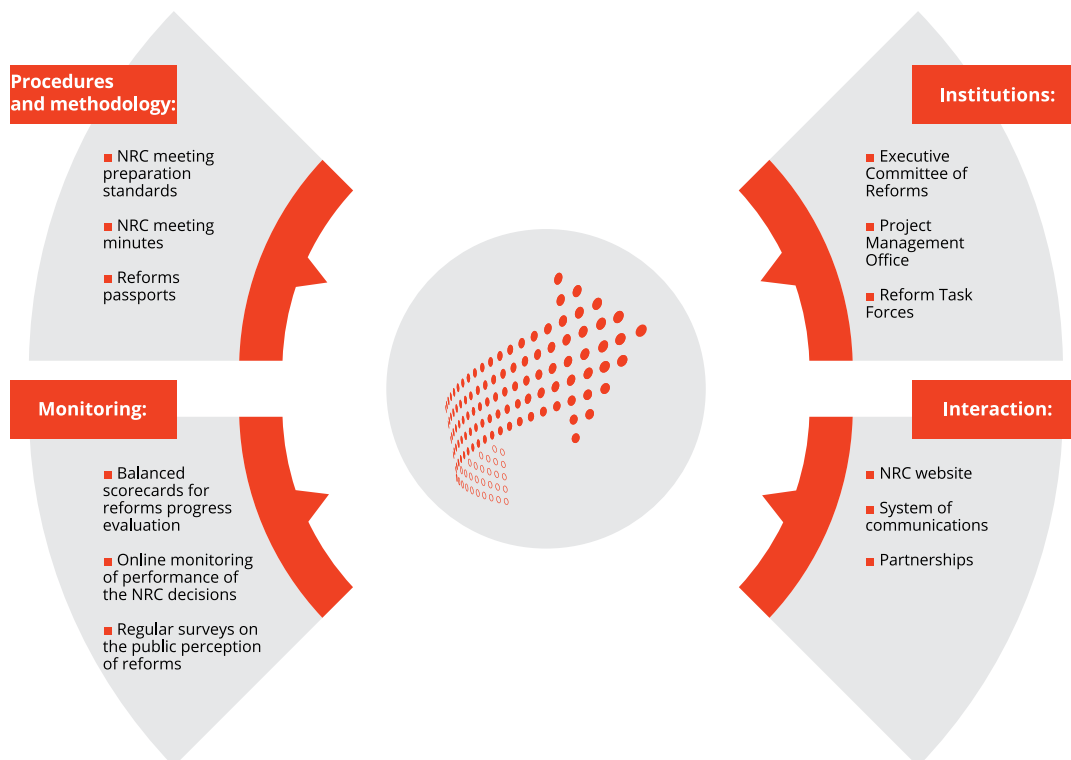
% of respondents who considered the reform a priority for the year 2016

National Reforms Council performance instruments

The National Reforms Council is a high-level advisory body that may not make regulations and has no executive functions. To support the NRC in its activities and facilitate the implementation of resolutions carried at its meetings, the NRC Secretary has created a comprehensive system of instruments. This system has secured the transition of the Council's

political decisions into the institutional bureaucratic space to provide for performance formalization and control, and for mobilization of additional resources. Goodwill thereby turns into responsibility.

Public communication has played an important role in the efficient implementing of reforms.



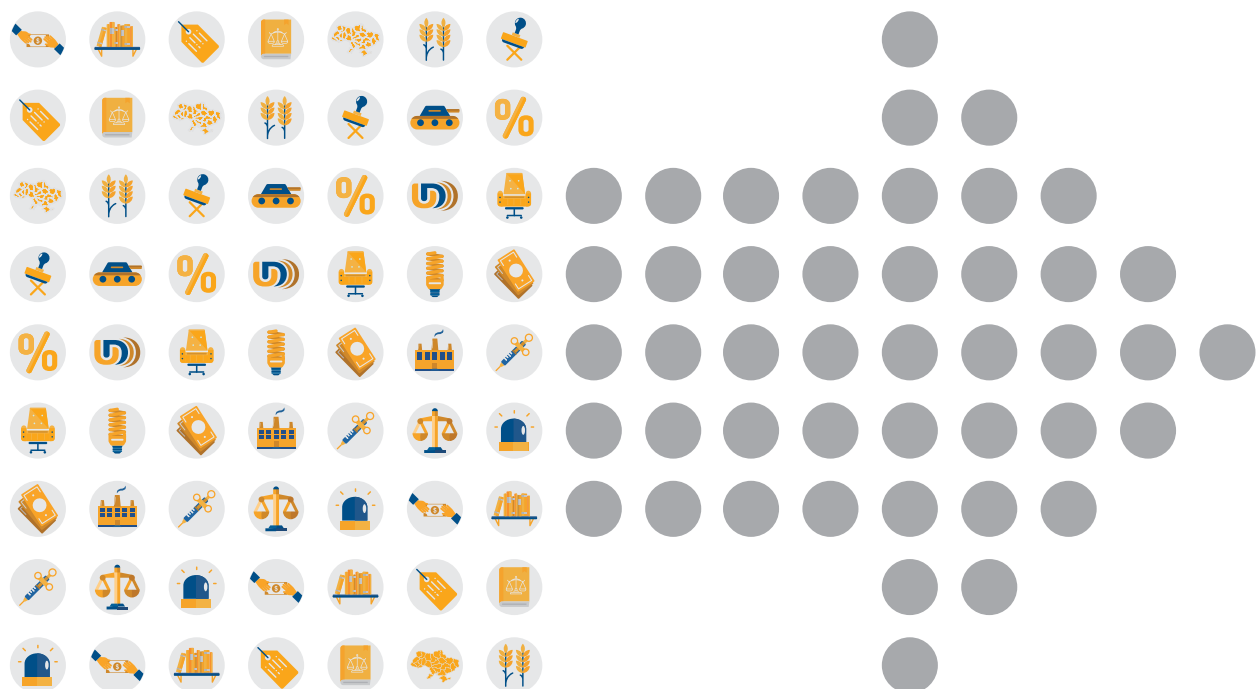
Transformation of Reforms Governance Model 2.0 and establishment of Reforms Delivery Office under the Cabinet of Ministers

After one and a half years of operation of the national Reforms Governance Model 1.0, implementation of many reforms has transitioned to the phase of compliance with enacted laws, whereby primary activities are carried out within the executive branch.

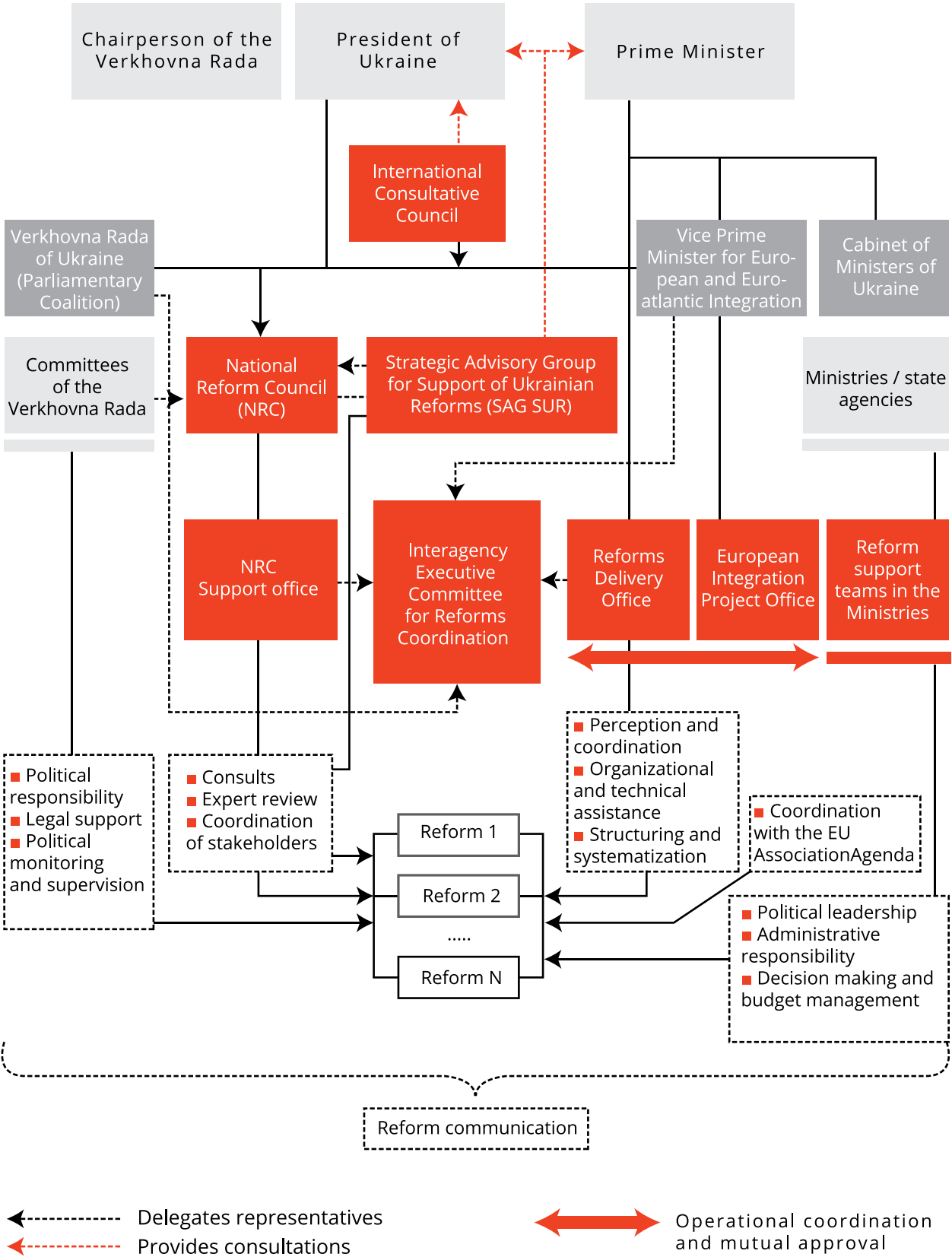
Practical experience of the Project Management Office has shown that greater efficiency can be achieved subject to a deeper integration of the PMO into the executive branch, since the real authority and responsibility for the day-to-day reform implemen-

tation rest on the relevant ministries and agencies.

In the spring of 2016, after numerous discussions with representatives of the government, Strategic Advisory Group for Support of Ukrainian Reforms and international donor community, it was resolved to propose a new national Reforms Governance Model (version 2.0) and a new format for the Project Management Office, which was transformed into two units, namely the NRC Support Team and the Reforms Delivery Office under the Cabinet of Ministers of Ukraine.



National Reform Management Model 2.0



Within a new model, the functions of the National Reforms Council have remained intact. They include:

- Setting reform directions and priorities
- Ensuring consensus around reforms implementation
- Supporting coordination of reform efforts
- Monitoring reforms implementation
- Considering proposals for reforms action plans.

The leading role in coordinating the operational process of reforms implementation belongs to the Interagency Executive Committee for Reforms Coordination made up of five members, namely the NRC Secretary, Vice Prime Minister for European and Euro-Atlantic Integration, representative of the parliamentary coalition, representative of the Strategic Advisory Group and Head of Reforms Delivery Office.

Executive Committee:

- Provides for operational and strategic alignment among stakeholder groups
- Coordinates reforms among participants in the reform implementation process
- Proposes agendas for the NRC meetings and facilitates the implementation of the NRC resolutions
- Draws the NRC members' attention to critical reform issues.

The Project Management Office functionally was split in two parts:

- 1) Reforms Delivery Office under the Cabinet of Ministers, and
- 2) NRC Support Team.

The Reforms Delivery Office reports to the Prime Minister and is directly coordinated by the Minister of the Cabinet of Ministers. The Reforms Delivery Office is primarily tasked with:

- Providing assistance and support to the

“sponsors” of reforms (ministers, heads of government agencies, etc.) in their implementation

- Assisting in coordinating reform stakeholders and donors
- Providing organizational and technical assistance to the “sponsors” of reforms
- Structuring and systematizing reform components and content.

The National Reforms Council Support Team is primarily tasked with:

- Developing agendas of the NRC meetings and ensuring the implementation of the resolutions carried
- Coordinating the preparation of the NRC meetings and quarterly reports
- Developing the reforms monitoring system and conducting assessments
- Fostering the dialogue with the NRC stakeholders
- Providing public support in Ukrainian and foreign mass media to the reform agenda, the National Reforms Council, and various accomplishments.



Public opinion

If we consider the National Reforms Council as a communication platform for the President, Parliament, and the Government, then participation should include stakeholders such as the business community and civil society. Two representatives from the business community (European Business Association and EasyBusiness) and two from civil society (Nova Kraina and Reanimation Package of Reforms) became members of the NRC based on transparent competition results. Given that Nova Kraina Civic Platform stems from the Maidan as a visionary project, which aims to develop a comprehensive vision of Ukraine up to 2022, we had no problem in submitting it for the competition.

My work was mainly concentrated in three areas:

- Be the voice of non-governmental organizations in the NRC. All too often, I had to take the floor to state the position of the civic reformist coalition. This was particularly important during discussion of reforms whereby this position contrasted critically with the government's standpoint, e.g. tax reform, judicial reform, civil service reform, etc.
- Be a source of information on the NRC activities for the public. The only things that can be found in the public information space are meagre minutes of the meetings and welcome addresses of the President. In my opinion, it is the right decision to hold the NRC meetings in no-journalists-present format, since many politicians and government officials are simply unable to work



constructively in the presence of TV cameras. Their political instinct activates and leads the discussion astray. However, from my point of view, this does not mean that the public should accept the closed nature of the NRC. Society has the right not just to know more (relatively speaking, who said what and who defended what notion). Society must clearly understand the alternatives outlined in relation to any public policies. I tried to close this gap with my social media posts and by blogging on the Ukrainian Pravda website. In addition, we produced a series of TV programmes with the heads of Reform Task Forces.

- There were times when the Project Man-

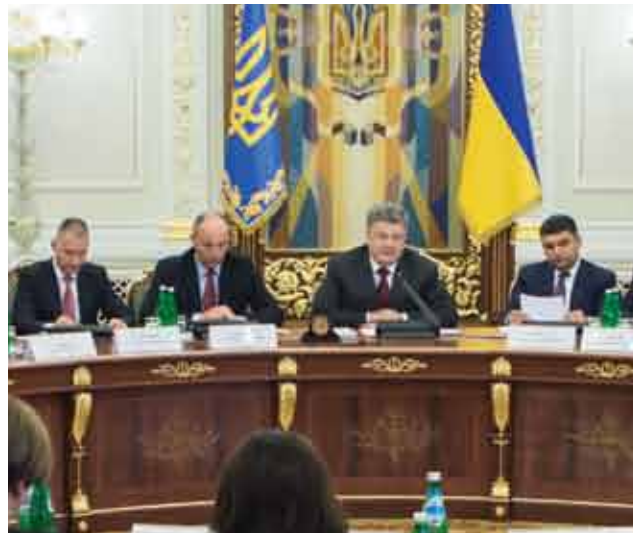
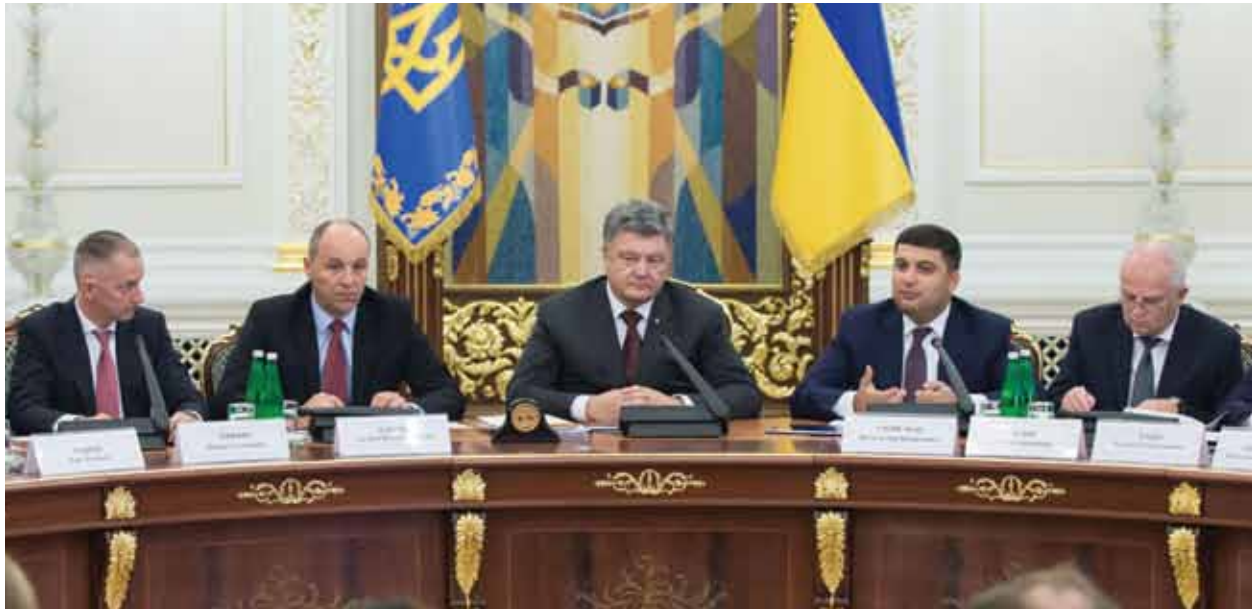
agement Office requested additional resources from NGOs. That was normal. The positive energy of Maidan still made itself felt, and highly qualified experts accepted invitations to work on a voluntary basis eagerly. The most interesting projects delivered with the participation of the Nova Kraina Civic Platform team (involving experts and other NGOs, as well as highly qualified professionals provided by a number of consultancy and law firms on a pro bono basis) were the development of the methodology and reforms progress monitoring system in the spring of 2015, and the functional audit of ministries in the autumn of the same year. A separate section of this book is dedicated to the first of these projects. I shall only note that these independent public experts have proved to be the constructive force capable of reconciling a common frame of reference for each reform among sectoral ministries, relevant parliamentary committees, the Presidential Administration and the EU Delegation to Ukraine, which was overseeing the implementation of the EU-Ukraine Association Agreement.

Finally, I would like to express my personal opinion of the National Reforms Council's work. As I see it, the idea of a communication platform was worth the effort: discussion of strategies and public policies served as a precondition for the launch of governmental and parliamentary processes envisaged by law. Reduction in the number of political parties within the parliamentary coalition had to do reform reconciliation process a power of good, but the opposite has been the case: poor parliamentary capacity and a motley government have slowed down the process and seriously blunted the NRC's effectiveness. However, the tried and

tested procedures and approaches are a significant asset that will be much sought after before long.



If we consider the National Reforms Council as a communication platform for the President, Parliament, and the Government, then participation should include stakeholders such as the business community and civil society



NATIONAL REFORMS COUNCIL: HOW IT WORKS?



Dmytro Shymkiv,
Secretary of the National
Reforms Council

In Ukraine, decisions on reforms and their implementation are made by the President, Cabinet of Ministers, and Verkhovna Rada with the active engagement of civil society. Naturally, they all have different outlooks. In early summer of 2014, the idea evolved to create a body capable of bringing together different viewpoints, elaborating solutions, and harmonising approaches through constructive debate and democratic process to ensure better reform delivery.

The National Reforms Council was established, bringing together the President (chair of the NRC), Prime Minister and the Cabinet, Verkhovna Rada, chairs of parliamentary committees, government officials representing institutions such as the National Bank, the National Security and Defence Council, the State Fiscal Service, and the National Anti-Corruption Bureau as well as civil society representatives. In addition, the President proposed that leaders of parliamentary factions also be made part of the NRC. This initiative is very important, as faction leaders have a key role to play in upholding or blocking legislative initiatives in Parliament.

Members of the National Reforms Council also include four civil society representatives who are selected through a competitive procedure based on their vision of reforms, and who have already been selected twice.

The National Reforms Council is primarily tasked with addressing issues on the reform agenda, processing and presenting ideas and viewpoints of those responsible for reforms or political figures, and delivering reform progress statistics.

Meetings of the National Reforms Council: Important Points

First, a reform is reviewed in the form of a presentation containing figures and problem statements. It has become the common trend of today to conduct discussions backed with no figures or statistics and without a clear understanding of the problem. In contrast, one of the NRC's operational objectives is to facilitate deeper awareness of the issue at hand and a common understanding of the problem among all the NRC members.

Secondly, it is mandatory that persons who are of direct relevance to the subject matter of reform attend the meeting. For example, we invited a school headmaster and a university rector to discuss education reform, and leaders of amalgamated communities, both large and small, to discuss decentralization. Representatives of the judiciary were invited to discuss the judicial reform so that direct feedback was obtained from those affected by reform and acting as partners in its implementation.

Thirdly, what matters is the discussion process itself. Therefore, adequate time needs to be allowed for discussion, as apart from a keynote speaker there are always extra speakers coming up with comments and observations in the course of discussion.

An important element of any presentation (other than concept or data presentation) is action-oriented proposals, which either are discussed at the National Reforms Council meeting or provide a basis for respective decision options.

It is equally as important that adopted decisions be formulated in such a way that enables tracking their subsequent implementation. Therefore, the agenda must include specific issues and proposals around which discussion of the possible decisions centres.

It is also crucial that the President of Ukraine, Chairman of the Verkhovna Rada, and Prime Minister be furnished with a brief statement outlining the main elements of the meeting before it is held, so that they and their teams prepare for a meaningful discussion.



Why and how does the National Reforms Council work

The National Reforms Council identifies the issues to appear on the meeting agenda. The experience has proved that it is counterproductive to bring up more than one topic for discussion. We used to discuss one to four topics at a single meeting. The most productive, however, were meetings that addressed a single topic, such as the tax reform. Meetings of the National Reforms Council typically last no more than two hours. The longest meeting, which addressed four or five topics, lasted four and a half hours without a break.

A key factor to success of the National Reforms Council meetings is that the President moderates them personally and is directly involved in the discussion process. As a moderator, the President listens to the representatives of government and civil society, gets them involved in discussion, follows their feedback and addresses certain points, thereby giving impetus to the discussion. It was personal involvement of the President in the discussion and decision-making process that allowed fulfilling a good many tasks on the reform agenda, from ProZorro and healthcare reform to decentralization and government reorganization. These were decisions adopted as a result of discussion with the President of Ukraine, Prime Minister, and Chairman of the Verkhovna Rada.

The National Reforms Council is often accused of being the presidential agency. Indeed, the President has established the NRC as an advisory board. This is indeed important for the operation of the National Reforms Council, because the presidential tenure of office is longer than the term of office of Parliament or government, while as an institution, the presidency remains the most unifying political entity in Ukraine's political landscape.

Institutionalization of the National Reforms Council is important because the NRC, in its capacity as a unifying platform, must be the institution whose decisions are communicated to the relevant bodies, agencies, and political forces for monitoring purposes. Of course, the NRC is an advisory body and failure in implementing its decisions results in no legal consequences. The central objective is a roundtable discussion whereby political consensus is reached and mutual commitments are undertaken in relation to a particular reform. Accordingly, to ensure maximum efficiency of the NRC



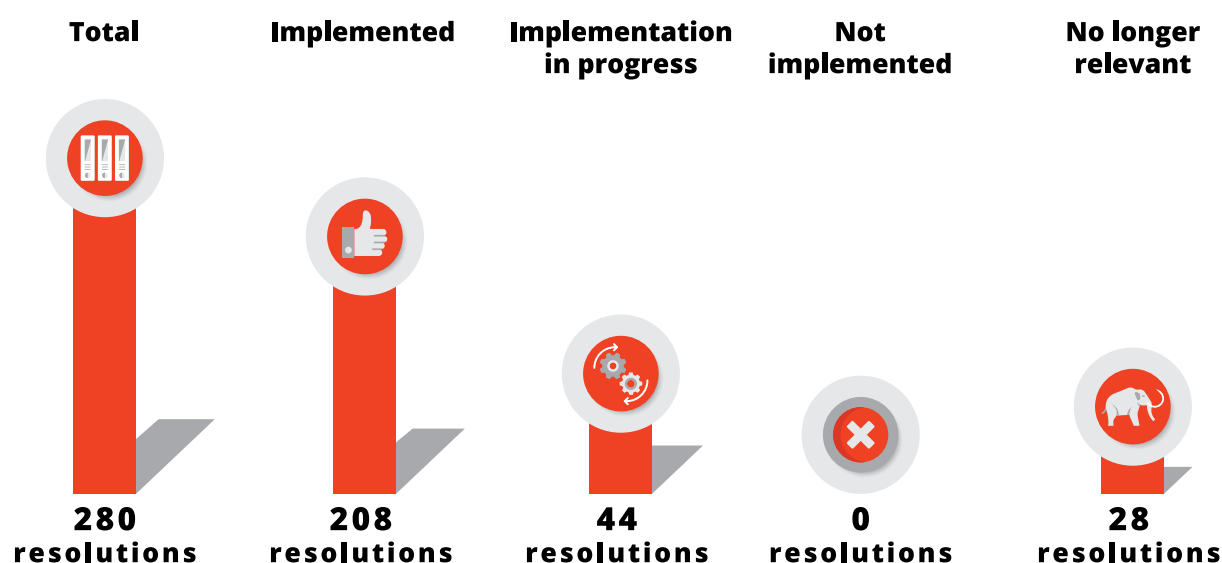
performance, we must erect the structure based on a political entity that has the longest time horizon and acts as guarantor and strategist of the country's long-term development. For example, the presidentially-approved Strategy 2020 is a pivotal long-term document setting out the country's vision for the next 15 years.

Having representative of the Verkhovna Rada, in particular chairs of the parliamentary committees, at the NRC meetings is also important. Sometimes we invite MPs who are active in a reform-related political landscape. In addition, from time to time we invite representatives of international organisations and the donor community.

As far as media attendance is concerned, in limited circumstances, where the political context of certain declarations so requires, footage is made of the President, Prime Minister, and Chairman of the Verkhovna Rada at the beginning of the meeting in order to deliver the topic and the main message of reform scheduled for discussion to the public. However, the discussion that follows is held in no-media-allowed format. The reason is that members of the National Reforms Council are policy-makers who seek to bolster their public image. The presence of TV cameras encourages them to making public statements that could lead the discussion astray or hinder consensus searching at the roundtable. The NRC meetings are not a talk show. Their goal is to build consensus, make a compromise, and render decisions to ensure effective implementation of reforms.

One of the most important approaches to a successful NRC meeting is the presentation of the analysis of performed or failed tasks. It encourages participants to implement resolutions carried at the NRC meetings and communicate the importance of such implementation to their subordinates. For example, the NRC listed the government agencies that transitioned to ProZorro e-procurement system at four consecutively held meetings, and while at the first meeting there were only four ministries, the fourth meeting saw all ministries reporting on the transition to ProZorro. It is beyond argument that we garnered such effect by controlling performance of tasks. On average, percentage completion is as follows:

Status of Implementation of the National Reform Council's Resolutions*



* As of May 1, 2017

Who prepares meetings of the National Reforms Council and how it is done

How often should the National Reforms Council meet? At first, the NRC thought that it would be feasible to meet bi-weekly. However, this was overburdening for the NRC Secretariat and Project Management Office, and meetings are now held once a month. In 2015, the Council held 17 rather meaningful meetings, and these reform-centred meetings underpinned the crucial processes in reforming the country.

Preparation of the meetings is the responsibility of the National Reform Council's Secretariat and Project Management Office.

All meeting materials (i.e., presentations, minutes, and progress reports), are publicly available on the NRC website (reforms.in.ua).

After each meeting, a briefing is held by the Secretary of the National Reforms Council and topical co-speaker. By doing so the National Reforms Council brings the theme, main points, and resolutions of the meeting to the public.

Preparations for the NRC meeting begin at least two weeks ahead. The starting point is the meeting of the team of the responsible minister and the Project Management Office. Lengthy discussion and reconciliation must result in a clear presentation with pre-set number of slides. There could be additional materials containing statistical data handed out at the meeting. However, information must be presented in a clear and concise manner, as speakers are given 10 to 20 minutes to deliver their speeches.

Then we demand formulating issues to be discussed by members of the National Reforms Council. It is important to have provided proposals in relation to actions and policies of stakeholders invited to the meeting, as such stakeholders might be representatives of other agencies and departments, whose opinions on certain events are valuable. These include, for instance, the State Fiscal Administration, State Customs Service or National Bank when tax and customs policies are discussed.

Although we have been making every effort to ensure that participants receive all documents a minimum of 48 hours ahead of the meeting, there were instances of their delivery only 12 hours ahead.

Setting up the right date of the National Reforms Council meeting is equally as important, as MPs leave the capital to work in their constituencies and no parliamentary sessions have been scheduled. During parliamentary sessions, NRC meetings commence after 6pm when people are tired and the quality of discussion suffers. However, there have been many fruitful evening discussions.

Minutes of each meeting are taken using shorthand, which is then extended to form the detailed minutes containing resolutions carried. The minutes are signed by the Secretary of the National Reforms Council and sent to the meeting participants.

The approved tasks are then entered into the uniform system that allows tracking decisions. We have been monitoring the adopted decisions since the first meeting of the National Reforms Council and, therefore, receiving official feedback to the NRC Secretariat for further discussion.

There was the Executive Committee of the National Reforms Council set up to ensure the NRC's effective operation. The Committee is composed of the Presidential representative acting as Secretary of the National Reforms Council, and representatives of the Cabinet and Parliament. This allows each branch of government to have an informal ambassador on reforms within the NRC.

The Project Management Office brings together a group of experts set up with support from international donors to move forward and effectively facilitate reforms. Each expert is a project manager working with the relevant minister as the so-called pro bono deputy minister sponsored by donors. As ministers are political figures who are mostly involved in the operational activities due to their functional responsibilities, they do not have much time left to work on reforms. The project manager views reform as a project aimed at achieving its ultimate goal. To that end, provision must be made for setting up a working group, (i.e., a Reform Task Force), to discuss specific issues, elaborate on the best practices, and bring task-oriented solutions, implementation algorithm, and weekly progress reports to the attention of the minister or person responsible.

In addition, project managers assist the ministers in preparing content to be presented at the National Reforms Council meetings.

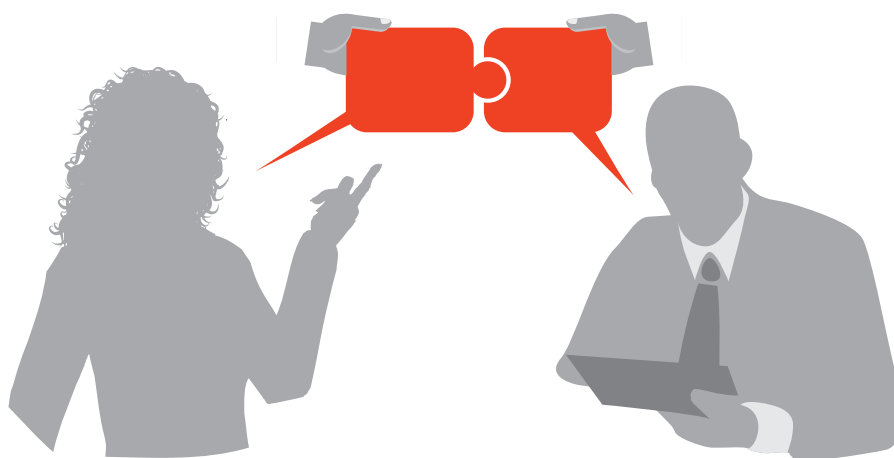
Moderating multi-stakeholder groups

It is often the case with working on reforms that multiple groups develop reform concept or detailed action plan. There could be up to ten different groups interested in a reform. As a rule, these ten groups have a common understanding of the reform's ultimate goal, but have different visions as to its implementation. This is exactly what multi-stakeholder groups are.

A multi-stakeholder phenomenon prominently manifested itself during working on the judicial, deregulation, and anti-corruption reforms. Yet it is difficult to name a reform that has completely escaped the impact of multi-stakeholder discordance.

In one instance, while developing the Anti-Corruption Bureau concept, the NRC was approached by civil society activists requesting to run a roundtable meeting for all the stakeholders, as they had already been in the public eye each competing for its cause. They all had their sights set high and were hawkish in defending their positions, not up to considering any alternative scenarios and hostile toward groups proposing reform models other than their own. All this naturally resulted in combative attitudes and impeded the reform elaboration process as these groups simply blocked one another.

The first meeting of multi-stakeholder groups usually sees the negative side and ad hominem attacks prevail, so it is vitally important to have a moderator capable of bringing the positions of different groups to a common standard. Each group was given the floor to express its position and provide a structured vision of the Anti-Corruption Bureau's framework of operation – i.e., who was



to be appointed to the Bureau, in which manner, for what term of office, etc.

After opening remarks, it was important to make opponents formulate positions on the points in which they agreed. This minimizes the divisive areas and positions the moderator to constructively identify discrepancies and move towards solutions. After the first discussion of the Anti-Corruption Bureau, fifteen discrepancies had been reduced to five.

Next, each issue is isolated and discussion is focused on a sole issue. Each group presents its vision pertaining only to the issue under discussion. In the case with the Anti-Corruption Bureau, we argued about who would appoint NABU's head (the President or other official), whether such appointment would be made in the form of a decree or otherwise, how many candidates would have to be nominated for a final review, etc. Having heard various arguments, the moderator starts seeking a compromise.

Absent a compromise (which also could be the case), the matter of argument is "parked", i.e. postponed, while the discussion continues on another issue at hand.

It is crucial to keep minutes of such meetings, especially with regard to reconciling the matters of argument. These minutes are then sent to all the meeting participants. This makes people more self-disciplined and responsible for an agreed position.

Perhaps the longest moderation experience was at the stakeholder meeting on the procurement of medicines, which lasted almost nine hours. The group held three meetings resulting in the joint drafting of the law. It was hardly imaginable that people who waged fierce media campaigns against one another would have affix their signatures under a jointly developed law.

Why does this work? You turn a "win-lose" situation, which is inherent in Ukrainian society, into an accommodating "win-win" situation when all parties benefit. Not an easy thing to do due to extra efforts involved, this nevertheless yields results and drives reform.

It is of paramount importance to clamp down on any attempts to argue ad hominem or make inappropriate or destructive comments and observations that undermine the quality of discussion. After the meeting, participants are free to go out and throw snowballs at one another, but while at the roundtable, they all must work towards results. It is under these very conditions that a compromise could be reached to move on.

Finally, it is important to remember that stakeholders have the same goal but different visions of how to achieve it.



TASKS

&

RESULTS

Project Management Office

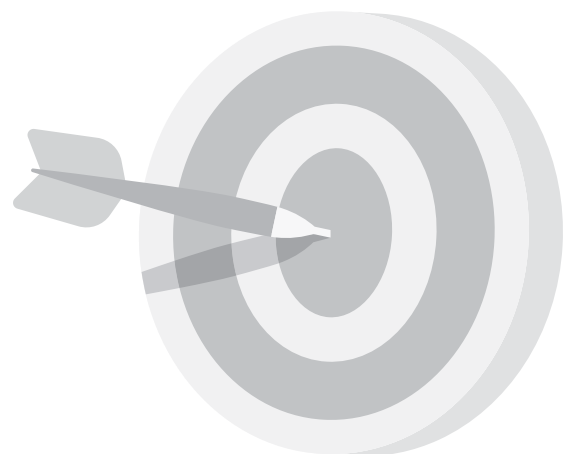
- ▶ To create efficient infrastructure for reform implementation
- ▶ To engage new professionals in public policy and state governance
- ▶ To set up single standards of planning the reform agenda, systematization, and monitoring
- ▶ To implement business standards and other cross-segment criteria for coordinating reforms implementation.

- ▶ Logic models and reform passports developed in order to structure and manage reforms in a simple and transparent way
- ▶ Regular monitoring of priority reforms implemented (NRC meeting on July 23, 2015).

PMO experience

- ▶ To set up PMO as efficient instrument for implementation of NRC decisions and support of the top priority reforms
- ▶ To ensure PMO is operationally efficient body
- ▶ To create conditions for building a strong team of professionals.

- ▶ System of Reform Task Forces created under the responsible ministries which coordinated priority reforms
- ▶ Matrix structure for managing of reforms priorities
- ▶ Best practices from corporate sector implemented into the PMO office
- ▶ System for regular monitoring and reporting.



NATIONAL REFORMS COUNCIL'S PROJECT MANAGEMENT OFFICE

Anna Chukhay

Project Management Office: role and responsibilities



The most effective way to coordinate development and implementation of reforms is to set up individual project teams. They are not part of the system subject to reform, hold the mandate for change, and deal solely with reforms. The Project Management Office (PMO) under the National Reforms Council was established to coordinate the efforts of numerous stakeholders in 18 priority reform areas. The Project Management Office provided political leaders (ministers

or heads of other public authorities) responsible for the implementation of reforms with support in the following areas:

- coordination
- analytics
- communication
- strategic planning

The PMO developed actions plans of individual reforms, monitored their progress, and provided deliverables subject to international best practices.

The PMO also provided effective communication and cooperation with partners, both national and international, donors and civil society. The PMO team maintained an adequate level of public communication, provided for civic oversight of the progress in reforms and contributed to the preparation of principal conclusions and recommendations.

As part of the Reforms Governance Model, the PMO coordinated the operation of Reform Task Forces set up to develop and deliver reforms in various areas, as well as to monitor and communicate reform implementation process.

Operationally and legally, the Project Management Office was independent of the government and the Presidential Administration, and reported to Co-Chairs of the Reforms Executive Committee.

Work at the Project Management Office involved close communication with:

- Project Managers and other PMO consultants
- Leaders of Reform Task Forces (RTF), ministers, and representatives of the relevant parliamentary committees, donors, international institutions, civil society and business community, as well as external consultants and experts.

The Project Management Office was primarily tasked with:

- ▬ Coordinating, supporting, and facilitating development and implementation of reform packages in Ukraine
- ▬ Monitoring and controlling reform implementation and ensuring consistency, complementarily and non-contravention of reforms
- ▬ Developing and introducing document standards and templates for reform packages and implementation plan progress reports
- ▬ Engaging national and international expertise to ensure these tasks are fulfilled.

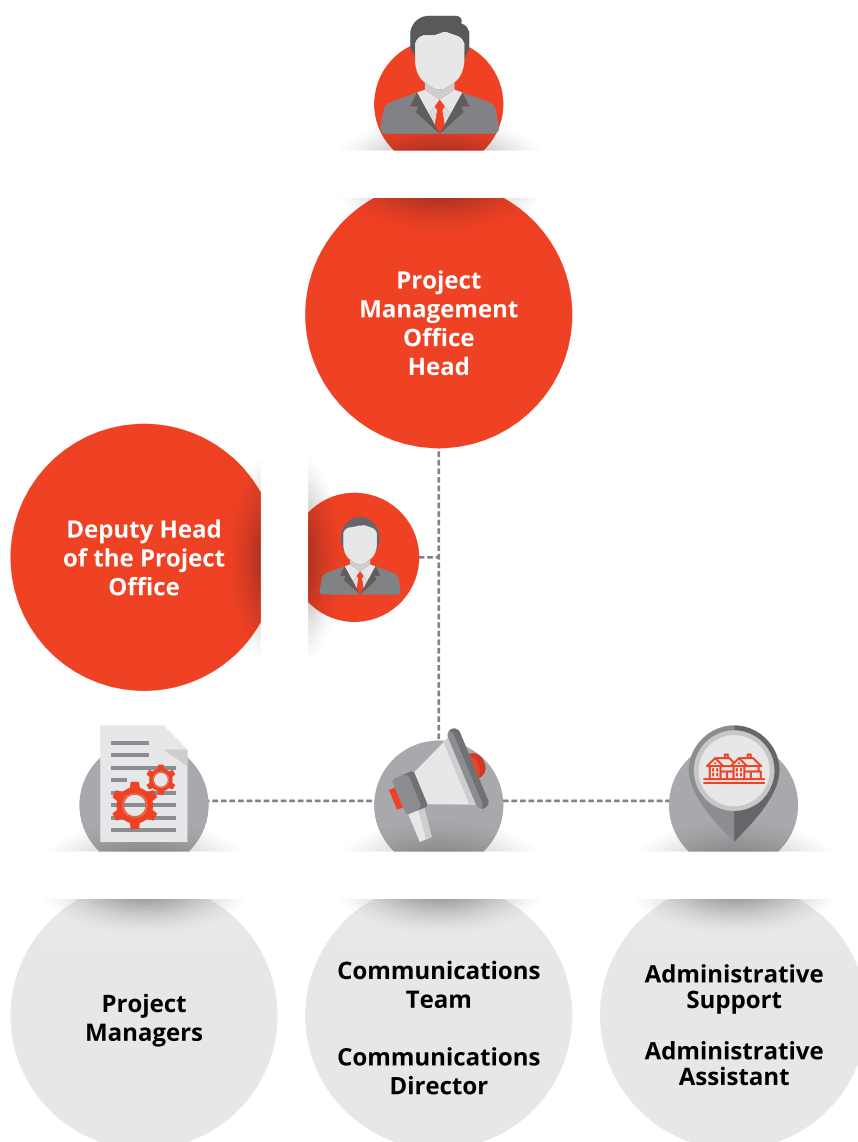
The cornerstone of successful performance of the Project Management Office's tasks was the regular communication of progress on the reform agenda to the public so that society could exert the necessary pressure on the government in the event of delayed or improper reform implementation.

PMO experience: Structure

The Project Management Office had a simple horizontal structure (see the figure). Project Managers responsible for priority reforms reported to the Head of PMO, had identical tasks and enjoyed equal access to the NRC and PMO resources along with communication and administrative support.

Other competencies and services of subject matter experts necessary for the PMO operation (e.g. HR, PR, legal, etc.) were engaged on a partnership basis or outsourced. This approach has proved effective.

Organizational Structure of the NRC Project Management Office



Head of Project Management Office: responsibilities and expected outputs

Key responsibilities

- Coordinating and consolidating reform project initiation and development efforts, monitoring and controlling reform implementation plans in various areas in line with priorities identified by the Reforms Executive Committee
- Ensuring transparency of reform development and implementation processes
- Maintaining continuous communication with Co-Chairs of Reforms Executive Committee to ensure adequate quality of materials and reports
- Monitoring performance of Reform Task Forces, controlling implementation of reform action plans, ensuring proper project execution within established timeframes and approved budget
- Timely escalating problems to the Reforms Executive Committee in the course of reforms development and implementation
- Setting up, developing, managing, budgeting, and controlling the Project Management Office operations
- Developing and implementing Project Management Office's processes and standards
- Team creation and management:
 - Developing Terms of Reference, recruiting and managing personnel including project managers, external consultants, short-term experts, and ancillary staff
 - Developing and implementing personnel performance evaluation system
 - Supervising the work of project managers

- Providing for efficient cooperation with national and international partners, donors, and civil society

- Ensuring high-quality information about and publicity of the PMO operation for mass media and stakeholders.

Expected outputs

- Reform implementation plans, progress reports on certain reforms
- Standards and templates for plans / reports / presentations and other documents of the Project Office
- Reports, submitted to the Executive Reforms Committee and EBRD on a regular basis.

Project Managers: responsibilities and expected outputs

Key responsibilities

- Coordinating the operation of Reform Task Force
- Providing coordination and support in developing, monitoring, and overseeing implementation of selected reform action plans
- Providing for timely fulfilment of assignments by Reform Task Force in compliance with the established standards and with the involvement of national and international experts where required
- Timely reporting problems in developing and implementing reforms to the management of PMO, REC, and NRC
- Regularly reporting reform action plan implementation progress to Head of PMO and the public
- Regularly communicating reform development and implementation process.

Expected outputs

- Reform implementation plan
- Regular reform development and implementation progress reports
- Communication plan for reform development and implementation.

Director of Communications: responsibilities and expected outputs

Key responsibilities

- Developing and implementing communication strategies of reforms in general and individual priority reforms
- Developing and implementing communication strategies of NRC, REC, and PMO
- Coordinating and supporting development and implementation of communication strategies of separate reforms developed by individual RTF.

Expected outputs

- Communication strategy and plan for NRC, PMO and separate reforms
- Implementation of the communication plans, as well as positioning strategy of the NRC
- Communication support for RTFs.

Establishment of the Project Office, efficient reformer profile, team hiring and training

The process of establishing the NRC Project Office took 10 months from an idea to execution of contracts with most of the team.



Establishment of the Project Management Office

The speed of the process was affected by political uncertainty in the context of early election to the Verkhovna Rada and formation of the parliamentary coalition in 2014. Donors also had no ready-made mechanisms or templates to support projects like that: their development involved investments, time, and effort.

Development of the national Reforms Governance Model marked an important and lengthy phase. The model has clearly identified the process actors as well as their objectives, tasks, and powers. Members of the NRC upheld the model's final version at the constituent meeting following several dozens of discussions with all the parties involved including international partners.

There were Terms of References and employment eligibility criteria developed mindful of the Project Management Office's tasks and its place within the national

Reforms Governance Model.

The first selected employee was the Head of PMO who subsequently played a pivotal role in selecting the rest of the team. In selecting the project managers it was important to agree on the candidates with political leaders of reforms (ministers) and heads of Reform Task Forces (deputy ministers), as the trust of the reform leader gave the green light to project manager's work.

The NRC Project Management Office had a Charter setting out its aims and objectives, operating principles, role of project managers and their duties, responsibilities, expected outputs and KPIs, principles of interaction with key stakeholders and other fundamentals of PMO operation.

Статут Проектного офісу Національної ради реформ	
Цілі і завдання проектного офісу <p>Проектний офіс (ПО) створений для координації роботи цільових команд відповідних органів влади, що відповідають за реалізацію реформ. ПО: динамічну, аналітичну та комунікаційну підтримку, а також допомогу проектному плануванню ЦКР. Завданнями ПО є розробка детальних планів моніторингу та процесів реалізації / впровадження реформ, дотримання в установлені терміни і відповідність результатів поставленим цілям світових практик.</p> <p>ПО налагоджує ефективну комунікацію і будує партнерські відносини, включаючи міжнародні організації, донорів та громадянське суспільство, забезпечує достатній рівень відкритості для громадського контролю та зворотного зв'язку громадянського суспільства в ході реалізації реформ, обговорення та розробки рекомендацій. ПО відстежує хід імплементації реформ і ключові результати доступними для публічної дискусії.</p> <p>Налагодження комунікації також є важливим завданням для забезпечення змін у сфері реформ та їх прийняття суспільством. ПО є основним джерелом інформації для громадянського суспільства, українськими та зарубіжними ЗМІ щодо процесу їх підготовки і реалізації. ПО інформує про статус виконання планів, аргументи кожної зі сторін, позиції учасників процесу, утримуючись від коментарів і виключаючи формулювання власної позиції. В рамках політики ПО посилює бренд Національної ради реформ, допомагає фінансуючим засіданням і виступає транслятором прийнятих НРР рішень в ЦКР.</p> <p>Виходячи з вищевикладеного, ПО:</p> <ul style="list-style-type: none">• координує, підтримує і просуває розробку і впровадження паків реформ і контрольне впровадження реформ і забезпечує в них, взаємодоповнюваність і відсутність протиріч між реформами• підтримує ЦКР в розробці стандартів і форм для організації реалізації реформ, "status updates" процесу впровадження реформ. І уніфікації звітів різних ЦКР і включення в план моніторингу (BaR) для Національної ради реформ;• Користується послугами консультантів для виконання завдань певного характеру і ефективності, беручи до уваги свідомість змін тоїсть перед ПО і Національною радою реформ. <p>Принципи роботи ПО:</p> <ul style="list-style-type: none">• професіоналізм (сучасні методи управління проектами, виконання світової практики, особиста ефективність)• відкритість (всі процеси і результати відкриті для зовнішнього громадянського суспільства)• підтримка / взаємодія (допомога міністрам, керівникам бачилих груп в досягненні результатів, а також колега по ПО з завданнями та подоланням труднощів)• залучення (забезпечення діалогу з ключовими гравцями реформ з громадянського суспільства, експертами, міжнародними органами ВР)	<ul style="list-style-type: none">• нейтральність (ПО є частиною Нацради реформ, при цьому незалежний від конкретних глоск влади, політичних партій, фракцій ВР, інтересів міністрів чи керівників ЦКР, а також інтересів бізнесу. Проектні менеджери ефективно модерують дискусію навколо ключових питань реформ для пошуку консенсусу. Вони пропонують прислухатися до думки різних стейкхолдерів, пропонують свою точку зору, але не нав'язують її). <p>Роль проектних менеджерів і їх завдання</p> <p>Відповідальним за реформу є міністр (керівник відповідного органу державної влади), операційна відповідальність покладается на керівника ЦКР. Проектний менеджер підпорядковується керівнику ПО і виконує ініційовані Національною радою реформ завдання. Основне завдання проектного менеджера – підтримка керівника ЦКР і, спільно з керівником ЦКР, своєчасне інформування міністра про статус роботи над реформою, а також щодо питань, які вимагають безпосередньої участі міністра. Проектний менеджер вирішує три основні завдання:</p> <ol style="list-style-type: none">1. Темп: просування реформи згідно плану, затвердженому керівником ЦКР і міністром2. Якість: забезпечення якості фінальних результатів реформи (законопроекти, інші нормативно-правові акти і т.п.) і їх відповідності найкращим світовим практикам3. Відкритість: хід роботи над реформою є відкритим для громадськості, громадянського суспільства та донорів. <p>Взаємодія проектних менеджерів з ключовими учасниками процесу</p> <p>Проектний менеджер взаємодіє з:</p> <ul style="list-style-type: none">- Міністром (підготовка статусу роботи ЦКР, формулювання спірних і проблемних питань, аргументів сторін, підготовка матеріалів для виступів на Нацраді реформ і в ЗМІ)- Керівником ЦКР (розробка концепції (паспорта) реформи, плану-графіка реформи, складу ЦКР, адміністративна підтримка засідань і забезпечення проміжних і фінальних результатів роботи ЦКР)- Керівником ПО (статус роботи над реформою, заповнення необхідних документів і форм, обговорення рішень Нацради реформ, складності роботи ЦКР, підвищення ефективності роботи, комунікаційна політика навколо реформи, взаємодія з іншими ЦКР)- Депутатами ВР (узгодження позицій запропонованих законопроектів, звіти про статус реалізації реформи)- Іншими органами влади (узгодження нормативно-правових актів, моніторинг необхідних для реалізації реформи дій, їх координація в рамках однієї реформи)- Міжнародними організаціями (узгодження ключових елементів реформи і фінальних результатів, визначення позицій в спірних питаннях, надання коротких звітів про хід роботи над реформою і про досягнення проміжних результатів) іншими ЦКР (координація роботи над реформами, обмін інформацією про ключові елементи реформи, терміни впровадження і т.п.)

The nature of project managers' work and assignments envisaged spending most of their time at the ministries. At that, the PMO team was provided with premises at the Presidential Administration to hold team meetings.

During its existence, the Project Management Office comprised project managers in the following reform areas:

- Public administration
- Anti-corruption
- Security and defence
- State-owned enterprise governance
- Deregulation and entrepreneurship
- Public procurement
- Decentralisation
- Energy and energy efficiency




- Agriculture
- Healthcare
- Education
- Electronic governance
- Financial sector
- Law enforcement
- Ukraine's promotion on the international stage.

The Project Management Office selected competent and qualified professionals motivated to create positive changes in the country. The best candidates were selected through open competitions held in line with the EBRD's procedure. Regular training helped develop, strengthen, and equip the team with knowledge and skills necessary to effectively drive change.



Project Management Office Head profile

Requirements to the Project Office Head

-  At least 7 years of appropriate experience combining strategic and managerial responsibilities, establishment and development of the project office
-  Experience in management of complex projects in various areas
-  Capability to coordinate and provide support in the formation and development of procedures and standards using effective skills of moderation and consensus achievement.

In addition, a candidate is required to demonstrate:

-  Understanding of the reform process in Ukraine
-  Strong leadership qualities, good negotiations skills, and conflict resolution skills
-  Exceptional communication skills; experience in cooperation with government institutions and organizations is an advantage
-  Constructive and logical thinking, capability of working with large amounts of data and making decisions

Project Management Office Manager profile

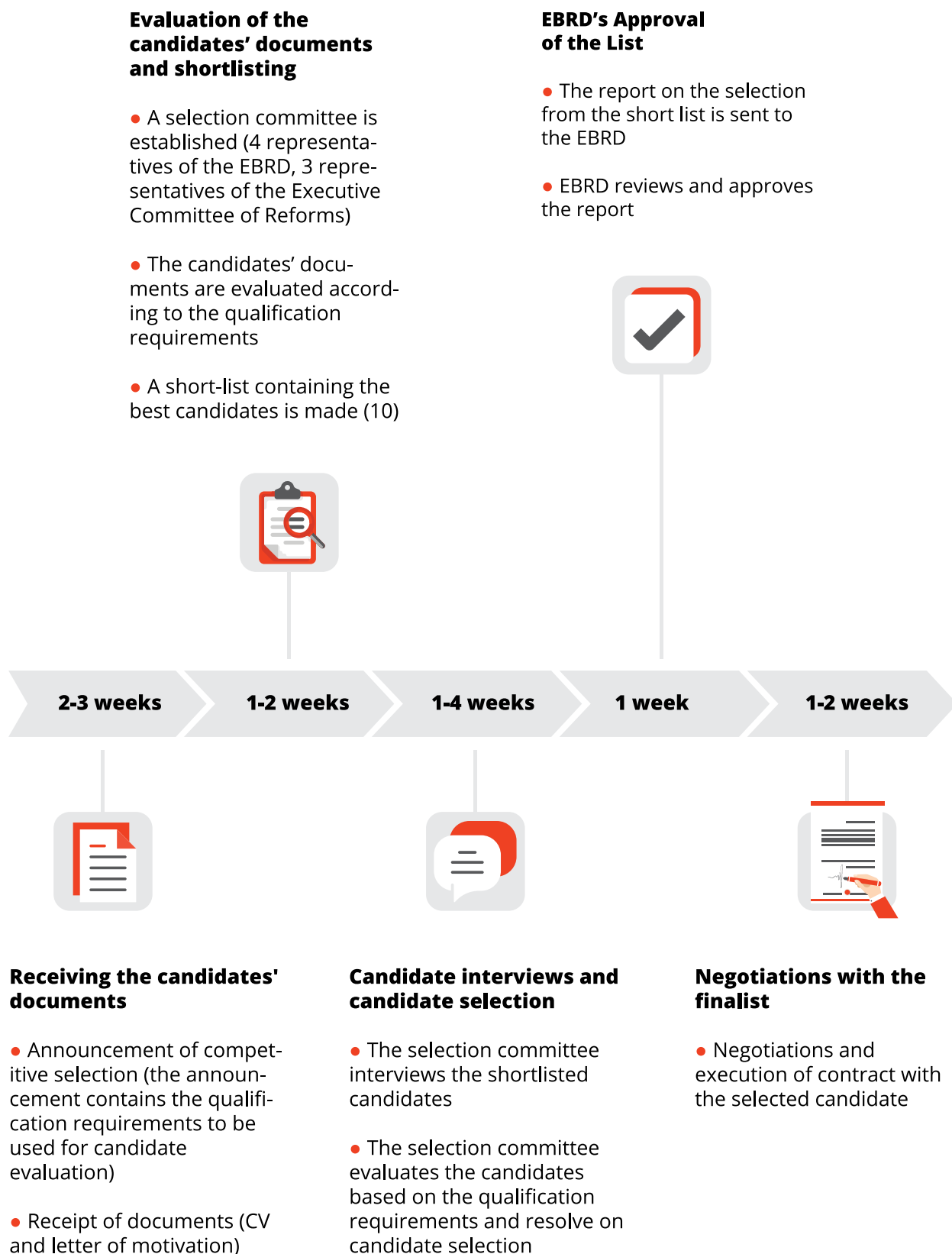
Requirements to project management

-  At least 3 years of experience in management of complex projects in different sectors
-  Determination and capability to establish relations and communicate at all levels with various stakeholders.

In addition, a candidate is required to demonstrate:

-  Understanding of the reform process in Ukraine in the specified area
-  Strong communication and negotiation skills
-  Strong organizational, coordinating, and communicative skills
-  Stakeholder management
-  Constructive and logical thinking, capability of working with large amounts of data and making decisions.

Project Managers Selection Process



Project Management Office Head Evaluation Form

Criteria	1	2	3
	Satisfactory [1-3]	Good [4-7]	Excellent [8-10]
Project management: at least 7 years of appropriate experience combining strategic and managerial responsibilities, establishment and development of the project office, 1-10			
Project management: successful experience of managing complex projects in various areas, 1-10			
Project management: experience in change management, 1-10			
Reforms in Ukraine: understanding of the reform process in Ukraine, 1-10			
Reforms in Ukraine: experience in working with government institutions, 1-10			
Communications: capability of efficient communication with public officials and representatives of government institutions, international organizations, non governmental organizations, the business community, consultants, and experts, 1-10			
Communications: experience in communications with the media, 1-10			
Communications: experience of successful cooperation with non-governmental organizations, 1-10			
Personal qualities: strong leadership qualities, excellent negotiations skills, and conflict resolution skills			
Total [1+2+3]			

The tasks of the Project Management Office were ambitious for the team in general and each project manager in particular. Project managers implemented changes amid significant uncertainty and resistance of the system.

Support of the partners in training the team was crucial for achieving ambitious results. The need to strengthen competencies of the Project Management Office and its managers determined the training topics. A series of workshops and training sessions on results-based management delivered by EDGE proved extremely productive. At these training sessions managers developed draft profiles and logic models of reforms, which were then reviewed, refined and approved by Reform Task Forces at the respective ministries.

In addition, project managers underwent conflict resolution training with support from the UK's Special Defence Advisor and National School of Government International, NATO People Development Program and the Presidential Administration of Ukraine. The training provided theoretical basics of change management at the government level (illustrated with real-life examples). Managers identified and analyzed change management models for Ukraine and collected change implementation examples from people who had carried out changes in other countries.

PMO experience has proved that it is important that change agents ongoingly develop and learn political, mediation and multiple stakeholder management skills.

Accomplishments of the Project Management Office

The Project Management Office has set and maintained reform planning, systematization, and monitoring framework. Including:



Reform profiles and logic models that helped structure reforms in a standardized and simple manner



Reform progress monitoring system (scorecards).

The Project Management Office introduced and maintained a culture of regular and transparent reforms progress monitoring yielding:



Regular monitoring of priority reforms implementation in line with the scorecards published in 2015



Publication of 7 reform progress reports – unrivalled throughout the country, these unique reports were published quarterly



Regular tracking of public perception of the progress in reforms



Online system to monitor implementation of EU-Ukraine Action Plan on Visa Liberalization and the 2016 Action Plan of the Cabinet of Ministers of Ukraine.

The Project Management Office has created a sustainable pipeline of talent. Examples include:



Nataliya Boyko,
Project Manager for Energy Sector Reform
appointed Deputy Minister on European Integration at the Ministry of Energy and Coal Industry



Pavlo Kovtonyuk,
Project Manager for Healthcare Reform
appointed Deputy Minister of Health



Ivan Khilobok,
Project Manager for Public Administration Reform
chaired Public Administration Reform Group at Reforms Delivery Office under the Prime Minister.

The Project Management Office introduced regular communication on reforms implementation progress including:



New reforms website launch



Regular press briefings



Regular off the record meetings of the press-club

The Project Management Office has made its contribution to the implementation of specific reforms. Examples include:



Public Administration Reform:

- 1.** Initiate development of and lobby a new Law “On the Public Service”, relevant amendments to other laws and 26 governmental regulations.
- 2.** Initiate development of and finalize the Strategy for Reforming the Public Service of Ukraine for 2016 – 2020 and the relevant implementation plan.



Anti-Corruption Reform:

- 1.** Demonstrate leadership in the group, responsible for organizing and holding the largest International Anti-Corruption Conference in the history of Ukraine.
- 2.** Develop the Anti-Corruption Communication Framework Strategy.
- 3.** Design, brand and launch the De-Corruption Communication Platform.



Decentralization:

- 1.** Establish two decentralization project offices to promote reforms.
- 2.** Launch the national project “Decentralization”.
- 3.** Develop the reform brand.

Operational challenges faced by National Reforms Council and its Project Management Office

- Lack of political consensus on priority reforms. Substantial effort to secure political coalition, agreement and involvement of all stakeholders was exerted at several levels, namely at the meetings of NRC and Reform Task Forces, as well as within the framework of other working groups and committees
- Poor institutional capacity in preparing reform proposals and action plans. NRC Project Management Office has developed a system to monitor reform commitments and obligations contained in various strategic documents
- Poor institutional capacity in preparing materials and presentations for the NRC meetings. Considerable efforts have been made by the Project Management Office and the NRC Secretariat to support reform leaders in structuring materials and presentations at the NRC meetings, and in developing critical decisions
- Poor ability to communicate changes to various stakeholders compared with PR. The Project Management Office provided consistent and comprehensive communication support to those responsible for reforms implementation.
- Low potential and professional incompetence, occasional sabotage of civil service
- Technocrats lacking political skills and politicians lacking technocratic skills.

Lessons learned:

- Policy makers have to find time to meet face to face to discuss political changes and build consensus without political context
- Communicating changes together with facts, data and proof points must take priority over PR
- All reforms, action plans, key performance indicators and decisions have to be monitored, broadly communicated and fulfilled
- Reforms must be structured all the way from strategic goals to operational objectives, and interrelated with other reforms to avoid discrepancies (conflicts) and ensure synergies and coherence
- It is essential that policy changes be developed based on analytical reports, international best practices, data, impact assessments, etc.
- In addition to face-to-face meetings, extra tools need to be developed to build a broader political coalition
- Technocratically-oriented change agents have to learn political skills.

PMO experience: internal processes and procedures

The fundamentals of any effective institution are a clear organizational structure, allocation of responsibilities, well-defined performance indicators, well-tuned internal processes, firmly established procedures, and effective communication. Such was the logic behind the National Reforms Council's Project Management Office (PMO). It was business best practices and international experience that made the PMO capable of demonstrating efficiency amid complex infrastructure of reform implementation in Ukraine.

The logic behind the PMO's formation were the priority reforms that the National Reforms Council had identified.

Responsibility for a specific reform area rested with an individual project manager. The Head of the Project Management Office provided overall coordination of the managers, ensured fulfillment of joint assignments and bore responsibility for the PMO's overall performance efficiency. The Head of PMO, however, did not interfere in the operational activity of project managers in terms of facilitation of reforms implementation. Such a system enabled a greater degree of independence and responsibility of project managers, and at the same time fulfilled PMO's crucial tasks and achievement of tangible reforms results.

The PMO was set up, among other things, as an instrument for implementing decisions of the National Reforms Council aimed to roll out reforms in Ukraine. The PMO communicated with the NRC through the Reforms Executive Committee, as Head

of PMO regularly participated at the Committee's meetings where current reform priorities, NRC resolution implementation status, and PMO performance results were discussed.

Dmytro Shymkiv, Deputy Head of the Presidential Administration of Ukraine, acted as the PMO's political leader. Actually, the Project Management Office was established subject to his initiative and agreement with donors. He provided for close cooperation between the PMO and NRC and controlled fulfillment of PMO's crucial tasks throughout its existence.

One of the preconditions for the PMO's success was the integration of project managers into the operations of ministries and agencies responsible for reforms. In fact, PMO operated according to the matrix governance structure. On the one hand, it was subordinate to the Secretary of the National Reforms Council, but on the other hand, project managers coordinated their activities with leaders of reforms represented by relevant ministers (heads of agencies) or their deputies. This allowed project managers to assist in the implementation of reforms without leading to a conflict of competence with executive agencies, which were key stakeholders of Ukrainian reforms. Project managers, for their part, coordinated the process of preparing relevant topics to be laid before the National Reforms Council in order to identify strategic priorities and reach consensus of all branches of government on political decisions.

In parallel, there were Reform Task Forces (RTF) – working groups that brought together representatives of all parties involved in reforms implementation – set up under the ministries responsible for reforms following the NRC’s resolution. RTFs formation and organization of their regular meetings and communications was assigned to project managers.

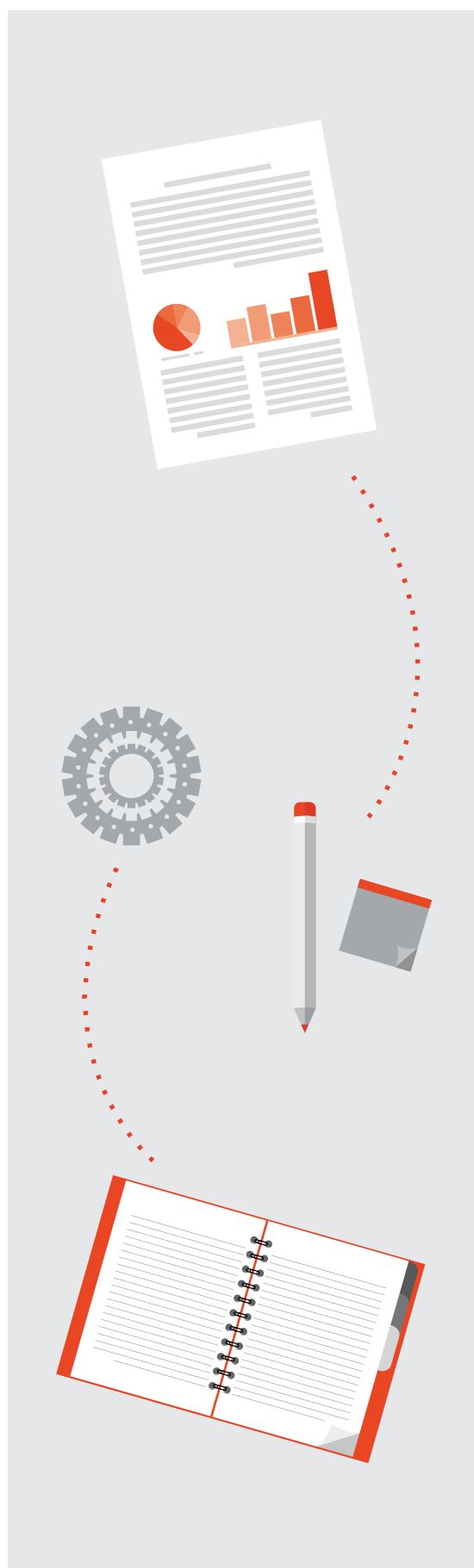
Reform Task Forces served as a platform to monitor and assess reform progress, coordinate actions of individual stakeholders, and promote individual reform initiatives.

Regular Friday meetings of the Project Management Office chaired by its head became an indispensable element in coordinating the project managers’ activities. The PMO Head was the one responsible for drawing up the agenda of such meetings. The agenda covered the following items:

- 1) Overall progress on reforms over the week, including barriers/challenges that had to be addressed – regularly.
- 2) Project managers’ performance results against previously set personal targets – regularly.
- 3) Project Management Office’s overall tasks performance status (e.g., preparing reports on reforms, reforms action plans) – where appropriate.
- 4) Preparing for the meetings of the National Reforms Council – where appropriate.
- 5) Implementing the NRC resolutions – where appropriate.

One of the tools to ensure efficient performance of the project managers and PMO in general was internal reporting. Regularly, at the end of each week, project managers completed an internal report consisting of three parts:

- 1) Overall descriptive assessment of the progress on reform, which demonstrated progress for the week, regardless of whether the manager was involved directly in a particular process. This part allowed



generating end-of-the-week high-level, but exhaustive reports on the progress in implementing priority reforms for the country's political leaders. These reports served as a unique source of information on the state of affairs in the implementation of selected priority reforms for a week.

- 2)** Progress in achieving 3-5 key reform objectives. Objectives were stated by the manager in line with current reform priorities, irrespective of the manager's degree of involvement. These were the objectives which if achieved over the short term (3-6 months) would have ensured substantial progress on reforms.
- 3)** Personal objectives/tasks of the project manager as part of reform implementation. Actually, this was the part where the project manager set personal objectives and KPIs for 3-6 months (depending on task complexity). Upon fulfillment of tasks from this part, project managers reported to the PMO Head and the NRC Secretary.

The combination of regular reporting on the status of achievement of overall and

personal objectives procured a balanced engagement of project managers in reforms. They performed or facilitated performance of specific tasks yielding tangible results and at the same time looked at the bigger picture. In addition to content related part, each task was classified into three categories:

- 1)** Degree of completion (percentage of task completion from 0 to 100 %, where 100% meant full completion of the task and achievement of the objective).
- 2)** Dynamics (positive, neutral, or negative weekly dynamics in implementing certain tasks). Negative dynamics were also possible, for example, when Parliament failed to pass a draft law, which corresponded to the logic of the task.
- 3)** Task implementation related risks and their characteristics, i.e., whether a task was performed within the scheduled timeframe (green color) or was slightly behind the schedule (yellow color) or the time limits were critically exceeded and the task failed, e.g., in breach of commitments set out in IMF-Ukraine Memorandum (red color).



General description of the weekly reports to be submitted by the Project Office managers

Brief information about the reform

Important changes / news in the reform

Final purpose and strategic goals of the reform: indicated in the header and does not change every week.

Key goals of the reform for the quarter (3 to 5 goals): provide the progress (or setback) description on each goal every week

Brief descriptive summary of the major events related to the reform over the week.

Key milestones of the reform	Progress	Trend	Risks	Last week's progress	Plans for the next week
Milestone 1	75%	Positive	<div><div></div><div></div><div></div></div>	Milestone 1 updates	Plans on milestone 1
Milestone 2	60%	Positive	<div><div></div><div></div><div></div></div>	Milestone 2 updates	Plans on milestone 2
Milestone 3	80%	Neutral	<div><div></div><div></div><div></div></div>	Milestone 3 updates	Plans on milestone 3

Progress: indicate the completion of goal on a scale from 0 to 100% as of the current week

Trend (three options: positive, neutral, or negative): indicate one of the three options depending on whether there was progress on the reform over the week, the reform was set back, or nothing happened

Completion risks (three colors: green, yellow, and red): the color indicates whether the goal (task) is being performed within the planned time limits (green), with insignificant delay (yellow), or critical delay behind the schedule (red).

Personal results

Quarter's goal 1	Implementation in progress	Positive	<div><div></div><div></div><div></div></div>	Updates on quarter's goal 1
Quarter's goal 2	Implementation in progress	Positive	<div><div></div><div></div><div></div></div>	Updates on quarter's goal 2
Quarter's goal 3	Implementation in progress	Positive	<div><div></div><div></div><div></div></div>	Updates on quarter's goal 3

Project manager's personal goals for the quarter (2 to 3 goals): each week, a manager shall describe his or her personal contribution to the implementation of the projects/initiatives in which he or she is the leader (or one of the leaders) or the process coordinator. Two columns were filled in for each goal on a weekly basis: column one for the week's progress and column two for the events planned or anticipated next week.



LOOKING FOR REFORMERS



Dmytro Shymkiv,
Secretary of the National
Reforms Council

Seeking payroll funding for new civil servants

The meeting of the National Reforms Council held in early 2014 saw leaders of parliamentary coalition factions agreeing that the private sector might not provide payroll funding for new officials and ministers. This undermined the two initiatives the NRC had been working on, namely draft law on the secondment of private sector professionals into civil service, and a concept for setting up a private sector-based civil service financing fund.

The only way to get out of the situation was to attract funding from international organizations and supranational unions, such as the EU. Typically, such organizations only channel funding through the state budget.

In February 2015, I initiated talks with the EU to attract such funding, and in April 2015 we received confirmation that EU was willing to provide the first USD 90 million as Ukraine's budget support for payroll funding for Ukraine's new civil servants with the following conditions:

1. Enactment of the Law On Civil Service
2. Approval of the 2020 Public Administration Reform Strategy.

The funding involved assistance to reform teams at the Ministries of Finance, Justice, and Economic Development and Trade, and at the Cabinet Secretariat. Similar teams had to be set up at other key ministries subsequent to their reform.

Although the Law On Civil Service passed its first reading in Parliament in April 2015, it was enacted in its entirety only in December 2015. Those who were directly involved remember the 'support' that some reform figures rendered, considering that on its passage through Parliament the bill hit several snags and was enacted with a record number of amendments and lagging almost a year behind. I am very grateful to People's Deputy Aliona Shkrum for her tremendous effort to promote the Law On Civil Service in Parliament.

The Cabinet of Ministers shouldered the responsibility for developing the 2020 Public Administration Reform Strategy. The Prime Minister even ordered the strategy drafted by July 2015. In August 2015,

the EU criticized the lack of progress on the strategy, as European partners could not wait forever.

Funding earmarked as payroll for civil servants was channelled to support decentralization, which brought about 366 new amalgamated territorial communities and billions in subventions for local infrastructure projects.

The EU did not push the matter aside and continued advising the Ukrainian government on the strategy's development. The 2020 Public Administration Reform Strategy was finally adopted in June 2016 by a new government.

The EU's two conditions have been fulfilled. To provide a legal basis for the funding, a related financing agreement was signed with the EU in December 2016.

It should be noted that USD 90 million from the EU will not solve the problem of low pay in the civil service. The funding will be disbursed in five tranches of approximately USD 20 million each over five years provided Ukraine fulfils conditions and meets indicators set out in the agreement. Ukraine itself has to develop mechanisms of affording adequate emoluments for new civil servants and speed up public administration reform.

Funding for the reform support team is operating effectively. We managed to find funding for specific teams that work with specific ministries. The system has proved its viability as exemplified by the Project Management Office of the National Reforms Council and offices with the ministries. In the past two years, we have found funding to support the efforts of more than 120 professionals on various reform fronts and at different ministries and agencies.

The idea behind the Payroll Fund for new civil servants was to engage more people from outside the civil service to implement reforms and assist ministries in driving change. Canadian Edge AgriTeam project became the first PriZm partner.

The idea was to enlist the services of qualified experts and ensure that they get adequate remuneration for their work. Successful cooperation with our Canadian partner has yielded the launch of many effective projects. Edge AgriTeam has confirmed its reputation as a reliable, flexible, and effective partner.

Ukraine must nurture good civil servants – as Bismarck said, “With bad laws and good civil servants it's still possible to govern. But with bad civil servants even the best laws can't help.”

After successful rollout of the Project Management Office our task was to scale up this success. However, it took a year and a half for the process of setting up Reform Support Teams at the ministries to unfold. The process keeps going in parallel with Prism projects.

Bureaucratic structure change model

Bureaucratic structure is not an easy thing to change due to complicated procedures, laws, and regulations. On top of everything else, a change in the bureaucratic model would restrict the policy makers' bureaucratic high-handedness. On the other hand, there must be impartial qualified professionals to drive change. Therefore, a group of people capable of initiating changes in policies and processes, establishing cooperation with various stakeholders, and finding approaches to working with bureaucrats builds up around a politician.

There is no doubt that the bureaucratic machinery needs an infusion of new blood, preferably from civil society and the private sector. Room is created for public outsourcing when such functions as developing and elaborating reform concepts, models, plans, documents, strategies, and decisions are exercised within external teams, while responsibility for bureaucratisation of the developed solutions rests with the institution.

This is a kind of positive hybrid model where innovation is created by a donor-funded team at the ministry, bureaucrats operate within the ministry, and a political head in charge of the ministry leads the entire process. Such a model has to gradually turn into healthy bureaucracy, when all of the functions referred to above are concentrated within the renovated bureaucratic machinery.

However, there still exists the possibility that to some extent the development of innovations will fall beyond the bureaucratic system. A good illustration of that are large corporations having small-size stand-alone R&D units, which constantly generate changes and innovations and report directly to the senior management. This allows such teams to stay away from routine and ensures sustainable development of the whole structure.

Reform figure profile: "rather a fox than a bear"

Early in my political career I thought of a reform figure as a technocrat who understands how to change policies and procedures and ensure their implementation. However, influenced by such prominent reform figures as Leshek Baltserovich, Ivan Miklosh, and Francis Fukuyama, I understood the importance of political aspect of reforms. Now I am absolutely convinced that a person responsible for driving change must be a politician who understands the following:

The **first** aspect is the core of a problem the policy addresses, for example procurement of medicines through international organisations. The essence of this process is to change the policy.

The **second** aspect is to see all the available options. A reform figure should immediately identify a number of alternative solutions to a problem viewing each of them as an equal approach without bias.

The **third** aspect is understanding the policy. In addition, it is necessary to understand the positions of stakeholders, who affect or are affected by policy change. They can include both individuals and corporations. You need to understand their attitude in every situation and to each of the proposed solutions, as well as the likelihood of their opting for a particular approach. This yields a range of other reform figure skills, such as the understanding of parliamentary resolution format, stages that a bill goes through to become a law, parliamentary practice as well as points at which your idea could be blocked. The same goes for the Cabinet of Ministers: who approves decisions, who are involved in the decision-making, etc. It is often the case that an understanding of internal processes allows seeing the efforts of opponents and neutralizing them.

The **fourth** aspect is the ability of building a broad coalition around your idea or policy. The size of the coalition directly impacts the speed of reforms. The ability to moderate discussions and seek compromise to bridge the gap between two opposing views is of crucial importance. I often witnessed people using different words to talk about the same things during an argument. The presence of a moderator allows neutralising contradictions and reaching common ground.

The **fifth** aspect relates to the media. A reform figure should be able to communicate with mass media. I am not talking about the press secretary handling news and tweeting. What I mean is a greater willingness to dialogue with the media in terms of publicly defending your point of view without resorting to aggression. For me, an ideal reformer impersonates a fox rather than a bear. Resistance could be so powerful that a straight-line motion can have the effect of hitting a wall at high speed. You have to be smart, leave room for manoeuvre, and take advantage of a window of opportunity depending on the political context.

Where can human capital be found

I have never come across any training course on the skills referred to above. Skill comes with practice. However, I would like to emphasize the importance of leadership and entrepreneurship, or policy entrepreneurs according to Fukuyama. You have to promote your product, which is policy change. The main difference between an entrepreneur and a politician is that a policy can be “purchased” today and “returned” tomorrow should there be changes in the political environment or party’s or faction’s stand, while in doing business you know that you make a profit manufacturing and selling goods.

Political arrangements to support a policy or reform exist in all countries. It is a normal to be blocked in implementing reforms. This means you are going the right way.

When engaging in reform, I have certain reservations about involving foreign nationals or people living outside of Ukraine because it is very important change agents live in a country where they work and have a network of contacts in many institutions that could become your partners in forming a coalition.

Private and civil society sectors have a many gifted people capable of driving change. However, there is a question of understanding the political processes. My working experience with a large international corporation allows understanding the essence of political processes at the top echelons. At that, you have to have a good grasp of bureaucratic process. Often you need to spend some time within an institution in order to gain it. Any given skill can be trained. The key is to scrutinise documents and materials and share experience.



Ukraine must nurture good civil servants – as Bismarck said, “With bad laws and good civil servants it’s still possible to govern. But with bad civil servants even the best laws can’t help.”



TASKS

&

RESULTS

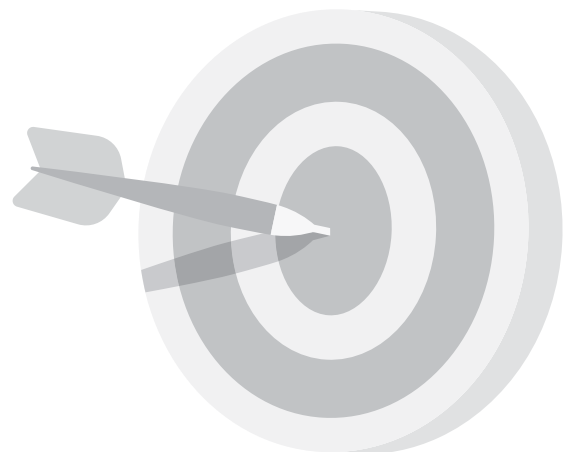
From vision to action

- ▶ Set up a universal, comprehensive, and efficient approach to reform planning
- ▶ Ensure that Ukraine implements the commitments regarding the reforms, fixed in international and internal strategic documents.

- ▶ Conducted mapping of reform commitments fixed in the key international and internal strategic documents
- ▶ Developed a draft Government priority actions list for its first 100 days
- ▶ Developed a draft Government Action Plan for 2016.

EXAMPLES OF KEY NRC DECISIONS

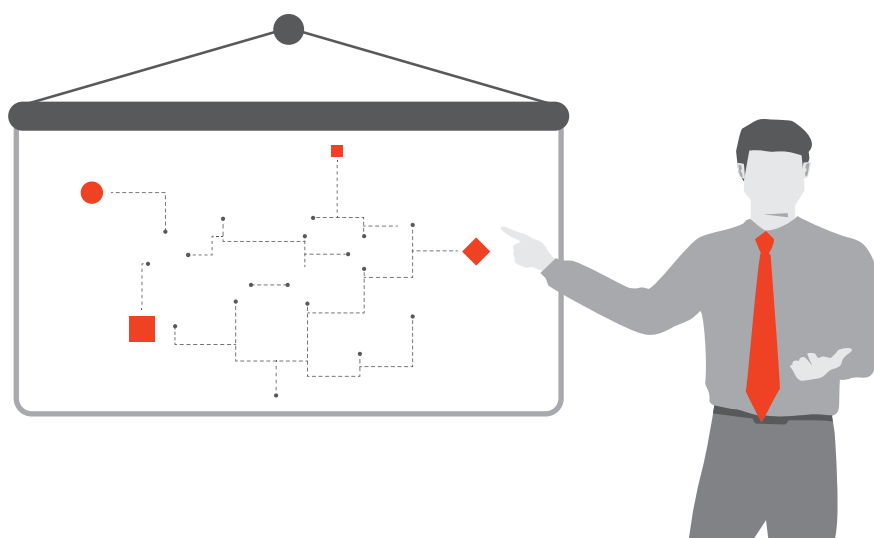
- ▬ Drafted the Strategy for the Sustainable Development of Ukraine-2020, approved at the NRC meeting on December 24, 2014
- ▬ Drafted laws for implementing strategic documents (Strategy 2020, EU-Ukraine Association Agreement, Coalition Agreement, 2015 Government Action Plan, VRU Legislative Reforms Support Plan) were declared the top priority at the NRC meeting on June 23, 2015
- ▬ Draft proposals for 2016 and first 100 days were presented at the NRC meeting on April 19, 2016



STRATEGIC DOCUMENTS FOR REFORMS IMPLEMENTATION

Igor Goncharenko

From vision to action



Successful reforms are reforms implemented within the strategic vision and in line with clear tactical objectives and detailed action plans. Absent such interaction, the reform process may become erratic and result in poor long-run performance.

It was for the purpose of setting strategic benchmarks that the Strategy for Sustainable Development “Ukraine-2020” (Strategy 2020) was developed. Medium-term objectives were set out in the Coalition Agreement signed by five political parties of the

governing coalition formed after the autumn 2014 parliamentary election. The Government’s Action Programme for 2015 (same as its subsequent annual action programmes) provided a detailed outline of the action steps for the year, set out clear time frames for the performance of specified tasks and identified responsible institutions.

These three documents take into account Ukraine’s commitments under EU-Ukraine Association Agenda and the IMF-Ukraine Memoranda.

Strategic Documents with Ukraine's Commitments on Reforms

Internal documents



External documents



Spider diagram of strategic documents securing reform commitments from Ukraine. Documents are divided into two categories: internal and external.

Internal documents:

■ UKRAINE 2020 SUSTAINABLE DEVELOPMENT STRATEGY:

1. Approved by Presidential Decree on 12 January 2015.
2. Covers the following areas: economic development, rule of law, preventing and combating corruption, defence, social and human development, international relations.
3. Ukraine 2020 Sustainable Development Strategy defines the overall objectives, top priorities, and reforms performance indicators up to 2020 in terms of sustainable development, safe conduct of business and personal safety, social responsibility and social justice, and feeling proud for Ukraine in Europe and globally. Strategy 2020 has outlined 62 reform areas, 8 priority reforms, and 2 programmes, as well as 25 key performance indicators (KPIs) to assess the progress towards achieving the objectives of reforms.

■ COALITION AGREEMENT OF DEPUTY FACTIONS “EUROPEAN UKRAINE”:

1. Signed on 21 November 2014 by leaders of the five parliamentary fractions, namely the Petro Poroshenko Bloc, People's Front, Radical Party, All-Ukrainian Union Bat'kivshchyna, and Samopomich.
2. Covers the following areas: economic development, rule of law, preventing and combating corruption, defence, social/human spheres, and constitutional reform.
3. The Coalition Agreement aimed to strengthen the strategic partnership of the five political parties towards implementing critical changes. The document outlined important steps and initiatives, and set forth the time frames for their performance. It envisaged the implementation of 511 provisions in 17 areas, which underpinned the Action Plan of the Cabinet of Ministers.

■ GOVERNMENT'S ACTION PLAN FOR 2015:

1. Adopted on 11 December 2014.
2. Covered the following areas: economy, energy, security, and preventing and combating corruption.
3. The Government's Action Programme for 2015 highlighted the government's priorities and key tasks within socio-economic policy framework. The Programme envisaged actions in the fields of defence, public administration, preventing and combating corruption, and economic policy, state-owned enterprise governance, food policy, energy independence, social policy, youth and sports, and international assistance policy.

■ ACTION PLAN ON LEGISLATIVE SUPPORT TO UKRAINE'S REFORM AGENDA:

1. Prepared subsequent to the joint effort of government authorities and approved by Resolution of the Verkhovna Rada of Ukraine No. 509 dated as of 4 June 2015.
2. The Resolution developed draft laws envisaged under the Action Plan on Legislative Support to Ukraine's Reform Agenda and had them introduced to the Verkhovna Rada within the time frames allotted.

External documents:

■ EU-UKRAINE ASSOCIATION AGREEMENT:

1. The EU-Ukraine Association Agreement was signed in two phases.

First, the Prime Minister of Ukraine signed on behalf of Ukraine the political chapters of the Agreement and the Final Act of the Summit at the Extraordinary EU-Ukraine Summit of March 21, 2014.

On June 27, 2014, the President of Ukraine Petro Poroshenko and 28 EU Heads of State and Government signed the economic part of the Agreement at the European Council meeting.

On September 16, 2014, the Verkhovna Rada of Ukraine and the European Parliament simultaneously ratified the EU-Ukraine Association Agreement.

2. In terms of scope and subject matter coverage, the Association Agreement is the most important international legal document in the history of Ukraine, and the most important international treaty with a third country ever made by the European Union. It defines a new set of relationships between Ukraine and the EU based on "political association and economic integration," and serves as a strategic guideline for systemic socio-economic reforms in Ukraine. The part on Deep and Comprehensive Free Trade Area between Ukraine and the EU sets forth the legal framework for free movement of goods, services, capital, and (less restrictive) labour between Ukraine and the EU. It also defines the regulatory convergence aimed at the gradual integration of Ukraine into the EU's single market.

■ EU-UKRAINE ASSOCIATION AGENDA:

1. Endorsed by the Cabinet of Ministers of Ukraine and the EU-Ukraine Association Council on March 16, 2015.

2. Covers the following areas: economy (trade, standards), rule of law, preventing and combating corruption.

3. The EU-Ukraine Association Agenda is a comprehensive plan providing a list of priority reforms and a practical framework through which the overall objectives of political association and economic integration embedded in the EU-Ukraine Association Agreement can be realised. The Association Agenda outlines 10 key reform priorities, namely constitutional reform, election reform, judicial reform, preventing and combating corruption, public administration reform, energy sector reform, deregulation, public procurement reform, taxation reform, and external audit.

■ IMF-UKRAINE COOPERATION PROGRAMME:

1. The first Memorandum as part of the new Extended Arrangement under the Extended Fund Facility (EFF) was approved

by the IMF Executive Board on March 11, 2015; the first USD 5 billion tranche was obtained on March 13, 2015. The second Memorandum was approved by the IMF Executive Board on July 31, 2015; the second USD 1.7 billion tranche was obtained on August 4, 2015. The third Memorandum was approved by the IMF Executive Board on September 14, 2016; the third USD 1 billion tranche was obtained on September 16, 2016. Text of the fourth Memorandum published in April 2017.

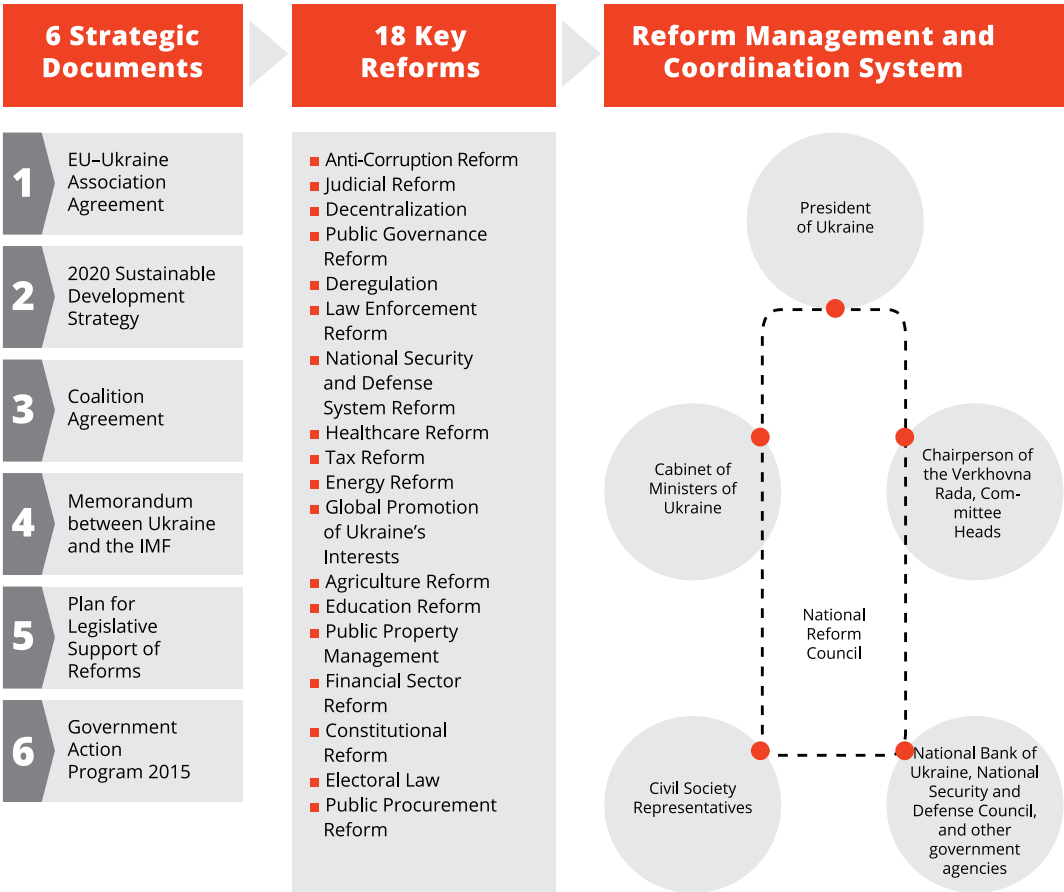
2. IMF Memoranda cover monetary policy and exchange rates, financial and energy sectors, governance, transparency and business climate, and envisage implementation of anti-corruption and pension reforms.

3. Extended Arrangement under the Extended Fund Facility (EFF) is worth SDR 12.348 billion (about USD 17.5 billion).

Connections between the strategic documents and 18 priority reforms specified by the NRC

One of the first steps undertaken by the Project Management Office was the analysis by PwC of key strategic documents and Ukraine’s international commitments and obligations. A clear list of commitments pertaining to each of the

priority reforms was thereby obtained, greatly simplifying subsequent reform planning and monitoring processes. Notably, this information was used for mapping the balanced scorecards to measure the success of reforms in 2015.



After changes in the Cabinet in the spring of 2015, the Project Management Office prepared two important documents for the newly appointed government, namely the 2016 Priority Reforms Action Plan and the Proposed Action Plan for the Government’s First 100 Days in Office based on the logic behind interrelated strategic documents and Ukraine’s international commitments as well as experience gained in the preceding year.

The Project Management Office developed and submitted the 2016 Priority Reforms Action Plan to the Prime Minister at one of the National Reforms Council meetings in April 2015. The document outlined a comprehensive plan of initiatives on 20 priority reforms for 2016. Premised on key strategic papers, individual reforms action plans, and Ukraine’s international commitments, the document provided the basis for the 2016 Action Plan of the Cabinet of Ministers of Ukraine.

2016 Priority Reforms Action Plan developed by the Project Management Office

ПЛАН ДІЙ з пріоритетних реформ на 2016 рік

Документ є переліком мінімально необхідних заходів реформ, які мають бути виконані у 2016 році.

При написанні, за основу взято Програму діяльності Кабінету Міністрів України, базові цілі та принципи публічної політики (план дій Кабінету Міністрів України на 2016 рік (розпорядження КМУ від 16.03.2016 № 184-р).

План дій має на меті наблизити Україну до стратегічної цілі, визначеної у Стратегії сталого розвитку «Україна 2020», досягнення Європейських стандартів та гідного місця України в світі.

План дій з пріоритетних реформ на 2016 рік базується на таких документах:

- ПРОГРАМІ діяльності Кабінету Міністрів України, базові цілі та принципи публічної політики (план дій Кабінету Міністрів України на 2016 рік);
 - УГОДИ про Асоціацію між Україною, з однієї сторони, та Європейським Союзом, Європейським співтовариством з атомної енергії і їхніми державами -членами, з іншої сторони (Угода про Асоціацію);
 - ПЛАНІ ДІЙ щодо лібералізації ЄС візового режиму для України (ПДВЛ);
 - УГОДИ ПРО КОАЛІЦІЮ депутатських фракцій «Європейська Україна» (Коаліційна угода);
 - МЕМОРАНДУМИ Україна -МВФ про економічну і фінансову політику (Меморандум з МВФ);
 - СТРАТЕГІЇ сталого розвитку «Україна 2020» (Стратегія 2020) ;
 - ПЛАНІ ЗАКОНОДАВЧОГО ЗАБЕЗПЕЧЕННЯ реформ в Україні;
- Та інших програмних документах в окремих сферах (Державна програма з реалізації Антикорупційної стратегії 2015 -2017рр тощо).

У Плані дій сконцентровано першочергові заходи, які необхідно реалізувати у 2016 році у таких напрямках:

- 1) Європейська інтеграція
- 2) Антикорупційна реформа
- 3) Судова реформа
- 4) Децентралізація
- 5) Реформа державного управління
- 6) Управління державними фінансами
- 7) Управління державною власністю
- 8) Дeregуляція
- 9) Енергетика та енергоефективність
- 10) Реформа охорони здоров'я.
- 11) Реформа освіти
- 12) Реформа фінансового сектору
- 13) Реформа культури
- 14) Реформа правоохоронних органів
- 15) Реформа аграрного сектору
- 16) Пенсійна реформа
- 17) Реформа соціальної сфери
- 18) Реформа інфраструктури
- 19) Реформа екології
- 20) Національний спорт та молодіжна політика

Даний перелік заходів не є вичерпним і є лише частиною плану дій Кабінету Міністрів України на 2016 рік.

The Proposed Action Plan for the Government's First 100 Days in Office outlined pivotal initiatives, parties responsible for their implementation and weekly time-frames for 13 priority reform areas. The Proposed Action Plan was developed and submitted to the Cabinet of Ministers immediately after the formation of new

government. The plan allowed for achieving significant progress in carrying out reforms in a relatively short time, and bringing tangible changes in the country. In its Proposed Action Plan for Government's First 100 Days in Office the Project Management Office set out in detail the steps necessary to facilitate reforms in 13 priority areas.

The Proposed Action Plan for the Government’s First 100 Days in Office developed by the Project Management Office

PMO managers were skilled in project management and implementation of individual initiatives, and had a clear understanding of the overall reform infrastructure and its strate-

gic objectives. These allowed drafting effective reforms action plans in full consistency with long-term goals and Ukraine’s international commitments.



Пропозиції до плану першочергових дій щодо реформування країни в найближчі 100 днів

Реформа: Запобігання та протидія корупції
Відповідальний орган за реформу: Міністерство юстиції

Місяць	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
1																	
2																	
3																	
4																	
5																	
6																	
7																	
8																	
9																	
10																	
11																	
12																	
13																	
14																	
15																	
16																	
17																	
18																	
19																	
20																	
21																	
22																	
23																	
24																	
25																	
26																	
27																	
28																	
29																	
30																	
31																	
32																	
33																	
34																	
35																	
36																	
37																	
38																	
39																	
40																	
41																	
42																	
43																	
44																	
45																	
46																	
47																	
48																	
49																	
50																	
51																	
52																	
53																	
54																	
55																	
56																	
57																	
58																	
59																	
60																	
61																	
62																	
63																	
64																	
65																	
66																	
67																	
68																	
69																	
70																	
71																	
72																	
73																	
74																	
75																	
76																	
77																	
78																	
79																	
80																	
81																	
82																	
83																	
84																	
85																	
86																	
87																	
88																	
89																	
90																	
91																	
92																	
93																	
94																	
95																	
96																	
97																	
98																	
99																	
100																	

Реформа: Дeregуляція

Відповідальний орган за реформу: Міністерство економ

Місяць	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
1																	
2																	
3																	
4																	
5																	
6																	
7																	
8																	
9																	
10																	
11																	
12																	
13																	
14																	
15																	
16																	
17																	
18																	
19																	
20																	
21																	
22																	
23																	
24																	
25																	
26																	
27																	
28																	
29																	
30																	
31																	
32																	
33																	
34																	
35																	
36																	
37																	
38																	
39																	
40																	
41																	
42																	
43																	
44																	
45																	
46																	
47																	
48																	

Policy papers: structure and example

Among the deliverables expected from the Project Management Office was the formulation of proposals for the new policies. Experience of the Project Management Office has proved that the necessary precondition for successful change implementation across the country was the availability of well-defined proposals on amendments to public policies. Such proposals are usually formulated in the form of policy papers.

Policy paper: best practices of the Project Management Office in changing public policies

A policy paper is a document setting forth a new policy/proposed changes to a policy for a particular sector with a view to tackle a problem or a number of problems. It provides an in-depth and clear explanation of the proposed policy, supported by substantiation and evaluation of the effect it would have on different parties. In addition, it sets forth an effective policy implementation strategy. A policy paper is a concise, easy-to-understand, structured and logical document substantiated with calculations, research results, and facts.

Tentative structure and content of the policy paper from the Project Manage- ment Office

1. Problem overview

- Problem statement. How important is the

problem? How does it affect various parties involved (members of the public, government, business community, miscellaneous social groups, etc.) and society at large? What is the cost of the problem for the parties involved (how much do they spend and lose)?

- What are the reasons behind the problem?
- What focal issues, ethical dilemmas, and controversies relate to the problem?

2. Current policy

- How does current policy affect the problem solving (does it solve, or exacerbate it, or does it not affect it)?
- What are the pros and cons of the current policy? How does it affect different stakeholders (and, if applicable, different social groups)?
- What are the disadvantages and limitations of the current policy?
- What are the alternatives?

3. International experience and best practices

- How is the problem tackled in other comparable countries? Provide case studies illustrating successful resolution of the problem.

4. New policy proposal

- What is the aim of the new policy? Outline the policy's action-oriented proposals.
- Why is the proposed policy better than the current one or its alternatives?

■ What influence is the policy expected to exert on the parties involved?

■ Who will win and who will lose? How could negative effects be offset?

■ What benefits is the policy expected to bring to different parties involved?

■ What is the expected cost of the policy implementation for the budget, business community, consumers and other parties involved?

5. Policy implementation

■ Who should be responsible for the policy implementation?

■ What is the policy implementation schedule? When the first effects are to be expected?

■ What would the next steps be?

Policy paper example: E-petitioning as a new instrument of democracy

1. Ineffective communication between government and the public could result in a political crisis (problem overview)

One of the reasons behind the 2013-2014 political crisis in Ukraine was the lack of meaningful dialogue between the government and the public.

People do not have effective instruments for bringing a problem or proposal to the attention of competent authorities and obtaining feedback. As for government authorities, they have no instruments to establish public feedback mechanisms promptly and efficiently. It is the systemic dialogue with the public that serves as a cornerstone of democracy and enables avoiding misunderstandings that could lead to serious political crisis.

The lack of well-defined mechanisms of such dialogue is one of the reasons behind poor communication.

The Constitution of Ukraine defines people

as the bearer of sovereignty and the sole source of power in Ukraine, and lists the forms of direct democracy whereby people can express their will. The list is not exhaustive, as it does not include electronic forms of communication between the government and the public.

2. There are no state-of-the-art instruments in Ukraine to enable meaningful dialogue between the government and the public (current policy)

The Constitution of Ukraine guarantees the right to address petitions or recourse to public authorities and local self-government bodies. The exercise of this right is governed by the Law of Ukraine On Public Appeals, affording citizens an opportunity to participate in public and civic affairs, exert influence to improve the operation of public and municipal authorities, enterprises, institutions, and organisations, both public and private, and assert their rights and legitimate interests as well as restore them should they be violated. The Law envisages oral, written, individual, and collective petitions. However, the forms of addressing petitions imply some weaknesses:

■ Individual petitions preclude the possibility of determining the problem's priority and relevancy to the public.

■ It is impossible to respond promptly to pressing problems.

■ Collective petitions are rather difficult and inconvenient to collect.

■ Rather poor efficiency. For example, it takes all the resources of the Presidential Reception Office and other Offices of the Presidential Administration to process and respond to petitions. Most petitions imply a purely formal response (e.g., provision of information or explanation as to why the matter falls outside the remit of an agency). However, its preparation is rather time consuming. In addition, petitions are often wrongly addressed and have to be forwarded to relevant agencies. For example, 90% of petitions received from January to November 2014 by the Presidential Administration had to be re-directed.

An alternative form partially bridging the

gaps of the existing system of government-to-public communication is e-petitioning as a form of collective petitioning.

3. E-petitioning has been widely used internationally (international experience)

Being a viable mechanism for systemic social dialogue, e-petitioning has been widely used internationally. More than 70 countries use different forms of petitions to government authorities. According to the findings of the World Values Survey (wave 2010-2014), around 68% of respondents in

Sweden, 72.6% in Switzerland, 70% in Australia, 60% in the United States and 68.2% in the United Kingdom have ever signed a petition. As an instrument of democracy, e-petitioning is stipulated in the recommendations and guidelines of the Council of Europe, in particular in Recommendation CM/Rec(2009)1 of the Committee of Ministers to member states on electronic democracy (e-democracy) adopted on 18 February 2009.

ICT integration in the petitioning process has yielded a new form of citizens' political engagement.

Electronic Petitions in Various Countries

	USA	Latvia (Baltic States)	United Kingdom	Germany	Finland
Persons eligible to sign	Any individual aged 13 or more	citizens	citizens and residents	any individual after the age of majority	any individual after the age of majority
Petitions considered by	Executive Office of the President	Parliament	government agencies	Bundestag	Ministry of Public Service
Signature collection period	2 months	unlimited	up to 12 months	4 weeks	determined by the author, but not more than 6 months
Number of signatures required	100.000 signatures (25.000 in 2011)	10.000	100.000	50.000	50.000
Signature collection process	on the White House website	on websites of non-governmental organizations	on the government website	on the website of the Bundestag	on a state website
Identification	e-mail	e-mail and Internet banking	e-mail	e-mail	e-mail, Facebook

4. E-petitioning proposed as a form of citizens' collective petitioning (policy proposal)

It is proposed to implement e-petitioning as a form of citizens' collective petitioning to the President, Parliament, Cabinet of Ministers and local governments, and to that effect stipulate a special procedure for the timely handling of petitions that obtained a prescribed number of signatures. This would enhance the ability to exercise the right to petition public authorities and offer yet another avenue for ongoing social dialogue.

Electronic petitions will be submitted through recipients' official websites and community online resources. To be consid-

ered by the relevant agency/official, an e-petition initiated by any citizen must gather 25,000 signatures within three months. The number of signatures to be obtained by a petition of local significance is determined by resolution of the territorial community or local council. An e-petition is considered by a competent authority/official within 10 working days after publication of information on its consideration. A substantiated response together with information on the progress in addressing the issues raised in the petition is published on the next working day after consideration.

Concept of E-Petitions in Ukraine

Addressee of petitions	President of Ukraine	Cabinet of Ministers of Ukraine	Verkhovna Rada of Ukraine	Local self-governance agencies
Persons eligible to sign	Any individual			
Signature collection period	3 months			Determined by a resolution of the local government agencies
Number of signatures required	25.000 signatures			Determined by a resolution of the local government agencies
Signature collection process	on the website of a government agency and on websites of non-governmental organizations			
Result publication	up to 3 days for publication and up to 10 days for review			

5. Implementation

Public and municipal authorities will be the ones responsible for passing respective resolutions. In addition, they will be responsible for e-petitioning websites development and maintenance.

E-petitioning mechanism is to become operational one month after the e-petitioning law takes effect. E-petition handling procedures and websites have to be developed to that effect.

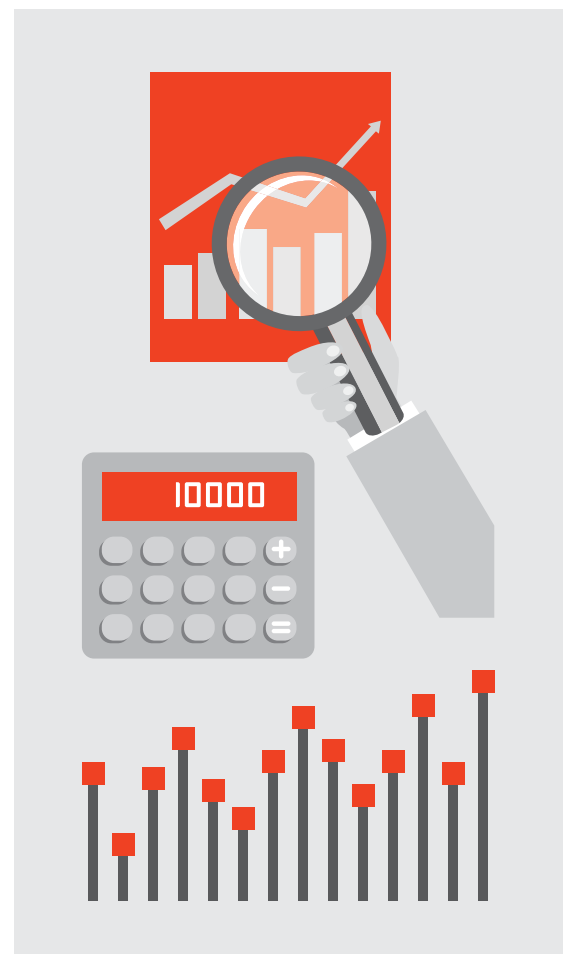
Expected cost

Implementation of the e-petitioning mechanism involves development and maintenance of electronic services and increased protection against unauthorised interference in the functioning of government agencies' official websites.

E-petitioning implementation will be funded out of the budget. It is possible to save on government spending provided that non-governmental organisations embark on the development of e-petitioning services.

E-petitioning helps save time and money of both government and the public. In addition, it saves time and effort of civil servants and officials, as they do not have to deal with paper clutter when responding to petitions.

E-petitioning is fully in line with the societal demand for increasing dialogue between the government and the public, and saves time, effort, and money of both government and citizens



Expected outputs

E-petitioning is fully in line with the societal demand for increasing the dialogue between government and the public, and saves citizens' time, effort, and money in petitioning to government agencies.

E-petitioning is an important democratic tool, as it encourages public involvement in setting the political agenda, as well as in policy discussion, development, implementation, and monitoring. At the same time, e-petitioning facilitates better understanding of the opinions and needs of the public by policy makers. On the other hand, it promotes public understanding of the challenges faced by politicians. Therefore, it might be hoped that more and more citizens would identify themselves with a democratic system and that confidence in democratic institutions would deepen. This form of petitioning promotes effective dialogue among public authorities, local governments, and citizens and enables both central and local governments' prompt response to social challenges and initiatives.

The only thing necessary for launching a useful initiative and bringing it to government's attention in circumvention of bureaucratic hurdles is to articulate a proposal clearly. Hence, e-petitioning to government authorities simplifies and streamlines the existing public petitioning procedure.

E-petitioning stimulates debate, and brings unnoticed issues to policy makers' attention. Any petition that gathers more than 25,000 signatures sparks public interest and is therefore bound to be monitored by the public, mass media, and all parties concerned.

To some extent, successful exercise of the right to petition government authorities depends not only on compliance with formal conditions of exerting influence (placing a petition on the official website), but also on the willingness of the public administration system to foster systemic

dialogue with the public and respond in a prompt manner, as people want to communicate with government just about in real-time mode.

At the local level, e-petitioning will facilitate independent community initiatives (public hearings, local advocacy campaigns, etc.) whereby issues of community concern will be put on the agenda of local governments.





SUCCESS FACTORS IN IMPLEMENTING REFORMS ACTION PLANS

Igor Goncharenko

A

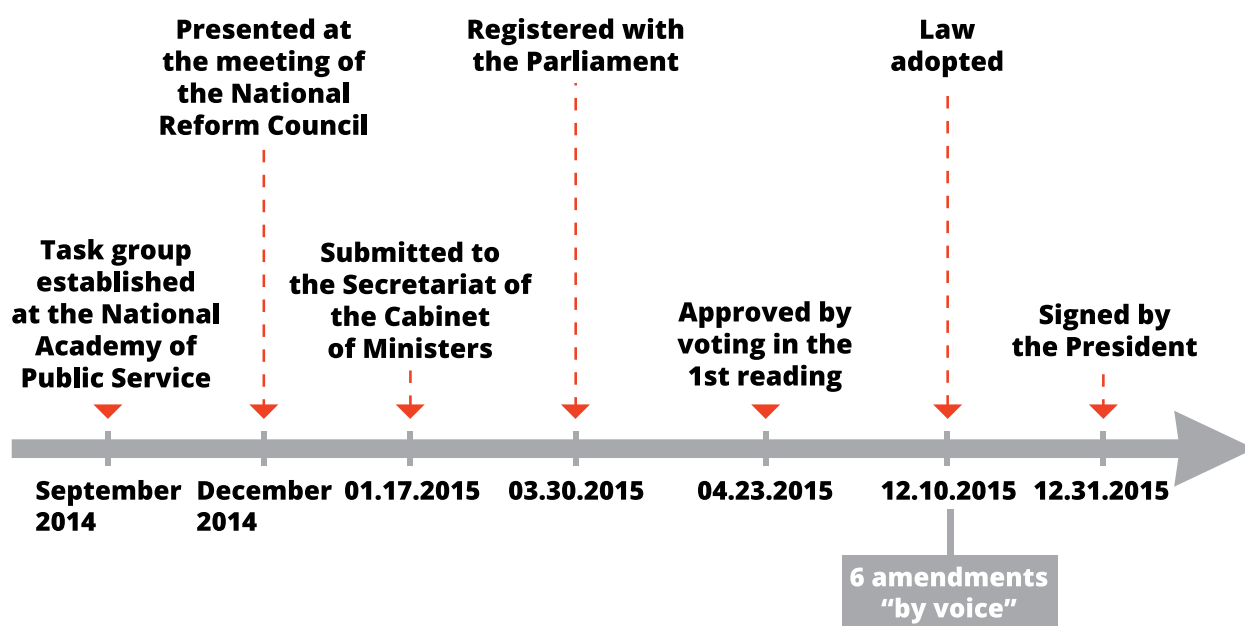
lthough the phase of reform planning is crucial, having a reform action plan that meets the highest quality standards does not guarantee success.

While structuring and planning processes rest on theoretical underpinnings and the use of slightly modified global best practices, the practical implementation of individual initiatives and projects often requires a tailor-made approach which accounts for the diversity of internal and external influencing factors.

Despite the structuring and planning process was largely uniform at the Project Management Office level, the implementation of reforms required an individual approach of the project managers. What worked well for one reform could prove abortive for another.

That is why the chapter of this book relating to the implementation of reforms is made up of individual cases (examples) outlining successful approaches and practices employed by managers of the NRC's Project Management Office.

Process of Drafting the Law of Ukraine On Public Service



THE EXPERIENCE OF PREPARING AND PASSING THE NEW LAW ON CIVIL SERVICE

Ivan Khilobok



In July 2014, the task group of the National Agency on Civil Service (NACS) embarked upon drafting the new Law on Civil Service ("the Draft Law"). In addition to civil servants, national academics, and civic leaders as well as experts from Poland, Slovenia, Germany, Latvia, and the United Kingdom contributed to the development of the Draft Law with varying degrees of involvement.

In September 2014, Volodymyr Groysman (then Vice Prime Minister) held the first public presentation of the Draft Law's concept. In December of the same year, the Draft Law was presented at the meeting of the National Reforms Council (NRC) and backed by its members. In January 2015, NACS submitted the Draft Law to the

Secretariat of the Cabinet of Ministers of Ukraine seeking approval of the Government. At the end of March, same year, the Cabinet of Ministers approved the Draft Law and had it introduced to the Verkhovna Rada.

On April 23, 2015, after 20 attempts to vote, the Draft Law on Civil Service passed through first reading in the Verkhovna Rada by 226 votes.

May of the same year saw nearly 1,300 amendments to the Draft Law submitted to the Verkhovna Rada Committee on State Building, Regional Policy, and Local Self-Government ("the Committee"). A task group made up of more than 50 members chaired by Aliona Shkrum, Member of the

Ukrainian Parliament, Head of Subcommittee for Civil Service, was set up under the Committee in order to have them processed.

May 22, 2015 saw the signing of the Memorandum of Understanding between the European Union and Ukraine on Macro-Financial Assistance for Ukraine, stipulating that the disbursement of the second loan installment was subject to the fulfilment of the conditionality, in particular “Adopt the legislative package on the Civil Service ... so as to depoliticise and professionalise the civil service through a clear delimitation between the political and administrative function and to foster effective human resource management.”

The Committee’s task group completed the processing of amendments in July 2015. September 2, 2015 saw the first meeting of the Committee whereby the first 110 out of nearly 1,300 amendments to the Draft Law were reviewed and voted on. The rest of amendments were reviewed at five meetings held in September and October, same year. On October 30, 2015, the Committee completed the preparation of the Draft Law and recommended that it be passed through second reading in the Verkhovna Rada. Over the course of November 2015, the Draft Law was being discussed with key political players. The Draft Law picked up the endorsements from representatives of all factions.

On December 9, 2015, the Chairman of the Verkhovna Rada held a meeting on the passage of the Draft Law attended by parliamentary leaders and representatives of the Government and the Presidential Administration. The meeting resulted in the six additional amendments to the Draft Law. On December 10, 2015, the Verkhovna Rada passed the Draft Law in its entirety, including the six additional amendments, by 261 votes at the first attempt. On December 31, 2015, the President of Ukraine signed the Law of Ukraine On Civil Service. The law took effect on May 1, 2016.

In early 2016, traction was given to the preparation and passage of 36 pieces of subordinate legislation to implement the law.

There were quite a few public and non-public communication events held in support of the Draft Law passage amid the preparation process. These included:

- Speeches of the international partners, in particular the EU Ambassador and representatives of the European Commission;
- Five NRC meetings (at which the Draft Law was addressed to various extents, and once on an extraordinary basis);
- More than five missions of SIGMA/OECD experts to prepare comments to the Draft Law;
- Dozens of communication measures (articles, interviews, press conferences, roundtables, talk shows, etc.) involving both MPs or public officials and civic experts.

Experts believe that the NRC meeting in September 2015 when some NRC members suggested that there was no need in enacting the Draft Law and that international partners (the EU in particular) did not support it, became a watershed moment for its passage. The truth is that the EU gave strong backing to the Draft Law, as can be seen from respective international agreements, and insisted on its prompt passage. The meeting stirred a high-profile media scandal forcing political leaders to place greater emphasis on the Draft Law and bring its discussion and passage to fruition.

Although the enacted law is said to be accommodating, by and large it complies with the OECD/SIGMA principles of public administration. It has launched a fully-fledged public administration reform for the first time since 1993 – the year when the previous Law On Civil Service was passed.

Major challenges in preparing and passing the Draft Law:

1. Insufficient political leadership

There was no clearly defined political and institutional responsibility for the reform in general and for the Draft Law in particular. While there were many stakeholders, they were poorly coordinated. They acted erratically and produced effects of various degrees.

2. Insufficient analytics (quantitative, qualitative, and financial)

Operational data on the civil service was scarce. It was visible that internal specialists were poorly qualified in financial modelling and providing analytical support to the Draft Law development processes. There was no operational data on the actual number of civil servants at the time of the Draft Law development. In addition, there was a lack of sufficiently qualified external analysts. Lack of data and figures may lead (and sometimes led) to manipulations in discussion and decisions making.

3. Low level of broader public support

Poor communication made the reform (and the Draft Law) complex and incomprehensible to ordinary people. The benefits to society were observable only over a fairly long horizon. Because of this, the interest of voters to the reform was low, and hence the interest of politicians who thoroughly monitor the public mood. Communication from NGOs was at a rather high expert level and therefore could not attract much attention of the public to the subject matter.

Key success factors:

1. Getting a wider circle of stakeholders involved

It is crucial to identify genuinely concerned stakeholders, their real interests and positions, as well as real decision-makers in respective areas. Over the course of the Draft Law's preparation they have changed several times (e.g., due to shifting political moods of the leaders).

It is important that both supporters and opponents get involved, and that systematic efforts be exerted through explanations, arguments, analysis, and even public communication. Consensus must be sought with all stakeholders through effective moderation, coordination and timely involvement (it is sometimes important for people just to express their position – though they might not necessarily be ready to stand their ground).

2. International support

International support is important not only on paper. It is essential that foreign partners make public statements, meet with the representative of the government and parliament in private and frank discussions out

of public view, and set forth the beacons in official international documents.

3. Powerful communication

There should be an integrated communication strategy in place, which is based on the achievement of objectives whereby the goal is explained beforehand and participants' expectations are managed. It is also essential to hold campaigns intended for various target audiences – politicians, the public, government officials, experts, etc. The experience of developing the Draft Law has shown that the political will can be created, albeit in the long term.

4. Clear vision and understanding of the ultimate goal ("to-be model")

It is necessary to formulate and approve a comprehensive model, which means to have the big picture rather than a mere statement of what needs to be changed. Before embarking on the wording of respective regulations, it is important to develop and reconcile the vision of processes and procedures. Different understanding and misreading may result (and sometimes resulted) in the distorted essence of reform. In analysing final texts, attention should be paid to the wording and details. For example, certain articles of the Draft Law had to be rewritten thrice after supposedly reaching common understanding and agreement.

Key observations:

- It is necessary to identify genuinely concerned stakeholders and decision makers, and determine their real interests.
- Formulating a clear vision of the goal and understanding the ultimate model.
- Timely and integrated communication for the achievement of objectives rather than for PR purposes.
- Quantitative and qualitative analysis of data to support decision-making.
- Political will can be created



REFORM INSTITUTIONAL SUPPORT

Olena Simonenko

Setting up Reform Support Offices at the National and Regional Level



■ To implement such large-scale institutional reform as decentralization, additional institutional support at central and regional levels was introduced by forming project teams of highly qualified experts and attracting international technical assistance

On 15 January 2015, President of Ukraine Petro Poroshenko approved the Ukraine 2020 Strategy for Sustainable Development aimed at achieving European standards of living through 18 priority reforms.

These reforms strengthen democracy and improve local communities. In fact, these decentralization reforms are responsible for the implementation of three strategic goals:

■ build an effective system of power at all levels by devolving maximum authority to communities

■ set the stage for dynamic regional development

■ enable delivery of accessible high-quality public services

In 2015, reform started gaining traction as 793 local communities amalgamated into 159 merged territorial communities (MTCs). The government offered sizeable financial assistance to the newly established communities. Most importantly, amendments to the Budget Code and Tax Code of Ukraine vesting local governments with additional budgeting authority and identifying stable sources of revenue resulted in the devolu-

tion of some taxes and levies to the local level. In fact, MTC budgets grew more than threefold compared to the budgets of communities before the merger. In addition, UAH 1 billion was allocated to support the newly established community infrastructure. Communities were also offered the opportunity to finance infrastructure projects using the State Fund for Regional Development worth UAH 3 billion in 2015.

On January 1, 2016, these first 159 pilot MTCs switched to direct inter-budget relations with the state budget and obtained subventions for healthcare and education. Problems emerged because ministries failed to timely formulate the necessary mechanisms for using these funds. As a result, communities having funds to finance such items as basic healthcare had to transfer them to the rayon level. This entirely derailed the decentralization concept.

Voluntary merger of territorial communities continued actively throughout 2016 with an additional 207 MTCs (there were 366 MTCs as of January 1, 2017). Financial decentralization also yielded positive results having provided for a sizeable growth in the revenues of local budgets. However, the issue of real devolution of power to local communities is yet to be adequately addressed.

Communities began setting up supportive schools, fire and police stations, and exercising the powers of the State Architectural and Construction Inspectorate. However, these were exceptions rather than systemic transformations.

Reforming 22 fields and sectors requires each to clearly delineate the powers at all levels (national, regional, and local), redistribute finances, and put controls over these processes in place.

Reform implies decentralization of powers in the following fields and sectors:

1. Urban planning, architecture, and construction (architectural preservation)
2. Housing and utilities (tariff and price regulation)
3. Healthcare



4. Education
5. Social security
6. Infrastructure (transport, communication, roads)
7. Land use regulation
8. Use of natural resources (water bodies, forests, subsoil)
9. Environmental protection
10. Socio-economic development (entrepreneurship, planning, trade, statistics, tourism, health resorts, metrology, and licensing)
11. Foreign economic activity
12. Municipal property management and state registration of titles to immovable property
13. Culture
14. Physical culture and sports
15. Local budgeting
16. Administrative and territorial structure and electronic governance
17. Defence
18. Enforcement of law and order, protection of rights, freedoms and legitimate interests of citizens
19. Honouring with awards and decorations of Ukraine
20. Scheduling and holding elections and referendums, maintaining electoral registers
21. Archiving
22. Control and responsibility of local governments and local government officials.

Reform is also implemented at the local community level and authorities at the local, rayon, and oblast government level.

With the aim of strengthening institutional

support and establishing effective communication both vertically (central government – regions – communities) and horizontally (inter-agency and inter-regional cooperation), there were three powerful teams of experts for three reform offices under the initiative of the Ministry of Regional Development, Construction, Housing and Utilities of Ukraine (chaired by Hennadiy Zubko, Vice Prime Minister of Ukraine) which had active support from the donor community from 2015 to 2016.

1. At the national level, there was the Project Office for Sectoral Decentralization set up under the Ministry of Regional Development to provide for inter-agency coordination and formulate the sectoral decentralization policy. The office was established upon consultation with the relevant ministries and agencies, and with support from the Expert Deployment for Governance and Economic Growth (EDGE) Project, which was funded by Global Affairs Canada and implemented by Agriteam Canada Consulting. November 2016 saw the signing of the Memorandum of Understanding on Support for the Implementation of Sectoral Decentralization between EDGE and seven Ukrainian ministries, namely: Ministry of Regional Development, Construction, Housing and Utilities, Ministry of Ecology and Natural Resources, Ministry of Infrastructure, Ministry of Culture, Ministry of Education and Science, Ministry of Health and Ministry of Finance.

2. There was the Central Reforms Office (i.e., the Local Government Development Office) established under the Ministry of Regional Development with support from the EU-funded Ukraine Local Empowerment, Accountability and Development (U-LEAD) Programme. The Office was primarily tasked with coordinating decentralization reform at the national and regional levels through regional reforms offices.

3. There were regional reform offices set up in each of 24 oblasts as standalone units (branches) of the Local Government Development Office. The operation of regional reforms offices was made possible thanks to support from U-LEAD and the US-AID-funded Decentralization Offering Better Results and Efficiency (DOBRE) Project.

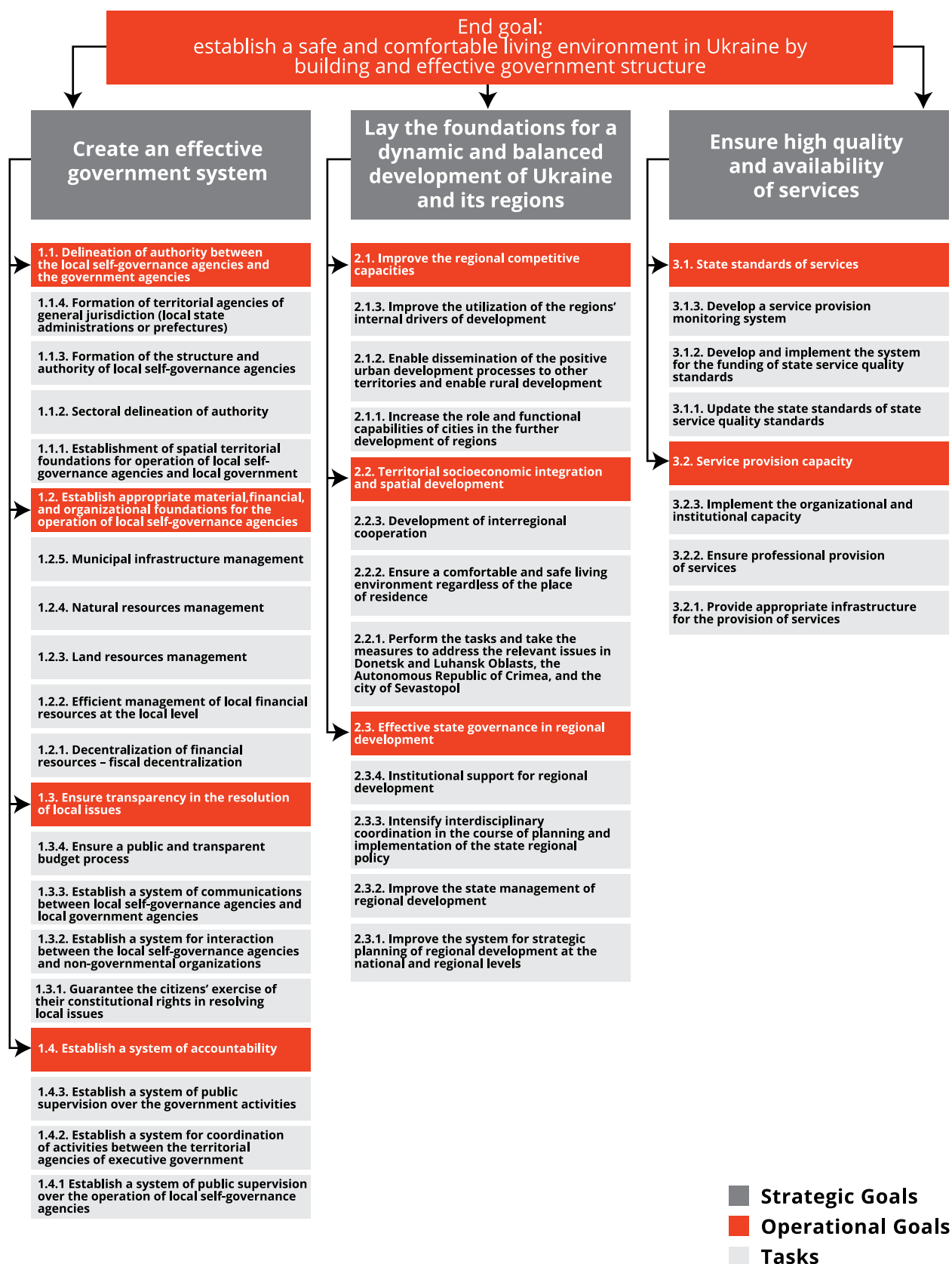
The operation of all these offices is coordinated by the Ministry of Regional Development, Construction, Housing, and Utilities of Ukraine as the central executive agency responsible for the implementation of decentralization reform.

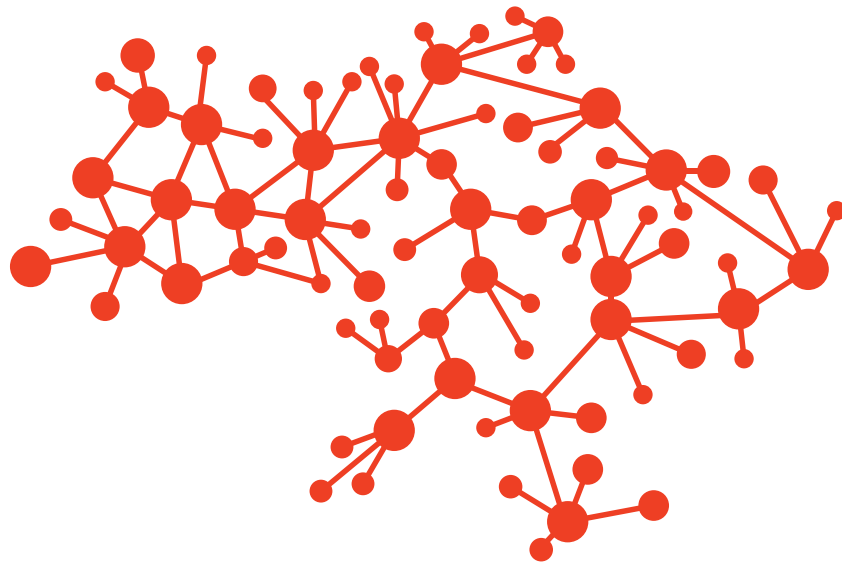
To effectively plan and monitor reform implementation progress, the Project Office for Sectoral Decentralization in collaboration with the Ministry of Regional Development and the relevant sectoral ministries has developed the Logic Model for seven key sectors as well as an overall matrix of objectives and tasks of decentralization and regional development reform setting forth key strategic and operational objectives and main tasks through 2020. The Ministry of Regional Development has been regularly holding strategic sessions on planning.

It is important now to develop reform plan 2020 for all sectors specifying deadlines and those responsible, as well as to organize an online tool to monitor reform implementation progress at national, regional and local levels.

To implement such large-scale institutional reform as decentralization, additional institutional support at central and regional levels was introduced by forming project teams of highly qualified experts and attracting international technical assistance.

Logic Model of the decentralization reform in 7 sectors, and the goals/tasks matrix of the government decentralization reform:

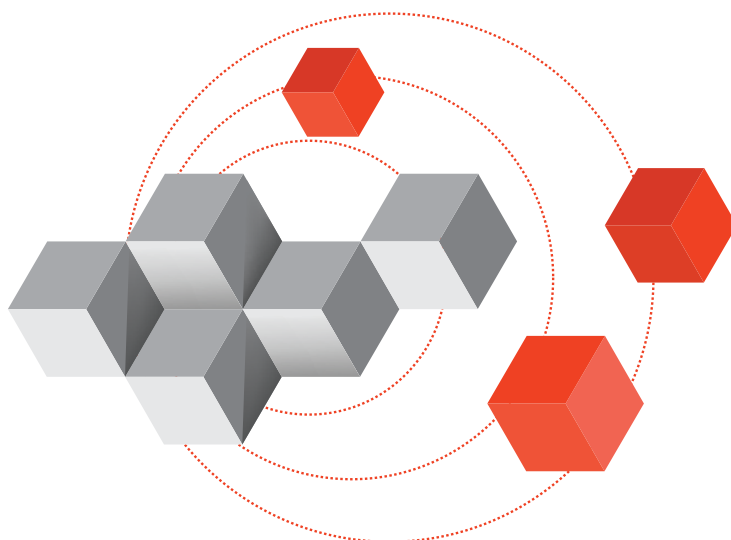




THE NATIONAL PROJECT
DECENTRALIZATION

BRANDING THE NATIONAL DECENTRALIZATION PROJECT

Olena Simonenko,
Peter Ivanov



Decentralization and local government reform is not merely a reform, it is a large-scale national project – especially when considering that decentralization:

- replaces the outdated Soviet governance system through the devolution of power and financial resources to communities on a national scale;
- affects all spheres of human life without exception, i.e., education, healthcare, social security, administrative services, regional planning, land use, environment, culture, and sport; and
- brings with it an underlying idea of solidarity and strength, which ultimately

strengthens the country and the nation.

Obviously, the reform cannot do without robust and efficient promotion so that Ukrainian people become aware of its advantages and add to its implementation at the local level. Therefore, it is necessary to formulate an understandable, a trend image of proposed changes – a unified national identity.

For that very reason, it was resolved, upon the initiative of Hennadiy Zubko, Vice Prime Minister of Ukraine, and with active support from the donor community, to develop a single brand of the National Decentralization Project to express unity as well as endorse the initiative.

The National Reforms Council's communica-

tions team was tasked with the concept and logo development. First, we formed a team of experts including artists, designers, and graphologists. Then there were strategic sessions resulting in terms of reference. Over two months, a team of experts from various parts of Ukraine chaired by artist Andriy Yermolenko elaborated on the identity ideas. Shortly after, a lengthy selection of the concept to underpin the National Decentralization Project's brand platform gained traction.

In parallel to these activities, we launched a website so that everyone interested could offer a slogan for the National Decentralization Project. Over the course of a month, we received more than three hundred suggestions and had them shortlisted. In addition, we placed an announcement of the competition for the best decentralization reform slogan at the websites of the National Reforms Council, Ministry of Regional Development, Construction, Housing and Utilities of Ukraine and regional state administrations. We received a variety of interesting and at times unexpected suggestions: from "Strong Community – Strong Nation" to "Everything Will Be Decentralization!" A decision was made to use various slogan options according to contexts in which the logo is used.

Selecting the logo is a quite complex process, as you have to pin down the option which, on the one hand, reflects the position of the donor community (consisting predominantly of foreign nationals), and, on the other hand, reflects the vision of the national and regional leaders. What is more, Ukrainians – people of different professions, preferences, genders and ages – must approve it.

In search of a common vision of the concept and logo of the National Decentralization Project brand, we have conducted numerous strategic sessions with different audiences including international project managers, communications experts, and heads of newly merged territorial communities who understand like no other what decentralization is.

Meanwhile, a group of artists tasked with the challenge of creating a logo, which is interesting, understandable, authentic, and

contemporary, came up with eight options. Voting was conducted in the West and the East, in the reforms offices and merged territorial communities, and among the donor community. The "Constellation" concept, reflecting a decentralized system capable of flexible adaptation to a rapidly changing country won.

On April 3, 2017, Hennadiy Zubko, Vice Prime Minister of Ukraine, handed over the National Decentralization Project's logo brand book to Berend de Groot, Head of Cooperation of the EU Delegation to Ukraine, and Bastian Veigel, GIZ Programme Director of U-LEAD.

The next steps will be to develop the brand platform dissemination strategy and to turn the National Decentralization Project brand into a hallmark of reform, a symbol of positive changes in every community and in Ukraine as a whole.



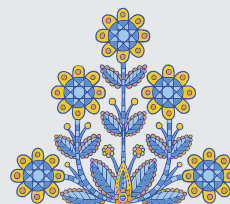
НАЦІОНАЛЬНИЙ ПРОЕКТ **ДЕЦЕНТРАЛІЗАЦІЯ**



НАЦІОНАЛЬНИЙ ПРОЕКТ
ДЕЦЕНТРАЛІЗАЦІЯ



НАЦІОНАЛЬНИЙ ПРОЕКТ
ДЕЦЕНТРАЛІЗАЦІЯ



НАЦІОНАЛЬНИЙ ПРОЕКТ
ДЕЦЕНТРАЛІЗАЦІЯ



НАЦІОНАЛЬНИЙ ПРОЕКТ
ДЕЦЕНТРАЛІЗАЦІЯ



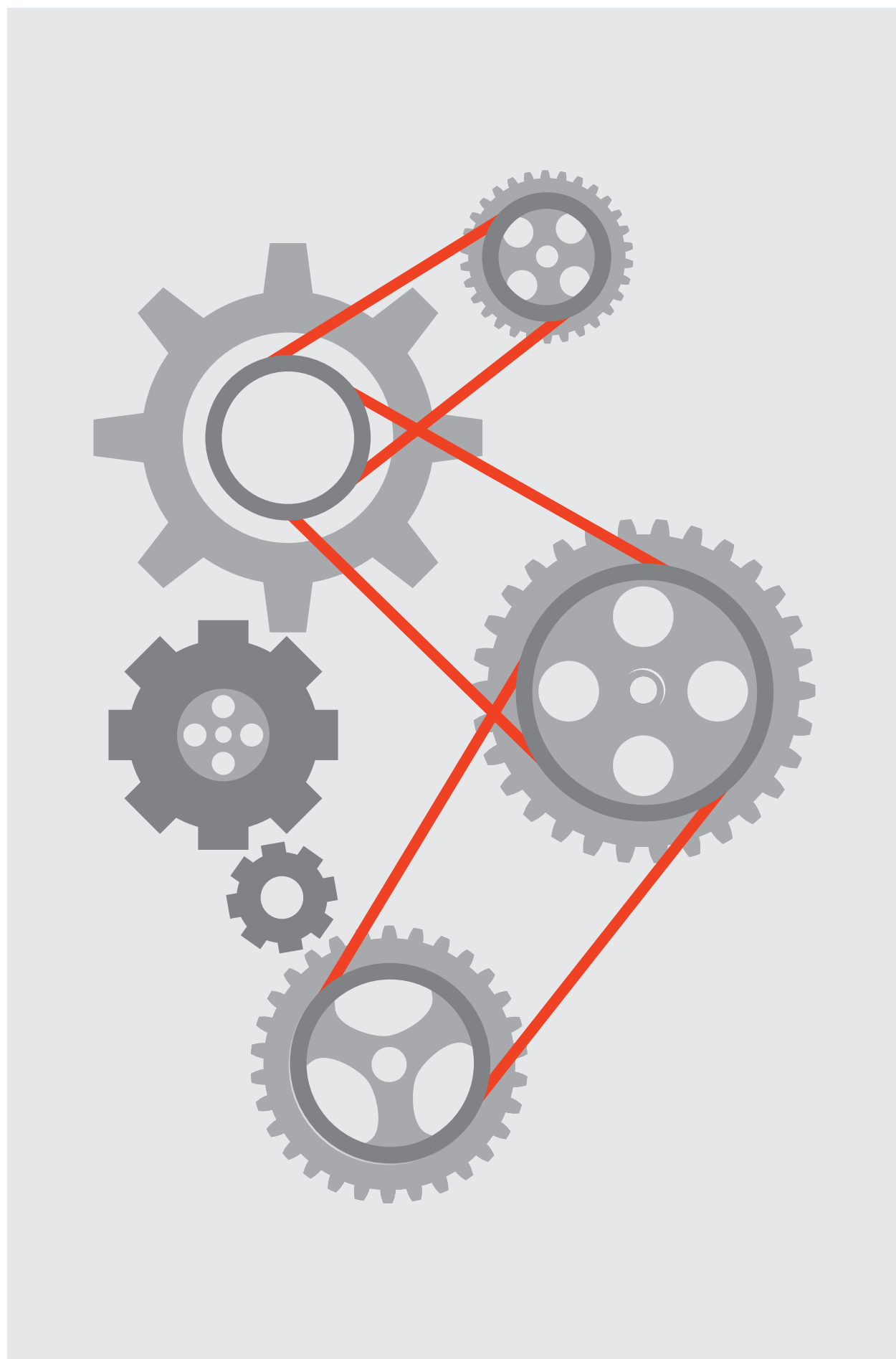
НАЦІОНАЛЬНИЙ ПРОЕКТ
ДЕЦЕНТРАЛІЗАЦІЯ



НАЦІОНАЛЬНИЙ ПРОЕКТ
ДЕЦЕНТРАЛІЗАЦІЯ



НАЦІОНАЛЬНИЙ ПРОЕКТ
ДЕЦЕНТРАЛІЗАЦІЯ



BETTER REGULATION DELIVERY OFFICE AS A METHOD TO IMPLEMENT REFORMS

Dmytro Romanovych



Effective regulation delivery implies understanding problems, creating long-term solutions, consulting with market players, public authorities, and local governments, then initiating and introducing amendments to a raft of regulatory acts (i.e., laws, regulations, resolutions, orders, and tens of thousands of other documents). Unfortunately, despite plentiful staff, ministries and other government authorities are incapable of having them amended for different reasons, be it unwillingness, lack of human resources and poor inter-agency communication, or simply a failure to recognise the need for changes.

In this context, a need for building institu-

tional capacity through a team of highly skilled business analysts, lawyers, and experts with diverse work experience in business and public sector, and sometimes in government institutions with market economy working conditions, emerged full blown in the formulation of the country's business climate improvement concept. It was clear that there should be an independent structure in place, evenly spaced between government bodies, business or business associations and political advocacy groups. It was equally as important that the newly formed structure not only create documents and nurture solutions for the deregulation reform, but also promote (advocate) them among stakeholders and publicly

communicate respective results. An independent Better Regulation Delivery Office (BRDO) enjoys a broader scope of action, and is capable of providing truly informed decisions and seeking compromise among different interest groups. Moreover, cooperation with the Ministry of Economic Development and Trade, other ministries and MPs puts BRDO in a better position than individual ministries to facilitate new solutions or abolish outdated regulations.

The idea of deregulation crystallized in 2014. On the wave of enthusiasm following the Revolution of Dignity, the government approved its first decisions, most of which were “simple” and did not involve multiple stakeholders, quickly and with almost no resistance. It was at that particular time that the idea of the so-called “guillotining” – abolishing a bundle of unnecessary regulations in one fell swoop – emerged.

However, after a more in-depth analysis it became clear that, firstly, analysing, elaborating and passing major decisions take time, and that it would hardly be possible to alter the regulation in almost all areas of life given the then-current capacity of the Cabinet and Parliament in particular. Secondly, such u-turns were sharply rejected by European partners, as Ukraine had a raft of international commitments (fulfilment of conditions for the signing of EU-Ukraine Association Agreement, WTO and visa-free travel requirements, etc.), many of which had already been implemented, and it was very difficult to single them out as a separate group of legislation. As a result, a more balanced approach for better regulation delivery was found. It takes longer time – several years – but allows to offer and implement long-term solutions, perform the signed Association Agreement and make change for business more predictable.

Ministers fail to follow this approach for a number of reasons:

- Unwillingness to reform themselves
- Lack of qualification of a part of ministerial staff or their reluctance to leave the comfortable sanctuary of familiar routine
- Individuals who have the potential to be leaders in reforming government institu-

tions are stuck in a rut

In summer 2015 we negotiated with donors on the establishment and financing of the BRDO, which was launched in September of the same year. The EDGE Project (Canada) was the first donor, with the European Union joining in early 2016.

The BRDO was set up on the model of the UK's Better Regulation Delivery Office and similar foreign institutions.

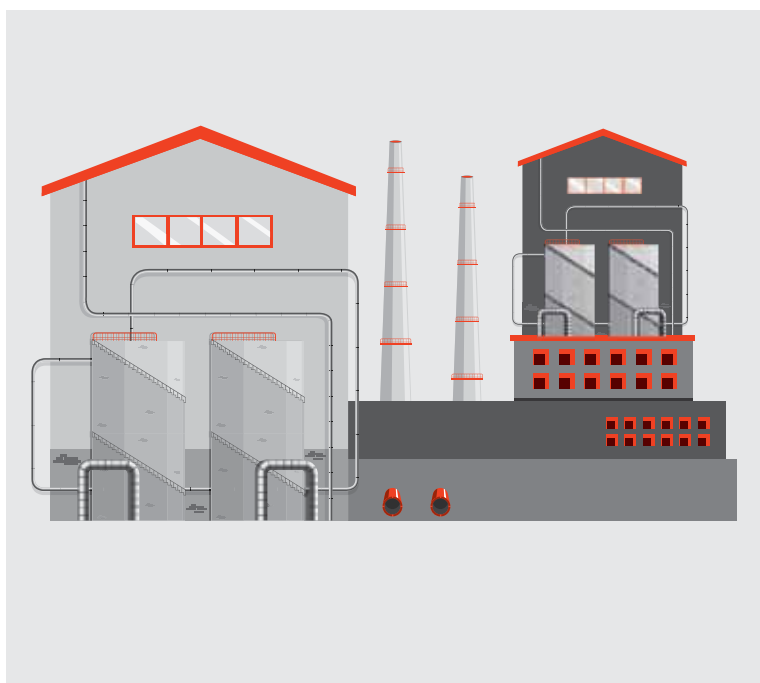
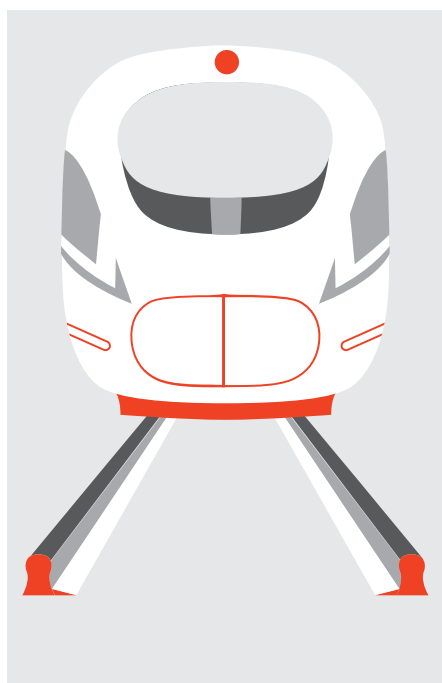
The Better Regulation Delivery Office is a project pursuing a specific practical goal, which is to improve Ukraine's business climate through legislative change and implementation of the global best practices in public administration and regulation. Given that foreign experts are not well versed in Ukrainian legislation as well as advocacy and communication peculiarities, it has been our position from the outset that Ukrainian citizens must be employed – and which was critical to project success.

Initially staffed by around 30 experts, the BRDO employs almost twice as many experts today. The team draws from extensive expertise in business needs and knowledge of the machinery of government, and is thereby capable of offering tailored solutions. The BRDO includes both various sectoral groups (agribusiness, IT, energy industry, etc.) and “horizontal” groups that analyse common approaches to regulation and develop changes to the principles and practices underpinning business regulation in Ukraine. In addition, the BRDO has a group of specialists providing support to elaborated solutions and their implementation into adopted documents.

The BRDO's notable achievements include preparation and participation in the Cabinet's meetings on deregulation, development and approval of Doing Business and deregulation plans, preparation of a raft of draft laws including those concerning the abolishment of a mandatory requirement to use corporate seals and implementation of the fiduciary concept in Ukraine, refinement of a downtrodden package of draft laws on reform of state supervision (control), and contribution to the preparation of the government's annual action plans.

We wanted to put the BRDO into operation as soon as possible and to promptly demonstrate the first results. We have compiled a list of pressure points to address and produce the desired outcome. Focus was placed on foods and agriculture, IT and telecom, infrastructure, energy and construction sectors. It was in these sectors that the systematic review of the existing legislation was initiated together with ministries – a very complex work, which starts with the inventory of regulated markets and regulatory objectives and tools, and transitions to a general review of interactions between government and business on a particular market. In general, many important steps have been taken due to the BRDO's deregulation efforts. These include recent resolutions to shorten the list of dual-use items, abolishment of hundreds of outdated or even unlawful regulations, and Cabinet's approval of a raft of draft laws on improving Ukraine's investment climate. It is also important to note that the BRDO renders real support to ministries, agencies, and MPs striving for reforms and willing to make informed decisions.

The BRDO has to act as an independent solution development centre, and in the future be funded by government (rather than donors) or transformed into an agency in the Ukrainian government.



STATE-OWNED ENTERPRISE GOVERNANCE REFORM

Sergiy Gaida

For the first time in Ukraine's history, the appointment of executives of state-owned enterprises rests on the competitive selection procedure. 2015 saw 8 competitive selections held and 6 winners determined. 2016 saw 7 competitive selections held and 2 winners determined. One appointment and one competitive selection were blocked by the court, while three other candidates are pending the government's approval



Ukraine is grappling with daunting political and economic challenges. These challenges, however, may afford an opportunity for modernisation and transformation of the national economy to improve competitiveness and productivity, thereby promoting the well-being of citizens. There is also a great opportunity to mobilise the political will to eliminate decades-long corruption schemes, which

threaten national security and whittled down the public's trust in government institutions.

One of the initiatives to increase transparency and improve performance of public sector enterprises is state-owned enterprise governance reform.

Preparation for state-enterprise governance reform

In early 2015, the Ministry of Economic Development and Trade of Ukraine led by Aivaras Abromavičius prioritized state-owned enterprise governance reform. By invitation of the Minister, Adomas Audickas was placed in charge of sorting out Ukraine's state-owned companies. He gained respective experience doing the exact same job for the Lithuanian government as Vice Minister of the Economy.

The first task was to build a team and analyse problems. Investment companies, international financial institutions, and development aid agencies, including Dragon Capital, PwC, DFID, EBRD, SIDA, GIZ, and others responded.

During the first phase, challenges were assessed, overall reform strategy developed, and operations of the extremely unprofitable state-owned enterprises (SOE) analysed.

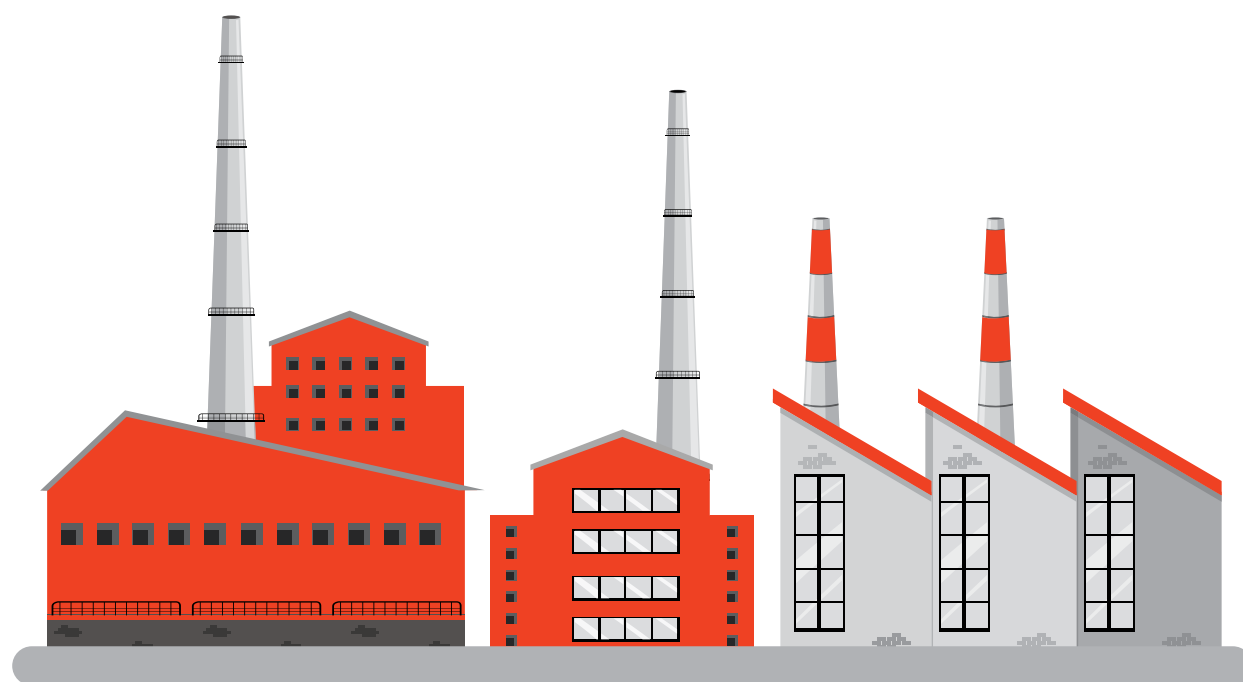
To address the issue of unprofitability and implement effective governance and reporting mechanism, the following priority initiatives were identified:

- Privatising not-too-big-to-fail companies capable of generating profit

- Implementing corporate governance in state-owned enterprise crucial to the national economy.

May 2015 saw the first analytical reports of the Ministry of Economic Development and Trade (MEDT) on the operation of state-owned enterprises (TOP 100): twelve-month report 2013 and nine-month report 2014. Since then, MEDT has been publishing TOP 100 analytical reports quarterly. Six analytical reports have been published to date.

The training program for executives of state-owned enterprises gained traction in 2015 with support from the Kyiv School of Economics and WNISEF. The program covered 15 modules and was attended by 25 SOE executives. The second training phase – an MBA program for SOE senior executives – was launched in late 2015.



Corporate governance in state-owned enterprises

Implementing corporate governance requires a commitment of both time and effort. To improve governance efficiency, it was resolved to conduct mandatory audits of TOP 150 state-owned enterprises. To that effect, the Cabinet issued Resolution No. 390 obligating the largest SOEs of the first group (asset value greater than UAH 2 billion or net income greater than UAH 1.5 billion) to be audited by TOP 6 audit firms, and the largest SOEs of the second group (asset value greater than 250 million) to be audited only by audit firms compliant with the resolution's requirements and able to guarantee transparency in auditing.

At the same time, development of amendments to the Draft Law On Amendments to Certain Legislative Acts of Ukraine Concerning Management of Objects in Public and Municipal Ownership in Order to Implement Corporate Governance in State-Owned Enterprises gained momentum. The amendments pertained to introducing supervisory boards and independent directors into unitary state-owned and municipal enterprises, SOE mandatory independent auditing and more stringent requirements to disclose information on SOEs operations.

The Draft Law was developed and approved by the government in August 2015, and introduced in the Verkhovna Rada. It took almost a year to complete a toilsome process of discussion in parliamentary committees and the introduction of amendments and improvements to the draft law. The law was passed by the Verkhovna Rada and signed by the President on June 22, 2016.

After the Law On Corporate Governance came into force, the Reform Task Force led by Sergiy Gaida, initially a project manager within the team, embarked on the development of the law implementation procedures regulating the establishment of supervisory boards, appointment of their members and SOE information disclosure requirements.

A competitive selection of NJSC Naftogaz Ukraine Supervisory Board members was held with the participation of the Reform Task Force and Talent Advisors, an HR company. There were five Supervisory Board Members selected, including three independent experts with international professional experience in oil and gas industry, and two Ukrainian government representatives.

Major challenges in implementing corporate governance in SOEs:

- The initial wording of the draft law was modified materially (amendments introduced at the stage of aligning positions with central executive authorities as well as by the Cabinet's Secretariat, parliamentary committees and the President), whereby the fundamental idea remained intact but a good many important points were either amended or omitted
- Passage of the law required approval of the procedures by resolutions of the government. Although the law became effective in summer 2016, not all the procedures came into effect as at February 2017.

Appointing executives of enterprises crucial to the national economy

To reduce corruption and partially improve performance of the state-owned enterprises, the Cabinet of Ministers issued Resolution No. 777 setting forth the procedure for competitive selection of executives of public sector entities crucial to the national economy. In pursuance of the new procedure an Appointments Committee was set up consisting of nine voting members and nine non-voting independent experts whose opinions were taken into account. Then there was a Selection Commission established under the Appointments Committee. The Selection Commission was responsible for developing the criteria for candidate's eligibility, interviewing candidates and short-listing 2 to 5 exceptional candidates out of whom the Appointments Committee selected a new SOE executive.

2015 saw 8 competitive selections held and 6 winners determined. 2016 saw 7 competitive selections held and 2 winners determined. One appointment and one competitive selection were blocked by the court, while three other candidates are pending the government's approval.

It is important to note that the Cabinet developed and approved Resolution No. 859 setting market-level pay for SOE executives to stimulate an inflow of qualified private sector professionals.

Market level pay was introduced for executive positions in 6 SOEs, namely PJSC Ukrgezvydobuvannia, PJSC Ukrtransnafta, PJSC Ukrtransgaz, NJSC Naftogaz of Ukraine, SOE National Ukraine Post Ukrposhta and PJSC Ukrainian Railways.

Challenges:

■ Initially, the Appointments Committee selected SOE executives out of candidates proposed by the Commission under the governance body. As the quality and qualification of such candidates were rather poor, it was resolved to set up a Selection Commission whose composition was independent to a maximum extent possible. This

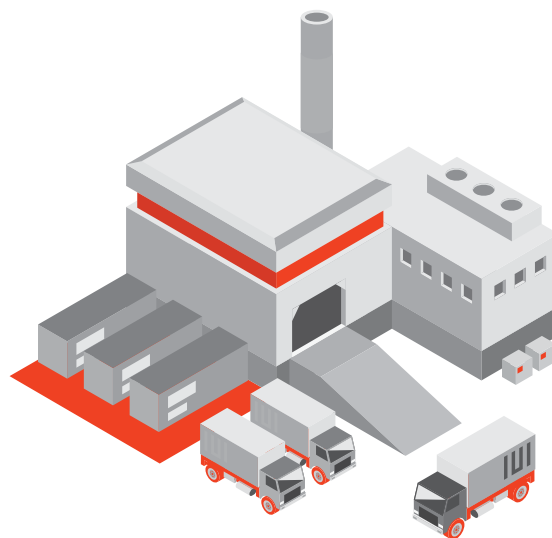
gave way to the selection of candidates with higher-level qualifications

■ A problem faced during the competitive selection was that candidates who had not been short-listed resorted to court action and blocked the selection process.

Key success factors

The sitting of representatives of international organisations on the Appointments Committee has significantly increased transparency of the competitive selection process, while the involvement of HR specialists helped improve the quality of candidates interested in the job.

The Cabinet's Resolution No. 859 was a crucial in allowing market-level pay for SOE executives thereby stimulating an inflow of qualified private sector and international professionals and contributing to fighting graft in Ukraine.



Privatisation of state-owned enterprises

From February to April 2015, the Reform Task Force under the Ministry of Economic Development and Trade in cooperation with the State Property Fund assessed the state-owned enterprises and submitted a list of SOEs subject to privatisation to the government. In May 2015, the Cabinet approved Resolution No. 271 listing the enterprises subject to privatisation. The list contained two categories of enterprises: those subject to immediate privatisation and those subject to privatisation after having been delisted as enterprises not subject to privatisation.

In addition, there was a draft law developed envisaging the implementation of transparent privatisation procedures, non-admittance of buyers registered in a country recognized by the Verkhovna Rada of Ukraine as an aggressor state or a state against which sanctions are imposed to privatisation process, and abolishment of the requirement to offer 5-10 percent stakes in joint stock companies for sale through stock exchanges. The Verkhovna Rada passed this draft law in February 2016.

In mid-2016, in order to optimize the portfolio of state-owned enterprises, the Reform Task Force led by Sergiy Gaida analysed SOE assets and performance. The analysis resulted in the drafting of the Cabinet's Resolution listing enterprises in the following categories:

- those recommended for privatisation
- those recommended for liquidation
- those to remain in government ownership.

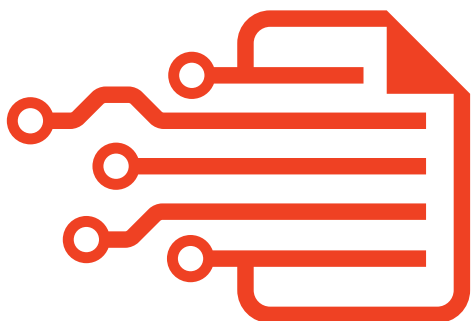
The State Property Fund of Ukraine and the Ministry of Economic Development and Trade, with support from Baker & McKenzie law firm, developed a draft law on privatisation to further streamline the privatisation process. The new draft law provides for the implementation of streamlined and simple privatisation system, extension of the list of

enterprises subject to privatisation, and maintenance of two separate procedures (i.e., for "small-scale" and for "large-scale" privatisation with the "small-scale" privatisation to be held through the ProZorro e-procurement system).

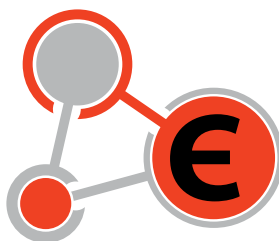
State-Owned Enterprise Governance Reform Task Force led by Sergiy Gaida continues its operation. Plans are to have it expanded by setting up a reform support team under the Ministry of Economic Development and Trade in May 2017.

Challenges:

 Draft Law No. 4536 removing alcohol producers and stevedoring companies from the list of enterprises not subject to privatisation failed in Parliament



3G



data



prozorro
ПУБЛІЧНІ ЗАКУПІВЛІ



DATA.GOV.UA

DIGITAL UKRAINE INITIATIVE

Mariia Gornostai

How it all began



The launch of the pilot electronic public procurement system was the first pivotal project implemented by Digital Ukraine.

In the spring of 2014, a group of activists led by Oleksandr Starodubtsev began actively discussing and promoting the idea of an e-procurement system. Although the idea faced no opposition, public officials questioned its success, as the launch of the system required changing the procedures and therefore amending the legislation – a long and painful process in Ukraine.

The meeting at the Presidential Administra-

tion in August 2014 marked a watershed moment in the launch of reform. At the meeting, Dmytro Shymkiv put forth a revolutionary idea of using an electronic system for subthreshold procurement. Considering that the subthreshold procurement procedure was not legislatively governed, it was possible to put the system in place without amending the Law On Public Procurement.

That was how we embarked on the active phase of developing the e-procurement system and on the first project within the framework of the Digital Ukraine Initiative. We used the approaches that were com-

Goal of the initiative



pletely novel to the public sector. We involved the commercial sector in financing the system development and engaged experts in the system designing with the prospect of delivering the end product to the government.

The system development process lasted about five months and ended with the launch of the e-procurement system in February 2015.

The issue of using an e-procurement system, which was named ProZorro, was raised at every meeting of the National Reforms Council. The system gradually expanded its capacity, and public authorities proceeded with its implementation albeit under an imposed pressure.

Using the system illustrated how much was being saved, which, in turn, helped ProZorro gain momentum.

Reforming public procurement through ProZorro turned into a stand-alone reform that involved the efforts of professionals. The process of using ProZorro for public procurement has become irreversible, while public procurement reform has turned out to be one of the most successful recent national reforms.

Another focus area of Digital Ukraine was the building of democratic principles in Ukraine.

The Verkhovna Rada received presidential draft laws on open data introduced by Dmytro Shymkiv. Developed with the assistance of the public, experts and government authorities, the draft laws were promptly passed by Parliament in first reading, meaningfully processed by the relevant committee, and submitted for second reading.

The vote on the second reading was perhaps more exciting and intense than the months of hard work full of discussions, debates, and compromises. The vote was successful. That said, the laws brought about an understanding of how reforms are dependent on formalities, procedures, and personal attitudes.

The open data agenda continues to gather

momentum, as both ordinary people and businesses have been getting actively involved in developing and using publicly worthwhile and commercial open data based applications.

Another draft law which we developed and which the President introduced to the Verkhovna Rada, was the draft law on electronic applications and electronic petitions. We were boisterously working on this draft law for nearly half a year in an attempt to adapt international best practices to Ukrainian realities. Unfortunately, hours of robust debate resulted in no common vision, and members of the public introduced an alternative draft law through People's Deputies.

A compromise had to be sought at the committee hearings, where Dmytro Shymkiv had to defend our positions on pivotal issues. Finally, July 2015 saw the draft law enacted. A system of electronic petitions to the President of Ukraine was launched a month later.

The system enjoyed immense interest, while the number of both users and petitions grew exponentially. Moderators at the Presidential Administration worked during weekends to ensure timely placement of petitions. The entire country rooted for a decrease in the rate of excise duty payable on vehicles imported from abroad, harsher

Cryptography Reform - GOALS:

- **Open up an opportunity for the use of global cryptographic algorithms in Ukraine**
- **Develop cross-border trade**
- **Increase the level of cooperation with EU, WTO, and UN**
- **Promote privacy and security**
- **Ensure fast access to protected resources, in particular on the Internet**

punishment for corruption, improvements in the operation of the Verkhovna Rada and other initiatives of the public reflected in the petitions to the President. The portal continued to be updated and improved, and efforts were made to combat cyber-attacks and misuse.

There is no doubt that electronic petitions have become the first electronic instrument for direct democracy in Ukraine.

Cloud Technologies - GOALS:

- ▀ Enable the use of state-of-the-art IT technologies in the public sector
- ▀ Reduce government spending
- ▀ Enable prompt implementation of e-systems and improve the quality of public services

Back in 2014, we embarked on a major effort to implement cutting-edge technologies in the public sector. We conducted expert and public hearings on the use of cloud technologies and talked to public authorities explaining the advantages of state-of-the-art technologies and up-to-date methods and standards of protection employed across the business sector, and demonstrating the estimates of savings of public funds that an improved efficiency of the state systems would bring.

We analyzed the international experience, having found numerous examples of the use of cloud technologies in the public sector, as well as information protection and risk management approaches, and presented information to the public for review and discussion.

Enactment of the draft law means that the government would not have to spend years and billions on setting up datacenters. We would be able to provide for an electronic document flow among public authorities and conversion of administrative services into electronic format by using the capacities of the best cloud computing service providers. That is how it works in Denmark,

France, Germany, United Kingdom and other countries using commercial cloud services and engaging businesses in the management and maintenance of datacenters.

Unfortunately, over-regulation of Ukrainian public administration sector and attempts to legislatively stipulate all technologies that are allowed for use in the public sector inhibit the implementation of cutting-edge technologies in the public sector, since legislative amendments always lag behind the progress. We need to create opportunities rather than hide behind restrictions.

Cryptography reform, in particular compliance of trust services with EU regulations, turned out to be even more problematic.

The reform was joined up by a group of civil society activists and experts with whom we fought against the entrenched order in an attempt to increase the pace of digital economy development and address the issue of internal and external interoperability of electronic digital signature (EDS) in Ukraine. End of 2015 saw the signing of memorandums of cooperation and common goals with a number of business companies for whom the implementation of reform would mean positive economic shifts.

Unfortunately, this area runs upon a monetized Ukrainian EDS market, which if reformed would lose in the short run, but gain over the long term. We even planned introducing a draft law to solve existing problems, but digital signature issues functionally fall within the remit of the Ministry of Justice.

Very gradually, bit by bit, after long and

E-Applications and E-Petitions - OBJECTIVES:

- ▀ Introduce new tools, namely electronic applications and electronic petitions
- ▀ Establish electronic democracy to receive feedback from citizens

E-Applications and E-Petitions - GOALS:

- **Implement new instruments: electronic applications and electronic petitions**
- **Build e-democracy and ensure feedback from the public citizens**

cumbersome discussions and meetings, the situation began changing for the better. The public sector began paying heed to global achievements in cryptography and recognizing them, thus opening the door to their use.

What has not been achieved

The struggle for European future in cryptography continued through processing of the draft law on electronic trust services. The initiative group has managed to defend fundamental amendments to the draft law. However, the draft law has to pass repeated second reading in the Verkhovna Rada.

We can continue listing the accomplishments of the Digital Ukraine Initiative, but we are bound to acknowledge that there is still much to be done. Moreover, most of the things we wanted to do, including drafting the E-Government Development Strategy based on the leading best practices, developing the Strategy's implementation plan, and implementing innovative technologies and IT solutions, is outside the mandate of the Presidential Administration of Ukraine. Therefore, we opted for implementation of the state-of-the-art solutions at the Presidential Administration to serve as a litmus test for demonstrating the possibilities and results. These include the successful launch of electronic petitions to the President and implementation of the electronic document management system in the Presidential Administration.

It is to be hoped that the government leapfrogs in e-government implementation considering that Ukraine has all the necessary intellectual and technological potential needed.

What's next

Work is still underway on the cloud technology draft law (pending in the Verkhovna Rada for almost a year now), and the draft law on electronic fiduciary trust services (submitted for repeated second reading, which means that a new round of talks and struggle is ahead).

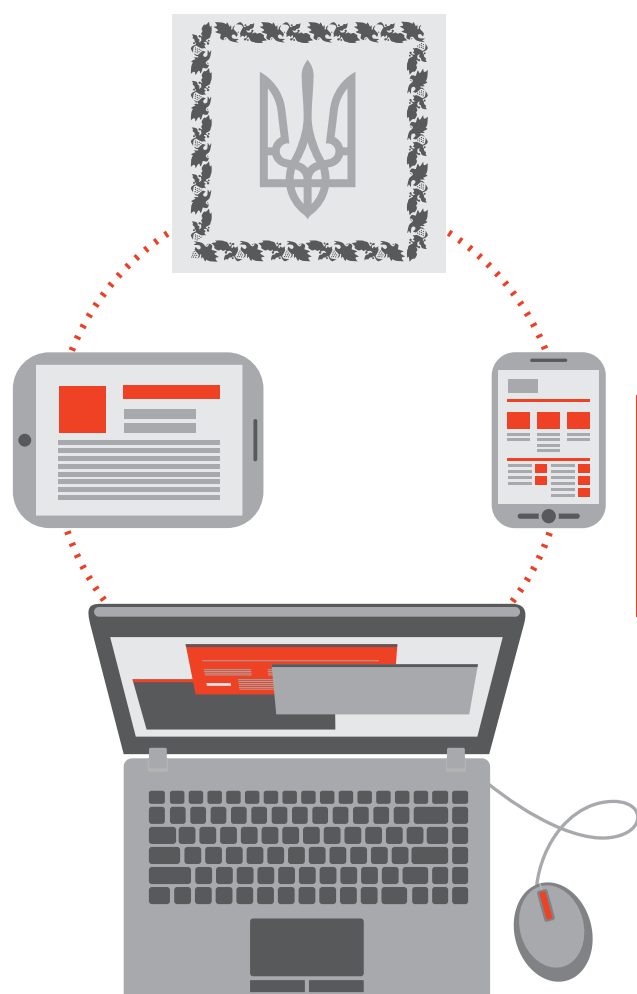
The achieved improvements, however, serve as a source of inspiration and pride. The Digital Ukraine Initiative lives on. It will continue into the future when the public sector is ready for the implementation of innovative ideas and technologies.

- **Back in 2014, we embarked on a major effort to implement cutting-edge technologies in the public sector. We conducted expert and public hearings on the use of cloud technologies and talked to public authorities explaining the advantages of state-of-the-art technologies and up-to-date methods and standards of protection employed across the business sector, and demonstrating public savings that an improved efficiency of the state systems would bring**

IMPLEMENTATION OF THE ELECTRONIC DOCUMENT MANAGEMENT SYSTEM IN THE PRESIDENTIAL ADMINISTRATION OF UKRAINE

Maryna Krasnopolska

E-governance reform: breaking the ice



Modernisation of the civil service and e-governance reform deeply impact the country's social and economic processes

E-governance reform can broadly be divided in two categories: external e-services provided by public authorities (setting up administrative service centres, delivering online electronic services), and automation and improvement of internal processes within government agencies.

Major challenges people face in receiving public services include:



Long queues



Corruption-related aspects: people pay extra money to civil servants to speed up a normally slow process



Lack of quality advice whereby people come to the wrong place and receive a standard please-contact-another-service response



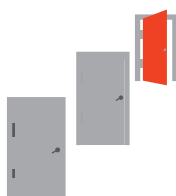
Difficulty in controlling query/service results



The need to submit a large number of documents



All too often people merely get the runaround



The need to visit one or more government agencies to get public services



Going round in vicious circles. Far too often, a complaint against a government official is once again tabled for his or her consideration after having gone through several stages

In 2015, all government agencies began gradually converting their services to an online format. According to recent data from the Ministry of Economic Development and Trade, there are around 600 such services in Ukraine. What is missing is a unified register of public services to be converted to an online format.

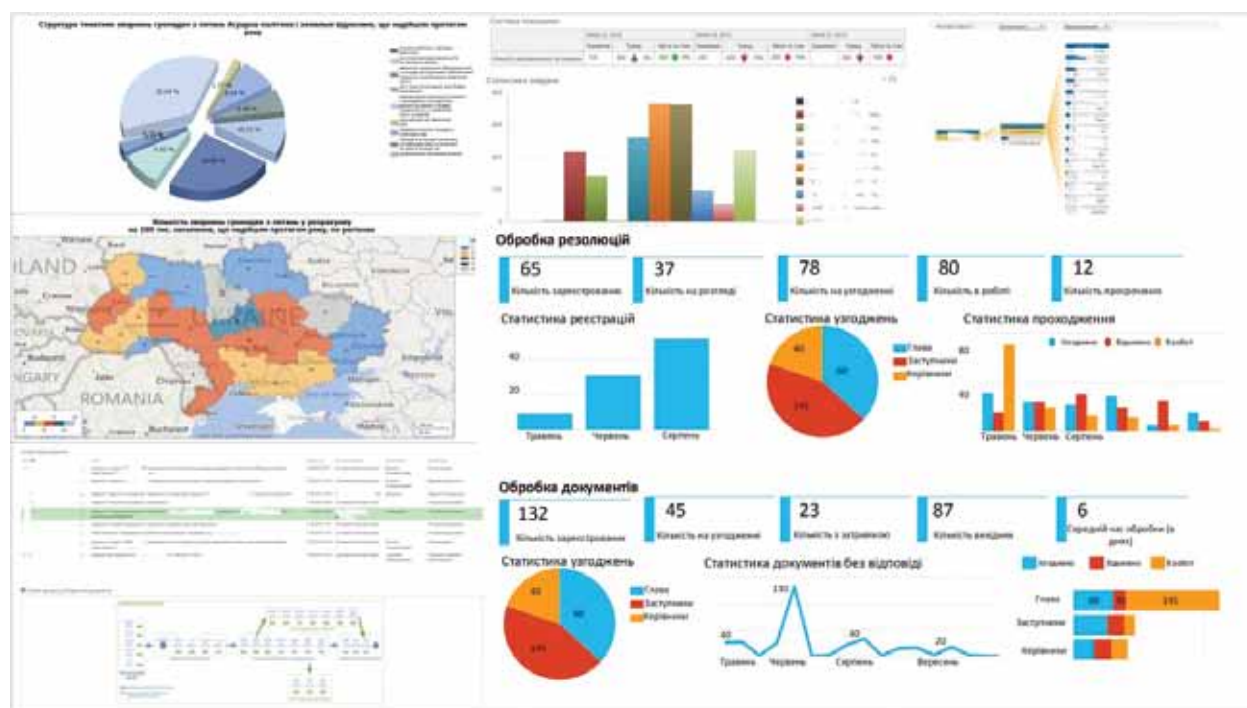
To address this problem, on 16 November 2016 the Cabinet of Ministers of Ukraine approved the Concept for Development of the System of Electronic Services in Ukraine, stipulating, among other things:

- Electronic services implementation
- Maximum optimization of all public services
- Reduction in the number of documents required for delivery of public services

- Online payment for public services

Translating the concept into action will allow the government to transition public services online, reduce corruption risks, and enhance electronic cooperation between government agencies.

Starting from July 2016 any interested government agency or state-owned enterprise can receive EDMS by applying on the State Administration of Affairs website just as 122 have already



**The following important steps
have been taken towards
e-governance in the past two years:**



Open data laws enabling automated open data processing were enacted



An electronic system offering free access to information about titles to real property was set up



The Ministry of Finance put in place an e-Data portal to monitor public finance spending



E-Apostille and other services were implemented



System of e-petitions to the President of Ukraine was rolled out. Similar services also successfully operate at the regional level



It is now possible to obtain online statements of regulatory monetary valuation of land plots from the State Service of Ukraine for Geodesy, Cartography, and Cadastre



ProZorro public e-procurement system was launched and is successfully operating



Operation of 6 online services for construction (covering commencement of work, receipt of construction license, etc.) got underway



Biometric passports can now be issued in the form of ID cards



It is now possible to obtain housing subsidies online



3G spectrum licenses were auctioned in competitive bidding



Concept for using mobileID was planned

Implementation of the electronic document management system at the Presidential Administration of Ukraine

The Presidential Administration pioneered the use of electronic document management system (EDMS) among Ukraine's government agencies. The President of Ukraine Petro Poroshenko came up with a respective initiative on 1 August 2014.

For the first time in Ukraine's history, the copyright for an in-house developed electronic document management system was transferred into government ownership

- Regulation on EDMS operational testing and changes in material terms of employment due to changes in the organization of labour
- Regulation on the use of electronic digital signature (EDS) at the Presidential Administration of Ukraine.

On August 15, 2014, the IT Department team embarked on EDMS development.

So far, the existing EDMS has been used merely to register incoming and outgoing correspondence, while the Administration's staff scarcely used emails in their work, stored working documents on external media, and handled paper documents.

A high-quality electronic document management system can hardly be overestimated as it provides for automation, transparency and speed of document processing as well as sets in place effective controls at all stages of their approval by structural units and officers.

The first step of reform was to analyse the existing document flow and develop the internal processes optimization format. The Administration's IT Department has configured the electronic system to comply with Ukrainian laws and ensure efficient operation of the entire institution.

There was a raft of regulations developed to provide for the EDMS implementation at the Presidential Administration of Ukraine. These include:

- Regulation on measures of transition to electronic processing of internal documents at the Presidential Administration of Ukraine

The Presidential Administration's electronic document management system:

- developed based on international standards and Microsoft platform
- rapidly deployed
- easily adaptable to the Administration's processes
- easily maintained by IT staff
- forms an integral part of internal infrastructure and processes being integrated with email, directories, and online communications

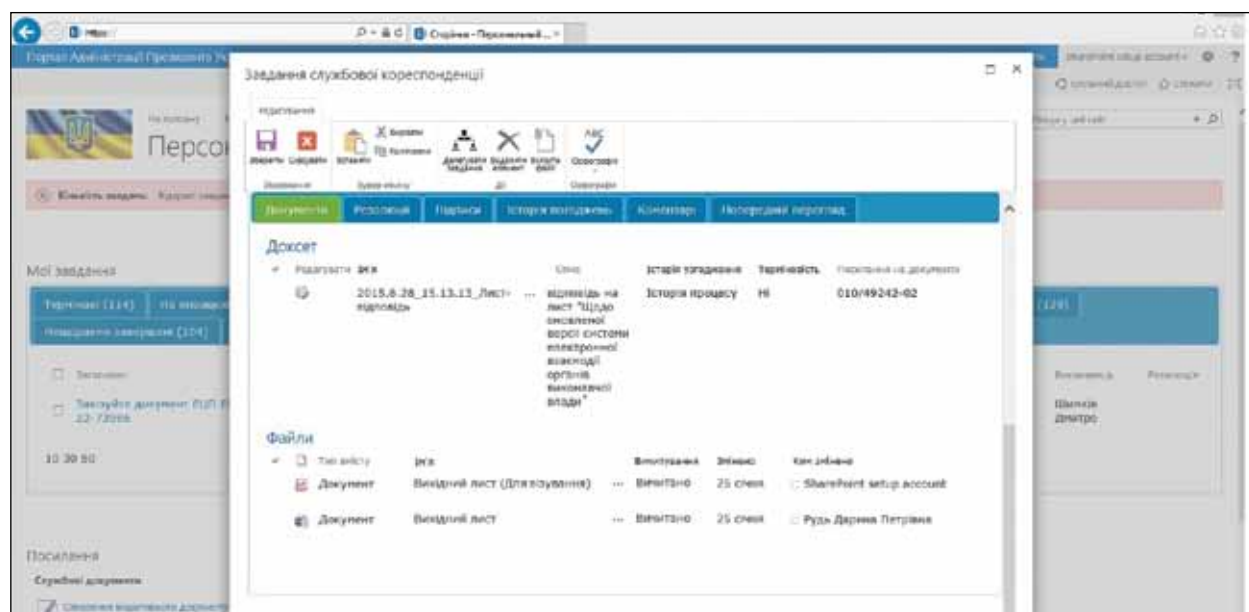
EDMS main tasks include:

- reducing the number of documents passing through the Administration's management by changing the document flow processes
- increasing the efficiency of document processing
- enabling parallel handling of a single document by multiple officers without accidental duplication
- quick document search by attribute, topic, or context
- tracking document modifications and their authors, ensuring transparency of document processing
- ensuring security and access rights differentiation
- signing documents with EDS, accessing documents for signature in the mobile version outside the workstation
- automating the Administration's internal documents processing.

On February 2, 2015, EDMS was officially put into operation. The Administration's IT Department held four integrated staff training courses, delivering respective competencies to 428 employees.

Today we can say that the EDMS implementation resulted in the simplified consideration of 86% of the Administration's incoming documents and a significant increase in the efficiency of some processes, including proofreading, harmonization and initialling of documents. The EDMS has provided the Presidential Administration's staff with access to advanced reporting and analytics enabling analysis of business processes and effective managerial decision-making.

The system has substantially increased staff performance. It enables parallel handling of one document by multiple users, avoiding duplication and going paperless to the maximum extent possible. It should be noted that some types of documents, under the law, must be executed in paper format.



Handing EDMS over to other government agencies and enterprises

Creating a process engineering solution by the government agency was a truly unprecedented event for our country. Therefore, following the system's successful implementation in the Presidential Administration, it was resolved to make it available to other government agencies and state-owned enterprises.

For the first time in Ukraine's history, the copyright for an in-house developed programme was transferred into government ownership. The system's open source code allows experts of other public authorities to adapt it to suit their needs and processes. The State Intellectual Property Service of Ukraine issued Certificate of Title No. 63781 dated January 27, 2016 acknowledging EDMS as work made for hire. The copyright holder is the State Administration of Affairs.

The official presentation of the Presidential Administration's EDMS was attended by nearly 400 representatives of government agencies and international and IT companies was held in Ukrainian House on March 10, 2016. There were training sessions and presentation delivered to representatives of IT companies on the system's maintenance to ensure further configuration and adaptation of the EDMS to the processes of other government agencies.

Starting from July 2016 any interested government agency or state-owned enterprise can receive EDMS by filling out an application form on the State Administration of Affairs website: <http://www.dus.gov.ua/content/systema-elektronnogo-dokumenoobigu>

EDMS was installed and configured at the State Scientific and Technical Centre for Nuclear and Radiation Safety in July 2016, and at the National Television and Radio Broadcasting Council of Ukraine in December of the same year.

Starting Q3 2016, 122 government agencies and state-owned enterprises contacted the Presidential Administration of Ukraine,

of which:

- 28 institutions (4 central executive agencies, 6 state-owned enterprises, 3 oblast state administrations, 4 city state administrations, 2 rayon state administrations, 9 higher education institutions) applied and received the EDMS
- 2 government institutions have already configured the EDMS to suit their document flow processes and have been using the system in a trial operation mode
- 30 government institutions are making up their minds
- 29 government institutions have been analysing all available solutions
- 23 government institutions have already been using other available EDMS solutions.

There are other commercial EDMS solutions available in Ukraine, such as ASKOD, DOCprof, MEHAPOLIS, ERP-solution from IT Enterprise, etc.

On 15 August 2016, the Cabinet of Ministers of Ukraine also fully transitioned to electronic document flow with central executive authorities. This factor contributes greatly to the government's performance and speeds up examination of issues. It is by all means an important step towards strengthening the inter-agency liaisons.

Factors impeding EDMS transfer to government agencies:

- Lack of qualified IT professionals and inability of most government agencies to attract them due to low remuneration
- Poor computer and information literacy of staff. Their computer knowledge is often obsolete
- Resistance to change and unwillingness to implement cutting-edge technologies
- In most public institutions, the IT infrastructure (hardware and software) has not been updated for 10-15 years
- Failure to understand that the system is provided on a gratuitous basis, intends of some government official to run a tender for EDMS due to personal interest
- Outdated regulations hampering innovations. It is better for the IT department to simply do nothing rather than be responsible. For that reason, some institutions implement EDMS on paper at best or report the ongoing trial run systems as operational.

Government agency personnel pushback against EDMS launch:

- Struggling to retain influence over document flow processes due to fear of losing a grip on an opaque document approval process (for example, manipulating the procedure for submitting documents for signature, etc.)
- Fear of change: desire to preserve the customary practice of handling paper documents and fear of being fired
- The management of an institution ignoring EDMS or regarding it as something unimportant. This frequently leads to disruption of the electronic process, as document is printed out, delivered to chief executive for signature and then scanned back to a digital form for further processing. Unfortunately, such mode of operation provides a bad example to subordinates, while the system degrades to a mere registration of documents
- Distrust of digital media and technologies. Despite that electronic digital signature is as valid as wet (handwritten) signature, a good many officials have no trust in EDS and still demand signing overleaf.



As can be concluded from the EDMS regional implementation experience, the cornerstone of success is the political will of leaders and a change-oriented team within an institution



PUBLIC PROCUREMENT REFORM AND THE PROZORRO ELECTRONIC SYSTEM

Kristina Goutsalova
Oleksandr Starodubtsev
ProZorro Team

Public procurement reform



Until recently, it was widely believed that Ukraine's state budget was an abstract concept where money was distributed by those in power at their discretion. None but experts were interested in the way the public procurement is carried out which made this area particularly vulnerable to corruption.

It was only recently that Ukraine had the regulatory and institutional framework governing the paper-based public procurement procedures. This framework provided a broad avenue for manipulation and abuse by procurement entities, was complicated and user-unfriendly, and enabled no public or professional oversight.

Formal compliance of Ukrainian laws with European standards and practices was neither enough to ensure transparent, effective and fair procurement, nor was it able to address the paramount challenge of uprooting systemic corruption in public procurement.

Given that Ukraine's annual public procurement budget averages UAH 300 billion, it can safely be concluded that more than UAH 60 million has been saved daily since the launch of the public procurement reform, while potential economic benefit of the reform is UAH 60 billion per annum!

Project fundamentals

Given that at the outset ProZorro team seemed a rather eclectic crew, operated on a voluntary basis and sought quick wins, we agreed on the following project fundamentals:



1. We create a hybrid electronic system built on open source software. The hybrid system implies such interaction between the central database (CDB) and commercial platforms, whereby all information contained in the CDB is duplicated to commercial platforms. The system has a fully open source code, which is freely available for download and use.



3. We operate in a “golden triangle” of partnership with the business community, government, and civil society thereby maintaining high trust among key stakeholders of the reform.

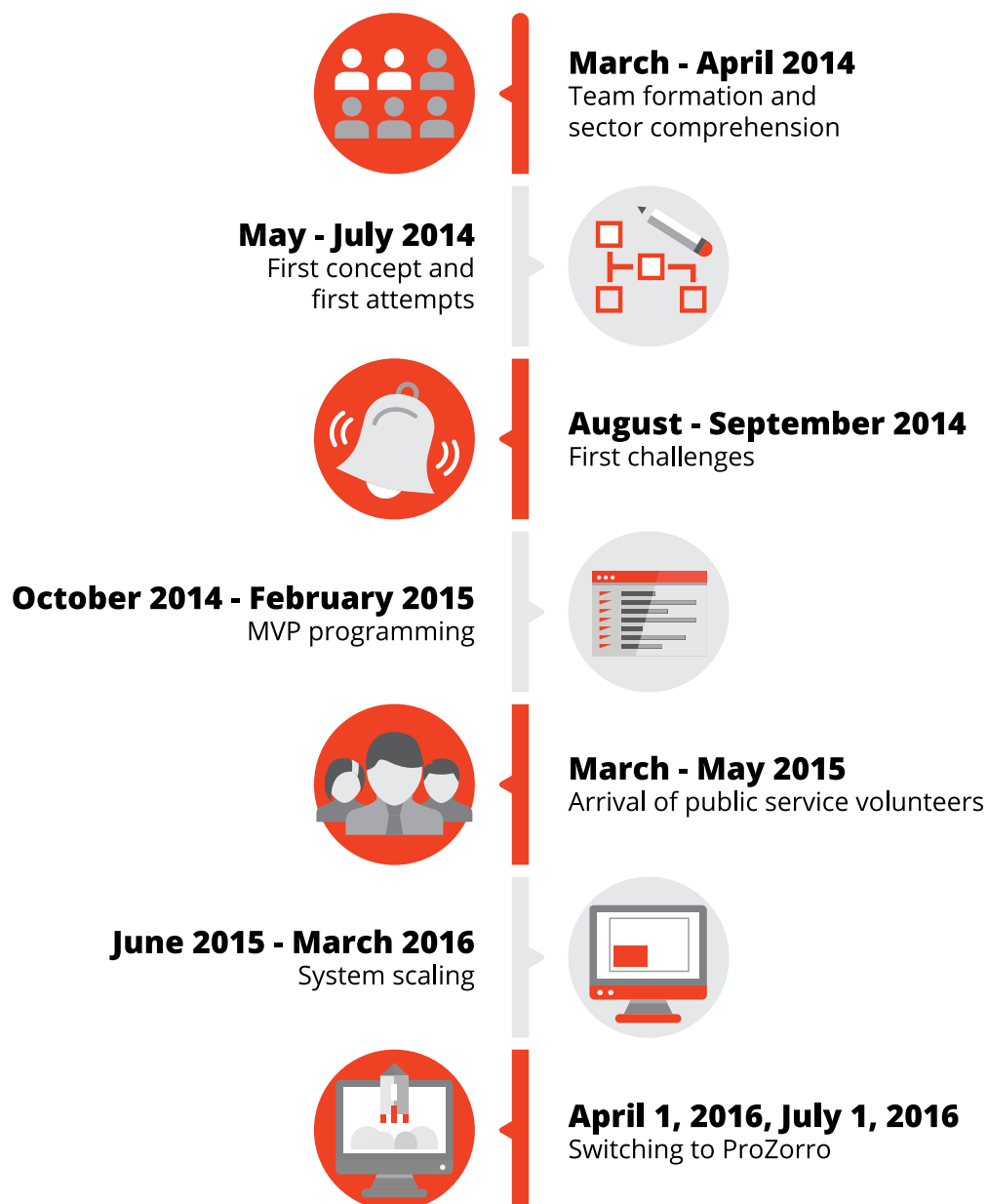


2. ProZorro is a public e-procurement system in which “everyone sees everything” – once an auction is completed, you can see the information concerning all submitted bids, tender committee’s decisions, qualification documents, etc. in the electronic system.



The reform stems from the volunteer movement and a desire of ordinary people to change the playing field and restore the country

Key Reform Stages



— The ProZorro example clearly demonstrates that the quality and pace of change depend solely on the motivation of people effecting such change

— The ProZorro team has found an absolutely unique model for cooperation between the community activists, the business community, and the state. This model, which, besides Ukraine, may be implemented in other countries, helps combat corruption and restore trust

March – April 2014.

Forming a team and getting an insight

In late February 2014, after the Revolution of Dignity, Pavlo Sheremeta, former Dean of Kyiv Mohyla Business School, President of Kyiv School of Economics, was appointed Minister of Economic Development and Trade of Ukraine. Reforming public procurement was one of his priorities. A group of volunteers who actively participated in the Revolution of Dignity, decided to help the new minister.

The drafting of amendments to the underlying Law On Public Procurement, which contained more than 40 exceptions and a range of corruption standards, became the group's stepping stone. In a little more than a month, the group together with other activists, experts and staff of the Ministry of Economic Development and Trade (MEDT) built up material amendments to the Law On Public Procurement, which differed markedly from the previous ones. At the same time, we were fully aware that the legislative changes would not improve trust in public procurement and that they were not sufficient to make a breakthrough in reforming the sector.

Then soon after there was an informal pressure group set up, tasked with developing a vision of the radical public procurement reform. Having examined international best practices and interviewed a number of experts, the reform team quickly came to realize that a transition to electronic system would provide businesses with a significantly streamlined access to public procurement and increase its transparency. Therefore, a decision was made to move towards digitalization of the industry. The world's experience demonstrated no best practices, and there was no consensus on the reform implementation tactics among Ukrainian experts.

May – July 2014.

First concept and toe in the water

Having interviewed major stakeholders, we focused on scrutinising the available global experience. At that time, we mainly debated over what was the better option – buying an electronic system abroad or developing our own, and if the latter was the case, how such a system should operate. The early summer of 2014 saw the first concept of the electronic system based on aggregate experience of other countries.

However, in May of the same year, at one of the joint meetings of activists we met Georgian experts Tato Urdzhumelashvili and David Margania who implemented similar reform in Georgia in 2009-2010. We were impressed with the Georgian e-procurement system they presented, and resolved to reject our almost fully developed concept in favour of the Georgian system.

To galvanise reform, Pavlo Sheremeta set up a working group under MEDT, whose members included several activists. A Georgian group and the relevant parliamentary committee embarked on developing a new bill that would allow launching an electronic public procurement system at the legislative level. There were powerful stakeholder groups working in parallel, while a team of volunteers served as a bridge by maintaining communication and synchronizing their efforts.

August – September 2014.

First challenges

Early August 2014 saw a quick pace of reform. We agreed on a unifying vision of a mono-platform electronic system (unified state system without commercial platforms) analogous to the Georgian system and introduced the relevant e-procurement bill to Parliament.

However, the events that took place in mid-August dented almost all hopes of reform. Pavlo Sheremeta unexpectedly resigned as Minister due to disagreement with the Prime Minister's human resources policy. Soon after followed the announcement of the early parliamentary elections leaving the bill no chances of passing through Parliament.

Dmytro Shymkiv, Deputy Head of the Presidential Administration of Ukraine, proposed the way out. At one of the round-table meetings, he came up with a challenging idea of rolling out reform with the launch of the so-called "subthreshold tenders", which were not subject to the Law On Public Procurement. No legislative amendments but the customer's good will were necessary to that effect. He also proposed to expand the circle of stakeholders by engaging private-sector commercial electronic platforms in the reform. After weighing the pros and cons, the team of volunteers resolved to proceed with the reform at the same pace without looking over their shoulder at parliamentary and governmental transformations, and to develop an electronic system along with electronic platforms for subthreshold procurement.

Starting from late August meetings of the reshaped group, which included representatives of commercial e-platforms, were held on the premises of Kyiv Mohyla Business School. These meetings, which everyone interested could attend, saw the development of the third concept of e-procurement system, which envisaged commercial platforms within the system. The system's launch was scheduled for January 1, 2015.

October 2014 – February 2015.

MVP programming

The above timeframe saw the signing of several memoranda of understanding, stipulating:

- "everyone sees everything"
- hybrid system – state-owned CDB and multiple commercial platforms
- cross access to CDB via platforms
- self-financing
- MVP (minimum viable product) – from simple to complex
- open source, etc.

We found software developed and embarked on the CDB development. Despite that Quinta, an IT company that acted as the system developer, was ready to start programming on a pro-bono basis, there was much concern about remuneration and formalization of work.

March – May 2015. Volunteers join the civil service

Delayed more than one month and with many issues yet to be addressed, the new IT system was officially presented and launched on February 12, 2015. The system got its name just before the launch as the title “ProZorro” proposed by Deputy Governor of the National Bank of Ukraine Vladyslav Rashkovan won a Facebook crowdsourcing poll.

The new system was hybrid as it combined the positive properties of both mono- and multi-platform systems. On the one hand, the government fully controlled the CDB. On the other hand, commercial platforms increased the number of suppliers, improved the quality of service and significantly reduced government spending on the system’s maintenance through competition.

▬ **The trend for promoting Prozorro by ministries in order to stimulate demand for the system was observed in the meetings of the National Reform Council**

June 2015 – March 2016. Scaling the system

Then the struggle to replace the management of the state-owned enterprise administering the old public procurement website began. The outdated labour and employment laws rendered it rather difficult. Early June 2015, however, saw a part of new team (Oleksandr Nakhod and Nadia Bigun) placed in charge of the enterprise.

The first donors (WNISEF and GIZ) placed trust in the newly appointed officials and activists and provided funding for further development of the system.

Efforts were exerted in three directions:

1. IT system and IT infrastructure development. This was dealt with by the state-owned enterprise, commercial platforms and IT Office led by Andriy Kucherenko.
2. Setting up a new regulatory framework. Responsibility for the above rested with MEDT Department whereby Maxim Nefyodov lobbied political decisions in Parliament and government through his own efforts.
3. Training the whole country in sub-threshold procurement and preparing for full transition to the public e-procurement system. These issues were handled by Krystyna Gutsalova together with commercial platforms.

In less than one-year of preparatory processes there were two important laws developed and passed by Parliament, the IT system was almost completely redesigned with the rights thereto handed over to the government, and more than 200 training events were held Ukraine-wide.

In addition, there were a number of earlier initiatives implemented, such as accession to WTO’s Government Procurement Agreement (GPA). The GPAinUA office was set up within the ProZorro team supporting Ukrainian exporters in accessing procurement markets of foreign countries.

April 1, 2016; July 1, 2016.

Transition to ProZorro

Fighting against bureaucracy and various accompanying surprises, using solutions that were both brand new and out of the ordinary, such as Scrum based project management launch assisted the successful transition to e-procurement.

The transition was carried out in two stages: starting April 1, 2016, ProZorro became mandatory for central government bodies and monopolists. All other procurement entities were obligated to use ProZorro starting August 1, 2016. The sequenced approach was used to avoid over-burdening the country's procurement eco-system, which included more than 25 thousand tender committees countrywide.

As ProZorro was designed and launched, it won the biggest international award in the field of procurement, the World Procurement Award 2016. It was acclaimed as the most successful reform of 2015 in a survey conducted by the National Reforms Council. In addition, the reform showcased a unique example of public procurement digitization from EBRD and the Open Contracting Partnership.

There is still much to be done. More than ten strategic directions and projects, from the expansion of the ProZorro philosophy to other countries to setting up local monitoring portal and HR system for the ProZorro team were identified at the strategic session held for the ProZorro team by Pavlo Sheremeta, former Minister of Economic Development and Trade, and one of the reform founders, in May 2016.

Time is ticking away. Some team members leave the project because their personal savings run out, while the government has not yet addressed the issue of a decent civil service pay. They are being replaced by new volunteers who pick up the reform and push it forward. ProZorro philosophy underpins new projects: sale of state-owned assets, commercial procurement, etc.

The public procurement reform process has involved more than one thousand individual and companies, while the ProZorro brand has become a hallmark of Ukraine around the globe and an example of the true bottom up reform jointly implemented by business, government, and civil society.

 **The public procurement reform process has involved more than one thousand individual and companies, while the ProZorro brand has become a hallmark of Ukraine around the globe and an example of the successful bottom up reform jointly implemented by business, government, and civil society**

In the spring of 2015 the reform was marked with a series of milestone events:

1. New Minister of Economic Development and Trade Aivaras Abromavičius appointed Maxim Nefyodov, a professional investment banker, as his deputy responsible for procurement sector. Mr. Nefyodov immediately set about promoting and supporting the newly established system.

2. Maxim Nefedov offered the volunteer team to join the civil service. Oleksandr Starodubtsev, who had been among the first to coordinate the reform, agreed to chair the relevant MEDT department. Like every civil society activist, Mr. Starodubtsev did not dream of becoming a bureaucrat. However, he was clearly aware of the need

for scaling the system further, which was only possible subject to the plenitude of power.

3. It was resolved at the meeting of the National Reforms Council to recommend procurement entities to transition subthreshold procurement to ProZorro. As a result, instead of 5-10 pioneering procurement entities participating in the reform and ready to test ProZorro (including NNEGC Energoatom, The Presidential Administration of Ukraine, Ministry of Defence, Ministry of Justice and Ministry of Infrastructure), other government agencies began joining the system on a massive scale.

“The determining factor was not only the recommendation from the National Reforms Council, but also the mechanism to control its implementation. Dmytro Shymkiv reported on the number of procurement entities that joined the public e-procurement pilot project and listed ministries that derailed the process. This approach quickly proved effective. I will never forget the week when the Ministry of Education and Science obligated educational institutions from across the country to register on

ProZorro. As my phone number was specified as a point of contact, every two minutes I was receiving a call for clarification or explanation. This made us promptly come up with a customer support and training system to address the needs of procurement entities from all regions of the country.”

Kristina Goutsalova,
Project manager for the public
procurement reform

The toughest challenge of that time was the overhauling of the reform team, into which we put all of our energy. Oleksandr Starodubtsev had to make a half of his department redundant and recruit new staff, whereby a competitive selection was announced on Facebook.

A refreshed team was finally formed consisting of the existing staff members having unique expertise and impeccable reputation (Lilia Lakhtionova, Natalia Shymko, Tetiana Lisovska, etc.) and newcomers bringing with them new culture, atmosphere, project management models, etc. A part of the old team of volunteers (Andriy Kucherenko, formerly in charge of

the entire IT concept, and Krystyna Gutsalova, formerly responsible for PR) remained civil society activists. People quickly learned both from each other and through training programmes promptly arranged and tailored to suit their needs.



TASKS

&

RESULTS

Identifying objectives of a reform/initiative. Result-based management (RBM) approach and reform structuring: reform passport

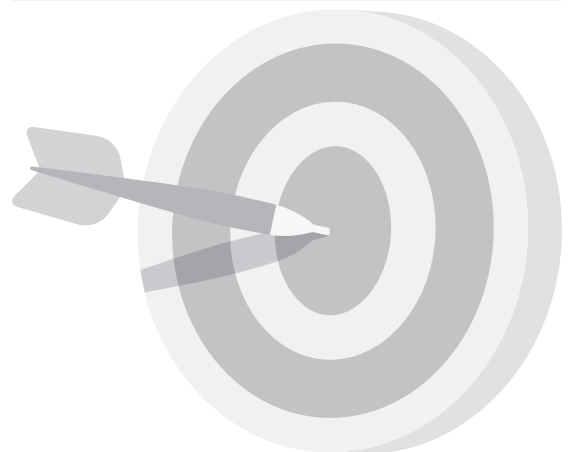
- ▶ To define the reform ideology
- ▶ To construct the reform logic – from the vision to particular initiatives / projects

- ▶ Developed reforms passports, describing priority reforms structure and tree of goals (aim, strategic and operational goals, certain initiatives / projects)
- ▶ Electronic monitoring tools for the action plans developed (visa liberalization action plan, and also Government's priorities plan)
- ▶ Pilot passport of the Anti-corruption reform approved at the NRC meeting on September 18, 2015

Reforms progress monitoring. Setting KPIs and approving evaluation algorithm

- ▶ To create a monitoring and evaluation system for reforms implementation
- ▶ To set up competition between the ministries to drive reform implementation

- ▶ Scorecards developed – a set of indicators for assessment of the progress on 18 priority reforms
- ▶ Launch of regular monitoring (on a quarterly basis) and evaluation of priority reforms. February 17, 2015 – NRC decision regarding the monitoring and evaluation system
- ▶ Special web-tool launched on the NRC website for public exposure of monitoring results
- ▶ First results of reform monitoring and evaluation were presented at the NRC meeting on July 23, 2015. Results were distributed among the NRC members at every meeting.



TASKS

&

RESULTS

Preparing reform/initiative reports

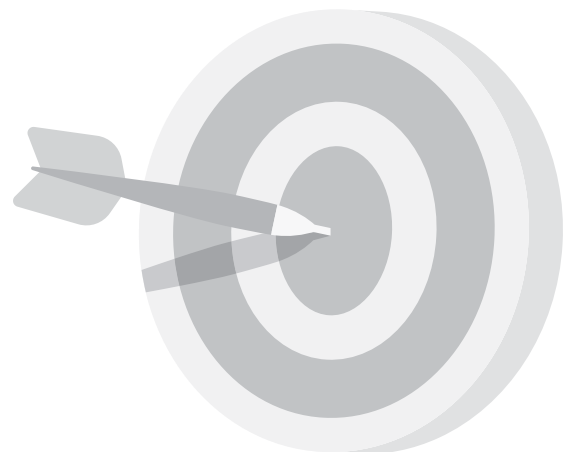
- ▶ Set up regular reporting on the progress in reforms implementation
- ▶ Set up new standards for the reports development and dissemination.

- ▶ Reforms progress monitoring report of a new standard developed: clear structure, complex content, informative design, two languages (Ukrainian, English)
- ▶ Publishing quarterly reports (both printed and electronic)
- ▶ The reform progress monitoring report became a source of information on the priority reforms among key stakeholders, civil society, media, and international organizations
- ▶ The first edition of the report was presented at the NRC meeting on July 23, 2015. Later, the reports were regularly distributed among NRC members.

Seeking alliances for effective monitoring

- ▶ Attract additional resources for reforms implementation and progress monitoring
- ▶ Develop alliances and partnerships for the reforms implementation.

- ▶ Set up partnerships with international organizations/projects, companies, project teams at the state bodies
- ▶ Additional resources attracted: people, finance, technological capabilities, and equipment.



STRUCTURING AND MONITORING REFORM/PROJECT/INITIATIVE IMPLEMENTATION

Igor Goncharenko

Identifying objectives of a reform/initiative. Result-based management (RBM) approach and reform structuring: reform passport



As already mentioned, the effective reform planning and implementation process must be based on the goal-tree – from the ultimate goal (vision) to the specific tasks clearly fit into timeframes. The main problem of reforms in Ukraine was lack of structuring, clearly defined objectives, and the roadmap to achieving them. These sometimes resulted in the following consequences:

1. Reforms were not comprehensive enough. There was no big picture in the sense of what had to be done over short- and long-term horizons so that reform was deemed successful.
2. There was no consistency between

reform's ultimate goal and action plans for its implementation. As a result, specific steps/initiatives did not always contribute to the achievement of strategic goals, and even hindered it at times.

3. Reforms lacked a coherent ideology to be followed by key political decision-makers. In developing reforms (strategies, objectives, plans), every new political leader of reform started over from scratch, often ignoring previous progress.

One of the first tasks after the establishment of the Project Management Office was to develop goal-trees for priority reforms and have them structured. We understood that such goal-trees were to lay the foundation for further strategic and operational

reforms plans. We used the result-based management methodology proposed by EDGE – a project funded by Canada’s government as part of technical assistance to Ukraine.

The essence of the methodology was determining a reform’s ultimate goal as well as strategic and operational goals in the form of targets to be met to achieve success. Higher-level (long-term) goals were split into lower-level (medium- and short-term) goals down to specific tasks and projects.

The methodology outlined the following levels of goals/desired outcomes:

- Ultimate goal of a reform refers to achieving a desired state of affairs in a sector subject to reform taking into account relevant factors and circumstances. Attaining the ultimate goal does not imply termination of the reform, but is characteristic of significant progress producing tangible results for the society
- Strategic goals refer to the ultimate goal’s components that are indispensable to success in the reform. Same as the ultimate goal, strategic goals usually have a 5-10 year time horizon
- Operational goals refer to results that should be achieved over the medium-term (1-3 year time horizon) to ensure attainment of a strategic goal. It is not necessary to achieve each and every operational goal to provide for the overall attainment of a strategic goal. Operational goals can be independent of one another, complementary to one another or alternative
- Tasks refer to projects, initiatives and changes to be implemented within a reasonably short time frame (usually up to one year per task). They form part of the operational goals, and have to be specific as well as identify those responsible and set deadlines.

Graphical representation of the model was named “reform passport” – an underlying document that provides a comprehensive outline of reform and underpins progress planning and assessment.

Drafting a reform passport as a high-quality document that sits well with both change

agents and the public at large is not an easy task. First, you must have an ultimate goal to be attained through reform implementation in sight. Secondly, you need to have an in-depth knowledge of reform and understand the interdependence and interrelatedness of its individual initiatives and avenues. Thirdly, it is important to engage various stakeholder groups so that different opinions and points of view are taken into account.

For example, to develop an anti-corruption reform’s passport, the Anti-Corruption Reform Task Force under the Ministry of Justice held a series of meetings to discuss the original draft version of the proposed passport. As a result of discussions, the structure of the reform’s vision and logic model were modified twice. In addition, it took several months to develop a version agreed upon by all members of the task force. The development of an ideal model of the anti-corruption reform turned out to be impossible as the reform itself was rather complex and diverse in terms of both its content and the parties involved. However, the Task Force managed to come up with a combination of strategic goals and tasks that indeed covered key avenues of reforms and complemented each other, shaping a logical pyramid from specific tasks to the ultimate goal.

The anti-corruption reform passport received favourable reviews from experts of international organisations and was subsequently used by numerous stakeholders.



Logical model (passport) of a reform, on the example of anti-corruption reform



It should be kept in mind that the logical model of a reform is not constant. Typically, the end goal does not change throughout the reform life cycle; this is true for the strategic goals. Operational goals and

specific tasks, however, may be adjusted or even become irrelevant due to change in various factors and progress on other goals and tasks.

Final goal:
Corruption shall neither produce any risks to the national security
nor be a barrier for sustainable economic development of the country



An efficient reform planning and implementation process should be based on a tree of goals, from the end goal to specific tasks with clearly specified timeframes.

The common problem of all reforms ever implemented in Ukraine was the absence of structure, clearly defined goals, and plans on achieving such goals

Reforms progress monitoring. Setting KPIs and approving evaluation algorithm

Ukraine has a comprehensive reform agenda. Therefore, the effective progress management and multi-stakeholder coordination instruments are of utmost importance. In this context, the spring of 2015 saw a uniform framework for coordinating reforms implementation – a progress monitoring system also known as scorecards – set up with support from the Delegation of the European Union to Ukraine and the UK Government (UK-UA Reform Assistance Programme), and with direct involvement of priority reforms task forces, experts of the Nova Kraina Civic Platform, and PwC Ukraine. Valeriy Pekar, Leader of Nova Kraina, was one of key contributors to the development of the new assessment methodology.

The progress monitoring system became an efficient tool of the National Reforms Council in identifying barriers and making

effective decisions making in 2015. It rested on a solid foundation of scorecards based on Ukraine's strategic documents.

The system enabled bundling all commitments set out in Ukraine 2020 Sustainable Development Strategy, the Coalition Agreement, Government's Action Plan, and international treaties into a single plan, and strengthened the NRC's capacity to track and coordinate reforms.

The reforms progress monitoring system helped providing for a meaningful and productive dialogue within the NRC in identifying solutions to facilitate priority reforms.

The purpose of the system was to identify barriers to the implementation of reforms. This was achieved through 18 scorecards designed specifically for each priority reform.



In 2015, each priority reform's progress monitoring system had 20-30 indicators divided into 4 groups to enable comprehensive and balanced assessments.

Operational indicators measured availability and quality of the planning instruments. Their aim was to ensure performance according to plan when actual outcomes were not yet available for measurement. Operational indicators were set annually and evaluated quarterly.

Process indicators served to measure implementation of work plans within specific managerial decisions and achieved results. Process indicators were set at the beginning of the year and evaluated quarterly.

Example: Deregulation. Number of cancelled regulations; number of abolished regulators out of those subject to abolishment, etc.

Objective indicators provided an understanding of how Ukraine had changed as a result of specific reforms. Objective indicators were set at the start of a reform and evaluated quarterly or annually.

Example: Changes of Ukraine's positions in international rankings such as Ease of Doing Business, Global Competitiveness Index, etc.

Perception indicators helped in understanding how the public perceived the pace of reforms. Perception indicators were set at the start of a reform's implementation and evaluated quarterly or annually (through opinion polls or expert interviews).

Example: Assessment obtained through opinion surveys of a representative sample of the population (e.g., public trust and confidence in the police, the judiciary and the military; level of patriotism, etc.).

A target value was set for each indicator. For operational and process indicators this meant 100% performance. For objective indicators this meant a quantitative value that corresponded to reform's target change or task as defined in the strategic documents. For perception indicators this meant a quantitative value that correspond-

ed to a target level of the positive public perception of a particular reform.

A start-up value was set for each indicator according to its status at the launch of a reform. For operational and process indicators it was set at zero. For objective and perception indicators it was set at a quantitative value as assessed at the start of a reform. Each indicator was evaluated as current to expected status ratio expressed as a percentage using a 0 % 100 % scale.

For the purposes of quarterly and annual reporting in 2015, an integrated indicator of success was defined as the arithmetic average of the progress across all indicators of the reform's scorecard scheduled for performance/evaluation in 2015. Quantitative evaluation was accompanied by an

Example:

- In the context of a law: 25% - draft law developed, 25% - public discussion of the draft law held, 25% - law adopted and signed, 25% - law is compliant with international standards (approved by international institutions/experts)
- In the context of an institution/agency: 25% - resolution (law) establishing an institution/agency adopted, 25% - the management elected and appointed, 25% - sufficient funds allocated and the institution became operational, 25% - the institution is staffed at not less than 50%
- In the context of a target indicator, its current value is taken at 0%, while its value at the end of the evaluation period is taken at 100%. The actual rate stands at 100% if the target value has been met or otherwise is taken as a proportion.

overview of obstacles and challenges in implementing reforms.

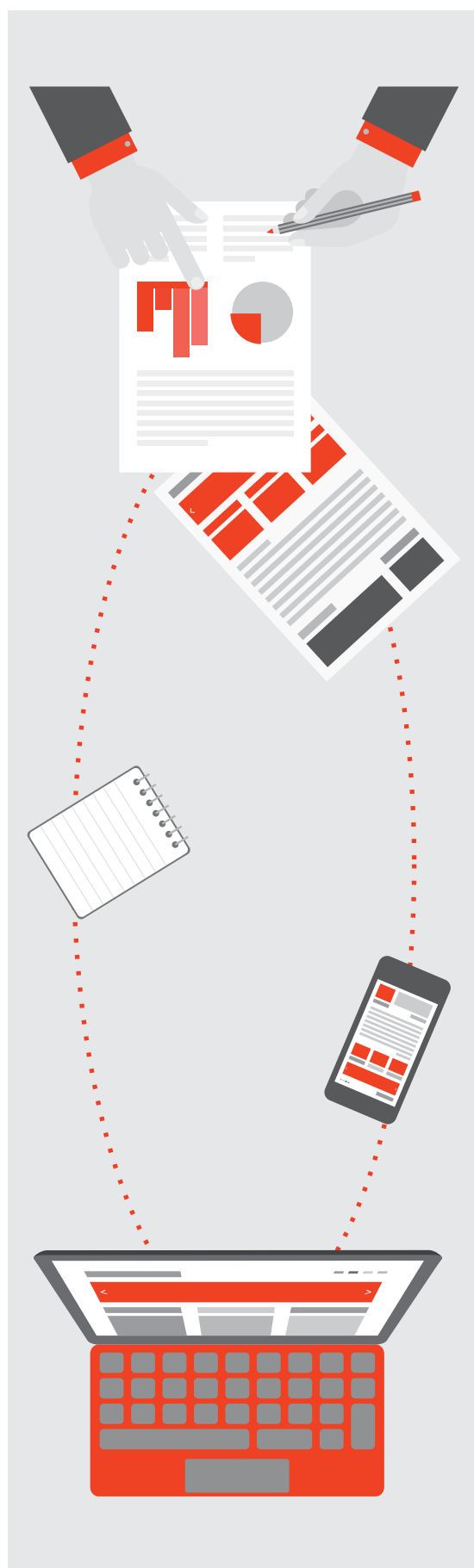
A respective colour was assigned to each indicator to demonstrate compliance with

deadlines. We used the following colours: green to mark performance according to plan, red to mark performance lagging far behind the plan, and yellow to mark performance whereby deadlines were not yet achieved but the risk that they would not be achieved was high.

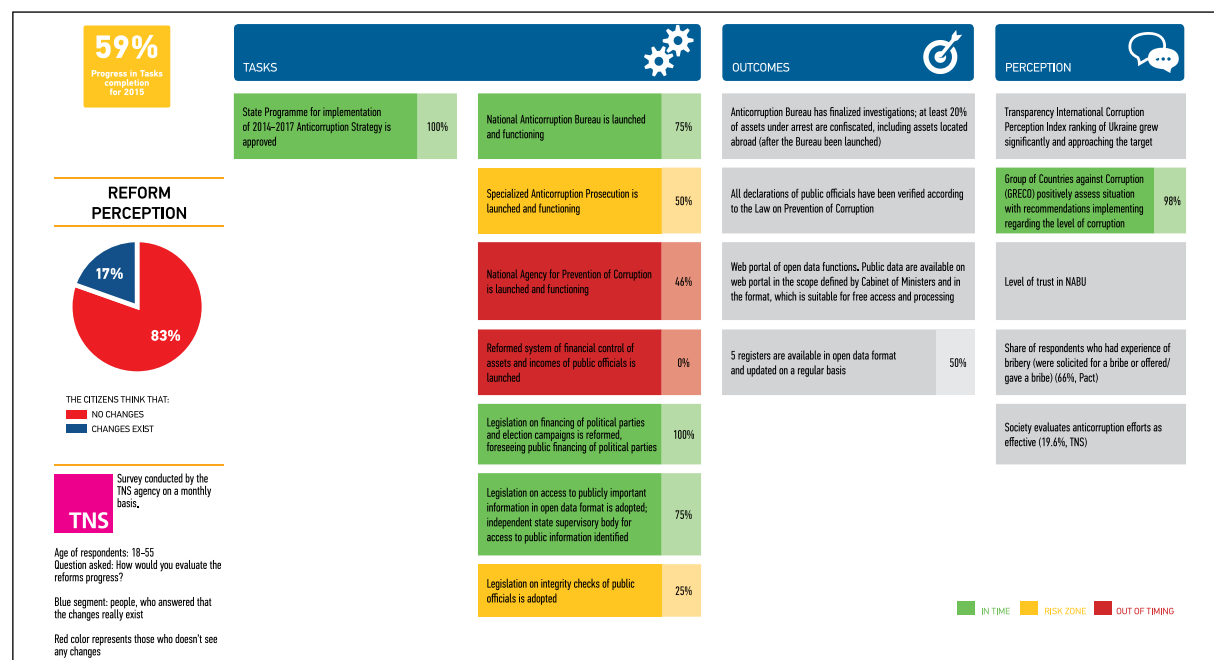
The Project Management Office carried out the evaluation, agreed on it with a relevant minister or head of the agency responsible for the implementation of respective reform, and then had it presented at the NRC meetings.

Such an approach drew attention to red indicators, especially members of the National Reforms Council. The system kept track of the activities of ministries and Parliament, and identified problems at all stages of reform. This enabled the responsible minister/head of agency to promptly identify causes of delays and opt for an ultimate solution.

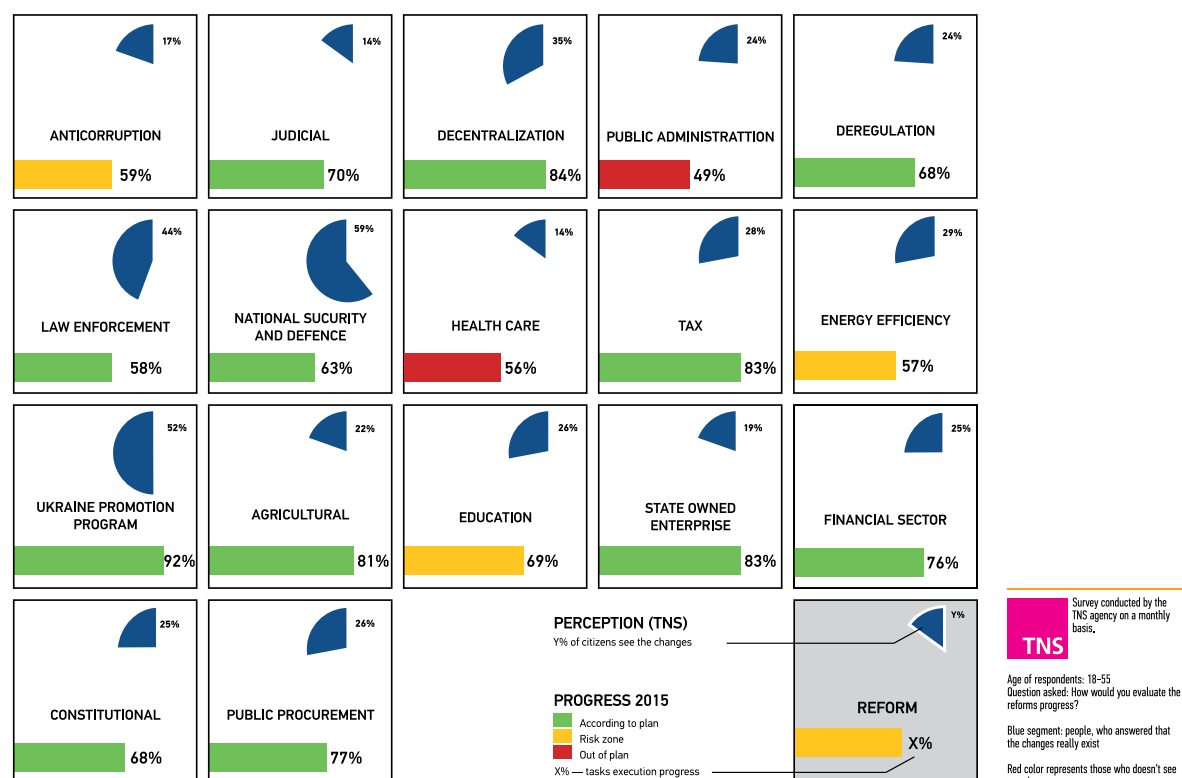
Detailed scorecards specifying responsible persons, respective deadlines, references to the underlying strategic documents, and explanations as to the evaluation process were published on the NRC website (www.reforms.in.ua).



Visualising reform progress monitoring at the NRC website using anti-corruption reform as an example



Deliverables on all the priority reforms



Reforms scorecards were generated and approved by the relevant ministries and agencies in April-May 2015, while first priority reforms progress evaluation results were published and presented at the NRC meeting mid-year. Since the scorecards' inception, ministers had been carefully tracking the outcomes of reforms for which they were responsible, and were making every effort to improve performance for each subsequent evaluation. Hence, the system provided additional impetus to the implementation of reforms.

Although the evaluation system was much in demand, it was customised to the plans and targets of the year 2015. Therefore, it had to be revised in 2016. The external evaluation of reforms (scorecards) began to be viewed and even used as a form of political pressure. Hence, it was resolved to hand out the monitoring system to the Cabinet of Ministers. Moreover, the evaluation methodology had to be improved so that it became more comprehensive and covered the entire period of reforms implementation without having to be modified or adjusted year on year.

What made the system successful:

- Unified methodology for all priority reforms enabling comparison of reforms and ministerial performance assessment
- Regular communications and explanations including a special online tool at the NRC's website
- Great demand for the monitoring system due to lack of alternative comprehensive and easy-to-understand reforms progress evaluation instruments

At the same time, the success of the system was exposed to the following risks:

- Not all scorecards were discussed with key stakeholder groups as not all Reform Task Forces were set up at the time of

scorecards development

- Scorecards contained indicators/tasks that could not be assessed in 2015 whereby an overall reforms progress evaluation did not include all indicators from the scorecards

- Scorecards had to be annually adjusted and relaunched. Hence, the last reforms progress evaluation under scorecards developed in 2015 turned out to be as at Q1 2016.

Mindful of the latter of the circumstances, EDGE Project's experts came up with a new evaluation approach, which was premised on the PMO's reform passports. There was an anti-corruption reform pilot project developed together with the PMO's anti-corruption project manager. Unfortunately, this pilot project was not implemented since the NRC's Project Management Office was closed.

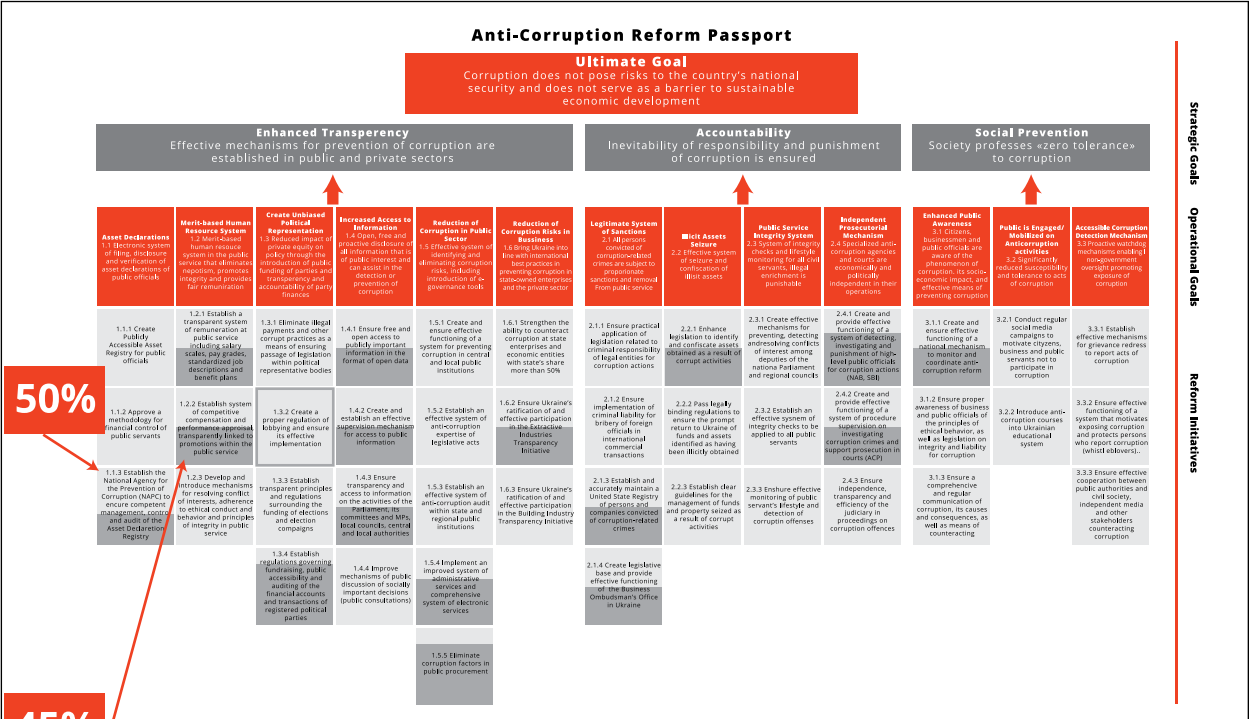
Under the new methodology, progress evaluation envisaged two categories of indicators:

1. Accomplishment of tasks and achievement of objectives set out in reforms passports.
2. Assessment of real economic and social change.

The first category allows to assess the pace of and progress in completing the set of tasks, accomplishment of which would eventually enable to achieve the ultimate aim of the reform.

A novel approach to monitoring the progress of reforms

Pasport outlines the reforms planned for certain year (dark grey) and reflects its progress to the moment



This is merely a methodology that has never been implemented. A pilot project was developed using the anti-corruption reform as an example

Working out individual task performance stages in detail

Action Plan/Score Card

[illegible]

50%

Enhanced Transparency
Effective mechanisms for prevention of corruption are established in public and private sectors

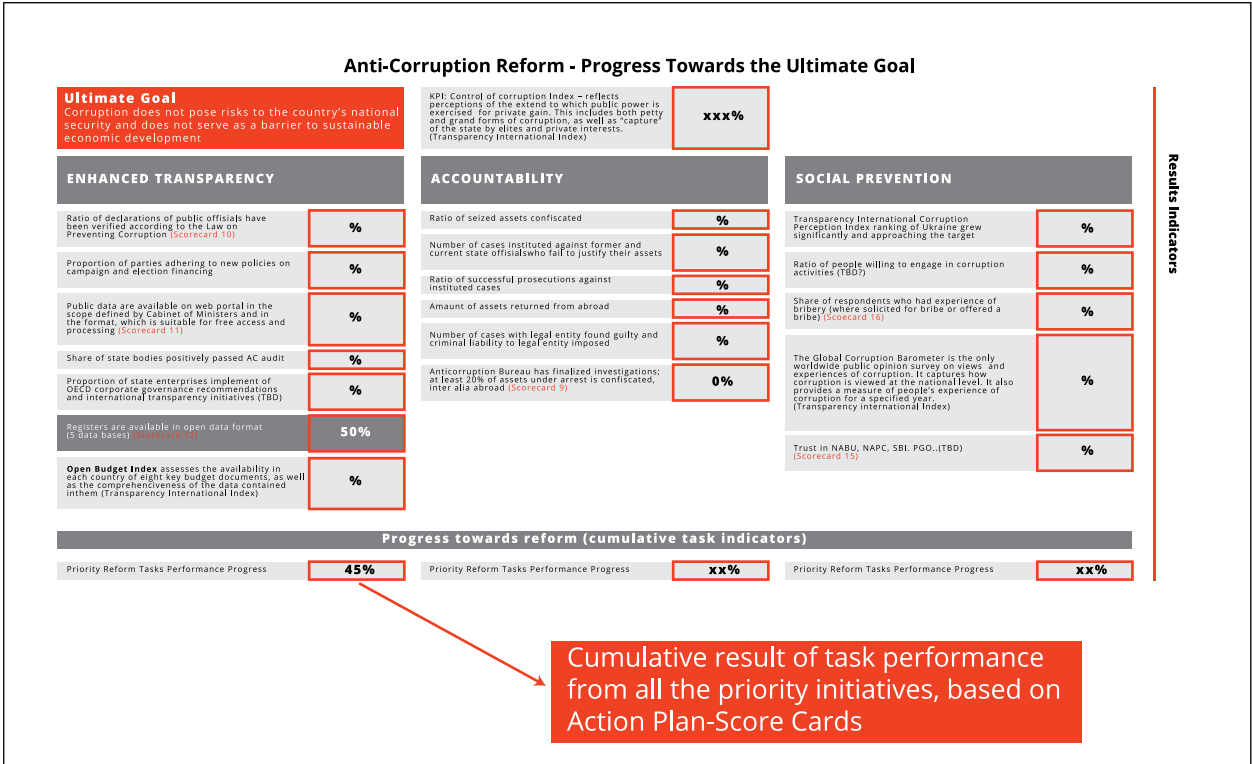
Asset Declaration	Moribund Human Resource System	Create Unbiased Representation	Increased Access to Information	Reduction of Corruption in Public	Reduction of Corruption Risks
1.1 Electronic system for filing, disclosure and verification of asset declaration by public officials	1.1 Create a transparent system in the public sector that eliminates corruption, integrity and provides for remuneration	1.1 Create unbiased representation of public interest in the transparency and openness of party finances	1.1 Ensure free and open disclosure of all information that is of public interest and access to information for detection or prevention of corruption	1.1 Effective system of monitoring and eliminating corruption risks, including introduction of e-governance tools	1.1 Bring labour into formal sector in a gradual, systematic manner, ensuring established entry and the private sector
1.1.1 Create Publicly Accessible Asset Registry for public official	1.2.1 Establish a transparent system of remuneration at public service including salary scales, pay grades, standardized job descriptions and benefit plans	1.3.1 Eliminate legal loopholes and other corrupt practices as a means of ensuring passage of legislation with legislative representative bodies	1.4.1 Ensure free and open access to a publicly important information in the form of open data	1.5.1 Create and ensure effective functioning of a system for preventing corruption in central and local government institutions	1.6.1 Strengthen the ability to counteract corruption at state, enterprises and economic entities with state's share more than 50%
1.1.2 Approve a methodology for financial control of public servants	1.2.2 Establish system of compensation and performance management transparently linked to promotion in the public service	1.3.2 Create a proper regulation of lobbying and its effective implementation	1.4.2 Create and establish an effective supervision mechanism for access to public information	1.5.2 Establish an effective system of monitoring and expertise of legislative acts	1.6.2 Ensure Ukraine's effective participation in the EU Transparency Initiative
1.1.3 Establish the National Commission for the Prevention of Corruption (NAPC) to ensure complete management, control and audit of the Asset Declaration Regime	1.2.3 Develop and introduce mechanisms for resolving conflict of interests, adherence to ethical canons of official at public service and adherence to principles of efficiency in public service	1.3.3 Establish transparent principles and regulations surrounding the funding of elections and political campaigns	1.4.3 Ensure transparency and access to information on the activities of the political parties and committees and within local, national and international, central and local authorities	1.5.3 Establish an effective system of monitoring and expertise of executive and legislative institutions	1.6.3 Ensure Ukraine's ratification of and effective participation in the Building Industry Transparency Initiative
	1.3.4 Establish effective governing, financial transparency, accessibility and auditing of the financial accounts and transactions of registered political parties	1.4.4 Improve mechanisms of decision of locally important decisions (public consultations)	1.5.4 Implement an improved system of administrative services and comprehensive system of electronic services	1.5.5 Eliminate corruption factors in public procurement audit	

Further, there had to be indicators set up in relation to each goal/objective of a reform, all the way from ultimate goal down to operational objectives, to evaluate success in achieving each goal and reflect the palpability of outcomes for “end users” of reform (the business community and the public). This second category of indicators is more subjective because in most cases there is no direct relationship between goals and actual outcomes. Moreover, the higher is the goal's level, the higher is the subjectivity. For example, the ultimate goal

of the anti-corruption reform, which is reducing corruption so that it does not threaten national security and does not hinder sustainable economic development, cannot be assessed using one or even several indicators. Secondly, even if we come up with an indicator with high correlation, it is more than likely that there will be no data for its calculation. Therefore, a “proxy” is required, i.e. an assumption that a certain indicator (assessment) describes the goal's logic or corresponds to it.

Reform performance evaluation indicators (KPIs)

Results&Task Indicators Monitoring Visibility



The proposed model is an improved version of the original evaluation methodology introduced in 2015. It allows establishing a system of evaluation that outlines the progress of a reform over a 5-7-10-year time horizon and is not dependent on changes in the country's top leadership (other than in respect of the reform's concept modification).

Use of electronic monitoring tools

To monitor the implementation of government and other complex plans involving multiple public actors, the Project Management Office created and maintained cutting-edge electronic tools. Two online systems were developed to monitor and control performance:

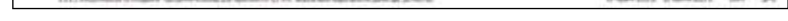
1. The Project Management Office developed the system to monitor performance of the EU-Ukraine Action Plan on Visa Liberalization for the Ministry of Foreign Affairs. The system helped Ukraine successfully meet all benchmarks necessary for the introduction of EU visa-free travel.
2. There was an electronic system to monitor performance of the Government's Priority Action Plan 2016 developed and implemented for the Secretariat of the Cabinet of Ministers of Ukraine (<http://cmuplan2016.reforms.in.ua/>). This is an online tool to monitor and control implementation of the Plan by responsible ministers and other government agencies. The system allowed tracking specific tasks of the Plan, the status of their implementation, responsible persons, deadlines and expected outcomes. Developed using SharePoint 2013, the system operated within the Office 365 environment and consisted of the Plan's monitoring tool and analytical tool to generate automatic reports on its implementation. The system's software enabled its use to monitor other annual action plans.

The system was used to provide for electronic reporting, monitoring, and

control over performance of the Plan's tasks. The system's software was capable of handling multiple tasks within configured views.

The system:

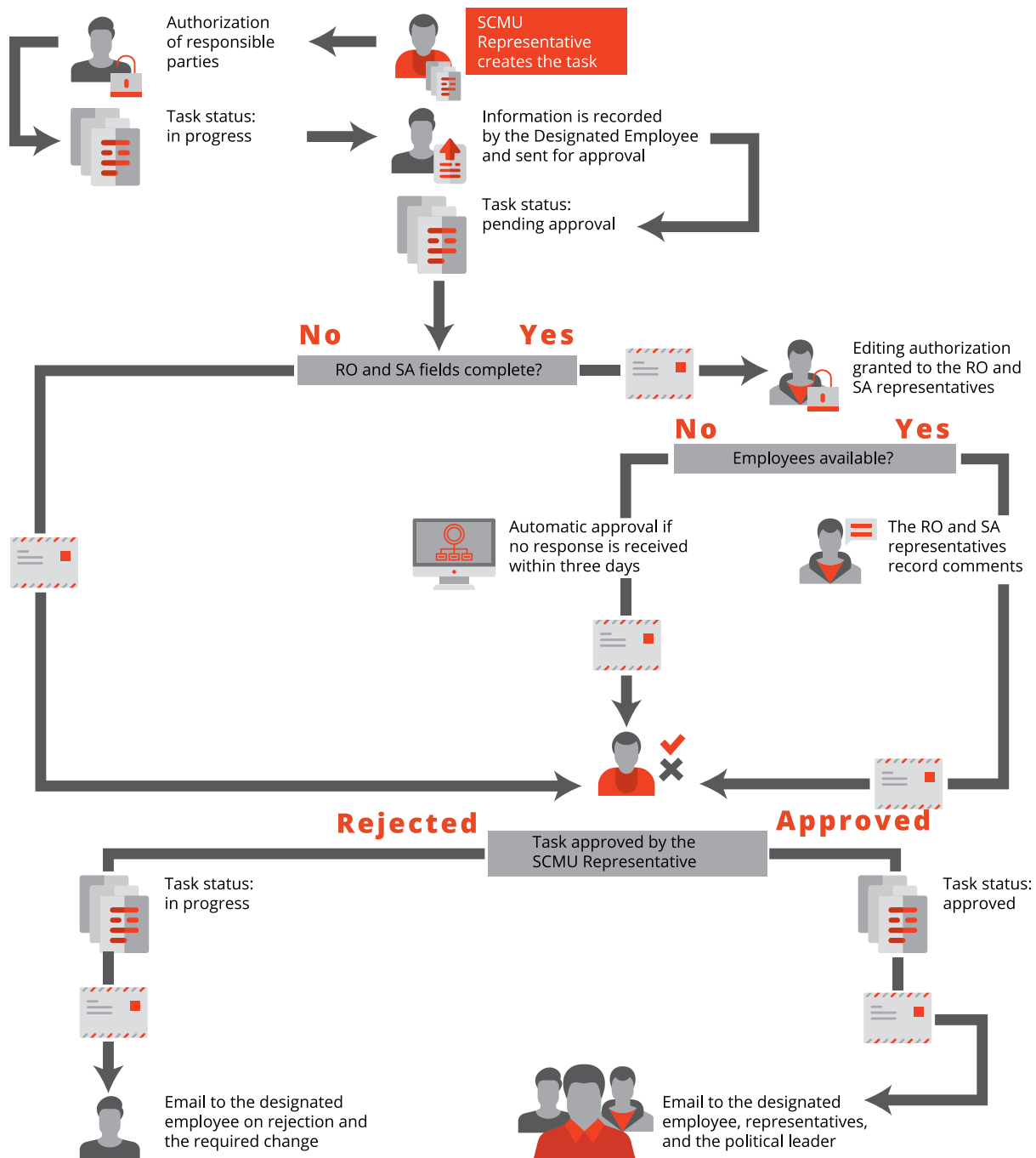
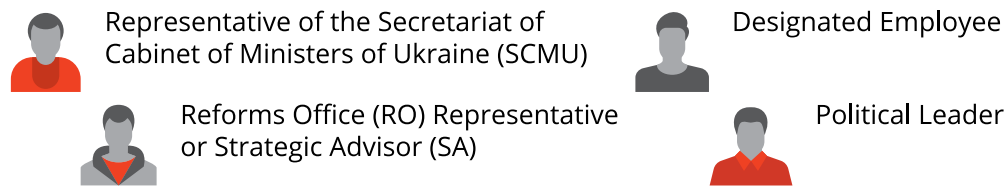
- enabled shared access to input and view data on the progress in performing tasks envisaged by the Plan
- provided access to analytics, graphs, and diagrams
- covered nearly 150 users including responsible ministers, political leaders, external experts and relevant experts of the Cabinet of Ministers of Ukraine
- was in operation in the second half of 2016.







Operation of the Performance Monitoring System for the 2016 Priority Government Action Plan



Preparing reform/ initiative reports

Reforms progress monitoring and evaluation results have to be communicated both to those making decisions or influencing the decision-making amid reforms planning and implementation, and to end users (consumers) of reforms. This enables to evaluate reforms success, learn from mistakes, eliminate barriers and generally keep moving towards achieving the ultimate reforms' goals. One of the forms of communications established by the Project Management Office of the National Reforms Council was quarterly reports on the progress made in implementing priority reforms in Ukraine.

The first report was the mid-2015 report; the last report was the 2016 report. In total, there were prepared seven NRC reform progress reports, which were unique for Ukraine in terms of their structure as well as fullness and comprehensiveness of information.

Report structure:

1. Descriptive evaluation of the progress across key processes and initiatives: from the enactment of regulations and establishment of institutions to the concrete results and tangible changes.
2. Evaluated scorecards (three quarters of 2015 and Q1 2016 reports) which included ratios of performance of both individual key tasks/goals and reforms in general.
3. Infographics in relation to almost each reform reflecting crucial achievements or

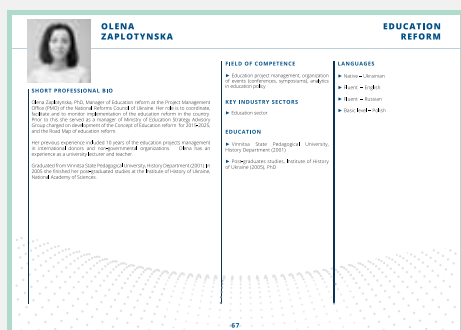
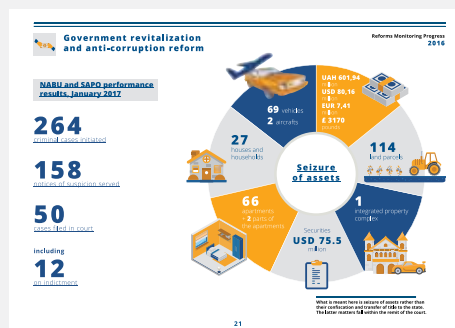
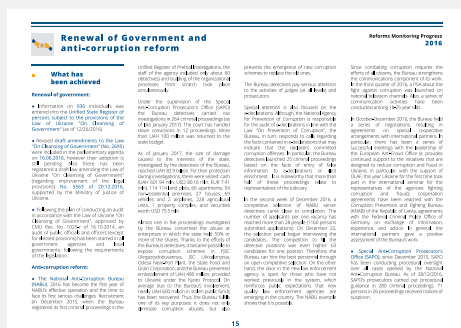
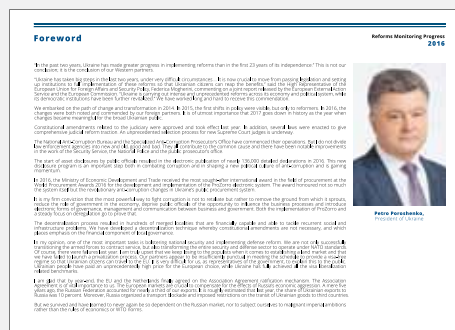
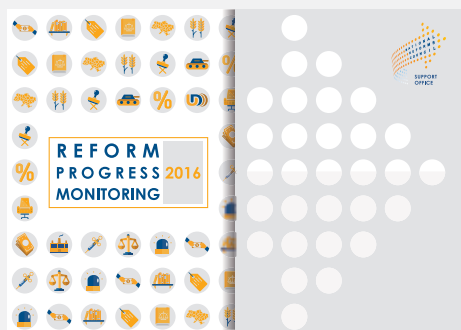
providing clear explanations as to "complicated" processes.

In its turn, the descriptive part in relation to each reform contained the following blocks:

- Reform progress over the reporting period
- What has not been achieved or what has been achieved with substantial delays
- Key tasks or initiatives to be performed or implemented over the next few months.

The report was issued in Ukrainian and English, delivered to a broad spectrum of stakeholders and placed on the National Reforms Council's website (reforms.in.ua). The report was also produced in print version and distributed among all NRC members, at various events, as well as brought to the attention of foreign diplomatic missions and representatives of international organizations.

In half a year's time, the NRC's reports became highly sought after by different types of stakeholders, including international organizations and foreign missions, which were afforded the opportunity to form an objective opinion on the state of reforms in Ukraine. Another contributing factor has been the fact that reports were non-partisan and gave a true picture of the progress in priority reforms.



Seeking alliances for effective monitoring

As the resources for the NRC Project Management Office's operations were limited, setting up partnerships and alliances and fostering cooperation was of utmost importance. This was particularly so in relation to the following aspects:

- Human resources. There was only one project manager assigned to each reform. Building teams and engaging representatives of other organisations as well as individual experts in fulfilling individual assignments became common practice for the project managers
- Funding. Donor funding covered only the project managers' salaries and minimal overhead. Mobilization of external financial resources for priority initiatives/public events enabled a sizeable expansion of the PMO's project portfolio
- Technologies. There were simply no time and resources to develop certain technologies. PMO formed alliances with organizations/companies that had already have ready-made methodologies, technologies and tools for their implementation at hand.

Examples of successful alliances that resulted in the development of real products and achievement of meaningful results in the implementation of reforms include:

1. Alliance with TNS: holding regular public opinion polls to determine the attitude towards selected government institutions

and measure public perception of reforms.

2. Cooperation with Canadian project EDGE: implementing the methodology for structuring reforms and evaluating the progress in their performance.

3. Partnership with USAID-funded Pact/UNITER Project: launching the DeCorruption communication platform and implementing the fundamentals of the Framework Strategy for Anti-Corruption Communications.

CASE STUDY 1: TNS. Content research to assess reforms efficiency

Implementation and facilitation of reforms are the tasks that are socially important not only for the government, but also for society at large. We can argue at length about whether citizens and businesses are ready to participate actively in the transformation of the country, but it is certainly beyond argument and sociologically confirmed that a large part of society is willing to drive change not in word but in deed. This opens up new opportunities for social partnership between civil society, business community, and stakeholders who are directly responsible for reforming different sectors.

Mutually beneficial alliances help tackle complex tasks to ensure progress on the reform agenda. For example, the arrangement between the NRC Project Management Office and research company Kantar TNS Ukraine premised on the fact that the latter viewed the online monitoring

of perception of 18 priority reforms as a corporate social responsibility (CSR) project. For its part, the Project Management Office used the TNS monitoring results publicly and officially cited them. There were joint press conferences held in addition to joint releases subsequent to the obtained data. A number of overall indicators and conclusions were included in the NRC's quarterly and annual reports on reforms.

Before embarking on cooperation with the NRC Project Management Office, TNS Ukraine had monitored specific topics, such as attitude towards the police. After cooperation with the NRC had been launched, there was formed a pool of reforms (topics) that had to be ongoingly monitored.

CASE STUDY 1: TNS. Reform perception monitoring project

Study design – monthly opinion polling using online tracking methods. 2015–2016 saw 12 opinion polls. Sample size was 1,000 male and female respondents aged 18 to 55. Tracking started in September 2015.

We were asked at times whether the sample size was adequate and whether online tracking could be viewed as authoritative as were face-to-face interviews, focus group or telephone surveys. It is necessary to provide some basic pro arguments:

- Internet penetration in Ukraine has grown significantly, particularly after people received access to 3G Internet on a mass scale. Pollsters have been given the opportunity to improve the quality of online tracking sample, and attract more respondents not only in large cities, but also in small towns and even villages. Within the framework of the project with Kantar TNS Ukraine, we could see the dynamics of a number of reforms (decentralization, law enforcement) at both national and regional levels.

- Online tracking method makes no pretence to monumentality or inclusivity. However, it is an indispensable tool for online monitoring of the situation in relation to a particular subject-matter (reform). Its short cycle (3-4 weeks from

KANTAR TNS



fieldwork to complete report) allows obtaining hot data enabling communicators to adjust activities and messages to help change the audience's attitude towards a subject-matter (reforms).

Goal of the survey

The goal of the survey was to create an operational tool for managing communications efforts to promote priority reforms.

Each wave of the survey consisted of two parts: general part and special part. The general part of the questionnaire contained questions about trust in government institutions, quality of their work, pace of reforms and awareness of their progress. General part's answers of different survey waves formed a retrospective set of data enabling not only to observe the dynamics of changes in the perception of the reform progress, but also to draw conclusions about interrelationship of results with events and failed or fulfilled tasks. Such an in-depth analysis opened up the opportunity of influencing the information field around priority themes.

Special part of the questionnaire contained the so-called deep dives into the essence of two or three reforms within a wave. These were special questions about a part of reform in the public spotlight. For example, the context of the anti-corruption reform necessitated measuring a degree of public involvement in corruption at household level. The obtained results allowed identifying a difference in the willingness of respondents to admit to their corrupt activities and at the same time accuse their neighbourhood of corrupt practices. The following topics were included in the special part throughout the year: anti-corruption reform, judicial reform, public procurement reform, education reform, healthcare reform, public administration reform, state owned enterprise governance reform, prison reform, decentralization, Go Global, deregulation, law enforcement reform, agricultural sector reform and Ukraine promotion program.

Monitoring the perception of reforms is no less important than other instruments to facilitate reforms, such as scorecards, reform passports, reform task teams, etc.

Putting together task performance indicators and perception indicators allows adjusting rhetoric around different topics.

Below are several principal conclusions taken from the annual priority reforms tracking, which were presented to the public in December 2016.

Anti-corruption reform:

- Active PR helps Ukrainians understand what is happening in the country in terms of preventing and combating corruption and shapes their attitude towards corruption in general. However, PR is unable to influence the assessment of reform efficiency absent specific actions on the part of the government, namely punishing corrupt officials

- Journalists' efforts in identifying and overcoming corruption maintain public assertiveness but do not encourage people to appeal to the media, as tons of information about corruption at the national level are broadcasted

- Citizens believe in their strengths to combat corruption at the grassroots level and are willing to change their ways. An increasing number of people refuse to give bribes.

Decentralisation:

- The robust communication campaign has resulted in public awareness of decentralization

- Residents of small settlements have a higher appreciation of the reform's efficiency than residents of big cities have, perhaps because the reform is more pronounced in their lives

- Population supports the decentralization reform, but associates the main obstacles for its efficient implementation to with politicians and government officials, thus expecting changes at this level.

Law enforcement reform:

- Although awareness of the law enforcement reform has decreased substantially over the year, the evaluation of its effective-

ness has not been significantly affected. The positive experience of contacts between the police and the public adds to the appreciation of reform even despite lowering trust in the police

- Steps taken to overcome major obstacles hindering the new police, such as lack of meaningful staff changes and experience at the level of small towns and villages, would promote the evaluation of the reform effectiveness.

Public procurement reform:

- Low activity of citizens and their interest in the affairs of the country are reflected in poor awareness of the public procurement reform. This is evidenced by the gap between the public procurement reform's awareness and efficiency in favour of the efficiency

- These are the most important and the only sources for citizens to evaluate this reform, as only a small portion of the business sector is able to appreciate the ProZorro e-procurement project in terms of corruption prevention based on personal experience

- Meaningful government actions in implementing the reform in parallel with active PR help Ukrainians better assess the effectiveness of the public procurement reform.

Below are crucial findings and recommendations generated as at the end of the first year of the monitoring:

1. It is necessary to set clear indicators of reforms perception (KPI) for each topic.
2. Such indicators should be linked specifically to those communicators who deal with reform topics and communicate changes.
3. It is necessary to coordinate the efforts of those stakeholders who collaborate within reform (i.e., politicians, government officials, project teams, donor initiatives, and NGOs).

CASE STUDY 2: EDGE. Reforms structuring and monitoring

The Management Team of the Canadian technical assistance project EDGE (Agriteam) approached Dmytro Shymkiv's team in December 2014, when the Project Management Office of the National Reforms Council underwent the phase of concept finalization and execution of the funding agreement. There were two proposals received to support the future office:

1. Methodological support and training of future project managers, including engagement of foreign subject matter experts.
2. Structuring of reforms using a result-based management (RBM) methodology, whereby each reform is described at a particular timeframe in the form of results, which should (preferably) be achieved in the short-, medium-, and long-term.

International best practices have proved that a properly structured and planned reform allowed avoiding errors at the implementation phase and provided for high-quality monitoring and evaluation of progress as well as its effective communication to society.

Immediately after the establishment of the Project Management Office, the EDGE's experts held a strategic session at which project managers were introduced to the RBM methodology and worked out the reform passports for anti-corruption, education, and decentralization reforms as part of the group exercise.

The reform passport is a graphical representation of the logic behind reform in interrelated results to be achieved between now and the set time horizon. Reform passport is described in more detail in the chapter dedicated to the reforms structuring.

Support to project managers was not limited to a one-off training session. After the strategic session, representatives of Reform Task Forces were approached to develop reform passports meeting reform priorities and taking into account the ideas and opinions of key stakeholders. PMO's

project managers developed and approved reform passports in cooperation with EDGE's experts. In six months, their efforts resulted in priority reforms passports to serve as a beacon to planning and evaluating the progress among different stakeholder groups, including international organizations providing technical assistance to support reforms in Ukraine.

Some time later EDGE delivered the next training session to the project managers, which was dedicated to the development of reform action plans and setting of key performance indicators (KPIs) to evaluate success in reforms implementation. Action plans and performance indicators were determined in accordance with the pre-developed reform passports. This helped preserve a unified underlying logic in reforms structuring, planning, and evaluation.

Plans made up of specific initiatives and tasks were embedded in goal trees. This expanded matrix of reform's tasks and goals was named the logic model. Detailed description of the logic model using the anti-corruption reform as an example is presented in a separate section.

While the expanded logic models were developed for the majority of priority reforms, a system of key performance indicators has failed to be implemented in practice. However, it is impossible to overestimate the importance of cooperation with the EDGE project, as for the first time ever Ukraine saw a unified approach to reforms structuring.

Partnership key success factors:

- Professional competence of EDGE's staff
- Result rather than process orientation
- Fast decision-making and flexibility.

Why not all plans fully succeeded:

- Reform Task Forces did not handle all reforms as planned
- Different degrees of commitment of the ministers responsible for reforms.
- Insufficient communications of reforms

Key observations from cooperation with Agriteam and EDGE:

- The efficiency of cooperation between government institutions and donor projects is better when it has a long-term nature, is used in practical terms, and is based on a clear allocation of roles and well-defined ultimate outcomes.
- Although international organizations (projects) have access to diverse expertise and methodologies, only a part of them can be applied in today's Ukrainian realities. It is important to determine the expertise and resource to be mobilized to achieve success.
- Meaningful progress and tangible changes are secured through scaling up successful pilot projects and initiatives, which requires involvement of a wide range of relevant stakeholders.

CASE STUDY 3: Pact and Transparency International Ukraine. The launch of DeCorruption communication platform

There was the Framework Strategy for Anti-Corruption Communications and DeCorruption communication platform (hereinafter “the Platform”) developed based on the Anti-Corruption Reform Task Force.

The analysis of the successes and failures of the fight against corruption in Ukraine has shown that the critical gap was the lack of effective communication, the one that would foster zero tolerance for corrupt practices. One of the major problems is the imbalanced anti-corruption communications, especially in terms of geographic coverage and target audiences. Tons of negatively charged communications where emotions prevail over content is not conducive to the implementation of the reform and the willingness of people to drive changes.

The concept of the DeCorruption communication platform was developed specifically to balance the anti-corruption communications and ensure their consistency and comprehensiveness. It had (and has) to become a central communication platform bringing together all categories of stakeholders, providing equal access to resources and creating an objective perception of the reform progress by Ukrainian people and international partners.

It was thanks to international support that the DeCorruption communication platform was granted a chance for practical implementation. In May 2016, the USAID-funded Pact/UNITER project provided funding to lay a legal and content foundation of the Platform. The grant was provided through



Transparency International Ukraine – a leading Ukrainian non-governmental anti-corruption organization. For its part, Transparency International Ukraine received an additional resource to run yet another creative social ad campaign “Corruption must be spotted” which considered the fundamentals of the Framework Strategy for Anti-Corruption Communications.

The Pact’s grant covered only the first phase, i.e. preparation works and the public launch of the Platform in early September 2016. The following steps were implemented in addition to the public launch of the Platform:

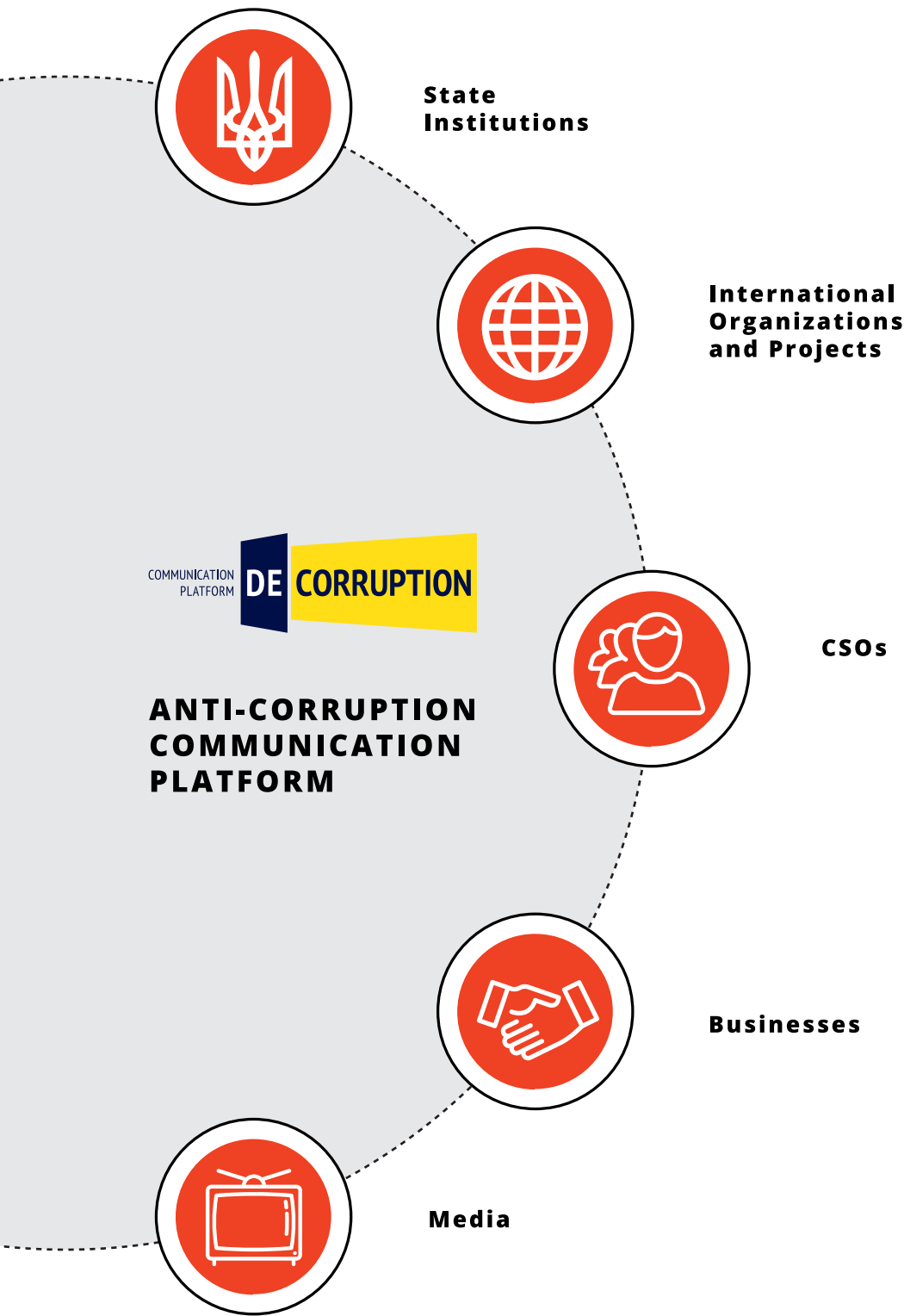
- Legal analysis and selection of the Platform’s functioning mode
- Name selection, as well as the Platform’s branding and styling
- Holding regional focus-groups to test the Framework Strategy’s assumptions

- Launch of “Corruption must be spotted” social ad campaign.

The project’s success and achievements were made possible through clearly allocated roles and responsibilities among members of the consortium:

1. Project Management Office: developing content for the Anti-Corruption Communications Framework Strategy and DeCorruption communication platform.
2. Transparency International Ukraine: “Corruption must be spotted” social ad campaign, overall responsibility for the awarded grant, formulation of the project plan and coordination of contractors.
3. Pact: provision of funding (grant), development of the project’s performance targets and control over their fulfilment.





Supports implementation of the anticorruption reform vision



Supports development of A/C policy and implementation of A/C strategy

- Mobilization of resources, including international donors and civil society, in order to identify problems/obstacles in a/c reform implementation
- Development of a/c policy through discussions with stakeholders
- A/c reform progress monitoring with regard to the implementation of a/c reform objectives and international obligations



Supports development of various communications tools and initiatives

- Comprehensive studies
- Joint a/c communications campaigns
- Joint investigations
- Public access databases
- Joint specialized media projects / publications
- Joint activities – conferences, round tables, seminars, etc



Supports more comprehensive, balanced and better-coordinated A/C communications

- Provides better coverage
- Instills belief in reform success through a balanced coverage of achievements and criticism
- Successful combination of communications initiatives



Trains, spreads experience and best practices in the field of A/C communications

- News, analytical articles, studies
- A/c resource libraries
- On-line training courses, trainings, seminars onefficient a/c communications, experience sharing sessions
- Extension services in the field of efficient a/c communications
- Outsource of resources to the state sector to conduct efficient a/c campaigns



Provides equal access and supports civil society development

- Equal access to communications channels / target audiences
- Equal access to resources, including donor financing
- Equal access to efficient tools to counter corruption
- Equal access to joint a/c communications campaigns

Key findings from cooperation with Pact/UNITER and Transparency International Ukraine:



NGOs and international projects which share mission and objectives can become allies and partners, providing the necessary human and financial resources



A combination of individual initiatives within a single project provides synergies in the outcomes, speeds up the achievement of objectives, and ensures a perceptible effect



Pact's well-tuned processes and controls, creativity and flexibility of Transparency International Ukraine, and content and strategic approach of the NRC Project Management Office rendered a winning approach to cooperation in launching the DeCorruption communication platform



TASKS

- ▶ Set up reputation of the National Reforms Council as the key platform for discussing reform by the key stakeholders moderated by the President with participation of the Prime Minister and Chairman of the Verkhovna Rada.
- ▶ Launch of new faces – people, working on reforms implementation in different priority topics.
- ▶ Reforms perception progress monitoring – development and launch of a tool

&

RESULTS

- ▶ Reforms perception monitoring launched: monthly tracking of knowledge, trust, and perception of the key priority reforms/topics
- ▶ Structured communications of priority reforms. System of events for explanation of reforms including progress and challenges. Press clubs Off-the-Record for the media and reform leaders (ministers, deputy ministers, project managers, etc.)
- ▶ More than 50% of Ukrainians have heard or know about the National Reforms Council (Kantar TNS Ukraine)



COMMUNICATING ON REFORMS TO THE PUBLIC EFFECTIVELY

Peter Ivanov

Analysing relevance of the topics in line with the reform agenda



Determining the relevance of the topic to communicate on depends on a number of factors. Let us try to structure these factors to see the bigger picture of the principles underpinning the formulation of the public agenda.

Relevance. The fundamental documents underpinning the establishment of the National Reforms Council included Ukraine-2020 Strategy for Sustainable Development, EU-Ukraine Association Agreement, Coalition Agreement, Government Action Programme, etc. These docu-

ments contained a list of priority reforms over a short time horizon. Consequently, there was formed a set of 18 priority reforms which made the backbone of the Project Management Office operations. A Project Manager was assigned to each reform, action plans, and key performance indicators were developed.

Noticeable progress. Stipulating reform in a strategic paper does not mean that such a reform has demonstrated significant progress. For example, in terms of progress, healthcare and public administration

reforms have remained in the red until key stakeholders reached a compromise and unblocked the progress on these topics. Communication on these reforms has long been aimed at raising attention to pressing issues, explaining slow dynamics and promoting reform facilitation plans.

Topics from the frontline plan and the back office plan. Same as with the business, the reform agenda contains topics from the frontline plan and the back office plan, whereby topics from the latter are less pronounced and have a rather narrow target audience. Frontline topics refer to decentralization and anti-corruption reform. Back office topics include deregulation and state-owned enterprise governance reform. All frontline reforms usually imply direct public involvement. For example, decentralization implies voluntary merger of communities, but post-Soviet lack of self-confidence and distrust for novelties hinder a more active involvement of the public in the amalgamation of communities. It is commitment, expectations management and changes in the perception of decentralization that will help streamline and accelerate the reform process. Deregulation is quite the opposite. There is no doubt that the actively engaged business community can make the government feel more confident in abolishing outdated regulations, standards, and procedures. However, such changes have to be carefully analysed by qualified regulatory and tax experts familiar with best international practices, since excessive deregulation may adversely affect business development and cause market chaos.

Social demand. There are topics and reforms that trigger public interest concerns like no others. It is possible to track one of the indicators of interest in a particular topic using regular press briefings of the National Reforms Council as an example. For instance, press events subsequent to debate over the tax reform commanded much greater attendance than the presentation of changes in the education or public administration sectors. Public opinion polls go to prove that people are sceptical about the overall progress of reform, as the Revolution of Dignity set high expectations. Social demand would be the best option to choose in this context of

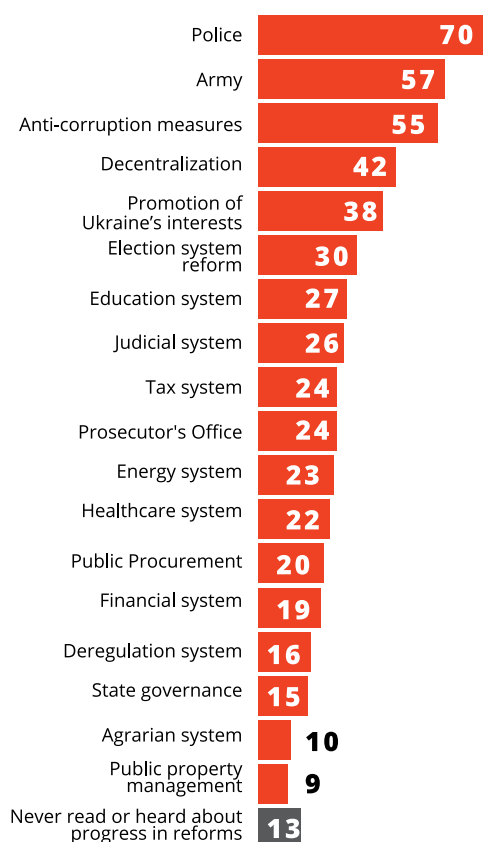
public promotion of reforms, as it reflects people's expectations.

Selecting a target audience according to available resources

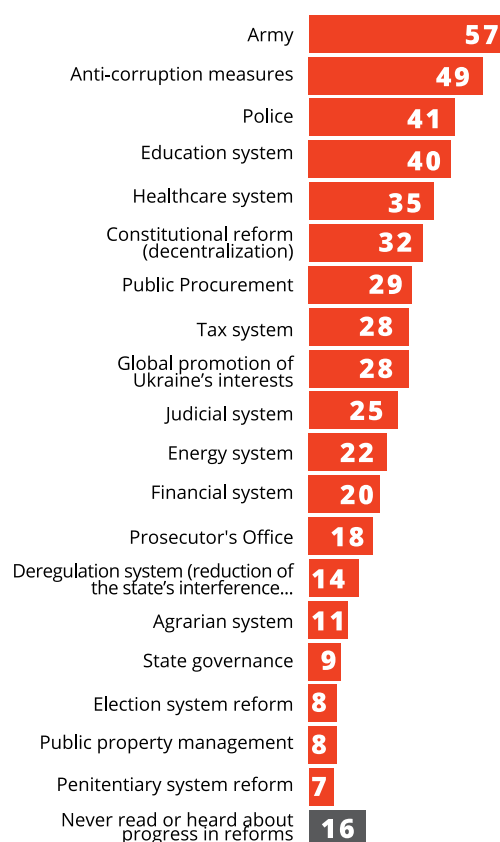
Who is the target audience for change agents? Each reform is the solution people yearn for as the commissioners of change. The challenge of targeting the right audience is that as a product or service the reform has a far larger reputation capital than any commercial product. The Revolution of Dignity raised public expectation to a level when reforms should progress much faster than it did in the neighbouring states.

Are communicators working in the change delivery teams strong enough to control expectations as a fait accompli? Communicators must be proactive in providing change-related content. A passive stand results in an increasing number of citizens taking a nonchalant attitude toward reforms. It is this trend that the comparison of reform perception monitoring results performed by TNS Ukraine illustrates (see the diagrams) – from 13% in November 2015 to 16% in December 2016.

November 2015,%



December 2016,%



The reform perception dynamics and availability or lack of public response underpinned the NRC's selection of a target audience for communication. The principle behind media relations was the audience building, whereby information about reforms had to be provided not only to core

publications and journalists, but to other media as well. This helped form a large pool of journalists, editors and bloggers who received information from the Project Management Office and the National Reforms Council.

Developing a communication plan and key messages. Selecting the right communication channels

Each reform has a range of stakeholders and parties concerned who attempting try to express their views publicly. That is normal. Such situation, however, poses a problem for topic communication teams. Availability of multiple stakeholders creates hinders the implementation of a coherent communication strategy, particularly absent a common set of performance indicators.

For example, communicators on decentralization include, among others:

- Press Service of the Prime Minister of Ukraine Volodymyr Groysman (together with a team of advisors)
- Petro Poroshenko, the President of Ukraine, also keeps decentralization in focus
- Press Service of the Ministry of Regional Development, Construction, Housing and Utilities, and Press Secretaries of Vice Prime Minister Hennadiy Zubko
- Central Reforms Office established with the support from the EU-funded U-LEAD with Europe Programme
- Project Office for Sectoral Decentralization set up with the support from the Expert Deployment for Governance and Economic Growth (EDGE) Project
- DESPRO, a Swiss-Ukrainian Decentralization Support in Ukraine Project
- A dozen other donor funded projects. It is hardly likely that a concerted communication strategy mindful of the interests,

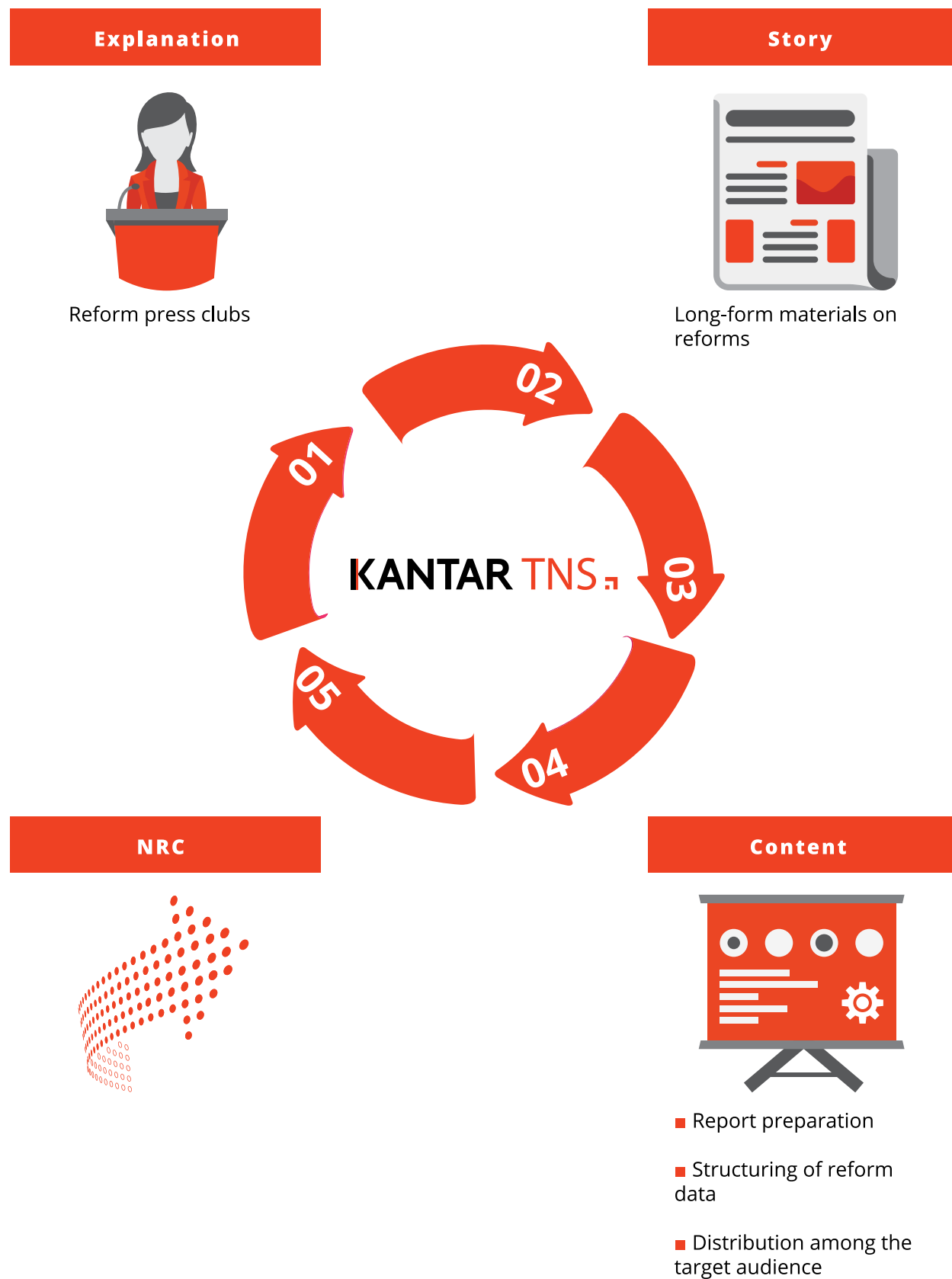
objectives and tasks of each party be designed in such an environment. However, there could be tactical projects proposed that would somehow consolidate the efforts of the majority and add strength to stakeholders' communication attempts.

The call attention to our focus, the communication platform of the National Reforms Council's Project Management Office was named "Particularly on Reforms". The soft spot of responsible teams' communication on reforms was (and still is) the lack of information flow on individual reform. Communication of changes often fades away amid daily routine of the ministries and agencies responsible for reform. A unique trait of being able to recover a reform from the ministerial routine was taken as the basis of the communication platform of the National Reforms Council's Project Management Office.



The call attention to our focus, the communication platform of the National Reforms Council's Project Management Office was named "Particularly on Reforms".

"Particularly on Reforms" communication platform



**Participants in
2015–2016**

Dmytro Shymkiv,
Secretary, National Reforms Council
Deputy Head of the Presidential
Administration

Andrii Pyvovarskyi,
Minister of Infrastructure
(in Yatseniuk government)

Volodymyr Omelyan,
Minister of Infrastructure
(in Yatseniuk government)

Oleksiy Filatov,
Deputy Head of the Presidential
Administration (responsible for the
judicial reform)

Khatii Dekanoidze,
Chief of the National Police
(till 2016)

Oleg Prokhorenko,
CEO, Ukgazvydobyvannia

Ihor Perehinets,
Deputy Minister of Health
(in Yatseniuk government)

Pavlo Khobzei,
Deputy Minister of Education and
Science of Ukraine

Nataliya Sevostianova,
Deputy Minister of Justice of Ukraine

Timur Khromaev,
Head of the National Committee on
Securities and Stock Market

Yuliia Klymenko,
Deputy Minister of Economic
Development and Trade of Ukraine
(in Yatseniuk government)

Hennadii Zubko,
Vice Prime Minister, Minister of
Regional Development

Stanislav Shevchuk,
Judge of the Constitutional
Court of Ukraine

Oleksandr Vodiannikov,
Member of the Judicial
Reform Council

Artem Sytnyk,
Director, National Anti-Corruption
Bureau of Ukraine

Volodymyr Demchyshyn,
Minister of Energy
(in Yatseniuk government)

and others...



Over 100 participants, journalists
and editors

A 2-hour upfront discussion of the
reform in an informal atmosphere

Preparing content for communication

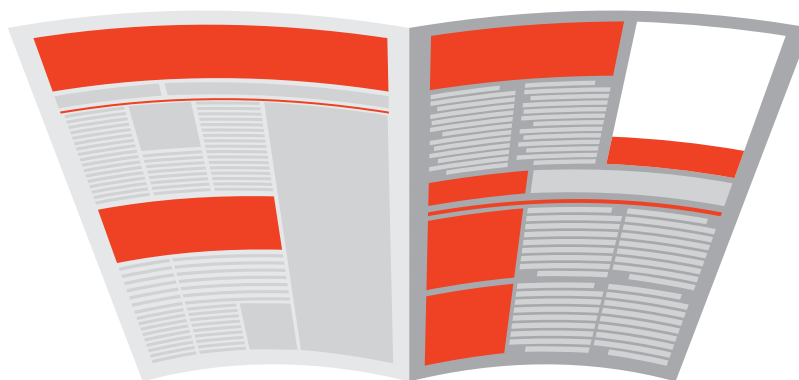
The cornerstone of communication is the need to create unique content. Thanks to the efforts of the PMO's project managers, the acquisition of necessary data on reforms was not time-consuming. Experts could address their queries directly. There are several types of content:

- Materials for quarterly and annual reports on reforms. In addition to analytical statement, report structure envisaged infographics (visual representation of data) reflecting the essence of reform
- Action plans and progress in implementing reform tasks. This information was crucial for reforms and highly valued by reporters
- Comments and opinions on a particular topic. One of the priorities of communication support to the Project Management Office was to develop new speakers on reforms. Using expert comments and interviews the Project Management Office formed its attitude toward various issues of reform
- Additional off-the-record information, which could be used to add strength to respective messages. Where it was necessary to attract attention to a matter, information could be leaked into media space using mass media or social media

When information is obtained, it does not necessarily mean that such information is

ready-to-use. The next step would be to structure such information and create an acceptable format. To that end, the National Reforms Council collaborated with a team of designers, layout designers, literacy editor, and copywriters who worked on long reads (analytical texts about reforms) for publications. Mindful of the shortage of staff and opportunities for its expansion, an opportunity was taken to submit high quality and structured content for reforms in the form of ready-to-use long reads. The National Reforms Council's Project Management Office team regularly prepared long reads for publication in *Novoye Vremia* and *Ukrayinska Pravda*.

— A crucial criterion of long reads quality has to be their objectivity that gives no room for “grass painting”



Evaluating the effectiveness of communications

Reforms reputation

Effective communications had to be structured around clear, transparent, measurable, and objectively evaluated KPIs. That is why it was necessary to prepare and launch the reform perception monitoring together with the professionals of Kantar TNS Ukraine, because such practice was common for advanced businesses.

The National Reforms Council is a platform for discussing priority reforms with the participation of key stakeholders of the political process: the President, Chairman of the Verkhovna Rada, Prime Minister, Members of the Cabinet, leaders of parliamentary coalition factions, MPs and representatives of civil society. Thanks to its high status, the National Reforms Council can not only coordinate reform-related decision-making process, but also track reform progress KPIs. In 2015 – Q1 2016, this was done using balanced scorecards. Therefore, reform perception monitoring had to become a logical contribution to a set of indicators representing both the progress in implementing reform tasks and society's reflection thereon.

For the time being talks about reforms reputation management remain a quasi-fictional reflection. However, it will eventually become a necessity.

As far as communications are concerned, priority reform perception monitoring brings about additional potential in the form of in-depth reputation indicators developed to assess the public's attitudes towards various topics. It is common practice for large international business



companies to develop structured reputation management models for key public aspects of operation: products/services, innovativeness, asset management quality, company as an employer, etc. There are recognized approaches and contractors focusing on setting up and tracking reputation indicators.

An integral part of any reputation model is sociology – field measurements of public perception/attitude towards the topic. The available reputation monitoring experience egged on designing a similar model for the priority reforms reputation monitoring. Such model could have enabled communication teams within each reform area to receive media monitoring and digital environment evaluation results, as well as findings of sociological studies of reform aspects. They could have been

equipped with a comprehensive tool to generalize all monitoring formats using a single model.

The regularly acquired data could have become the very KPIs that underpin the development of communicators' controlled strategies to facilitate reforms and formulation of tasks for a further period. Unfortunately, such a strategic approach has turned to be unseasonable for Ukraine's communication agenda. The majority of communication initiatives in relation to reforms are sporadic and often ooze away in the daily information routine of the government institutions.

Only a project-based approach whereby the communication component is meaningfully built into promotion of a topic/reform/decision brings about more or less qualitative outcomes. ProZorro is the vibrant example of such an approach.

The following mandatory preconditions enable "reform reputation":

- Political will of reform leaders (ministers, deputy ministers, project managers)
- Availability of a single coordination centre that could have become a hub for analysing reform promotion communication campaigns
- Communicators' consensus around using a single reforms reputation model. Engagement of Chairpersons of Press Services of ministries and agencies
- Linking evaluation of communicators' performance effectiveness to reform reputation KPIs. At least additional premiums, if not salaries.

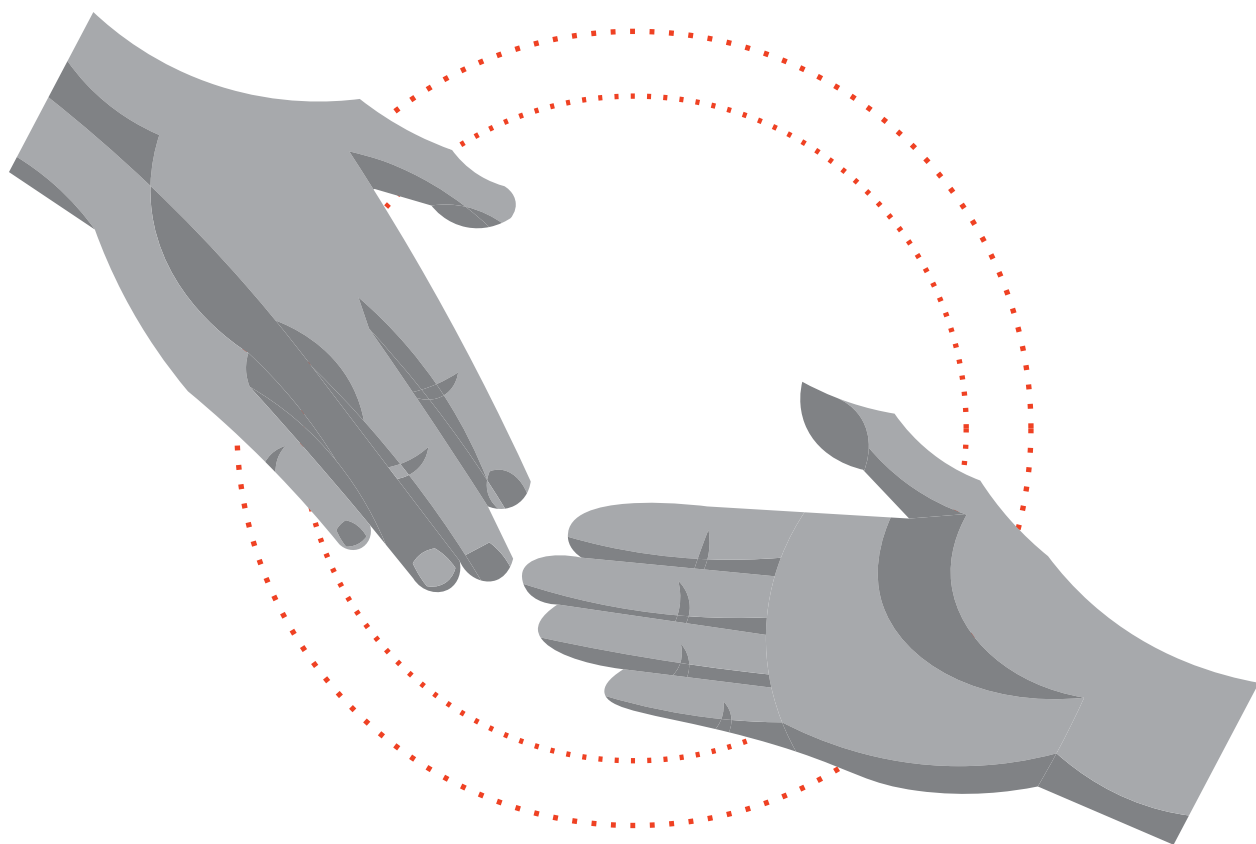
In any case, the application of more delicate and deeper measures for setting strategic objectives of reform communication is a matter of time. Mindful of the low level of trust in the government institutions that are key stakeholders in reforming the country, the approach will encourage progressive forces having a single approach to reforms communication management.

Reputation of the National Reforms Council

At the inception of "Particularly on Reforms" communication platform we did not set clear KPIs for the National Reforms Council. The reason was the uniqueness of the project, which was approached as a start-up in reforms promotion and facilitation. Of course, after a while we began forecasting the dynamics of media performance and social media operating efficiency indicators. As for perception monitoring, in December 2016 a question about the National Reforms Council was added to the questionnaire. The results were quite surprising, considering that resources spent on promotion were rather limited.

28% of respondents believe that the NRC was responsible for the progress in implementing reforms. The President, Government, and Parliament have greater responsibility. In the opinion of the majority of respondents, NGOs, the EU, and the US are the true driving forces behind reforms. It should be noted at this point that the European Bank for Reconstruction and Development funded the Project Management Office of the National Reforms Council.

The next bloc of questions pertained to the awareness about the NRC. 13% of Ukrainians are aware of the activities of the National Reforms Council, while 17% consider its operation to be effective.



TASKS

&

RESULTS

Stakeholders Management

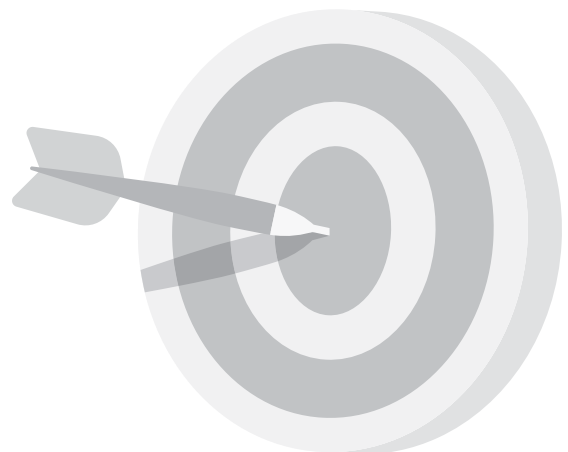
- ▶ Involve a wide range of stakeholders in the reform process
- ▶ Create a system of for holding content discussions and achieving a consensus over reforms planning and implementation

- ▶ The system of instruments has been developed in cooperation with different categories of stakeholders at all levels of administration (from the general political to operational level)
- ▶ The concept of dedicated reform teams has been approved; the NRC resolved to form such teams on February 17, 2015

Activity of Donors Groups

- ▶ Ensure continuous cooperation and strategic partnership between state institutions and international organizations/projects
- ▶ Achieve a higher degree of conformity between the government's reform priorities and those of the donors

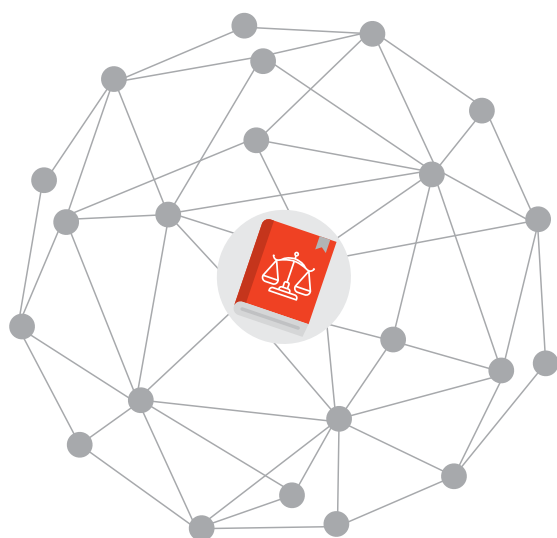
- ▶ The activity of thematic donor groups has been restructured in line with 18 approved reform priorities in Ukraine
- ▶ The communication and cooperation of donor groups with dedicated reform teams of ministries have been established



STAKEHOLDERS MANAGEMENT

Igor Goncharenko

Stakeholder definition and classification



Reform creates a shared sense of purpose and is a concerted process in which everyone participates within their capabilities and responsibilities. A synergy of coordinated actions of different stakeholders helps achieve the desired result. Absent such synergy, most reform initiatives simply fail to succeed

Implementation of reforms is a collective matter. It is not the responsibility of an individual ministry, agency, or even a branch of government. Reforms bring positive changes affecting the society as a whole. Therefore, joint responsibility exists for these changes, though roles and functions must still be allocated.

In the reform context, stakeholders are individuals, groups or organisations that can impact or be impacted by reforms. For a reform initiative to be successful, it is

essential at the early planning stage to classify key stakeholders, identify their interests and agenda within the reform. The operations of the National Reforms Council and its Project Management Office along with their accomplished achievements go to prove that a timely identification of key stakeholders and consistency in working with them are the most crucial cornerstone of success in implementing reforms, especially when it comes to targeting quick wins.

In their operations, NRC and PMO teams were using the following principles/mecha-

nisms to ensure effective stakeholder engagement:

- 1.** Members of the National Reforms Council included top-level representatives of all branches of Ukrainian government and civil society leaders.
- 2.** Reform Task Forces set up under responsible ministries brought together operational-level representatives of government agencies, business community, international organizations, civil society and mass media to evaluate progress-to-date in implementing reforms as well as foster specific initiatives and tasks.
- 3.** Thematic donor working groups brought together representatives of international organizations and projects within specific reforms and provided a platform for regular communications with the National Reforms Council and government institutions to align priorities and achieve synergies in reforms implementation.
- 4.** Involvement of project managers in the work of the Cabinet committees and working groups, as well as relevant parliamentary committees rendered effective mechanism for upholding priority executive decisions and draft laws.
- 5.** The NRC's regular reporting and ongoing communications on reforms provided a broad spectrum of stakeholders with a comprehensive and unbiased assessment of reforms progress, and set out priority next steps.

Setting up operational multi-stakeholder working groups

The constituent meeting of the National Reforms Council of December 24, 2014 saw the draft National Reforms Governance Model outlining the NRC's role and responsibilities presented by Dmytro Shymkiv, Deputy Head of the Presidential Administration of Ukraine. The model also specified new teams to facilitate the implementation of resolutions carried at the NRC meetings. More specifically, this refers to Reform Task Forces (RTFs) which had to be established under the ministries and agencies responsible for implementing 18 priority reforms.

The NRC members upheld the concept, approved the list of central executive agencies responsible for priority reforms, and resolved to set up Reform Task Forces at the NRC meeting held in February 2015. The composition of each RTF envisaged a respective manager from the NRC's Project Management Office to organize and coordinate RTF's activities, arrange meetings and record resolutions carried, as well as monitor and communicate the progress in implementing reforms. It was proposed that RTF be chaired by a deputy minister (head of a central executive agency), while the manager of the Project Management Office acted as secretary.

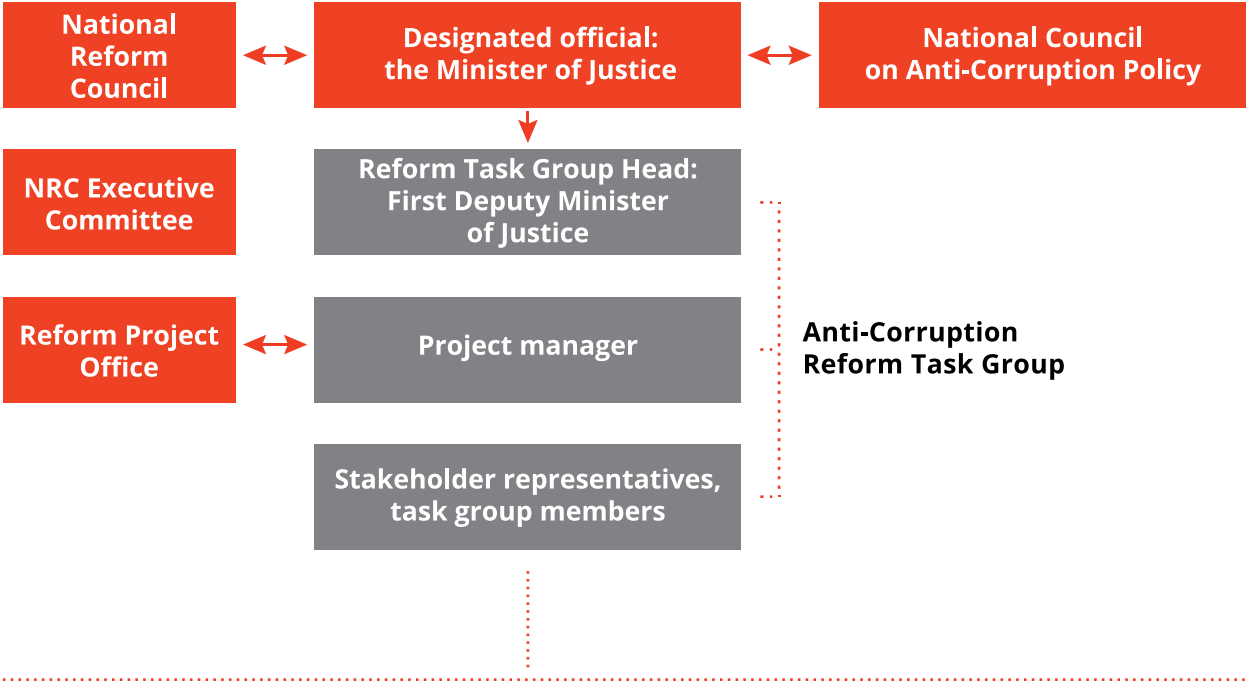
Most RTFs were set up by orders of the relevant ministries in February-March 2015. However, after the establishment of the Project Management Office and recruitment of the project managers for reforms, some RTFs were re-formatted to optimize their composition and structure in line with the concept approved by the NRC.

Design of the Reform Task Group approved at the NRC Meeting



good example of an effective RTF was the anti-corruption team set up under the Ministry of Justice of

Ukraine as the pivotal institution responsible for implementing the anti-corruption reform.



Government agencies	Community organizations	International organizations and experts	Other stakeholders
<ul style="list-style-type: none"> ■ Ministry of Justice ■ Anti-Corruption Committee ■ Anti-Corruption Committee of the Verkhovna Rada ■ National Anti-Corruption Bureau ■ National Agency on Corruption Prevention ■ Specialized Anti-Corruption Prosecutor's Office 	<ul style="list-style-type: none"> ■ Transparency International Ukraine ■ Center of Political and Legal Reform ■ Anti-Corruption Center ■ Eidos Center 	<ul style="list-style-type: none"> ■ EU Delegation to Ukraine ■ EU Advisory Mission ■ Council of Europe ■ UNDP ■ OEEC ■ EDGE ■ Renaissance Foundation 	<ul style="list-style-type: none"> ■ Business Ombudsman Office ■ Business Associations ■ Mass media / Online anti-corruption resources

The composition of the restructured Anti-Corruption RTF was approved by order of the Minister of Justice dated 18 May 2015. Deputy Minister of Justice Natalia Sevostianova was appointed Head of the Reform Task Force, Igor Goncharenko, Anti-Corruption Manager at the NRC's Project Management Office, acted as Secretary. June 12 saw the RTF's first meeting whereby its operating procedure was approved and the resolution was carried to enlarge its composition. During a year there were seven RTF meetings held, whose agenda usually included the following items:

- Updating on priority reform's areas

- Approving progress evaluation plans and indicators

- Quarterly and annual evaluation

- Reviewing proposals for individual projects/initiatives

- Discussing the progress made on individual projects/initiatives commenced by the RTF members.

Each meeting averaged 2.25 hours.

Example of the Anti-Corruption RTF meeting agenda

ПОРЯДОК
проведення засідання
Цільової команди реформ
у сфері очищення влади та антикорупції

17 березня 2016 року, 14:00 год
(розрахункова тривалість 2 год.)
Міністерство юстиції України,
пр. Рильський, 10

1. Статус по ключовим поточним процесам у реформі:
 - Відбір членів НАЗК
 - Створення та запуск системи електронного декларування
 - Створення ДБР
 - Створення Національного агентства із розшуку, арешту та управління майном, здобутим злочинним шляхом
 - Розслідування корупційних правопорушень: НАБУ та САП
Наталія Севостьянова, Ірина Данько, Максим Грищук.
2. Пріоритети в антикорупційній реформі на 2016 рік.
Наталія Севостьянова, Ігор Гончаренко.
3. Створення моделі взаємопов'язаних документів по реформі: паспорт, план дій, показники оцінки прогресу.
Руслан Кундрік, Ігор Гончаренко.
4. Розробка рамкової стратегії антикорупційних комунікацій: статус.
Члени відповідної робочої групи.
5. Розробка та впровадження правил поведінки держслужбовців: статус.
Анна Чухай, Катерина Бондар.
6. Запровадження загально національного антикорупційного навчального курсу у середніх навчальних закладах.
Ігор Гончаренко.
7. Інші питання (за потребою).

Minutes were drawn subsequent to each meeting listing the resolutions carried. Although the RTF's resolutions were advisory in nature, they helped document the members' stance and escalate certain matters to the Minister of Justice, Cabinet of Ministers, or National Reforms Council if required. The RTF activities contributed, among other things, to the implementation of the following tasks:

- Development and approval of the anti-corruption reform passport (logic model)
- Development, approval and regular assessment of the scorecard
- Preparation of the meeting of the National Reforms Council dedicated to the prevention and combating of corruption (held on 18 September 2015)
- Preparation and holding of the International Anti-Corruption Conference "Preventing. Fighting. Acting." on 16 November 2015 in Kyiv
- Development of the Framework Strategy for Anti-Corruption Communications
- Development and launch of the DeCorruption communication platform
- Initiation of discussion on anti-corruption training courses in Ukraine's educational institutions
- Support and promotion of the first-of-a-kind anti-corruption comics
- Settlement of conflict around appointment of civil society representatives to the National Agency's for Prevention of Corruption Selection Commission.

In addition, the RTF has become a platform for regular and meaningful communications among the reform's various stakeholder groups. Such communications often transformed into cooperation on specific initiatives/projects.

There were the following working groups set up as part of the Reform Task Force to cooperate in the implementation of the following initiatives:

- Anti-corruption reform passport development

- Preparation and holding of the International Anti-Corruption Conference

- Development of the Framework Strategy for Anti-Corruption Communications. Compared with the RTF, these working groups met as often as weekly for 1-2 hours on average, and presented their findings at the regular RTF meetings.

Why did the operation of RTFs come in useful for the implementation of reforms:

- Bringing together representatives of different stakeholders in one team

- The operational level of RTF members, who were capable of creating the end product and delivering tangible results

- Communications with the National Reforms Council – a platform for high-level political decision-making

However, there were factors that hindered the efficiency of RTF operations:

- No formal authority to implement reforms. In the case of anti-corruption reform, though the Ministry of Justice was responsible for the reform, it could not in any way influence most of the government institutions involved in the reform implementation

- Insufficient participation of NGOs representatives in the RTF meetings, including involvement in the operations of working groups and provision of comments and suggestions on issues discussed in-between.

Stakeholders involvement in joint initiatives and communications

Reform creates a shared sense of purpose and is a concerted process in which everyone participates within their capabilities and responsibilities. A synergy of coordinated actions of different stakeholders helps achieve the desired result. Absent such synergy, most reform initiatives simply fail to succeed. The International Anti-Corruption Conference “Preventing. Fighting. Acting.” is a vibrant example of the effective partnership achieved among government, international donors, and the business community.

Without a dime of public funds spent, the event gathered up to 1,000 target participants and 40 high-level speakers from over 10 countries. The Conference held in Kyiv on November 16, 2015, has become the largest professional public event in the field of prevention and fighting corruption ever run in independent Ukraine’s history.

The initiative to hold the Conference was elaborated at the Anti-Corruption Reform Task Force established under the Ministry of Justice in May 2015 and led by the Deputy Minister of Justice Natalia Sevostianova. The RTF members resolved to set up a special working group to organize the Conference. Organizations whose representatives joined the said working group became official partners of the Conference.

Partners of the event included the following international organizations, donors and projects:

- Organisation for Economic Cooperation and Development (OECD)

- United Nations Development Programme in Ukraine (UNDP)

- EU Delegation to Ukraine

- Council of Europe Office in Ukraine

- Expert Deployment for Governance and Economic Development (EDGE) Project

- PACT/UNITER (USAID)

- The EU Project “Support to the Implementation of the Judicial Reform in Ukraine”

- European Union Advisory Mission (EUAM) Ukraine

- International Renaissance Foundation.

The European Business Association (EBA) was the exclusive business partner of the Conference.

Media partners included “24” and Ukraine Today TV channels, Interfax News Agency, and Novoye Vremya magazine.

The Conference was organized by the Project Management Office of the National Reforms Council and the Ministry of Justice of Ukraine.

The Conference spanned some of the crucial areas for anticorruption reform:

1. corruption prevention,
2. corruption investigation and sanctions,

3. assets recovery,
4. zero-tolerance to corruption, effective parliamentary and civic oversight mechanisms,
5. pivotal role of anti-corruption initiatives in implementing sectoral and regional reforms,
6. role of business in reducing corruption in Ukraine.

The conference brought together all stakeholder groups involved in preventing and combating corruption: detectives, investigators, public prosecutors, judges, anti-corruption experts from various ministries and agencies, members of Parliament, businesspersons, civil society representatives and investigative journalists.

The conference also gathered a wide spectrum of participants coming from international organizations, foreign embassies, and other diplomatic missions, which had been the driving force behind the anti-corruption reform by providing financial and expert support and exerting some outside pressure.

There was a newsletter containing key statements of the speakers and their recommendations to Ukraine published subsequent to the conference.

Hence, the initiative stemming from a one-page concept presented at the meeting of the Anti-Corruption Reform Task Force has turned into a large-scale international event in terms of both content and organization. The Conference delivered international best practices for various avenues of the anti-corruption reform, which is of paramount importance for Ukraine, gathered key stakeholders, including law enforcement officers and judges, and formulated the reform priorities. At that, not a dime of public funds was spent on the event.

The factors behind the Conference success were as follows:

1. Forming a standalone working group consisting of the representatives of key international organizations supporting the

anti-corruption reform in Ukraine, and business community. The working group had been meeting weekly over two months. Each member of the group had clear tasks, whose performance was discussed and evaluated at each meeting. Key decisions were made jointly.

2. Each member organization of the working group allocated certain administrative, organizational, technical, financial, expert or other resources to hold the event. Consequently, the event was financed entirely out of private funds and in the amount sufficient to provide top-class speakers, premises and maintenance.

3. Support rendered to the Conference concept at the National Reforms Council's meeting allowed engaging the President and Prime Minister, a number of senior officials, and ambassadors of foreign countries.

4. The structure and content of the Conference were thoroughly elaborated. In addition, appropriate speakers with relevant experience capable of delivering speeches that resonated with the audience were selected. The Conference had no political overtone as participants expressed their opinions backing them up with facts rather than emotions.

5. Targeting the audience to engage those representatives of government, business, civil society, and international organizations who influence decision-making process in relation to the planning and implementation of the anti-corruption reform in Ukraine.

6. Special emphasis was placed on pre- and post-conference communications. Communications covered a variety of formats and channels (announcements, feature articles and interviews, press events, event-dedicated website, etc.)

Main Page of International Anti-Corruption Conference

English
українська



Підтримка новостворених державних антикорупційних інституцій

[Головна](#) [Про конференцію](#) [Програма заходів](#) [Галерея](#) [Сторінка акредитації](#) [Трансляція](#)

Запобігаємо. Боремось. Діємо.
Міжнародна антикорупційна конференція
16 листопада 2015 року
НСК "Олімпійський", м.Київ

[Оформити заявку](#)

Організатори



Міністерство юстиції України

Партнери конференції









Медіапартнери



За технічної підтримки 



Фонд підтримки реформ в Україні

ЗАПОБІГАЄМО. БОРЕМОСЬ. ДІЄМО
Міжнародна антикорупційна конференція

190

Functioning of donor working groups

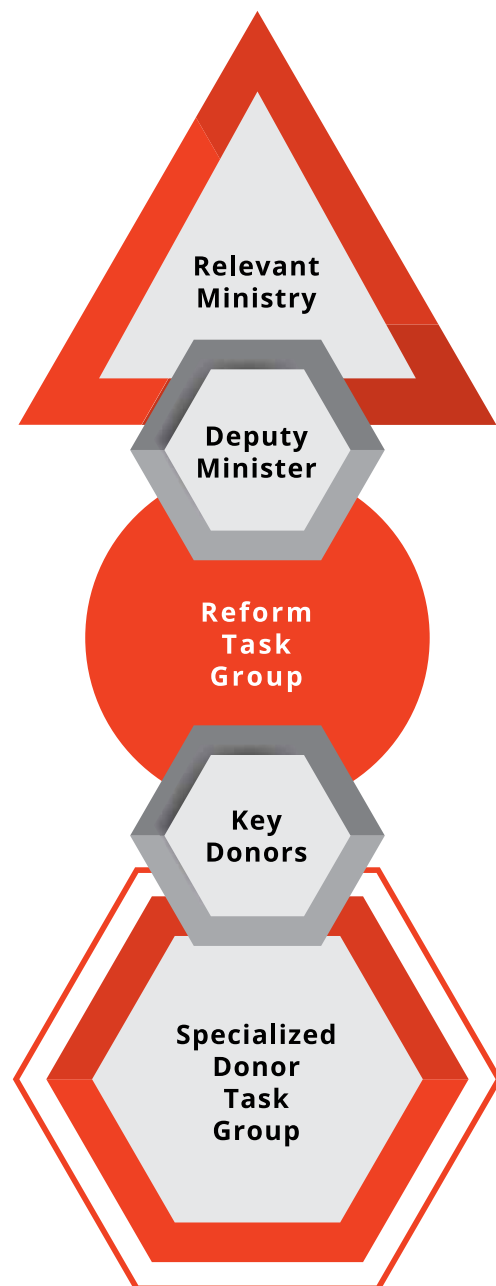
The Revolution of Dignity gave civil society carte blanche to drive changes. However, Ukraine's internal resources were and still are rather limited. Hence, absent financial, expert, and technical assistance from our international partners, it would have been much more difficult, if not impossible, to implement reforms. It is hardly unlikely that capable military, new police, or operational Anti-Corruption Bureau could have been possible without outside support.

Outside support has certainly increased after the Revolution, same as risks of failing to use committed resources with maximum efficiency. There were several reasons for such risks, including broad geographical distribution, different categories of donors and projects, lack of overall coordination of various initiatives, etc. The need for donor coordination was evident. There were up to 30 thematic donor working groups centred around specific reforms or activity areas. However, the efficiency of such coordination was all the same limited given the fact that:

- There was no regular cooperation&communication with government officials
- There was no relation with strategic priorities on the government's reforms agenda.

To improve the overall effectiveness of the international technical assistance to Ukraine, upon the initiative of the EU Delegation to Ukraine donors jointly resolved to re-structure thematic donor working groups in line with 18 priority

Diagram of Cooperation between the NRC and the Donor Community



reforms approved by the National Reforms Council. According to the new layout, the Reform Task Forces under ministries responsible for reforms had to interlink donors and ministries in implementing reforms.

The donor coordination system was restructured to:

- Back the Ukrainian government in implementing the reforms and ensuring progress by improving the efficiency and coherence of donor support
- Focus on supporting reforms in line ministries to lay a solid foundation for cooperation
- Act within the framework of jointly agreed reform priorities subject to political consensus reached through the National Reforms Council
- Facilitate strategic dialogue between donors and government on the progress in achieving the reform objectives set out within the monitoring framework
- Make thematic donor working groups the primary mean to reach common ground and respond to critical issues.

Restructuring of the donor groups was carried out in the summer of 2015, whereupon a part of them intensified their efforts. Unfortunately, not all groups met regularly and worked effectively to coordinate and support reforms in equal measure. Groups on decentralization, anti-corruption, and infrastructure ranked as one of the best examples of donor group operations. Some groups have hardly ever met.

The following factors contributed to the success of individual restructured working groups:

- Proactive approach of donors leading their respective groups
- NRC's project managers involvement in coordination
- Line ministry's willingness to cooperate.

At the same time, the following factors constrained working groups operational efficiency:

- Insufficient result orientation
- Insufficient consistency of donors' priorities with the reforms priorities set by the government
- Certain degree of competition between donor projects aimed at supporting the same institution or initiative
- Little openness and inflexible donors' policies and procedures.

There is still potential to raise efficiency in donor assistance. However, an effective central government coordination mechanism and donors' willingness to cooperate with one another and join efforts in achieving Ukraine's priorities will be indispensable in accomplishing the change.

Authors

Dmytro Shymkiv	Secretary of the National Reforms Council, Deputy Head of Presidential Administration of Ukraine-wide
Anna Chukhay	Former member of PMO, member of National Reforms Council Support Office
Igor Goncharenko	Former Acting Head of PMO, Project Manager for Anti-Corruption Reform
Valeriy Pekar	Co-founder of the “Nova Kraina”
Dmytriy Romanovich	Project Manager for Deregulation Reform
Kristina Goutsalova	ProZorro Team
Oleksandr Starodubtsev	ProZorro Team
Peter Ivanov	Head of Communications, National Reform Council Support Office
Maryna Krasnopolska	Project Manager for SED
Sergiy Gayda	Project Manager for State Owned Enterprise Reform
Olena Simonenko	Project Manager of Decentralization Reform
Ivan Khilobok	Project Manager for the Public Administration Reform
Mariia Gornostai	Project Manager for Digital Ukraine

HOW-TO, OR REFORMER'S MANUAL

Project Management Office of the National Reforms Council:
experience, achievements, lessons learned

Project Head: *Dmytro Shymkiv*

Editorial Board: *Anna Chukhay, Igor Goncharenko, Peter Ivanov*

Literary Editors: *Andriy Bash, Olena Zvarych*

Designer: *Oleksandr Nesterenko*

The National Reform Council Support Office

Foundation for Support of Reforms In Ukraine

Approved for printing in 2017
Format: 205 x 290 mm
Issue: 2000 items

Print: RVS Print
04112 Oleny Teligy, 4
office@rvs.com.ua