



British Embassy  
Kyiv



Centre of Policy and  
Legal Reform

# **BRIEF**

## **PUBLIC ADMINISTRATION REFORM**

**Kyiv**  
**2023**

*This publication was funded by the UK government as part of the project «Ukraine after the victory: preparation and communication of reforms for the implementation of "Vision of Ukraine - 2030"», implemented by Centre of Policy and Legal Reform. The views expressed in this publication are those of the author(s) and may not coincide with the official position of the UK government*

## CONTENT

<i>1. Key Public Policy Events in the Area of Public Administration Reform .....</i>	<i>3</i>
<i>2. Key Problems and Challenges as of the Beginning of 2022 .....</i>	<i>6</i>
<i>3. International Standards in the Area of Public Administration Reform .....</i>	<i>7</i>
<i>4. Current plans of the authorities for 2022 .....</i>	<i>9</i>
<i>5. The influence of the war and martial law on the public administration area.....</i>	<i>12</i>
<i>6. Current plans of the authorities as of the end of 2022.....</i>	<i>13</i>

## **1. Key Public Policy Events in the Area of Public Administration Reform**

Upon becoming independent in 1991, Ukraine de facto inherited the post-Soviet system of public administration, which assumed that the Government's task was only to implement the laws and decisions of the Parliament and the President. It was not tasked with making the development policy. This was reflected in the text of the corresponding section of the 1996 Constitution and in the 10-year "soccer-ball bounce" orchestrated by then-President Kuchma regarding the Law on the Cabinet of Ministers, which was adopted by Parliaments of three convocations on 8 separate occasions and vetoed by the President as many times. Only after 1999, some changes started to occur to implement the 1998 Concept of Administrative Reform. The Law on Civil Service, despite being adopted in 1993, only declared the existence of this institution without creating quality mechanisms for its development.

Only after the Constitutional amendments in 2004, following the first confrontations between the Government and the President, did the politicians agree to adopt the Law on the Cabinet of Ministers (1997, new version in 1998) and the Law on the CEAs (2011). However, the new law on civil service was adopted and came into force only after the Revolution of Dignity, and the new Government under Prime Minister Groysman managed to approve the Strategy of Public Administration Reform (CMU Order № 474 of 24.06.2016).

The goal of public administration reform was to transform the post-Soviet public administration system into a European-style public administration system. Among the priority areas of reform was the organization and activity of the CMU and the system of CEAs, civil service, and administrative services.

Thus, the tasks of the reform were as follows:

- strengthening the institutional capacity of the Government and the ministries on analyzing and making the state policy, distribution of powers regarding state policy making between them, and maximized transfer of state policy implementation to other CEAs (government bodies - services, agencies, inspections, etc.);

- strengthening accountability and efficiency of all executive authorities;

- providing the executive branch authorities with qualified personnel with high level of integrity, capable of performing the functions for the making or implementation of state policy assigned to these bodies;

- decentralization of administrative services, development of electronic administrative services, and legislative regulation of general administrative procedure.

The main achievements of the reform were as follows:

- adoption of the new Law "On Civil Service" (in effect since 2016), ensuring its implementation via regulations, and transparent competitions for entry into civil service;

- creation of the state secretary position in ministries, and appointment of state secretaries to all ministries on a competitive basis;

- creation of policy-making directorates in 8 pilot ministries.

In order to ensure creation of directorates, the Concept for the introduction of experts on reform matters (CMU Order № 905-p of 11.11.2016) and the Concept for the optimization of the system of CEAs (CMU Order № 1013-p of 27.12.2017) were adopted.

In 2018, experts of the OECP SIGMA Program, at the request of the Government of Ukraine, conducted a basic measurement on the compliance of the public administration of

Ukraine with the European principles of public administration and prepared a corresponding report.

It noted positively the adoption of the Public Administration Reform Strategy and the document's consistency with the main areas of the Principles of State Administration. However, shortcomings were also noted.

*Strategic principles of public administration:* Lack of financial stability of the public administration reform, overly ambitious planned deadlines of implementation of reform tasks and measures, inconsistency of a number of strategic documents, and low level of effectiveness of monitoring mechanisms were identified as the main shortcomings.

*Policy making and coordination:* Low level of political and administrative management; duplication of powers and lack of a system of government center agencies; weak system of coordination mechanisms for European integration at the administrative and political levels; low level of planning and reporting; poor oversight system by the CMU regarding quality of ministries' draft legislative acts and practices of ignoring the governmental mechanisms of preparing of draft legislative acts; lack of coordination mechanisms between the government and the Parliament; lack of ministries primary role in policy making; deficiencies in ensuring quality assurance of draft acts; low level of civic oversight; and lack of clearly defined political responsibility for policy in the area of civil service were identified as the main shortcomings.

*Accountability:* Inconsistent model of accountability and management of CEAs, excessive centralization of internal management processes; insufficient institutional system's coordination of state policy in the area of access to public information, and low level of control by the Accounting Chamber and the Ombudsman in accordance with the recommendations provided by them in the process of supervision. were identified as the main shortcomings

*Civil service and human resources management:* Insufficient attractiveness of civil service and lack of transparency in the formation of competition commissions, lack of standardized list of requirements for positions in upper civil service ranks, poor remuneration system for civil servants (variable components, lack of information, low motivational effect), lack of systemic analysis of training needs and disregard for individual development needs, and high level of corruption and limited terms of bringing to responsibility were identified as the main shortcomings.

In 2018, experts of the CPLR and the EU4PAR Project, with the participation of representatives of the CMU Secretariat, developed a comprehensive draft law "On the CMU and the CEAs", which was supposed to enshrine all changes provided for by the Strategy and the regulations directed at its implementation, but it was never introduced to the Parliament by the Government.

On 27 December 2017, the CMU approved the Concept of Optimizing the CEAs system, which was supposed to solve the problems and become an important step in the process of implementing the public administration reform. The concept, in particular, determined the introduction of positions of reform specialists as an integral component of reforming ministries.

Policy directorates were created in 8 pilot ministries, as well as in the CMU Secretariat. At the same time, the directorates were not always created properly, they did not cover all areas of state policy, and they often did not fulfill their intended purpose but instead engaged in addressing operational tasks of the ministries. At the same time, the drafting methodology and samples of programmatic and strategic state policy documents

(analytical note, “green book”, “white book”, concept, strategy, program, etc.) were not developed.

All legal regulations necessary for the implementation of the new Law “On Civil Service” were adopted. The level of capacity of the NACS has increased. The Commission on Upper Civil Service Corps was functional. Appointments to civil service positions were conducted on a competitive basis.

In 2019, following the presidential and early parliamentary elections, a radical change of political leadership occurred in Ukraine, which in turn led to the change of power at all levels and affected the course of reform in general.

O. Honcharuk’s Government’s Action Program set the state policy making as the Government’s main task. It was planned to build an integrated system of state policy assessment, conduct functional analysis of the entire state apparatus and eliminate excessive functions and agencies, reform the management system of state-owned enterprises, which would allow ministries to focus on policy-making rather than on the management of state property. However, there was apparently more interest in the digitalization of processes in the public administration system rather than in the systemic revision of the Reform of Public Administration Strategy and its further improvement. In December 2020, changes were made to the Regulations of the CMU, which partially took into account the recommendations of SIGMA experts provided based on the results of the baseline measurement in 2018 regarding the formation and coordination of state policy. During 6 months its tenure, O. Honcharuk’s Government failed to demonstrate significant progress in the area of public administration reform, although the obligation to create directorates was extended to all ministries.

D. Shmygal’s Government’s Action Program declares the following intents: improvement of governmental decision-making process to ensure effective implementation of laws and making of state policy, strengthening the capacity of CEAs that ensure the quality of government’s decision-making, optimization of the organizational structure and process of interaction among CEAs, and divesting them of non-typical functions. In the area of civil service, it was envisioned, among others, to bring civil service legislation into compliance with the principles of public administration defined by SIGMA/OECD, introduce an information system for human resources management, introduce a transparent classification of civil service positions, increase the fixed portion of civil servants remuneration structure to 70%, and implement an effective system for assessing the effectiveness of official activities.

However, the Verkhovna Rada of Ukraine failed twice to approve the Government’s Action Program. On October 2, 2021, the Prime Minister presented a revised program at a meeting of the “People’s Servant” Party faction, but as of the beginning of 2022, the program had not been submitted for the Parliament’s consideration.

In 2020, the Cabinet of Ministers of Ukraine approved the Concept for reforming the system of remuneration of civil servants and the plan for its implementation.

Growing influence of the President on personnel appointments of ministries and other CEAs leadership was an important factor that influenced the state of reforms implementation. This situation led to weakening of the Cabinet of Ministers of Ukraine and reduced the level of political leadership in reforms. Furthermore, at least the last three prime ministers de facto did not form the membership of the Cabinet of Ministers of Ukraine.

Targeted amendments to current laws of Ukraine “On the CMU” and “On the CEAs” started to be developed only in 2021. Draft law №5469 submitted to the Verkhovna Rada of Ukraine contains an eclectic set of amendments, some of which improve the situation,

while others make it worse. However, even in such cases, there is no significant progress towards their adoption. Two opinions regarding the draft law were prepared by the relevant committee with recommendations for revision, but the draft was never considered by the Parliament.

To implement the decision of the Constitutional Court, commissions were reinstated in the CEAs system; however, this status does not always correspond to their true legal nature.

In September 2019, amendments were adopted to the Law of Ukraine “On Civil Service” in a turbo mode, which distorted most of the reformist ideas and achievements in this area. In particular, a mechanism for political dismissal without justification from the top civil service positions was implemented, and competitive procedures for these positions were nullified. These errors were corrected only in February 2021.

Using the pandemic situation, competitive appointment to all civil service positions was largely halted. Even despite the legislative restoration of competitions in 2021, their conduct (for example, regarding positions of category “A”) largely merely legitimized the majority of “pocket” officials who were temporarily appointed under a contract. In March 2021, competitive selection was resumed and most of the vacant positions were filled. However, the risk of biased assessment of candidates remains.

On a positive note, improvements in the assessment system of civil servants may be noted. However, implementation of the provisions developed by the NACS still needs to be revised because, in practice, assessments conducted in structural departments are relatively pro forma and do not directly affect the civil servants’ development.

The introduction of HRMIS electronic system can also be seen as a positive changes, but it is worth to emphasize that the improvement of human resources management mechanisms needs to focus on the implementation of approaches for the development of civil servants rather than just on creating an electronic systems.

## **2. Key Problems and Challenges as of the Beginning of 2022**

As of the beginning of 2022, the following issues that were manifested in previous years remained relevant:

1. The Government does not follow systemic nature of reform implementation, suggesting inability to reform the entire public administration system. Fragmentary changes are introduced, which themselves often pose risk to effective reforms. There is a lack of a clear vision and the need for restructuring of the public administration system, as the CMU did not submit the draft Law “On the Cabinet of Ministers of Ukraine and Central Executive Bodies” to the Parliament.

2. Lack of political and administrative leadership in the reform implementation, with the weakened role of the Prime Minister causing ineffectiveness of the entire system of leadership in the reform implementation. The role of the CMU is further weakened due to the active role of the President and his office.

3. The Prime Minister de facto does not form the membership of the CMU, which reduces the level of his influence on government officials.

4. An effective system of state policy making and coordination is not the main goal of the reform, as the goals in this area are fragmentary and do not provide an opportunity to build a system.

5. Ministries are not the main actors in the process of state policy making, while other CEAs do not have a leading role in the implementation of such policy

6. Directorates in ministries exist as a formality and do not cover all areas of state policy or make state policy, but instead perform operational functions. As of the end of 2021, the process of introduction of directorates is unfinished.

7. Approaches to the analysis of problems and finding of solutions are not systemic in nature. No systemic, unified approach to the development of analytical documents has been implemented.

8. Low level of interaction between the Government and the public is coupled with ineffective mechanisms for monitoring the reform implementation.

9. There is threat of violation of the principle of political neutrality and impartiality of civil service caused by inadequate separation of political and administrative powers.

10. Lack of ongoing updating of the recruitment system for civil service and the elaboration of a modern professional development system focused on individual needs of civil servants.

11. Mechanisms for effective assessment of the implementation of public administration reform at various stages and its timely modernization have not been developed.

12. CMU Action Program has not been approved by the Parliament.

13. Shortcomings of the revised Strategy, which have been already noted in the 2018 SIGMA report regarding its previous version: lack of information on financing; weak coordination system; lack of objectives regarding strengthening the role of the CMU department responsible for European integration processes; and low level of consistency between declared objectives of the Strategy and those stated in the Implementation Plan.

14. Revised Strategy does not identify steps to improve the system of drafting of regulations; practical tasks regarding improvements of the system of state policy making and coordination; plans to strengthen cooperation between the Government and the Parliament on the state policy making, strategic planning, and oversight of policy implementation; assigning the leading role in state policy making to relevant ministries and directorates; need for studying and development of a new effective system of CEAs; or a clear list of objectives necessary for implementation of the goals related to civil service and human resources management reform.

### **3. International Standards in the Area of Public Administration Reform**

The basis for reforming the system of public administration is the **SIGMA/OECD Principles of Public Administration**. Since the beginning of implementation of the reform in 2016, the Government emphasized that these principles would become the basis for the entire reform. The Principles of Public Administration contain 6 core areas, four of which are relevant to the objectives of the Working Group “Executive Power – Policy Making, Accountability, Civil Service”:

1. Strategic framework for public administration, which contains four principles regarding the strategic framework of the reform and conditions necessary for its effective implementation.
2. Policy making and co-ordination, which contains twelve principles regarding the formation of a center-of-government institution responsible for policy coordination, creating the conditions for policy planning, ensuring transparency in the development and adoption of acts, and mechanisms for policy and legislation development to achieve the set of policy goals.

3. Civil service and human resources management, which contains seven principles aimed at creating an effective civil service and continuing development of civil servants.
4. Accountability, which contains five principles aimed at introducing proper mechanisms for ensuring accountability, responsibility, and transparency of the system of public administration.

Furthermore, the principles of good governance considered by all international organizations (Council of Europe, UN, EU) are important in the reform process.

The **UN Standards** provide for **8 characteristics of good governance**<sup>1</sup>: participation in the adoption of public administration decisions; consensus during decision-making; feedback; efficiency in the implementation of state policy; responsibility of all process participants; transparency; equality; and the rule of law. Principles of effective governance for sustainable development (UN Economic and Social Council) address issues such as competence, sound policy making, collaboration, integrity, transparency, independent oversight, the principle of “leaving no one behind”, non-discrimination, participation, subsidiarity, intergenerational equality<sup>2,3</sup>.

**The Council of Europe Standards** provide for **12 principles of good governance** and are part of the European strategy for innovation and good governance at local level<sup>4,5</sup>. However, given the need to build effective interaction, they should also be considered during reforms at the central level: participation, representation, fair conduct of elections; responsiveness; efficiency and effectiveness; openness and transparency; rule of law; ethical conduct; competence and capacity; innovation and openness to change; sustainability and long-term orientation; sound financial management; human rights, cultural diversity and social cohesion; accountability.

Additionally, given the fact that Ukraine has been granted the status of a candidate for the EU membership, the EU member states’ approaches regarding good governance and the assessment of the quality of public administration should be considered. The **European Commission** has developed a wide range of tools in order to help member countries address the issues faced by public administration bodies: from strategic and operational analysis to design and financing of reforms and investments; from providing evidence to instructions and guidance from relevant stakeholders, including other member states. In preparation of the reform, the following must be considered:

- the European Commission's approach to supporting public administrations in EU member states to deliver reforms and prepare for the future<sup>6</sup> (5 major challenges – the unprecedented speed of technological change, the impact of demographic changes and increasing skills shortage, the increasing complexity of managing policy issues, the impact and importance of the green transition and increasing competition for limited public funds);
- development of the Expert Group on Public Administration and Governance, established by the European Commission<sup>7</sup> (on December 17, 2021);

---

<sup>1</sup> <https://www.unescap.org/sites/default/d8files/knowledge-products/good-governance.pdf>

<sup>2</sup> [https://publicadministration.un.org/Portals/1/Images/CEPA/Principles\\_of\\_effective\\_governance\\_english.pdf](https://publicadministration.un.org/Portals/1/Images/CEPA/Principles_of_effective_governance_english.pdf)

<sup>3</sup> <https://publicadministration.un.org/Portals/1/Images/CEPA/booklet.pdf>

<sup>4</sup> <https://rm.coe.int/1680746f16>

<sup>5</sup> <https://rm.coe.int/12-principles-of-governance-poster-a2/1680787986>

<sup>6</sup> [https://ec.europa.eu/info/departments/structural-reform-support/supporting-public-administrations-eu-member-states-deliver-reforms-and-prepare-future\\_en](https://ec.europa.eu/info/departments/structural-reform-support/supporting-public-administrations-eu-member-states-deliver-reforms-and-prepare-future_en)

<sup>7</sup> [https://reform-support.ec.europa.eu/public-administration-and-governance-policy-making/expert-group-public-administration-and-governance\\_en#ecl-inpage-950](https://reform-support.ec.europa.eu/public-administration-and-governance-policy-making/expert-group-public-administration-and-governance_en#ecl-inpage-950)

- toolbox for assessment quality of public administration<sup>8</sup>.

Another important component of the EU's activity is the financial support to member states for economic development and other areas of activity. Given this fact, the following EU documents should be taken into account:

- Regulation (EU) 2021/1060 of the European Parliament and of the Council of June 24, 2021, which provides for the implementation of the principles regarding the coordination of reforms<sup>9</sup> (partnership development, increasing the institutional capacity of public authorities and stakeholders and effective public administration; building on the multi-level governance approach and ensuring the involvement of regional, local, urban and other public authorities, civil society, economic and social partners and, where appropriate, research organizations and universities in the implementation of reforms);

- Regulation (EC) 1304/2013 of the European Parliament and of the Council of December 17, 2013 on the European Social Fund and the repealing Council Regulation (EC) № 1081/2006<sup>10</sup> (Article 3, thematic objective “Enhancing institutional capacity of public authorities and stakeholders and efficient public administration”).

- Regulation (EU) № 1301/2013 of the European Parliament and of the Council of December 17, 2013 on the European Regional Development Fund and on specific provisions concerning the goal “Investments for growth and jobs” and repealing Regulation (EU) № 1080/ 2006<sup>11</sup> (Article 3 (1f)).

- Regulation of the European Parliament and of the Council (EU) № 1299/2013 of December 17, 2013 on specific provisions for the support from the European Regional Development Fund to the European territorial cooperation<sup>12</sup> (Article 7).

#### 4. Current plans of the authorities for 2022

On July, 21, 2021, the CMU approved the Strategy of Public Administration Reform for 2022-2025. The purpose of the Strategy is to build a capable service and digital state in Ukraine, which ensures the protection of citizens' interests based on European standards and experience. Expected results of the reform:

- ensuring the provision of high-quality services and the formation of a convenient administrative procedure for citizens and businesses;

- formation of a system of professional and politically neutral public service, focused on protecting the interests of citizens;

- development of effective and accountable state institutions to citizens, which form state policy and successfully implement it for the sustainable development of the state.

*Plan for implementation of the Strategy of Public Administration Reform for 2022-2025 provides for the implementation the following tasks in 2022:*

- Organizing the classification of civil service positions in the CEAs in order to conduct a comprehensive reform of remuneration system;

- Conducting salary comparisons between typical civil service positions and positions of similar complexity and responsibility level in the private sector of Ukraine to determine a competitive level of remuneration;

<sup>8</sup> <https://ec.europa.eu/social/main.jsp?catId=738&langId=en&pubId=8055&type=2&furtherPubs=no>

<sup>9</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32021R1060>

<sup>10</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02013R1304-20180802>

<sup>11</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02013R1301-20200424>

<sup>12</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32013R1299>

- Introducing an open, transparent system of procurement for training and continuing education of civil servants using the functional capacities of learning management web portal in the area of professional training (work is partially being conducted in this regard);
- Developing the concept of establishing of a higher school of public administration;
- Bringing the structure of the ministries' apparatus into compliance with established requirements;
- Developing a catalogue of model processes and the order for optimization of procedures and work processes in the executive bodies;
- Preparing the procedures for development and monitoring of the implementation of documents on planning of the CMU's activities;
- Ensuring reengineering of the process of conducting public consultations and consultations with the public on the making and implementation of public policy;
- Implementing the module of public consultations and consultations with the public on an online platform for interaction of executive authorities' with citizens and CSOs;
- Developing and submitting to the Cabinet of Ministers of Ukraine of the draft Law "On citizens' appeals" (new version).

*Furthermore, the Implementation Plan provides for the following tasks that must be carried out every year:*

- Conducting information campaigns on the popularization of civil service, development and support of organizational and management culture, ethical behavior in civil service, and raising awareness of key stakeholders on the reform of civil service remuneration based on job classification;
- Development and implementation of training programs for civil servants on issues of integrity, project management, and strategic planning and management;
- Development and implementation of continuing training programs for employees of personnel management services;
- Optimization of procedures and work processes in the executive authorities.

*Tasks that require implementation depending on the terms of adoption of relevant legislation:*

- Support for the Parliament's adoption of the draft Law of Ukraine "On Civil Service" regarding optimization of competitive selection procedures, possibility of career advancement and restoration of sustainability in civil service and further refinement of competition procedures (draft Law "On Amendments to the Law of Ukraine "On public service" regarding improvements of the procedure for entering, undergoing, and terminating civil service");
- Support for the Parliament's adoption of the draft Law of Ukraine "On Amendments to Certain Laws of Ukraine Regarding the Organization of Activities of the Cabinet of Ministers of Ukraine and Central Executive Authorities" (№ 5469 of May 5, 2021);
- Support for the Parliament's adoption of the draft law "On Public Consultations" (№ 4254 of October 23, 2020).

*Government's actions implemented as of the end of 2022:*

1. On February 11, 2022, the NACS adopted an order on the organization of implementation in 2022 of the Action Plan for the implementation of the Strategy for

Communication on the issues of Euro-Atlantic Integration of Ukraine for the period until 2025<sup>13</sup>.

2. On April 12, 2022, the Parliament's Committee issued an opinion on the consideration of the draft law "On Amendments to the Law of Ukraine "On public service" regarding improvements of the procedure for entering, undergoing, and terminating civil service" (№ 6496 of 12.31.2021).

3. The NACS is continuing to refine the system of selection, continuing training of civil servants, and human resources management via a number of its orders (№ 19-22 on approving the test questions; Orders № 9-22, 11-22, 22-22, 31-22, 48-22, 60-22, 64-22, 84-22, 102-22 on approving the training programs; Orders № 27-22, 37-22 on selection of performers of public procurements regarding training; Order № 40-22 on amendments to the model regulation on a personnel management service of a state body; Order № 74-22 on approving the lists of priority areas of professional development; and Order № 92-22 on establishing a working group on professional training of civil servants abroad).

4. On May 12, 2022, the Law of Ukraine "On Amendments to Certain Laws of Ukraine Regarding the Functioning of Civil Service and Local Self-Governments during Martial Law" was adopted, providing for elimination of competitions and simplification of procedure for appointment to civil service positions).

5. The NACS is regularly providing clarifications and recommendations regarding the organization of the public authorities' activity under martial law, in particular regarding monitoring the performance of tasks, salaries, action algorithms in the event of capture of a locality, appointment to and termination of civil service, and prevention of unjustified removal from service.

6. On May 22, 2022, regulation on the learning management web portal in the area of professional training "Learning Management Portal" was approved (NACS Order № 36-22).

7. The Law of Ukraine "On Amendments to Certain Legislative Acts Regarding the Optimization of Labor Relations" of July 1, 2022 № 2352-IX amended the Law of Ukraine "On Organization of Labor Relations During Martial Law" of March 15, 2022 № 2136-IX, which directly affects civil servants and contains both advantages and significant weaknesses.

8. On July 8, 2022, the Law of Ukraine "On Amendments to the Law of Ukraine "On Prevention of Corruption" regarding peculiarities of application of legislation in the area of corruption prevention during martial law" was adopted, which repeals – for the period of martial law – the ban on outside paid activities and entrepreneurship, restrictions on the cost of vital services received for civil servants who suffered as a result of the war, as well as restrictions on receiving gifts directed to the needs of the Armed Forces of Ukraine and charitable donations for the support and provision of persons who suffered as a result of the war for civil servants in "B" and "C" categories who are on regular or unpaid leave.

9. On July 14, 2022, the Methodology for conducting a functional audit of executive authorities during martial law was approved by a NACS order.

10. A Memorandum of Understanding on cooperation in the area of strengthening the cooperation in educational area and increasing the sustainability of the "Natolin 4 Capacity Building" Program was signed between the College of Europe in Natolin and the

Government of Ukraine, providing new opportunities for improving continuing education for civil servants.

11. On September 16, 2022, the CMU adopted an Order on the functional audit of executive authorities. According to the order, by November 2, 2022, reports on the results of functional audits, including proposals for optimization of the number of employees of relevant executive authorities, should be submitted to the CMU and the NACS.

12. On September 23, 2022, the draft Law "On Amendments to Certain Laws of Ukraine to fulfill the requirements of the European Commission regarding Ukraine's acquisition of the status of a member of the European Union" was submitted to the Verkhovna Rada of Ukraine, which, in particular, envisages resuming the implementation of financial control measures provided for by the Law " On Prevention of Corruption" (the effect of these provisions was suspended by the Law "On Protection of the Interests of Subjects of Submission of Reports and Other Documents during the Period of Martial Law or State of War" of March 7, 2022).

13. On October 19, 2022, the Rules of Working Procedures the Learning Management web portal in the area of professional training "Learning Management Portal" were approved by a NACS order.

14. On October 27, 2022, the Ukrainian School of Government was renamed the Higher School of Public Administration by a NACS's order, and relevant regulations were approved.

15. On November 23, 2022, the Cabinet of Ministers submitted to the Verkhovna Rada of Ukraine a draft of the Law "On Amendments to the Law of Ukraine "On Civil Service" Regarding the Implementation of Unified Approaches to Paying Civil Servants Based on the Classification of Positions," which is planned to increase the competitiveness of wages in civil service positions, bring its structure closer to the 70/30 model (where the variable component is 30%).

## **5. The influence of the war and martial law on the public administration area**

The full-scale war in Ukraine resulted in a large number of problems, including in the area of public administration:

1. Changing priorities: the need to respond to wartime challenges and operational regulation in various areas (for example, economic or social sector), which leads to an even greater decrease of the Government's leadership in public administration reform implementation.

2. Transition of the state onto "military pathway" causes redistribution of funds to provide for the country's defense, which leads to a decrease in financial resources for ensuring the public administration system's operation.

3. Low capacity of the public administration system to ensure the mobilization of personnel in emergency situations. Beginning of hostilities demonstrated the ineffectiveness of existing response mechanisms and the lack of forward planning for the mechanisms for relocation of state bodies/officials in order to ensure continuity of activity.

4. Insufficient capacity to ensure security matters in work organization and/or strengthening the ability of remote s (digital aspect). The mechanisms to ensure safety of civil servants at their workplaces in emergency situations did not exist, and neither did the approved action algorithms for civil servants in various situations. Civil servants made decisions on their own regarding moving abroad or returning. Only in April 2022 did the

CMU adopt a resolution to regulate the organization of work of state bodies under martial law.

5. Lack of an effective mechanism for the state policy making and coordination creates risks for inconsistent and chaotic reform under new realities (including European integration processes). In previous years of the reform, the Government was unable to create an effective mechanism for state policy making, which now creates real risks for chaotic amendments during the war and in light of European integration changes. The absence of such a mechanism can lead to the authorities' inability to effectively perform their activities.

6. Civil servants' moving abroad, stay in the temporarily occupied territories and resignations threatens the loss of highly qualified personnel and the reduction of personnel capacity of public administration system as a whole. The personnel shortage caused by these factors leads to an increase in the burden on those who continue to fulfill their powers.

7. Reduction of funding for financing the state apparatus. This causes a new populist wave of layoffs among civil servants and executive bodies without adequate justification.

8. The Law of Ukraine "On the Organization of Labor Relations during Martial Law" adopted in the summer of 2022 creates risks of abuse during dismissal of civil servants at the initiative of the employer.

9. Creation of the National Council for Ukraine's Recovery may indicate the top political leadership's distrust in the Government and created new threats to its effective functioning.

## **6. Current plans of the authorities as of the end of 2022**

On July 4-5, 2022, The international Conference on Ukraine's Recovery took place, during which the draft Ukraine Recovery Plan was presented, which covers the matters of public administration reform. As of December 2022, the draft Ukraine Recovery Plan has not been approved in any way.

It should be noted that Ukraine Recovery Plan's place in the hierarchy of existing reforms is unclear. The Plan offers only a list of current reforms and does not go into detail on how it will be implemented.

The objectives of this Brief are related to the materials of the "Public Administration" working group: "Reform of the system of the CEAs and approximation of governance to the EU standards". It provides for 5 areas of reform, which are detailed through problems, goals, expected results, and tasks: optimization; efficiency; professionalization; human-centeredness; and digitalization.

The "Optimization" component contains two main goals:

1) Reorganization of the system of the CEAs: conducting functional audit; preparing proposals on optimization of CEAs; reducing the number of ministries and CEAs; preparing an updated model of institutional and organizational support for implementation of the EU acquis; conducting a comprehensive assessment of the public administration system and developing a plan for its approximation to the Principles of Public Administration; and developing mechanisms of policy making process.

2) Implementation of the Government Center concept on the basis of the SCMU: centralization of support functions; reorganization of the SCMU's structure; selection and professional development of Category "A" personnel; strengthening the role of the SCMU in preparation of draft laws, consolidated strategies, and legal evaluation of draft laws and regulations; creating a unified legal entity; implementation of the efficiency management system; and introduction of a system for monitoring the implementation of state policy .

The "Efficiency" component contains one main goal:

1) Reform of the system of management of state-owned enterprises and state-owned property: creation of a unified management center for state-owned enterprises; transferring the management of state-owned enterprises and state-owned property from the CEAs to the management center; and privatization or liquidation of non-core and non-performing assets.

The “Professionalization” component contains four main goals:

1) Improvement of the civil service system: resolving conceptual issues; organization of operations under the martial law circumstances; unified legislative framework and approaches; reform of remuneration system; recruitment, selection, and development of senior official as a group; cooperation mechanisms of professional groups within the civil service; efficient communication system; and digitalization of personnel managing process.

2) Popularization of the civil service: introducing conditions for conducting competitions under martial law; introducing a new system of selection and recruitment for civil service; and increasing the number of candidates for civil service vacancies.

3) Introduction of modern management methods and instruments: facilitating the transformation of civil service in light of introduction of the unified servicing center and digitalization of human resourced management; creation of HR strategies; and application of modern methods and instruments for human resources management.

4) Improving the system of professional improvement: professional improvement during martial law; professional improvement for strategic areas at state budget expense; professional improvement conducted at the expense of state bodies based on performance evaluation results of civil servants; and enhancing interest of civil servants in improving professional qualification.

The “Digitalization” component contains one main goal:

1) Developing unified digital systems to implement basic cross-sectoral workflows: developing a model of unified digitalization for drafting of laws and regulations; and ensuring the operation of HRMIS.

On July 21, 2022, an updated version of the materials of the "Public Administration" working group was published on the official website of the Conference. In the updated materials, the goal of implementing the concept of the Government center on the basis of the SCMU was transferred to the "Efficiency" component.

In August 2022, the *Working Group on Reforming the Parliamentary Law that was created at the end of 2021* began to operate. One of its tasks is to develop amendments to legislation in order to improve the interaction between the CMU and the Verkhovna Rada. Draft Proposals on reforming the interaction between the Parliament and the Government was developed with participation of the CPLR’s RANG Project experts, with the aim of providing for functioning of the legislative process “from start to finish” and of strengthening the parliamentary oversight of the executive branch activities.

The main goal of the reform is to build a system of interaction between the Parliament and the Government for the effective functioning of policy making and policy analysis, including the adoption of European integration initiatives. These Proposals were reviewed and approved at a meeting of the Working Group on Reforming the Parliamentary Law, and are being used as the basis for development of legislative proposals.