



British Embassy  
Kyiv



Centre of Policy and  
Legal Reform

# **Draft Concept Governance Reform “Ukraine after the Victory” Vision of Ukraine - 2030**

**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

<b>1. State Policy Formulation and Coordination.....</b>	<b>4</b>
<b>1.1. Constitutional Status of the Government and Procedure for Its Formation ..</b>	<b>4</b>
<b>1.2. Scope of the Government's Powers and Public Policy Structuring .....</b>	<b>5</b>
<b>1.3. Ministries and Their Activities in Policy Analysis and Formulation .....</b>	<b>6</b>
<b>1.4. CMU's Planning and Decision-Making, Strategic Planning.....</b>	<b>7</b>
<b>1.5. The role and Functions of the CMU Secretariat as the Government's Center</b>	<b>9</b>
<b>1.6. Ensuring Ukraine's European Integration.....</b>	<b>9</b>
<b>1.7. Government's Interaction with the Parliament and the President as well as Other Constitutional Bodies in Policy-Making and Lawmaking.....</b>	<b>10</b>
<i>Interaction with the Parliament.....</i>	<i>10</i>
<i>Interaction with the President.....</i>	<i>11</i>
<b>1.8. Public Consultations, Interaction with Self-Government Bodies and the Public in State Decision-Making, Inclusiveness in Policy-Making.....</b>	<b>11</b>
<b>2. Accountability of the System of Executive Authorities .....</b>	<b>12</b>
<b>2.1 Ministries' Functions in Policy Implementation, Relations of Ministries with CEBs that Implement Policy .....</b>	<b>12</b>
<b>2.2 CEBs that Ensure Policy Implementation (Government Agencies).....</b>	<b>12</b>
<b>2.3 Regional and Sub-Regional Levels of State Governance .....</b>	<b>13</b>
<b>2.4 Interaction with Local Self-Government Bodies in State Policy Implementation, Decentralization of Powers.....</b>	<b>13</b>
<b>2.5 Interaction with Professional Self-Government Bodies and Other Forms of Self-Organization of Citizens .....</b>	<b>14</b>
<b>2.6 Administrative Procedure of Relations between Authorities and Citizens ...</b>	<b>14</b>
<b>2.7 Public Information (Websites of Ministries, Access to Public Information). </b>	<b>14</b>
<b>2.8 Oversight and Administrative Supervision of Executive Branch.....</b>	<b>15</b>
<b>3. Civil Service.....</b>	<b>15</b>
<b>3.1 Becoming a Civil Servant (Competitions).....</b>	<b>15</b>
<b>3.2 Legal Status and Career of Civil Servants .....</b>	<b>16</b>
<b>3.3 Training and Professional Development of Civil Servants .....</b>	<b>17</b>
<b>3.4 Remuneration of Civil Servants .....</b>	<b>17</b>
<b>3.5 Disciplinary Liability and Dismissal of Civil Servants.....</b>	<b>18</b>
<b>4 Ensuring Reform Implementation .....</b>	<b>18</b>
<b>4.1 Political Leadership and Reform Coordination.....</b>	<b>18</b>

<b>4.2</b>	<b>Legislative Support for the Reform.....</b>	<b>19</b>
<b>4.3</b>	<b>Public Finance and Financial Support for Reform.....</b>	<b>19</b>
<b>4.4</b>	<b>Monitoring and Evaluation of Reform Implementation .....</b>	<b>19</b>
	<b><i>ANNEX 1. STATE POLICY SPHERES.....</i></b>	<b><i>21</i></b>
	<b><i>ANNEX 2. TERMINOLOGY .....</i></b>	<b><i>24</i></b>
	<b><i>ANNEX 3. FUNCTIONS OF MINISTRIES.....</i></b>	<b><i>25</i></b>
	<b><i>ANNEX 4. METHODOLOGY OF POLICY ANALYSIS AND FORMULATION .....</i></b>	<b><i>27</i></b>

## 1. State Policy Formulation and Coordination

### 1.1. Constitutional Status of the Government and Procedure for Its Formation

In view of the need for ensuring post-war reconstruction and Ukraine's Euro-Atlantic course, it is necessary to strengthen the role of the Government in the processes of state policy formulation and coordination. It is proposed to achieve this goal by improving the following procedures.

**CMU staffing schedule** (the number and list of positions) should be determined by the state policy structure and established by the Prime Minister of Ukraine when forming the Government to be approved by the VRU when appointing the CMU members. The CMU composition and distribution of competencies among its members should ensure policy formation and implementation (or control over implementation) in all state policy areas. If a minister who is not the head of a ministry is appointed to the CMU, the sphere of his/her competence should also be determined. It cannot duplicate the sphere of the ministry's competence. The total number of the CMU members has to be determined by the CMU staffing schedule. The CMU has to be formed within sixty days from the date of resignation of the previous CMU or early termination of the CMU powers.

**The procedure for appointing the Prime Minister of Ukraine** should be improved as follows. The proposal of the coalition of parliamentary factions in the VRU on a candidate nominated for the Prime Minister of Ukraine should be signed by at least 226 MPs of Ukraine who are members of the coalition of parliamentary factions in the VRU. The candidate for the Prime Minister of Ukraine must meet with the parliamentary factions and answer their questions before the issue is discussed at the plenary session of the VRU. The candidate is then introduced by the President of Ukraine at the plenary session of the VRU. After introduction, the candidate for the Prime Minister of Ukraine presents the draft Program of the CMU and answers questions from MPs.

The Prime Minister shall have not more than 14 days to **form the Government** and prepare a revised version of the Government's Program of Action. During this time, he/she should hold consultations with the parliamentary majority factions and candidates for positions in the Government and together with them, with the help of the CMU, prepare the CMU Program of Action.

Parliamentary factions that are part of the coalition of parliamentary factions in the VRU should submit proposals to the Prime Minister of Ukraine and the President of Ukraine, respectively, on candidates for the CMU members. The proposal of the Prime Minister of Ukraine on appointment of the CMU members has to be submitted together with nomination for the CMU staff indicating the competence of each member (in accordance with the spheres of state policy defined by the law) of the Government in a single list not later than the fifteenth day after appointment of the Prime Minister of Ukraine by the VRU. One candidate has to be nominated for each position of the CMU member. If there is a vacant position in the CMU, a candidate for appointment to this position shall be nominated separately.

**Candidates for the CMU members** nominated by parliamentary factions and VRU committees, should meet with parliamentary factions and VRU committees before the issue is discussed at the plenary session of the VRU and answer their questions.

The Prime Minister submits nominations for members of the Government to the VRU (except for two ministers nominated by the President) and the CMU Program of Action signed by all candidates for the CMU positions. The Verkhovna Rada appoints the CMU members and approves its Program of Action. If the VRU rejects a candidate for the position of the CMU member, a candidate for the said position must be nominated in accordance with the established procedure within seven days.

The CMU may not acquire powers without an approved Government's Program. The VRU has to examine the CMU Program of Action before considering the motion on the CMU membership. The VRU may take a break during examination of this issue at the plenary session to discuss the CMU Program of Action in the VRU committees and parliamentary factions.

The CMU **receives immunity for a year**, during which the VRU cannot dismiss it by no confidence vote. At the same time, the possibility of the Prime Minister's resignation at his own request remains unchanged.

In case of a vote of no confidence, a proposal regarding the candidacy of a new Prime Minister should be simultaneously put forward.

At the first meeting of the Government, a resolution should be adopted concerning the areas of responsibility of each member of the CMU, as well as on government bodies that are directed and coordinated by them.

## **1.2. Scope of the Government's Powers and Public Policy Structuring**

The main function of the CMU is to ensure formulation and implementation of the state policy. To fulfill this function, appropriate powers should be vested in the CMU, which has to be responsible for its effectiveness and efficiency.

At the same time, formalizing this function does not ensure implementation of a systematic approach to formulation and implementation of public policy. For the CMU to implement this function in practice, the following measures should be taken.

In order to improve the quality of policy formulation and implementation, **a more detailed list of the CMU's areas of competence should be enshrined in the legislation** (Annex 1).

The current legislation does not contain clear definitions of *state policy formulation* and *state policy implementation*, but only describes certain stages or elements of these processes fragmentarily. In view of this, the legislation should **define the terms clearly** based on the analysis of scientific literature, domestic legislation, foreign experience of legal regulation of executive bodies, and domestic experience of reforming the ministries (Annex 2).

The list of government decisions should not be limited to resolutions and orders. At its meetings, the Government also has to examine public policy documents (concepts, strategies, and programs), draft laws and acts of the President of Ukraine, as well as other documents. The Government furthermore has to examine the issues that do not require adoption of acts. Government's decisions that can be made by the Cabinet of Ministers need to be listed in law.

It is also necessary for the Government to establish requirements for the development of sectoral strategies and the subsequent reporting on their implementation. Such strategies should be developed in sphere of state policy in accordance with the legislatively established structure.

In addition to this, in order to ensure a systematic approach to implementation of the functions by all institutions, it is necessary to adopt a law regulating the law-drafting process (*On Lawmaking or On Legal Acts*).

The laws vest a significant number of powers in the Government to regulate departmental issues (approval of methodologies, criteria, rules, etc.), which should be better regulated at the ministerial level. Enabling the Government to delegate such powers to ministries will decrease the Government's workload and allow it to focus on strategic public administration issues.

### **1.3. Ministries and Their Activities in Policy Analysis and Formulation**

The Ministry is the leading body in the system of central executive bodies whose main task should be to formulate and coordinate implementation of state policy in the areas defined by the CMU.

Ministries should become an extension of the CMU and formulate policies in accordance with the approved strategies in each component of the state policy areas.

The current legislation stipulates that ministries are legal entities under public law. This approach creates an excessive burden of administrative functions and impedes efficient implementation of the policy-making function. The support functions should be transferred to the CMU Secretariat, which should become a single legal entity and serve the Government and all ministries.

Establishment, reorganization and elimination of ministries have to be carried out taking into account the CMU's tasks and in accordance with the defined state policy areas taking into account the need to ensure the exercise of powers of executive authorities and prevent duplication of powers.

For the ministries to function efficiently, it is necessary to structure and legislate the procedure for their establishment/elimination:

- to specify that the regulation on the ministry shall specify the areas of competence of the ministry, the list of directorates responsible for formulation of the state policy in respective spheres, the list of government agencies whose activities are directed and coordinated by the CMU through the respective minister, as well as the list of enterprises, institutions and organizations falling within the sphere of management of the ministry by the CMU decision;
- to specify that the CMU, when deciding on establishment of a ministry, should at the same time approve a regulation thereon;
- to specify that the decision to eliminate a ministry shall be made in the event of refusal to perform respective tasks and functions at the state level or expediency of their transfer to other executive bodies;
- to provide a clear definition of the ministries' functions (Annex 3);
- to introduce a concept of the *ministry system* and stipulate that it includes government agencies whose activities are directed and coordinated by the minister and that is politically responsible for the results of their activities, and may also include, by the CMU decision, institutions, enterprises and organizations that ensure fulfillment by the ministry and government agencies of their powers;
- to differentiate between issuance of orders by the ministry (if necessary) and the minister (who may be not only the head of the ministry, but also the bearer of powers).

In addition to this, it is necessary to regulate the powers of political offices in ministries, update them and clearly differentiate them from the powers of civil servants. Then, it is necessary to regulate the powers of the state secretary ensuring the functioning of mechanisms to prevent politicization of this position.

Each ministry should have policy directorates established with due regard to the policy areas and their components. The priority should be functioning as a policy-making center in the identified policy areas. To fulfil this priority, it is necessary to ensure that directorates are staffed with qualified professionals (including reforming the system of recruitment and selection of personnel).

The directorates should carry out a full analysis of the state of affairs, identify priority reform options, prepare draft concepts or strategies for reforms, legislative changes for their implementation, and analyze the impact of the implemented changes on public policy after their application. To implement this approach, it is necessary to adopt a unified methodology for policy analysis and formulation (Annex 4), as well as a methodology for analyzing the application of legislation.

Directorates, upon analysis and policy formation, should systematically prepare reports on the results of their activity. Consolidated reports on the activity of the directorates within the ministries should be submitted to the Government. Additionally, the results of monitoring the implementation of laws, as part of policy analysis, and the prepared policy evaluation reports by the directorates (taking into account court decisions, consolidated judicial practices of legislation implementation, conclusions of scientific institutions, and civil society institutes) should be submitted for consideration to the relevant VRU committees.

*Departments of the ministry*, unlike the current practice, should be independent structural units that can be formed to perform functions of providing administrative services, managing state property, and exercising inspection powers. It should be remembered that ministries should retain such functions as exceptions if they cannot be transferred to other CEBs or if their transfer is inexpedient. At the same time, it is the heads of these departments, being civil servants, who should have the authority to make administrative decisions (on services, property, inspections), not ministers or deputy ministers.

In order to ensure a clear distinction, the legislation should clearly define the typology and definitions of each type of structural subdivision of the ministries and to establish a procedure for creating advisory bodies to facilitate communication of policy with key stakeholders.

The existence of formal annual reports from ministries does not provide an opportunity to assess their effectiveness. Therefore, it is necessary to develop and implement an effective system for evaluating the quality of activities by ministries in the areas of policy analysis and formation.

#### **1.4. CMU's Planning and Decision-Making, Strategic Planning**

Planning in the process of state policy formulation should become systematic, and all decisions should be made in accordance with the medium- and long-term plans.

The strategic planning system needs to be brought in line with the planning system and timelines of the European institutions. Strategic planning should be systematic and conducted both for overall development policy and for each individual sphere of state policy.

In each of the identified policy areas, a development strategy should be developed based on the analysis of public policy and current challenges. Plans for such strategies should be clear and contain tasks with realistic deadlines for their implementation.

Coordination of policy documents with each other and with Ukraine's European integration course is a pre-requisite.

Currently, in legal acts, planning documents are most often referred to as *documents on planning*, but the *policy documents* term is more appropriate.

Furthermore, legislation should introduce a unified approach to planning the activities of national institutions. This approach is key to achieving effective interaction between government agencies and successful European integration of the country. To implement this, it is necessary to legislate the types of policy documents and approaches to their development and implementation.

The CMU Rules of Procedure should be revised to increase the CMU's efficiency. At present, the procedures for approval and decision making are too complicated, which makes it impossible to carry out policy-making in a timely manner. In particular, this applies to development of draft laws and their submission to the VRU.

It is necessary to amend the existing procedure for preparing draft acts of the Cabinet of Ministers.

Only members of the CMU or deputy ministers if they are acting ministers should have the right to initiate the adoption of the CMU acts. Preparation of draft acts initiated by the CMU members should begin after obtaining consent from the Prime Minister of Ukraine. Draft acts of the CMU should be prepared by ministries and submitted to the CMU for examination. A draft act initiated by the Prime Minister of Ukraine as well as by a minister who is not the head a ministry on issues within his/her competence may be prepared by the CMU Secretariat on their behalf. Representatives of government agencies, central executive bodies with special status, the Council of Ministers of the Autonomous Republic of Crimea, local state administrations, local self-government bodies, as well as MPs of Ukraine, academics, representatives of NGOs and unions, as well as other specialists may be involved in development of draft acts and other documents of the CMU.

Draft normative legal acts and state policy documents prepared for examination by the CMU should be subject to preliminary publication and public discussion in accordance with the procedure established by the CMU Rules of Procedure.

CMU decisions have to be made at its meetings by voting by a majority of the CMU membership provided that the Prime Minister of Ukraine supports the decision. In case of a tie vote, the vote of the Prime Minister of Ukraine is decisive.

In order to prevent emergencies and eliminate consequences of emergencies, the CMU may adopt a resolution by decision of the Prime Minister of Ukraine in the form of polling the CMU members in accordance with the procedure stipulated in the CMU Rules of Procedure. The draft of such a resolution has to be sent to all CMU members.

The role of governmental committees has to be strengthened, and they should become the main mechanism for approving draft documents before they are submitted to the Cabinet of Ministers. This approach will be much more efficient than centralized approval at the level of the CMU Secretariat. It is also necessary to strengthen the interaction of parliamentary committees with relevant ministries and directorates.

## **1.5. The role and Functions of the CMU Secretariat as the Government's Center**

The functions of the CMU Secretariat should be clearly defined in the legislation. The CMU Secretariat should ensure:

- 1) preparing and holding meetings of the Cabinet of Ministers and government committees;
- 2) coordinating the work of executive authorities on development of the Government's priority action plans;
- 3) preparing proposals for the Prime Minister of Ukraine on the state policy priorities;
- 4) formulating and implementing state policy in the area of competence of the minister who is not the head of a ministry performing the ministry functions;
- 5) drafting government decisions upon instructions of the Prime Minister of Ukraine and a minister who is not the head of a ministry;
- 6) monitoring compliance with the requirements of the CMU Rules and developing proposals for its improvement in accordance with the established procedure;
- 7) developing quality requirements for legislative acts, state policy and strategic planning documents, drafts of which are submitted to the CMU, and verifying compliance of such drafts with the established requirements;
- 8) monitoring and controlling implementation of legislative acts and instructions of the Prime Minister of Ukraine;
- 9) providing organizational and logistical support for activities of the ministries.

It is necessary to strengthen the capacity of the CMU Secretariat to conduct high-quality and impartial examinations. To implement this, it is necessary to increase the human resources of the structural units responsible for conducting expert reviews.

The CMU Secretariat should not influence the ministries in policy-making, but should coordinate and review compliance of submitted draft government decisions with the CMU strategy, laws, international obligations, and approved policy documents.

At present, functions of the central government bodies are shared by the CMU, the Ministry of Finance, the Ministry of Justice, and the Government Office for Coordination of European and Euro-Atlantic Integration. However, it is necessary to balance their powers, concentrate all functions of the government center in the Cabinet of Ministers Secretariat, and transfer to it the administrative functions that overload the ministries (accounting functions, logistics functions, etc.).

## **1.6. Ensuring Ukraine's European Integration**

The European integration process should be coordinated effectively at different levels (political and administrative). It is especially important to develop the capacity to implement European integration measures at the administrative level. In this respect, it is necessary to clearly define the powers, functions and tasks of the Government Office for Coordination of European and Euro-Atlantic Integration, as well as to ensure that the office is staffed with qualified personnel with experience in education or work with EU law.

The Government Office for Coordination of European and Euro-Atlantic Integration should fully perform its coordinating function at the administrative level. To achieve this, regular discussions on plans for European integration and reports on their implementation should be conducted.

It is also necessary to strengthen the CMU's capacity to examine compliance of acts with the EU law. This can be achieved by recruiting qualified personnel or engaging third-party experts and specialized civil society organizations.

European integration processes should be monitored on a regular basis by assessing implementation of measures and monitoring the EU assistance. To implement this, it is necessary to develop methodological recommendations and set a deadline for preparation of monitoring reports (at least once every six months).

The government action plan for the implementation of the Association Agreement should be regularly reviewed to assess the progress of tasks and the timeliness of their implementation.

## **1.7. Government's Interaction with the Parliament and the President as well as Other Constitutional Bodies in Policy-Making and Lawmaking**

### *Interaction with the Parliament*

For efficient formulation and implementation of the state policy, the Parliament and the Government should cooperate at all levels. Efficiency of the policy-making process depends directly on the number of adopted draft laws developed by the CMU. In this regard, the lack of interaction leads to adoption of draft laws that are not envisaged by policy documents, and often their content does not coincide with the vision of the CMU or ministries.

In this regard, it is necessary to strengthen the CMU's role both in planning legislative activities and in drafting bills. Establishing a system of interaction at different levels can reduce the level of bureaucratization of the process. The following components are key to building effective interaction:

- regulating exchange of information and cooperation between the respective levels of civil servants (directorates of ministries – secretariats of the VR committees, Secretariat of the CMU – the VR Secretariat) and political officials (ministers and deputy ministers – MPs – chairs and members of respective VRU committees, Prime Minister, Vice Prime Ministers – VR Speaker and Deputy Speakers);
- to enhance the involvement of the Cabinet of Ministers in shaping the agenda of the Verkhovna Rada and improve the planning of legislative work, taking into account the unified structure of state policy (for the structure of the plan).
- introducing an obligation to send concepts of draft laws being prepared prior to their registration: ministries – to respective VRU committees, and MPs – to both ministries and committees;
- discussing draft law concepts at committee meetings or public hearings as a mechanism for harmonizing positions between the VRU and the CMU, through the gradual introduction of such approach;
- conducting governmental expert analysis of all draft laws submitted to the VRU at all stages of the legislative cycle (both before the first reading and before the second reading);
- ensuring that the Government prepares an implementation map prior to the adoption of the law as a whole;
- enabling the CMU to prioritize the draft laws submitted by it for individual legislative initiatives;

- ensuring priority consideration of the draft laws envisaged by the CMU Action Program;
- simplifying mechanism for the CMU to submit amendments and proposals to the draft laws that are being considered by the VR committees for the 2<sup>nd</sup> reading.

In addition to this, the level of parliamentary oversight should be strengthened, and a reporting system should be established both for formulation and implementation of the state policy and for evaluation of implementation of laws. Directorates should play a key role in this process, prepare reports and submit them to respective committees for examination.

Also, taking into account the best practices of European countries, we propose to introduce the institution of interpellation. The use of such a mechanism in Ukraine will allow the VRU to quickly resolve issues related to the activities of members of the Government. To prevent the use of this mechanism for political reasons, it is proposed to envisage that:

- interpellation should be initiated by a group of MPs (150 MPs);  
an interpellation against the same member of the Cabinet of Ministers cannot be initiated more than once every six months.

Furthermore, it is necessary to improve the practice of regular communication to keep the Parliament informed about the state of affairs in policy areas (such as " Government Question Hour", "Government's Day," etc.).

#### *Interaction with the President*

The President's influence on the Government in the exercise of its powers should be reduced. Personnel appointments in the executive branch should be made in accordance with established procedures for appointing candidates to public office.

The President should not interfere in the policy-making process and issue decrees on such issues; his/her role should be oversight and arbitration.

Mechanisms of mandatory mutual counter-signaling should be developed and implemented to help balance interaction and reduce the level of President's influence.

A clear delineation of powers of the President and the Government in the areas of national security, defense and foreign affairs should be defined in the legislation.

### **1.8. Public Consultations, Interaction with Self-Government Bodies and the Public in State Decision-Making, Inclusiveness in Policy-Making**

The legislation and practices of public authorities regarding public communication of the state policy and decision-making should be improved. This could be done by adopting a separate law on public consultations. Public consultations on policy-making in each area should be mandatory and conducted in line with a unified approach by all responsible authorities. For this purpose, it is necessary to develop a methodology and uniform rules for analyzing and using the data obtained during public consultations.

All stakeholders, including professional self-government and representatives of civil society, should be involved in the state policy development. Forms of interaction and cooperation should be envisaged, such as establishment of advisory bodies and/or consultations on decision-making or the content of regulations to be examined. Gradually, it is necessary to expand the delegation of powers to professional self-governing bodies and establish a system of supervision over their activities.

The process of publishing information on public consultations and their results should be transparent. All necessary information should be posted on the official resources of the authorities in due time.

## **2. Accountability of the System of Executive Authorities**

### **2.1 Ministries' Functions in Policy Implementation, Relations of Ministries with CEBs that Implement Policy**

Ministries should transfer all possible powers to implement the state policy to other CEBs (government agencies) and only coordinate their activities in the respective area.

This will ensure a logical distribution of powers among the bodies within the CEB system:

- Ministries conduct policy analysis and formulate policy, develop policy documents and draft regulations, and direct and coordinate activities of government agencies;
- Government agencies implement state policy in their areas of responsibility, i.e. enforce the current legislation, manage state-owned property, provide administrative services, and exercise inspection and oversight powers.

The legislation should stipulate that the minister's direction and coordination of government agencies within the ministry system shall be as follows:

1) ensuring formulation of the state policy and proper legal regulation in the field of the governmental agency' activities, including submitting proposals to the Prime Minister of Ukraine concerning establishment, reorganization and elimination of the governmental agency;

2) influencing appointment of the head of a government agency by cooperating with the competition commission, examining and appointing a candidate at a meeting of the Cabinet of Ministers, initiating internal investigation against the head of a government agency, and raising the issue of bringing him or her to disciplinary responsibility before the Cabinet of Ministers;

3) submitting proposals for the draft State Budget on the amount of budget funding for the governmental agency, controlling implementation of its budget;

4) approving the priority areas of work of the governmental agency, its work plans, goals to be achieved;

5) cancelling governmental agency's acts, issuing orders to clarify legislation binding on the governmental agency;

6) approving reports of the head of the government agency on fulfillment of tasks and work plans assigned to the government agency, evaluating the work of the government agency and its head.

The minister who directs and coordinates activities of a governmental agency and officials of the ministry have no right to interfere with the operational activities of a governmental agency in performance of its statutory powers.

### **2.2 CEBs that Ensure Policy Implementation (Government Agencies)**

In order to improve terminology used in organization and operation of executive bodies, it is proposed to define *services, agencies, inspectorates* as *government agencies*, which should be enshrined in the legislation. Thus, ministries and government agencies will

be defined as CEBs, as well as CEBs with special status will be established in accordance with the Constitution and laws of Ukraine. Furthermore, based on a systematic analysis of issues, it is necessary to develop an updated management model for the CEBs, which will enable more effective implementation of state policy.

Functions of the ministries should be audited and the authority to provide administrative services should be transferred to government agencies. Ministries should retain such functions as exceptions if they cannot be transferred to other CEBs or if their transfer is inexpedient.

CEBs cannot develop policy documents, i.e. formulate policy, but can be involved by ministries in policy analysis and collection of information, on the basis of which ministries will formulate policy within the scope of their responsibilities.

### **2.3 Regional and Sub-Regional Levels of State Governance**

The executive branch reform should be in line with changes in the administrative and territorial structure. The territorial agencies and subdivisions of central executive bodies should be reviewed and brought into line with administrative-territorial arrangement. However, since there is a need to reform the administrative-territorial structure and regional policy, these processes should be carried out in parallel.

In view of intensification of the European integration process, Ukraine should develop the regional level of governance. At the level of *povits* (new districts), it is necessary to envisage establishment/functioning of administrative supervision bodies to ensure that local governments comply with the Constitution of Ukraine and laws. This can be achieved by transforming district state administrations into prefectural-type executive bodies.

Separately, it is necessary to regulate the management, disposal, and maintenance of administrative real estate, to assign responsibility for this to RSAs, and to authorize them to keep a register of such property.

### **2.4 Interaction with Local Self-Government Bodies in State Policy Implementation, Decentralization of Powers**

The decentralization process should be accelerated and deepened (or expanded). A functional analysis should be conducted, and a list of powers that should be transferred to local governments should be determined. At the same time, appropriate resources should be provided to local governments.

The key aspects of this process should be:

- *Powers*. Transfer and delegation of powers to implement the state policy to local governments.
- *Financial resource*. It is necessary to deepen decentralization and revise the financing system so that more financial resources remain in the communities.
- *Development of local government officials*. It is necessary to develop the human resources of local governments. Local governments should be able to implement municipal and state policies at an adequate level.

- *Proportional remuneration.* It is necessary to regulate the issue of remuneration of local government employees and equalize it proportionally in accordance with the salaries of civil servants.

## **2.5 Interaction with Professional Self-Government Bodies and Other Forms of Self-Organization of Citizens**

It is necessary to develop and strengthen professional self-government bodies in terms of involving them in the state policy development, monitoring and analysis.

In the already established and active professional communities, it is necessary to pilot the practice of cooperation between the authorities and professional self-government bodies. Such cooperation may consist of both involvement of individual representatives in advisory bodies and regular meetings, as well as consultations with professional self-government bodies.

Separately, it is necessary to regulate delegation of powers to professional self-government bodies, as well as development of a system of supervision of the legality of activities of such bodies.

## **2.6 Administrative Procedure of Relations between Authorities and Citizens**

Adoption of the Law on Administrative Procedure terminated the process of 20 years of stagnation. However, it is now necessary to bring all bylaws into compliance, and create a clear system of acts aimed at implementing provisions of the law.

It is also necessary to train all officials who will be involved in the process of implementing the law after this process is completed. One of the options is to conduct trainings involving leading experts in this area.

## **2.7 Public Information (Websites of Ministries, Access to Public Information)**

The information system should be timely and complete, and activities of the authorities should be based on searching feedback and interaction.

Information on activities of public authorities should be published on official resources in a timely and complete manner. This is especially true for information on development of policy and regulatory documents.

Digital communication mechanisms should be introduced on the official web resources of public authorities and monitored on a regular basis. It is necessary to introduce platforms where stakeholders can submit their proposals on the issues pertaining to the state policy formulation, analysis and implementation.

Access to public information should be unimpeded for everyone. The practice of responding to requests for public information should be improved. To do this, it is necessary to define clearly what data are subject to disclosure, and to provide mandatory training for employees on these issues.

Monitoring of implementation of the legislation on provision of public information by authorities should be systematic and accessible for analysis by the public.

## 2.8 Oversight and Administrative Supervision of Executive Branch

Legislation should distinguish the terminology to differentiate supervision, oversight and inspection. The terms in the legislation should be defined in accordance with the scientific basis, and they should be defined in all acts in the same way.

Thus, the terms in the legislation should correspond to the following meanings:

***Supervision, supervisory powers*** – monitoring activities or checking the results of the supervised entity’s activities, which are carried out without interfering with its activities in order to ensure compliance of such activities with the rules established by law, detect their violation, take measures to eliminate them and prevent them in the future.

***Inspection, inspection powers*** – inspection of the object of inspection for its compliance with the rules established by law in order to identify violations, take measures to eliminate them and prevent them in the future. It may include seizure of documents, suspension of activities, etc.

Supervision and inspection should be carried out by officials (officers) authorized by law with regard to enterprises, institutions, other organizations, as well as individuals.

***Oversight, oversight functions*** – internal administrative activities are aimed at ensuring that managers ensure that functions or other duties are performed fully and accurately by their subordinate employees or subordinate bodies and structural units.

Oversight may not be exercised over private, off-duty, non-subordinate persons and organizations.

### 3. Civil Service

#### 3.1 Becoming a Civil Servant (Competitions)

The Law of Ukraine *On Civil Service* should not contain provisions that contradict democratic European principles of entering, being part of, or leaving civil service, discredit or negate it.

Civil service should become a prestigious institution that is a solid foundation for organization and operation of the state authorities.

It is necessary to create an attractive image of the civil service as a competitive, reliable and one of the largest employers in Ukraine. This will help attract both highly qualified professionals and talented young specialists to civil service. The number of people willing to enter civil service should be at a level that ensures high competition of knowledge, experience, achievements, professional skills and competencies of applicants for positions. This will be facilitated, in particular, by conducting information campaigns to popularize civil service.

There should be an effective, fair, just and transparent competition procedure for all categories of civil service positions. It should be based on competition, equal opportunities for all candidates and equal treatment at all stages of the competition. Selection methods and the system for assessing competencies of candidates for civil service positions should be constantly updated and become more effective in line with the changing practical needs. The Unified Civil Service Vacancy Portal should be technically improved.

Competition commissions should ensure a professional, objective and impartial approach to determining the winner of the competition. Members of the competition commissions should be duly qualified.

It is necessary to restore confidence in the competitive selection process for Category A civil service positions by reforming the Commission on Senior Civil Service. The members of this Commission should not be subject to political influence and should not be guided by personal loyalty or devotion of applicants, but they should be guided by the interests of the state. It is recommended to change the composition and procedure for formation of the Commission on Senior Civil Service, which will guarantee its professionalism and public legitimacy.

It is necessary to create and implement a pool of candidates. It will include persons who were included in the general rating of candidates during the competition. There should also be a talent pool for filling civil service positions from among candidates who have a deferred right to hold a position and can be appointed to an equivalent or lower civil service position in a government agency. All state bodies should have access to the system of personnel pool in order to select the necessary specialist.

Gender balance should be ensured both during competitions for civil service positions and in the composition of the Commission on Senior Civil Service and competition commissions.

### **3.2 Legal Status and Career of Civil Servants**

In terms of their legal status, civil servants should not be equated with employees working on the basis of an employment contract. Civil service relations should be regulated exclusively by the special legislation on civil service.

Civil service should be apolitical. There should be no direct or indirect political influence on civil servants.

Significant attention should be paid to the issue of ethical behavior of civil servants, raising the level of their organizational and managerial culture.

There should be a fair assessment of the performance of civil servants. Sufficient attention should be paid to development of professional and personal competencies, without excessive focus on achieving 'production' KPIs.

Promotions should be based on objective and transparent criteria and merits. Opportunities for career advancement should be provided to civil servants who have received an excellent rating in the annual performance appraisal.

HR units of public authorities should no longer operate exclusively as personnel departments. Their activities should not only include proper staffing, but also adaptation of new civil servants to perform their duties, and building a system of motivation for civil servants. HR units should put into practice a staff development strategy. They should introduce modern methods and tools of personnel management for ensuring proper organizational development of the state agency taking into account its strategic goals and objectives. HR records management and preparation of accounting and reporting documents should be automated as much as possible. The criteria and procedures used for developing job descriptions, evaluating, and classifying positions in the civil service should be improved.

An integrated human resources management information system (HRMIS) should be fully implemented in the work of public authorities as a single base for the work of HR units. This will allow tracking and analyzing information on vacancies, remuneration, specialists in various spheres, etc. in all government agencies.

### **3.3 Training and Professional Development of Civil Servants**

State agencies should provide regular training for civil servants. Sufficient financial resources should be allocated for training and professional development of civil servants.

The system of training and professional development of civil servants should be productive and envisage monitoring of the quality of training. It should focus on the individual needs of civil servants, the results of their performance evaluation, as well as on assessment of the strategic needs of the state agency for training civil servants and even on the future priorities of the public administration system (to be proactive).

Civil service should have a comprehensive profile of competencies in general and by position groups, which is necessary for planning and managing professional training of civil servants.

The work of the Higher School of Public Administration has to be organized as a modernized institution that carries out educational activities in the field of postgraduate education of civil servants, ensures the availability and quality of educational services to ensure the professional development of civil servants, etc.

An open, transparent system for placing state orders for training and professional development of civil servants should be introduced using the functionality of the web portal for knowledge management in the professional training sphere. It is necessary to create equal conditions for domestic educational institutions of various forms of ownership in the sphere of training and professional development of civil servants. It is also necessary to motivate and encourage civil servants to improve their skills abroad.

Training and professional development programs should be developed and applied in strategic areas, project management, strategic planning and management, performance management, issues related to gaps in management skills, etc.

Civil servants should also be focused on continuous professional development and education.

It is necessary to improve the system of individual performance evaluation for civil servants and the preparation of individual professional development plans. The procedure should align with the needs of professional growth rather than being a formalistic tool.

### **3.4 Remuneration of Civil Servants**

Salaries of civil servants should be competitive with similar positions in the private sector and motivate citizens to join the civil service.

Salaries should be fair. The issue of solvency of state agencies should not influence determination of salaries in individual agencies. It should be based on an improved classification of civil service positions. Salaries for positions of similar level and with similar functions should not differ.

Salaries should be transparent, based on the 70/30 principle (70% fixed part, 30% variable part). At the same time, the number of components in the remuneration structure should be reduced. In particular, it is necessary to abandon the rank bonus, which is actually a bonus for the *length of service*. After all, the next rank within the relevant category of positions is assigned to a civil servant every three years taking into account the performance evaluation results. The monthly bonus as a component of the variable part of the salary should also be abandoned. If paid monthly, it will become an element of the fixed part of

the salary. It is also worth limiting the possibility of assigning different components of salary, allowances and financial assistance to individual civil servants at the discretion of the management.

### **3.5 Disciplinary Liability and Dismissal of Civil Servants**

Civil servants should exercise their powers in the context of availability of effective tools and organizational mechanisms to promote integrity, prevent corruption, and ensure discipline in the civil service.

Disciplinary sanctions should be proportionate to disciplinary offenses, legally justified and impartial. At the same time, it is advisable to increase disciplinary liability for repeated disciplinary offenses by civil servants. Disciplinary proceedings and disciplinary liability should be free from political interference. Dismissal as a disciplinary sanction should not be used to ‘settle scores’ with disloyal civil servants. The timeframe for bringing civil servants to disciplinary liability should be assessed and changed in accordance with the analysis of the practice of applying disciplinary sanctions.

The power to give consent to the transfer and dismissal of civil servants of Category A should be returned to the Commission on Senior Civil Service.

## **4 Ensuring Reform Implementation**

### **4.1 Political Leadership and Reform Coordination**

It is necessary to build a clear system of responsibility for reform implementation, which should be headed by the Prime Minister personally. Increasing the level of political leadership in implementation of the reform will mean a proportional increase of priority of the reform and the involvement of all state bodies in its implementation.

At each level of the reform implementation, a person responsible for monitoring and coordinating implementation of the reform should be appointed. Coordination bodies should monitor and examine at their meetings only the issues related to the reform implementation. Meetings of such bodies should be held regularly and systematically, and these meetings should be open to the public.

Additionally, the coordinating bodies should undertake improvements and harmonization between the Public Administration Reform Strategy and the Public Finance Management Strategy, including setting realistic deadlines for task completion, defining responsibilities for implementing reform measures at the level of specific organizational units, and establishing target values for all task performance indicators.

Development of the following reform strategies should be carried out with broad public involvement. The public should be involved in development, review and finalization of the final text of the document.

## **4.2 Legislative Support for the Reform**

1. Constitution: In order to effectively carry out public administration reform, amendments to the Constitution of Ukraine should be made to improve the procedure for forming the Government, its powers, and resignation.

2. Legislation on the functioning of the executive branch: The legislation governing the functioning of the executive branch needs to be reviewed and updated to address systemic issues and the challenges of the war. Changes should be made to the Law "On the Cabinet of Ministers of Ukraine" and the Law "On Central Executive Bodies" or a unified law should be adopted.

3. Lawmaking activity: It is important to emphasize the need for the adoption of a comprehensive law on the development and adoption of normative acts. The draft law "On Lawmaking Activity" (No. 5707) is currently under consideration by the Verkhovna Rada, and with effective improvements, it can introduce a unified approach for all institutions in developing normative acts.

4. Adoption of the Law "On Public Consultations" to ensure transparency in the process of formation of state policy.

5. Amendments to the Law "On Local State Administration" to ensure the implementation of reforms not only at the central level but also at the local level.

## **4.3 Public Finance and Financial Support for Reform**

The lack of financial resources and misuse of funds leads to inefficient reform implementation. When developing reform strategies, the Government should pay attention to available financial resources, and set deadlines based on these indicators. Thus, for the reform to be successful, tasks and deadlines should be clearly correlated with the available financial resources. This approach will not only ensure effectiveness of reforms, but also reduce the pressure on the state budget.

The Public Administration Reform Strategy and the Public Finance Management Strategy should be harmonized, as they are actually two separate documents, but in practice contain measures aimed at reforming and improving governance.

It is also necessary to correct the shortcomings noted by SIGMA experts in 2018, namely, to define clearly the amount and sources of funding for each individual task of the reform.

It is worth noting that without exception, all policy documents should be developed and implemented transparently, especially with regard to the spending financial resources to fulfill the tasks envisaged by such documents.

## **4.4 Monitoring and Evaluation of Reform Implementation**

Public administration reform must be efficient, dynamic, and efficient. This can only be achieved through systematic monitoring of implementation and prompt adjustment of tasks and deadlines.

Currently, there is no system of effective monitoring of the reform implementation in Ukraine. Instead, there is a formal preparation of reports on activities without evaluation of their results.

Thus, it is necessary to develop a modern and effective monitoring system that would allow tracking the reform dynamics promptly adjusting tasks and deadlines in accordance with priorities, and identifying potential weaknesses in the reform.

The monitoring system should include preparation of reports with defined indicators, the level of completion of tasks in accordance with the established deadlines, the use of digital mechanisms for monitoring implementation of tasks, public involvement in the audit of the reform implementation, checklists for those responsible for monitoring, as well as monitoring the efficiency of government agencies implementing the reform.

It is also necessary to provide for an independent evaluation of the reform implementation with the involvement of international and national experts as well as civil society activists. The results of such assessment should be considered during the meetings of coordination bodies.

## ANNEX 1. STATE POLICY SPHERES

### 1) legal policy:

- policy of legal regulation of public authorities,
- policy of legal regulation of the private sector,
- development of judicial proceedings, criminal justice and enforcement of court decisions,
- international legal relations,
- development of legal education and science, registration and systematization of legislation

### 2) internal affairs policy:

- public and information security,
- state border security,
- migration and citizenship,
- prevention and investigation of criminal offenses,
- civil protection, prevention of emergencies and elimination of their consequences

### 3) financial policy:

- budget policy,
- fiscal policy,
- state property management policy,
- debt and international financial policy,
- policy of regulation of financial markets and services

### 4) local and regional development policy:

- regional policy,
- local government development and decentralization,
- housing and utility services,
- urban planning, architecture and construction

### 5) infrastructure development policy:

- development of electronic communications and postal services,
- energy infrastructure (power lines and pipelines)
- passenger transportation infrastructure,
- freight transportation infrastructure,
- development of transport infrastructure

### 6) labor policy and social policy:

- labor and employment of the population,
- social insurance and pensions,
- promotion of family, childhood, and youth,
- equal opportunities (protection of people with special needs),
- poverty alleviation and social protection,

- social support for internally displaced persons

#### **7) health care policy:**

- public health (morbidity prevention),
- medical care and medical institutions,
- pharmaceutical supply (medicines and medical devices),
- development of medical education and science

#### **8) environmental policy:**

- environmental safety,
- climate policy,
- fauna and flora conservation,
- conservation and rational use of natural resources,
- Chernobyl exclusion zone

#### **9) education and science policy:**

- preschool education, general secondary education, teacher education,
- secondary vocational education for obtaining specialization,
- higher education and adult education,
- science and innovation.

#### **10) culture and sports development policy:**

- preservation of cultural and historical heritage,
- art and cultural industries,
- status and use of the state language,
- physical culture,
- sports,
- policy on national minorities, indigenous peoples and religious communities.

#### **11) foreign affairs policy:**

- bilateral cooperation,
- multilateral cooperation,
- diplomatic service,
- consular service and support for the Ukrainians abroad

#### **12) defense policy:**

- military security (development of the Armed Forces),
- military education, mobilization, territorial defense, medical care and social protection of military personnel and veterans,
- provision of weapons and military equipment, logistics,
- information protection and military intelligence

#### **13) energy policy:**

- electric power industry,
- oil and gas complex,

- fossil energy resources,
- nuclear industrial complex,
- energy saving

#### **14) agrarian policy:**

- food security,
- rational use of agricultural resources,
- support of agricultural production,
- veterinary medicine and phytosanitation,
- food and processing industry,
- support for rural entrepreneurship and farming

#### **15) economic policy:**

- macroeconomic forecasting of Ukraine's development,
- development of entrepreneurship and ensuring a favorable investment climate,
- industrial development and investment attraction,
- trade regulation, interaction with the WTO and export development

#### **16) public administration:**

- system of executive authorities;
- civil service and human resource management in the public sphere;
- information circulation and e-governance in activities of public authorities;
- procedure for financing executive authorities and public procurement in them;
- prevention and counteraction to corruption in executive bodies

## ANNEX 2. TERMINOLOGY

***State policy formulation*** can be defined as analyzing the state of affairs, identifying problems, forecasting challenges, identifying development options and analyzing them, communicating with policy recipients, preparing and adopting policy documents – concepts, strategies, etc, preparing and adopting laws and other regulatory acts.

Synonyms for policy formulation are policy development and policy elaboration. In English, *policy formulation* is called *policy-making* or *policy development*. In this case, *policy formulation* is logically interpreted as a technical process of formulating policy documents.

***State policy implementation*** includes any activities aimed at implementing both policy documents and any provisions of laws or other legal acts. In this case, *policy implementation* can be divided into two components – policy implementation and administrative and service activities aimed at performing the functions prescribed by law.

*Policy implementation* includes planning for implementation of policy documents and newly adopted laws and everything that may be envisaged by such plans: legal support – development and issuance of legal acts (regulations, orders, provisions, etc.), financial support – budgeting for relevant reforms, organizational support – implementation of organizational measures, methodological support and training of personnel, control over the implementation of policy implementation plans.

### ANNEX 3. FUNCTIONS OF MINISTRIES

A list of ministry's functions includes:

1) analysis of the state of affairs in its area of competence based on the study of all reliable sources of information in order to identify problems and challenges;

2) identification of the circle of stakeholders that are the objects of influence of the state policy in the areas of its competence in order to involve them in the process of state policy formulation, study, summary and taking into account the results of such consultations;

3) development of proposals for alternative ways of solving identified problems and responding to challenges, assess their benefits and risks;

4) development of proposals for the state policy formulation, preparation of respective drafts of state policy documents, analytical, informational, reference and other materials;

5) organization and delivery of public information on the principles of the Ministry's state policy, preparation of methodological recommendations and provision of necessary explanations;

6) analysis of legal acts in the areas of its competence in order to identify gaps and inconsistencies, summarizes the practice of applying legislation, develops proposals for its improvement and prepares relevant draft legislative acts, acts of the President of Ukraine and the Cabinet of Ministers, and acts of the Ministry;

7) financial and economic calculations on the amount of financial and material costs necessary to ensure the formation and implementation of state policy in the areas of its competence, identification of sources for coverage of possible revenue losses or additional state budget expenditures;

8) ensuring consistency of draft state policy documents and draft legislative acts developed by it with the goals and priorities set out in the CMU Action Program, Government Priority Action Plans, other state policy documents, Ukraine's obligations under the Association Agreement between Ukraine, on the one hand, and the European Union, the European Atomic Energy Community and their Member States, on the other hand (hereinafter referred to as the Association Agreement), and other international obligations of Ukraine;

9) monitoring and evaluation of the results of the state policy implementation in its area of competence according to certain indicators of achievement of the set goals, including the results of the activities of government agencies whose activities are directed and coordinated by the CMU through the relevant minister, preparation of proposals on continuation, revision or adjustment of state policy;

10) in accordance with the scope of its competence, presentation of its position on draft state policy documents and legislative acts prepared by other state bodies and submitted to the CMU, as well as on draft laws submitted to the VRU by other entities entitled to initiate legislation; preparation of comments and proposals to laws adopted by the VRU and submitted to the President of Ukraine for signature;

11) participation in the strategic planning process, preparation of proposals for the Government's priority action plans on issues within the scope of its competence;

12) coordination of involvement, provision and use of international financial assistance in the areas of its competence;

13) other functions in accordance with the laws of Ukraine or is responsible for the performance of such functions by the respective government agency.



## ANNEX 4. METHODOLOGY OF POLICY ANALYSIS AND FORMULATION

The current legislation does not contain a clear legal regulation of the state policy development process. In our opinion, it is important to follow the algorithm in the process of state policy development as described below.

1. In order to clarify the situation (state of affairs) in its area of competence, the Ministry's Policy Directorate should **monitor the state of affairs**, including political, legal, financial, organizational and other aspects, analyze the existing and identify new problems based on the study of statistical data, appeals from state agencies, local self-government bodies, citizens, reports, media publications, other sources of information, generalization and analysis of the practice of applying legislation.

2. On the basis of the received information, the Ministry's Policy Directorate has to prepare a report on the state of affairs in its area of competence (Green Book). The **Green Book** is a document for holding consultations with stakeholders from both civil society associations and public administration agencies.

The Green Book should contain both a list of problems in the specified sector and the reasons for their occurrence.

A Green Book has to be prepared periodically at intervals determined by the Cabinet of Ministers (e.g., at least once every three years) or as needed, for example, when a new Government is appointed. The Green Book can also be prepared upon instructions of the Minister when he/she considers a certain area of the Ministry's competence to be particularly problematic and requiring consultations on the problems existing in it.

The ministry's policy directorate will prepare one or more Green Books on issues within its competence.

3. Maximum once a year, the Ministry's Policy Directorate has to hold **public consultations** to discuss the Green Book.

To this end, the Policy Directorate:

1) determines the circle of stakeholders that are the objects of influence of the state policy in the respective competence area (representatives of certain segments of the population, public associations, business entities, representatives of other public administration bodies, etc.);

2) conducts consultations with stakeholders in order to involve them in the process of the state policy formulation, studies and summarizes the results of such consultations when analyzing the state of affairs in its area of competence;

3) ensures conducting professional communications.

Based on the results of consultations, a report should be prepared using a pre-approved form. It should contain answers to the questions about reliability of the problems identified in the Green Book and their priority.

4. The Ministry's Policy Directorate takes into account the results of consultations and professional communications when finalizing the Green Paper.

5. The Green Book is submitted through the Secretary of State to the Minister who approves the priority issues that need to be addressed and, accordingly, will form the basis of the Ministry's policy.

6. In order to identify options and ways to solve problems, the Ministry's Policy Directorate prepares a White Paper.

The **White Paper** is a document for consultations with stakeholders for selecting optimal options for responding to the problems identified in the Green Paper and approved by the Minister as a priority for the current period.

The Ministry's Policy Directorate:

1) identifies indicators of the state policy efficiency, achievement of which will indicate the solution for the problem;

2) formulates proposals for alternative solutions to the identified problems, assesses their benefits and risks;

3) assesses potential impact of implementation of the identified solutions for the problem, identifies and analyzes possible risks associated with their implementation;

4) carries out financial and economic calculations on the amount of financial and material costs necessary to ensure formulation and implementation of state policy in its area of competence, determines sources of coverage of possible revenue losses or additional state budget expenditures.

The White Book should contain various options for specific ways, tools and measures that can be taken to solve each problem; a forecast of the consequences of their impact; an estimate of the necessary resources to implement the solution; a list of factors that create risks of a failure to achieve the result.

7. The Ministry's Policy Directorate has to hold **public consultations** to discuss the White Paper, for which it:

1) identifies the range of stakeholders that are subject to the influence of the state policy in the area of its competence (representatives of certain segments of the population, public associations, business entities, representatives of other public administration bodies, etc.);

2) conducts consultations with stakeholders in order to involve them in the process of the state policy making, studies and summarizes the results of such consultations when analyzing the state of affairs in its area of competence;

3) ensures conducting professional communications.

8. The Ministry's Policy Directorate takes into account the results of consultations and professional communications when finalizing the White Paper.

9. The White Book is submitted (presented) to the Minister through the State Secretary for examination. The Minister determines the priority options or ways to solve problems in the relevant area (sector). The minister or deputy minister have to hold meetings to make a decision.

10. On the basis of the Green and White Papers and the priorities approved by the Minister, the ministry's policy directorate prepares a **draft policy concept**, which is a public policy document describing a general systemic view of the ways to move from the current state of affairs in the area of the directorate's competence to the desired state of affairs, from the problem to its effective solution. In the cases where solving problems within the competence of the policy directorate requires joint actions with the directorates of other ministries, a working group has to be established to develop inter-ministerial concepts.

The state policy concept should describe:

- the problem to be solved, including its causes and specific measurable indicators that point to its existence;

- measurable objectives to eliminate the causes or reduce their impact on the existing problem;

- ways and means of solving the problem, taking into account the need to achieve the specified goals;

- indicators for assessing the state policy effectiveness and efficiency, the procedure and frequency of such assessment.

When preparing the draft Concept, the Ministry's Policy Directorate has to ensure its consistency with the goals and priorities set out in the Cabinet of Ministers' Action Program, the Government's priority action plans, other state policy documents, Ukraine's obligations under the Association Agreement between Ukraine, on the one hand, and the European Union, the European Atomic Energy Community and their Member States, on the other hand, and other international obligations of Ukraine.

**11.** The draft Policy Concept is submitted to the Secretary of State for preparation for examination by the Minister who then makes a decision to approve it.

Directorate for Strategic Planning and European Integration of the Ministry:

1) analyzes the developed draft Concept for its compliance with the Government's policy, i.e. the goals and priorities set out in the Program of the Cabinet of Ministers, the Government's priority action plans, and other public policy documents;

2) carries out legal expert analysis of the draft Concept;

3) examines the draft Concept for compliance with Ukraine's obligations under the Association Agreement between Ukraine, on the one hand, and the European Union, the European Atomic Energy Community and their Member States, on the other hand, and other international obligations of Ukraine.

If necessary, the draft Policy Concept may be finalized by a decision of the State Secretary of the Ministry.

**12.** The draft Policy Concept is submitted to the Minister with all additional materials (appendices, expert opinions, etc.). The Minister approves the draft Concept.

**13.** The draft Policy Concept is submitted by the Ministry to the Government for examination. The **Policy Concept** has to be approved by an act of the Government. The procedure for passing, reviewing and adopting such act has to be determined by the Rules of Procedure of the Cabinet of Ministers of Ukraine.

**14.** After the Government approves the Policy Concept, the Ministry's Policy Directorate prepares an **operational document (action plan)** for its implementation. The operational document (action plan) is then used by the Government in the process of preparation of its action plans.

The operational document (action plan) should contain tasks for:

- regulatory and legal support for policy implementation;

- organizational support for policy implementation;

- financial support for policy implementation;

- information and communication support for policy implementation.

The Minister approves the operational document (action plan). In exceptional cases, the Government may take up the issue of approving an operational document for policy implementation. This should primarily be applied in cases of inter-ministerial reforms and, accordingly, the preparation of joint concepts by several ministries.

**15.** After approval of the operational document (action plan), the Ministry's **policy directorate implements the Policy Concept** in accordance with it:

1) prepares drafts of the following documents:

- draft laws;

- acts of the Government and the President;

- regulatory, legal and organizational orders.

In addition to this, the Ministry's Policy Directorate prepares analytical and informational materials on behalf of the Minister or the Government, as well as in cases specified by law;

2) carries out necessary organizational activities (meetings, discussions, etc.) with participation of stakeholders;

3) provides methodological assistance (explanations, instructions, recommendations, etc.) to executive authorities implementing the state policy;

4) monitors and supervises implementation of the state policy by executive authorities;

5) informs the stakeholders on the status of implementation of the operational document (action plan);

6) participates in the budget process at the ministry level to ensure efficient use of budget funds in its competence area.

**16.** At the stage of state policy implementation, the Strategic Planning Directorate of the Ministry:

1) provides methodological and advisory assistance to the Policy Directorate in the process of preparing documents for implementation of the operational document (action plan);

2) performs the following expert assessments of documents prepared by the Ministry's Policy Directorate:

- on their compliance with the Government's policy, i.e., the goals and priorities set out in the Program of Activities of the Cabinet of Ministers of Ukraine, the Government's priority action plans, and other public policy documents;

- their compliance with the lawmaking and legal technique;

- their compliance with Ukraine's obligations under the Association Agreement between Ukraine, on the one hand, and the European Union, the European Atomic Energy Community and their Member States, on the other hand, and other international obligations of Ukraine;

3) on the basis of the Concept and the operational document (action plan), ensures preparation of proposals for the Medium-Term Government Action Plan and for the Government's priority action plans.

**17.** Annually or at the end of the period specified for implementation of the Policy Concept, the policy directorate of the ministry **evaluates the results of the state policy implementation** in its area of competence according to specific indicators of achievement of the identified goals (performance indicators), including the results of work of central executive bodies whose activities are directed and coordinated by the Cabinet of Ministers through the respective minister.

Policy efficiency is a feature of the policy that characterizes its success in terms of achieving certain goals.

Policy efficiency is a policy feature that characterizes the ratio of its effectiveness to the amount of resources spent for this purpose.

Indicators of effectiveness and efficiency of the ministry are indicators (including statistical ones) characterizing the condition of the ministry's sphere of competence. Measures and actions taken to implement the Concept are not considered to be the indicators.

**18.** Based on the assessment results, the Ministry's Policy Directorate prepares a report on the status of policy implementation and its effectiveness with proposals for its continuation, revision or abolition.

**19.** If based on the assessment a conclusion is made that the policy was ineffective/ineffective, the objectives were not achieved/partially achieved (which may be caused by an incomplete or incorrect list of options for solving the problem, incorrect selection of a solution, incorrect forecast of the consequences of the selected solution, etc.) the Policy Directorate reviews the policy or adjusts it. To do this, steps need to be taken starting from Paragraph 6 of this section.