



EU4Business

MOVING FORWARD
TOGETHER

FORBIZ
Creating better
business environment

A decorative graphic on the left side of the page, consisting of a central dark blue circle with several colorful segments (yellow, orange, light blue, dark blue, green) radiating outwards, resembling a stylized sunburst or a fan.

BRDO ANNUAL REPORT 2020

The logo for the Better Regulation Delivery Office (BRDO) is displayed in the background. It consists of the letters 'BRDO' in a large, bold, sans-serif font. The letters are a dark blue color, and the 'B' and 'R' are slightly larger than the 'D' and 'O'.

Better Regulation Delivery Office is the leading Ukrainian better regulation think tank with an implementation focus. BRDO is a nonprofit NGO created in 2015 to support the GoU in carrying out medium and long-term business environment economic reforms in a politically unstable environment. Our mission is to play a key role in transforming Ukraine into a European well-governed democratic society underpinned by strong economy.

5 YEARS OF ACTIVITY:

63

policy papers
(fitness checks)

166

adopted (co-)drafted
legislative acts
implementing policy
recommendations

+27
in 2020

1 245

abolished legislative acts
identified to be outdated
and/or illegal

+36
in 2020

5

award-winning digital tools
used by SMEs, inspectors
and regulators

THIS RESULTED IN:



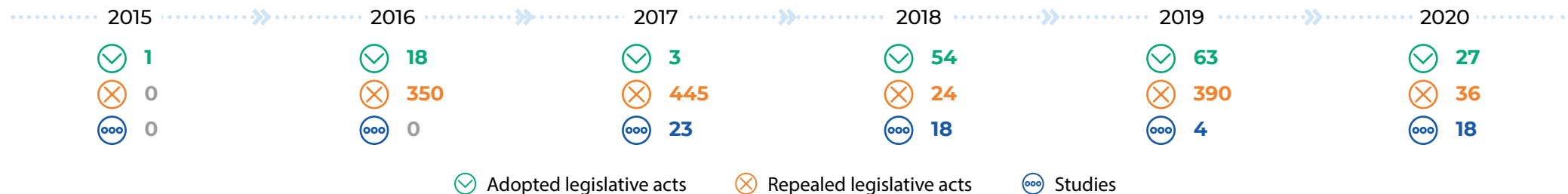
UAH 25 billion

costs saved by SMEs



UAH 5.5 billion

public expenditures costs saved



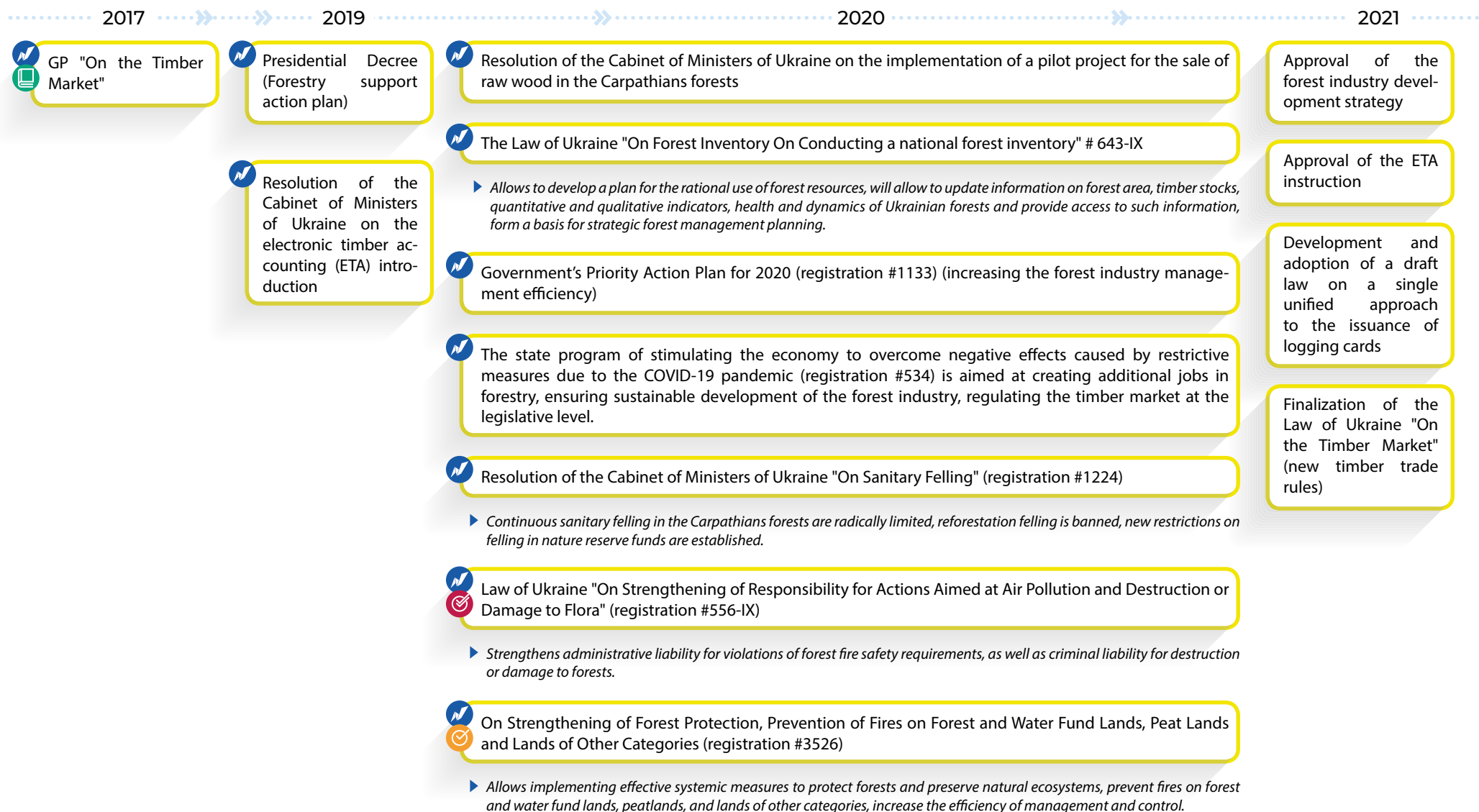
Last year we had the largest-scale policy successes to date. At the same time, Ukraine is facing a combination of hybrid challenges with weak societal institutions and public administration. This makes our roles even more important: reform engineers, advocates, watchdog, advisers, coordinators. Every year our initiative grow in scale and so grows the opposition from vested interests. We outplay them by continuously engaging across organisational barriers to sustain the reform momentum. Boosting and demonstrating the capacity to carry out reforms has recently become even more important amid reform efforts discreditation campaigns.



Oleksii Dorohan
CEO

AGRICULTURE

1. Forest industry reform



Legend:



BRDO (co)authorship



Green Paper



White Paper



Adopted in the 1st reading



Adopted as a whole

2. Irrigation and drainage reform

2020



GP "Irrigation and Drainage", a three-level organizational and economic model of reforming the management of reclamation systems in Ukraine



Order of the Cabinet of Ministers of Ukraine "On approval of the Action Plan to implement the irrigation and drainage strategy in Ukraine until 2030" (registration #1567-r)

► Provides for practical steps to improve irrigation and drainage systems in Ukraine.

2021

Development of a draft Law "On Water-Related and Reclamation Infrastructure Management"

Finalization of the draft Law "On Associations of Water Users" as part of the working group at the State Water Resources Agency and the interdepartmental working group on the irrigation and drainage development at the Ministry of Economic Development

3. Better regulation of technical hemp market

2020



GP "Technical hemp market"



Business case "Technical hemp cultivation" at #StartBusinessChallenge [SBC.REGULATION.GOV.UA](https://sbc.regulation.gov.ua) ▶

2021

Amendments to the regulatory acts regarding simplifying the technical cannabis market regulation

The concept of reforming the technical cannabis market

4. Improvement of state agricultural support

2020

Analysis of Ukrainian legislation in the field



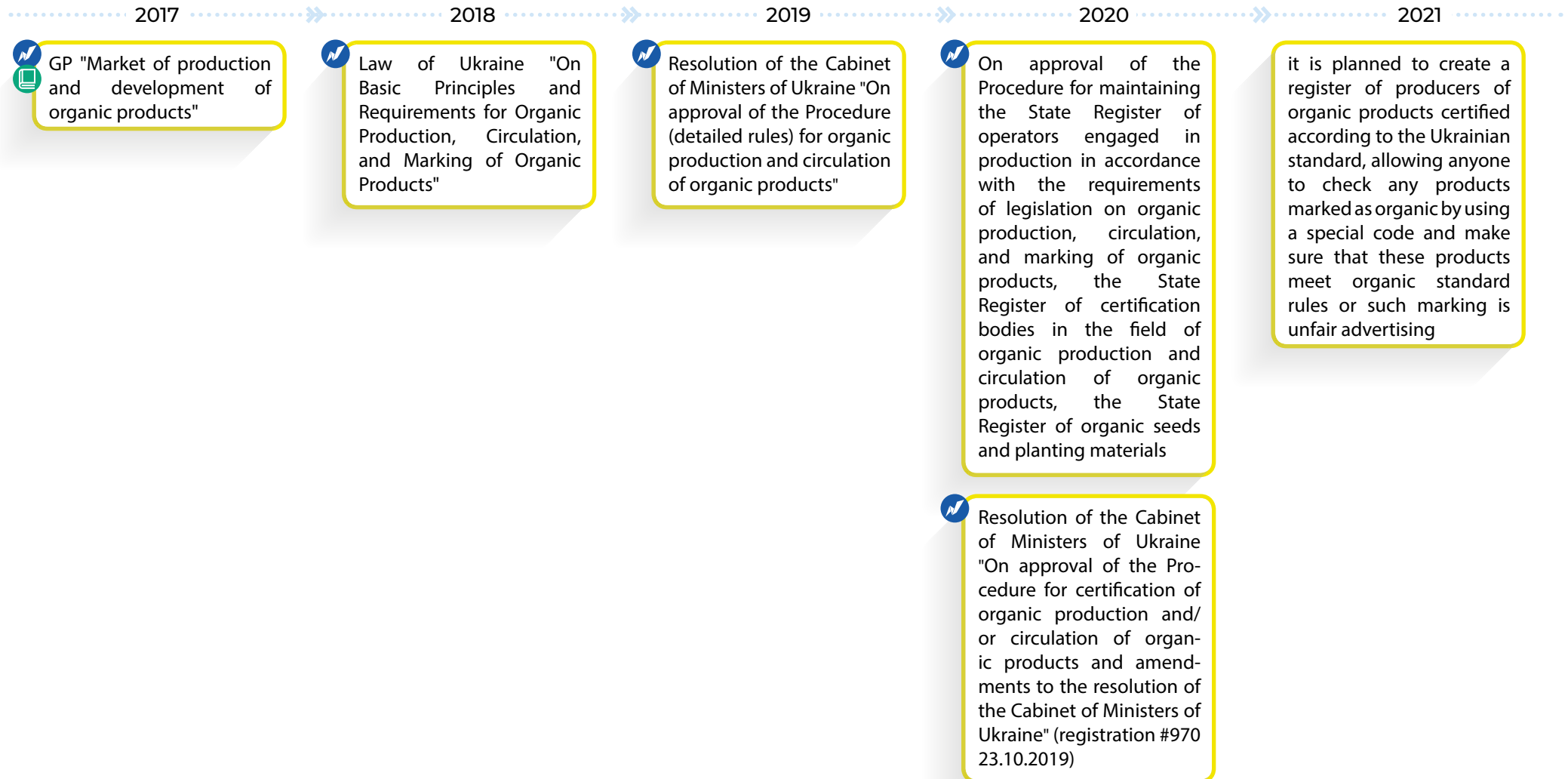
Law of Ukraine "On Amendments to Certain Laws of Ukraine on the Functioning of the State Agrarian Register and Improvement of State Support of Agricultural Producers" (registration #985-IX)

► A single state information system (State Agrarian Register) that will provide simplified registration of agricultural producers to receive budget support, automatic verification of their status through access to other state registers and cadastres, as well as reliable statistical information was created.

2021

Monitoring

5. The market of organic products



6. The market of plant protection products

2019



GP "Regulation of domestic production and circulation of plant protection products"



Resolution of the Cabinet of Ministers of Ukraine #295 18.04.2018

2020



GP "Regulation of transportation, storage, disposal of plant protection products"



Draft Law on Amendments to Article 4 of the Law of Ukraine "On Pesticides and Agrochemicals" Regarding Import of Pesticides into the Customs Territory of Ukraine (registration #2289 18.10.2019)

► Aimed at canceling the requirement to provide documentary confirmation of state registration of plant protection products in the country where they are produced making it impossible today to access the latest original plant protection products for state tests and further registration in Ukraine.



Law of Ukraine "On Strengthening of Responsibility for Actions Aimed at Air Pollution and Destruction or Damage to Flora" (registration #556-IX 13.04.2020)

► Strengthens administrative liability for violations of forest fire safety requirements, as well as criminal liability for destruction or damage to forests.

7. Beekeeping market reform

2018



GP "Honey Market"



Development of regulatory acts on some beekeeping issues (regarding bee poisoning, simplification of bee farms registration)

2019



Order of the Ministry of Agrarian Policy "On approval of the Requirements for natural floral (nectar) honey and natural honeydew honey suitable for human consumption, industrial use or as an ingredient in other foods"

2020

Development of a draft Law "On Amendments to the Law of Ukraine on Beekeeping"

8. Improvement of agricultural insurance

2020



Development of the draft Law "On Amendments to the Law of Ukraine on State Support of Agriculture"

9. Better regulation of nuts market

2017



GP "Walnut Market Regulation"



2020

The concept of effective nut market regulation

10. Simplification of agricultural and forestry vehicles registration

2021



Implementation of EU technical regulations on agricultural vehicles

2020:



RIAs

In 2021, the sector will continue to work on reforming agricultural markets. Comprehensive forest reform, development of the technical hemp market, reform of state support for agro-industrial complex and agricultural insurance, creation of a legal basis for the functioning of irrigation and drainage systems, oyster market, berry and mushroom market, support of beekeeping, simplification of agricultural machinery registration, Green Course and Ukraine biodiversity protection are among our priorities.

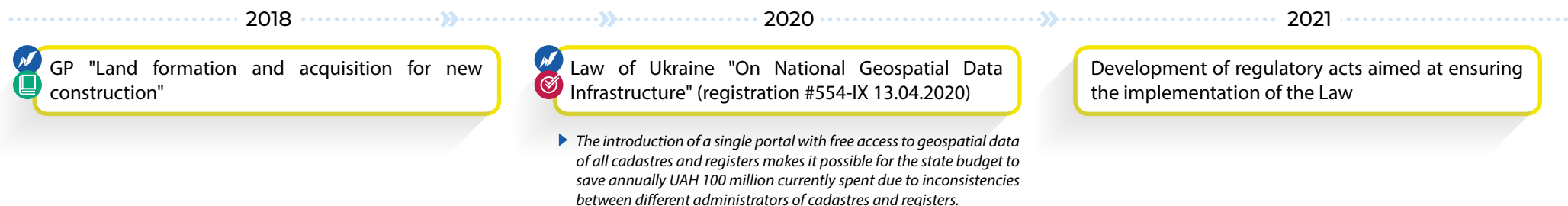
Together with the Supervision and Control Sector, we will work on the creation of an ECO platform (in the context of forest resources management) and the improvement of aquaculture regulation.



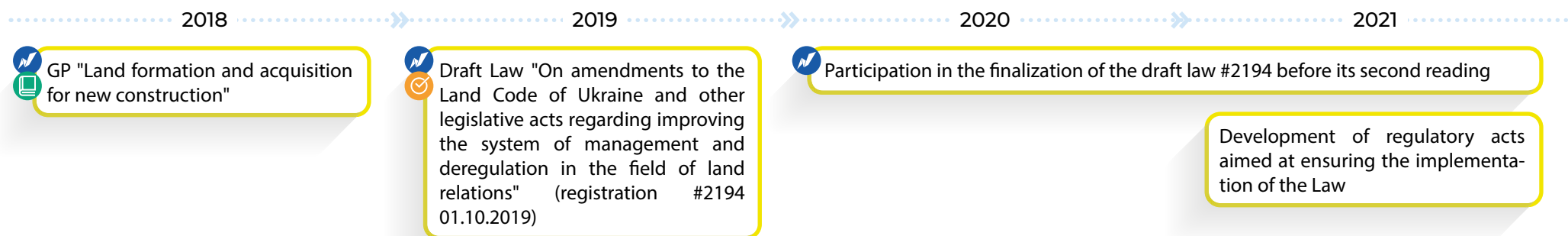
Iryna Gruzinska
Agriculture Sector Head

CONSTRUCTION

1. Creation of national geospatial data infrastructure



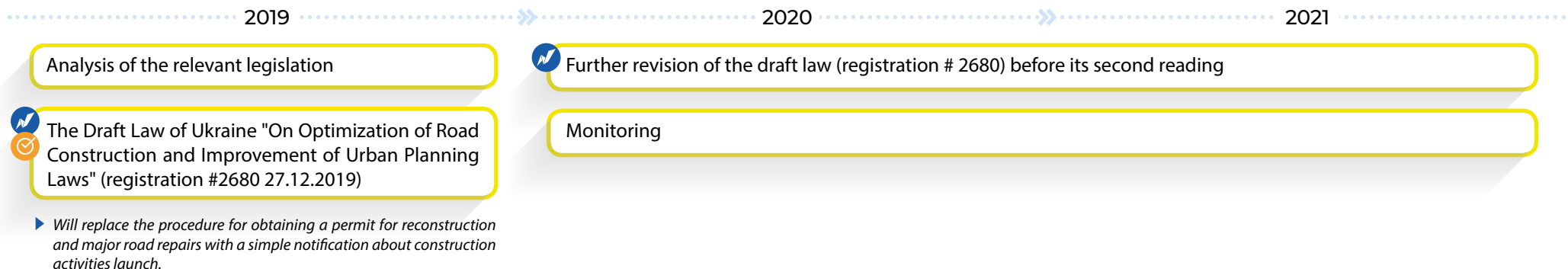
2. The system of management and deregulation improvement in the field of land relations



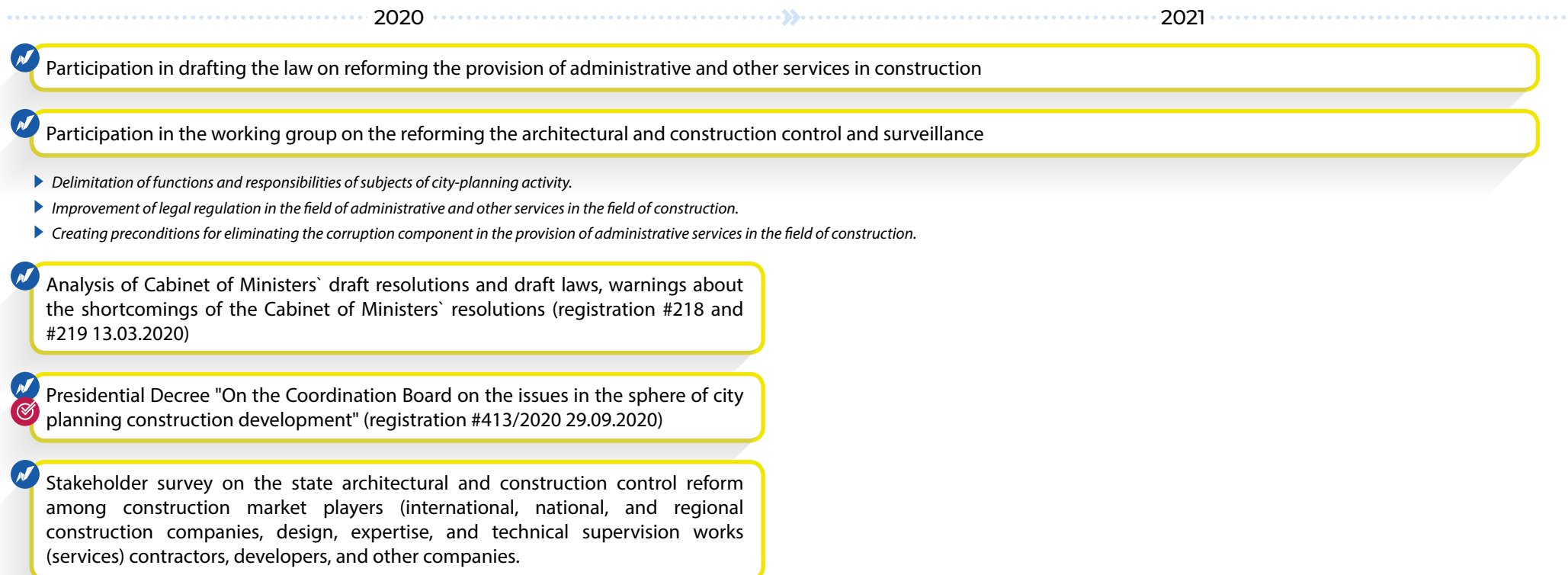
3. Improved for land use planning



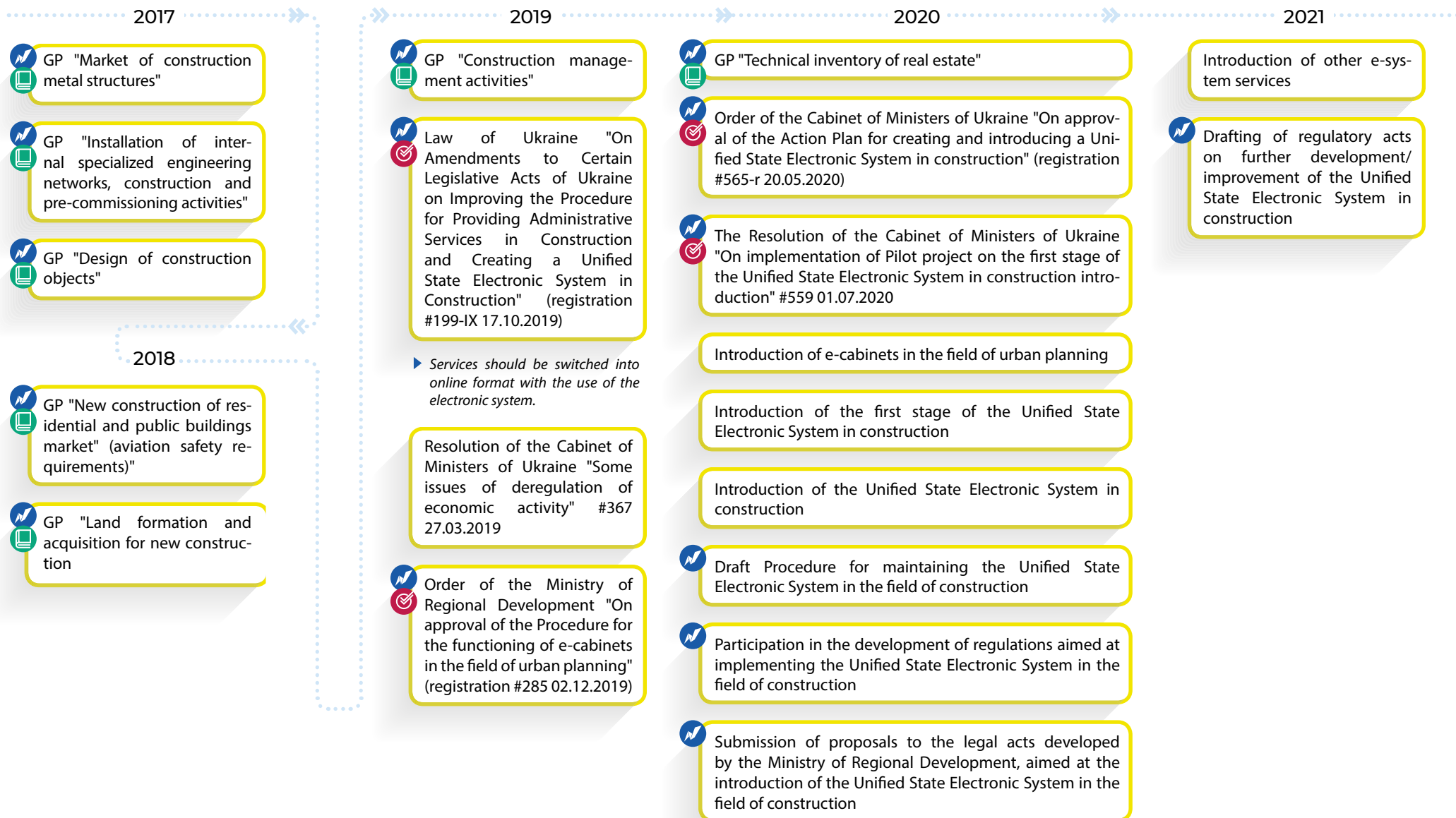
4. Better regulation for road construction



5. State Architectural and Construction Inspectorate (SACI) reform



6. Introduction of e-system in construction



7. Placing construction products on the market




8. Address Register, Register of buildings, Register of administrative-territorial units and territories of territorial communities




9. Protection of investors' rights in real estate that will be built in the future

2017

 Draft Law "On Amendments to Certain Legislative Acts of Ukraine Concerning Unfinished Construction Objects and Future Real Estate Objects" (registration #7084 06.09.2017)


2019


 Recommendations of the hearings in the Committee of the Verkhovna Rada of Ukraine on the organization of state power, local self-government, regional development, and urban planning on the topic: "Protection of investments in residential real estate and ways to solve the problems of affected investors" from 04.12.2019

2020

 Draft Law "On Guaranteeing Real Rights to Real Estate to be Built in the Future"

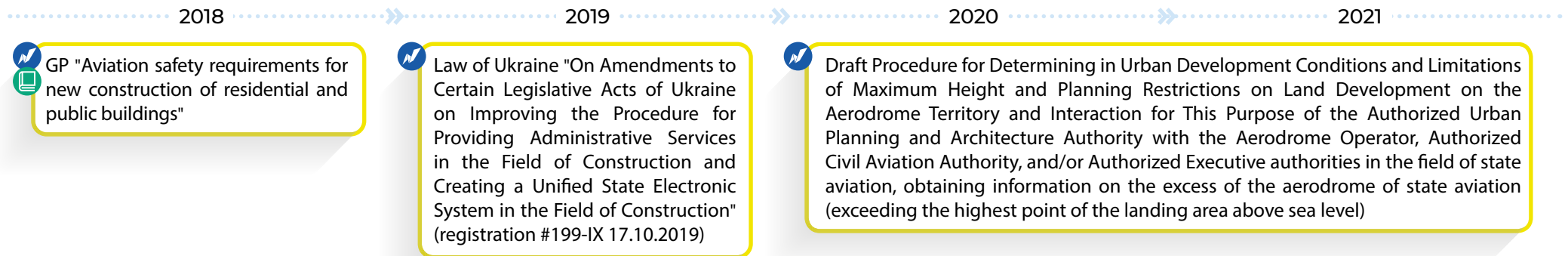
- ▶ *Creation of preconditions for the transparent attraction of investors' funds for construction financing by the introduction of state registration of investors' rights to construction objects and premises in the construction object.*
- ▶ *Creation of a mechanism to prevent the sale of premises in the construction site, in respect of which there is no right to perform construction work.*
- ▶ *Ensuring changes in the technical characteristics of the object (number of floors, area and functional appointment of common premises, etc.) by agreement of the investors, who purchased the premises in the construction site*
- ▶ *Creation of mechanisms to prevent the double sale of premises in the construction site.*

 Draft Law on "Assistance to Affected Creditors in Completion of Problem Objects of Unfinished Apartment Housing"

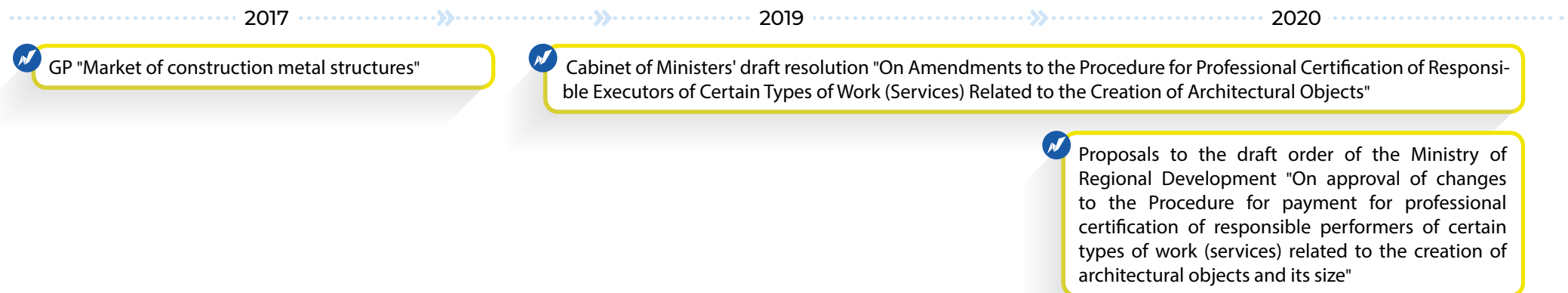
 Participation in the working group of the Committee of the Verkhovna Rada of Ukraine on the organization of state power, local self-government, regional development, and urban planning to develop a draft law on the protection of future investments in housing and prevention of new problematic construction projects

2021

10. Simplification of obtaining approvals for construction on the aerodrome territory



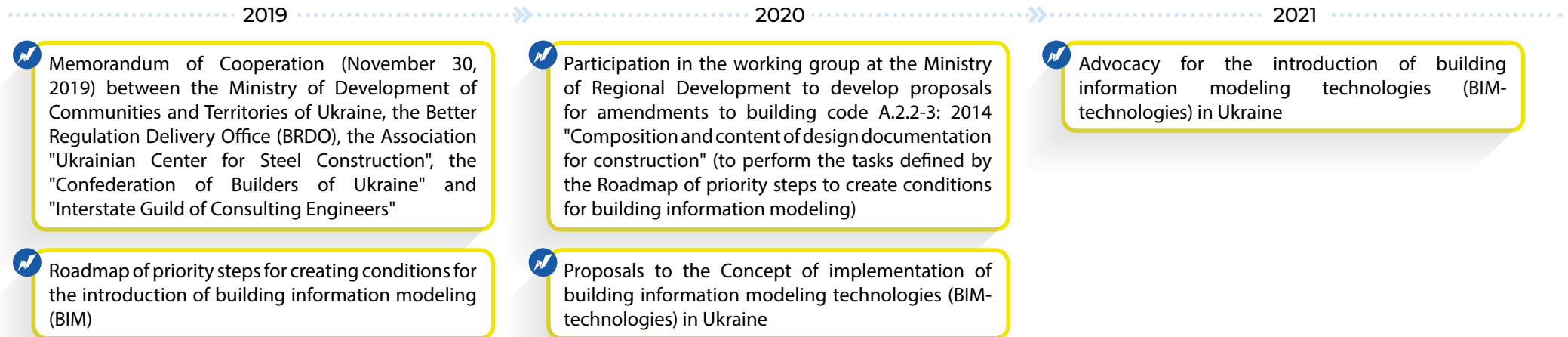
11. Improving professional certification of responsible executors of certain types of works (services) related to the creation of architectural objects



12. Improving the receipt of administrative services in the field of cultural heritage protection (for construction)



13. Building information modeling (BIM)



RESEARCH:

- 1 GP "Public Procurement in Construction" (+2 GP)
- Real estate system registration research



PARTICIPATION IN THE DEVELOPMENT OF 11 REGULATORY ACTS, IN PARTICULAR:

- Draft Law of Ukraine "On the State Address Register of Ukraine"
- Changes to the procedure for exchanging information between central executive bodies, attestation commissions in the process of conducting independent monitoring (approved by the Resolution of the Cabinet of Ministers of Ukraine #602 26.07.2018)
- Draft Order of the Ministry of Development of Communities and Territories of Ukraine "On Amendments to the Order of the Ministry of Regional Development, Construction and Housing of Ukraine #204 15.08.2017" (criteria to be met by expert organizations examining construction projects)
- Proposals / comments to 24 normative legal acts are provided

Next year, together with partners, we will continue to work on the introduction of BIM-technologies in Ukraine, legal framework preparation for the full implementation of the e-system in construction in December 2021, creation of new components, such as an address register, a register of buildings and a register of administrative-territorial units, in the e-system, as well as the creation of a legislative basis for guaranteeing property rights to real estate objects that will be built in the future.

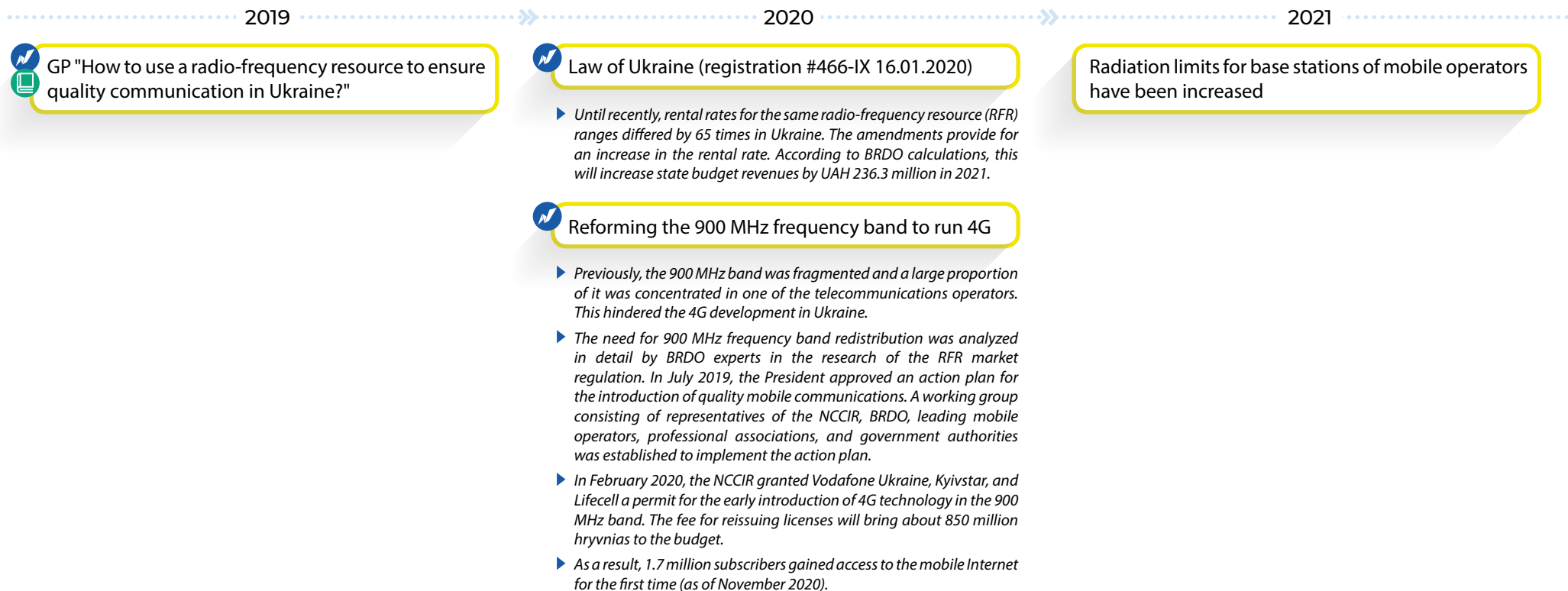


Taisiia Baryngolts
Construction Sector Head

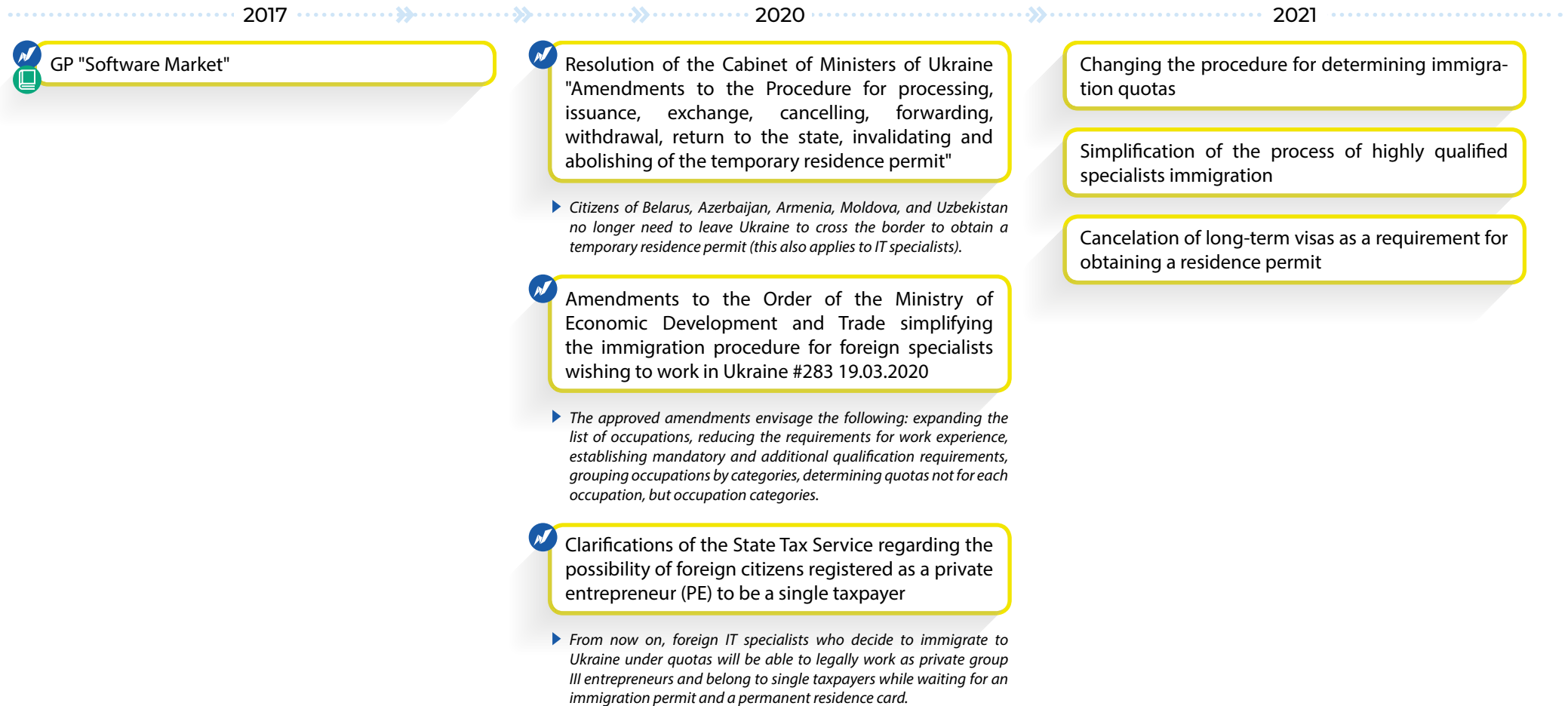
1. Telecommunications



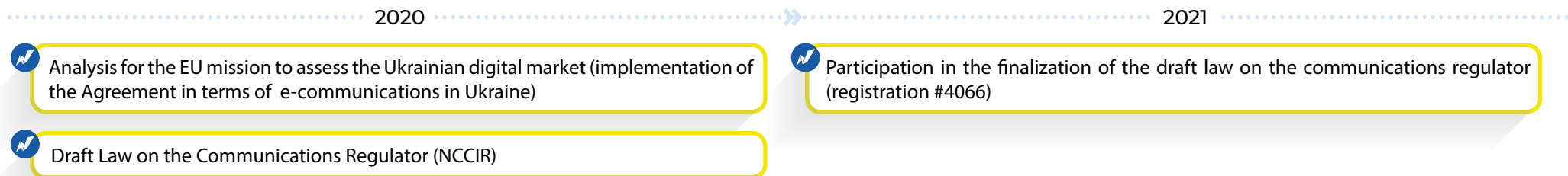
2. Improvement of the radio frequency resource use efficiency



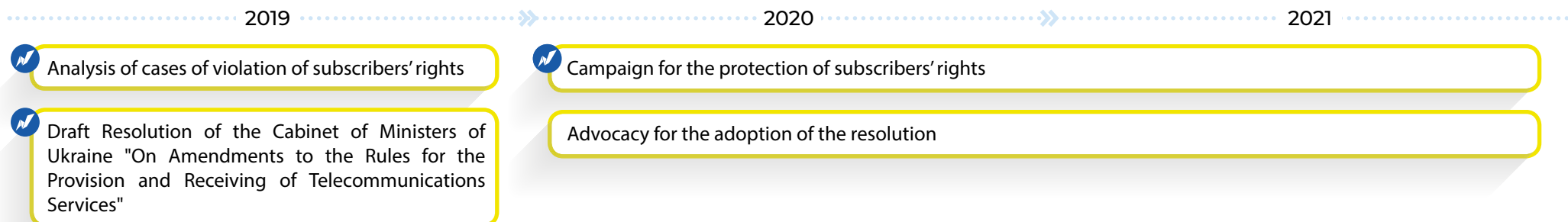
3. The simplified attraction of foreign IT specialists



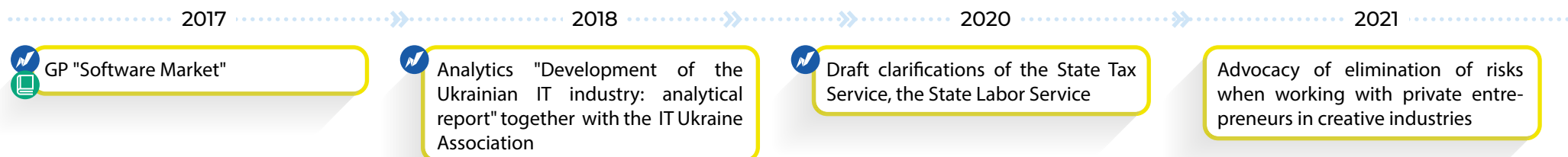
4. Communications regulator



5. Protection of subscribers from imposed content services



6. Protection of the private entrepreneurship (PE) model in creative industries (reduced risks when working with private entrepreneurs)



7. Open data

2019

Analytical Report On Compliance of Ukrainian Legislation with European Open Data *

* USAID / UK aid project "Transparency and Accountability in Public Administration and Services / TAPAS".

2020

GP "Open Data Policy"

Study: Open data impact on the urban planning sector (the impact of using SACI's open data on solving social problems in Ukraine) *

* USAID/UK aid project "Transparency and Accountability in Public Administration and Services/TAPAS" and with the assistance of the Ministry of Digital Transformation.

Draft amendments to the Law "On Access to Public Information" (registration #2939-VI 2011)

Updated draft Resolution of the Cabinet of Ministers of Ukraine on open data in Ukraine (registration #835) (became the basis for the draft resolution of the Ministry of Digital Transformation)

Campaign for making financial statements public

► Ukrainian legislation obliges data holders (the State Tax Service, the State Statistics Service, and the Ministry of Justice of Ukraine) to publish and regularly update financial statements of companies in the format of open data on the data.gov.ua portal. The Better Regulation Delivery Office, together with the Ministry of Justice, colleagues from Youcontrol, Transparency International Ukraine, OpenUp and Clarity Project, has agreed to establish a joint working group to develop solutions that will help make the companies' financial statements public.

Campaign for making transport data public

2021

Participation in the finalization of the draft resolution (registration #835)

Participation in the Working Group to make amendments to the Law "On Access to Public Information" (registration #2939-VI)

The telecommunications law reform is necessary both for market development and for Ukraine to fulfill its obligations under the Association Agreement. Therefore, this aspect will continue to be a priority.



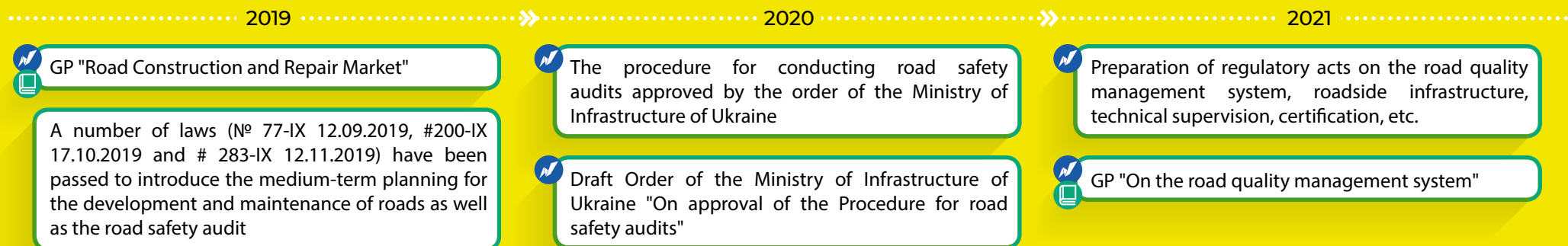
Ihor Samokhodsky
IT&Telecom Sector Head

TRANSPORT AND INFRASTRUCTURE

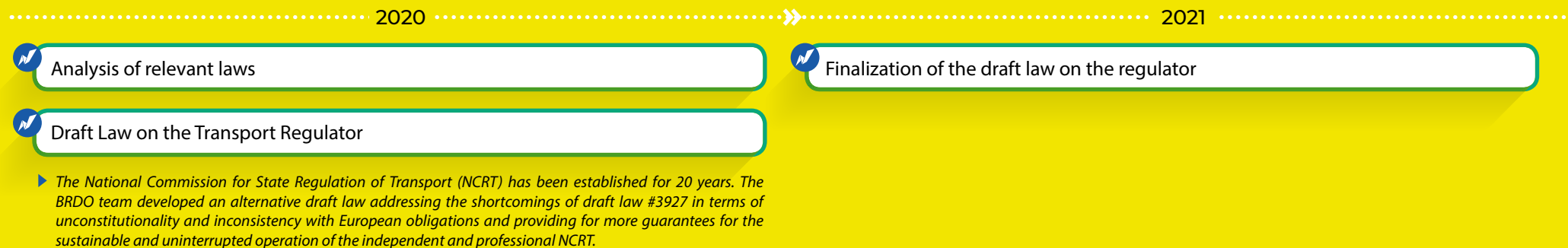
1. Taxi market reform



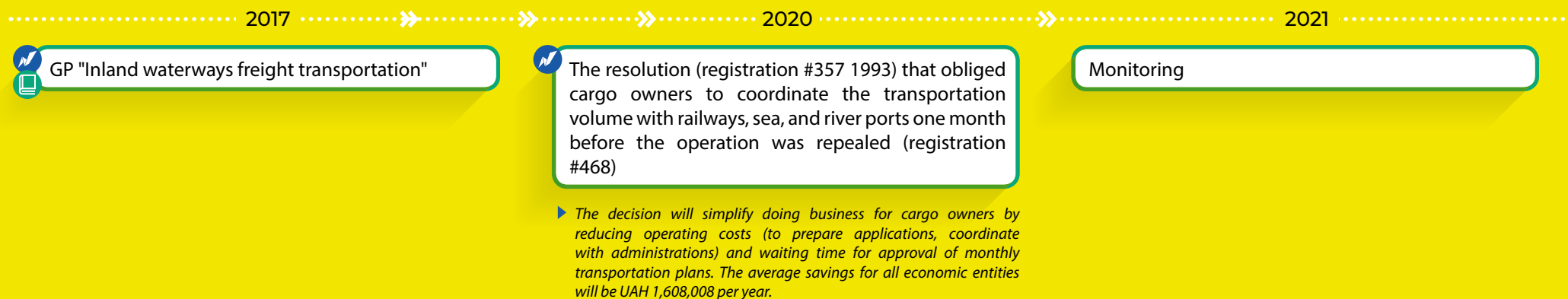
2. Road quality management



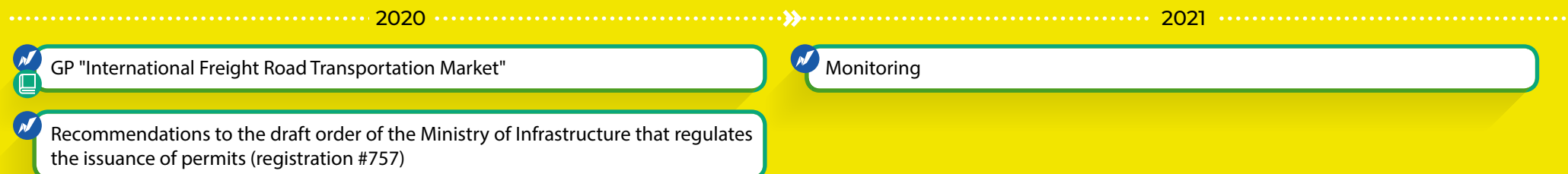
3. Transport regulator



4. Inland water transportation



5. International freight transportation



6. Reform of Ukrzaliznytsia: the first step towards unbundling

..... 2019 2020 2021

Resolution of the Cabinet of Ministers of Ukraine "On implementation of a Pilot project regarding the admission of private locomotives to operation of separate routes on public railway tracks" (registration #1043 4.12.2019)

Analysis of relevant laws and provisions of the Association Agreement with the EU

Order of the Ministry of Infrastructure "On approval of the Provisional Regulations on the Procedure for admission of private locomotives to operation of separate routes on public railway tracks" (registration #191 04.03.2020) (registered as #278/34561 16.03.2020 in the Ministry of Justice of Ukraine)

A draft contract on admission of private locomotives to operation of separate routes on public railway tracks that will be concluded between the JSC "Ukrzaliznytsia" and pilot project participants according to the Provisional Regulations on the Procedure for Admission of Private Locomotives to Operation of Separate Routes on Public Railway Tracks approved by the Order of the Ministry of Infrastructure (registration #191 04.03.2020), registered as #278/34561 16.03.2020 in the Ministry of Justice of Ukraine

► The contract establishes the procedure and conditions to form a schedule of operations, the procedure, and conditions of distribution of responsibilities, the procedure of financial settlements between the parties, a list of all, departmental instructions and documents necessary to ensure the rail traffic safety and continuity of technological transportation process, etc.

The first contract was signed within the pilot project

GP on railway freight transportation

GP on unbundling of Ukrzaliznytsia

Monitoring of experimental project implementation

The key challenge for the JSC "Ukrzaliznytsia" is the critical deterioration of fixed assets: tracks, locomotives, and other rolling stock. About a third of the main railway lines require major repairs. In some areas, the speed limit reaches 40 km/h affecting the delivery time and creating financial risks for businesses. Due to this policy, the joint-stock company's revenues will continue to fall by 20-30% annually.

To solve this problem, it is necessary to delegate the powers from the company's board to standalone subdivisions, in which the production process takes place.

Another important decision should be the unbundling, i.e. the division of Ukrzaliznytsia into separate operators: cargo, passenger, and infrastructure operators). First, it is necessary to create separate legal entities responsible for handling wagons (such an opportunity is already provided by law) with further progress thereafter. Only the infrastructure will remain fully nationally owned, while market conditions will be created for other operators and it will be possible to attract private investors.

The admission of private locomotives to public railway tracks will provide an opportunity to make significant progress in addressing 2 important issues: 1) adoption of the Law of Ukraine on Railway Transport and 2) partial compensation of the Ukrzaliznytsia's locomotive traction deficit. In early December, a contract was concluded with the first of the experiment participants that will operate private locomotives at once on 9 railways sections in western Ukraine.

The strategic plans of our sector for 2021 include the adoption of laws on the taxi market, progress in railway reform, in particular regarding equal access to infrastructure, the creation of an open and competitive rail transportation market, and the establishment of a professional independent transport regulator. Also, together with Ukravtodor, we plan to create and implement a road quality management system and develop the roadside infrastructure.



Zoya Melnyk
Acting Head of
the Transport and
Infrastructure Sector

ENERGY: REFORMS AND CHALLENGES

1. Connection to networks reform

2017



GP "Retail electricity market"



WP "Retail electricity market regulation. The main directions of optimization"



GP "Systematic review of the quality of state regulation of the retail natural gas market"

2020



GP "Regulation of connection to engineering networks"

2021



Law "On amendments to certain legislative acts of Ukraine concerning simplification of connection to electric networks"

- ▶ The goal is to simplify the mechanism of connecting the customer's facilities to the grid through:
 - ▣ introduction of a "single window" mechanism for the submission and approval of documentation for the design of electrical networks;
 - ▣ land issues settlement related to the allocation of land for the location of energy infrastructure;
 - ▣ simplification of the establishment of land easement on land plots of state and communal property;
 - ▣ the possibility of building linear energy infrastructure facilities on state and communal lands without the need to divert them;
 - ▣ cancellation of a certain amount of additional limitations.



Law "On strengthening control over compliance with the legislation on connection to engineering networks"

- ▶ The goal is to create a tool for customers protection from violations while connecting to engineering networks by:
 - ▣ electronic portal of complaints creation, aimed at fixating actions of engineering network operators;
 - ▣ creation of objective bases of penalties formation for operators' of engineering networks offenses;
 - ▣ granting powers to the State Agency for Energy Efficiency to consider offenses;
 - ▣ determine types of offenses that will be recorded by the State Energy Supervision Inspection of Ukraine and the size of fines for their commission in the field of electricity;
 - ▣ determine types of offenses in the field of water supply and sewerage as well as reasonable amounts of fines for their commission;
 - ▣ actualization of the size of penalties in the field of heat supply.



Draft Law of Ukraine "On Amendments to Certain Laws of Ukraine on Settlement of Certain Issues of Connection to Engineering Networks"

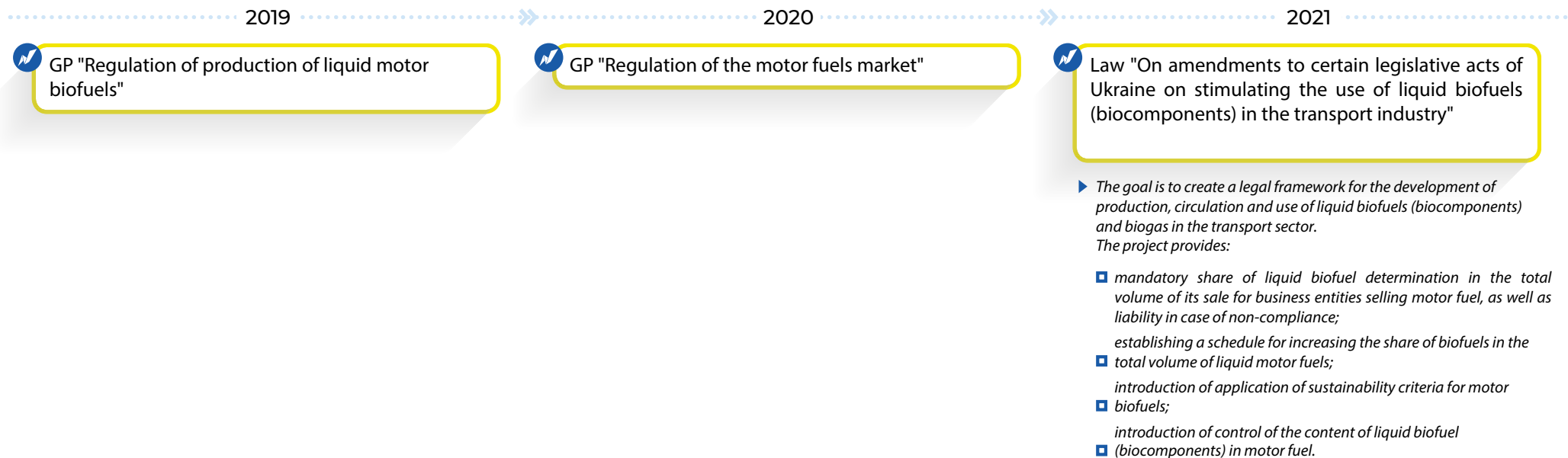
- ▶ The goal is to simplify the connection of new construction objects to the engineering networks, to create a legal basis for the effective management of engineering networks. The draft law provides:
 - ▣ unification of the procedure of connection to different engineering networks and determination of the connection fee;
 - ▣ solving the issue of "ownerless" engineering networks;
 - ▣ arrangement of protection zones of engineering networks;
 - ▣ inventory of engineering networks;
 - ▣ abandonment of technical conditions as initial data for design, instead of design should be carried out on the basis of open data.



Law "On amendments to certain legislative acts concerning certain issues of accession to gas transmission or gas distribution system"

- ▶ The purpose of the law is to simplify the mechanism of connecting the customer's facilities to the gas transmission or gas distribution system. The project provides:
 - ▣ abolition of the mandatory division of standard and non-standard connections;
 - ▣ new approach to determining the connection fee based on capacity and distance to the place of power supply;
 - ▣ connections to gas distribution networks are performed exclusively by their operator;
 - ▣ introduction of connection services by operators of electronic services, providing the possibility of document circulation between the customer and the operator.

2. Biomotor fuel market reform



KEY CHALLENGES IN THE SECTOR - 2021:



The Resolution On Amendments to the Resolution of the Cabinet of Ministers of Ukraine "Issues of Geological Information Management" (registration #939 07/11/2018)

**WAS
ADOPTED** ✓



3 REGULATORY ACTS **WERE DEVELOPED:**

Draft Law "On stimulating the use of liquid biofuels (biocomponents) in the transport sector"

Draft Law on amendments to the Law of Ukraine "On the Electricity Market" regarding the functioning of the balancing electricity market

Draft Resolution of the Cabinet of Ministers of Ukraine on amendments to some resolutions of the Cabinet of Ministers of Ukraine regarding improving the provision of housing subsidies



RESEARCH PROJECTS:

White Paper "Stimulation of energy efficiency and climate protection in the industry"

Some proposals were developed in the form of a Map of further actions of the authorities aimed, inter alia, at updating the legal framework in this area and bringing the Ukrainian legislation into line with the EU law

Green Paper "Coal Market"

There were developed proposals to change the state policy in the coal-mining industry, which include, in particular, the assets privatization of state-owned coal enterprises, the tax preferences cancelation, the inefficient mines elimination

It was proposed to develop a Concept of decarbonization of the Ukrainian economy that will set long-term targets for reducing coal consumption to achieve the low-carbon development goals.

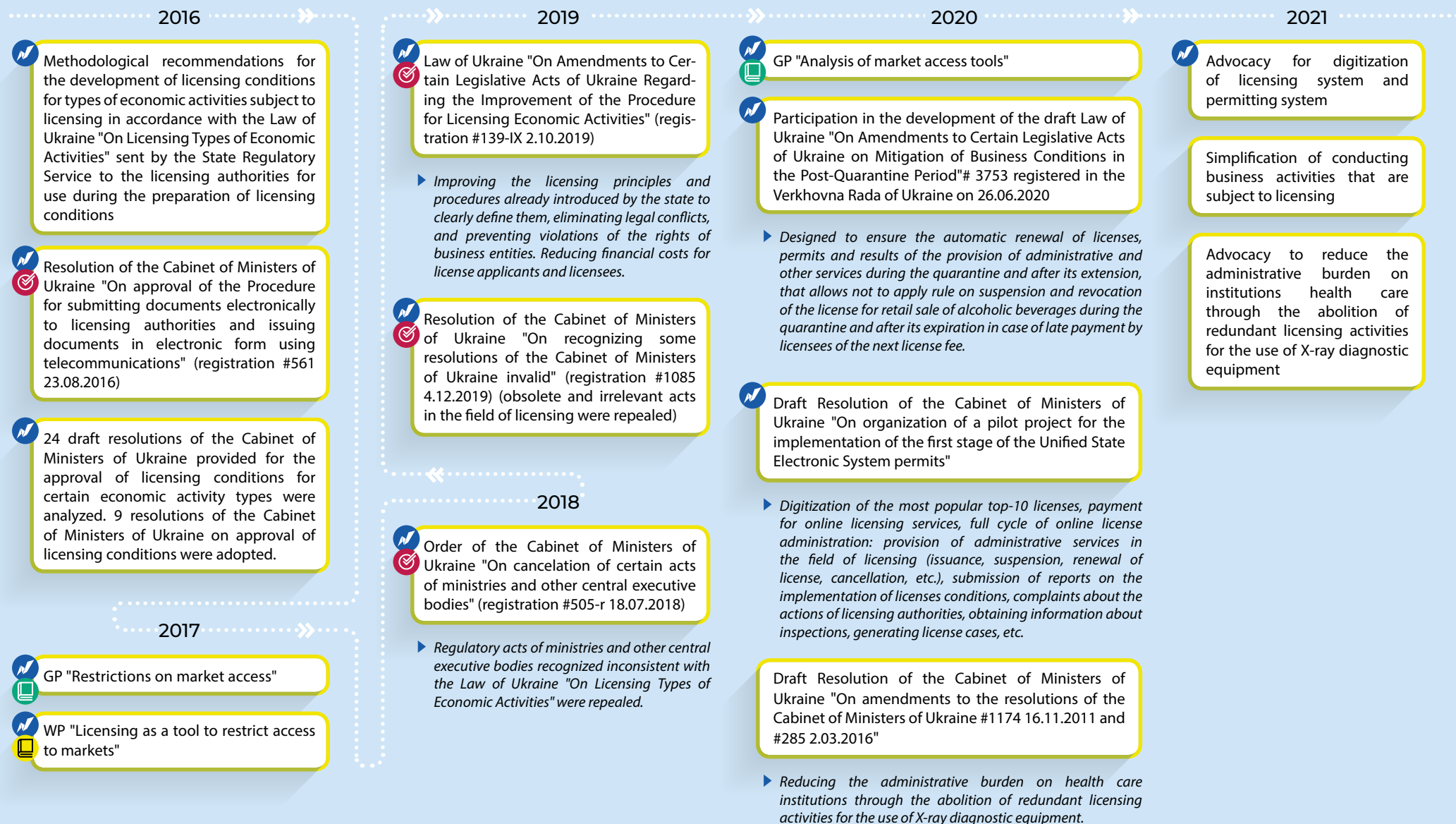
In 2021, we will work on further changes in a number of legislative acts to simplify the procedure for connection to engineering networks, as well as the introduction of a market for motor biofuels. In addition, we will return to the agenda the issue of effectively stimulating regulation and decarbonization of the economy within the framework of the Green Deal strategy.



Anton Zorkin
Energy Sector Head

CONTROL AND SUPERVISION

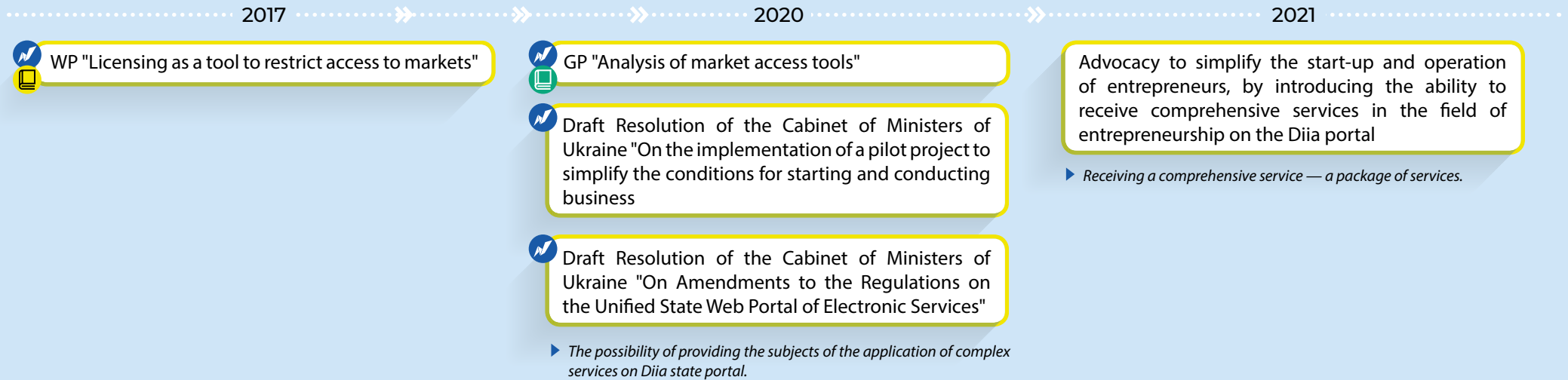
1. Digitization and simplification of business activities subject to licensing



2. Development of a unified permitting system



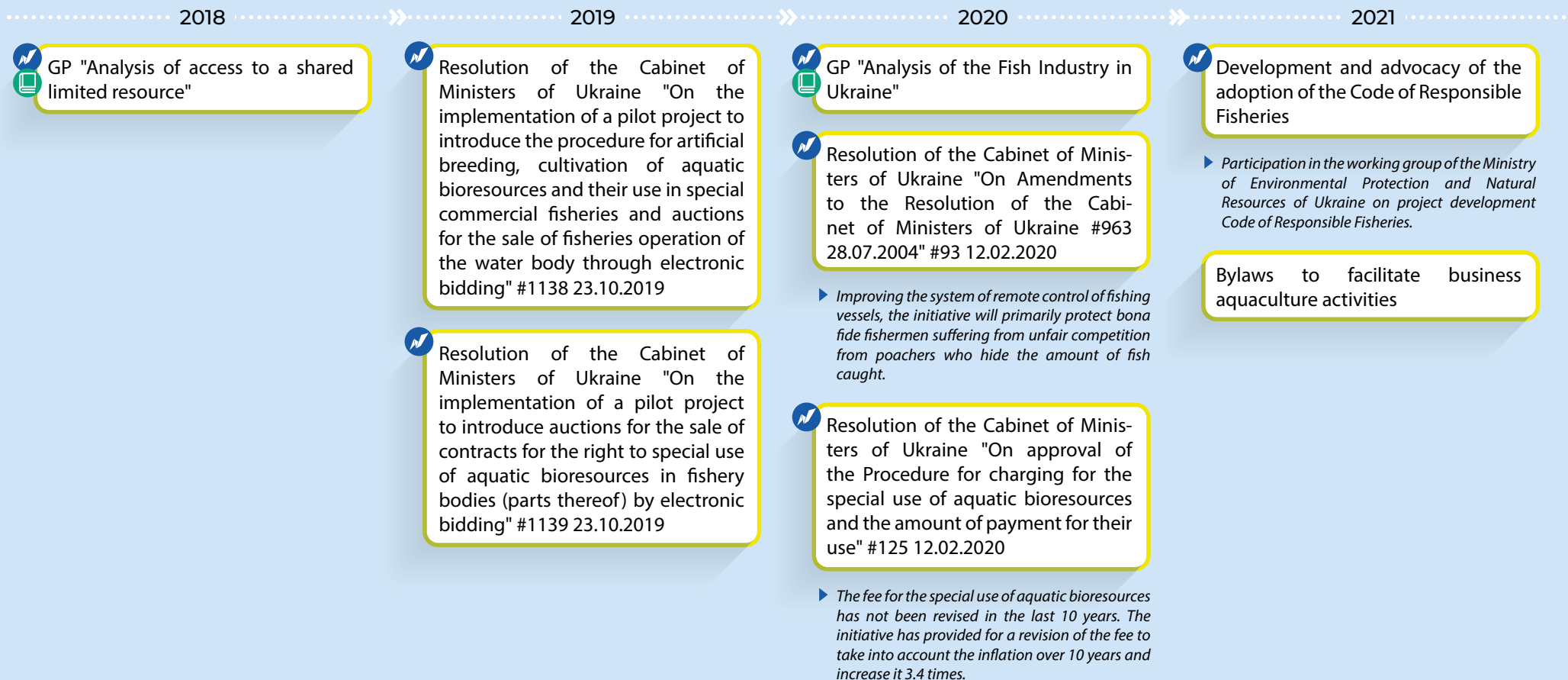
3. E-entrepreneurship



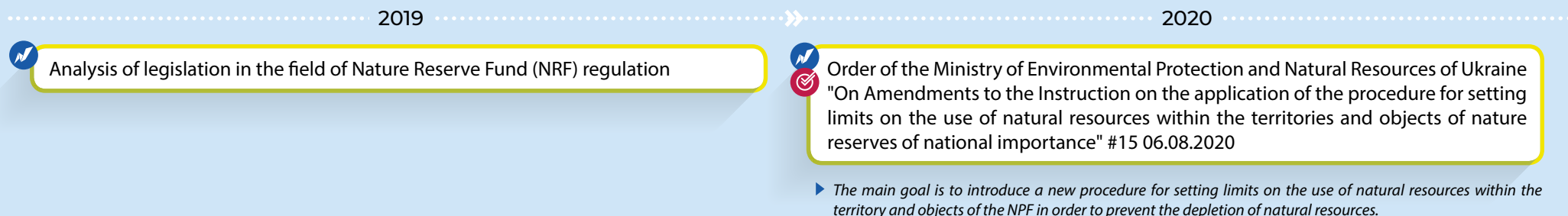
4. "Private" space activities



5. Reform of the fishing industry of Ukraine



6. Natural reserve management reform



7. Reform of special water use and works on water fund lands



8. Simplification of economic activity for producers of fermented alcoholic beverages (including reform of small beer producers)



9. Ensuring balanced and effective government decisions



The further systematic work to make e-licensing systems and e-entrepreneurship a reality this year is among the priorities of our sector. Our special focus is to develop and implement an EcoDiia platform



Hanna Bashniak
Control, and Supervision
Sector Head

CROSS-SECTORAL INITIATIVES

DEVELOPMENT OF A SINGLE ENVIRONMENTAL PLATFORM "ECODIIA"



THE PLATFORM WILL CONSIST OF 7 ACTIVE BLOCKS:

Open access to up-to-date information on natural resources. A public electronic map will contain information about available natural resources and show the status of their use. It will contain public registers in each area: ee-Waste, e-Fish module, e-Pesticides module, e-Air module and its monitoring, e-Subsoil module, e-Forest module, e-Hunter module, e-Water module.

Electronic services. The user's e-cabinet will allow business entities to select an object to use on the electronic map and apply for a permit or participate in an auction for the right to use a shared limited resource. Moreover, users will be able to monitor the entire process of obtaining the right to use a shared limited resource by stages online.

Electronic traceability of origin and sales of products. It will significantly reduce the shadow market of natural resources by providing transparency and traceability of their origin. As for the economic effect, the introduction of electronic traceability of just aquatic bioresources by origin will reduce the annual losses of the state from illegal fisheries by at least UAH 839 million and the losses from the illegal trade of aquaculture aquatic bioresources by UAH 250 million.

Electronic reporting. It will be possible to submit mandatory reporting for each natural management sector electronically, 24/7, without personal contact with officials. By the way, the introduction of electronic services just in obtaining the right to industrial catch of aquatic bioresources will save more than UAH 107 thousand for business annually. In turn, electronic reporting will reduce the annual expenses of business entities in fisheries by UAH 226 thousand and by a record UAH 905 thousand in the water management sector!

Environmental monitoring. It provides for the operation of an automated system of access to environmental information that will allow constant access to up-to-date information on the state of the environment and create prerequisites for the prompt response of the State Environmental Inspectorate to environmental threats.

Environmental inspections. It will ensure transparent, accountable, and predictable activities of the State Environmental Inspectorate.

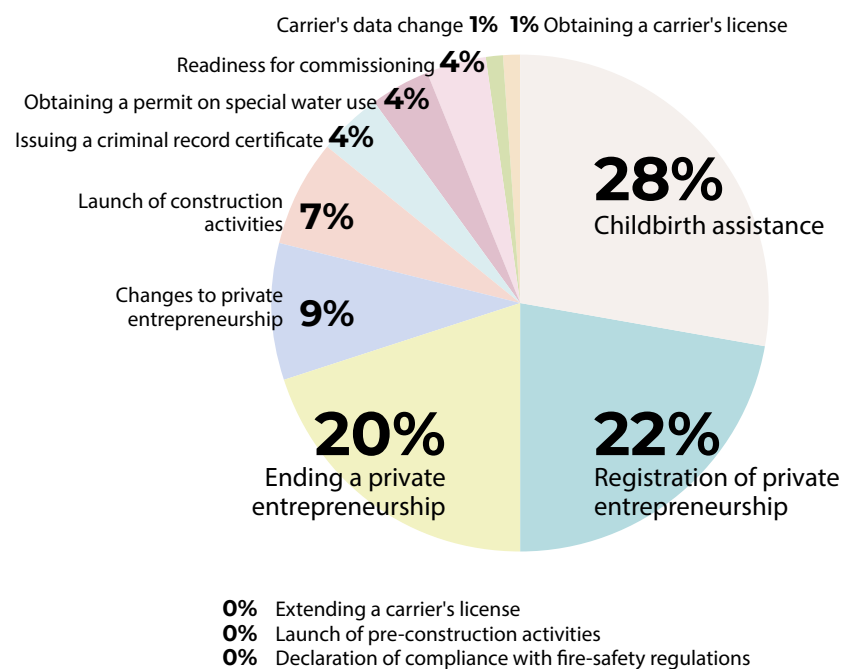
Feedback. It will provide the possibility of prompt communication with responsible resource management agencies.

"THE ANTI-CORRUPTION AND ECONOMIC POTENTIAL OF E-SERVICES" RESEARCH

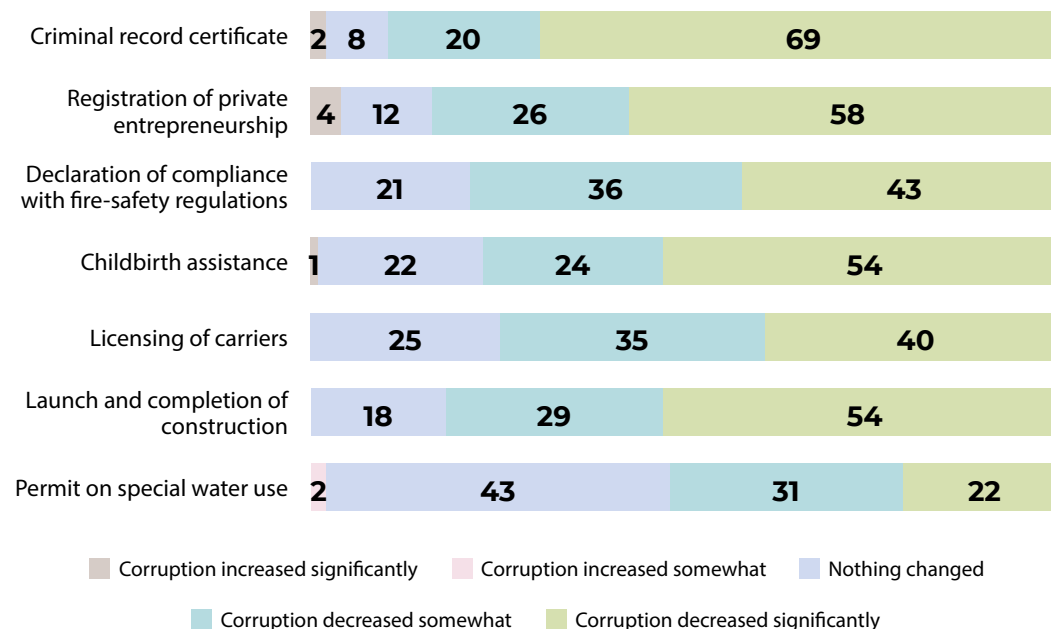
This analysis is the first attempt to conduct a comprehensive evaluation of the economic and anti-corruption effects of introducing electronic public services in Ukraine using the example of seven sectors.

The study's objective is to show how much time and money users have already saved and could save in the long run by being able to receive services without visiting government agencies and without the involvement of intermediary service providers/officials, as well as what impact the online format of services may have on corruption.

Distribution of the economic effect between services



Anti-corruption dynamics, %

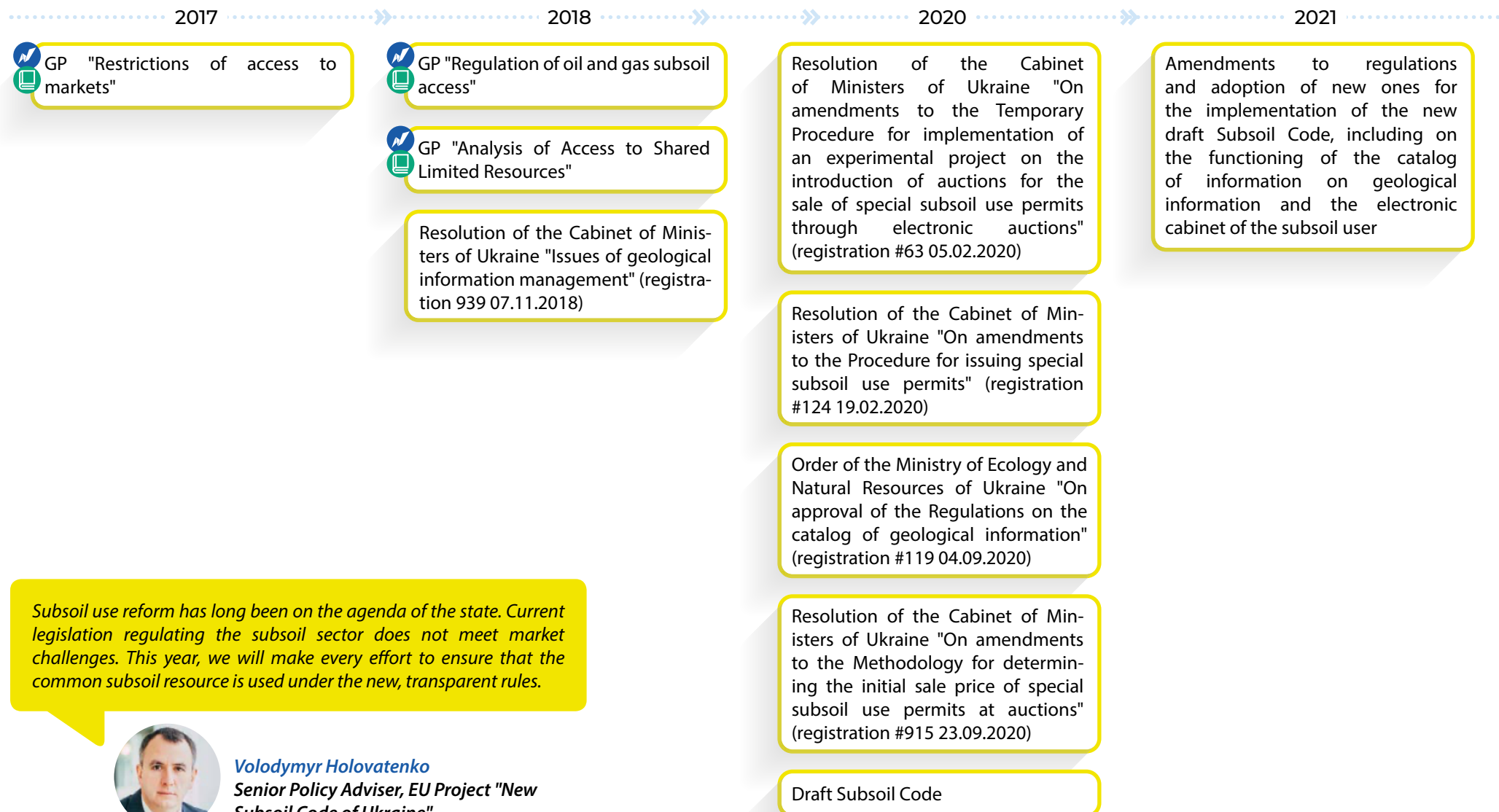


Source: The Report "Anti-corruption and economic potential of e-services" prepared by the Better Regulation Delivery Office (BRDO) at the request of the Ministry of Digital Transformation of Ukraine and with the support of the USAID/UK aid Transparency and Accountability in Public Administration and Services (TAPAS) project, the Ukrainian-Swiss E-Governance for Accountability and Participation (EGAP) Program and the East Europe Foundation (September 2020)

* The report was prepared by the Better Regulation Delivery Office (BRDO) at the request of the Ministry of Digital Transformation of Ukraine and with the support of the USAID/UK aid Transparency and Accountability in Public Administration and Services (TAPAS) project, the Ukrainian-Swiss E-Governance for Accountability and Participation (EGAP) Program and the East Europe Foundation.

SAVINGS of over UAH 840 million on bribes and 500 man-years per year

SUBSOIL USE REFORM



#STARTBUSINESSCHALLENGE

SBC.REGULATION.GOV.UA

START
BUSINESS
CHALLENGE

+11

in 2020

182

business cases

+6

in 2020

36

cities

6

trainings for
entrepreneurs

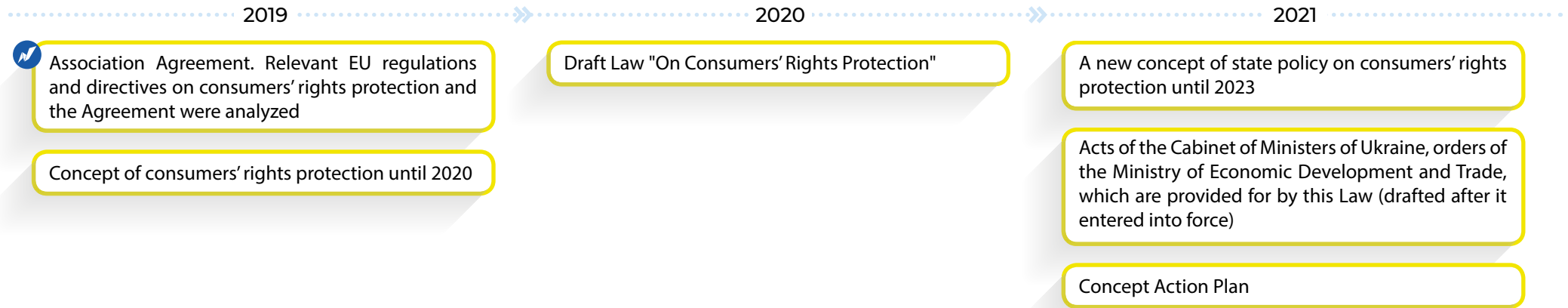
- Cluster "Business during quarantine" — 55 instructions containing state quarantine requirements and international recommendations
- Case "Hiring employees officially" in cooperation with the State Labor Service
- Top business decisions in the European Commission's ranking in 2019
- National winner and shortlist finalist of the European Enterprise Promotion Award 2020 in the category "Improving the business environment"
- Integration with the state Diia.Biznes platform

In 2021, we plan to update the already developed step-by-step online instructions, as well as create instructions for 10 new activities. In the direction of localization, we want to connect the #StartBusinessChallenge with 8 more regional centers, so that by the end of 2021 the service was available in all regional centers of Ukraine.



Yanina Dobrovolska
project manager

PROTECTION OF CONSUMERS' RIGHTS



RATING METHODOLOGY

Regional Doing Business study is adapted on the World Bank methodology.

The rating assesses six areas of interaction between entrepreneurs with local authorities, namely:



Starting a business



Registration of the land plot



Obtaining building permits



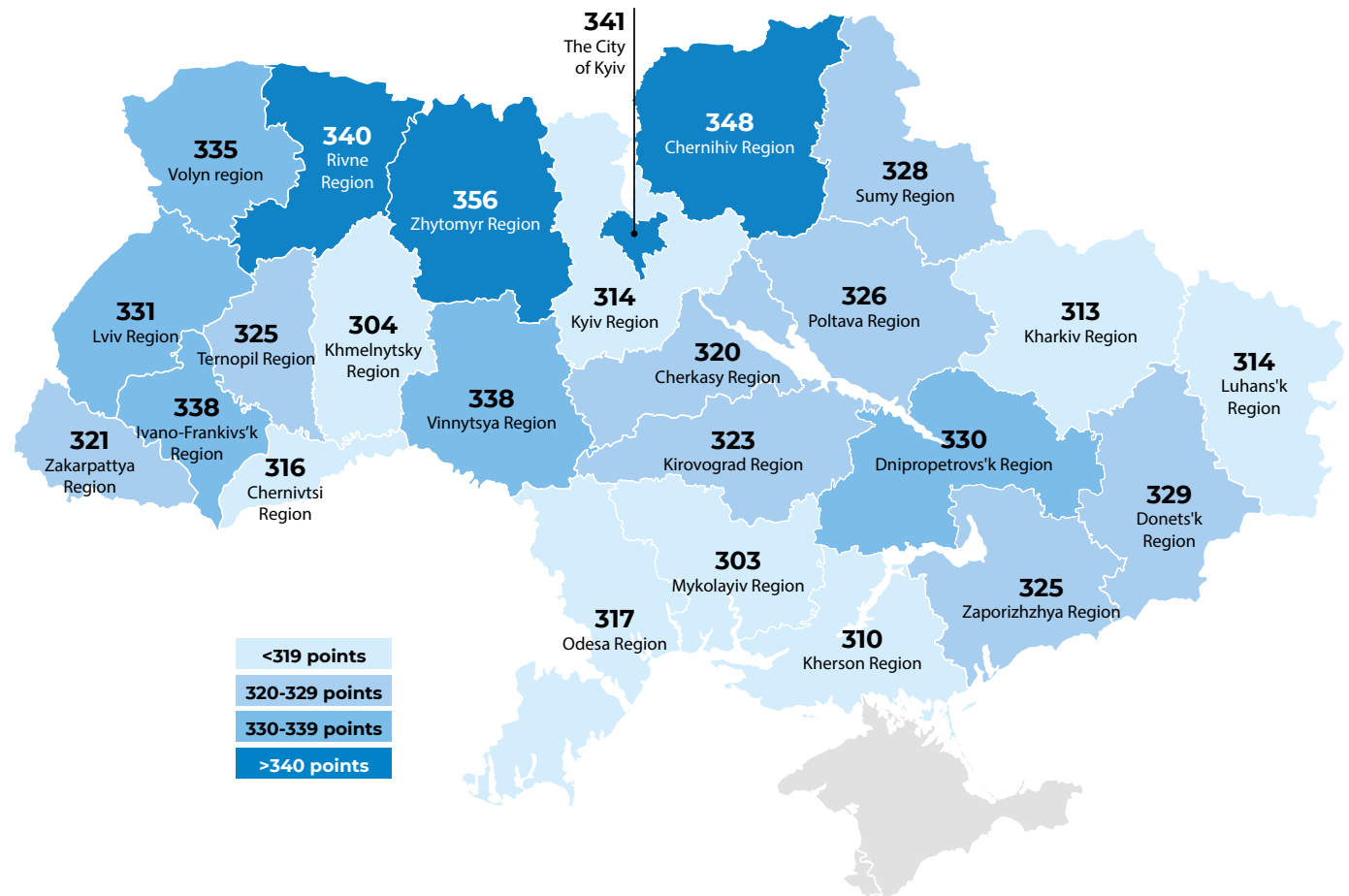
Payment of local taxes



Connecting to the grid



Electronic services

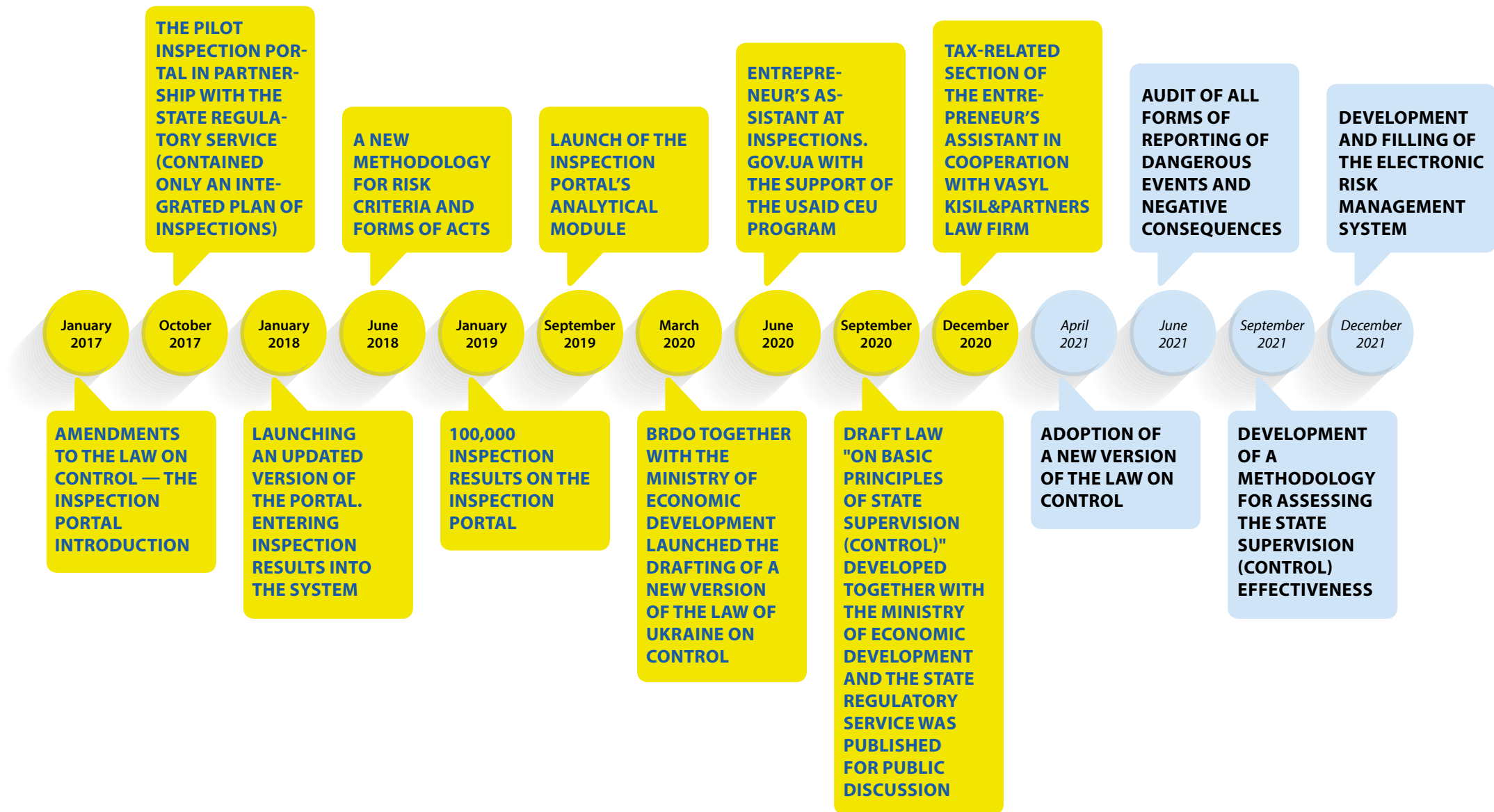


The results of the rating are based on data from **1,754** questionnaires of respondents from the private sector of **24** regional centers of Ukraine and the city of Kyiv.

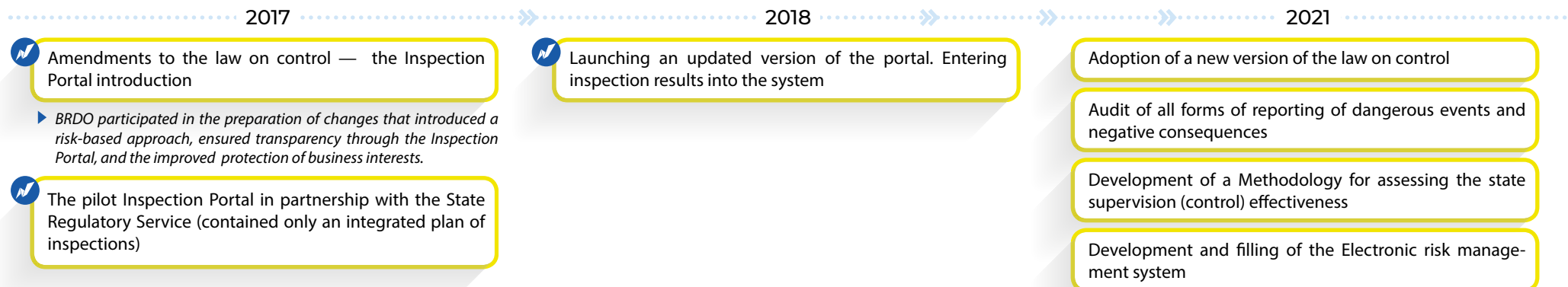
The main evaluation criteria under each component were **"money"** and **"time"** spent on formal procedures, as well as the number of **"visits"** to state / local authorities.

The overall rating is measured by the sum of points scored by the regional center in each of the six components. The maximum number of points that each regional center can score in each component is **100** points. The total maximum number of points is **600**.

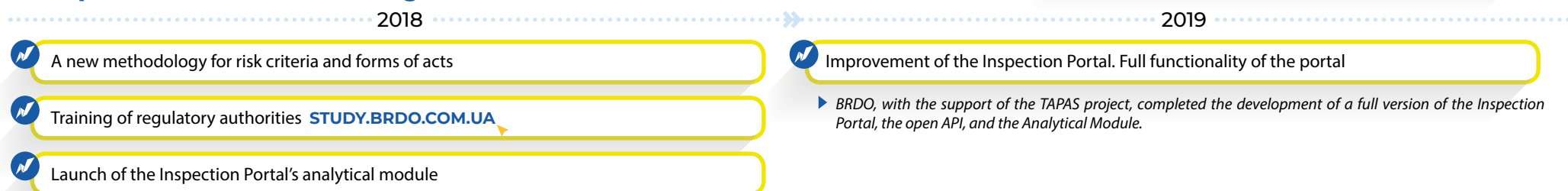
INSPECTION REFORM



1. Inspection reform – transparency



2. Inspection reform – reframing



3. Inspection reform – legislative amendments and instruments for business



23

regulatory authorities
(CEBs)

almost **10,000**

civil servants use the portal in their
work every day

1.5 million

active users

> 260,000

scheduled inspections

> 230 000

unscheduled inspections

Our key tasks for 2021 are the adoption of a new version of the law on control and the gradual creation of a unified risk management system to ensure not only the transparency of state supervision (control), but also mechanisms for assessing its effectiveness and efficiency.



Yana Horiunova
Chief Information Officer

The interactive platform was presented in July 2020.

The section “Tax Audits” of the Business Helper was presented in December 2020 (in cooperation with Vasil Kisil and Partners Law Firm)

46

thematic articles on all
details of state inspections
(including tax ones)

36

sample documents
related to inspections

7,562

people became users
in six months

512

users have already
registered in the system

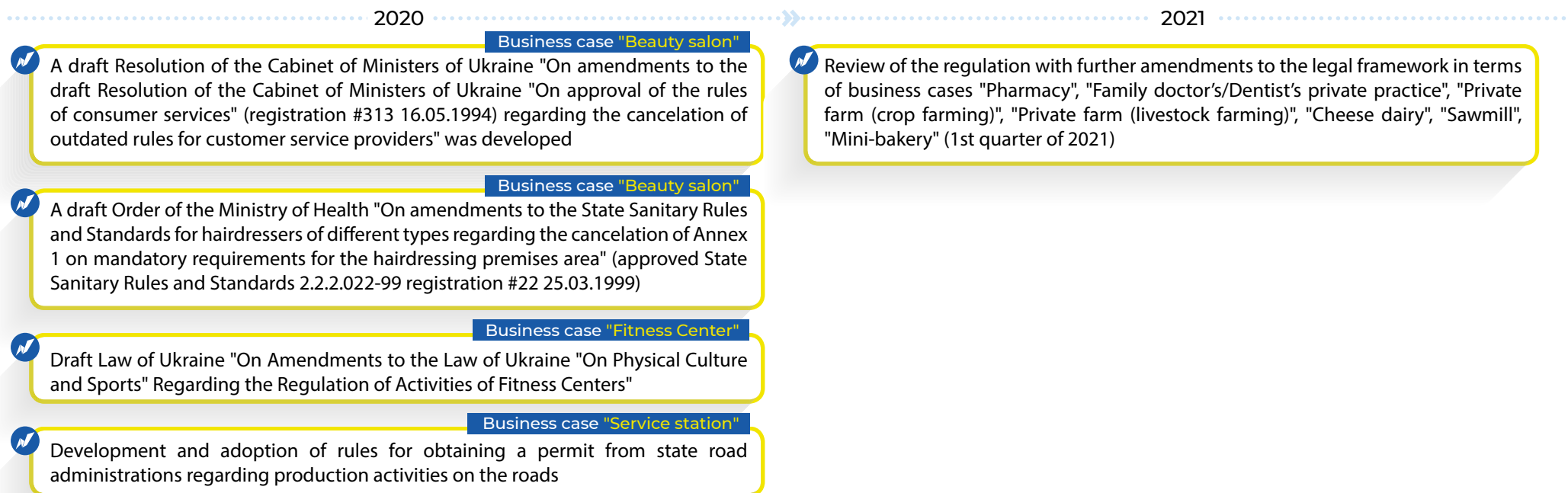


online generator of complaints
and appeals about violations
during inspections

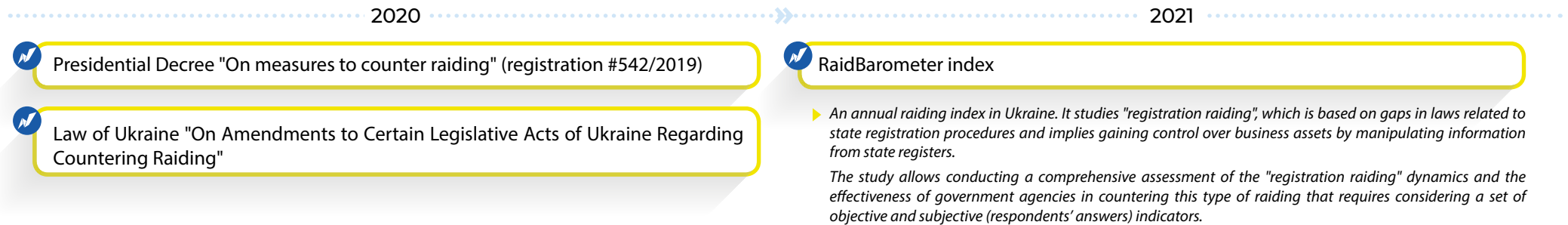
RED TAPE CHALLENGE — DEREGULATION BASED ON BUSINESS CASES

In summer 2020, BRDO experts proposed a new deregulation approach. It is based on business cases and implying a review of the regulation of certain business types with the further simplification of the rules of the game for entrepreneurs. As a result of the review, the proposals for regulation changes are discussed with business environment representatives by conducting an online survey called Hunting for Bureaucracy (#RedTapeChallenge). Business responses help BRDO experts develop relevant proposals to improve the business environment for certain industries.

The regulation of 4 business types (beauty salons, fitness centers, service stations, warehouses) was analyzed



Fight against raider attacks



THE RAIDBAROMETER INDEX METHODOLOGY CONTAINS THE FOLLOWING PARAMETERS:

Registration raiding dynamics in Ukraine

Effectiveness of government agencies (executive bodies, law enforcement agencies, courts) in counteracting raiding

Perception of the raiding dynamics and the effectiveness of government agencies in counteracting raiding by business representatives, lawyers, and experts

BUSINESS SELF-REGULATION



ROLLING REVIEWS OF THE REGULATORY ENVIRONMENT



METHODOLOGICAL GROUP

BETTER REGULATION REFORM



METHODOLOGICAL GROUP:

Approval of the "evidence-based" approach to form public policies and develop draft regulatory acts aimed at and their implementation: the use of data analysis and consideration of various policy/regulation structure options (RIA), their adjustment (RBM) and revision, preparation of analytical documents to justify the relevant proposals (Green Papers).

Ensuring the openness of public policy processes by involving representatives of stakeholders (those who will be affected by policy changes and those who will be responsible for their implementation) Roundtables).

Developing draft regulatory acts on the introduction of policy documents and analytical support documentation in the regular procedures of public authorities (Rules of Procedure of the Cabinet of Ministers of Ukraine and the amendment thereto).

Building capacities of civil servants, representatives of business associations, think tanks, and non-governmental organizations to analyze public policies, form and advocate for specific proposals in terms of their content:

- developing guidance materials to prepare public policy documents, regulatory acts, and analytical background papers
- conducting training courses on the use of these methods (BRDO School);
- providing advisory and mentoring support on the use of these methods;
- creating IT-tools that facilitate the preparation of public policies, regulatory acts, and analytical background papers
- facilitating the launch of the Directorates as structural units of the Ministry responsible for formulating sectoral policies

By reviewing specific regulatory acts and developing proposals for various public policy areas, the Better Regulation Delivery Office (BRDO) concluded that Ukraine lacks a clear and transparent system for developing, adopting, monitoring, and reviewing public policy decisions. Usually, "policies" as a holistic and consistent approach of the state to solving problems of various groups of society, in particular businesses, is not formulated, monitored, or reviewed. Instead, the impulsive-intuitive and fragmentary adoption of specific acts is a dominant approach. As a result, public policies are unsystematic, uncoordinated/contradictory while often being changed irrationally (unreasonably and on impulse). We concluded that these fundamental problems of public policy-making processes should be resolved and focused on this activity.



Roman Kobets
policy expert

SUPPORT AND PROMOTION OF BRDO INITIATIVES

COMMUNICATIONS SECTOR

- ▣ development and implementation of the communication strategy and plans based on research
- ▣ comprehensive communication support of legislative initiatives and IT solutions
- ▣ organization of public consultations, trainings, events of any level
- ▣ cooperation with media and stakeholders

ECONOMIC SECTOR

- ▣ forecasting the dynamics of key macroeconomic indicators, analysis of their impact on the economic activity of business entities
- ▣ calculating the economic effect from the implementation of legislative initiatives
- ▣ assessing the regulatory impact on the economic activity of business entities;
- ▣ assessing the economic effect of state COVID-19 crisis response programs

FUNDRAISING PRIORITIES

- ▣ searching for resources for the implementation of reforms for public authorities
- ▣ evaluation of projects for donors
- ▣ project structuring

LEGAL SECTOR

- ▣ analyzing the current legislation and preparing proposals for its improvement
- ▣ analyzing European integration commitments and preparing proposals to bring Ukrainian laws in line with EU legislation
- ▣ developing green papers
- ▣ drafting regulatory acts






Annex

Regulatory acts (co)drafted by BRDO experts in 2020


CONSTRUCTION SECTOR

Adopted:



3 laws in total:

-  Law of Ukraine "On National Geospatial Data Infrastructure" (registration #554-IX 13.04.2020)
-  Law of Ukraine "On Supply of Construction Materials to the Market" (registration #850-IX 02.09.2020)
-  Law of Ukraine "On Amendments to Some Legislative Acts of Ukraine Concerning Land Use Planning" (registration #711-IX 17.06.2020)


1 law in the first reading:

-  Law of Ukraine "On Optimization of Road Construction and Improvement of Urban Planning Laws" (registration #2680 27.12.2019)

2 acts of the Cabinet of Ministers of Ukraine:





-  Order of the Cabinet of Ministers of Ukraine "On approval of the Action Plan for creating and introducing a Unified State Electronic System in Construction" (registration #565-r 20.05.2020)
-  Resolution of the Cabinet of Ministers of Ukraine "On Implementation of a Pilot Project on Introduction of the First Stage of the Unified State Electronic System in Construction" (registration #559 01.07.2020)

1 Presidential Decree:

-  Presidential Decree "On the Coordination Council for Solving Problematic Issues in Urban Planning and Construction Development" (registration #413/2020 29.09.2020)

Participated in drafting:

11 regulatory acts, in particular:

-  Draft Law of Ukraine "On State Address Register of Ukraine"
-  Draft Law of Ukraine "On Assistance to Affected Creditors in Completion of Problematic Objects of Unfinished Multi-Family Residential Construction Projects"
-  Draft Procedure for maintaining the Unified State Electronic System in construction
-  Draft Procedure for determining the maximum height and planning restrictions on land development in aerodrome environs in urban planning conditions and restrictions and for this purpose, ensuring the interaction of authorized urban planning and architecture authorities with aerodrome operators, competent civil aviation authority⁶ and/or an authorized central executive body in state aviation, obtaining information on state aviation aerodrome elevation (the highest point of the landing area above the sea level)

ENERGY SECTOR

Adopted:

- ✓ Resolution of the Cabinet of Ministers of Ukraine "On Amendments to the Resolution of the Cabinet of Ministers (registration #939 07.11.2018) "Issues of Geological Information Management" (registration #64 29.01.2020)

3 regulatory acts were drafted:

- 📄 Draft Law of Ukraine "On Stimulating the Use of Liquid Biofuels (Biocomponents) in the Transport Sector"
- 📄 Draft Law of Ukraine "On Amendments to the Law of Ukraine "On the Electricity Market" Regarding the Functioning of the Balancing Electricity Market"
- 📄 Draft Resolution of the Cabinet of Ministers of Ukraine "On Amendments to Some Resolutions of the Cabinet of Ministers of Ukraine Regarding Improving the Provision of Housing Subsidies"

Participated in drafting 4 regulatory acts:

- 📄 Draft Law of Ukraine "On Simplification of Land Relations and Introduction of the "Single Window" Mechanism to Approve Project Documentation for Construction, Reconstruction and/or Technical Re-equipment of External Power Supply Networks to Connect Consumer Electrical Installations"
- 📄 Draft Law of Ukraine "On Amendments to Certain Laws of Ukraine Regarding Addressing Certain Issues Related to Electrical Network Connection"
- 📄 Draft Law of Ukraine "On Amendments to the Law of Ukraine "On the Electricity Market"
- 📄 Draft Law of Ukraine "On Amendments to Some Legislative Acts Concerning Reliable and Sustainable Electricity and Heat Supply to Consumers"

IT&TELECOM SECTOR

Adopted:

2 laws in total:

- ✓ Law of Ukraine "On Electronic Communications" (registration #1089-IX 16.12.2020)
- ✓ Law of Ukraine "On Amendments to the Tax Code of Ukraine Regarding the Improvement of Tax Administration, Elimination of Technical and Logical Inconsistencies in Tax Legislation" (registration #466-IX 16.01.2020)

2 acts of the Cabinet of Ministers of Ukraine:

- 📄 Resolution of the Cabinet of Ministers of Ukraine "On Amendments to the Resolutions of the Cabinet of Ministers of Ukraine (registration #1208 15.12.2005 and #815 9.06.2006)" (registration #15 15.01.2020)
- 📄 Resolution of the Cabinet of Ministers of Ukraine "On Amendments to the Procedure for Processing, Issuance, Exchange, Cancelling, Forwarding, Withdrawal, Return to the State, Invalidating and Abolishing of the Temporary Residence Permit" (registration #933 09.10.2020)

1 Order:

- 📄 Order of the Ministry of Economic Development, Trade and Agriculture "On amendments to the list of occupations and qualification requirements for specialists and workers, the need for which can be met through immigration in 2020" (registration #1847 21.09.2020)

Participated in drafting:

11 regulatory acts, in particular:

- 📄 Draft Law of Ukraine "On the Communications Regulator (NCCIR)"
- 📄 Updated draft Resolution of the Cabinet of Ministers of Ukraine "On Approval of the Regulations on Data Sets to Be Published in the Form of Open Data" (registration #835 21.10.2015)

TRANSPORT AND INFRASTRUCTURE SECTOR

2 regulatory acts were adopted:

- ✓ Resolution of the Cabinet of Ministers of Ukraine "On Recognizing the Resolution of the Cabinet of Ministers of Ukraine (registration #357 17.05.1993) invalid" (registration #468 10.06.2020) (the Resolution #357 that obliged cargo owners to coordinate the transportation volume with railways, sea, and river ports was repealed)
- ✓ Order of the Ministry of Infrastructure "On approval of the Provisional Regulations on the Procedure for admission of private locomotives to operation of separate routes on public railway tracks" (registration #191 04.03.2020) (registered as #278/34561 16.03.2020 in the Ministry of Justice of Ukraine)

8 regulatory acts were drafted:

- 📄 Draft Law of Ukraine "On the Transport Regulator"
- 📄 Draft Law of Ukraine "On the Taxi Market"

Participated in drafting the following regulatory acts:

- 📄 Draft Order of the Ministry of Infrastructure of Ukraine "On approval of the Procedure for road safety audits"
- 📄 A procedure for road safety audits approved by the Order of the Ministry of Infrastructure of Ukraine
- 📄 A draft contract on admission of private locomotives to operation of separate routes on public railway tracks that will be concluded between the JSC "Ukrzaliznytsia" and pilot project participants according to the Provisional Regulations on the Procedure for admission of private locomotives to operation of separate routes on public railway tracks approved by the Order of the Ministry of Infrastructure (registration #191 04.03.2020), registered as #278/34561 16.03.2020 in the Ministry of Justice of Ukraine

Support and approval of regulatory acts drafted by sector experts:

- 📄 Draft Resolution of the Cabinet of Ministers of Ukraine "On Amendments to the Annex to the Resolution of the Cabinet of Ministers of Ukraine (registration #405 3.06.2013) (regarding demonopolization of the market of pilotage services and exclusion of icebreaking services from the List)"

AGRICULTURE SECTOR

Adopted:

3 laws in total:

- ✓ Law of Ukraine "On Amendments to the Forestry Code of Ukraine Regarding the National Forest Inventory" (registration #643-IX 02.06.2020)
- ✓ Law of Ukraine "On Amendments to Some Legislative Acts of Ukraine to Preserve the Environment Regarding Strengthening the Responsibility for Actions Aimed at Air Pollution and Destruction or Damage to Flora" (registration #556-IX 13.04.2020)
- ✓ Law of Ukraine "On Amendments to Certain Laws of Ukraine on the Functioning of the State Agrarian Register and Improvement of State Support of Agricultural Producers" (registration #985-IX 05.11.2020)

3 acts of the Cabinet of Ministers of Ukraine:

- 📄 Resolution of the Cabinet of Ministers of Ukraine "On Approval of the State Program for Stimulating the Economy to Overcome Negative Consequences Caused by Restrictive Measures to Prevent the Occurrence and Spread of COVID-19 Acute Respiratory Disease Caused by SARS-CoV-2 Coronavirus for 2020-2022" (registration #534 27.05.2020)
- 📄 Resolution of the Cabinet of Ministers of Ukraine "On Amendments to Some Resolutions of the Cabinet of Ministers of Ukraine" (registration #1224 09.12.2020) (regarding sanitary felling)
- 📄 Resolution of the Cabinet of Ministers of Ukraine "On Approval of the Procedure for Certification of Organic Production and/or Circulation of Organic Products and Amendments to the Resolution of the Cabinet of Ministers of Ukraine (registration #970 23.10.2019)" (registration #1032 21.10.2020)

2 laws in the first reading:

- ✓ Draft Law of Ukraine "On Amendments to Some Legislative Acts of Ukraine Regarding Strengthening Forest Protection, Prevention of Fires on Forest and Water Fund Lands, Peat Lands and Lands of Other Categories" (registration #3526 22.05.2020)
- ✓ Draft Law of Ukraine "On Amendments to Article 4 of the Law of Ukraine "On Pesticides and Agrochemicals" Regarding Import of Pesticides into the Customs Territory of Ukraine" (registration #2289 18.10.2019)

4 orders:






- 📄 Order of the Cabinet of Ministers of Ukraine "On approval of the Government's Priority Action Plan for 2020" (registration #1133-r 09.09.2020)" (regarding improving the efficiency of state-owned forestry enterprises management)
- 📄 Order of the Cabinet of Ministers of Ukraine "On allocation of funds for the implementation of measures to prevent and eliminate consequences of emergencies related to fires in the exclusion zone, the zone of unconditional (compulsory) resettlement and adjacent lands of state enterprises belonging to the state forest resources agency of Ukraine" (registration #407-r 13.04.2020)
- 📄 Order of the Cabinet of Ministers of Ukraine "On allocation of funds from the state budget reserve fund to implement emergency response measures related to fires in the Zhytomyr region" (registration #510-r 06.05.2020)
- 📄 Order of the Cabinet of Ministers of Ukraine "On approval of the Action Plan to implement the irrigation and drainage strategy in Ukraine until 2030" (registration #1567-r 21.10.2020) (provides for practical steps to improve irrigation and drainage systems in Ukraine)

Drafted:

16 regulatory acts, in particular:

-  Draft Law of Ukraine "On Beekeeping"
-  Draft Law of Ukraine "On the List of State Property Objects Not Subject to Privatization"
-  Draft Law of Ukraine "On Amendments to the Law of Ukraine "On State Support of Agriculture of Ukraine" and Some Other Laws of Ukraine Regarding Improving the Legal Regulation of State-Supported Agricultural Production Insurance"
-  Draft Law of Ukraine "On the Timber Market"
-  Instruction on Electronic Timber Accounting
-  State forest management strategy in Ukraine until 2035
-  New rules of fire safety in Ukrainian forests
-  Amendments to the forestry legislation (regarding introducing a single unified approach to the issuance of logging cards)

Sector achievements:

-  Instruction on Electronic Timber Accounting
-  State forest management strategy in Ukraine until 2035
-  A three-level organizational and economic model of reforming the management of reclamation systems in Ukraine
-  New rules of bee farm certificate registration and issuance
-  Concept of nut market regulation

CONTROL AND SUPERVISION SECTOR

Adopted:

5 acts of the Cabinet of Ministers of Ukraine:

- ✓ Resolution of the Cabinet of Ministers of Ukraine "On Approval of the Procedure for Issuance (Refusal to Issue, Cancellation) of Permits for Certain Types of Space Activities (registration #197 26.02.2020)"
- ✓ Resolution of the Cabinet of Ministers of Ukraine "On Approval of the Procedure for Filing Declarations on Space Business Activities (registration #198 26.02.2020)"
- ✓ Resolution of the Cabinet of Ministers of Ukraine "On Approval of the Procedure for Payment for Special Use of Aquatic Bioresources and the Amount of Payment for Their Use" (registration #125 12.02.2020)
- ✓ Resolution of the Cabinet of Ministers of Ukraine "On Approval of the Procedure for Payment for Special Use of Aquatic Bioresources and the Amount of Payment for Their Use" (registration #125 12.02.2020)
- ✓ Order of the Cabinet of Ministers of Ukraine "On cancelation of certain acts of ministries and other central executive bodies" (registration #1143-r 23.09.2020)

1 other regulatory act:

- 📄 Order of the Cabinet of Ministers of Ukraine "On amendments to the Instruction on the application of the Procedure for setting limits on the use of natural resources within the national nature reserve fund's territories and objects" (registration #15 06.08.2020)

Sector achievements:

- 📄 A concept of state policy for creating the ECO Platform for natural resources management
- 📄 Codification of fisheries

Drafted:

7 regulatory acts, in particular:

- 📄 Draft Law of Ukraine "On Amendments to Legislative Acts of Ukraine on the Approval System in the Field of Economic Activity and Simplification of Market Access" (registration #4219 15.10.2020)
- 📄 Draft Law of Ukraine "Draft Law of Ukraine "On Amendments to Some Legislative Acts of Ukraine Regarding the Easing of Doing Business in the Post-Quarantine Period" (registration #3753 26.06.2020)"
- 📄 Draft Law of Ukraine "On Amendments to the Law of Ukraine "On State Regulation of Production and Circulation of Ethyl Alcohol, Cognac and Fruit Alcohol, Alcohol Beverages, Tobacco Products, Liquids Used in E-cigarettes and Fuel" Regarding Simplification of Economic Activity in the Production of Beer, Grape Wines, Fruit Wines, and Honey Beverages"
- 📄 Draft Law of Ukraine "On Amendments to Article 215 of the Tax Code of Ukraine Regarding Setting Reduced Excise Duty Rates on Alcoholic Beverages (Beer) for Small Brewers"
- 📄 Draft Resolution of the Cabinet of Ministers of Ukraine "On Amendments to Resolutions of the Cabinet of Ministers of Ukraine (registration #1174 16.11.2011 and #285 2.03.2016)"
- 📄 Draft Resolution of the Cabinet of Ministers of Ukraine "On Implementation of a Pilot Project on Introduction of the First Stage of the Unified State Electronic System of Permits in Construction"
- 📄 Draft Resolution of the Cabinet of Ministers of Ukraine "On Amendments to the Regulations on the Unified State Web Portal of Electronic Services"

LEGAL SECTOR

Drafted:


 Draft Law of Ukraine "On Consumers' Rights Protection"

METHODOLOGICAL GROUP

Drafted:

 Draft Law of Ukraine "On Self-Regulation of Economic and Professional Activities" (registration #4221 15.10.2020)

Contributed:

 Draft Resolution of the Cabinet of Ministers of Ukraine "On Amendments to the Regulations of the Cabinet of Ministers of Ukraine" #326 18.04.2018

 Draft Law of Ukraine "On Self-Regulation of Economic and Professional Activity" #4221 15.10.2020

CROSS-SECTORAL DRAFT

REGULATORY ACTS:


SUBSOIL USE:


Drafted:


 Draft Subsoil Code of Ukraine

RED TAPE CHALLENGE:

Drafted:

 Draft Resolution of the Cabinet of Ministers of Ukraine "On Amendments to the Draft Resolution of the Cabinet of Ministers of Ukraine On Approval of the Rules of Consumer Services" (registration #313 16.05.1994) Regarding the Cancellation of Outdated Rules for Customer Service Providers"

 Draft Order of the Ministry of Health "On amendments to the State Sanitary Rules and Standards for hairdressers of different types regarding the cancelation of Annex 1 on mandatory requirements for the hairdressing premises area (approved State Sanitary Rules and Standards 2.2.2.022-99 registration #22 25.03.1999)"

 Draft Law of Ukraine "On Amendments to the Law of Ukraine "On Physical Culture and Sports" (regarding the regulation of activities of fitness centers)

INSPECTION REFORM:

Drafted:

 Draft Law of Ukraine "On Basic Principles of State Supervision (Control)"



We are immensely grateful for the demonstrated results to our international partners:



BRDO is a reliable, impartial partner being transformed from an international technical assistance project into an independent non-governmental organization. We are sincerely thankful to all partners for their cooperation and support of our initiatives!



Yuliia Blokhina
partnership manager