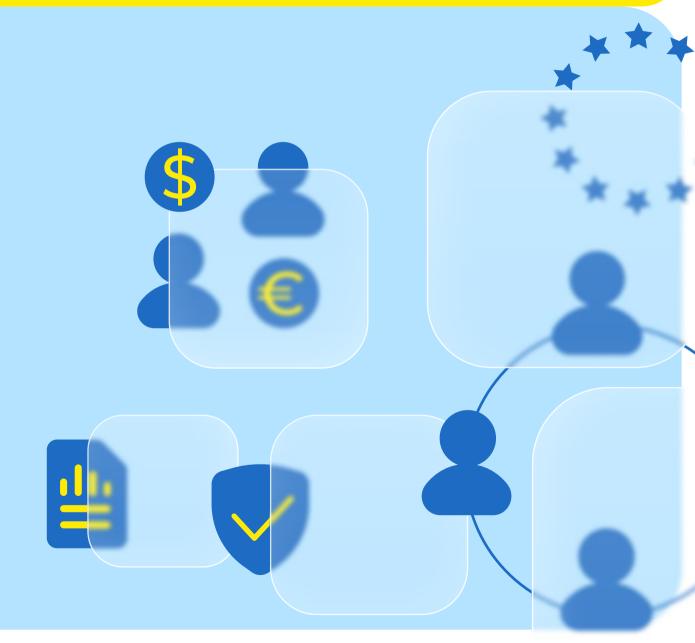
#### BRDO ANNUAL REPORT

2023





#### Who we are

BRDO is a leading non-profit independent think tank on **regulatory policy**, digitalization and anti-corruption with a focus on implementation.

#### What we do

BRDO assists the Government in implementing economic reforms and now, with the start of the full-scale Russian invasion, contributes to Ukrainian resilience.

#### Response to war-inflicted challenges

Full-scale Russian invasion urged us to expand our focus and include such spheres as recovery and humanitarian projects.

BRDO has already implemented a set of projects aimed at supporting Ukrainians in warafflicted regions, analysis of war consequences, etc. As a part of RISE Ukraine Coalition, we contribute to transparent and effective recovery of Ukraine.

#### **BRDO's theory of change**

#### **Tools**







communications



software development

#### **Areas**



business environment



eurointegration



economic sectors



defense

#### **Impacts**



economic



social



anticorruption



resilience

Victory of Ukraine is the most important focus of our work right now. Recognizing that, we have significantly ramped up our efforts to help make Armed Forces of Ukraine more flexible, digital, innovative, and less bureaucratic - things we learned to do by implementing reforms for entrepreneurs and citizens. Simultaneously, we continued removing barriers for entrepreneurs and preparing foundation for reconstruction of Ukraine through deregulation and digitalization. Support Ukraine. #ArmUkraineNow. Only with joint efforts of international community the Victory of Ukraine can be achieved. Glory to Ukraine!



OLEKSII
DOROGAN
CEO of BRDO





#### MANAGEMENT TEAM



YANA HORIUNOVA

Deputy CEO, Chief Information Officer



TAISIIA BARYNGOLTS

Construction Sector Head



ANTON ZORKIN

Energy Sector Head



JULIIA BLOKHINA

The lead of Strategic Development & Partnerships



IHOR SAMOKHODSKYI

IT&Telecom Sector Head



HANNA BASHNIAK

Regulatory Policy Sector Head



IRYNA GRUZINSKA

Agriculture Sector Head



MAKSYM BURDIUH

Communications Sector Head

#### Look for these symbols that describe our work on the pages of the report:



Reforms status

**Stakeholders** 



Ukrainian

citizens



Business



Ukrainian

taxpayers



**Forces** 

of Ukraine

## WE CONTRIBUTED TO THE DEFENCE OF UKRAINE

by simplifying and reducing the cost of supplying weapons to the Armed Forces; digitizing services for the military; ensure safe storage of military data; launching a register of servicemen.

In order to increase the number of mine action operators in Ukraine, BRDO has developed an algorithm for registering such businesses, as well as a simplified certification procedure.

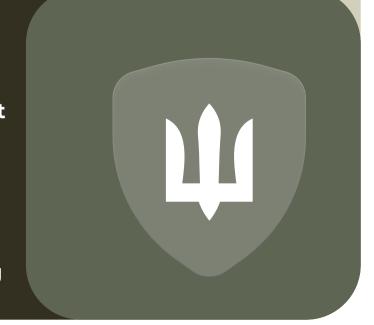


# 20 days\* from weapon development to delivery to the frontline

\*The deadline may vary depending on the quality of the documentation provided by the manufacturers. BRDO team was involved in the development of the Government resolution in the part related to the new approach to the procurement of UAVs. From now on, unmanned aerial vehicles of the "micro" and "mini" classes, which can be used for both civilian and military purposes, can be purchased by a government customer even if they have not passed the full process of admission to operation and codification as an item of supply.

#### Our reforms:

- Simplification and cost reduction of receiving modern weapons and military equipment to the Defense Forces of Ukraine.
- Register of servicemen
   of the Armed Forces of
   Ukraine and the State Service
   of Special Transport
- Digitization of services for the military, consctripts, and combat veterans
- Register of identified military and dual-use goods
- Humanitarian demining



## WE HAVE SIMPLIFIED DOING BUSINESS DUE TO DEREGULATION



In January 2023, the Government created the Interdepartmental Working Group (IWG) on issues of deregulation to get rid of outdated and ineffective instruments of state regulation. BRDO prepared analytics for the IWG, participated in its meetings and developed draft legislation for the implementation of its decisions. In particular, during the reform, an inventory was conducted for the first time and 298 instruments of state regulation contained in sanitary norms and rules were identified. Only 10% of them are still relevant.

In total, during the year of work, the IWG reviewed 1,323 instruments of state regulation, recommended simplifying or digitizing 584, and canceling 456. You can follow the news of the reform on the website **deregulation.me.gov.ua** 

Other successful BRDO deregulation initiatives were related to the deregulation of the hemp market, the beekeeping market, and the replacement of the punitive system of state inspections of business with a service one.



# UAH 12.9 billion\* will be saved by the business due to the implementation of the decisions of the IWG.

\*Preliminary predicted effect of deregulation was calculated by BRDO experts for the markets of agricultural production, construction, IT and Telecom, energy, as well as areas in which the Ministry of Economy, Ministry of Internal Affairs, Ministry of Internal Affairs, Ministry of Environment, Ministry of Health, Ministry of Finance, Ministry of Strategic Industry and the State Space Agency are responsible for regulatory policy.

#### Our reforms:

- Deregulation reform and activities of the IWG
- Hemp market reform
- Beekeeping market reform
- Inspections for business

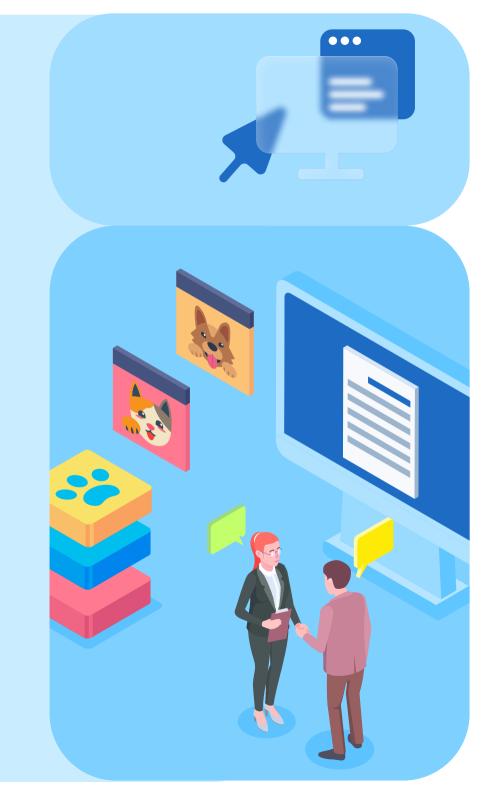


#### WE WORKED ON DIGITIZATION

The digital rules developed by BRDO will enable more effective digitization of government registers and services.

The state e-Permit and e-Entrepreneur systems, created with the participation of BRDO, speed up business operations and minimize corruption risks for entrepreneurs.

Another registry developed by BRDO will simplify the search of lost animals, control of their vaccination and sterilization.



# The e-Entrepreneur service includes 12 services\* for business. It takes 20 minutes to receive them.

\*Services include registration as individual entrepreneur, opening a bank account, fire declaration registration, tax services, etc.



Diia.Engine is a platform that will enable public authorities to create and manage registries. BRDO received commendation for a significant contribution to the development of projects on the platform in 2023.

#### Our reforms:

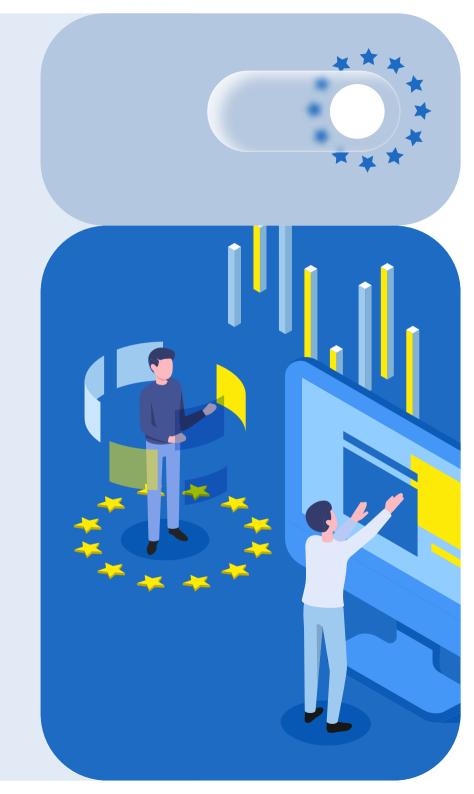
- Digitization policy
- e-Permit
- e-Entrepreneur
- Unified state register of pets



## WE PROMOTED EUROPEAN INTEGRATION

by participating in the governmental development of the Plan for Ukraine Facility. The implementation of its provisions will contribute to the European integration of Ukraine and the further sustainable development of the economy.

We also participated in the development of the draft Law "On the Protection of Consumer Rights", which harmonizes Ukrainian legislation with European legislation, creates conditions for achieving mutual consistency between the consumer rights protection systems of Ukraine and the EU, especially in the field of ecommerce, and also provides consumers with new tools to protect their rights.



# EUR 50 billion – the volume of Ukraine Facility, a program of financial support for Ukraine from the EU for 2024-2027

In March 2024, the document was submitted to the European Commission for consideration.

#### Our reforms:

- Ukraine Facility
- Law on Protection of Consumer Rights



## WE JOINED THE RECOVERY OF UKRAINE

BRDO, as a co-founder of the RISE Ukraine coalition, was involved in the creation and development of the operation of DREAM, presentations of the system's capabilities in London, Brussels, and Washington. Together with the German Marshall Fund of the United States, we prepared the report "Mobilization for Restoration", which introduces the international audience to the intermediate results of this work.

With the participation of BRDO, tools for overcoming the consequences of Russian aggression were also implemented, such as providing citizens with compensation for damaged and destroyed housing; changing the purpose of land plots for the construction of new industrial and energy facilities; restoration and development of seaport infrastructure.



### M

**DREAM** 

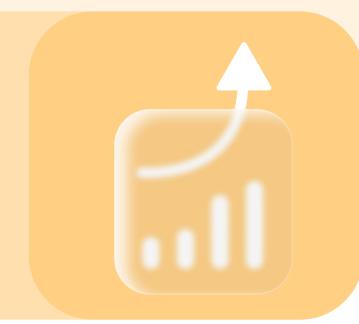
digital pipeline for all recovery projects. The development of <u>DREAM</u> was initiated by the Ministry of Infrastructure of Ukraine together with the State Agency for Recovery and infrastructure development of Ukraine and the RISE Ukraine Coalition in 2022.

DREAM is a government digital

ecosystem that provides a single

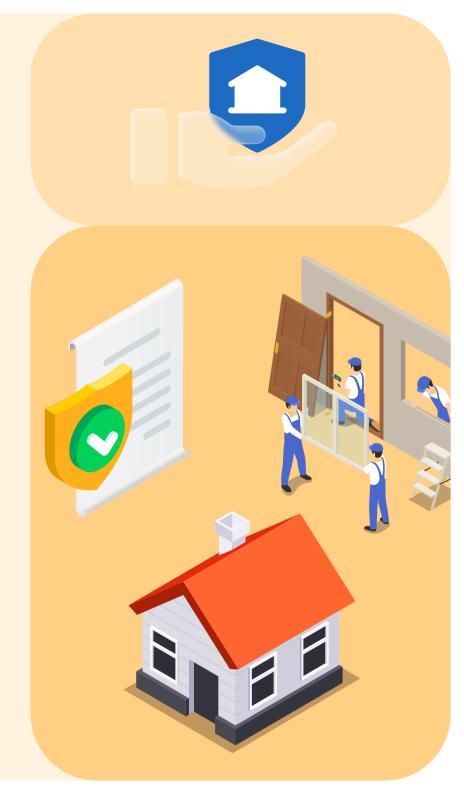
#### Our reforms:

- Development of a legislative framework for the restoration of Ukraine and the functioning of the DREAM system
- Compensation for damaged and destroyed housing as a result of the armed aggression of the Russian Federation against Ukraine
- Simplification of changing the purpose of land plots for the placement of industrial facilities
- Restoration and development of seaports



#### UKRAINE SUPPORT TEAM

BRDO has experience of working in de-occupied territories and those territories where hostilities took place. In particular, as part of the work of the UST coalition with the support of UCBI III, in November 2022, BRDO implemented a pilot project on the creation of regional offices in Chernihiv and Mykolaiv regions to strengthen the capacity of local authorities in solving urgent wartime problems, in particular: energy security, restoration and development of territories, access to education and health care. In February 2023, the project was extended with the support of the "Stabilization Platform" on the order of the Federal Ministry of Foreign Affairs of Germany.



#### **UST key results 2023**



2

NEEDS ASSESSMENTS in Chernihiv and Mykolaiv regions



160



LOCAL NEEDS identified and prioritized by implementation of SMART-prioritization methodology

70



projects, supported by international donors

65



DONORS AND PARTNERS engaged throughout the project

€6M+



DONOR HELP allocated for rebuilding projects

#### WE STARTED FISHERIES REFORM

Initiated by the Ministry of Agriculture, the State Fisheries Agency, the Ministry of Digital Transformation, and BRDO, it will contribute to the fight against the shadow economy, replenishment of the state budget, market demonopolization, creation of new jobs and European integration of Ukraine. With the participation of BRDO, e-Ryba and several online services based on this platform were launched and, favorable conditions are created for investments in the field.

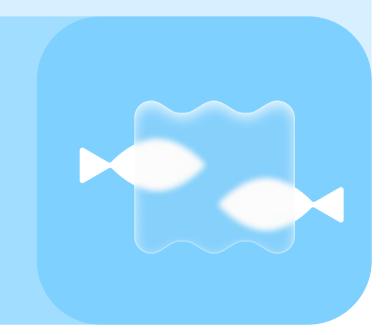


# 70-80% of fishing in water resources of Ukraine\* remained in the shadows until recently, and the state budget lost millions of hryvnias in taxes.

\*Ukraine has a huge potential for the development of fish farming thanks to internal reservoirs, but the fish farming sector has not yet become a source of income for the state.

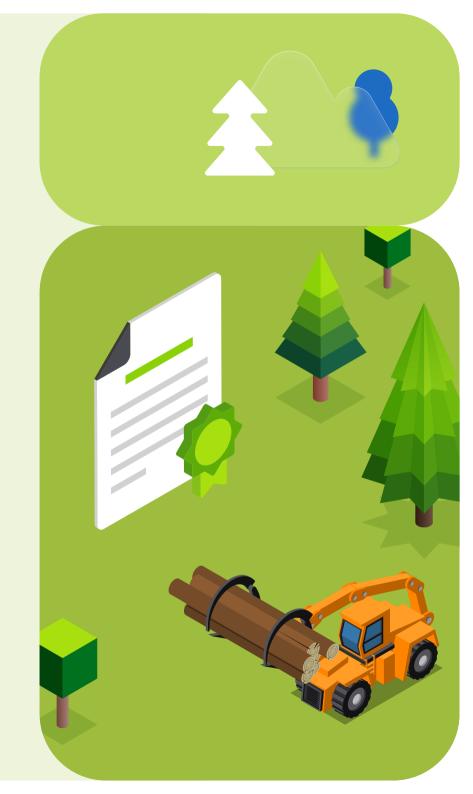
#### Our reforms:

- e-Ryba
- Improving the regulatory environment in the aquaculture sector



## WE CONTINUED THE FOREST SECTOR REFORM

Initiated by the Ministry of Environmental Protection, the State Agency for Forest Resources, and BRDO in 2022, it will achieve two goals: the preservation of forests and their effective use as a commodity.



State Enterprise "Forests of Ukraine" was created uniting 314 regional forestries and 2 state services (issuing a logging ticket and issuing a certificate of origin of timber and lumber made from it) were digitized. Both innovations will improve the economic efficiency of the market and have been made possible by the work of BRDO.

#### Our reforms:

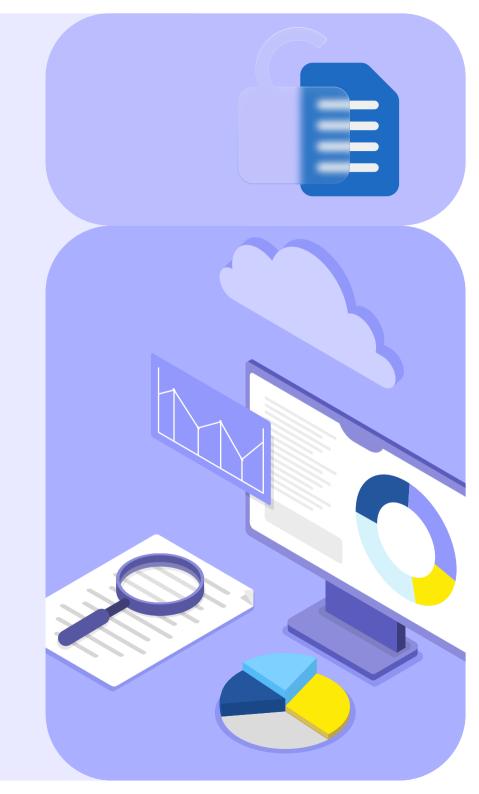
- Electronic accounting of wood
- Comprehensive reform of forest management



### WE ADVOCATED FOR OPEN DATA

Despite the restrictions imposed by the interests of national security in the conditions of martial law, the state must continue to develop the field of open data. The reconstruction of Ukraine depends on it, in particular.

During 2023, BRDO advocated for the restoration of access to the Unified State Register of Assets Seized in Criminal Proceedings; declaration for controlling the incomes of politicians and officials; reporting for parties for received state funding; the fullness of information about the work of people's deputies on the Parliament website and about the activities of parliamentary committees, etc.



In recent years, BRDO has demanded that companies' financial statements be made public in the form of open data. In 2023, the State Statistics Service of Ukraine finally published the information submitted by companies for 2022. Based on it, we prepared an overview of the situation on the Ukrainian IT market.

- What will 2022 be like for the biggest players in Ukrainian IT?
- Which Ukrainian IT companies earn the most?
- Who are the biggest employers among the Ukrainian IT business?



## WE ALSO ENGAGED IN FOLLOWING REFORMS

Annex with the list of legislative drafts, developed by BRDO



#### Reform of electronic communications

BRDO participated in the implementation of the reform of electronic communications thanks to the implementation of the provisions of the European Code of Electronic Communications, subscribers will be able to receive universal services, and the protection of their rights and legal interests will be strengthened.

### Guaranteeing property rights to real estate objects to be constructed in the future

The mechanism of registration of special property rights for future real estate objects, developed with the participation of BRDO, has become operational. Its main goal is to protect the rights of buyers and prevent fraud in the market of new buildings.

#### Improvement of multiapartment buildings

BRDO participated in simplifying the procedure for creating and further functioning of apartment buildings. This will make it possible to more effectively ensure the comfort of residents of apartment buildings.

#### Decriminalization of pornography

On the initiative of BRDO, the process of decriminalization of pornography in Ukraine was launched. The adoption of appropriate changes to the legislation will allow to remove corruption in this area and free up the time resources of law enforcement officers to fight against truly urgent threats.

#### **Education**

In the field of education, BRDO participated in the development of digital systems that will simplify and optimize reporting and record-keeping procedures to reduce the burden on educational institutions through regulatory reengineering, implementation of digital tools and services for education managers. The basis for the debureaucratization and digitization of education management processes is the development of the capabilities of the AICOM integrated information system and the establishment of data exchange processes with state register systems to meet the needs of the education sector.

#### Critical raw materials and subsoil use

Within implementation **EU-Ukraine Strategic** Partnership on Raw Materials and Batteries and the implementation of the Partnership Roadmap 2023-2024 BRDO prepared a number of analytical studies and Draft legisltation aimed at bringing Ukrainian legislation closer to the EU legislation in the field of subsoil use and critical raw materials, as well as elimination of legislative and regulatory investment barriers in the field of subsoil use.

#### **OUR REFORMS IN DETAIL**

### Simplification and cost reduction of receiving modern weapons and military equipment to the Defence Forces of Ukraine

#### What is changing?

Administrative and tax barriers related to the supply of funds to the Defense Forces of Ukraine are being reduced.

#### What is changing?

- Amendments to the Tax Code have been developed: critical imported goods (drones, sights, collimators, radio stations, electronic warfare devices) are exempt from VAT if they are sent by mail. The changes were approved by the Verkhovna Rada.
- The Resolution of the Cabinet of Ministers of Ukraine was developed, which simplifies the processes of acceptance into service and procurement of defence goods (fast track). The resolution was adopted by the Cabinet of Ministers.

Sector



Stakeholders



Reform status



### Simplification and cost reduction of receiving modern weapons and military equipment to the Defence Forces of Ukraine

#### What is changing?

- The unified state register of draftees, conscripts, and reservists
  will be improved, electronic information interaction with other
  registers (in particular public ones), data bases (banks) and
  data on military records will be established.
- It will be possible to grant the status of a combatant online, offline, and automatically if the necessary data is available in the system.
- The creation of the State web portal of electronic public services in the field of national security and defence (the "Army+" application) is planned.
- Conditions are being created to strengthen the cyber defence of the Ministry of Defence; legal grounds are emerging for the possibility of placing the IT-systems of the Ministry of Defence in the military cloud storages of NATO member countries.

#### What did the BRDO team do in 2023?

 Prepared for the second reading the Draft Law on Amendments to Certain Laws of Ukraine on Improving the Procedure for Processing and Using Data in State Registers for Military Registration and Acquiring War Veteran Status During Martial Law (No. 10062 dated 18.09.2023). The law was adopted on January 16, 2024.

Sector

Stakeholders

Reform status









#### Register of servicemen of the Armed Forces of Ukraine and the State Service of Special Transport

The registry will provide services for military personnel in an online format.

#### What is changing?

- A single database on servicemen of the Armed Forces and servicemen of the State Service of Special Transport is being created.
- Based on this database, a Register is created, the holder of which is the Ministry of Defence.
- Thanks to the Register, provision of public (electronic public) services to servicemen of the Armed Forces of Ukraine and servicemen of the State Service of Special Transport is ensured.

#### What did the BRDO team do in 2023?

Developed a draft of amendments to the Law of Ukraine "On Military Duty and Military Service".

Sector

Stakeholders

Reform status









#### Register of identified military and dual-use goods

#### What is changing?

Information on identified military and dual-use goods will be organised and stored in the newly created Register. State Export Control will carry out product identification procedures and enter data results into the Register in digital format.

It enables automatic/simplified processing of information, conducting information exchanges with third-party systems, creating new, intuitive, and convenient tools for specialists in the examination/identification of goods.

#### What did the BRDO team do in 2023?

Developed the Register and is working on putting it into operation.





#digitization

#### **Humanitarian demining**

#### What is changing?

Before the start of the reform, obtaining a mine action operator certificate was difficult and complex. Each certification body had the right to establish its own certification procedure, which differed from others in terms of procedures, terms of document consideration, and validity periods of certificates.

From now on, a unified procedure for issuing operator certificates is established thanks to the launch of an experimental project designed for two years.

Therefore, bureaucracy is reduced, and clear rules are established for all participants in the process.

Certification will become more accessible for both national and foreign operators who want to work on demining Ukrainian territories.

#### What did the BRDO team do in 2023?

Developed Resolution No. 123 of the Cabinet of Ministers of Ukraine "On the implementation of an experimental project on the certification of mine action operators and mine action processes", adopted by the Cabinet of Ministers on February 2, 2024.

Developed an online manual for opening a mine action operator business.

Sector



Stakeholders





Reform status



#digitization

#### Deregulation reform and activities of the IWG

Ukraine is currently undergoing an unprecedented deregulation of the economy: the Government is reducing its control over business activities.

The leaders of deregulation process are First Vice Prime Minister – Minister of Economy of Ukraine Yulia Svyrydenko and Vice Prime Minister for Innovation, Development of Education, Science and Technology – Minister of Digital Transformation Mykhailo Fedorov, and representatives of ministries, regulatory services and analytical centres participate in its meetings, in particular BRDO.

#### What is changing?

- The regulatory burden on business is reduced and the simplification of doing business is ensured.
- The legal framework for state regulatory policy in the field of business is being improved.
- The regulatory field is cleared of outdated regulatory legal acts and instruments of state regulation.

#### What did the BRDO team do in 2023?

Reviewed 1147 instruments of state regulation in the policies of the Ministry of Economy, Ministry of Agrarian Policy, Ministry of Energy, Ministry of Recovery (in the part of the former Ministry of Regional Development), Ministry of Education, National Commission on Electronic Communications, State Special Communications, State Property Fund, other Central Committee and bodies subordinate to it. In total, the review covers 19 areas of legal regulation.



#### What did the BRDO team do in 2023?

#### Deregulation reform and activities of the IWG

Prepared 34 analytical documents within the scope of the deregulation reform, in particular, on the analysis of issues related to environmental impact assessment, joining engineering networks, in the field of foreign economic activity, environmental impact assessment, the field of control and supervision in road transport, and others.

Took part in 19 meetings of the IWG and 42 meetings of expert groups.

In order to implement decisions, the IWG on deregulation prepared both independently and in cooperation with other bodies 37 draft legal acts, developed 14 RIAs and 6 SME-tests for draft legal acts, as well as accompanying documents to them (explanatory notes, comparative tables, protocols for coordinating positions etc).

Revised the largest sphere of regulation – state sanitary norms and rules (298 instruments of state regulation).

Conducted a preliminary calculation of business costs for compliance with current regulatory requirements, as well as the economic effect of cancellation and digitization. The latter amounts to more than UAH 14 billion.

Developed and launched a website with a regulatory dashboard – now the progress and details of regulatory reform, including the ability for businesses to make requests for areas to be deregulated, are now available online.

Sector

Stakeholders







Reform status





#recovery

#### Hemp market reform

#### What is changing?

Regulatory conditions are being created for the legal limited circulation of cannabis in Ukraine. Technical (industrial) hemp is removed from the general regulation of narcotic drugs, psychotropic substances and precursors, and the level of THC allowed in such plants rises from 0.08 to 0.3 and equates to the European level.

For the business dealing with technical (industrial) hemp, the licensing and permit documents of the Ministry of Internal Affairs are cancelled, in general, the regulatory pressure is reduced, which creates opportunities to export products, increase production volumes and planting areas.

#### What did the BRDO team do in 2023?

Within the framework of its activities, the IWG reviewed the instruments of industry regulation and BRDO experts participated in the development of the draft Law of Ukraine "On Regulation of the Circulation of Cannabis Plants for Medical, Industrial Purposes, Scientific and Scientific-Technical Activities to Create Conditions for Expanding Patients' Access to the Necessary Treatment of Oncological Diseases and post-traumatic stress disorders, obtained as a result of the war" (No. 7457 dated 10.06.2022). The law was adopted on 12.21.2023.

Sector

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Stakeholders







Reform status



#eurointegration

#### **Beekeeping market reform**

#### What is changing?

New legislation is being created that will improve the regulatory environment of the beekeeping industry.

Administrative services on the market are being improved, permit documents and databases are being digitized.

#### What did the BRDO team do in 2023?

Within the framework of its activities, the IWG reviewed the instruments for regulating the industry.

Participated in the working group under the Ministry of Agrarian Policy regarding the finalization of the draft Law of Ukraine "On the Development of Beekeeping and Protection of Bees" (No. 5274-1 dated 26.03.2021) and the draft Law of Ukraine "On the Development of the Beekeeping Industry, Protection, Protection and Preservation of Bees" (No. 5274 dated 03.19.2021).

Participated in the development of changes to the order of the Ministry of Economic Development, Trade and Agriculture of Ukraine dated February 19, 2021, No. 338 "On some issues in the field of beekeeping".

Sector

**\$**\$

Stakeholders







Reform status



#digitization

#### **Inspections for business**

#### What is changing?

The efficiency of state supervision (control) increases due to the introduction of a risk-oriented approach to business inspections.

The new edition of the Law of Ukraine "On the Basic Principles of State Supervision (Control)" takes into account the experience of the pilot use of the Inspection Portal and introduces new approaches for freewill self-inspection of businesses (including freewill insurance and freewill audit).

The foundations for evaluating the effectiveness of inspections are laid.

#### What did the BRDO team do in 2023?

Developed the project of Methodology for assessing the effectiveness of state supervision (control) and the Concept of the electronic risk management system.



Stakeholders



Reform status



#digitization

#### **Digitization policy**

#### What is changing?

The rules for developing public electronic registers become clear and unified, the development of digital state solutions is simplified, and obtaining public services for citizens and businesses becomes more convenient, faster, and more transparent.

#### What did the BRDO team do in 2023?

Developed the following draft legal acts:

- 1. Draft resolution of the CMU "On monitoring compliance with legislation in the field of public electronic registers (Procedure for monitoring compliance by holders of public electronic registers with legislation in the field of public electronic registers; Procedure for monitoring compliance by entities in the field of public electronic registers with legislation in the field of public electronic registers registers)"
- 2. The draft resolution of the CMU "On approval of the Procedure for conducting an examination of the National Informatization Program and its components", adopted on February 2, 2024, by resolution of the Cabinet of Ministers of Ukraine No. 119
- 3. Draft resolution of the CMU "On approval of the Regulation on the Unified Information System of Accounting of the National Informatization Program"



Developed the following draft legal acts:

- 1. The draft resolution of the CMU "On the approval of the Regulation on the formation and implementation of the National Informatization Program", adopted on February 2, 2024, by Resolution No. 119 of the Cabinet of Ministers of Ukraine
- 2. The draft resolution of the CMU "On the approval of the Procedure for the formation and implementation of the sectoral program, project, informatization works and the Procedure for the formation and implementation of the regional program, project, informatization works", adopted on February 2, 2024, by Resolution No. 119 of the Cabinet of Ministers of Ukraine
- 3. Draft Order of the Ministry of Digital Transformation of Ukraine "Methodological recommendations regarding the methodology of compiling indicators of the digital economy and society index (DESI)"



Stakeholders

Reform status









#### e-Permit

#### What is changing?

An experimental project on the creation and implementation of the Unified State Electronic System of Permit Documents (e-Permit) is being implemented – an information and communication system that ensures the maintenance of license registers, registers of permit documents, and other public electronic registers of several state authorities.

Procedures for issuing permits (licenses, permits, other results of public service provision, in particular administrative ones) are digitized to create more transparent relations between entrepreneurs and the state, and data on all issued permits are combined in one system.

#### The system will provide:

- simplification of business activities for about 200,000 entrepreneurs annually;
- shortening the terms of providing administrative services;
- improving the quality of providing administrative and other services in the field of licensing;
- reduction of corruption risks during the provision of administrative and other services in the field of licensing;
- publicity of the provision of administrative and other services in the field of licensing.



#### What did the BRDO team do in 2023?

e-Permit

Prepared the draft resolution of the CMU "On the implementation of the first stage of the experimental project on the introduction of the Unified state electronic system of permit documents". Developed and prepared 4 services for launch in electronic form.

For the second stage of the introduction of e-Permit, 10 services were selected for digitization. An analysis of existing business processes for the provision of public services and related processes was conducted. Prepared the technical requirements for the implementation of the experimental project on the introduction of the second stage of the e-Permit and developed the draft resolution of the Cabinet of Ministers of Ukraine "On the implementation of the second stage of the experimental project on the introduction of the Unified State Electronic System of Permits".



Sector

Stakeholders









Reform status

#digitization

#### e-Entrepreneur

#### What is changing?

A comprehensive e-Entrepreneur service is being launched on the Diia portal, which will allow one online application to obtain all the necessary permits for doing business. e-Entrepreneur currently combines 8 services for business (with a planned expansion to 12), including: registration of a private entrepreneur, opening a bank account, registration of a fire declaration, tax services and others. From now on, it will not be necessary to go to various institutions, collect certificates and extra papers to get services, you only need to have a gadget and 20 minutes of free time.

#### What did the BRDO team do in 2023?

Took part in the development of the resolution of the Cabinet of Ministers of Ukraine dated November 7, 2023, No. 1156 "Some issues of providing a comprehensive electronic public service "e-Entrepreneur".



Sector

Stakeholders







Reform status



#digitization

#### Unified state register of pets

#### What is changing?

The software of the information and communication system "Unified State Register of Pets" is being created, which will allow the creation of a centralized system of veterinary data for pets for the convenience of owners and veterinarians, will become the basis for a veterinary passport of an animal in Diia and will simplify the search for lost pets, control of their vaccination and sterilization.

During a visit to a veterinarian, any pet owner can voluntarily and free of charge register their pet in the Register. Pet profile will be formed: data on clinical examination, vaccinations, sterilization, processing, and other veterinary manipulations. Such information will be supplemented and updated during each subsequent visit to the veterinarian.

#### The registry will allow:

- to assess the level of vaccination against rabies and other diseases among pets in Ukraine, to optimize the control processes of the epizootic situation, the level of vaccination against rabies and the implementation of quarantine measures;
- significantly facilitate the search for lost pets: users will be able to report the found animal or the loss of their own;
- to optimize accounting, maintenance, and accommodation of pets;
- reduce the risk of lost pet fraud.

#### What did the BRDO team do in 2023?

Developed the Register and is preparing it for full launch.

Stakeholders









Reform status

#digitization

## Creation of a legislative framework for the restoration of Ukraine and the functioning of the DREAM system

DREAM is the state electronic ecosystem of Ukraine, which will provide a single digital route for all reconstruction projects. It will also collect all project data online, display them in the form of convenient tables, graphs, and charts and ensure the publication of open data in accordance with the global Open Contracting Data Standard.

#### What did the BRDO team do in 2023?

Participated in the development of the draft Law of Ukraine "On the principles of the restoration of Ukraine" (development is ongoing).

#### What is changing?

The main legal, organizational, and financial principles for effective, transparent, and accountable recovery of Ukraine, as well as the principles of creation and functioning of DREAM – the Unified Digital Recovery System of Ukraine are regulated.



Sector

TI.

Stakeholders





Reform status



#digitization

## Compensation for damaged and destroyed housing as a result of the armed aggression of the Russian Federation against Ukraine

#### What is changing?

Citizens of Ukraine will be able to receive compensation from the state for housing that was damaged or destroyed as a result of the armed aggression of the Russian Federation against Ukraine.



#### What did the BRDO team do in 2023?

Reviewed for the second reading the draft Law of Ukraine "On compensation for damage and destruction of certain categories of immovable property as a result of hostilities, acts of terrorism, sabotage caused by the armed aggression of the Russian Federation against Ukraine, and the State Register of property damaged and destroyed as a result of hostilities, terrorist acts, sabotage caused by the armed aggression of the Russian Federation against Ukraine" (No. 7198 dated 03/24/2022). The law was adopted on February 23, 2023.



#### What did the BRDO team do in 2023?

Participated in the development of the resolution of the Cabinet of Ministers of Ukraine dated April 21, 2023, No. 381 "On approval of the Procedure for providing compensation for the restoration of certain categories of real estate objects damaged as a result of hostilities, acts of terrorism, sabotage caused by the armed aggression of the Russian Federation, using of the electronic public service "eRecovery".

# Compensation for damaged and destroyed housing as a result of the armed aggression of the Russian Federation against Ukraine

Participated in the development of the resolution of the Cabinet of Ministers of Ukraine dated 19.05.2023 No. 516 "Some issues of the organization of the work of the commission for consideration of issues of providing compensation for objects of immovable property destroyed as a result of hostilities, acts of terrorism, sabotage caused by the armed aggression of the Russian Federation against Ukraine".

Participated in the development of the resolution of the Cabinet of Ministers of Ukraine dated May 30, 2023, No. 600 "On approval of the Procedure for providing compensation for destroyed real estate objects".

Sector Stakeholders Reform status



#digitization

#### Simplification of changing the purpose of land plots for the placement of industrial facilities

#### What is changing?

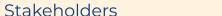
The procedure for establishing and changing the purpose of land plots in territories outside settlements is simplified (in the event that there is no approved urban planning documentation for such territories at the local level) for the placement of:

- industrial buildings and warehouses;
- · agricultural, forestry, and fishery buildings;
- pipelines, communications, and power lines:
- · complex industrial buildings.

#### What did the BRDO team do in 2023?

Participated in the development of the draft Law of Ukraine "On Amendments to Certain Legislative Acts of Ukraine to Attract Investments for the Rapid Reconstruction of Ukraine" No. 3563- IX dated February 6, 2024. The law was adopted as a whole.

Reform status





#### Restoration and development of seaports

#### What is changing?

The issue of the formation of land plots and the construction of objects in internal sea waters (in particular, under the water area of seaports) and the territorial sea of Ukraine is regulated.

Automatic real-time formation of urban planning conditions and land development restrictions within the seaport is introduced.

The planning of the development of seaports of Ukraine is being improved.

The need to obtain approval for the allocation of land and water space for commercial shipping, the implementation of construction and other works in the area of operation of navigation equipment and sea lanes is abolished.

#### What did the BRDO team do in 2023?

Participated in the development of the project of the Act of Ukraine "On Amendments to Certain Legislative Acts of Ukraine Regarding Construction on Lands Occupied by Public Waterways" No. 9664 dated 09.01.2023.







Reform status





#### e-Ryba

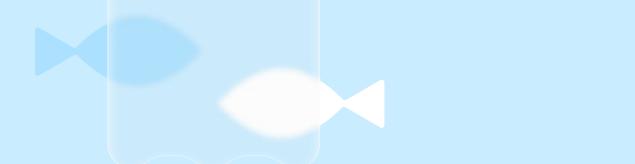
#### What is changing?

Thanks to the introduction of the Unified electronic platform "e-Ryba", it becomes easier to provide and receive public (electronic public) services for all participants in the process – both the citizens and business (individuals and legal entities), as well as for state bodies that provide such services. In addition, the implementation of control and management measures in the field of fisheries is also simplified.

New approaches to the regulation of the fishing industry are being introduced:

- business processes are digitized, permits are issued electronically in a short period of time;
- requirements for fish reception points are established, control over fishing will be strengthened;
- new mechanisms for holding auctions for commercial fishing of aquatic biological resources are being created in order to combat illegal fishing;
- the declaration of the right to commercial fishing in electronic form is being implemented – this will improve the conduct of business and ensure the traceability of aquatic biological resources.

In general, access to the market is simplified and the administrative burden on business is reduced.





#### What did the BRDO team do in 2023?

Participated in the development of the State strategy for the development of the fishery sector until 2030 and the operational plan of measures for its implementation in 2023-2025 (approved by the order of the Cabinet of Ministers of Ukraine dated 05.02.2023 No. 402).

Was involved in the development of the resolution of the Cabinet of Ministers of Ukraine "On the implementation of an experimental project on the introduction of the declaration of the right to commercial fishing and experimental fishing in electronic form" dated 13.10.2023 No. 1076 (resolution adopted).

Developed draft resolutions of the Cabinet of Ministers of Ukraine "Some issues of implementation of experimental projects regarding the conclusion of an agreement on the right to special use of aquatic biological resources in fishery water bodies (parts thereof), issuing a permit for the special use of aquatic biological resources in fishery water bodies (their parts) (for the implementation of industrial fishing. experimental fishing), keeping a journal of accounting for fishing activities, issuing a receipt for accounting for extracted (caught) aquatic biological resources in electronic form and marking fishing gear" and "Some issues of keeping state records of fishing water bodies (parts thereof)" (being supported until adoption).



## Improving the regulatory environment in the aquaculture sector

#### What is changing?

Regulation in the field of aquaculture is comprehensively revised:

- 1. Approaches to the use of objects and hydrotechnical structures for the purposes of aquaculture on the terms of leasing water objects are changing: the procedures for concluding and unifying the relevant forms of standard contracts are being simplified, relations related to ownerless hydrotechnical structures are being regulated, revenues to the state and local budgets are increasing.
- 2. A mechanism for attracting investments in the field of aquaculture is being introduced: thanks to the involvement of new enterprises in the sector and the modernization and increase of Ukrainian aquaculture production, the production of products with high added value and the creation of new jobs will be stimulated. In turn, this will increase revenues to the state budget and accelerate the development of economic potential and the increase in the competitiveness of the production of aquatic biological resources and products from them in Ukraine.
- 3. The mechanisms of traceability of aquatic biological resources are being improved.
- 4. The form of statistical information collection in the sector is changing due to this, harmonization with European standards is taking place. This will help optimize the collection and generalization of aquaculture production data.



#### What did the BRDO team do in 2023?

## Improving the regulatory environment in the aquaculture sector

Worked on the development of the provisions of the draft Law of Ukraine "On Amendments to Certain Legislative Acts of Ukraine Regarding the Improvement of Activities in the Field of Aquaculture".

Continued the work on and supported the project of the Law of Ukraine "On Attracting Investments in the Development of the Fisheries Industry" No. 8119 of October 10, 2022.

Supported the draft the Law of Ukraine "On Ensuring the Traceability of Aquatic Bioresources and Products Produced from Aquatic Bioresources" (in terms of aquaculture) No. 9545 dated 07.31.2023.

Participated in the development of the order of the Ministry of Agrarian Policy and Food of Ukraine dated September 11, 2023, No. 1655 "On approval of the reporting form No. 1A aquaculture".

Developed the resolution of the Cabinet of Ministers of Ukraine dated 03.11.2023 No. 1151 "Some issues of leasing hydrotechnical facilities". The resolution was adopted and approves the following developed acts: The procedure for providing hydrotechnical structures for aquaculture purposes into use on lease terms; The procedure for providing for use under the terms of a lease hydrotechnical structures of a fishery technological reservoir; Standard form of contract for the use of hydrotechnical structures for aquaculture purposes under the terms of lease; The standard form of the contract for the use of hydrotechnical structures of a fishery technological reservoir under the terms of lease.



## Improving the regulatory environment in the aquaculture sector

#### What did the BRDO team do in 2023?

Developed 5 draft resolutions of the Cabinet of Ministers of Ukraine "On the approval of the Model Agreement on the implementation of investments in aquaculture development", "On the approval of the Procedure for the control and monitoring of the investor's implementation of the terms of the agreement on the implementation of investments in the development of aquaculture", "On the approval of the Procedure and form for submitting reports on the implementation of the terms of the agreement on the implementation of investments in the development of aquaculture",

"On the approval of the Procedure for the preparation for conducting and holding auctions for the sale of the right to conclude an agreement on the implementation of investments in the development of aquaculture, establishing, checking and publishing their results, grounds for refusing to sign (conclude) the protocol on the results of the auction and the contract based on its results, determination of the size, order of payment and return of participants' registration and guarantee fees, fee for participation in electronic auctions and the starting price of the lot", "On amendments to the resolution of the Cabinet of Ministers of Ukraine dated 03.11.2021 No. 1147" On the approval of the Methodology of normative monetary valuation of land plots" regarding the improvement of land relations in aquaculture".

Sector Stakeholders Reform status #digitization #anticorruption

#eurointegration

#### **Electronic accounting of wood**

#### What is changing?

A special permit for the use of forest resources (logging ticket) and a certificate on the origin of timber and lumber made from them can be obtained through the Unified state web portal of electronic services "Diia", with subsequent display of information in the Unified ecological platform "EkoSystem".

This will make it possible to increase the level of efficiency and speed of management decision-making for business and the state, to introduce full traceability of the circulation of wood from the place of harvesting to its sale for export, to reduce the administrative burden and to simplify the procedure for issuing/receiving these two permit documents. In addition:

- Corruption risks that existed during the paper logging ticket will be eliminated.
- The electronic logging ticket allows to store accurate information about logging in forests. This will ensure control over forest use and prevent illegal logging.
- Dispersed paper databases of logging tickets are being replaced by a single electronic database.
- The certificate of origin of wood required by exporters will now also be available electronically.





#### Electronic accounting of wood

#### What did the BRDO team do in 2023?

Developed the resolution of the Cabinet of Ministers of Ukraine dated May 12, 2023 No. 483 "On the implementation of an experimental project regarding the issuance of a special permit for the special use of forest resources (logging ticket) and a certificate of origin of timber and lumber made from them in electronic form".

Developed the Order of the Ministry of Environmental Protection and Natural Resources of Ukraine No. 520 "On approval of the forms of documents necessary for the implementation of an experimental project regarding the issuance of a special permit for the special use of forest resources (logging ticket) and a certificate of origin of timber and lumber made from them in electronic form", adopted on 21.07.2023.

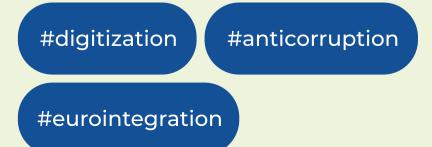
Sector Stakeholders





Reform status





## Comprehensive reform of forest management

#### What is changing?

The procedure for the formation and operation of the specialized state forestry joint-stock company "Forests of Ukraine" is determined, as well as the specifics of the management of state-owned objects in the forestry sector. The reform started in 2022 with the adoption of the resolution of the Cabinet of Ministers of Ukraine dated September 7, 2022, No. 1003 "Some issues of reforming the management of the forest industry".

The creation of JSC will increase the efficiency of management for the state enterprise, and the implementation of international corporate practices will increase the economic performance of the forest industry.

Thanks to the change in management approaches, effective conditions are created to ensure the preservation and protection of forests from fires, illegal logging, pests and diseases, damage due to anthropogenic and other harmful effects, and other violations of forest and natural legislation. It also opens up opportunities to attract investment.

#### What did the BRDO team do in 2023?

Finalized the draft Law of Ukraine "On the peculiarities of management of state-owned objects in the forestry sector and the procedure for the formation and operation of the specialized state forestry joint-stock company "Forests of Ukraine".

Sector

Stakeholders







Reform status



#digitization

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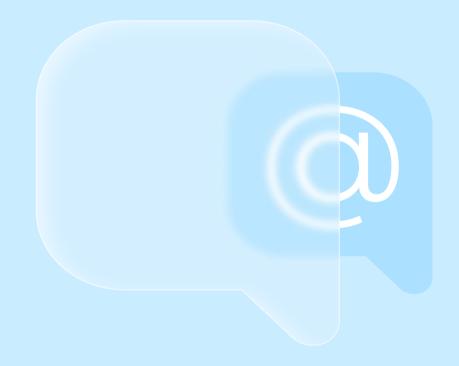
#### Reform of electronic communications

#### What is changing?

The provisions of the European Electronic Communications Code are being implemented into Ukrainian legislation. This will help ensure the right of subscribers to receive universal services, improve the protection of the rights and legitimate interests of subscribers.

#### What did the BRDO team do in 2023?

Developed projects of ten resolutions of the Cabinet of Ministers of Ukraine and an order of the Ministry of Digital Transformation of Ukraine to ensure user access to universal services.



Sector

Stakeholders

Reform status



#anticorruption

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## Guaranteeing property rights to real estate objects to be constructed in the future

#### What is changing?

The rights of buyers of future real estate are protected. Peculiarities of civil turnover of objects of unfinished construction and future real estate objects are being regulated and mechanisms of guaranteeing property rights to such objects are being introduced.

#### What did the BRDO team do in 2023?

Participated in the development of the resolution of the Cabinet of Ministers of Ukraine dated June 13, 2023 No. 596 "Some issues of compliance with the requirements of the Law of Ukraine "On quaranteeing property rights to real estate objects that will be built in the future", which regulates the mechanism for realizing the right of the construction customer regarding adoption of a decision on the extension of the Law of Ukraine "On guaranteeing property rights to real estate objects that will be built in the future" to construction objects and their components, which will become independent objects after the completion of construction is put into operation of immovable property (apartment, garage box, other residential or non-residential premises, parking space, etc.), the right to perform construction works in respect of which was acquired before the entry into force of this Law.

Sector Stakeholders Reform status









#### Improvement of management of multi-apartment buildings

#### What is changing?

The preparation and holding of meetings of co-owners of an apartment building (OSBB) to solve urgent problems is simplified thanks to the following changes:

- the number of votes of co-owners required for decision-making decreases;
- a single, simplified approach is being introduced to drawing up the minutes of co-owners' meetings;
- the mechanism of informing about holding meetings of co-owners is simplified (for example, the possibility of informing using electronic means of communication is legalized);
- the opportunity to participate in meetings and vote remotely is being introduced;
- the upper and lower voting thresholds are limited;
- the rights of co-owners to look over meeting documents are clarified and responsibility for loss, destruction or failure to provide access to meeting materials, contract survey letters, etc. is introduced.

### What did the BRDO team do in 2023?

Took part in the development of the Law of Ukraine "On Amendments to Some Laws of Ukraine on Simplifying the Management of Apartment Buildings" (adopted as a whole, dated 07.14.2023 No. 3270- IX).

Sector Stakeholders Reform status









#### **Decriminalization of pornography**

#### What is changing?

Criminal liability for the creation, sale, and distribution of pornographic materials (except for extreme pornography, distribution among minors, etc.) is abolished. The responsibility for maintaining places of debauchery and prostitution is also abolished.

#### What did the BRDO team do in 2023?

Together with a coalition of public organizations, the draft Law of Ukraine No 9623 "On Amendments to the Criminal Code of Ukraine on Ensuring Freedom from Interference in a Person's Private Life", which was registered in the Verkhovna Rada of Ukraine. An advocacy campaign was conducted in his support.

Sector

Stakeholders



Reform status



#### Critical raw materials and subsoil use

#### What is changing?

Regulatory and investment barriers in the field of subsoil use and critical raw materials are being removed, Ukrainian legislation is being harmonized with the European legislation.

#### What did the BRDO team do in 2023?

Within the framework of the implementation of the EU-Ukraine Strategic Partnership on Raw Materials and Batteries and the implementation of the Partnership Roadmap 2023-2024, 17 analytical studies and a number of draft legislative acts were prepared aimed at bringing the legislation of Ukraine as a candidate country for EU accession closer to the EU legislation in the field of subsoil use and critical raw materials, as well as eliminating legislative and regulatory investment barriers in the field of subsoil use.

In today's globalized economy, the secure supply and availability of critical raw materials are paramount for driving economic growth, technological advancement, and sustainability across various industries. The potential scarcity, geopolitical implications, and possible disruptions in supply chains have triggered considerable attention to these materials from policymakers worldwide resulting in the definition of specific raw materials as critical.



#### What did the BRDO team do in 2023?

#### Critical raw materials and subsoil use

Thus, BRDO paid considerable attention to the analysis of the CRM in Ukraine. The following analytical materials were prepared:

- Analytical Report "Main Barriers and Perceived Risks for Investment in the Ukrainian Raw Materials Resources Sector, including CRM";
- Methodology Study "Defining Criteria for Critical Raw Materials in Ukraine";
- Analytical Study on battery technologies;
- Report on the analysis of Ukraine's potential obligations as a candidate country in the subsoil/critical raw materials sector (The Proposal for Critical Raw Materials Act);
- Report on Exploring Critical Raw Materials Potential in Ukraine's Anthropogenic Waste.

Model agreement on distribution of solid minerals and PSA competition documentation for solid minerals, to implement distribution of CRMs under the PSA procedure.

Sector

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Stakeholders

Reform status





#### **Education**

#### What is changing?

Thanks to the use of digital systems, reporting and recordkeeping procedures are simplified and optimized to reduce the burden on educational institutions. In particular:

- the capabilities of the AICOM integrated information system are developing;
- data exchange processes with state register systems are being established to meet the needs of the educational sector;
- public online services in the field of education are developed in the mobile application "Diia";
- regulatory grounds are being developed and a unified environment is being designed for access to the created digital tools necessary for optimizing the work of managers in the field of education, in particular electronic reporting, electronic record-keeping, national registration of preschool and school-age children, pupils and pupils based on personal data verified in state registers.



#### What did the BRDO team do in 2023?

Worked on the development of regulatory and technical foundations for the debureaucratization and digitization of educational processes, in particular:

- The registers were expanded and combined to create a single office of the education manager.
- The business processes necessary for the start of implementation in general secondary education institutions (GSEs) have been developed.
- The processes of creating a child's profile in AIKOM have been updated.
- A test connection was made to check the children's data in state registry offices.
- Preparatory work has been carried out for the transition period to electronic record-keeping in GSEs.
- Amendments to the Procedure for Enrolment, Deduction and Transfer of Pupils No. 367 have been prepared and published.

- Amendments have been made to Resolution No. 684 of the CMU on registration of children.
- Changes to the legislative acts regarding electronic statistical reporting have been prepared.
- The formation of profiles in AIKOM has been completed for full provision of data for e-reporting.
- Models of electronic educational online services for parents have been created, which will be available through personal accounts in Diia (Mriia).
- A description of the first version of API is being prepared for the interaction of AICOM and Mriia. Changes were made to existing business processes and new ones were developed.

Stakeholders

Reform status









#### **Law on Protection of Consumer Rights**

#### What is changing?

Ukrainian legislation is being harmonized with the European legislation, which creates conditions for achieving mutual consistency between the consumer rights protection systems of Ukraine and the EU, especially in the field of electronic commerce, and also provides consumers with new tools to protect their rights. Namely:

- The obligation for sellers to create and maintain an exchange fund of goods is abolished.
- Public associations of consumers receive a legal basis for participation in the protection of consumer rights and their involvement in the pre-trial resolution of consumer disputes.
- An opportunity for sellers to provide documents confirming warranty obligations in electronic form is being introduced.

 At the legislative level, the concepts of an electronic trading platform (marketplace), an electronic product comparison service (price aggregator) are defined and their responsibility for the availability of reliable information about sellers on the websites of the marketplace and price aggregator is established

#### What did the BRDO team do in 2023?

Together with the Ministry of Economy, we developed the project of Law No. 6134 "On the Protection of Consumer Rights", adopted by the Verkhovna Rada as a whole on June 10, 2023.

Stakeholders

Reform status









#eurointegration

#### **Ukraine Facility**

Ukraine Facility is a program of financial support for Ukraine from the EU in the amount of 50 billion euros, which will be directed to the Ukrainian economy during 2024-2027. Funds from European partners will not be able to fully cover the country's budget deficit, but they will certainly make a significant contribution to the stability of our economy. The plan for the Ukraine Facility is a technical document necessary for the launch of the program. This is the first time that an integrated economic development plan for the next 4 years has appeared in Ukraine.

The implementation of the Plan will contribute to the European integration of Ukraine and the further sustainable development of the economy. The EU is already starting to work with Ukraine as a full member of the community – the Ukraine Facility was created according to the model in which the EU finances its own members.

#### What did the BRDO team do in 2023?

Work on the Plan was carried out in close cooperation with the European Union. The document was prepared by the Government under the coordination of the Ministry of Economy of Ukraine in constant consultation with representatives of the European Commission. The BRDO team provided analytical support during the development of the Plan with the assistance of the Kyiv School of Economics as part of the project "Supporting the EU in reconstruction and recovery". We also joined the consultations on the Plan, which the Government conducted with expert centres, business, the public, people's deputies, and representatives of the regions.

Stakeholders







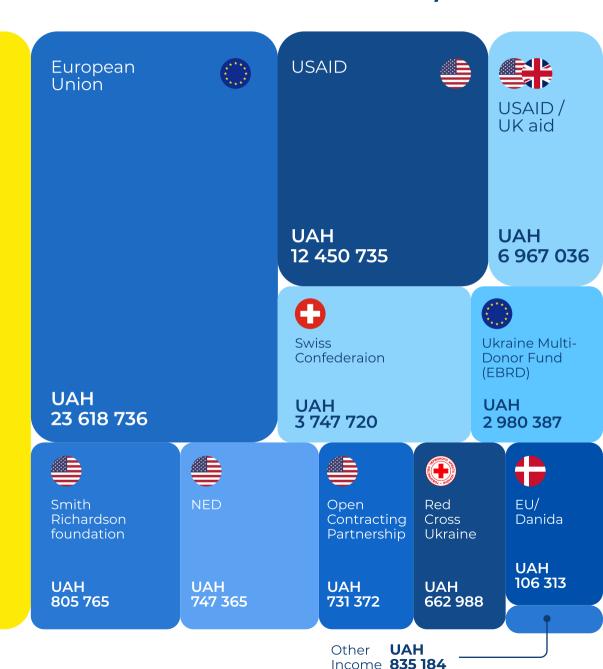
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## **BRDO financial** statement 2023

Total income

UAH 106 018 100,00

Federal Republic of Germany UAH 52 364 493



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Annex with the list of legislative drafts, developed by BRDO



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