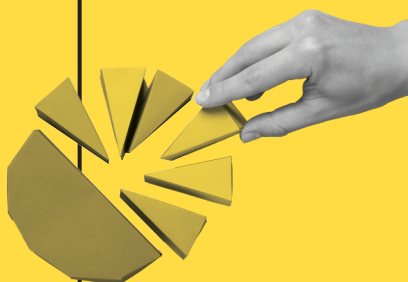


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REFORM
SUPPORT
TEAM



REFORM SUPPORT TEAM
MINISTRY OF FINANCE
OF UKRAINE



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2022

REFORM SUPPORT TEAM
MINISTRY OF FINANCE
OF UKRAINE

2023

TABLE OF CONTENTS

04

INTRODUCTION

06

UKRAINE RECOVERY AND EUROPEAN INTEGRATION

Recovery Plan for Ukraine in 2022	07
EU Questionnaire for acquiring candidate status in 2022	08
Ukraine Facility Plan in 2023	09
National Revenue Strategy in 2023	10

11

PUBLIC ADMINISTRATION REFORM AND CAPACITY DEVELOPMENT AT THE MINISTRY OF FINANCE

Organisational capacity development	12
Guidelines on the MoF's corporate visual identity	13
Code of Conduct	15
HRM processes	17

19

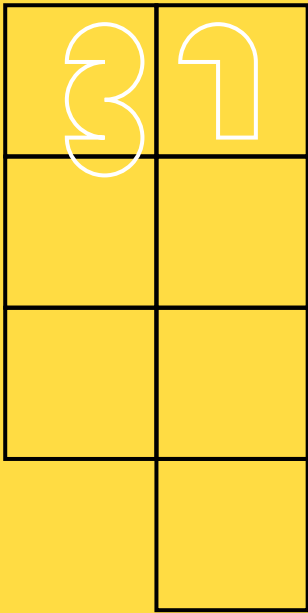
TAX REFORM

Implementation of OECD standards and principles	20
Institutional capacity building in the field of tax policy	21
Methodology for determining the ultimate beneficial owner	23
Clarification of tax legislation	25

26

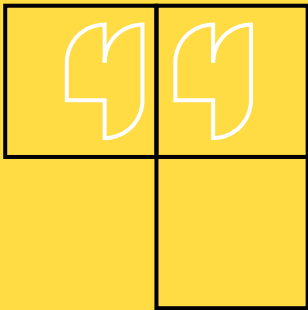
CUSTOMS REFORM

"Customs visa waiver" and customs related EU Acquis	27
Facilitating and speeding up the passage of humanitarian aid across the Ukrainian border	28
Capacity building and communication in the field of customs reform, and coordination of international assistance in customs sphere	30



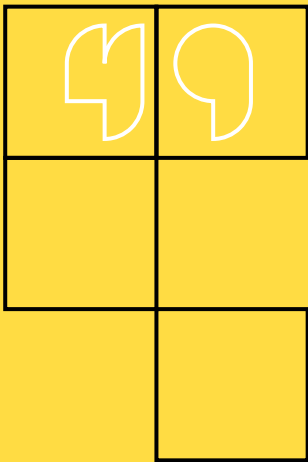
PUBLIC FINANCE MANAGEMENT REFORM AND BUDGET EXPENDITURES OPTIMIZATION

Budget legislation changes aimed at facing war conditions and the martial law	32
New methodology for budget programs formation	33
Program-based budgeting and enhancing budget program formation practices	34
Support mechanisms for economic sectors in wartime	36
Critical infrastructure and economy support	37
Recovery financing	38
Sectoral efficiency and transparency improvement	39



STATE-OWNED BANKS REFORM

Competitive and transparent supervisory board successions process in state-owned banks	45
Handling misconducts, complaints, and conflicts within state-owned banks	47
Removal of systemically important bank from the market	48



IMPROVEMENT OF INTERNATIONAL FINANCIAL COOPERATION PROCESS

Improvement of the legal framework for the enhancement of implementation of IFI projects	50
Launching new joint projects with IFIs	51
Supporting operational efficiency and institutional capacity improvement	53
Legal and implementation support of IFI projects	54
Supporting Multi-agency Donor Coordination Platform for Ukraine	55

INTRODUCTION

Over the past two years, Ukraine has been experiencing a full-scale war, that has caused significant destruction and posed serious challenges. Nevertheless, Ukraine remains steadfast in its commitment to a transformative agenda, implementing reforms and policies crucial to achieving our European integration and ensuring country's competitiveness on the global stage.

The Recovery and Reform Support Team (RST) at the Ministry of Finance of Ukraine (MoF) is an integral part of these processes. Established in 2016 as part of the Ukraine Recovery and Reform Architecture (URA) project, the RST has emerged as a reliable partner to the Ministry of Finance, bridging private sector expertise with public administration. With the onset of the full-scale invasion, new realities required new approaches to overcome challenges. The RST demonstrated remarkable flexibility and adaptability, quickly navigating unprecedented circumstances to implement reforms.

The tangible outcomes of our endeavours, documented in the report, underscore the breadth of reforms achieved in public administration, tax and customs policy, public finance management, regulation of state-owned banks activities, and cooperation with international financial institutions.

Meanwhile, another key aspect of our mission is to chart the course for Ukraine's comprehensive economic and physical recovery. The RST participated in preparing the Recovery Plan for Ukraine, the Ukraine Facility Plan, the National Revenue Strategy, and has assisted in the elaboration of the responses to the EU questionnaire for acquiring candidate status for Ukraine. These efforts are only a part of our diverse comprehensive initiatives.

Integrated within the Ministry of Finance, the RST serves as a catalyst and cornerstone for driving transformative changes.

There are many challenges ahead, but every task we accomplish strengthens our country's resilience and advances our common aspirations for a strong, free Ukraine, a country that is closely integrated into the democratic society of the future.

NATALIYA SLYSH
DIRECTOR,
REFORM SUPPORT TEAM
PROJECT MANAGEMENT OFFICE
AT THE MINISTRY OF FINANCE OF UKRAINE

**MIN
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REFORM
SUPPORT
TEAM

TEAM

CUSTOMS REFORM

Andriy
Olefirenko



Nataliia
Yatsiv



IMPROVEMENT OF INTERNATIONAL FINANCIAL COOPERATION PROCESS

Pavlo
Ryabets



Oksana
Nikanorova



PUBLIC FINANCE MANAGEMENT REFORM AND BUDGET EXPENDITURES OPTIMIZATION



Pavlo
Kushniriuk



Olena
Smuk



Lyudmyla
Chepka



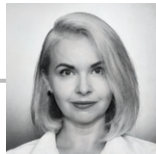
Olena
Danylenko



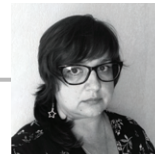
Iuliia
Mykhailenko



Oleg
Krainsky



Olga
Shapova



Olga
Cherniuk



Inna
Samchynska



Oleksandr
Chubukov



Anna
Panasenko



Ievgen
Kozlov

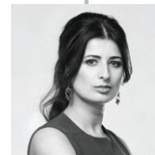


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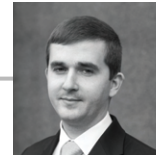


Nataliya
Slysh

PUBLIC ADMINISTRATION REFORM AND CAPACITY DEVELOPMENT AT THE MOF



Kateryna
Knyzhytska



Valeriy
Markhay



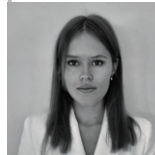
Dmytro
Sydorenko



Ihor
Masiakin

TAX REFORM

Ivanna
Savchenko



Anna
Mashyna



Bohdan
Bykon



ADMINISTRATIVE ASSISTANCE AND COMMUNICATION

STATE-OWNED BANKS REFORM



Marta
Hontaruk

UKRAINE RECOVERY AND EUROPEAN INTEGRATION



RECOVERY PLAN FOR UKRAINE IN 2022



The Recovery and Reform Support Team provided support with coordination of the development of the Recovery Plan in policy areas of the Ministry of Finance, playing an important role in the Plan's creation.

In 2022 the Recovery and Reform Support Team acted as coordinators on behalf of the Ministry of Finance of Ukraine and managed a Working group “Functioning of the financial system, its reform and development”, which consisted of 5 Working subgroups in key policy areas: Budget and debt policy, Tax policy, Customs policy, Banking system and non-bank financial services market and Capital markets.



Meetings of
the Working
group



Experts and
international
partners



Proposals

The RST processed all of the proposals and prepared the final draft of the Plan's section on the financial system, which was translated into English.

Additionally, the team participated in the work of other Working groups, including “Economic Policy”, “Healthcare” and “Social Protection”, to address cross-sectoral issues.

The Ministry of Finance submitted the consolidated document, which included the work done by all 5 subgroups forming the Working group “Functioning of the financial system, its reform and development”, to the Cabinet of Ministers, and it was included in the Recovery Plan.



The Plan was presented in Lugano in July 2022, and international donors praised it for its balanced and justified approach and recognition of the main measures needed for the recovery of Ukraine and smooth preparation for Ukraine's accession to the European Union.

Its findings were further used to prepare programme and strategic documents of the Government (e.g. the National Revenue Strategy).

EU QUESTIONNAIRE FOR ACQUIRING CANDIDATE STATUS IN 2022



The Recovery and Reform Support Team assisted the Ministry of Finance in preparing responses to the EU questionnaire for acquiring candidate status for EU membership.

The EU questionnaire is a comprehensive set of questions that countries seeking to become members of the EU must complete. It covers a wide range of areas, including political, economic, and legal aspects. Candidate status is a formal recognition that a country met the needed criteria, and it is an important step in the process of becoming an EU member state.

The team organized the preparation of answers related to the MoF's sphere of responsibility for the two parts of the questionnaire and ensured that the responses were translated into English. The task was successfully completed on time within the tight deadline set by the President of Ukraine. Quality filling of the questionnaire resulted in Ukraine being granted candidate status.

On April 8, 2022 Ukraine received the Questionnaire; on June 16, 2022 the European Commission recommended to the Council to confirm Ukraine's perspective as a member of the EU.



Ukraine's acquisition of candidate status for EU membership is a significant achievement that reflects the country's progress in meeting the political, economic, and legal criteria for membership. It also signals the EU's recognition of Ukraine's commitment to democratic reforms and its efforts to align its policies with EU standards. Ukraine's candidate status provides a framework for further cooperation and support from the EU in various areas, including trade, investment, development and reforms.

On 8 November 2023, the EU Commission recommended opening accession negotiations with Ukraine.

UKRAINE FACILITY PLAN IN 2023



The Recovery and Reform Support Team assisted the Ministry of Finance in preparing the Ukraine Facility Plan in parts of public finance management and financial markets.

On October 17, 2023 the European Parliament supported the proposal to establish a EUR 50 billion Ukraine Facility to support Ukraine over 2024-2027. The Ukraine Facility program should lay the foundation for the rapid recovery and development of the Ukrainian economy. An integral part of the program will also be the Ukraine Plan, for the preparation of which an interagency working group has been set up. The Ukraine Plan will contain a program of priority reforms and key steps to ensure economic development, reconstruction and modernisation, as well as to bring Ukraine's accession to the EU closer.

The RST supported the MoF with preparing the public finance management and financial markets part of the Concept Note, which will lay the ground for the Ukraine Plan. RST experts took part in consultation with the EU representatives and in forming proposals to the MoF regarding the components of the Plan.



On December 29, 2023, the Cabinet of Ministers of Ukraine approved a draft of the Ukraine Plan for submission to the European Commission. The Plan's conditions will be finalised after the Ukraine Facility regulation has been approved by the European Council. Approval of the final version of the plan by the European Commission will give Ukraine access to a financial resource of €50 billion over four years, of which €39 billion will be aimed at ensuring macro-financial stability.

NATIONAL REVENUE STRATEGY IN 2023



The Recovery and Reform Support Team assisted the Ministry of Finance in coordination efforts on the development of the National Revenue Strategy of Ukraine for 2024-2030 (NRS).

The Strategy is to become a key element in securing stability of the financial system of Ukraine. It was developed by the MoF jointly with other ministries and agencies. Its adoption by the Government is a fulfilment of Ukraine's obligations according to the Memorandum with the IMF.

The main goal of the NRS covers important areas, including strengthening Ukraine's fiscal capacity, adapting tax and customs legislation to EU standards, and creating incentives for post-war recovery and economic growth.

To achieve this comprehensive goal, the Strategy envisages the creation of reliable, transparent and client-oriented tax and customs systems that can ensure the trust of individuals and businesses in state institutions.

The RST supported the MoF with preparing materials, required for elaboration of the envisaged reforms' measures, drafting a Road map of preparation of the NRS, making research, and addressing comments of the stakeholders.



On December 27, 2023, the Cabinet of Ministers of Ukraine approved the National Revenue Strategy for 2024-2030. Due to Strategy, Ukraine got a comprehensive roadmap for creating a strong and transparent tax and customs system ready to meet modern international standards and EU legislation requirements.

**PUBLIC
ADMINISTRATION
REFORM
AND CAPACITY
DEVELOPMENT AT
THE MINISTRY
OF FINANCE**



ORGANISATIONAL CAPACITY DEVELOPMENT



The Recovery and Reform Support Team assisted the Ministry of Finance in its functional review in order to increase the Ministry's organisational capacity.

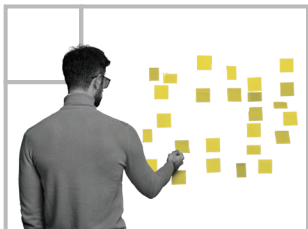
The RST provided assistance in defining key policy and reform areas, staffing, organisational structure, operational framework, and prioritizing the Ministry's key objectives for the next three years.

The functional review and capacity development supported by the RST is of great significance for the Ministry as it helps the organisation assess its current operations and identify areas for improvement. The review process allows the MoF to determine the most effective ways to achieve its goals, increase efficiency, and improve overall performance. By improving the MoF's organisational capacity, the functional review and capacity development initiatives supported by the RST help to strengthen the overall governance and effectiveness of the Ministry.

The RST also held facilitation sessions for the MoF to start the development of an updated HR Strategy for the Ministry for 2024-2027. Developing the HR Strategy is among the priorities of the MoF's HR Department for 2024.

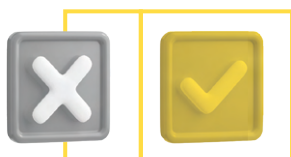
With the RST support, the digital library (books, courses, trainings, video lectures and podcasts) was created in the MoF to develop the knowledge and competencies of the MoF's employees as part of organisational capacity development.

The RST also supported the organisational capacity development of the bodies subordinated to the MoF. In particular, RST experts prepared an analytical report about the current situation and the Strategy of reforming the State Tax University, and reviewed the State Tax University Communication strategy. RST experts also developed and conducted a career training program for students of the State Tax University.



These efforts resulted in the development of a comprehensive Action Plan that provides a roadmap for the MoF to move forward with its capacity-building initiatives, ensuring that the organisation is well-positioned to carry out its mission and serve the needs of its stakeholders.

GUIDELINES ON THE MOF'S CORPORATE VISUAL IDENTITY



The Recovery and Reform Support Team developed Guidelines for the Ministry of Finance's corporate visual identity usage for both internal and external activities.

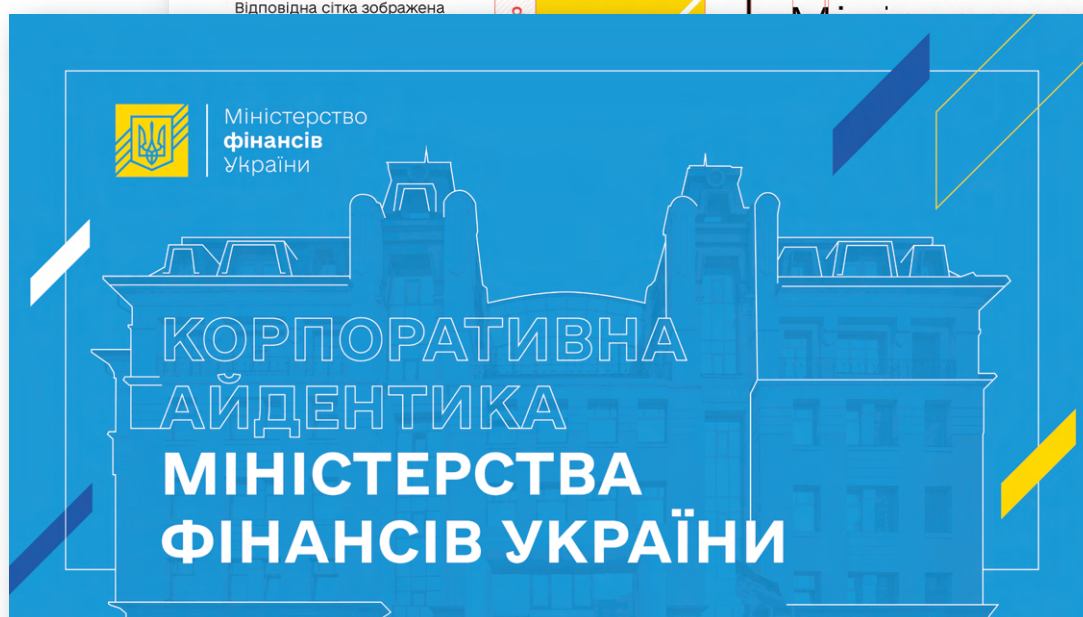
The RST previously created the MoF's corporate visual identity (brand book), which includes a new logo, colours, fonts, graphic templates, typographic settings, and other elements. A corporate visual identity is a critical aspect of any organisation, including government institutions. It helps define and communicate the organisation's image and message to internal and external stakeholders. A well-designed brand book helps establish consistency in the MoF's visual representation, which can enhance its credibility and reputation.

The Guidelines for the MoF's corporate visual identity were created as the next step to ensure the correct adoption and usage of the brand book by the MoF's staff. The document was adopted by the Minister's order. The Guidelines provide clear instructions on the correct usage of all brand book components, ensuring consistency in the Ministry's visual representation and promoting its image as a reliable and credible institution, strengthening the Ministry's image and mission.

1.4 Побудова логотипа та його мінімальний розмір

Для більшої гармонійності в елементах логотипа закладено низку пропорцій. Відповідна сітка зображена

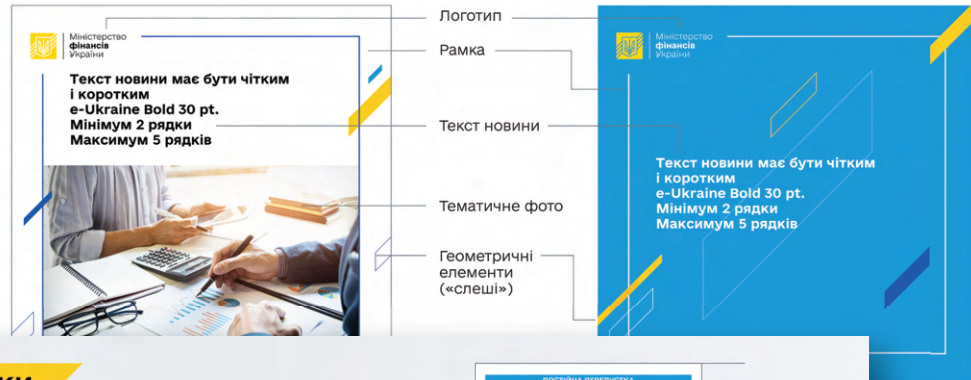
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8X	32X	8X	8X	0,6X	вільний простір	8X



UltraLight
Bold

6.4 Новина. Основні елементи

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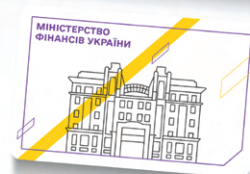
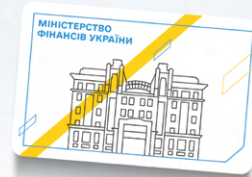
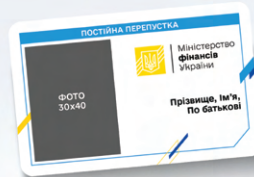
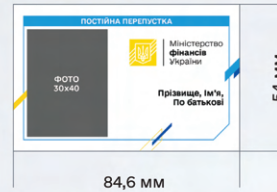
5.3 Перепустки

Перепустки використовуються для ідентифікації працівників / відвідувачів організації та доступу до приміщень Міністерства фінансів України.

Перепустки рекомендовано виготовляти в однаковій стилістиці з використанням елементів корпоративної айдентики Мінфіну.

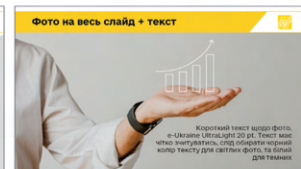
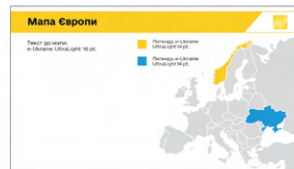
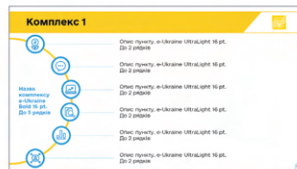
Для різних типів перепусток рекомендується використовувати різні кольори з переліку основних та додаткових (див. підрозділи 2.1 та 2.2).

Оновлені шаблони перепусток рекомендується використовувати при виготовленні нових перепусток.



Брендбук Міністерства фінансів
Ідентифікатори співробітників
ID Pass.zip

Презентація містить основні варіанти зображення інформації у вигляді схем, списків, мап, графіків тощо.

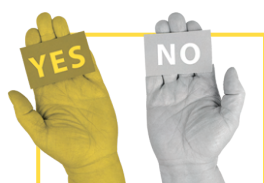


Брендбук Міністерства фінансів
Брендівані матеріали
Presentation.zip



The adopted Guidelines on the Ministry of Finance's corporate visual identity are now promoted among the employees in order to provide guidance on the correct usage of all brand book components, enhancing the credibility and reputation of the MoF.

CODE OF CONDUCT



The Recovery and Reform Support Team supported the development of the Ministry of Finance's Code of Conduct outlining the rules of ethical behaviour for its employees.

The Code of Conduct is a set of rules of ethical behaviour that outlines the basic moral, ethical and professional norms, standards and principles, and internal values that guide all civil servants and other employees of the Ministry of Finance, regardless of their position.

The Code was developed based on generally recognised principles and norms of business behaviour and ethics and taking into account the laws of Ukraine "On Civil Service", "On Prevention of Corruption", "On Ensuring the Functioning of Ukrainian as the State Language", the Order of the National Agency of Ukraine for Civil Service "On Approval of the General Rules of Ethical Conduct for Civil Servants and Local Government Officials".

The RST also created a visualisation of a Code of Conduct and developed a communication campaign to elucidate the Code of Conduct provisions among MoF's employees.

Місія Мінфіну	
<p>Місія Міністерства фінансів України полягає у фінансовому забезпеченні виконання державних функцій на основі вираженої бюджетної політики, створенні умов для стабільного розвитку економіки шляхом управління державними фінансами за низкою принципів.</p>	
Збалансованість	Ефективність
Цілісність	Неупередженість
Прозорість	
01	Загальні положення 3
	Вступ до Кодексу Етики Мінфіну 4
	Мета за завдання Кодексу 5
	Місія Мінфіну 6
	Внутрішні цінності Мінфіну 7
02	Принципи поведінки та професійної етики працівників Міністерства фінансів України 8
03	Відповідність нормам поведінки та професійної етики 11
	Культура співробітництва та спілкування 13
	Забезпечення гендерної рівності 14
	Недопущення проявів дискримінації 15
	Публічна комунікація 16
	Комунікація та поведінка в соціальних мережах 19
04	Недопущення неприйнятної поведінки 21
	Запобігання та врегулювання конфлікту інтересів 22
	Політика щодо запобігання та виявлення корупції 23
	Політика щодо дарування та отримання подарунків 25
05	Внутрішня організація діяльності керівників та працівників 26
	Робота в штатному режимі та дистанційно 28
	Використання майна 30
	Відвідувачі на робочому місці 31
	Інформаційна безпека 32
06	Стандарти корпоративного ділового етикету 33
	Діловий етикет 34
	Стандарти зовнішнього вигляду працівників 35
07	Дотримання принципів Кодексу етичної поведінки 40
	Відповідальність за недотримання принципів Кодексу 42
	Повідомлення про неприйнятну поведінку 43
08	Прикінцеві положення 46
	Прикінцеві положення Кодексу етичної поведінки працівників Міністерства фінансів України 47
	Форма ознайомлення із принципами Кодексу 48

Політика щодо запобігання та виявлення корупції. 1/2

Міністерство фінансів України проводить політику нульової толерантності та абсолютної неприпустимості будь-яких форм корупції і забезпечує розробку та вжиття заходів щодо запобігання та виявлення корупційних або пов'язаних з корупцією правопорушень.

Працівники Мінфіну забезпечують дотримання вимог чинного законодавства України у сфері запобігання та виявлення корупції та вимог Антикорупційної програми Міністерства фінансів України.



Працівникам Мінфіну зокрема **ЗАБОРОНЯЄТЬСЯ**:



Вчиняти і брати участі у вчиненні корупційного або пов'язаного з корупцією правопорушення



Використовувати свої посадові повноваження або своє становище та пов'язані з цим можливості з метою одержання неправомірної вигоди для себе



Вимагати або отримувати будь-яку матеріальну або нематеріальну вигоду для себе чи для близьких осіб у зв'язку із здійсненням своїх посадових



Вчиняти будь-які дії, які прямо або опосередковано підбурюють інших працівників до порушень вимог чинного законодавства України та правових і організаційних розпорядчих Мінфіну

23

05 ВНУТРІШНЯ ОРГАНІЗАЦІЯ ДІЯЛЬНОСТІ

Допуск відвідувачів на територію Мінфіну регламентується Інструкцією про порядок допуску на територію Міністерства фінансів України (затверджена Наказом Міністерства фінансів України 25.06.2018 року № 581).

Для здійснення допуску на територію Мінфіну створено Бюро перепусток та організовані пости охорони із пропускними функціями, запроваджені постійні, тимчасові, спеціальні тимчасові для іноземців та разові електронні картки-перепустки, а також перепустки на ввезення (вивезення), внесення (винесення) матеріальних цінностей.

Дотримання порядку допуску досягається шляхом:

- ✓ ведення бази даних у системі контролю доступу (далі – СКД), обліку,
- ✓ оформлення та видачі постійних електронних карток-перепусток працівникам апарату Мінфіну та тимчасових електронних карток-перепусток працівникам підприємств, установ та організацій, що належать до сфери управління Мінфіну, які розташовані на території Мінфіну;
- ✓ оформлення та видачі спеціальних тимчасових електронних карток-перепусток іноземцям.

Відвідувачам Мінфіну у Бюро перепусток оформлюються разові електронні картки-перепустки.

В умовах надзвичайного стану та у випадках, не передбачених Інструкцією, зокрема, допуску дітей та родичів працівників, рішення про допуск відвідувачів приймається керівником Мобілізаційного відділу.

31

The adopted Code of Conduct of the Ministry of Finance serves as a guideline outlining values and standards. This document emphasises the meaning and principles laid down in the various legislative acts of Ukraine on which it is based, and provides an understanding of the general standards of appropriate behaviour of the employees of the MoF and the values that guide its team.



HRM PROCESSES



The Recovery and Reform Support Team assisted the Ministry of Finance in improving its human resource management (HRM) processes through conducting annual staff surveys and improving an onboarding procedure.

The staff survey was updated in 2022 to include a new section on the impact of the war and was instrumental in gaining insights into the perception and satisfaction of the MoF personnel. In 2023, the questionnaire was updated once more in order to include questions regarding the current wartime challenges. The RST also helped with promoting the completion of the annual surveys among the staff, because obtaining the number of responses necessary for the representativeness of the survey is crucial in gathering the full feedback from the employees and in understanding their needs and satisfaction levels. RST experts prepared the reports with the analysis of the results of the MoF's staff survey and helped to develop the Action Plan for the implementation of proposals formulated after each survey.

Структура персоналу Мінфіну. 1/2



776

Загальна кількість співробітників Мінфіну

Жінки

з них

Чоловіки

72%

28%

Керівники
середньої ланки

5%

29%

66%

Керівники
структурних підрозділів

Вплив війни



Як змінилися показники навантаження роботи в умовах воєнного стану?

■ 2023
■ 2022

2,4%

1,5%

Зменшилися

40,2%

22,2%

Без змін

45,4%

51,0%

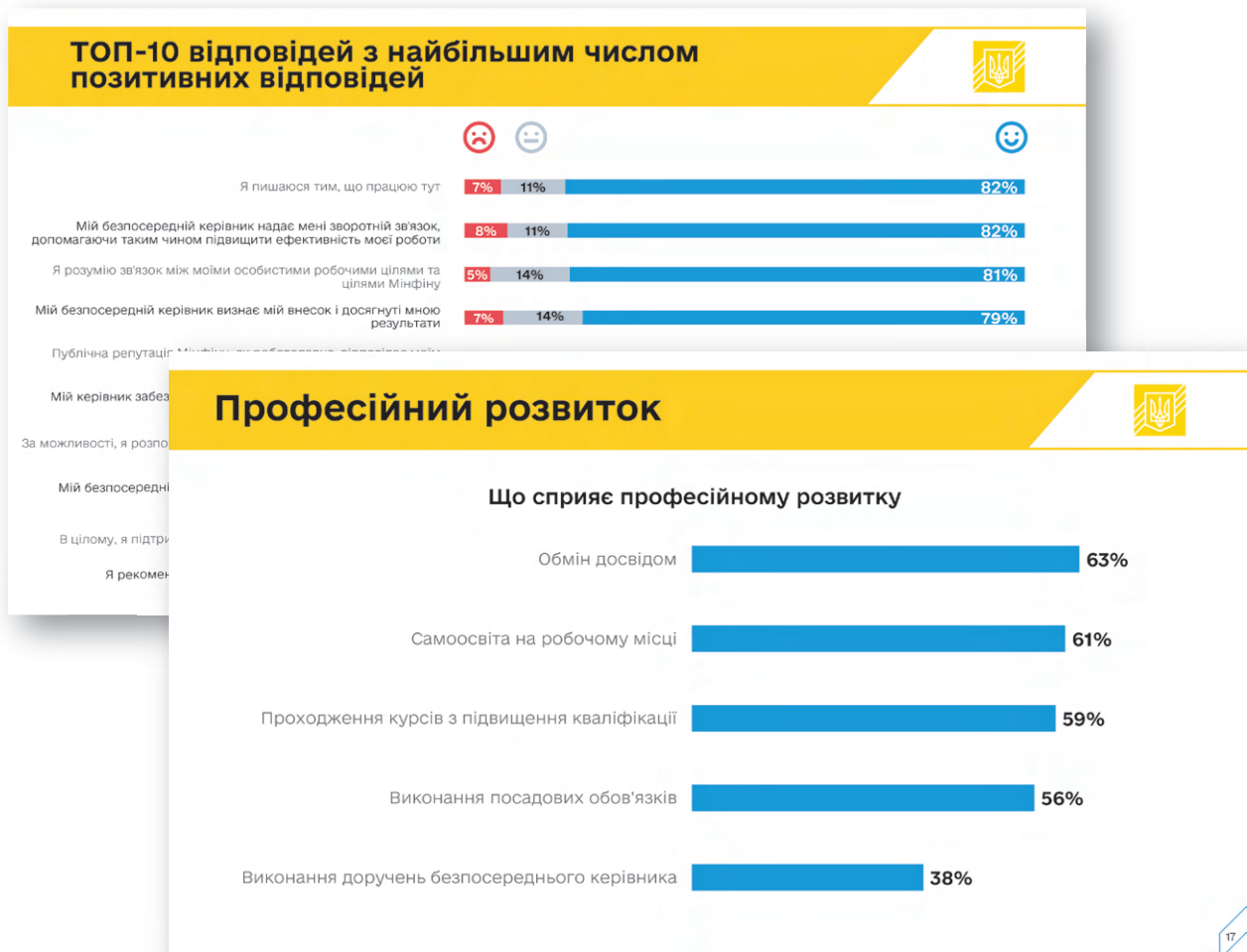
Збільшилися

11,2%

25,3%

Суттєво збільшилися

The onboarding procedure, on the other hand, should provide new employees with an in-depth understanding of the MoF's mission, values, rules of interaction, communication, and conduct expected of its staff. The RST conducted an analysis of the onboarding process in the MoF and created a process flow and recommendations for its improvement. In particular, RST experts helped to develop pre-boarding and onboarding stages, a checklist of onboarding process steps, a task sheet for the trial period, letters to new employees and team, invitation and presentation for Welcome Day and a questionnaire for new employees after the onboarding, etc. The RST helped to start the development of the Newcomer's Book for the onboarding process at the Ministry. The Book will serve as a practical tool for orienting and integrating new hires into the MoF's culture and operations, fostering a sense of belonging and ensuring alignment with the MoF's goals and objectives.



These HRM initiatives are significant in the development and improvement of the MoF's operations, as they provide valuable insights into the perception of the staff, identify areas for improvement and provide a roadmap for integrating new hires into the MoF's culture and operations. These activities also contribute to enhancing the MoF's reputation as a reliable employer, attracting and retaining talented and motivated personnel.

TAX REFORM



IMPLEMENTATION OF OECD STANDARDS AND PRINCIPLES

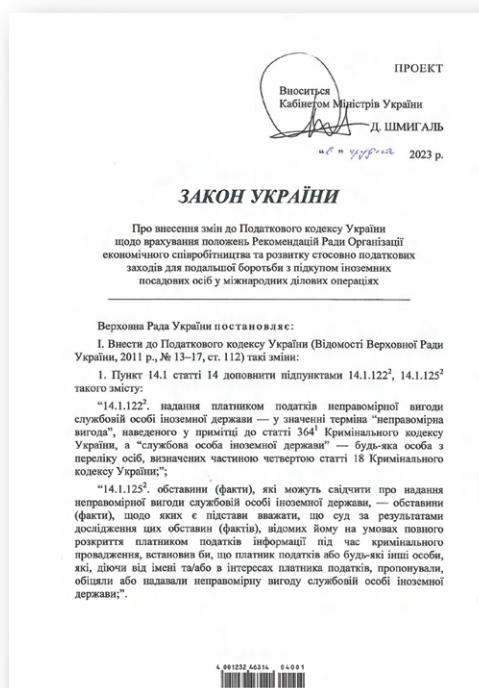


The Recovery and Reform Support Team assisted the Ministry of Finance with the development of changes to the tax legislation to meet the requirements of the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (Convention on Anticorruption).

OECD Council Recommendations on tax measures to further combat bribery of foreign officials in international business transactions, an integral part of the Convention on Anticorruption, emphasises the importance of adopting clear legislation that explicitly disallows the deductibility of bribes to foreign officials in international business transactions and calls for the need to continuously monitor the effectiveness of the mechanism for disallowing such deductions.

The draft law has been prepared to incorporate the provisions of the Recommendations into the Tax Code of Ukraine. The RST supported the MoF in identifying and communicating issues which should be addressed by the legislation, developing the concept of changes and drafting the law.

The draft law № 10319 dated December 6, 2023 was approved by the CMU and submitted to the Verkhovna Rada.



Adopting the Convention on Anticorruption (including OECD Council Recommendations on tax policy measures) is an important step for Ukraine as an applicant country towards accession to OECD.

INSTITUTIONAL CAPACITY BUILDING IN THE FIELD OF TAX POLICY



The Recovery and Reform Support Team assisted in the development and delivery of a training course "Standards of international taxation: implementation and application in Ukraine".

The course, which is specifically aimed at judges of administrative courts in Ukraine, was developed in collaboration with the Supreme Court, international experts from the OECD and experts from the Ministry of Finance of Ukraine.

The RST supported preparing course materials and delivering presentations on individual topics within the program. The course, launched in October 2022, consists of regular sessions scheduled for one year and covers current international tax topics as identified by the Ukrainian Association of Administrative Judges and representatives of the Supreme Court.

The RST has been assisting in delivering 18 sessions within 4 modules, which have been prepared in cooperation with OECD experts. This includes support for developing the sessions' curriculum, preparation of presentations, provision of information on Ukrainian legislation and case law, and provision of materials during the sessions.



Specialized training of judges of administrative courts in Ukraine on topics related to international taxation is relevant to the implementation of the OECD Ukraine Country Programme, which was signed by the OECD and the Government of Ukraine on 7 June 2023.



The Recovery and Reform Support Team has played a pivotal role in launching the Master's program in International Taxation at the State Tax University subordinated to the MoF, which began in the 2023-2024 academic year.

By assisting with the formulation of course lists and descriptions, the RST has significantly contributed to aligning Ukraine's educational offerings with international educational standards in the field of taxation, equipping State Tax University with a curriculum focused on OECD tax policies.

The RST's involvement has also been instrumental in enhancing the program's relevance and practicality, ensuring it provides an in-depth education in international taxation. This approach sets the program apart from other national offerings, giving to the students unique insights and hands-on experiences that are unmatched in the current educational landscape.

This program meets evolving market needs, effectively preparing graduates to be leading experts in tax policy and providing potential civil servants for the Ministry of Finance and the State Tax Service.

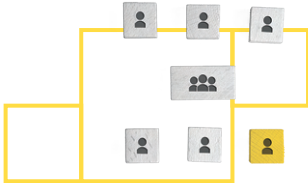
Master's program in International Taxation also incorporates a dual study model, a critical feature that allows students to gain hands-on experience by working concurrently in state authorities.



The introduction of this study program, as well as the previous introduction of the Financial Technologies study program by the RST, are components of the institutional capacity building within the framework of Public Administration Reform not only of the Ministry of Finance but also of its subordinate bodies, in particular, following the strategic intent to elevate the State Tax University to become a scientific and educational hub, nurturing the next generation of civil servants.



METHODOLOGY FOR DETERMINING THE ULTIMATE BENEFICIAL OWNER



The Recovery and Reform Support Team assisted the Ministry of Finance in developing the Methodology for determining the Ultimate Beneficial Owner.

The Government decided to create a comprehensive system for verifying information about the ultimate beneficial owner (UBO).

The purpose of the Methodology for determining the UBO is to establish a unified approach at the country level for researching information on individuals who exercise control and decisive influence over the activities of a legal entity.

The need to develop rules for determining the ultimate beneficial owners (as well as to inform about the beneficiaries) arose due to the requirements of the EU-Ukraine Association Agreement (compliance with the requirements of the Fifth EU Directive on combating money laundering/terrorism financing) and the implementation of the FATF International Financial Monitoring Standards into Ukrainian legislation.

When developing the Methodology, the MoF fully implemented the Guidelines on UBO published by the FATF in March 2023. The RST supported the MoF in developing the Methodology and its discussions with stakeholders.



Методологія визначення юридичною особою КБВ



Методологія визначення юридичною особою КБВ розробляється Мініфіном, за результатами проведеного обговорення з громадськістю, затверджується Кабінетом Міністрів України та Національним банком України.

Методологія визначення юридичною особою КБВ оприлюднюється на офіційному веб-сайті Мінфіну.

(частина друга Статті 51 Закону України «Про запобігання та протидію легалізації (відмиванню) доходів, одержаних злочинним шляхом, фінансуванню

ЄДР



Інформація щодо особи, яка здійснює вплив	Тип участі / впливу	Найменування / Прізвище, ім'я, по батькові (за наявності) особи, на яку здійснюється вплив
Іноземна компанія	100% (прямий)	ТОВ «Ромашка»
Громадянин України 1	20% (прямий)	Іноземна компанія
Громадянин України 1	20% (опосередкований)	ТОВ «Ромашка»
Громадянин України 2	15% (прямий)	Іноземна компанія
Громадянин України 2	15% (опосередкований)	ТОВ «Ромашка»
Іванов Іван Іванович	65% (прямий)	Іноземна компанія
Іванов Іван Іванович	65% (опосередкований)	ТОВ «Ромашка»

Інформація щодо особи, яка здійснює вплив	Тип участі / впливу	Найменування / Прізвище, ім'я, по батькові (за наявності) особи, на яку здійснюється вплив
ТОВ «Ромашка»	100% (прямий)	ТОВ «Мальва»
Іноземна компанія	100% (прямий)	ТОВ «Ромашка»
Іноземна компанія	100% (опосередкований)	ТОВ «Мальва»
Громадянин України 1	20% (прямий)	Іноземна компанія
Громадянин України 1	20% (опосередкований)	ТОВ «Ромашка» та ТОВ «Мальва»
Громадянин України 2	15% (прямий)	Іноземна компанія
Громадянин України 2	15% (опосередкований)	ТОВ «Ромашка» та ТОВ «Мальва»
Tom Williams	65% (прямий)	Іноземна компанія
Tom Williams	65% (опосередкований)	ТОВ «Ромашка» та ТОВ «Мальва»

Додаток
до Пол

13

[illegible][illegible]

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The CMU on September 19, 2023 approved the Methodology for Determining the Ultimate Beneficial Owner by a Legal Entity. The Methodology creates an effective system for disclosing information about ultimate beneficial owners and fulfils the requirements of the EU-Ukraine Association Agreement.

CLARIFICATION OF TAX LEGISLATION



The Recovery and Reform Support Team assisted the Ministry of Finance in the further development of tax policy.

The RST supported the preparation of General Tax Consultations (GTS) of the MoF and conducted roundtable discussions for their presentation.



GTS of the MoF, which were developed with the direct participation of the RST experts, were approved in January – February 2022.

In 2022 The RST also assisted in developing tax legislation changes aimed at addressing the war conditions and martial law. The team participated in drafting legislation related to increased taxation of Ukrainian taxpayers considered related to businesses of the aggressor country.

The RST provided support to the MoF in working with OECD experts on tax issues for Ukrainian citizens residing abroad due to the war. In particular, the Questionnaire for the Foreign Competent Authorities was prepared in 2022 with the aim of collecting information on the tax implications for Ukrainians abroad, which will be further used for the development of the policy positions and recommendations.



Starting from 2023 RST experts actively participate in the working group led by the MoF on preparing the draft legislation on implementing the anti-avoidance measures consistent with EU ATAD, which is a requirement of Ukraine's progress towards EU accession.

The development of tax legislation supported by the RST has not only practical significance for the formation of a transparent and fair tax policy that is in compliance with international standards, but also helps the Ministry of Finance in addressing the challenges posed by the war situation and martial law.



CUSTOMS REFORM

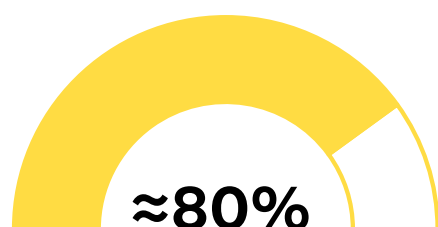


"CUSTOMS VISA WAIVER" AND CUSTOMS RELATED EU ACQUIS



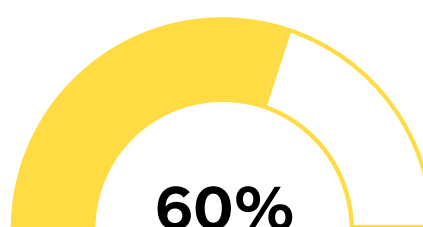
The Recovery and Reform Support Team provided organisational and legal support to the Ministry of Finance for its accession to the international application of NCTS and two customs-related international Conventions (referred to as the "customs visa waiver"), as well as the development of two complex draft laws amending the Customs Code of Ukraine.

In the process of this longstanding support up to 3000 pages of draft laws and by-laws were developed, which resulted in completing:



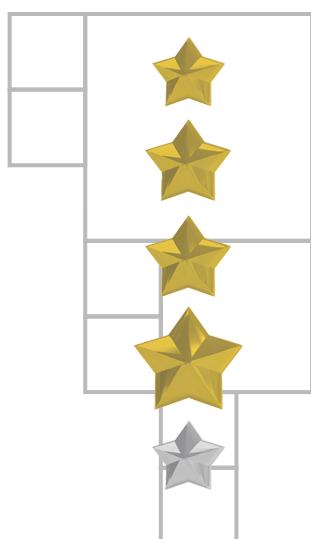
of Ukraine's customs-related obligations based on the EU-UA Association Agreement

and



of customs-related EU acquis

This accession led to Ukraine becoming the 36th country to join the Convention on a Common Transit Procedure and the Convention on the Simplification of Formalities in Trade in Goods.



According to the Ukraine Report 2023 of the Directorate-General for Neighbourhood and Enlargement Negotiations EU dated November 8, 2023 Ukraine got the highest mark in the area of Customs Union among all the Eastern Partnership countries: the Customs Union area was included in 4 best areas out of 33 negotiation chapters for Ukraine (got the mark "4" out of "5" possible). This is the result of consolidated multi-level work on the adaptation of customs legislation, the introduction of a "customs visa waiver", a system of simplifications, guarantees, intellectual property rights, accession to the NCTS, entry summary declaration, customs decision-making process, binding tariff and origin information, customs guarantees and guarantors' status.

FACILITATING AND SPEEDING UP THE PASSAGE OF HUMANITARIAN AID ACROSS THE UKRAINIAN BORDER



The Recovery and Reform Support Team assisted the Ministry of Finance, State Customs Service, and Secretariat of the Cabinet of Ministers with addressing issues related to importing humanitarian aid during martial law.

The support included the analysis of proposals to amend relevant legislation to facilitate the passage of humanitarian aid and to simplify customs clearance procedures. In particular, the RST participated in the development of several measures aimed at simplifying customs clearance procedures for humanitarian aid:



The introduction of new customs checkpoints



The suspension of deadlines set by the Customs Code



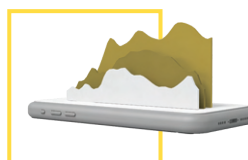
The abolition of certain requirements for the declaration and implementation of customs control of goods



The preparation of proposals for amendments to the list of exceptions for individuals allowed to leave Ukraine



Updating a certificate on the import of military and dual-use goods into Ukraine



The development of infographics on customs clearance procedures during martial law

The RST also supported the analysis of proposals for amendments to the Customs Code and the Tax Code on customs duties reliefs.

Additionally, the RST provided support on customs issues through a governmental "Humanitarian aid hotline" and supported the MoF with communication of changes in the customs legislation, in particular, by preparation of updated information for the MOF's press releases.



The swift passage of humanitarian aid to Ukraine during martial law was of utmost importance in ensuring that the basic needs of the affected population were met and the consequences of the russian invasion were mitigated.



CAPACITY BUILDING AND COMMUNICATION IN THE FIELD OF CUSTOMS REFORM, AND COORDINATION OF INTERNATIONAL ASSISTANCE IN CUSTOMS SPHERE



The Recovery and Reform Support Team assisted in institutional capacity building of the customs authorities, coordination and synchronising customs-related donors' projects, and communication of the customs reform.

The RST organised and participated in:



different panel discussions, events and forums dedicated to customs-related themes, which were attended by approximately



participants

To further aid in communication, the RST helped to prepare dozens of articles and press releases on the topic. The RST also systemised information on customs reform on the MoF's website in order to ensure access of business and citizens to all relevant information about changes in the customs sphere.

The RST supported the coordination and communication with EU Delegation and international assistance projects on customs-related issues. It leads to better results for projects supporting EU integration in customs and avoiding overlapping.



RST's support played a big role in capacity building of the customs authorities and strengthening communication and alignment efforts with customs-related EU integration projects. This facilitated effective cooperation with international partners in the field of customs reform, contributing to the advancement and success of such initiatives.

PUBLIC FINANCE MANAGEMENT REFORM AND BUDGET EXPENDITURES OPTIMIZATION



BUDGET LEGISLATION
CHANGES AIMED AT FACING
WAR CONDITIONS AND THE
MARTIAL LAW

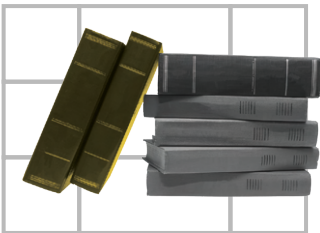


The Recovery and Reform Support Team assisted the Ministry of Finance with developing budget legislation changes to face the war conditions and martial law.

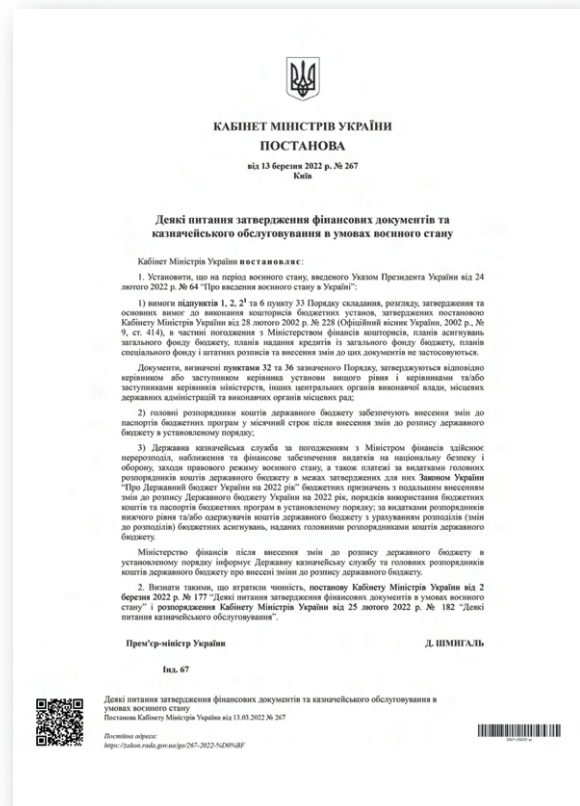
The RST provided support to the MoF in developing amendments to the Budget Code of Ukraine aimed at addressing the challenges posed by the imposition of martial law. This support included developing changes to the procedures for approving changes to the state budget, compiling reports, etc.

The team assisted the MoF with the draft changes to the Budget Code of Ukraine in response to the President's Decree № 64/2022 and the development of CMU order № 267 on the approval of financial documents and treasury services during martial law.

Additionally, the RST assisted the MoF with drafting the MoF's order N° 2072, dated July 21, 2022, approving the Instruction for the preparation of proposals for the Budget declaration.



The proposed amendments to the Budget Code of Ukraine and other legislative acts contributed to the effective management of the country's finances during the martial law period and will support the post-war recovery.



NEW METHODOLOGY FOR BUDGET PROGRAMS FORMATION



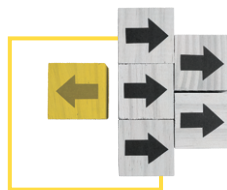
The Recovery and Reform Support Team assisted the Ministry of Finance with developing the new Methodology for budget programs formation by the Key spending units of the State budget.

The Methodology includes the best international experience in program-based budgeting (PBB) improvement and defines public services in line with the IMF directives.

The application of the Methodology should result in:



Reformatting of budget programs



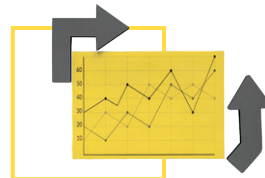
Increased flexibility for making managerial decisions during the implementation of budget programs



Reducing the total number of budget programs



Strengthening the planning and monitoring of budget programs at the Key spending units



Optimization of the number of performance indicators, increasing the ability to measure the impact on society and socio-economic situation

The RST also held a seminar for MoF's structural departments on the key points of the updated Methodology application thus developing the institutional capacity of the MoF in the public finance management (PFM) sphere.



The Methodology was adopted by the MoF order № 465 dated August 25, 2023 “Methodological recommendations for the formation of budget programs by the Key spending units of the State budget” establishing new and improved rules for the formation of budget programs in Ukraine.

PROGRAM-BASED BUDGETING AND ENHANCING BUDGET PROGRAM FORMATION PRACTICES



The Recovery and Reform Support Team continued the work on Public Finance Management system improvement, particularly on program-based budgeting implementation, enhancing budget program formation practices and EU accession-related activities.

The RST provided technical assistance to the MoF in implementing PBB and enhancing budget program formation practices. This aimed to improve the balance and efficiency of the budgeting process. The team supported the development of the program-based budgeting concept and provided capacity development through public discussions with the sectoral departments of the MoF, stakeholders and external experts.

The RST supported the MoF with the preparation and launching of a study program for the certification of internal auditors regarding the PBB approach. The RST experts performed training on program-based budgeting as a part of a certification programme for



internal auditors

The RST supported the MoF with preparing a table of compliance of Ukrainian budget legislation with the EU Council Directive 2011/85/EU of November 8, 2011, on requirements for budgetary frameworks of the Member States. This outlines the necessary steps and milestones in the PFM area on the Accession of Ukraine to the European Union.

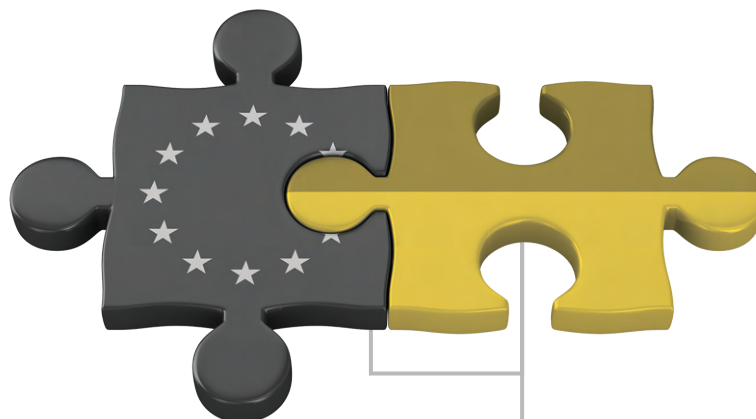


The team supported the MoF with the preparation of the approaches to address methodological issues of the EU requirements to the statistics of the general government indicators.

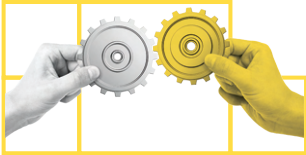
The RST experts participated in the working group of Parliament's Budget Committee on drafting the budgetary law changes to increase the budget expenditure efficiency. The developments of the workgroup activities will be used in the next stages of the budget reform implementation.



These initiatives helped to enhance the effectiveness and efficiency of the budgeting and other PFM-related processes in Ukraine, as well as develop the institutional capacity of state bodies using international best practices and supporting accession of Ukraine to the European Union.



SUPPORT MECHANISMS FOR ECONOMIC SECTORS IN WARTIME



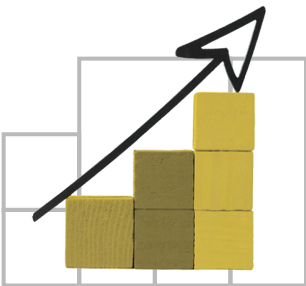
The Recovery and Reform Support Team assisted the Ministry of Finance in reshaping support mechanisms for economic sectors in response to wartime challenges.

The RST focused on the development of the future financing model for the economy and related activities as part of the Recovery Plan for Ukraine. The RST also provided support in creating new financing sources and tools, strengthening the control of their use.

To address these challenges, the RST supported the MoF in ensuring the effective management of state-owned enterprises and reducing the risks of potential expenditures of the state budget. This included risk analysis, recommendations for improvement, and the preparation of draft regulations, charters, and KPIs.

The RST provided support in optimizing the state asset management system by reviewing and updating the regulations on the selection of managers and the management of the Energy Efficiency Fund. The RST also analyzed and provided comments on the implementation of corporate governance in state-owned enterprises, including "Ukroboronprom" and "Ukrainian Sea Ports Authority" and the draft law on the formation of the joint-stock company "National Atomic Energy Generating Company Energoatom".

Additionally, the RST assisted the MoF in the preparation of proposals for several draft orders, including the "Environmental Safety Strategy and Adaptation to Climate Change till 2030", the "Procedure of Environmental Projects Selection and Maintenance", the "Food Security Strategy", the "Action Plan to Support the Light Industry for 2022-2024" and others.



The RST's assistance to the MoF in supporting Ukraine's economy in response to the wartime challenges is important for ensuring the resilience of the country's economy during the martial law and its swift rebuild after the war.

CRITICAL INFRASTRUCTURE AND ECONOMY SUPPORT



The Recovery and Reform Support Team supported the Ministry of Finance in structuring the financing of non-military but socially important programmes and sectors, particularly critical infrastructure, agriculture, and business support.

One such challenge was to prioritise road sector expenditures in order to redirect the Road Fund to National Security Programmes while saving the road sector's internal potential to finance ongoing important projects and urgent needs for sustainable logistic chains.



UAH billion

The RST supported the MoF in further developing a new mechanism for transportation insurance of grain and other goods from Ukrainian seaports by creating an international insurance pool to enhance coverage and risk management in the transportation process with a total amount of insurance fund of



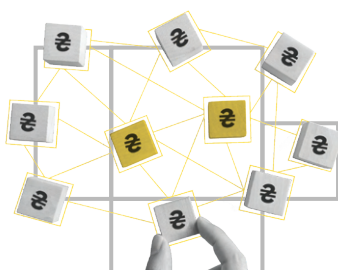
USD million

The RST also supported the MoF in forming policy on SDG achievement in climate policy and other issues within priorities (timber industry, fishery sector etc.) One positive example was establishing an experiment with implementing transparent auctions in the fishery industry that allowed the engagement of an additional



UAH million

to local budgets, which was more than 15 times more than the target in the pre-war period.



The RST helped the MoF to address many challenges of structuring financing for infrastructure, agriculture and logistics, optimizing respective policies and enhancing the country's resilience.

RECOVERY FINANCING



One of the important inputs of the Recovery and Reform Support Team to the Ministry of Finance activities on recovery issues was the establishment and efficient usage of IT tools for monitoring the second Rapid Damage and Needs Assessment (RDNA2) process. The team has also contributed to the planning, identification and monitoring of the progress of recovery projects.

This track allows to discover the latent bottlenecks of institutional capacity for implementing ministries and form a new legal framework for sufficient improvement. Finally, all required information on recovery projects funding on a monthly basis was processed and well structured by the RST experts and can be shared through the abovementioned digital instrument. At this stage, the RDNA IT tool covers

13.8

UAH billion
in financing
for Ukraine's recovery from

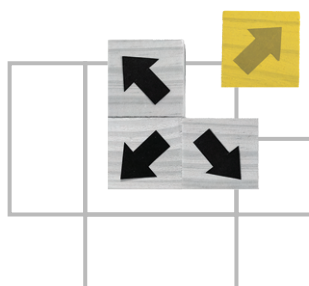
140

sources
of financing

RDNA2

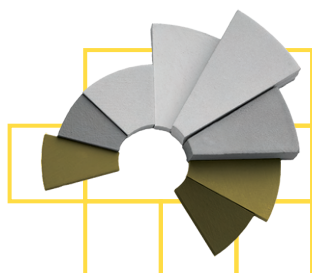


WORLD BANK GROUP



The experience from RDNA2 will serve as a useful springboard for further work on the implementation of public investment projects and acceleration of disbursement of IFI projects.

SECTORAL EFFICIENCY AND TRANSPARENCY IMPROVEMENT



The Recovery and Reform Support Team continued to support the Ministry of Finance in enhancing the effectiveness and transparency of sectoral budget spending, in particular, regarding the expenditures on healthcare, education and social support.

The RST provided analytical support regarding expenditures of budget funds provided by the international partners to assist Ukraine during the war (social and humanitarian spheres).

In the healthcare sector, in 2022, the RST provided project management support regarding a systematic approach to analyzing healthcare system performance indicators. The RST also provided analytical support regarding 2021 sector expenditures (incl. anti-COVID-19 activities) and the 2022 healthcare sector financial performance indicators.

In the education sector, in 2022, the RST provided project management support regarding possibilities for automatizing data collection on educational institutions' financial indicators, which resulted in the preliminary technical specification for enhancing the LOGICA IT system for the needs of the sector analytics; the RST also provided analytical support regarding the sector performance indicators. In Q1 2023 the MoF introduced the necessary amendment to its order № 488 from 2021 that regulates information exchange for the LOGICA IT system.

In the social sector, the RST supported the MoF in coordinating the development of the draft law on the pension system's second pillar № 2683/P1. The draft law defines the parameters of the second pillar and the financing sources for reducing social contributions. The RST provided support in conducting calculations of expenses from the state budget to introduce the proposed second pillar parameters, in collaboration with the Ptoukha Institute for Demography and Social Studies of the National Academy of Sciences of Ukraine.

For most of 2022, the current sectoral performance data was unpublic due to wartime security threats. For this reason, the MoF published no sectoral expenditures efficiency dashboards in 2022. In 2023, the Ministry returned to a policy of public expenditure transparency (regarding the wartime limitations). The RST supported the MoF with developing several public analytical tools ("dashboards") that covered the international support to Ukraine under the PEACE in Ukraine World Bank Project, public sector employment and social assistance expenditures.

The RST also facilitated the introduction of data-analysis BI tools into the internal workflow operational processes in the MoF structural units. That facilitation included the development of analytical tools (for internal use) that covered sectoral performance indicators.

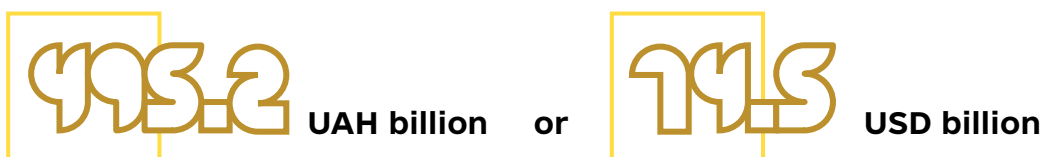


The RST support contributed to the ongoing improvement of the public expenditures' efficiency and transparency taking into account both the wartime situation and the post-war reconstruction of Ukraine. The RST helped to analyse healthcare system performance indicators, automatize data collection on educational institutions' financial indicators and introduce a few new dashboards for the public.

The PEACE in Ukraine Project – Expenditures Transparency

A large share of 2022 and 2023 public expenditures (non-military) were covered by the foreign partners under **the World Bank Project “Public Expenditures for Administrative Capacity Endurance in Ukraine”** (PEACE in Ukraine). The purpose of the PEACE in Ukraine Project is to partially compensate for state budget expenditures, including social and humanitarian expenditures not related to the security and defence sector.

In total, in 2022, Ukraine received



in external financing under the Project to cover priority expenditures, including financing:



43.2

UAH billion
Salaries for
515 thousand
healthcare workers

69.9

UAH billion
Salaries for
503 thousand
schoolteachers

18.5

UAH billion
Salaries for
140 thousand teachers
of higher education
institutions

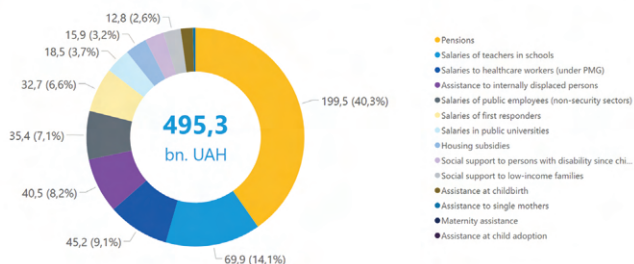


Ministry of
Finance
of Ukraine

Public expenditures to be reimbursed under the Project PEACE in Ukraine in 2022



Total expenditures Monthly expenditures Recipients



Ministry of
Finance
of Ukraine

Monthly public expenditures to be reimbursed under the Project PEACE in Ukraine in 2022



Payment type

Yci

Total expenditures

Monthly expenditures

Recipients

bn. UAH

Payment type	March	April	May	June	July	August	September	October	November	December	2022 Total
Pensions	16,719	16,719	14,211	20,899	20,899	21,835	21,367	22,098	22,098	22,651	199,497
Salaries of teachers in schools	7,351	7,303	0,000	12,201	7,531	3,942	6,936	7,290	7,255	10,106	69,915
Salaries to healthcare workers (under PMG)	0,000	0,000	0,000	0,000	0,000	8,785	8,619	8,952	8,767	10,078	45,201
Assistance to internally displaced persons	0,000	0,000	0,000	7,074	5,300	5,262	5,723	5,819	5,337	6,011	40,526
Salaries of public employees (non-security sectors)	3,038	2,946	3,067	3,469	3,463	3,782	3,482	3,518	3,625	5,001	35,391
Salaries of first responders	3,030	3,073	2,852	3,230	1,603	3,486	3,471	3,195	3,672	5,075	32,687
Salaries in public universities	1,993	1,924	0,000	3,252	1,792	1,130	1,909	1,917	1,965	2,652	18,534
Housing subsidies	4,625	2,121	0,000	0,337	0,314	0,268	0,346	1,484	3,332	3,092	15,919
Social support to persons with disability since childhood and children with disabilities	1,359	1,476	1,428	1,396	1,371	1,396	1,380	1,398	1,405	1,425	14,033
Social support to low-income families	1,020	1,482	1,297	1,240	1,281	1,257	1,252	1,316	1,302	1,322	12,767
Assistance at childbirth	0,925	0,907	0,884	0,903	0,897	0,904	0,901	0,894	0,810	0,868	8,893
Assistance to single mothers	0,138	0,186	0,172	0,166	0,179	0,177	0,177	0,185	0,177	0,185	1,743
Maternity assistance	0,009	0,009	0,008	0,009	0,009	0,010	0,014	0,018	0,012	0,017	0,114
Assistance at child adoption	0,003	0,003	0,003	0,003	0,003	0,003	0,003	0,004	0,003	0,003	0,030
Total	40,209	38,150	23,924	54,178	44,642	52,236	55,580	58,086	59,758	68,487	495,251



Public sector employment data transparency

The dashboard covers data about

116 thousand employees

in

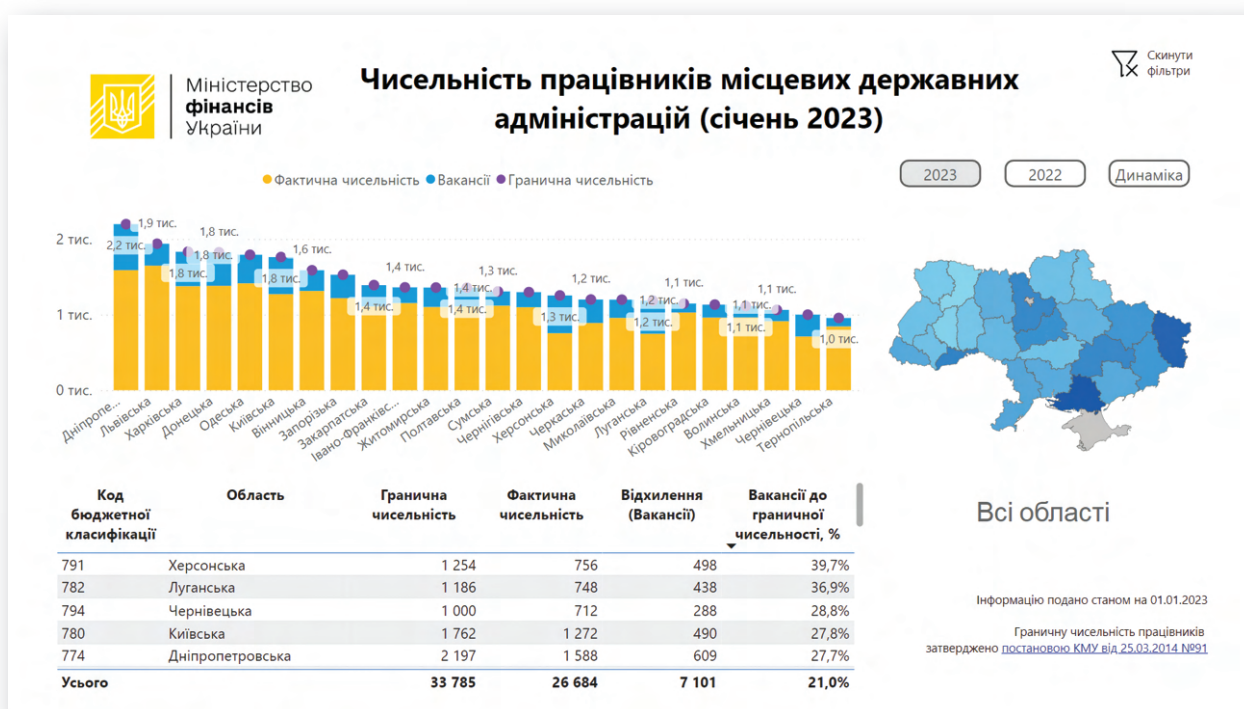
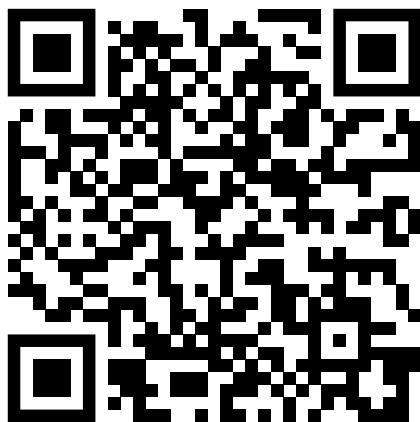
109 different public sector bodies and organizations in 2022

The Q3 2023 update covers

110.5 thousand employees

in

101 different public sector bodies and organizations



Social Assistance Expenditures

103.1

UAH billion

Social assistance to the population in 2023, which is UAH 12.4 billion more than in 2022 (UAH 150.7 billion) and UAH 51.8 billion more than in 2021.

51.6

UAH billion

The largest social benefits planned for 2023 are those for internally displaced persons (UAH 53.5 billion in 2022, UAH 3 billion in 2021). It is expected that **1.9 million internally displaced persons** will receive assistance in 2023.

24.4

UAH billion

Subsidies for housing and utility services (UAH 20.2 billion in 2022 and UAH 33 billion in 2021). It is expected that **1.7 million families** will receive such assistance.

11.6

UAH billion

Housing and utility benefits for **1.5 million families** (UAH 12.3 billion in 2022 and UAH 12.6 billion in 2021).



Ministry of
Finance
of Ukraine

Social Assistance in 2021-2023

Clear filters

Social Assistance Type (select)

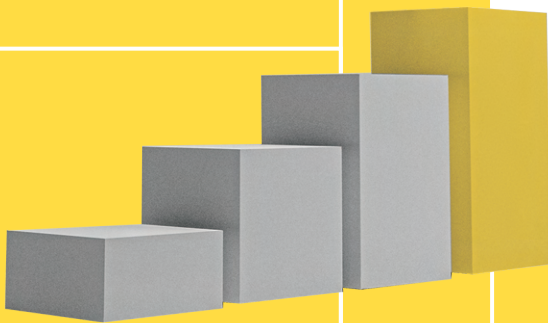
Social Assistance Payment (select)

Yci

Yci

Payment	2021 expend. (actual), M UAH	2022 expend. (actual), M UAH	2023 expend. (plan), M UAH	2021 recipients (actual), k pers./ HHs	2022 recipients (actual), k pers./ HHs	2023 recipients (plan), k pers./ HHs	2021 Average payment (actual), UAH	2022 Average payment (actual), UAH	2023 Average payment (plan), UAH
Housing subsidies	32 999,6	20 169,8	24 447,7	1 996,3	1 639,6	1 703,9	1 367,90	1 169,90	1 189,30
Assistance to internally displaced persons	3 039,5	53 488,6	57 647,3	171,1	1 537,1	1 921,6	1 480,10	2 899,90	2 500,00
Housing benefits	12 572,5	12 328,3	11 577,4	1 598,0	1 473,7	1 527,5	1 367,90	897,40	631,10
Assistance at childbirth and adoption, monthly payment	9 508,6	7 709,9	7 605,9	921,3	746,4	735,5	860,10	860,80	861,80
Assistance to persons with disabilities from childhood and children with disabilities	13 953,0	14 823,4	16 814,7	455,6	409,6	500,7	2 552,10	3 015,80	3 081,60
Fuel subsidies	1 265,7	743,8	1 369,5	353,9	229,6	240,5	3 511,40	3 176,20	5 406,40
Assistance for children raised in large families	5 340,2	5 669,5	6 199,6	260,2	217,7	245,2	1 710,30	2 170,20	2 106,90
Assistance to low-income families	12 628,4	13 879,4	15 570,5	221,5	216,2	269,5	4 751,10	5 349,80	4 814,60
"Baby-box"	1 464,3	1 255,6	1 433,2	270,7	207,7	209,4	5 409,40	6 045,20	6 844,80
Assistance at childbirth and adoption, one-off payment	3 147,0	2 140,0	2 176,0	304,9	207,4	210,9	10 320,00	10 320,00	10 320,00
Assistance to persons who do not have the right to a pension and persons with	4 026,0	4 527,3	5 051,9	182,7	160,9	213,9	1 836,30	2 344,80	2 173,50
Усього	111 256,3	150 669,7	163 112,3						

STATE-OWNED BANKS REFORM



COMPETITIVE AND TRANSPARENT SUPERVISORY BOARD SUCCESSIONS PROCESS IN STATE-OWNED BANKS



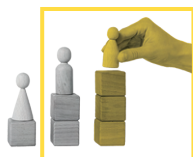
The Recovery and Reform Support Team assisted the Ministry of Finance in relaunching the selection process of members for the Supervisory Boards of state-owned banks (SOBs) and the subsequent selection of independent members of all SOBs' Supervisory Boards.

The team supported the MoF in developing an Action Plan, legislative amendments, and evaluation methodology and criteria to ensure a competitive and transparent selection process in accordance with legislative requirements.

The RST helped in:



Development of amendments to the resolutions of the Cabinet of Ministers of Ukraine № 159 dated 13 February 2019 and № 267 dated 27 March 2019 (which were approved by the CMU Resolution № 442 dated 12 April 2022) in order to improve the selection process of independent members of Supervisory Boards of SOBs taking into account the recommendations of the international donors and partners of Ukraine.



Selection of independent members for all SOBs' Supervisory Boards.

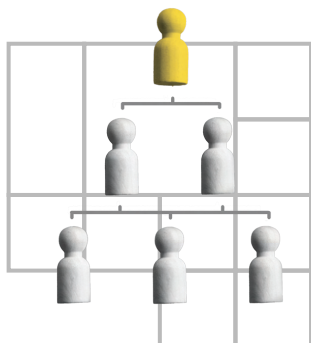


Development of qualification requirements for candidates to the Supervisory Board of SOBs, including profiles of vacant positions and profile matrixes of the Supervisory Board of each SOB.



Development of a Methodology and criteria for assessing candidates.

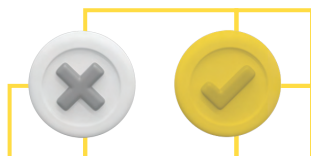
The RST also supported the MoF with the development of a methodology for the assessment of the performance of SOBs' Supervisory Boards, which will help to improve their efficiency.



These steps formed an important improvement in the continuation of the corporate governance reform in Ukrainian SOBs and allows for the selection of new members of the SOBs Supervisory Boards through a fair and open process.



HANDLING MISCONDUCTS, COMPLAINTS, AND CONFLICTS WITHIN STATE-OWNED BANKS



The Recovery and Reform Support Team supported the Ministry of Finance in establishing a balanced disciplinary process to handle misconducts, complaints, and conflicts within SOBs.

The RST conducted an analysis of draft Codes of Ethics, Corporate Governance codes, and Regulations on the Ethics Commission of SOBs of each state-owned bank.

In total with the RST support the MoF analyzed and approved for adoption by SOBs:



Codes
of Ethics



Corporate
Governance codes



Regulations on Ethics
Commission



The Code of Conduct (ethics) contains basic guidelines that are used in the settlement of complex ethical and other situations. The implementation of the Corporate Governance codes is aimed at increasing the efficiency and trust in SOBs. These codes and regulations provide a framework for promoting ethical behavior and addressing misconduct within state-owned banks.

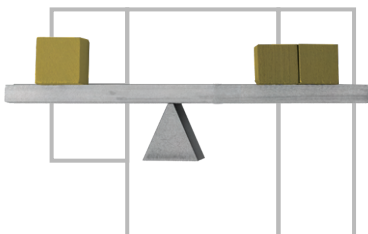


REMOVAL OF SYSTEMICALLY IMPORTANT BANK FROM THE MARKET

sense bank

The Recovery and Reform Support Team supported the Ministry of Finance in the process of Sense Bank nationalization.

The RST participated in the process of development of all required documents, such as a sale purchase agreement, a new version of the charter, and contracts with the members of the Supervisory Board and Management Board of the bank. Additionally, the RST provided support in the process of approval by the NBU of the candidates for the Supervisory and Management Boards of the bank.



The nationalisation of Sense Bank made it possible to ensure the further stable operation of the bank, prevent negative consequences on the financial market, protect the interests of depositors and other creditors of the bank, given the application of sanctions to the bank's previous owners.

IMPROVEMENT OF INTERNATIONAL FINANCIAL COOPERATION PROCESS



IMPROVEMENT OF THE LEGAL FRAMEWORK FOR THE ENHANCEMENT OF IMPLEMENTATION OF IFI PROJECTS

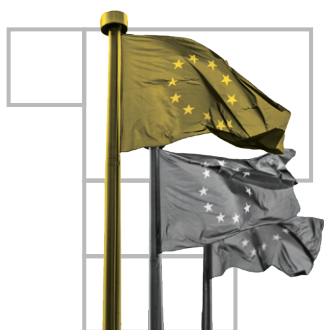


The Recovery and Reform Support Team supported the Ministry of Finance in drafting amendments to the CMU resolution N° 70 dated 27 January 2016 “Procedure for preparation, implementation, monitoring, and completion of the implementation of economic and social development projects supported by international financial institutions”.

Changes were introduced in order to determine the subject of the state aid notification and the stage at which such notification is submitted, taking into account the provisions of the law “On State Aid to Undertakings”.

The changes also aimed at improving the procedure for restructuring joint projects with the EIB, authorizing the key spending units of the state budget to register consolidated registers of planned obligations prepared by the Project Implementing Entity.

Another important part of the changes to the CMU resolution relates to the monitoring of the impact of IFI projects on climate change and the potential for the reduction of greenhouse gas emissions from its implementation.



These changes helped to improve the procedure for attracting funds from IFIs and to align the Ukrainian legislation with European standards.

LAUNCHING NEW JOINT PROJECTS WITH IFIs



The Recovery and Reform Support Team supported the Ministry of Finance in launching new joint projects with IFIs that contributed to the stability of the Ukrainian financial system.

New joint projects with IFIs aimed at maintaining the stability of the financial system and ensuring the provision of essential public services during wartime. Six projects, consisting of loans and grants, had a total value of approximately

11.25

USD billion

1.49

USD billion
Investment Project
Financing (IPF)



4.5

USD billion
Grant
Financing



530

USD million
Loan Guarantees

Joint project with the IBRD “Public expenditures for administrative capacity endurance in Ukraine”

The funds have been directed to covering to cover the expenses of the state budget for salaries in the fields of healthcare, education, and public administration, as well as expenses related to the payment of pensions, social benefits, and subsidies.

1.1

USD billion
Grant
Financing

Development Objective Agreement between the Government of the United States of America and the Government of Ukraine for Broad Based Resilient Economic Development as a Means to Sustain Ukrainian Democracy. The funds were directed to ensure the provision of medical services to the population.



JPY billion
Loan
Agreement

Second Economic Recovery Development Policy Loan by the IBRD to maintain the continuity of critical social and public services in Ukraine.



EUR million
Loan
Agreement

Loan Agreement between Ukraine and the KfW for the “Ukraine Economic Emergency Assistance Programme” to maintain state social expenditures and secure economic and social reforms.



EUR billion
Grant
Financing

Agreement on the Grant by the Federal Republic of Germany to the benefit of Ukraine to assist Ukraine in meeting its balance of payments and budgetary needs, to help stabilize Ukraine’s economy in the frame of the IMF Board document “Establishment of a Multi-Donor Administered Account for Ukraine”.



EUR million
Guarantee
Agreement

Guarantee Agreement for the EBRD project “Naftogaz Emergency Gas Purchase Renewable Credit Facility”.



USD billion
Loan
Agreement

Relief and Recovery Development Policy Loan Agreement, Policy and Results Matrix, International Monetary Fund Relations Annex, Letter of Development Policy and Environment and Poverty/Social Analysis Table for a World Bank proposed Loan.



These projects helped to maintain all priority expenditures, directed towards covering the expenses for salaries in the healthcare, education, and public administration sectors, as well as expenses related to the payment of pensions, social benefits, and subsidies, the provision of critical services, including medical services for the population, procurement, and delivery of humanitarian goods to affected regions, social support for housing services and fuel and liquefied gas purchases. The initiatives, supported by the RST, played a significant role in ensuring the smooth operation of the financial system, enabling the MoF to prioritize expenditures and continue to provide essential services to the public during wartime.

SUPPORTING OPERATIONAL EFFICIENCY AND INSTITUTIONAL CAPACITY IMPROVEMENT

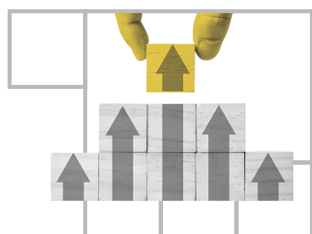


The Recovery and Reform Support Team supported the Ministry of Finance in improving the internal documentation review process that contributed to the operational efficiency and investment absorption capacity.

The RST supported the MoF in reviewing and updating internal legal documentation and processes, helped update internal business processes, reporting and approval documentation within IFI projects, and provided legal advice to identify and mitigate operational inefficiencies.

Also, the team provided support to the MoF in developing infographics for CMU resolution N° 70 which regulates the IFI project cycle and MoF order N° 322 on project proposal assessment, reviewing and updating internal legal documentation and processes, updating internal business processes, reporting and approval of documentation within IFI projects, and provided legal advice to identify and mitigate operational inefficiencies.

Additionally, the RST assisted the MoF with drafting the internal template of the subloan agreement. This kind of agreements are customarily used for IFI projects where funding is provided to the state budget rather than the final beneficiary directly (which includes most EIB and IBRD projects). Currently, the Ministry does not have a standard form for this subloan agreements, resulting in unnecessary expenditures of management and employee time to produce an agreement for a given project. Having a standardized template to work off will help the MoF save time, also making the general timing of these IFI projects more streamlined.



These steps formed an important improvement in the continuation of the MoF's institutional capacity improvement and enhanced operational effectiveness and efficiency.

LEGAL AND IMPLEMENTATION SUPPORT OF IFI PROJECTS



The Recovery and Reform Support Team assisted the Ministry of Finance in implementing several ongoing IFI projects, including providing targeted assistance on the following projects:



EUR million
Loan amount

Supported EIB Apex loan projects management, enabling orderly project completion (subject to negotiations with the EIB) and freeing up the Ministry's internal capacity.



EUR million
Loan amount

Provided legal advice and transactional support for Ukrhydroenergo loan from EBRD, facilitating project signing.



EUR million
Loan amount

Provided legal advice and transaction support for Ukrenergo loan from EBRD, contributing to the resilience of Ukraine's energy transmission system.



EUR million
Grant amount

Provided legal advice and negotiation support for grant for Ukrenergo from KfW, aimed at further boosting Ukrenergo's efforts to restore and protect Ukraine's energy transmission system before the winter season 2023-2024.



EUR million
Loan amount

Supported implementation activities for the Accelerating Private Investment in Agriculture Program.



EUR million

Provided support in the preparation of the supplements to the Separate Agreement to the project "MSME-Funding COVID-19" in the framework of the Ukrainian state programs "Affordable loans 5-7-9" and "Affordable leasing 5-7-9".



With these activities, RST provided support in streamlining the preparation and implementation of IFI projects and also helped the MoF in addressing the challenges posed by the war situation and martial law.

SUPPORTING MULTI-AGENCY DONOR COORDINATION PLATFORM FOR UKRAINE



The Recovery and Reform Support Team supported the Ministry of Finance in its participation in the Multi-agency Donor Coordination Platform for Ukraine (MDCP) as one of the key actors on the side of the Government of Ukraine.



Facilitation of the MoF's involvement in the operational activities of the MDCP by participating in the meetings of the MDCP Secretariat, and preparing materials regarding relevant initiatives and activities.



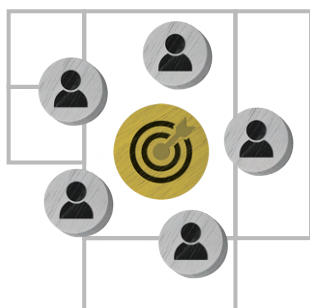
Support of the MoF's involvement in the G7 experts' meetings regarding pressing issues within MDCP, such as budget support, recovery and reconstruction efforts, PIM reform, etc.



Facilitation of the MoF's preparation for and participation in the Steering Committee meetings of the MDCP, with contribution to the relevant internal and external organizational efforts and preparation of the analytical materials and background documents.



Support to the MoF in monitoring and sectoral activities on two levels: recovery project and financing prioritization and monitoring across sectors; and donor commitment data monitoring by facilitating the verification of the data on the MoF side with the preparation of the subsequent analytical and reporting materials.



Activities of the Multi-agency Donor Coordination Platform for Ukraine have played an important role in Ukraine's and partners' efforts to coordinate donor support, attract resources, and facilitate international cooperation aimed at meeting Ukraine's budgetary and recovery needs in face of complex task of supporting Ukraine through the war and moving forward toward self-sustainability, economic development and accession to the EU.

Supported by



And the EBRD's Ukraine Stabilisation and Sustainable Growth Multi-Donor Account (Austria, Denmark, Finland, France, Germany, Italy, Japan, Latvia, the Netherlands, Norway, Poland, Sweden, Switzerland, the United Kingdom, the United States and the European Union, the largest donor).

