



MIN
FIN

REFORM
SUPPORT
TEAM

DAYS

2019

Reform Support Team
at the Ministry of Finance
of Ukraine

**Summary
of 1000 Days**

TABLE OF CONTENTS

2	Introduction
4	Public Administration Reform
8	Tax Reform
14	Customs Reform
19	Public Finance Management Reform
23	Social Reform
26	State-owned Banks Reform
30	Cooperation with International Financial Institutions Reform
34	Communication of Reforms
36	Partners of Our Team
39	More about Our Team

Introduction

Our story begins in 2016 when Ukraine was undergoing significant changes in political and economic systems. It was a time of many successful steps taken and reforms launched, but the Ukrainian public sector still faced a lack of internal capacity to ensure the sustainability of changes and move forward.

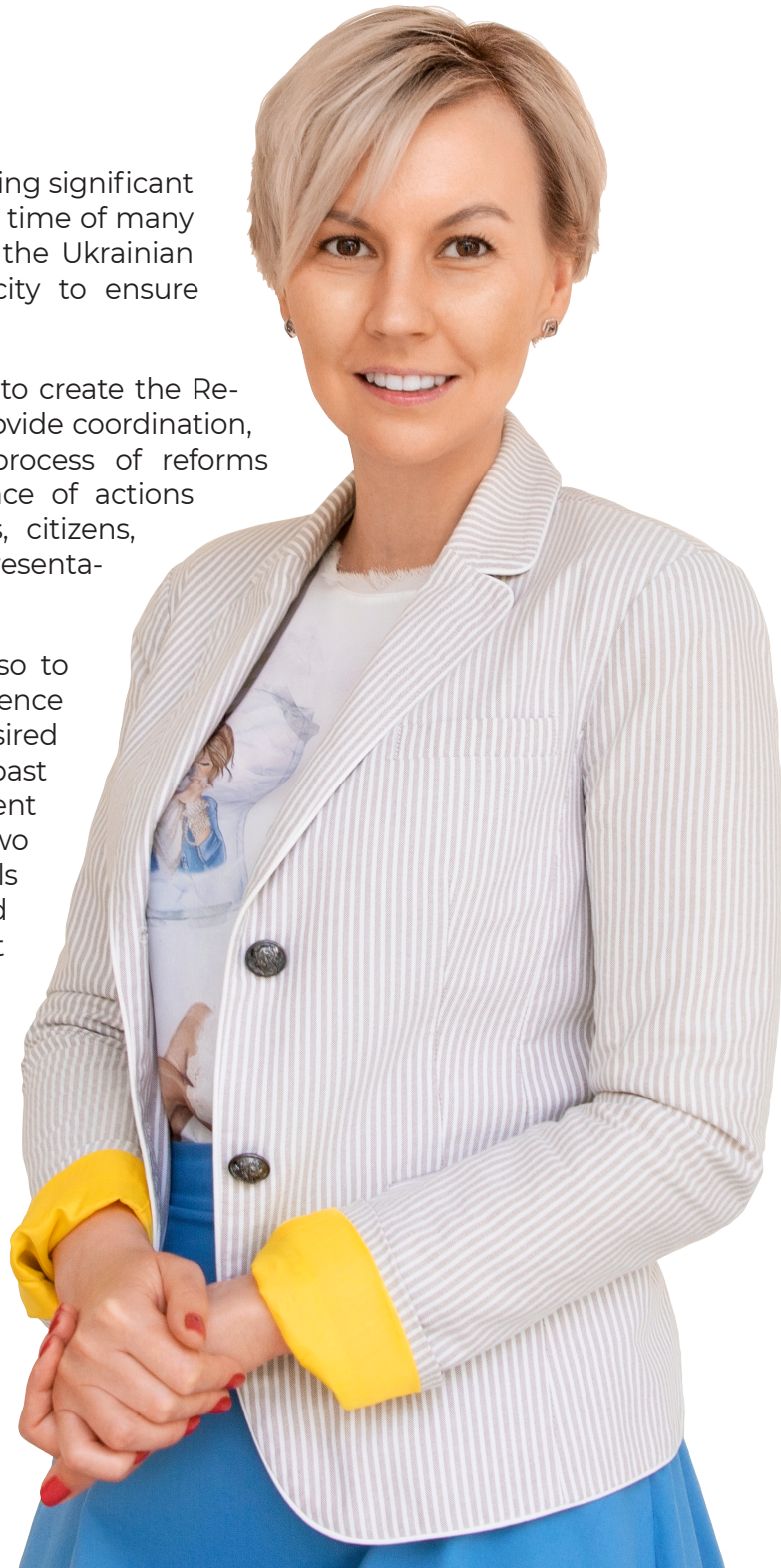
Therefore, it was a very timely and sound decision to create the Reform Support Team at the Ministry of Finance to provide coordination, analytical and communication support in the process of reforms implementation. We help to ensure the coherence of actions of all stakeholders – the government authorities, citizens, international donors, the experts, and business representatives.

Our task is not only to find new solutions but also to successfully implement them, to combine our experience with the civil service practice. To achieve the desired result we need the right people in the team. For the past three years, after reviewing hundreds of prominent candidates, we have managed to gather a team of two dozen exceptional people. They all are professionals who have considerable experience in the entrusted areas of reforms and masters of the project management approach.

To enhance efficiency of our support to the Ministry of Finance we have developed common approach and shared vision of reforms agenda. We have put together all our efforts, experience and enthusiasm to help the Ministry of Finance to achieve its prominent results in reform agenda implementation.

Nataliya Slysh,

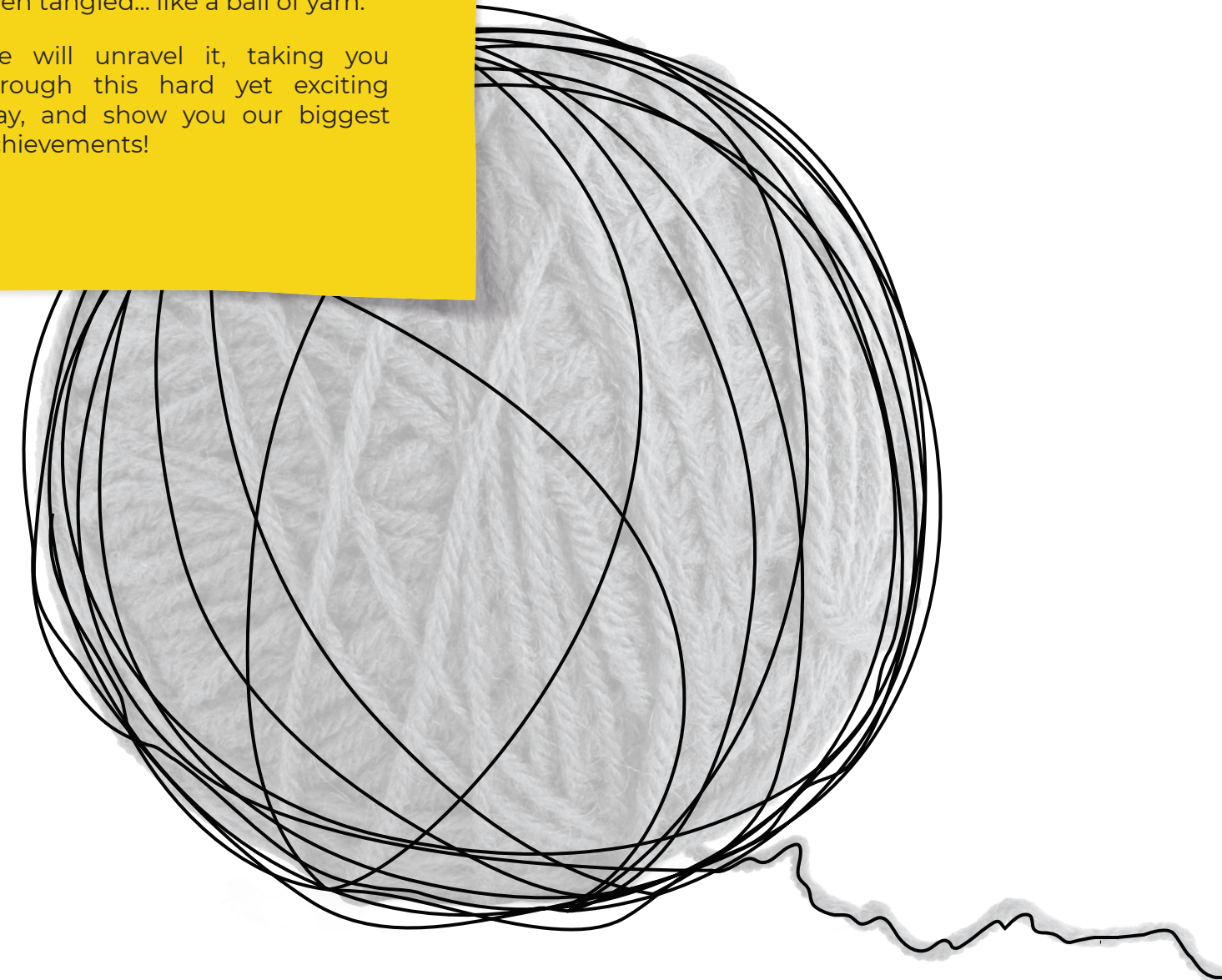
**Director of the Reform Support Team
Project Management Office
at the Ministry of Finance of Ukraine**



Introduction

But the reform process in Ukraine does not always go smoothly and quickly enough, there are many obstacles and bottlenecks. Sometimes it can be complicated or even tangled... like a ball of yarn.

We will unravel it, taking you through this hard yet exciting way, and show you our biggest achievements!



Faces of Reforms

Public Administration Reform

Oleksandr Frantsyshko

Senior Project
Manager

Olga Gurzhiy

Project
Manager

Ievgen Mashyna

Senior Project
Manager / Reform
Coordinator





Contributed to the **improvement of strategic and operational planning**, which helps to set priorities, allocate energy and resources on key tasks, strengthen operations, ensure that employees are working toward common goals. Assisted in the **efficient and transparent business processes deployment** to enhance MoF's planning and execution framework



Prepared and approved the New Order on strategic planning and operational reporting – March 7, 2018, № 352



Prepared and approved the new MoF Strategic Plan for 2018-2021, including twenty MoF's strategic goals determined. MoF's Order from December 7, 2018, № 989



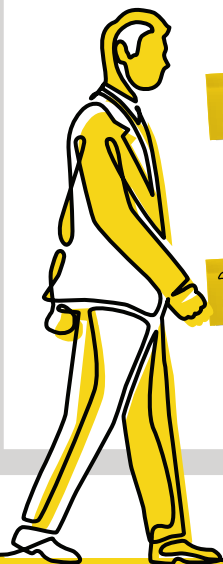
Prepared and approved the visualization of the MoF's Strategic Plan in line with best practices within the OECD, incl. English and Ukrainian versions



Started a pilot project on the new version of the Operational plan incl. Strategic tasks performance monitoring (all MoF's strategic goals were drilled down to 656 consecutive stages with expected results on each stage)



Developed the MoF's order on Project management framework for Strategic planning Directorate that was approved on October 19, 2018, № 841. Started 4 pilot projects based on project management approach



Assisted to the MoF's transition to the model, where the personnel has a commitment to provide high-quality service by having **the right people on the right positions**, with the coherent skills and abilities and a true sense of personal value



Prepared methodological recommendations for personnel evaluation in line with the strategic and operational goals of the MoF



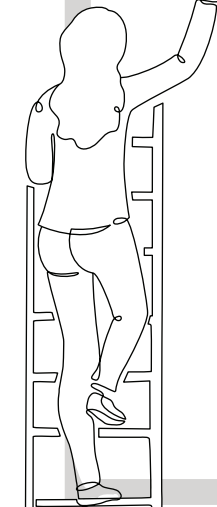
Implemented semiannual people survey on the regular basis



Prepared HR Strategy concept



Introduced new internal order on trainings (new application form, updated control process for trainings assignment)



Ensured the delivery of high-quality, reliable, **secure information technology services** to increase MoF's efficiency



Introduced the Electronic document management system that was launched on October 1, 2018



IT Audit of the PFM Sector (technical specification preparation, special working group establishment, etc.)



Developed and implemented the New MoF's website and intranet portal



Developed Concept and Action Plan on the IT Centralization within the PFM area

Tax Reform

Faces of Reforms

Roman Goptsii
Senior Project
Manager

Ievgen Kozlov
Senior Project Manager /
Reform Coordinator





Contributed considerably to the **comprehensive reform of the State Fiscal Service development**, launched by the Government in December 2018



Assisted with the development and public discussion of the Concept of fiscal authorities reform, approved by Order of the CMU № 1101-p dated 27 December 2018 and Action Plans of its implementation, approved by Order of the CMU № 542-p dated 5 July 2019, which reflects expectations of Ukraine and foreign stakeholders, including those of donors community



Contributed to the development and public discussions of the Regulation on the State Tax Service, approved by the Resolution of the CMU № 227 dated 6 March 2019



Reduced opportunities for aggressive tax planning, prevented base erosion and profit shifting



Coordinated working groups for elaboration of a draft law on the implementation of OECD BEPS Action Plan, which reflects comments of Ukraine's state authorities, professional advisors; provided support with passing the review by the OECD and IMF, and its preparation for submission to the Parliament

Faces of Reforms

Konstantin Penskoy

Project Manager

Roman Demchyshak

Senior Project Manager

Ivan Stakhurskyi

Project Manager





Contributed to elaboration of the necessary legislative basis for Ukraine to join the Multilateral Convention to implement tax treaty related measures (respective law № 2692-VIII was approved by the Parliament on 28 February 2019)



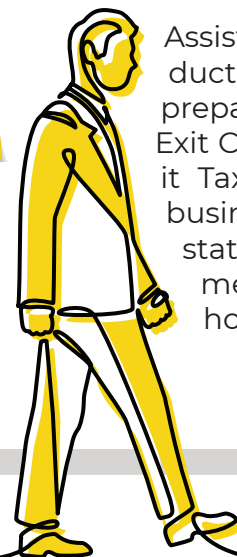
Actively participated at the work of the OECD Inclusive Framework meetings on BEPS



Contributed to the discussions of the **initiatives on transformation of the current system of corporate profit tax**



Assisted to the MoF with conducting working groups on preparation of the draft law on Exit Capital Tax (Distributed Profit Tax), its discussion with the business community, Ukraine's state authorities, Parliament members, IMF, other stakeholders



Participated in the process of impact evaluation of potential Exit Capital Tax introduction, performed by the MoF, and finding potential solutions to achieve fiscal neutrality of the new model for the budget



Removed uncertainty in treatment of tax legislation and reduced risks of tax disputes between the business and tax authorities contributing to issuance of General tax clarifications, applicable for all taxpayers



Launched the process of issuance of General tax clarifications, which includes assistance to the MoF with elaboration of the necessary legislative basis in 2017, and regular support with conducting the meetings of the Expert Council in 2018 and further on (19 clarifications are issued as at August 2019)



Contributed to the development of the concept on introduction of the Financial Investigation Service



Assisted the MoF with development and public discussion of the Concept on introduction of the Financial Investigation Service



Contributed to the analyses of the draft laws submitted to the Parliament

Customs Reform

Faces of Reforms

Yehor Bielkin
Senior Project
Manager

Oksana Drozach
Senior Project Manager /
Reform Coordinator





Facilitated the **“single window” implementation** as one of the important anti-corruption steps that minimize the human factor in decision-making by regulatory authorities, stimulate their transition to European principles of public control and facilitate international trade



Developed and facilitated the adoption of the Law № 2530-VIII that allowed enhancing functional capacity of IT tool «Single Window for International Trade», previously introduced by the MoF. It allows parties involved in trade (i.e. customs and other border control authorities, declarants, etc.) to lodge standardized information and documents with a single entry point to fulfil all import, export, and transit-related regulatory requirements



Significantly **simplified customs procedures** intended to reduce time and cost required for customs clearance procedures



Supported the MoF in launching the Single Treasury Account of the SFS for customs payments. The single account has been functioning since 16 April 2019 at full capacity. One economic operator has one account to provide customs payments for customs clearance at any customs of Ukraine



Faces of Reforms

Andriy Olefirenko
Project Manager

Pavlo Ryabets
Project Manager

Oksana Kuznetsova
Project Manager





Facilitated the **Common Transit System** implementation for speeding up and streamlining customs procedures for the goods moving across the border with the EU. It will reduce costs for legal cross-border trade and support effective counteraction with customs fraudulent activities



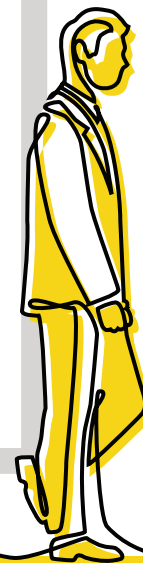
Supported the MoF in elaborating the Draft Law № 9532 of February 4, 2019, implementing provisions of the Convention on a Common Transit Procedure, which was approved by the European Commission, voted by Ukrainian Parliament in the first reading and suggested by the key Parliamentary Committee for its second reading



Contributed to the reduction of time for customs clearance by **introducing Authorized Economic Operators** and aligning Ukrainian customs authorities' practice with the European one, where 80% of all customs clearance is carried out by certified AEOs. In 67% of cases where the customs declaration for import is lodged by AEO the average time for customs clearance is less than 5 minutes



Supported the MoF in maintaining communication with EU experts, European Commission and Parliamentary Committee on Tax and Customs Policy regarding the Draft Law № 7473 on Authorized Economic Operators. The Draft Law № 7473 was adopted in the first reading by the Verkhovna Rada on February 28, 2019



Public Finance Management Reform



Faces of Reforms



Oleksandr Chubukov
Project Manager



Assisted the MoF with the **PFM Reform Strategy 2017-2020** development



Helped the MoF to draft sections of the Action Plan for the PFM strategy implementation with regard to tax system development and performance indicators monitoring



Contributed to the development of a **sound fiscal risk management system**



Developed a draft concept of fiscal risk management framework within the MoF based on the best practices in fiscal risk management



Prepared technical requirements for the fiscal risk information backup within the MoF



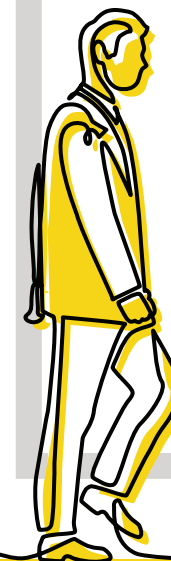
Contributed to the **introduction of the new approaches to healthcare funding**, aimed to increase spending efficiency and reduce out-of-pocket payments by patients



Provided the MoF project management and analytical support regarding implementation of a pilot project on changing the financing mechanism in specific scientific and research institutes of the National Academy of Medical Sciences of Ukraine



Assisted the MoF with preparing the pilot project roadmap and contributed to the discussions with key stakeholders





Provided assistance to the MoF with analyzing the dataset on the highly-specialized inpatient healthcare capacity in the regions of Ukraine. The dataset included information from 25 regions of Ukraine with regard to over 950 unique specialized healthcare service types identified for the pilot project



Helped the MoF come up with changes in the legislative framework on the pilot project (adoption of the new service nomenclature and tariffs) and analyze information on the calculated tariffs for the services



Contributed to the improvement of general secondary education spending efficiency monitoring



Provided project management assistance and analytical support to the MoF regarding development of a BI tool for monitoring and analysis of public spending efficiency in general secondary education. The tool received positive public feedback



Faces of Reforms

Social Reform

Social Reform

25

Dmytro Sydorenko
Project Manager

Kateryna Bondar
Senior Project
Manager / Reform
Coordinator

Valeriy Markhay
Senior Project Manager



Contributed to the **pension reform implementation, which restored social justice** and enhanced the financial sustainability of the Pension Fund budget. 10.2 mln out of a total of 11.7 mln pensions were increased and 29 legislative acts were amended



Coordinated the process of draft law development and negotiations with the IMF on Pension Reform



Provided calculations and forecasts on all reform proposals and measures



Proposed an efficient indexation mechanism, which was included in the law



Supported implementation of **social payments verification**. The RST contributed to decreasing number of frauds and errors in social payments and increased efficiency in budget spending



Helped the MoF to develop a new concept of social payment verification, which was approved and agreed by the Ministry of Social Policy, the Pension Fund and other stakeholders in social benefit administration



Participated in development of an analytical platform that will make the verification process automatic and more transparent, helping to reduce fraud cases in social payments



Bank

State-owned Banks Reform



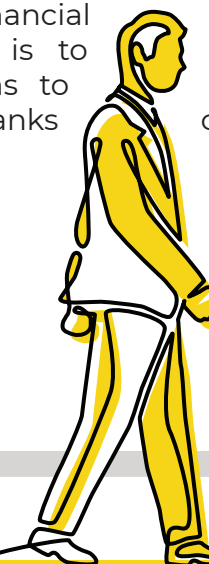
Contributed to the development of the new NPL resolution tools and the monitoring system to control SOBs performance



Contributed to the development of MoF's regular and detailed reporting through its official web site of the key performance indicators of SOBs, the status of their implementation of the "Principles of Strategic Reform of the State Banking Sector", the implementation of individual strategies, and NPL portfolio resolution efforts



Assisted in settling the Committee (working group) for Non-Performing Loans of State-Owned Banks, which was established in July 2018 according to the decision of the Council for Financial Stability. The key task of the Committee is to develop and to provide recommendations to the management bodies of state-owned banks concerning their non-performing loans



Faces of Reforms

Alexey Ogienko

Senior Project
Manager



State-owned Banks Reform

State-owned Banks Reform

29



Contributed to the change of the Corporate Governance model in State-Owned Banks: increased transparency, integrity and efficiency of running state-owned banks (SOBs)



Coordinated the establishment of new Supervisory Boards for State-Owned Banks in a close cooperation with the MoF's Financial Policy department and EBRD, IMF, World bank (project roadmap, policy and procedure development, competitive selection of the recruitment company, profiles development of Supervisory Board members, competitive selection of candidates for independent Supervisory Board positions at State-Owned Banks)



New Supervisory boards are isolated from political influence (mainly consisting of independent members – 6 out of 9) and should make it possible to implement effective corporate management practices in state-owned banks



Assisted the MoF to draft amendments to Article 7 ("Corporate Governance") of the Law "On Banks and Banking", which were adopted and substantially changed the principles of corporate governance in state-owned banks



Cooperation with International Financial Institu- tions Reform



Contributed to the efficiency improvement of technical assistance programs and financial aid administration



Helped to analyze and prepare a list of functions that potentially could be transferred from the MoF to the AIFCP Office (International Financial Cooperation Projects Office)



Upgraded an IT-tool for monitoring the IMF tasks fulfillment by responsible ministries/officials in the MoF



Supported the Private Investment in Agriculture Program (PforR – Program-for-Results) launch, which provides funding in the amount of US\$200 million over the five-year period



Contributed to the growth of efficiency and transparency in cooperation with International Financial Institutions



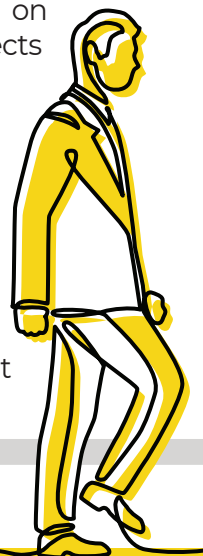
Assisted the MoF in preparing a Concept Proposal on improvement of IFI sovereign and sub-sovereign projects implementation, approved by CMU 27 December 2018



Was actively involved (together with the MEDT, World Bank and AIFCP Office) in preparation of new Action Plan for the 2018-2020 SME Strategy



Conducted analysis of available information, processes, instructions and other internal manuals, and drafted all necessary documents for the establishment of the IFI register



Faces of Reforms

Andriy Staroshchak

Senior Project
Manager



Olga Shapova

Senior Project Manager



Cooperation with International Financial Institutions Reform

Cooperation with International Financial Institutions Reform

33



Establishment and functioning of the national management and monitoring system for the **implementation of joint operating programs of border cooperation – European Neighborhood Instrument 2014-2020: Enhanced efficiency of expenditure verification procedures**



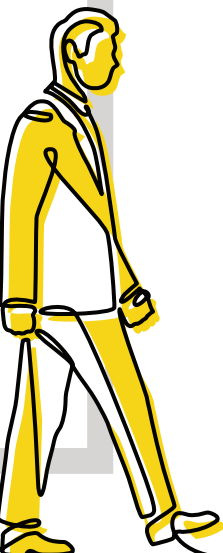
Participated in development of the MoF Order in relation to the long list selection of an independent auditor



Drafted amendments to the CMU Order № 554 on deployment of national control and management system upon CBC ENI 2014-2020 joint operational programs implementation dated 11 July 2018



Analyzed “Guidelines on Expenditure Verification” (Black Sea Basin Program) for future implementation



Faces of Reforms

Communica- tion of Reforms

Veronika Proshuta
Senior Communications
Manager



Bohdan Bykon
Communications
Manager /
Designer



Anna Mashyna
Administrative
Assistant



Partners of Our Team

All of these great achievements would be impossible without cooperation with our national and international partners.

So we want to acknowledge their significant support and contribution to the success of our team!



MINISTRY OF
FINANCE OF
UKRAINE



Delegation of
the European Union
to Ukraine



European Bank
for Reconstruction and Development



British Embassy
Kyiv

KFW
Bank aus Verantwortung



National Bank
of Ukraine



European
Commission

EU4PAR

EU4PFM

EU Public Finance Management
Support Programme for Ukraine



REFORM SUPPORT TEAM | MINISTRY OF INFRASTRUCTURE OF UKRAINE

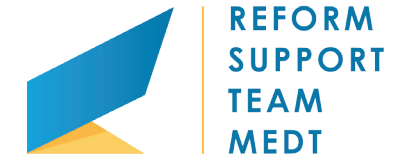
Ministry of Ecology
and Natural Resources of Ukraine
Reform Support Team



UKaid
from the British people



REFORMS DELIVERY OFFICE
CABINET OF MINISTERS OF UKRAINE



REFORM
SUPPORT
TEAM
MEDT



REFORM SUPPORT TEAM
AT THE MINISTRY OF REGIONAL DEVELOPMENT
CONSTRUCTION AND HOUSING
AND COMMUNAL SERVICES OF UKRAINE

FEAO FINANCIAL AND
ECONOMIC ANALYSIS
OFFICE IN THE VRU



giz Deutsche Gesellschaft
für Internationale
Zusammenarbeit (GIZ) GmbH

KSE | Kyiv
School of
Economics

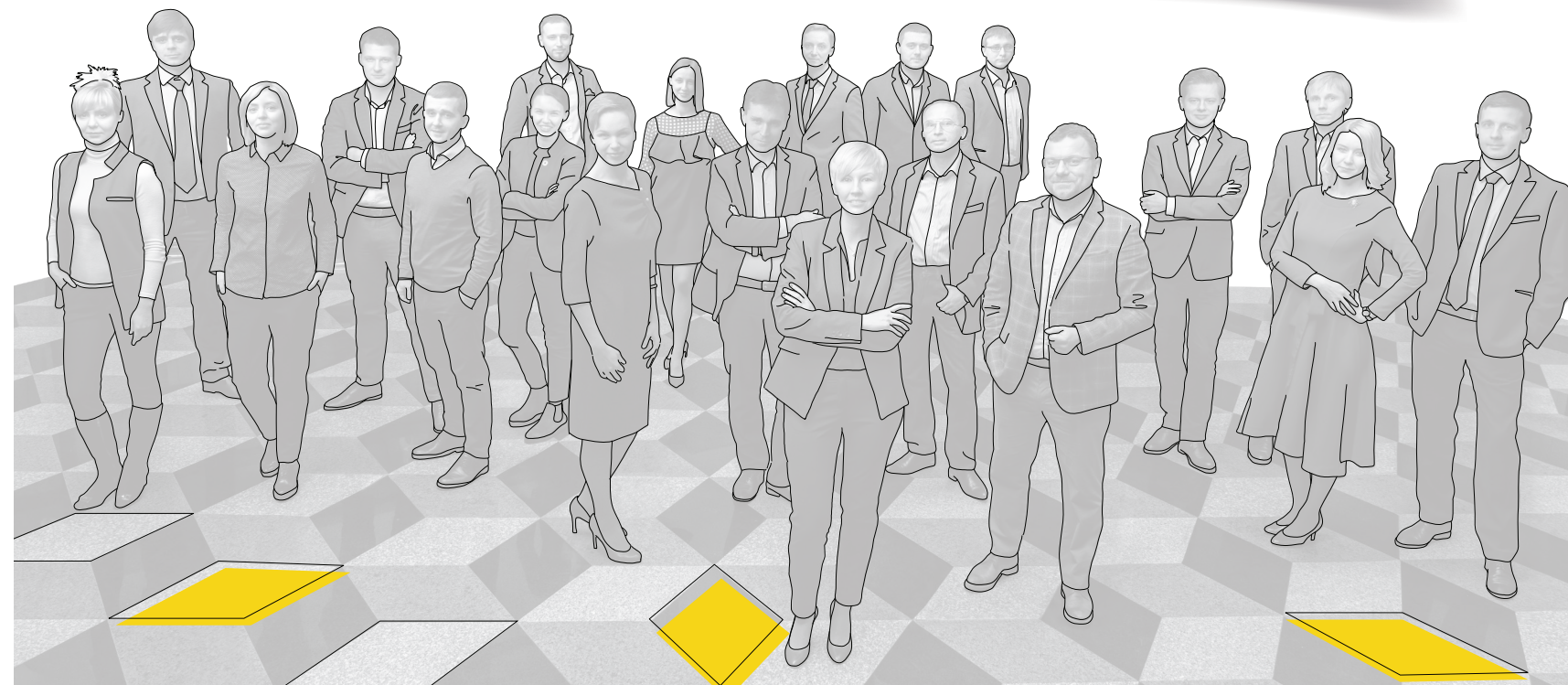


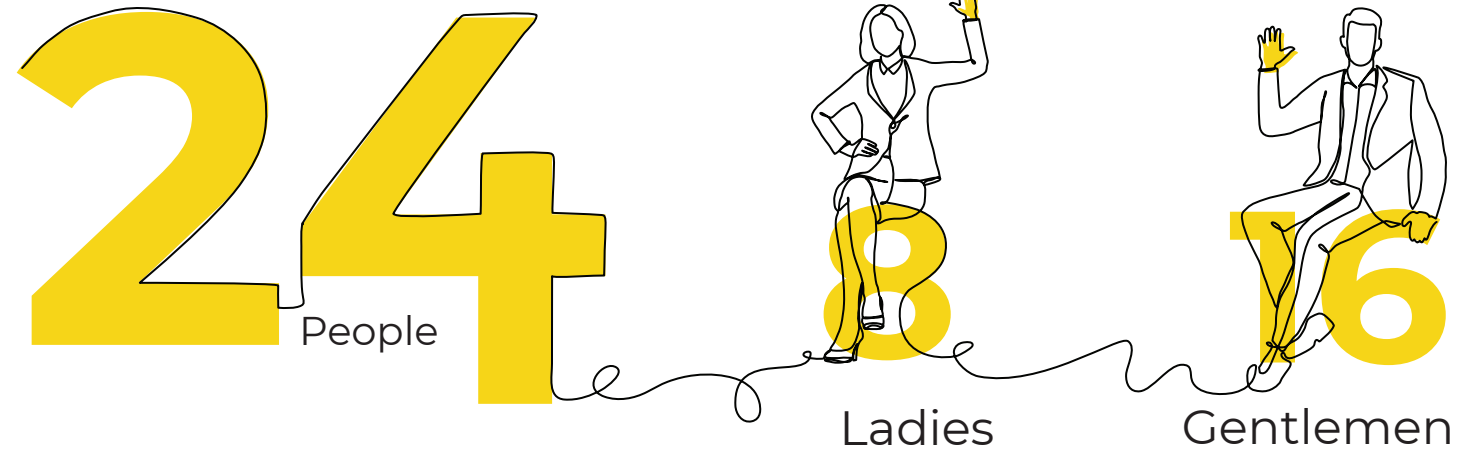
That was a long and challenging path. We have been the very first team established within the framework of joint EU-EBRD initiative «Ukraine Reforms Architecture» which currently consists of seven Reform Support Teams at various Ministries and Agencies, as well as Reforms Delivery Office under the Cabinet of Ministers of Ukraine. This is why we have always felt that while paving our own way at the same time we are providing an example for others. And now we are proud to state that effective contribution to the considerable achievements in reforming the country is a well-deserved reward for our efforts.

There is still much to be done, many new exciting challenges are waiting ahead.



More about Our Team





35 Average age of our team members

We are inspired by Ukraine's prospects on comprehensive reforms and Eurointegration, so, like many other believers in changes, our team members decided to quit business and make their own contribution to the development of the country.

322 years of experience in total

13 years in average

This immense experience was gained in top-level companies and organizations both national and international.

 **Banks and Insurance**

National Bank of Ukraine
Ukrsibbank
Raiffeisen Bank Aval

Alfa Bank
AXA Ukraine

 **IT and Electronics**

LG Electronics
Microsoft Ukraine

 **The Big 4**

PWC
Deloitte

 **Media**

ICTV Channel
1+1 Media holding

 **International Cooperation Organisations**

GIZ Ukraine
Mission of Ukraine to the EU and the Atomic Energy Community

 **Public Sector**

State Fiscal Service of Ukraine
State Customs Service of Ukraine
State Property Fund
Kyiv City State Administration

 **Law**

Sayenko Kharenko Law firm
Andreas Neocleous & Co Magnusson

 **Energy**

DTEK

 **Ministries**

Ministry of Justice of Ukraine
Ministry of Energy and Coal Industry of Ukraine

Our team is on a constant process of professional development and we are always ready to deepen and improve our skills. Here we would like to share with you some of our most exciting programs, which provided us with best-in-class knowledge.

USA

Stanford Center on Democracy, Development and the Rule of Law
Leadership Academy for Development Program

Carnegie Mellon University
Tepper School of Business, Change Management and Strategic Leadership

Ukraine



KSE Kyiv School of Economics
+ giz Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
Management of Public Finance

OSCE
Dialogue for Reform and Social Cohesion in Ukraine

MIM-KYIV MBA in PA
MBA
SE MBA

GFA CONSULTING GROUP
+ Association4U Association for Ukraine & for you
Intensive Training on Communication (Key Messages, Target Audiences, Communication Tools, Channels and Products)

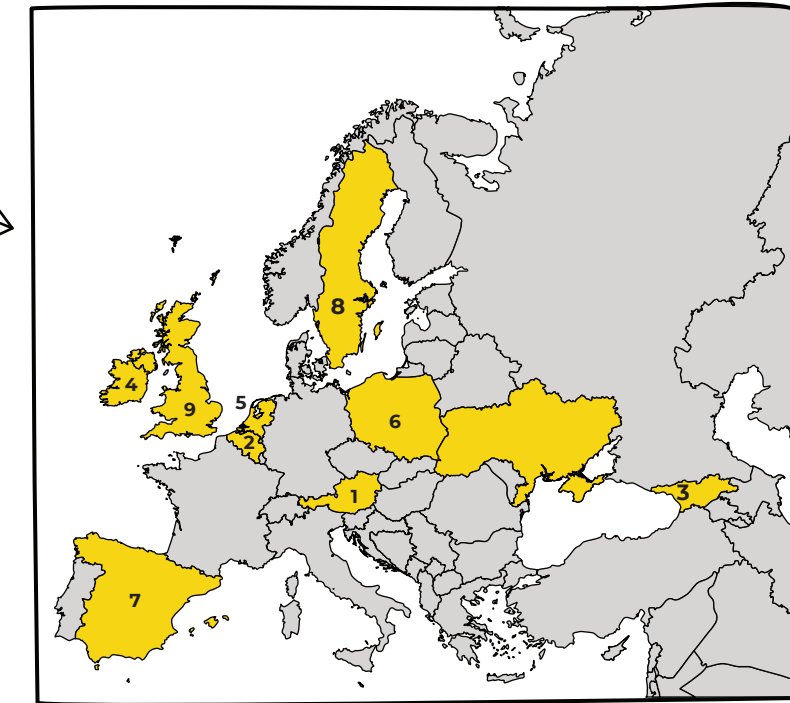
UKRAINIAN SCHOOL OF POLITICAL STUDIES
National Study Program for Change Leaders

China

PMI Project Management Institute
Introducing Foreign Expertise and Developing Socioeconomy for Developing Country Officials

Caps
“Innovative Economics & New Leadership skills” Program

UNDP Fight Against Drugs Smuggling in Maritime Ports



1. Austria



Joint Vienna Institute Course on PFM and Administrative Reforms

2. Belgium



WORLD CUSTOMS ORGANIZATION
ORGANISATION MONDIALE DES DOUANES
Customs Professional Training and Management Course

3. Georgia

ISET

Economic Reforms, Political Transition and Development. Learning from the Georgian Experience

4. Ireland



WORLD CUSTOMS ORGANIZATION
ORGANISATION MONDIALE DES DOUANES
Workshop on Customs Data Model and Single Window

5. Netherlands



Matra Rule of Law Training Program: Public Finance Management

6. Poland



warsztat innowacji społecznych
Design Thinking Method – A Practical Tool for Social Innovations. Shapers of The Future Development Seminars

7. Spain



WHO Barcelona Course on Health Financing for Universal Health Coverage

8. Sweden



Sustainable e-Government for Resilient and Innovative Democratic public administration



Sustainable Public Management



Swedish Institute Management Programme Northern Europe

9. United Kingdom



John Smith Trust Fellowship Program

We complement each other not only by skills and qualifications but by our interests, hobbies, and passions as well. The range is really diverse.



Sports

Basketball

Dancing

Fitness

Football

Hiking

Martial arts

Running



Shooting

Skiing

Snooker

Tennis

Volleyball





Intellectual Activity

Chess

Finance

Foreign languages

Geopolitics

History

Literature

Psychology

Behavioural science

Reading

Science

Story writing

What? Where? When?







Miscellaneous

Astronomy

Blockchain

Bonistics

Cars

History of aviation

Hi-Tech

Illustration

Photography

Travelling

T-shirt prints designing





Culture

Cinema

Gastronomy

Music

Party

Urbanism





45

More About Our Team

But what really unites us is our work ethic and our values.

TEAM

DEMOCRACY, DECENCY, USEFULNESS, OPPORTUNITIES FOR INITIATIVE, COMMON VALUES, PROJECT WORK, DRIVE, CHANGE, RESULT, DIVERSITY, CHALLENGE, FREEDOM, IMPORTANCE, PARTNERSHIP, PROFESSIONALISM, RESPONSIBILITY, SELF-DEVELOPMENT, TRUST

The Reform Support Team at the Ministry of Finance of Ukraine (MoF) is funded by the Ukraine Stabilisation and Sustainable Growth Multi-Donor Account (MDA) managed by the EBRD.

The contributors to the Ukraine MDA are Denmark, Finland, France, Germany, Italy, Japan, the Netherlands, Norway, Poland, Sweden, Switzerland, the United Kingdom, the United States of America, and the European Union, the largest donor.

