CONCEPT
OF PUBLIC ADMINISTRATION REFORM
IN UKRAINE

draft

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* Developed by the Centre for Political and Legal Reforms with the support of the Eurasia Foundation funded by the US Agency for International Development (USAID) and the institutional support of the Danish Institute of Human Rights. The draft is as of 23.12.2005.

I. Current Status of Public Administration and Objective Preconditions for the Administrative Reform in Ukraine

Over the period between 1991 and now, Ukraine has managed to form the majority of its public administration institutes or bodies and other institutions subordinated to the political government that ensure the implementation of law and exercise other public and administration functions. In particular, there are executive public authorities and executive bodies of local self-governments at the villages, settlements, and towns/cities, and there has also been civil service established alongside with the services in local self-governance bodies.

However, the current public administration in Ukraine does not meet the strategic policy of Ukraine aiming at democracy and European standards of good governance, since its remains inefficient, corruption prone, internally controversial, excessively centralized, cumbrous and detached from the problems of an average citizen. As a result, it has become a hindrance to social, economic and political reforms.

The main reasons of the above include the following:

1) **Incomplete transformation of the Cabinet of Ministers of Ukraine into a body of political management:**
   - Unclear separation of policy development functions between to centres: the President and the Government;
   - Government's limited levers to influence certain central executive authorities;
   - Lack of strategic planning in the operation of the Cabinet of Ministers of Ukraine;

2) **Inefficient organization of operation of ministries:**
   - Ministers and ministries are overburdened with administrative issues;
   - Political and administrative leadership has not been yet fully separated;
   - Political and administrative functions in ministries are not separated;
   - Excessive organization dependence of government bodies from ministries;

3) **Unpractical system of central executive authorities:**
   - Unreasonably high number of central executive authorities of the similar status;
   - Low level of horizontal coordination between ministries;
   - Excessive centralization of executive powers;

4) **Inefficient organization of public authorities at the regional and local levels:**
   - Inefficient mechanisms of the Government's influence on the local state administrations;
   - High level of concentration of public administration powers and functions in the state system;

5) **Inefficient local self-governments and unpractical administrative and territorial system:**
   - Financial incapability of the basic local self-government unit in rural areas;
   - Lack of clear division of powers and responsibilities between the local self-governance levels, bodies and officials;
   - Lack of full-fledged local self-governance in rayons;
   - Tangible disproportions in the size of rayon territories and population;
   - Disproportions in the development of rayons and regions;

6) **Inefficient system of the civil and municipal service:**
   - High staff turnover and low professional level of the staff;
   - Subjectivism in the administration of the civil service;
   - Vulnerability of civil servants in the face of political influences;
   - Low salaries and lack of labour remuneration transparency;

7) **Lack of parity principles in the relations between individuals and public administration:**
   - Improper legal regulation of relations between individuals and public administration;
   - Actual prevalence of bureaucrat rights and interests, formalism, bureaucracy, and corruption;
   - Improper promulgation of public information and problems of access to information;
   - Inefficient procedure set for the appeal of decisions, action and omission of action by public administration.

The above not only proves that the Ukrainian public administration system needs to be reformed, but also suggests the priorities of such reform.

Here it is important to take into account achievements of the 1998-2004 administrative reform in Ukraine, in particular the development and adoption of the Administrative Reform Concept, certain regulation of the central executive authorities system, partial reorganization of the governmental secretariat, creation of governmental committees, and adoption of the Temporary Rules of Procedure of the Cabinet of Ministers. In all other respects, the 1998 Administrative Reform Concept has been implemented incoherently and not on the basis of the law, as it is required by the Constitution, but rather through the adoption of by-laws, which is why no irreversible positive changes occurred.

The attempts to undertake the administrative reform in 2005 were hardly effective, mainly due to the lack of a clear vision of the reform priorities by the new political leadership of the country.

II. Reform Aim, Objectives, Principles

Reform of the public administration is the fulfilment of a social order for efficient, responsible and open executive power and territorial self-governance institutions, which means proper governance.

The reform aims at the establishment of an efficient system of public administration able to provide high quality public services.

To achieve the aim of the reform it is important to implement the ideology of "serving the society" as the operating principle of the public administration, as well as to achieve the following objectives:

1) to form a stable and efficient organization and functioning of executive authorities;
2) to organize a professional, politically neutral and open public civil service (the service in executive and local self-governance bodies);
3) to establish the system of capable local self-governance;
4) to strengthen the status of citizens in their relations with the public administration;
5) to guarantee that the public administration is under control of the political power and the society.

These objectives shall be achieved by the following means:

1) Legislation shall be passed on the basis of the Constitution to separate the powers between the Government and the head of state; political and administrative functions shall be practically and institutionally separated in the executive branch; procedures of operation of public administration bodies shall be improved;
2) Political offices shall be separated from the public civil service; it is also necessary to establish legal mechanisms for protection of civil servants from illegal political influences; it is necessary to introduce an operation competition for employment to the civil service and service promotion; management of the public civil service shall be improved;
3) Public functions and resources shall be decentralized as maximally as possible; economically self-sufficient local self-governance subjects shall be established through the enlargement of rural and settlement communities; full-fledged local self-governance shall be introduced at rayons as an additional (subsidiary) local self-governance level;
4) There is a need for fair legal regulation of the administrative procedure (procedures); operation of public institutions shall be primarily aiming at provision of public services; it is necessary to introduce new organization forms and quality of service standards; mechanisms of legal protection of citizens in their relations with the public administration shall be improved;
5) Oversight functions of the Parliament and local councils shall be strengthened; it is also important to strengthen the state financial control; the system of administrative justice shall be further developed; the public shall be involved into administration of public affairs and the operation of the public administration.

The reform shall be grounded on the principles of organization and operation of the public administration in constitutional democracies, in particular:

- *Rule of Law* as a top priority of human and civil rights, humanism and justice of the public administration;
- *Legality* as operation of the public administration in accordance with provisions and procedures established by law;
- *Openness* as promulgation and provision of public access to the information on the activities and decisions of the public administration, as well as provision of public information on the citizens' request;

- *Proportionality* as a requirement to limit the public administration decisions by the aim that needs to be achieved, conditions of its achievement, and the obligation of the public administration to pay attention to the consequences of its decisions, action or omission of action;
- *Efficiency* as a duty of the public administration to ensure that the necessary results are achieved in the fulfilment of the established objectives with the optimal use of public resources;
- *Oversight* as a mandatory internal and external, including judicial, oversight of the public administration operation;
- *Responsibility* as an obligation of the public administration to bear responsibility for its decisions, action and omission of action.

The reform shall fully respect the principle of legality in view of its special methodological importance. The 1999-2004 reform proves that a failure to meet the requirements of legitimacy leads to distortions, incoherence, and regresses. Therefore, it is so critically important to ensure a steadfast compliance with the constitutional provisions which set that only the law can regulate the powers, the organization and the procedures of operation of executive authorities, local self-governance bodies, their officials and employees. Only the law can delegate the regulation of certain issues related to the exercise of executive powers to the Cabinet of Ministers, and those related to the local self-governance – to local councils.

This approach will make it possible to secure stability of public administration institutions guaranteeing democracy and rule of law and human rights as a mandatory requirement in the context of Ukraine's potential membership in the European Union, and at the same time it will not create ungrounded obstacles to the continuous improvement of the governance system with due consideration of the available financial and staff resources.

III. Reform Priorities

3.1. Reform of Higher and Central Public Executive Authorities

Cabinet of Ministers of Ukraine (Government)

The main aim of the Cabinet of Ministers reform is to ensure the constitutional status of the Ukrainian government as the top public executive authority in the state. The concept of the Government's reform is establishment of its principal priority in its operation, namely formation of the state policy or development of the domestic and foreign policies.

The Government's responsibility and efficiency can be increased by ensuring the following:
- the Government shall work on the basis of the strategy set it its Action Plan;
- the Government shall focus on the solution of strategic and political issues;
- governmental decisions shall be passed by ministers jointly at the governmental meetings;
- all draft governmental decisions shall be studied by governmental committees before they are submitted for the Government's consideration.

The Government's Action Plan shall be prepared for the entire period of the Government's powers.

The system of public executive authorities shall exclude institutions that are not subordinated to the Government, either directly or indirectly. To focus on policy-making, the Government shall delegate or pass in any other legitimate way the maximum of its administrative powers to the lower executive institutions.

For the efficient management of the executive institutions, the Cabinet of Ministers shall be empowered to appoint and dismiss deputy ministers and top officials of lower institutions, and also cancel their acts.

The collective work of governmental officials shall be enhanced to prevent excessive influence of individual members of Government on the development and implementation of the governmental policy and to provide all members of Government with equal possibilities. This would also benefit from a clearer definition of the place and role of Vice Prime Ministers in formation and implementation of the state policy. In the future, it would be expedient to allow ministers to combine their office with the posts of Vice Prime Ministers.

Members of the Cabinet shall focus on their work in the Government and the Parliament, including the parliamentary committees.

Only members of Government shall be allowed to participate in the governmental meetings, while other persons shall be allowed to come only for the consideration of specific issues. Under a general rule, the Cabinet meetings shall be closed to ensure free and open discussion of the agenda.

Governmental committees shall become a full-fledged instrument of political reconciliation of governmental decisions. The procedure when governmental decisions are supported by visas of members of Government shall be replaced by the discussion and reconciliation of such decisions by means of the internal computer network where every participants will be able to submit

his/her remarks and suggestions to the proposed draft and will be able to see the remarks and suggestions submitted by other participants. For this purposes it is necessary to deploy internal computer networks as soon as possible and pass to the electronic circulation of documents.

Governmental committees shall include only members of Government, and only deputy ministers shall be allowed to replace ministers on governmental committees (the posts of deputy ministers shall classified as political posts).

To ensure high quality preparation of issues to be considered at the meetings of governmental committees, as well as to improve the institutional memory and professionalism in the operation of governmental committees, each committee should have its own secretariat as a structural unit of the Cabinet's Secretariat. For the purposes of the day-to-day management, each committee secretariat shall be subordinated to the head of the governmental committee.

It is necessary to continue implementation of other measures to improve the organization of work of the Cabinet's Secretariat. The Secretariat shall avoid substituting the activities of the members of Government. The main objectives of the Secretariat shall be to provide organizational support to the operation of the Government, analyse whether the proposed governmental decisions comply with the Cabinet's Action Plan, and monitor the fulfilment of the governmental decisions.

There is a need to eliminate the duplication of work of the Cabinet's Secretariat and the ministries. The main work on the preparation of bills and acts of the Cabinet of Ministers shall be done by ministries on the initiative of ministers.

To preserve the institutional memory and continuity in the operation of the Cabinet of Ministers, the Secretariat shall be headed by a civil servant (the State Secretary of the Cabinet of Ministers). The Head of the Government's Secretariat shall be appointed and dismissed on the basis of the law on civil service. The Head of the Cabinet's Secretariat, in the same way as other civil servants, should not be dismissed due to the formation of a new Cabinet.

Ministries

Reform of ministries and other central public executive authorities shall be focused on:

1) Revision of the status of central executive authorities and their number, and specification of their functions;
2) Security of the leading role of ministries as the main policy making institutions in relevant sectors of public administration;
3) Upgrade of the role of ministers as public political figures, separation of the political and administrative ministerial leadership.

Ministries shall be the main central executive authorities. They shall be seen as an "extension of the Government" and they shall become the main policy making centres.

Accordingly, in the executive branch, only the Government and ministers as members of Government shall be permitted to issue regulations ("of external action").

Separation of the political and administrative leadership in ministries shall be continued. It is important not only to classify the ministers' posts as political ones, but also to ensure the legitimacy of such a definition, as well as to provide ministers with political support in the person of a deputy minister. The deputy minister's office should also be classified as a public political

post. Due to a broad scope of political objectives, from two to three posts of deputy ministers may be introduced in some ministries.

In order to manage a ministry secretariat, ensure the institutional memory of any ministry, as well as stability of the civil service, the office of the ministerial state (permanent) secretary should be restored. This official shall have the status of a civil servant. The ministerial state secretary shall be appointed by the Cabinet of Ministers in accordance with the procedure set by the civil service legislation. The ministerial state secretary shall be subordinated to, and under the control of the minister.

The number of ministerial departments shall be essentially decreased, while the internal structure of each ministry's secretariat shall be identified on the basis of key functions (or working priorities) of the ministry. Service offices of ministerial secretariats (such as chancelleries, staff offices, accounting offices and others) shall be modelled on a single structure set for all ministries.

To improve the information, analysis, and consultation support to the minister, the minister's board shall be further transformed into an advisory body that shall include the ministry's state secretary, top officials of government agencies subordinated to the minister, representatives of relevant parliamentary committees, other public executive institutions, establishments, NGOs, researchers and other individuals.

Approaches to the territorial organization of the executive branch shall be changed. Under a general rule, the absolute majority of ministries will need no territorial network of their own, since the main task of ministries as political institutions will be to ensure the activities of the minister and prepare development programs and draft regulations etc.

Other Central Public Executive Authorities

Central executive institutions shall function separately from ministries. The Cabinet's influence on them shall be limited to the bounds established by the Constitution, which, for example, establishes special procedures for the appointment and dismissal of the top officials of the Antimonopoly Committee, the State Property Fund, and the State TV and Radiobroadcast Committee. These institutions, as well as the Security Service of Ukraine shall exercise their powers in an autonomous manner and in accordance with relevant laws.

The state committees as a type of executive authorities shall be eliminated.

Government Bodies

Government bodies shall make the biggest group of public authorities in terms of their quantity, territorial network and the number of staff. Such bodies shall focus their work on the day-to-day management or administration of laws in individual sub-sectors (a service), provision of administrative services (an agency), and exercise of control and oversight functions (an inspection). Government bodies shall make part of the ministerial system in accordance with the by-sector division of powers between various ministries.

Key founding and staff issues related to the above bodies shall be dealt with by the Cabinet of Ministers on the submission of the relevant minister.

Responsibility of government bodies to individuals shall be based on the personal responsibility of the top official of any government body to the minister. For sufficient autonomy of

government bodies, the influence of the minister to whom any relevant government body is subordinated, shall be limited to the following powers:

1) Normative regulation of the operation of the government body (the head of the government body shall be entitled to propose draft regulations);
2) Participation in the definition of the budget of the government body;
3) Control of the operation of the government body (by receiving reports and other information etc); and
4) Initiation of the replacement or dismissal of the head of the government body.

The minister and the ministerial staff shall not be entitled to issue instructions to the head or members of staff of any government body.

To improve the quality of administrative services provided by government bodies, it would be advisable to envisage the possibility of using the production management methods in the organization of agencies' operation, including as concerns the selection of the staff and labour remuneration as practiced in the private sector. To improve the agencies' efficiency, the obligations between the minister and the head of agency shall be fixed in the form of a contract.

Regulators

The role of the government in the regulation of the operation of natural monopolies and related markets needs to be clearly defined in order to prevent the Cabinet of Ministers from direct interference with their activities. Due to the poor definition of their status caused by the lack of constitutional preconditions, and direct dependence on the political leadership of the country, regulators do not always properly fulfil their regulatory functions. As a result, state-run companies that occupy the dominant position on their relevant markets are able to violate consumer interests when establishing prices or tariffs for goods and services, at the same time failing to ensure the proper quality of service. This circumstance is exploited by the government to solve the social problems at the expense certain groups of consumers.

The reform of the state regulators shall ensure the balance between the interests of consumers, monopolists and the state in the process of decision-making by the regulator. This will be done by the following means:

1) The consumers shall be guaranteed high quality services at the economically grounded prices;
2) The influence of monopolists on the public policy shall be decreased;
3) Proper conditions for the efficient and stable development of monopoly companies will be established; and
4) The government's attempts to solve social problems at the expense of certain groups of consumers will be prevented.

The state regulator reform shall envisage the following:

1) Regulators shall be defined as a separate and specific unit of the public administration;
2) The competence of regulators shall primarily cover such areas as energy, transport, communications, and housing and communal system;
3) The procedure for the formation and operation of regulators shall be improved (if necessary, the Constitution shall be amended as concerns the dismissal of the regulator leadership and membership); and
4) Operation independence, objectivity and transparency of regulators shall be ensured through parity representation of all interested parties – the government, consumers and producers – in their membership (or oversight structures).

3.2. Reform of Local Public Executive Authorities

Oblast State Administrations

The aim of the local executive authorities reform is to support development of local self-governance through the transfer (decentralization) of the maximum of public objectives to local self-governance bodies and clear separation of powers between local self-governments and local administrations.

For these purpose, at the first stage of the reform, operation of oblast state administrations shall be aiming at the socio-economic and cultural development of the region.

To improve the subordination of local state administrations to the Government, the procedure of appointment of governors should be changed with appointment powers transferred to the Cabinet of Ministers (and constitutional amendments introduced accordingly).

At the second stage, simultaneously with introduction of the regional self-governance, executive bodies of oblast councils shall be established on the basis of oblast state administrations. The abidance by legislation by local self-governance bodies many be overseen by offices of the Ministry of Justice, while the interests of the state may be represented by new coordination and oversight bodies of the prefecture type which need to be established.

Rayon State Administrations

At the first stage of the reform (prior to the amendment of the Constitution), rayon state administrations shall be completely subordinated to the policy of oblast state administrations.

Upon amendment of the Constitution, rayon state administrations shall be abolished since introduction of a full-fledged local self-governance in rayons will eliminate the need for this kind of public authorities.

Territorial Offices of Ministries and Central Public Executive Authorities

The organization and work of ministerial territorial offices (bodies) shall undergo a major transformation.

Territorial offices (institutions) of government bodies shall become the main type of local state powers if their setup is recognized necessary in every specific case. It is these offices (institutions) that will perform the day-to-day administration.

Here territorial boundaries of government bodies should be defined in a more flexible way. It should be possible to establish joint territorial offices (institutions) of government bodies for a number of oblasts, rayons, towns, or city boroughs. Establishment of such offices shall be guided by accessibility and public convenience, especially if their main task to provide administrative services.

Only certain ministries, like the Ministry of Interior Affairs, the Ministry of Finance and the Ministry of Justice should definitely have their oblast bodies to coordinate and oversee the work of the territorial offices (institutions) of government bodies within a relevant ministry. After the regional self-governance is introduced, offices of the Ministry of Justice shall also oversee the abidance by law by local self-governance bodies, while the Ministry of Finance institutions shall monitor the area of public finance.

3.3. Local Self-Governance and Administrative and Territorial System

The reform of the local self-governance and the territorial system shall aim at the development of conditions for the provision of high quality public services at the level which is the closest to the public. In the meantime, the reform shall be targeting at the optimization of the structure of the administrative and territorial system to establish an efficient system of public administration in the country through the broad decentralization of executive authorities and transformation of local self-governments into financially capable, efficient, and responsible authorities.

The municipal reform shall optimize the financial and economic basis of the local self-governance bodies and interbudget relations, formation of efficient budgets able to secure the local governance functions.

As the very first step to be made to ensure the successfulness of the municipal reform, the administrative and territorial system needs to be modernized. Here it is important to proceed from the historically developed system of administrative and territorial units (ATU):

- Third level (basic): a community
- Second level: a rayon (city/town/rayon)
- First level: a region (Crimean Autonomous Republic, oblasts, special status cities).

Commitments taken by Ukraine under the European Charter of Local Self-Government require legislation to be passed to clearly separate two levels of territorial self-government: regional and local. Provisions on the first subnational level should be taken out of the Law on Local Self-Government and be set forth as a separate law. Regional self-governance should be introduced in a more distant future.

At the second and third levels, local self-governance shall be introduced without any restraints (constitutional amendments required).

Community

A community[1] is defined as a basic ATU that includes people of one or a number of settlements with their territories (a village, a big village[2], city and/or their associations) that have established boundaries and make a territorial basis for the local self-governance bodies that provide the community with administrative, health care, educational, social and cultural and other public services.

To ensure the economic capability of the community, provided the condition of its territorial compactness is met, a "mixed" model of local self-government may be introduced (**with the community as a basis and rayon as a supplementary level**). Here the right of local self-government will be given to all rural rayons and individual communities with the population of more than 5,000 people. As an exception, a community may be set up with less people depending on the factors of centre accessibility, density of population, national and religious affiliation of citizens, development of transport networks etc.

Boundaries shall separate the ATU from other similar ATU. This approach shall secure the principle of ubiquity of the local self-governance and will make it possible to extend the jurisdiction of the local self-governance bodies, in particular the community, not only to the territory of any given settlement, but also to the lands around.

[1] A notion of *volost* may be introduced to denote the basic ATU.
[2] The historically correct term *mistechko* should be reintroduced.

It is also advisable to differentiate between various models of local self-governance proceeding from the population size in a community.

A community of up to 5000 people shall elect a council of up to 15 members (one mandate per 330 people, but not less than 9 members) on the basis of the relative majority system in multi-seat constituencies.

The head of community elected by voters shall also function as the chairman of the council and the head of the council's executive body.

Each settlement inside the community may establish self-organization institutions and elect village mayors (*starosta* or *viyt*) vested with some of the powers of the executive body of the community council.

A community of more than 5000 and less than 50,000 people shall elect a council comprising from 15 to 25 members on the basis of the relative majority system in multi-seat constituencies.

The head of community elected by voters shall also function as the chairman of the council and the head of the council's executive body. The council executive body shall have a collective nature.

A community of more than 50,000 people shall elect a council of not less than 50 members for 50,000 people (one member shall be added for every other 50,000 people, however not more than 100 deputies shall be elected altogether). A council is elected on the basis of the relative majority system in multi-seat constituencies.

The head of community elected by voters shall also function as the chairman of the council. The council's executive body shall be formed and shall function with due consideration of one of the systems set in the city statutes:

1. The top institution in the system of the community executive bodies shall be the executive committee headed by the head of community and formed by the council on the proposal of the head of community;
2. The executive body of the community shall be town/city government (town/city *uprava*) headed by the "town/city premier" appointed by the council on the proposal of the head of community;
3. The executive body of the community is a town/city administration (*uprava, dyrectsiya*) headed by the "town/city administrator" (*uryadnyk*) appointed by the head of community on the results of an open competition; the administrator shall work on the basis of an employment contract.

Here it is advisable to stimulate the introduction of such management systems in the local self-governance bodies that envisage a clear separation of political and administrative (professional and management) functions and offices.

Rayon

A rayon is an association of communities aiming to ensure the implementation of their common interests. It shall have relevant transport, information, and other infrastructures and shall be set up provided that no less then **70,000 citizens** live within its boundaries.

The rayon shall be an additional (subsidiary) to the community level of local self-governance and shall fulfil those public objectives which cannot be achieved by the community. It shall also fulfil such functions if it is inexpedient or inefficient to require their fulfilment from the community.

If one community has at least one town with no less than 70,000 people, such a community shall be provided with status of the **rayon-town**. Rayon-towns shall not make part of other rayons and shall not include other communities. Rayon-towns shall not function as a capital for the neighbouring rural rayons.

At the first stage of the reform, rayon state administrations shall be abolished. The representative local self-governance body – the rayon council – shall form its own executive bodies and elect its chairman. The chairman of the council shall be elected from the members of the council. In the future, rayon councils shall be formed through indirect elections from the authorized representatives of the rayon communities (constitutional amendments required).

The majority of powers of the abolished rayon state administrations will be transferred (delegated by the state) to the rayon council's executive committee. In particular, such powers will include the following: registration of titles, issuance of state land acts, approval of land allocation plans, construction etc. Due to considerable enlargement of communities, such services could be provided to citizens not only in rayon centres but also in new communities that will be set up around settlements – "natural concentrators". The beginning of transformations at the rayon level shall be synchronized with the conduct of the community reform.

Division of Powers Between Various Levels of Local Self-Governance

An important element of the reform is a clear division of powers between various levels of local self-governance in accordance with the subsidiary principle in order to avoid the replication and double subordination of local self-governance functions and powers.

Community self-governance bodies shall be dealing with the following public affairs:

- Pre-school education and training;
- Care for elderly and disabled individuals;
- Primary and general education;
- Prevention and primary health care;
- Organization of the essential commodities trade;
- Land use planning;
- Environmental protection;
- Residential housing construction;
- Communal and everyday life support (water supply, sewerage systems, heating systems and energy supply);
- Territory improvements, maintenance of local roads, villages, cemeteries etc;
- Transport service within the community;
- Organization of free time (clubs, libraries);
- Sanitary control and preventive measures;
- Veterinary control and preventive measures.

Community self-governance bodies shall also be dealing with other important for the community life public matters provided they are not attributed to the competence of other public administration bodies. Communities and local self-governance bodies shall be able to work freely for the realization of the common interests of the community members.

Rayon self-governance bodies shall be dealing with the public affairs related to:

- Provision of in-patient health care services;
- Vocational training and college education (primarily oriented to provide local self-governance services);
- Organization and maintenance of the local police;
- Maintenance of the local land-survey;
- Maintenance of rayon roads;
- Transport service with the rayon;
- Free time and culture (cinema, rayon libraries, museums).

In case of rayon-town communities, their self-governance bodies shall fulfil not only community duties, but also deal with the public affairs attributed to the rayon level.

3.4. Introduction of Regional Self-Governance

Reform of the centre-regions relations shall aim to overcome the negative influence of the centralization of the public administration and to establish an efficient model of cooperation between central and regional/local authorities. Decentralization, as an instrument to level the development of the Ukrainian regions, shall be done with due consideration of the differentiation and disproportion of Ukraine's territorial development. It shall include a combination of the state aid to the depressive territories with support and consolidation of economies of the most developed regions. The regional development shall be based on the mobilization of their internal potential. At the same time, the system of financial levelling shall be improved both vertically and horizontally with due consideration of the tax capacity of each territory and application of the differentiated approaches to the levelling of the income basis of each region.

To ensure the well-balanced functioning of all levels of local self-governance and distinct understanding and division of relevant powers, the Constitution and legislation shall very clearly distinguish the local self-governance from the regional self-governance, and the latter from the local executive public authorities.

To introduce regional self-government, there is a need for the legislative definition of the concept and powers of the regional self-governance, the competence and procedures for formation and activities of the representative and executive bodies, their officials etc., which can be set forth in a special law on the legal status of the oblast. Here it is important to clearly separate the levels of exclusive competence of the local and regional self-government so that they do not overlap. Regional self-governance bodies shall be dealing with the development and implementation of the regional development programs, investment attractiveness of the region, development of the transport infrastructure, as well as higher education, specialized health care, and culture.

It is necessary to prepare the reform of public authorities at the oblast level during the first and second stages of the administrative and territorial system reform, however it should be implemented in a more distant future, in particular as concerns the revision of the boundaries of the current oblasts and their number.

Even though the powers of the oblast councils of the 5th convocation will not be considerably increased, they can set up their executive bodies, and the budget system may be reformed (amendments to the Constitution and the Budget Code of Ukraine needed).

The administrative and territorial system at the regional level will be improved through the enlargement and transformation of the oblast boundaries, singling out of the metropolitan district

with its administrative centre in Kyiv (constitutional amendments required) and the change of the state power function at the level of the region.

It is possible to form the full-fledged executive bodies of the regional self-governments only after the election of oblast councils of the 6th convocation. Such executive bodies shall be established on the basis of oblasts state administrations. Territorial offices of certain ministries, like the ministry of justice, the ministry of finance and the ministry of internal affairs may further continue functioning at the regional level in order to oversee the abidance by legislation by local self-governance bodies, to monitor public finance, and coordinate the internal policies. If necessary, new coordination and oversight councils of a prefecture type may also be set up in the regions.

A special attention should be given to the establishment of the mechanism for coordination of the state regional policies and reconciliation of various regional interests. Importance of the balanced implementation of the state regional policies, gradual extension of regional powers related to the implementation of regional policies and introduction of efficient oversight mechanisms for the exercise by regional and local self-governance bodies of the delegated powers require that a ministry be established to deal with the state regional and local development policies.

3.5. Budget Reform (in the Context of the Administrative Reform)

The **budget reform** shall be an indispensable component of the administrative reform with two main priorities:

1) The first one is provoked by the changes in the system of top executive authorities; and
2) The second is related to the reform of the local self-governance and the administrative and territorial system, as well as fiscal decentralization.

Thus, it is necessary to improve both the budget process and the budget system.

There are **two main deficiencies** characteristic of the development, approval and execution of the state budget making it inefficient and having a negative impact on the economic development rates, namely the excessive political sensitivity of the process of budget approval and the inefficient use of the available financial resources.

The **first deficiency** results from the fact that the Parliament considers both macroeconomic and structural parameters of the state budget simultaneously which is the main reason of the increased political sensitivity and noticeable deterioration of the State Budget Act. There is a need to separate in time the consideration of these two aspects specified below:

1) **Next budget year and medium term macroeconomic parameters of the state budget** *(the revenues by their main kinds; the expenses by their main functions; and the deficit by the sources of its coverage);* these parameters shall be approved together with the Economic and Social Development Programme and the Main Budget Policy Priorities; and
2) **Next year budget indicators**, as well as main funds managers and budget programmes *(in perspective, the same will have to be done for the medium term).*

To eliminate the second deficiency there is a need:

1) **to improve the application of the programme and target method** and put it in the core of the budget process in Ukraine; it shall also be used for the development and execution of all kinds of budgets in Ukraine; and

2) **to decentralize the development and execution of the state budget**, as well as pass the majority of functions from the Ministry of Finance to all other ministries, making the former responsible for the coordination and oversight of the budget process; it is also necessary that ministers report directly to the Parliament, as the main fund managers, on the use of the allocated funds and achievement of the results set by the State Budget.

Ukraine's budget system shall correspond to its administrative and territorial system, therefore it shall be reformed in accordance with the changes introduced into the latter. The two-level budget system shall be transformed into a three-level one and shall include the State budget, regional budgets and local budgets. The *regional budgets* shall be the budget of the Crimean Autonomous Republic and oblast budgets (future regional budgets), while the *local budgets* shall comprise rayon and community budgets (budgets of villages, settlements, town/cities and their associations).

The budget legislation shall clearly define the status of the regional and local budgets. Budget powers of regional and local self-governance bodies shall be defined on the basis of their authorities and functions. Thus, budget powers of Crimea shall reflect the peculiarities of the powers provided to its representative and executive authorities by the Constitution.

The budget legislation shall also clearly divide the budget powers between:
- public authorities and regional and local self-governance bodies of all levels;
- representative and executive bodies of regional self-governance; and
- representative and executive bodies of local self-governance of all levels.

The budget reform shall be reconciled with the tax and social reforms. In the context of the administrative reform, the budget and tax reform priorities shall include improvement of financial independence of the local self-governance bodies through the perfection of the local tax system and distribution mechanisms for nationwide financial resources between the state and the regional and local self-governments. The regional and local self-governments shall avail themselves of sufficient resources to be able to fulfil their own and delegated powers and functions. Any kinds of delegated powers shall be financially supported by means of interbudget transfers that need to be calculated on the basis of an economically grounded formula set by the constant budget legislation. It is also important that the interbudget transfer formula is developed and established in a transparent manner with involvement of representatives of the regional and local self-governance. Such formula shall not be influenced by the annual State Budget Act.

Regional and local budget revenues shall comprise their own and fixed revenues, and interbudget transfers. In order to improve their infrastructure, certain towns/cities meeting the criteria set by the Budget Code of Ukraine, as well as the Crimean Autonomous Republic shall be entitled to making internal and external borrowings. The regional self-governance shall be entitled to borrowings only if regional taxes and charges are established by law to provide the regions with their own revenues.

The *local budget own revenues* shall include proceeds from the relevant communal property, local taxes, as well as proceeds from administrative fines and other incomes established by laws and decisions of local self-governance representative bodies.

The *own revenues of communities, villages, settlements, towns/cities* and their associations, as well city district budgets shall include proceeds from the real estate tax; the land tax; the trade tax; the advertisement tax; the fixed agricultural tax; the single tax for business operators using a simplified taxation system; the market fee; the recreation fee; the permission fee for the location

of trade and service outlets; the fee for the right to use local symbols; proceeds from communal property; other local taxes and charges; and fines levied for the violations related to the payment of taxes and fees that form the revenues of local budgets. There is also a need to consider the possibility of attributing a share of personal income tax to the local budget own revenues. Such a share could be established by the local self-governments as a supplement to the nationwide rate of this tax.

The *local budget fixed revenues* shall include the nationwide taxes and charges and full amounts of mandatory payments attributed by the constant legislation to the local budget revenues or parts thereof as established by relevant deduction standards approved by the Budget Code. Such deduction standards shall not be changed by the annual State Budget Act.

The *community fixed revenues* shall include proceeds from the personal income tax, state duties, and other proceeds related to the licensing and registration of business operators.

The *rayon budget own revenues* shall be established on the basis of functions and powers that will be provided to rayon authorities as a result of the administrative reform and reform of the administrative and territorial system.

The *rayon budget fixed revenues* shall be established on the basis of functions and powers that will be provided to the rayons as a result of the administrative reform and the reform of the administrative and territorial system.

The *regional budget revenues* shall include its own and fixed revenues and interbudget transfers.

The *region budget own revenues* shall include proceeds from regional taxes and charges, administrative fines and other proceeds established by Ukrainian laws and decisions of regional self-governance bodies.

The *regional budget fixed revenues* shall include nationwide taxes and charges, as well as mandatory payments attributed by the legislation to the regional budget revenues in the amount set by dedication standards established by the Budget Code. Such deduction standards shall not be changed by the annual State Budget Act.

Revenue capacities of various local and regional budgets can be levelled by means of interbudget transfers. The levelling criteria and calculation principles for transfer formulas shall be transparent and established by the constant budget legislation. They shall also be developed with involvement of representatives of the local and regional self-governance. The general calculation formula shall envisage the definition of the transfer amounts for each budget type: regional budgets; rayon budgets; budgets of towns/cities that meet the criteria established by the budget legislation. The local budget own revenues shall not be included into transfer calculation formulas and shall be fully used for the allocations to the improvement and development of the communal property and infrastructure, and exercise of the indigenous local self-governance powers set by law.

Allocations of all types of regional and local budget shall be defined on the basis of powers and functions envisaged by the current legislation for the relevant self-governance bodies. The amount of expenditures for the exercise of the delegated powers shall be sufficient for the provision of the services guaranteed by the state in accordance with the standards set by law.

To ground the local budget allocations for the delegated powers and to establish oversight over the fund spending, it is important **to introduce standards for the provision of the main social**

services which shall become the basis for the calculation of interbudget transfers. The total scope of local budgets and their weight in the consolidated budget shall be defined with due account of such standards and the number of consumers of the relevant services.

The system of interbudget transfers envisaged by the Budget Code of Ukraine shall be improved in order to use target transfers that would make it possible to improve the interest and responsibility of their beneficiaries for making better use of funds and for executing programmes funded by such transfers in a more efficient way.

Generally, the powers of local self-governance shall shift from the delegated to the indigenous ones, which shall ensure further fiscal decentralization and increase of the capacity of local self-governance bodies to pass independent decisions in the interest of the public and with its support.

To improve the efficiency of the use of financial resources of the local and regional self-governance, it is necessary to introduce the programme and target method into the budget process of Ukraine for the development and execution of both the State Budget, and the budgets of regional and local self-governance. This method shall be introduced as a system for planning and management of budget resources in the medium term aiming at the development and execution of budgets of all levels on the basis of budget programmes and sub-programmes oriented towards the final result. The programme and target method also envisages that any budget allocations shall be provided exclusively for the purposes that meet the medium- and long-term objectives of the development strategy of each territory. Provided it is properly used, this method will make it possible to considerably improve the efficiency of distribution and use of budget resources to fund the most efficient programmes, as well as to replace the existing principles, that are used to provide funding to the inefficient infrastructure of budget-funded organizations and institutions, by the principle of funding the services that should be provided to the public in accordance with the guarantees set by the state and local self-governance bodies. The main conditions for the introduction of the above method, both at the nationwide, and at the local levels, is the democratic style of administration and reporting to the society on the use of funds.

To improve the transparency of the budget process, there is a need to introduce public hearings on budget issues where an executive body would present a report on the execution of the previous year budget and a draft budget for the next year. In order to provide the public with regular and profound information, it is important to envisages a variety of possibilities to publish information on the budget address and the draft budget, its execution with the explanation of the main budget programmes, analysis of the execution of the previous year budget and development priorities of the relevant community, rayon or region in the next budget year, as well as in the medium- and long-term period.

3.6. Reform of Public Civil Service

One of the priorities of the public administration reform is the public civil service reform (in particular in public executive authorities) and the service in local self-governance bodies.

Such reform shall aim at the establishment of the professional, politically neutral and trustworthy civil service.

Political offices shall be excluded from the civil service system. Taking into account the nature of powers, the appointment (election) or dismissal procedures, as well as kinds of responsibility, it is the offices of members of Government and deputy ministers that shall be regarded as political first of all. In local self-governance bodies, offices of chairmen and members of local councils shall also be regarded as political.

Political figures shall be distinguished from political servants, who are employees selected by political figures to work for their patronage services (political cabinets). Such servants are employed without a competition for as long as the relevant political figure stays in office.

State and municipal servants occupy administrative (bureaucratic, service) posts or the posts related to the performance of organization, management, consultation and advisory functions.

The matter of principles in the civil service reform is the need to ensure political neutrality of civil servants. To this end, a law needs to be passed to prohibit public servants to be involved in political activities, and to ban top servants to be members of political parties or demonstrate their political views in public.

Since the current classification of civil service posts into seven categories makes it difficult to ensure equal legal regulation within one category, a new system of categories should be set:

- Category A: heads of authorities (secretariats)
- Category B: heads of structural subdivisions
- Category C: experts and specialists

Objectivity and transparency in employment and promotion of civil servants shall be ensured my means of a real competition for employment and promotion.

The administration of the civil service shall also be reformed (it is the main feature of the civil service as compared to the service in the local self-governance bodies).

Political administration of the civil service system shall be carried out by the Cabinet of Ministers. Relevant powers, including the responsibility for the issues related to the service in local self-governance bodies, can be vested into a member of Government in charge of the public administration.

Functional (methodical) administration of the civil service shall be carried out by a specially empowered public executive body (the Civil Service Administration as the successor of the Main Civil Service).

An independent collective body shall also be set up (modelled on the High Council of Justice) to give its consent to appointment of top civil servants, make decisions on violation of incompatibility requirements, initiate disciplinary proceedings against top civil servants and consider complaints against decisions to impose disciplinary penalties on other civil servants. The procedure for the formation of the Civil Service Council shall ensure its political neutrality, objectivity and fidelity to principles.

The functions of the civil service management within each public executive body shall be carried out by the top official with the status of the civil servant. Thus, in ministries and oblast state administrations shall functions shall be performed by heads of secretariats, and in other public executive bodies – their respective heads.

Reform of the remuneration system shall aim to preserve competitiveness of the civil service in the labour market, therefore the public service remuneration shall be close to the salary in the private sector. A established official salary shall be considerably increased and in general make up 80% of the remuneration. The list of additional payments shall be fixed by law. The differentiation of labour remuneration shall be strengthened with due consideration of each servant’s level of responsibility to ensure quick growth of salary at the beginning of the carrier, as well as to decrease the interdepartmental and local discrepancies.

The civil service rank scale should be changed to ensure flexibility in the definition of the servant’s qualification and remuneration. The number of ranks shall be sufficient to stimulate the servant’s growth over the entire service period.

There is also a need to accomplish the development of the system of regular result-oriented assessment of civil servants.

The reform of the disciplinary responsibility system in the civil service shall aim at passing to a collective consideration of disciplinary cases and envisaging a more flexible system of disciplinary penalties.

There is a need to ensure continuous training of civil servants and improvement of their qualification.

3.7. Exercise of Political Functions by Ministries

Strategic Planning and Policy Development

Any ministry should act on the basis of a strategic plan.

Strategic planning is the programming of a long-term strategy for the sector development focused on the long-term perspective of the ministry's (and the Government's) operation in such a sector of public administration. It shall define the aims, the means to achieve such aims and the expected development results, as well as include the mission definition.

These parameters shall be reflected in a formalized document (e.g. Sector Development Strategy Paper).

Public policies in any public administration sector shall be developed in accordance with the strategic plan.

The public policy development process shall go though a number of stages:

1. *Problem Definition*. This is the stage to analyze the events and facts evidencing the existence of a social problem, its conception and political interpretation.

2. *Development of Potential Measures for the Social Problem Solution.* At this stage it is important to develop and consider a number of conceptually different alternatives for the problem solution. To a considerable extent, the success depends on the forecast of potential consequences of the application of each policy variant.

3. *Choice, Approval, and Organization of the Public Policy Implementation.* The minister as a politician has a key role in this issue. The minister (independently or together with the Government) shall choose the optimal variant for the problem solution and legitimize it by drafting legislation (a bill, a draft resolution of the Cabinet of Minister or a draft order of the minister etc) or a program etc.

Here it is advisable to use the experience of Western countries as concerns the use of such instruments as Green and White Books. In particular, if the Government want to receive observations and proposals of the Parliament, the interested stakeholders, and the public about various alternatives of the proposed public policy, it publishes the White Book. Its aim is to help the government to attract the attention of the citizens to the problems or emerging possibilities, as well as to reveal their attitude to the potential problem solutions or the use of the possibilities available. The White Book is published on the results of consultations and consideration of proposals and recommendations.

The White Book sets out detailed information (a detailed statement) about the policy representing the Government's positions. Its main aim is to help the leadership to inform the public on the policy implemented in response to the new needs and possibilities and to find out the reaction of the society. Publication of the White Book is usually supported by the relevant minister's speech in Parliament.

Proper methods should also be used for public consultations (for the purpose of problem discovery, development of solution alternatives etc), in particular such methods should include focus groups, written consultations, studies, public opinion surveys, questioning, interviews, hot

lines, consultative groups, seminars (conferences), public hearings, public councils, advisory committees, open working groups etc.

When choosing a public policy alternative, the minister as a political figure shall express and defend the social and political interests. The ministry staff shall function as experts to provide the minister with the necessary information, as well as to define and implement the measures in accordance with the decisions passed on the new public policy.

Monitoring and Control

Public Policy Monitoring and Assessment. One of the most decisive factors for successful implementation of the public policy is the organization of the continuous and careful monitoring of the policy measures and social changes related to their implementation. It is also important to set up special policy monitoring offices (units) simultaneously with approval of the detailed plans for the public policy implementation.

The monitoring results shall form the basis for the police assessment in order to define its usefulness for the society in general, as well as for individual groups and sectors. The monitoring and assessment will make it possible to reveal new social problems, develop proposals on their solution and organize the development and approval of the new public policy or its amendment.

The structural and organization plan for the development and implementation of the public policy by the ministry shall look as follows:

1. The ministry analytical sections shall use the monitoring and changes in the sector to reveal problems, develop alternatives for their solution and, if necessary, organize their discussion, as well as drafting of political documents.
2. The minister as a political figure shall present the proposals developed by the ministry at higher levels of public authorities (the Cabinet of Ministers, the Verkhovna Rada) for the adoption of relevant political decisions. The ministers can also pass such decisions himself within the framework of their competence.
3. The ministry staff shall specify (operationalize) the adopted norms, by transforming them into specific measures, and organize the implementation of such measures.
4. The ministry system (in particular, the government bodies) shall implement the public policy, and administer laws and other legal acts.
5. The ministry control and analytical offices shall develop and monitor the changes in the relevant sector as a result of the public policy implementation and, if necessary, draw attention to the problems that require solution.

Normative Regulation and Regulation Drafting

The ***normative regulation*** means one of the forms of policy implementation, while ***regulation drafting*** is one of the most important tasks of the ministry which includes a number of mandatory stages.

A *regulation proposal* means a submission by any subject of legal relation of a motivated proposal to adopt, change or cancel a normative act. A regulation proposal shall be presented in the form of *a concept of the draft normative act* as a document that includes the grounding of the alternative chosen for the problem solution and that defines the principles of the normative and legal settlement of such problem.

A normative act is drafted upon the approval of its concept by: subjects of regulation powers; subjects of the regulation initiative; consultative, advisory and auxiliary bodies and services, working groups etc.

Afterwards, the normative act is submitted for the consideration of the subject of regulation initiative. The *regulation initiative* means the official submission, in accordance with the established procedure, of the draft regulation for the consideration of the relevant subjects of regulation powers. The draft regulation shall be submitted together with the explanatory note, reference and analytical materials, expert opinions (scientific, legal, economic, criminological, environmental etc).

Draft regulations shall be carefully studied by experts to ensure their high quality, substantiation and timeliness. It should also help to reveal its potential positive and negative consequences.

If necessary, draft regulations shall also be submitted for a *public discussion*. For this purpose, a draft regulation should be published in the printed and electronic media, as well as disseminated in any other possible manner.

The results of the expert study and public discussions should be taken into account by the subject of the regulation powers for the consideration purposes.

3.8. Relations of Public Administration Authorities with Citizens

Administrative Procedure

One of the priorities of the public administration reform which touches upon every citizen is a practical and fair legal regulation of procedures for relations between public administration authorities and individuals.

Under a general rule, the administrative procedure shall be simple and efficient. In the cases, when any administrative act may touch upon rights and legal interests of other persons (interested parties) or when additional procedural actions are required (discovery of documents or information, expert examination, reconciliation, organization of hearings etc), a formalized procedure defined by law shall apply.

The state shall guarantee every one the right to an unbiased and fair settlement of their cases within the rational period of time. A special attention shall be given to the procedural guarantees of protection of rights of individuals (addressees of administrative acts or interested parties) which shall include the following:

- security of the private right to be heard before an administrative body passes an individual decision (administrative act) which can have negative consequences for the individuals concerned;
- access to the case materials used as a basis for the decision;
- limitation of discretion powers of administrative bodies;
- administrative acts shall be grounded;
- recognition of the private right to assistance and representation in administrative proceedings;
- any administrative body shall notify the person concerned of appeal procedures to complain against the administrative acts and relevant legal remedies.

Everybody shall also be guaranteed the right of compensation of damages caused by the public administration.

Such rights shall be fixed in legislation (in the law on the administrative procedure or the Code of Administrative Procedure). They shall be valid in relations with all public administration bodies without exceptions. Principles and rules set in such legislation shall penetrate into all other legal acts that concern the relations between individuals and public administration bodies.

Administrative Services

One of the most far-looking steps of the public administration reform and its ideological basis shall become the implementation of the doctrine of administrative services. Recognition of an individual, human life and health, honour and dignity as the highest social values requires reinterpretation of the role of the government and the drastic change of relations between the government and the citizen. Citizens should not be petitioners in the relations with public administration bodies but rather service consumers.

Here the primary attention should be given to prevention of provision of commercial services by public administration bodies, which discredits the very idea of public services in the eyes of the people. In addition, provision of chargeable services results in an inefficient use of public resources and improper execution of public tasks.

An administrative service means a positive public official action undertaken by a public administrative body on the request of an individual or a legal entity and aiming to ensure (or legalize) conditions for the exercise of subjective rights or execution of duties by individuals or legal entities.

Currently, provision of administrative services features many drawbacks including:

- Existence of unjustified administrative services;
- Division of administrative services into smaller paid services;
- Shift of the duty to collect of certificates and reconciliations to individuals;
- Unjustified payments for certain administrative services;
- Unjustifiably high payments for certain services;
- Limited number of days and hours for the reception of citizens;
- Problems with the access to the information necessary to receive administrative services;
- Unjustifiably postponed deadlines for the provision of certain services;
- Controversial legal regulation and improper regulation of procedural issues;
- Practical obligation of individuals to receive accompanying paid services and pay “voluntary” charitable contributions.

However, the main drawback in the provision of administrative services is that administrative bodies treat individuals as petitioners. They are also more orientated not towards the satisfaction of the person’s expectations, but rather formal pursuance of rules. Therefore, the most important task of the administrative services doctrine is to introduce the attitude to the person as a consumer or a customer. This means a focus on the satisfaction of the request of the individual in the same way as it is done in the private sector.

The following shall be done to improve the quality of administrative services:

1) To separate the policy-making intuitions and the bodies in charge of day-to-day administration. In the latter group, it is necessary to single out the bodies providing administrative services and focus their attention on provision of high quality services;

2) To minimize the number (nomenclature) of administrative services preserving only the services justified by public interests. For these purposes, all services shall be regrouped:
    a. Services that shall be further provided by public authorities and local self-governments;
    b. Services that can be abolished with no harm to the society or the state;
    c. Services provision of which can be passed to non-government entities by delegation or privatization and shall be provided under the government's or self-government's oversight or responsibility.

   The number or nomenclature of administrative services shall be revisited contumeliously;
3) To maximally decentralize the provision of administrative services. The majority of administrative services shall be provided by local self-governance bodies. It will bring administrative services closer to consumers which will be not only convenient for them, but will also help to define their needs and expectations more accurately and will increase the responsibility of the government. Administrative services can also be provided by non-governmental institutions or professional self-governance bodies which can be commissioned to do it either through an open tender mechanism or by delegation. Execution of public tasks passed to other institutions shall be supported by relevant public funding;
4) To regulate the procedure for the provision of administrative services. Such a procedure shall be based on the principles of integrity (effectiveness) of the administrative services and "one-stop" approach, which means that an individual needs only to file a request and, if required, the minimum number of documents, while collection of certificates and reconciliations shall be done within the administration (either within one administrative body or between a number of them); this task shall not be put on the person. Establishment of the administrative service procedure shall be guided by the final result, while division of an administrative service into smaller ones shall be avoided;
5) To set up conditions under which institutions providing administrative services could organize their work on the basis of the private sector principles. First and foremost, this should be extended to the staffing, personnel management, and labor remuneration;
6) To develop standards of administrative services similar to the private sector. Quality standards and assessment of administrative services should be based on the following criteria: effectiveness, timeliness, accessibility, convenience, openness, respect to the person, and professionalism. The standards of administrative services shall be regularly revisited and improved;
7) To create "service supermarkets" to make it possible to get all or at least the most wide-spread administrative services provided at a certain administrative and territorial level in one place; to organize the reception of citizens during all business hours; to organize payment for services on site etc. For this purpose, at the first stage of the reform the cooperation between public executive authorities and local self-governance bodies shall be especially encouraged.

Normally, administrative services would be provided for money. The service fee in this case shall be defined by law or in accordance with the procedure set by law. The fee shall be fixed and it should be defined on the basis of primary cost of this kind of service.

"Intervention" Proceedings and Control

The legislation on the administrative procedure shall introduce one key innovation, in particular, it shall regulate the "intervention" proceedings or the cases when administrative bodies initiate and make decisions that entail certain implications for rights and interests of a specific individual

(individuals). Such cases need to be accurately regulated in order to protect private rights and interests in the decision-making process.

Thus, an administrative body shall notify the individual whose rights and interests can be affected by its decision about the fact that such a decision is under preparation (or that a specific case is under consideration). The notification shall also provide information on the right of the individual to get acquainted with the materials of the case that will serve as a basis for the relevant decision, as well as the right to participate in the proceedings and to provide explanations (objections) to the administrative body.

Individuals whose rights and legal interests are affected by the decision of administrative bodies shall be officially notified and provided with explanations and information on the appeal procedure.

A special category of intervention proceedings includes inspections and exercise of other control and oversight functions by administrative bodies. The inspection procedure shall be regulated in detail by law. In particular there is a need:

1. To establish the legal regimes of inspection and other types of control powers;
2. To establish a clear and exclusive list of grounds for inspections;
3. To limit the number and duration of inspections of business operators etc;
4. To establish that an administrative body shall notify the individual of a planned inspection;
5. To entitle an individual to submit explanations and additional documents or information to the administrative body before it passes its decision on the results of the inspection;
6. To entitle an individual to use technical means to record the inspection etc;
7. To establish a procedure for the access to private premises, retrieval of information, obtaining of documents, acquisition of product samples etc; and
8. To establish that the oversight bodies shall be obliged to notify the individual (interested party) concerned as soon as possible of the results of the inspection etc.

It is necessary to drastically decrease the number of the oversight bodies.

Developing new control and oversight relations, it is also important to provide administrative bodies with powers sufficient to protect public interests.

Administrative Liability

Reform of the administrative liability is an important part of the public administration reform.

It shall be established that administrative penalties shall be applied only by administrative bodies and not by the court. The offences that currently fall under the administrative jurisdiction (petty hooliganism, pilfering etc) shall be taken out of the administrative justice and be classified as criminal misdeeds.

A fine shall be the main kind of the administrative punishment and it shall be paid only through banks.

If an administrative offence is established, administrative penalty can be imposed as follows:

1) If an individual guilty of the offence is known, and this individual admits the guilt, an official of the administrative body (further referred to as “the authority”) shall draft a Penalty Act (in a simplified form) and define the amount of the penalty. To avoid abuses, the individual to whom a penalty is applied shall confirm the admittance of guilt, for example, by making a relevant record or signing the act;

2) If an individual does not admit his/her guilt, the administrative authority shall:

a. Draft an Offence and Penalty Act if the authority considers that the individual is obviously guilty and has proper evidence. The Act shall describe all essential circumstances of the case including the explanations (objections) of the individual (signed by the individual), as well as motives (grounding) of the decision passed;
b. Draft an Offence Act if the guilt of the individual is subject to proof. The Act shall describe all essential circumstances of the case including explanations of the individual (signed by the individual).

The administrative body shall use the above and the investigation materials (expert examinations, hearing of the suspected individuals, witnesses etc) to pass a decision on the application or rejection of the administrative penalty. Here the following private rights shall be envisaged:

- to be heard before the decision is made;
- to participate in the proceeding and be represented;
- to get acquainted with the materials of the case.

If in the course of the investigation the individual is proved guilty, the administrative authority shall draft an Offence and Penalty Act.

In the first variant, the individual preserves the right to judicial appeal, which should be limited to one judicial authority.

In the second variant, the individual shall be able to appeal both to an administrative and judicial authority against the decision to apply an administrative penalty. A decision shall be appealed to the administrative court.

Administrative Appeal Procedures

Another important element of the public administration reform and legal regulation of the administrative procedure is improvement of administrative (pre-trial) mechanisms of appeal against decisions, action and omission of action by public administration authorities.

It is important to develop the provisions on the administrative appeal as a means to protect private rights and legal interests of individuals in their relations with the executive and local self-government authorities due to its convenience and cost-effectiveness for an individual. It will also help to decrease the burden on the judicial system.

Since many units of public administration lack hierarchy and many agencies are vested with exclusive competence, the traditional concept of administrative appeal as an appeal to the higher-level authorities shall be revisited.

In particular, it is advisable to envisage a private right to address to the public authority that passed a relevant decision with a petition (complaint) to reconsider the decision (case). This will help to eliminate a conflict between the government and the citizen within one specific authority.

One of the prospects to improve the mechanisms of administrative appeal is to introduce special appeal institutions to consider complaints, especially in those administrative authorities that get many of them. Such institutions shall guarantee an unbiased approach in the consideration of complaints and the objectivity of the procedure. In the majority of cases such appeal units (institutions) should be formed with involvement of public representatives. This will improve the objectivity of the process and the trust of citizens into the administrative appeal as a pre-trial procedure.

The administrative appeal shall be based on the general principles and rules of the administrative procedure.

E-Government

The government's transparency and subordination to the society can be ensured through the implementation of the technological aspect of the reform – the electronic government.

The e-government provides every individual or legal entity with a possibility to use the Internet and address themselves to the public authorities with requests to provide necessary information or take legal actions.

To establish and develop e-government in Ukraine, there is a need to do the following:

1. to organize electronic circulation of documents at public administration bodies;
2. to raise public awareness on the activities of public administration bodies by means of information technologies;
3. to provide individuals with possibilities to address themselves to the public administration bodies by means of information technologies; and
4. to organize provision of administrative services by means of information technologies.

3.9. External Oversight of Public Administration

Judicial Oversight

Judicial oversight of the public administration guarantees the rule of law in the public and legal relations. Judicial oversight in Ukraine is exercised by the Constitutional Court and courts of general jurisdiction.

The Constitutional Court checks the constitutionality of the presidential and governmental acts.

General jurisdiction courts protect human, civil and corporate rights from violations committed by the public administration. They settle disputes that arise from the exercise of executive government and local self-government powers. A particular feature of this kind of oversight is that it is always initiated by persons who consider their rights to have been violated.

In Ukraine, disputes related to the actions of public administration are (will be) attributed to the jurisdiction of administrative courts that (will) settle them in accordance with the rules of the administrative procedure. Specialization of courts and judicial procedures shall increase the efficiency of the judicial control in administrative cases. The need to set up administrative courts was called forth by the necessity to ensure accessibility of justice in administrative cases and independence of judges at the same time. Therefore, the powers on the settlement of administrative cases by the primary judicial authority have been divided between rayon courts and district administrative courts.

Administrative proceedings are based on special rules due to a particular nature of public legal relations where its participants find themselves having unequal possibilities. Since disputes here usually arise on the fault of public administration, the burden of proof of the lawfulness of its decisions, action or omission of action shall be put on the administrative authority. In administrative justice, the principles of competitiveness and discretion are supplemented by the principle of the official character of proceedings according to which the court shall undertake all measures envisaged by law to protect the rights violated by public administration. For this purpose, the administrative court is vested with powers to collect evidence on its own initiative, as well as to go beyond the demands of the parties to the extent necessary for full protection of private rights.

Parliamentary Oversight

Public administration shall operate under a full-fledged parliamentary oversight.
Since the Parliament is a political body, the Cabinet of Ministers of Ukraine shall be in the very focus of the parliamentary oversight.

One of the main mechanisms of the parliamentary oversight is the hearing of the reports on the activities of the Cabinet of Ministers as a whole and the activities of individual members of government. These reports are used to assess not only the general status of affairs in the country or in certain sectors of public policy, but also the appropriateness and efficiency of government's actions. Negative assessment of the report shall result in the consideration of the responsibility of the Cabinet of Ministers (or its individual members). If the Verkhovna Rada votes no confidence in the Cabinet of Ministers, the government shall resign.

The Government Day in Parliament is a different form of government's reporting, as its main aim is to inform members of parliament and the society on the status of individual sectors of public administration or certain individual issues. No decisions are passed on the results of Government Days.

As another form of parliamentary oversight, members of parliament are entitled to forward their requests to the Cabinet of Ministers of Ukraine and top officials of other public executive and local self-government authorities who are obliged to provide the information required.
To organize investigation on the issues of public interest, the Verkhovna Rada can set up temporary investigation commissions. This parliamentary mechanism is especially important for the opposition since a temporary investigation commission is created on the consent of only one third of the constitutional number of members of parliament.

One of top oversight bodies in the public finance area is the Accounting Chamber. The Accounting Chamber is vested with a special constitutional competence to exercise an independent external control of the receipt and distribution (re-distribution) of all public funds, and other financial resources of the state and local self-governance bodies. It also oversees the formation, preservation and use of the property, as well as tangible and intangible assets and liabilities of the state and local self-governance bodies (constitutional amendments required). The Accounting Chamber is entitled to establish its regional representative offices and delegate some of its expert and analytical, as well as control and audit powers to such local offices.

Another type of the target parliamentary oversight of the public administration is the office of the parliamentary Ombudsman. However, the Ombudsman's possibilities to react to the violations human rights by the public administration need to be enhanced.

Oversight by Local Councils

All bodies, institutions, companies and organizations responsible for the implementation of the communal policy and fulfilment of the local objectives shall be under the oversight of the local council. Local councils shall be able to cease the operation of other subjects of communal administration (especially those established by the council) which is either illegal, or inefficient.

The local council should keep the right to cancel the decisions made by the executive committee (or executive bodies). The council shall also have legal possibilities to stop the inefficient management of the communal property. In particular, the council should be able to deprive the bodies of public self-organization and communal companies, which have received certain property for its management, of the right to manage such property if it is not used in a proper way.

Local councils shall oversee the execution of their budget decisions.

The oversight tools can also include the termination of powers delegated to other local self-governance bodies, executive power bodies, as well as companies, institutions, and organizations.

For the proper exercise of the above powers, the organizational forms of activities of the council and its bodies shall be developed. Thus, there is a need to regulate the procedure for the checkup of the status of the execution of Ukrainian laws and council decisions by standing and temporary council commissions, as well as for the establishment of circumstances by the council members. It is also important to increase the role of civil associations in the support provided to the council as concerns the implementation of its oversight powers.

Public Oversight

Public oversight is an important aspect of the reform, and it needs to be efficiently introduced.

Its primary objective shall be to ensure openness of the public administration. To this end, it is necessary to reform the legislation on information, in particular to define clearly the types of public information and the procedures for its mandatory (automatic) publication, to create possibilities for a broader access to it, as well as to establish the procedure for provision of public information on the request of individuals. The scope of restricted information shall be minimal, while limitations shall be grounded and clear.

The second objective is to ensure the right of the individuals affected by the decisions passed by the public administration to testify before the decision is made and to read the materials of the case. If certain decisions of the public administration concern many people, representatives of civil organizations shall be able to participate in the relevant proceedings and defend (represent) the interests affected. This mechanism is an important kind of preventive public oversight.

In addition, the following public oversight tools shall be applied:

1) public debates of proposed administrative decisions and consultations with representatives of the public before the adoption of such decisions;
2) reporting by public administration officials to the public; and
3) establishment of advisory bodies to public administration authorities with public representatives involved.

Such public representatives shall include not only representatives of civil organizations and professional self-governance bodies, but also independent experts and other individuals.

3.10. Public Institutions, Companies and Other Organizations Performing Public Functions

Reform of public administration bodies shall go in line with the reform the public sector including public and communal institutions, organizations, and companies. Primarily, it is necessary to regulate the settlement of statutory issues related to these institutions.

The functioning of such institutions aim at provision of public services, as a rule, of the intellectual (or complex technical) nature, if provision of such services needs to be financed at the expense of the public funds. Thus, such institutions should be set up with support of direct public funding.

Companies are set up by public authorities and local self-governance bodies to operate and provide services that cannot be (are not provided voluntarily) by the private sector, but are required by people or the government.

The status of a company shall be provided only if the operations of an organization aim at making a profit. State companies should be set up (preserved) if it is necessary to preserve a long-standing control of the resources that are vital for the state and the society, or there are other strategic interests of the state, of there is a need for capital investments that cannot be made by the private sector. A particular feature of state companies is that, unlike other public organizations, they shall organize their activities and function on the basis of the private law. A state or communal company also cannot set up other business operators.

A public organization shall not be provided with the status of a company if it is involved in the policy making, exercise control or oversight functions in relation to other organizations, issues unfavourable administration acts and gets a full funding from the state or local budget.

Public institutions and companies should be eliminated or privatized if the private sector ensures provision of all relevant services, and an individual has a possibility of a free choice of services.

The public sector shall not compete with the private sector. The government shall only do what the private sector does not, will not or shall not do.

In this sense, the following public services shall be distinguished:

a) public services or services provided by public authorities (usually only by the executive branch) and public establishments, organizations, and companies;
b) municipal or services provided by local self-governance bodies and communal institutions, organizations, and companies.

By the subject responsible for the provision of public services and by a source of its funding (type of the budget), services provided by local self-governance bodies and non-state institutions, organizations, and companies due to the powers delegated by the state can also be classified as public services, while services provided at the expense of local budgets can be regarded as municipal services.

IV. Support to Public Administration Reform and Its Stages

Policies and Organization

The public administration reform needs a comprehensive mechanism of organization support.

It is especially important to ensure that the Cabinet of Minister plays a leading role in the initiation and implementation of the public administration reform measures. For a certain period of time, there shall also function a special member of the Cabinet (a Vice Prime Minister or a Minister Without Portfolio) vested with all necessary interdepartmental powers to exercise political leadership, development and implementation of such measures on all reform priorities.

All changes concerning the public administration shall be implemented only upon an opinion issued by the member of Cabinet of Ministers in charge of the administrative reform.

To prepare the reform of the administrative and territorial system, an advisory body (a council or a commission) shall be formed jointly by the President of Ukraine, the Parliament and the Government of Ukraine.

In addition, to provide support to the members of the Cabinet of Ministers in the conduct of the local self-governance reform, including the changes of the administrative and territorial system, there is a need to introduce the offices of the Authorized Representatives for the Administrative Reform, including in the regions. Such authorized representatives shall provide the advisory, methodological and other support in the implementation of the local self-governance reform. These offices can be included into the staff of the oblast state administrations.

The member of Government in charge of the administration reform shall be supported by the Ministry of Justice, the Ministry of Finance, and the central executive authority for the civil service affairs. These authorities also need to be reformed. Thus, the competence of the Ministry of Finance shall be extended not only to the Treasury, but also to other bodies such as tax authorities, the customs service, and the control and oversight office, while the competence of the Ministry of Justice shall cover such issues as registration of citizens and corporations, title registration, and the penitentiary system.

One of the ways to ensure the institutional support to the public administration reform is a radical reform of the Ministry of Internal Affairs to make it compliant with the European standards. The militia (police) shall be transformed into an ordinary governmental body in the system of the Ministry of Internal Affairs. The competence of the Ministry shall be considerably extended by the powers necessary for the formation of the domestic policy, protection from emergency situations, border service etc. The reformed Ministry of Internal Affairs shall also be in charge of the continuous modernization of the public administration, political aspects of regional policies and the area of local self-government. Alternatively, the Ministry for Public Administration and Regional Policies could be set for a transitional period to exercise the above powers.

The central executive authority for the civil service affairs shall be subordinated to the Cabinet of Ministers. In addition, as one of the steps of the civil service reform, there is a need to establish an independent collective body that would be in charge of appointment and dismissal of top civil servants.

Legislation

Public administration reform shall be supported by the adoption of the following laws:

- On the Cabinet of Ministers;
- On Ministries and Other Central Public Executive Authorities;
- On Civil Service;
- On Service in Local Self-Governance Bodies (new version);
- On Local State Administrations (new version);
- On Administrative and Territorial System;
- On the Local Self-Governance in Ukraine (new version) (or two new laws on the Community Self-Governance and on the Rayon Self-Governance);
- On the Status of Oblasts and Regional Self-Governance;
- The Budget Code of Ukraine (new version or amendments);
- The Tax Code of Ukraine (new version or amendments);
- On the Accounting Chamber (new version or amendments);
- On Communal Property;
- On Administrative Procedure (the Code of Administrative Procedure);
- On Regulations; and
- On Information (new version)

The Law on the Cabinet of Ministers has a crucial importance for the reform, since in its absence it will be impossible to develop legislation necessary to reform other elements of the public administration. Enactment of this law will solve many issues like:

- definition of the composition of the Government and its formation procedures;
- forms of the Cabinet's work;
- procedures for the delegation of the Cabinet's functions and powers;
- relations of the Cabinet with other executive authorities, the President and the Parliament;
- organization and logistic support to the Cabinet's work.

The Law on Ministries and Other Central Public Executive Authorities will set the following:

- kinds of central public executive authorities, their main objectives, principles, and organization of their work;
- new structure of the ministry leadership;
- general competence of the central public executive authorities;
- objectives, organization and activities of government bodies.

The package of laws to be passed and implemented shall also include a new version of the Law on Civil Service which shall:

- separate types of offices in public authorities;
- establish the principles of political neutrality of civil servants;
- reform the system of civil servant classification by categories;
- establish of procedures for civil service employment competition;
- establish of procedures for evaluation of civil servants;
- reform the civil servant remuneration system;
- set the disciplinary penalty rules etc.

Similar problems of service in local self-government offices shall be solved by the adoption of a new version of the Law on Service in Local Self-Governance Bodies.
Reform of the administrative and territorial system of Ukraine shall be implemented through the Law on Administrative and territorial System in Ukraine which shall clarify the following issues:

- merger of communities;
- definition of the territory and boundaries of administrative and territorial units;

- procedures for the solution of issues related to the administrative and territorial system.

Accordingly, there will be a need to amend the Law on Local State Administrations, pass a new version of the Law on Local Self-Governance in Ukraine, and later on adopt the Law on the Status of Oblasts and Regional Self-Governance.

The Budget Code shall define:
- the budget powers of the local self-governance bodies and public authorities;
- the principles of interbudget relations as concerns the distribution of revenues and expenditures between different units of the budget system and different budgets;
- broad revenue basis for local budgets;
- improvement of the mechanisms of interbudget transfers in combination with the mechanisms of distribution of tax revenues, introduction of the program and target method for the purpose of formation and implementation of the budget.

The Tax Code shall provide for a new definition of the list of local taxes and charges, by having complemented it with such new taxes as the private income tax; the single tax; the land tax; the real estate tax and the tax on movables. The Tax Code shall also establish the invariability of its provisions on the main tax elements for a clearly set minimal period of time, e.g. 5 years.

The Law on the Accounting Chamber (with due consideration of the constitutional amendments) shall extend the powers of the Chamber, in particular as concerns the oversight of the formation of revenues of the State Budget of Ukraine, audit of all public funds, cash and financial resources of the state and local self-governance bodies; formation, preservation, and use of property, tangible and intangible assets and liabilities of the state and local self-governance bodies; as well as definition of possibilities for the establishment of regional offices of the Accounting Chamber.

The Law on Communal Property shall define:
- the objects of the communal property right;
- the subjects of the communal property right;
- the content and the procedure for the management of the communal property objects;
- the legal regime for the use of every type of the communal property object; and
- the oversight of the management and use of the communal property objects.

The procedure of the external operation of the public administration, in particular as concerns adoption of administrative acts, shall be regulated by the Code of Administrative Procedure (or the Law on Administrative Procedure). This legislative act shall set forth the procedure for procession of applications filed by individuals and corporations, or on the initiative of administrative bodies, as well as the procedure of administrative appeal.

The procedure for development and adoption of regulations shall be established by the Law on Regulations. It shall specifically focus on the limitation of the number of bodies entitled to issue regulations, as well as on ensuring transparency of the decision-making by public authorities and forms of public participation in such procedures.

The Law on Information (new version) shall define the types of information, the procedures for promulgation of public information and the access to it, responsibility for the violation of the right of access to information etc. There are two very important principles here that need to be respected:

⇒ all information kept by public authorities shall be published;
⇒ the number of exceptions shall be limited, comprehensible and clearly defined; such exceptions shall also be subject to control in terms of the potential damage or impact on public interests.

Dozens of other related laws and regulations will also need to be revisited and amended.

Research

Public administration reform measures shall be developed on the basis of a sound methodological research. It is especially important to focus on the issues that are new for Ukraine, in particular the public administration doctrine, public service principles, problems of decentralization, deconcentration, delegation, regional self-government, professional self-government, and administrative procedure (or procedures).

Information and Education

Public administration reform shall be accompanied by a comprehensive information campaign addressed to the key reform targets. Such campaign shall be used to disseminate information on the content of key reform measures and expected results. Primarily, it is necessary to ensure that the society is properly informed on the reform objectives, its priorities and implications.

The information campaign shall especially target on a number of groups, in particular:
- individuals that occupy political offices of all levels;
- civil and local self-government servants; and
- the mass media.

To do this, target information materials and information campaigns should be prepared. It is also important to set up a feedback mechanism and ensure efficient monitoring of the changes in the public administration system.

Stages of Public Administration Reform

Stage I (by May 2006)

The Public Administration Reform Concept shall be approved by the President of Ukraine.

Before the Government is formed on the results of the 2006 parliamentary elections, there is a need to pass and enact the laws on the Cabinet of Ministers of Ukraine and on the Ministries and Other Central Public Executive Authorities.

The new Government will have to pass an Action Program for Public Administration Reform. In addition, it will be necessary to set up a commission for the local self-governance reform and reform of the administrative and territorial system.

If possible, it would be advisable to postpone the local election date, for example, till November 2006. The postponement of local elections could be done on the basis of the transitional provisions of the Law on Constitutional Amendments (bill No. 3207-1). This step would make it possible to complete the reform of the administrative and territorial system at the level of communities by 1 January 2007.

Stage II (by the end of 2006)

Priorities:

Reform of Public Executive Authorities. Function and sector analysis of the central public executive authorities and government bodies; introduction of the offices of the ministerial state secretaries; enactment of other norms of the Law on Ministries and Other Central Public Executive Authorities;

Reform of the Civil Service System. Adoption of the Law on Civil Service and the Law on the Service in Local Self-Governance Bodies (new version);

Administrative and Territorial System and Local Self-Governance Reform. Adoption and preparation of the implementation of the Law on Administrative and Territorial System in Ukraine, adoption of the Law on Local Self-Governance in Ukraine (new version), amendment of the Budget Code of Ukraine.

Administrative Procedure. Development of the Code of Administrative Procedure, development of the Law on Information (new version) and the Law on Regulations.

Stage III (2007-2010)

Priorities:

Reform of Public Executive Authorities. Institutional reform of the public administration sectors on the results of the function and sector analysis; decentralization and deconcentration of managerial functions and powers;

Reform of the Civil Service System. Implementation of the Law on Civil Service (new version) and a new version of the Law on the Service in Local Self-Governance Bodies. A special attention should be given to the reform of the training system for civil and local self-governance servants.

Administrative and Territorial System and Local Self-Governance Reform. Legal establishment of the status of the enlarged communities and rayons, introduction of the full-fledged local self-governance in rayons (elimination of rayon state administrations, transfer of their main powers to executive committees of rayon councils), establishment of mechanisms that can be used by the state to oversee the activities of rayon councils.

If the constitutional amendments related to the local self-governance are not enacted in 2006, another variant (methodology) of the local reform shall be chosen, in particular stimulation of voluntary unification of territorial communities. The “united communities” shall be vested with the full scope of powers related to the provision of public services, as well as relevant budget possibilities.

Administrative Procedure and Administrative Services. Adoption of the Law on Information (new version) and the Law on Regulations. Reform of the system of administrative services: electronic services, “service supermarkets”, privatization, delegation and introduction of competition etc.

Introduction of Regional Self-Governance. Adoption of the Law on Regional Self-Governance in Ukraine (with a prospect of its enactment after the 2011 elections); preparatory work for the purpose of optimization of oblast administrative and territorial units.

Stage IV (2011-2016)

Priorities:

Executive Authorities Reform. Further decentralization and deconcentration of management functions and powers; increase of autonomy of government bodies.

Civil Service System Reform. Training of civil and local self-governance servants.

Administrative and Territorial System and Local Self-Governance Reform. Completion of community enlargement (including by means of compulsory methods), further decentralization and privatization of public functions and resources.

Introduction of Regional Self-Governance. Optimization of the administrative and territorial system at the oblast level. Enactment of the Law on Regional Self-Governance in Ukraine; establishment by oblast councils of full-fledged executive bodies (through transformation of oblast state administrations); provision of justice and finance public offices with powers to oversee the activities of local and regional self-governance bodies.

Administrative Procedure and Administrative Services. Further improvement of the organization of provision of administrative services: electronic services, "service supermarkets", privatization, delegation and introduction of the competition, improvement of the service standards etc.

After the main measures of the public administration reform are implemented, there is a need for continuous monitoring of such measures and their adjustment.

V. Expected Results

The public administration reform in Ukraine shall achieve the following results:

1) Proper and efficient division of functions between different levels of public administration;
2) Practical, efficient and relatively stable system of executive authorities;
3) Practical and transparent development of the public policy with involvement of the public and other interested parties;
4) Financially self-sustainable communities able to provide the necessary scope of public services;
5) Functioning of the local self-governance at rayons as a unit supplementing the community self-governance;
6) Efficient, professional, politically neutral, and transparent civil service;
7) Fair legal regulation of the administrative procedure (procedures);
8) Minimization of the conditions for corruption;
9) Efficient legal mechanisms for the protection of citizens in the relations with public administration authorities; and
10) Efficient oversight by the Parliament and local councils, as well as the state financial oversight of the public administration operation.