CONTENTS

Professi	onal bureaucracy for effective state
SECTION	I. Continuing work over new draft law On the Civil Service - towards professional and legally protected European civil service
SECTION	II. Modernization and improvement of the state executive machinery's activities: creating conditions for focusing civil servants' activities on serving
	the people's needs
1.	Strengthening of human resources potential of the civil service in local executive bodies: proposals of the Main Department of the Civil Service of Ukraine
2.	"Action Plan for a New Minister" is the first attempt in Ukraine to make a practical guide to support the process of management of change of Government
3.	Implementation of quality management system in executive bodies – "synchronizing" private and public sector procedures and standards
4.	Initiative on Friendly Administration all-Ukrainian competition
	Functional review of executive bodies
6.	Comprehensive examination of executive bodies – tool of improvement of their work
SECTION	III. Implementation of new instruments of institutional development - integration of the
	Ukrainian public administration into the European administrative space
	SIGMA – monitoring of public administration and its approximation to the EU standards
2.	Twinning – cooperation of the Ukrainian public administrations with the public administrations
	of the EU member states
	executive bodies of Ukraine
	2.2. Institutionalization of the Twinning instrument management system
	2.3. Funding of the Twinning projects
	2.4. The preparation of the first Twinning projects
3.	TAIEX
SECTION	IV. The implementation of trainings in the education of civil servants –
	forming civil service groups of new type
1.	Policy analysis groups in the central executive bodies, the Secretariat of the President of Ukraine and the Secretariat of the Cabinet of Ministers of Ukraine—ensuring the new role of civil servants
0	as experts in policy analysis
	The agreements of the Main Department of the Civil Service of Ukraine with regional administrations and regional councils – extending the acquired European management experience at a regional level
3.	Conducting the trainings in the regions using a new methodology – equipping the civil servants with up-to-date management and communication instruments
SECTION	V. IMPROVEMENT OF MATERIAL AND SOCIAL STATUS OF THE CIVIL SERVANTS -
	AN IMPORTANT PRECONDITION FOR PROFESSIONALISM AND INTEGRITY
1.	Analysis and prospects of implementing the Resolution of the Cabinet of Ministers of Ukraine "On Regulation of the Pay Structure of Employees of Executive Bodies, Public Prosecutor Offices, Courts and other Bodies" dated March 9, 2006 No. 268
2.	Solving the issue of material support of the civil servants in draft Law of Ukraine "On State Budget of Ukraine for 2007"
SECTION	VI. PROTECTING RIGHTS OF CIVIL SERVANTS AND ENSURING OBSERVATION
	OF LEGISLATION ON THE CIVIL SERVICE

SECTION	VII. PREVENTING CORRUPTION IN THE CIVIL SERVICE	34
1.	Combating corruption: results and problems which require attention	34
2.	Improvement of legislation on fight against corruption and prevention of corruption are a necessary systemic condition	34
3.	Special verification of data, which are submitted by candidates to positions, appointments to which are made by the President of Ukraine and Cabinet of Ministers of Ukraine – one of the key stages in selection of top civil servants	
4.	Direct telephone line "Society against Corruption" – an additional channel for information exchange in elimination of corruption	
5.	Training of civil servants and officials of local self-government on preventing corruption – an important factor of preventing corruption and improving legal awareness of the civil servants \dots	37
SECTION	VIII. INTERNATIONAL COOPERATION IN THE AREA OF PUBLIC ADMINISTRATION AND CIVIL SERVICE REFORM – EXCHANGING BEST PRACTICES	
	AND SPREADING DEMOCRATIC GOVERNANCE VALUES	38
1.	Cooperation with the European Union member states	
	The Republic of Poland	
	The United Kingdom of Great Britain and Northern Ireland	
	The Kingdom of Sweden	
	The Kingdom of Norway	
	Ireland	
	The Kingdom of Denmark	
	The Republic of Latvia	41
	The Republic of Lithuania	
	The Republic of Estonia	
	The Republic of Italy	
	The Republic of Hungary	
2	Cooperation with the countries of North America	
۲.	The United States of America	
	Canada	44
3.	Cooperation with the Middle Asia, the Far East and the Middle East countries	44
	The Republic of Tajikistan	
	The Records's Republic	
	The People's Republic of China	
1	Cooperation with international organizations	
٦.	Organization for Economic Cooperation and Development	
	International Bank for Reconstruction and Development	
	Organization of the Black Sea Economic Cooperation	46
	Eurasia International Foundation	46
SECTION	IX. OPENNESS AND TRANSPARENCY OF ACTIVITIES IS OUR KEY PRINCIPLE	47
	Working with citizens' appeals	
2.	Hotline on civil service issues	
3.	Coverage of civil service in mass media	
	The development of publications – spreading the European values of democratic governance, advanced experience and the best national and foreign practices of public administration	
5.	Popularisation of national administrative traditions: 2007 Calendar entitled	
J.	"History of Civil Service in Ukraine"	50
SECTION	X. PRIORITIES OF THE MAIN DEPARTMENT OF THE CIVIL SERVICE OF UKRAINE	
	IN 2007 AND FOR MID-TERM PERSPECTIVE	51

PROFESSIONAL BUREAUCRACY FOR EFFECTIVE STATE

Previous year – due to many objective and subjective reasons – was notable for systematic problems in the area of civil service, which manifested themselves in deterioration of professional qualities of top civil servants, particularly at the local level, repeated cases of violation of civil servants' rights by their supervisors, and abuse of labor law legislation by some civil servants.

Today new challenges arise for Ukraine, and the ability to address and solve them is an essential factor of national security and competitiveness of the state. This cannot be achieved without proper level of administrative capacity of government bodies, professional civil service, introduction of new standards and procedures into their work corresponding to modern challenges.

Unfortunately, it has to be stated that today's civil service in Ukraine does not correspond to either the demands of Ukrainian society, or to European principles of professional civil service. In this respect it does not allow to fully perform important constitutional functions, which are common for civil service in developed and successful democracies.

Specifically from this viewpoint, in this third traditional annual report about the main results of the activity of the Main Department of the Civil Service of Ukraine, we strive to bring to the society information about what we have done already and what more should be done for public administration of Ukraine, its flesh and blood — civil service — to become an organic part of European administrative space as well as an important factor for improving of citizens' lives.

T. Motrenko

Head of the Main Department of the Civil Service of Ukraine

"If the bitterness cumulates in people's hearts and black-mouthed and vicious persons are surrounding the governor, good advice would not overcome obstacles on the way to governor and the whole empire will be in danger".

Mozi (Mo-Tzi)¹ (ca. 470 BCE – ca. 390 BCE)

Mozi – one of the philosophers of the ancient China, founder of the school of Mohism, which tried to challenge the main principles of Confucian theory.

SECTION I. CONTINUING WORK OVER NEW DRAFT LAW ON THE CIVIL SERVICE – TOWARDS PROFESSIONAL AND LEGALLY PROTECTED EUROPEAN CIVIL SERVICE

During 2006, drafting the Law of Ukraine On the Civil Service (new version) was a key priority in activity of the Main Department of the Civil Service of Ukraine.

Decree of the President of Ukraine dated February 20, 2006 # 140 "On the Concept of Developing Legislation on the Civil Service in Ukraine" aimed at development of policy decisions, which were taken by the Government on December 26, 2003, became a political and legal basis for further institutional development of the civil service, namely for drafting Law of Ukraine On the Civil Service (new version).

Additional guidelines for defining the fundamentals of the new law and bringing legislation on the civil service in line with European standards were provided by the Recommendations of Ukraine Governance Assessment against SIGMA baselines held in Ukraine in February 2006 (see Section III, paragraph 1 below).

Recommendation of SIGMA #1: The scope of the civil service needs clarification. The law should delineate, or at least provide criteria for delineating, the upper and lower boundaries of the civil service as well as its material legal scope. The Labor Code should not apply to the civil service, in principle.

The scope of the civil service can be outlined horizontally (public authorities, to which legislation on the civil service is applied) and vertically (positions, which are classified as civil service positions). If we speak about horizontal delineation, the scope of the civil service among all agencies and institutions, which function at the expense of the budget, is limited to public authorities and other state bodies. As far as vertical delineation is concerned, the draft law clearly defines limits of the civil service through establishing a list of positions, to which the law on the civil service is not applied. Thus, public authorities have three groups of positions: politicians, civil servants and employees.

Clarification of the scope of the civil service is possible through identification in the draft law of criteria for classifying a given position as a civil service position. These criteria constitute an exhausting list of powers of the civil servants, which are vested in them by the state, in particular, preparing policy recommendations in certain spheres of public administration and ensuring policy implementation, legal drafting and expertise, realizing state powers regarding natural and legal persons, which are not subordinated to a public authority, controlling the compliance with legislation etc.

European experience

European countries do not have a common approach to delineate the scope of the civil service, which, depending on administrative traditions, can be maximally broad or limited according to exhausting list of criteria. For example, in France and Germany, the scope of the civil service is rather broad and includes not only public authorities, but also other institutions, which are financed from the state budget; in particular, administrative personnel of medical and educational institutions are civil servants.

At the same time, there is a growing trend of narrower delineation of the scope of the civil service. It is explained by the increased requirements of the society to professionalism of the civil service and the need to reduce budget expenditure. For example, in Great Britain, most of the state functions were transferred to the private sector – to the so called "quasi-governmental" organizations or corporations (Quango¹), which

cooperate with government Departments on contractual basis. The civil service (with preservation of uniform pay system, privileges, pensions etc) exists only within the government Departments, while Quango employees work on contractual basis.

Countries, which have recently joined the EU, as a rule, define a narrow scope of the civil service. For example, civil service legislation of Latvia provides an exhausting list of criteria for considering a given position as a civil service position. Civil servant is a person, who within a body subordinated to the Government:

- prepares policy recommendations in a certain sphere;
- 2) drafts laws and regulations;
- 3) coordinates certain sphere of public administration;
- 4) controls enacting of the laws and regulations (prepares administrative acts).

¹Quango – Quasi Non-governmental Organisations

European experience

In EU countries, civil service legislation is a part of administrative law and administrative law in its turn is an instrument, which civil servants use when performing administrative work according to the rule of law principle.

System of the civil service in Germany sets one of the examples of separation of public and private law. There is a clear legislative separation between civil servants (*Beamte*), who realize state powers (about 40% of the state sector employees), and public sector employees (*Angestellte*), to whom labor legislation is applied. Civil servants are regarded as representatives of the state and they are subject to civil service legislation . Public sector employees perform their professional functions in a certain state sector of economy or in the system of civil service.

The civil service law of Bulgaria provides, in particular, for separation of political and administrative positions in the civil service. It also determines the differences between civil servants and other public positions since the relations amongst the latter are regulated by the Labor Code of Bulgaria, not by the Civil Service Law.

The Civil Service Law of Bulgaria regulates conditions for recruitment to a civil service position (age, citizenship, education); job responsibilities (internal procedures, subordination order, observation of confidentiality); rights to a leave, career development, social assistance; order of disciplinary responsibility (incentives and penalties).

In Hungary the Law On the Status of Civil Servants includes, in addition to other sections, a list of the Labor Code provisions, which are applied to civil servants.

Separation of public and private law is one of the key principles of the European administrative space, which was laid in the draft law from the very beginning.

The Ministry of Justice of Ukraine invariably supported position of the draft law's elaborator concerning priority of introducing the principle.

At the same time, mere declaration of this principle without its full realization in the draft law became the subject of criticism from a number of ministries, including the Ministry of Justice itself. This is because any gaps in regulation of the civil service automatically became the subject of regulation of the labor law, which fully contradicted to the principle of separation of public and private law.

Revision of the draft law allowed to better realize the principle of separation of public and private law in the sphere of civil service through regulation by the law on the civil service of all issues of recruitment, career service and terminating the civil service, in particular, documenting the recruitment and dismissal, providing of leaves, establishing of social guarantees etc.

Such revision of the draft law helped to turn one of the most controversial innovations into a matter, which raises today little doubts or criticisms.

What is the essence and realization form of the principle of dividing of the public and private law norms?

Constitutional rights and freedoms of civil servants, as compared with those of other persons, are legislatively limited, since they fulfill functions of the state. At the same time, the draft law establishes enhanced legal protection of the civil servants, including from political and other influence, as well as special guarantees and special conditions of accountability and disciplinary responsibility. Mutual observation of commitments of the state and civil servants is guaranteed by a service contract, essential conditions of which must be protected by law.

Recommendation of SIGMA #2: The civil service law should guarantee homogeneous standards for recruitment and promotion as well as for other managerial practices in the civil service across the whole public administration. The management of the civil service should be freed from arbitrariness.

The draft law ensures homogeneous procedures for recruitment to the civil service irrespective of the status of an authority or position and provides that open and transparent competition shall be the only mechanism of recruitment to all civil service positions.

Selection and recruitment of civil servants shall be based on merit and ensure public, transparent and fair assessment of candidates as well as be subject to public and judicial control.

The draft law improves mechanisms for holding open, transparent and objective competition. In particular, the draft law foresees:

- establishment of qualification requirements to candidates for civil service positions (with higher education as one of the requirements);
- important change in approach to competition by introduction of exams (testing) and interviewing;
- homogeneous procedures for registration and publication of vacancies, weekly placement of vacant positions in public authorities and competition results on web-site of specially authorized central executive body on the civil service and in single printed edition.

Effective personnel reserve is one of prerequisites for implementation of state policy aimed at professional civil service, effective public management, civil service reform and efficient allocation of personnel.

Currently personnel reserve is formed in a closed, nontransparent manner, lacking clear criteria and procedures for selecting and assessing candidates to personnel

World experience

Civil service legislation of majority of OECD countries stipulates a possibility of appointing to a number of civil service positions beyond a competition, but with establishment of special requirements to candidates.

The most detailed regulation on political appointments exists in the **USA**. Civil service legislation determines that persons, who hold political positions within the system of the civil service (politicians), play a leading role in the state policy making.

Political positions are filled without a competition. Absence of a competition is compensated by possibility of dismissal at any time without the right of appeal.

General number of political positions is controlled by US Office of Personnel Management (for civil service).

It should be noted that functions of the political appointees include elaboration of policy proposals, citizens relations, coordination with the parliament, submission of draft laws, management of programs and supervision of policy implementation. At the same time, functions of political appointees do not include ensuring of services provision, tax management, public purchases, audit and public resources management.

reserve and is subject to arbitrary decision-making. This results in ineffective use of personnel reserve.

Contrary to the current Civil Service Law, the draft law eliminates the possibility of promotion to a higher position through personnel reserve without competition or internship. On the contrary, personnel reserve is seen as an instrument of personnel management, fast-track promotion and intensive training of candidates for positions of higher categories.

Recommendation of SIGMA #3: A unitary salary system is needed for the whole civil service that guarantees transparency, fairness, internal equity and balanced remuneration across all administrative settings, as well as a consistent policy of mobility as a way to enrich the professional career of civil servants. The managerial leeway for discretion in determining individual salaries should be curtailed and the variable part of the salary reduced in a significant way.

The draft law proposes establishing in the legislation that share of basic pay must constitute not less than 80 percent of salary, which would ensure independence of remuneration conditions of the civil servants from subjective assessment of a director. Moreover, such change is one of the key requirements of the World Bank for receiving system loans.

Notwithstanding the fact that admission to the civil service in France is possible only through a competition, there exists a small number of positions (not more than 500 out of 5 million civil servants) with possible political appointment, i.e. by the decision of the Government. The so called discretional positions are divided into two groups. The first one includes directors and secretaries general of the central administrations, prefects, ambassadors and heads of universities. Persons are appointed to these civil service positions by the Council of Ministers upon recommendation of corresponding ministries and under agreement of the President and Prime Minister of the French Republic. The other group of positions includes political cabinets of ministries or councilors. Annually, number of employees of each ministry's political cabinet is approved by decree of the Prime Minister. Civil servants are temporarily outsourced to work on discretional positions and persons, who are not civil servants, work on the basis of contracts which are concluded for a limited period.

It is proposed to establish a minimum basic pay of a civil servant in the amount of not less that two minimal salaries, which must become an important guarantee of material protection of the civil servants.

Social protection and material status of the civil servants is ensured in the draft Law of Ukraine On the Civil Service (new version) through preservation of all without exceptions social guaranties, which are stipulated in the effective Law of Ukraine On the Civil Service, as well as introduction of new ones, namely:

- Basic pay including rank and years of service supplements must constitute not less than 80 percent of monthly salary.
- 2. It is proposed to legislatively establish a minimum basic pay of a civil servant in the amount of not less than two minimal salaries.
- 3. The right of a civil servant, in case of over 25 years of service, to receive pension of a civil servant, irrespective of reaching the pension age.
- Guarantees in case of reduction in number or in staff, reorganization or liquidation of a public authority with application of discretion approach to determining the size of salary depending on years of service of a civil servant.
- 5. The right of civil servants to receive material aid in other cases than for settlement of social problems and improvement of health.
- 6. The right to a paid leave for family reasons and for other significant reasons for a period of up to 10 calendar days during a year

European experience

Labor remuneration system of EU countries and other developed countries has one basic feature which consists in transparency and predictability. It is reached through **legislative regulation** of the labor remuneration system and its clear association with position classification system. Share of basic pay in the general structure of civil servants' salary in **countries of the European Union** is not less than 80 – 90 percents. Each position category has a certain scale of official salaries, which provides for possibility of raising labor remuneration depending on results of activity and long service. There is no separate additional payment for long service. Awarding of bonuses is possible only according to the results of annual assessment of civil servant's activity, which is also a ground for planning of the career.

There are separate cases, when labor remuneration of the civil servants is determined by a separate law. For example, legislative regulation of civil servants' labor 1998 and clearly regulates four schemes of labor remuneration.

Laws On the Civil Service of **Hungary**, **Slovenia and Lithuania** establish minimal official salaries (depending on the level of minimal salary) and have annexes containing coefficients for determining the size of salary on the basis of the size of basic pay.

remuneration is very detailed in **Germany** and **France**.

Labor remuneration of civil servants in Germany is

determined by a separate law on labor remuneration of

the civil servants, which was adopted on December 3,

In **Hungary**, according to law, minimal basic pay of civil servants is established at the level of minimal salary multiplied by a corresponding coefficient (for civil servants with higher education -2.1 and for civil servants with secondary education -1.5).

The Law On the Civil Service of **Lithuania** establishes minimal basic pay of the civil servants at the level of minimal salary multiplied by coefficient of 2.35.

Provisions of the draft law, which establish these social and legal guarantees, have consistently been supported by trade unions and were elaborated with participation of their representatives. In particular, the draft Law was approved on July 25, 2006 at the open meeting of the presidium of the Central Committee of Public Employees' Trade Union of Ukraine. According to the results of the meeting, Central Committee of the Trade Union addressed the Cabinet of Ministers of Ukraine with a letter, in which it insisted on the fastest possible adoption of the draft Law of Ukraine On the Civil Service (new version) with purpose of improving social protection of the civil servants and ensuring guarantees of stability of the civil service.

After agreeing of the draft Law of Ukraine On the Civil Service (new version) with ministries and its corresponding revision, there still exist certain discrepancies with the **Ministry of Finances of Ukraine**, in particular, concerning social and material guarantees.

The Main Department of the Civil Service of Ukraine continues defending all mentioned guarantees and at the same time offers a compromise for settlement of the problems, proceeding from European and world standards.

In particular:

The first criticism: establishment of basic pay at the level of 80 percent of a monthly salary and minimum basic pay of a civil servant in amount of not less than two minimal salaries.

Proposition of the Main Department of the Civil Service of Ukraine: it is planned to enact the norm on fixing the minimum basic pay a year after publication of the Law of Ukraine On the Civil Service (new version).

The second criticism: preservation of 85 percent of average salary in case of dismissal of a civil servant due to reduction of the staff, reorganization or liquidation of a public authority or its machinery until a new job is secured at the expense of payroll fund of the public authority, but not longer than for one year.

Proposition of the Main Department of the Civil Service of Ukraine: to reduce percent of average salary and to apply discretionary approach to the period, during which compensation will be paid, making it dependable upon the the years of service. Besides, it is foreseen to enact this norm one year after the publication of the Law of Ukraine On the Civil Service (new version).

The third criticism: right of the civil servants to receive a preferential interest-free mortgage for purchase or construction of housing.

Proposition of the Main Department of the Civil Service of Ukraine: norms on privileged mortgage conditions are present in the current Law of Ukraine On the Civil Service and should be preserved, since according to Article 22 of the Ukrainian Constitution, it is prohibited to narrow content and volume of existing rights and freedoms during adoption of new laws or introduction of amendments to effective ones. Moreover, this norm is aimed at improving the social security and protection of the civil servants' interests, who are subject to a number of limitations in activity, which could provide them with other sources of income, beside salary.

European experience

According to the Civil Service Act of **Estonia**, a civil servant can be dismissed in case of reorganization, if a number of positions is reduced, or liquidation of an authority. A servant cannot be dismissed, if there is a possibility of appointing him/her to other position under his/her agreement. Change in subordination of an authority cannot be a ground for dismissal of a civil servant. In case of dismissal of a civil servant due to reorganization or liquidation of an authority, he/she is paid compensation in the amount of monthly salary during period of two to twelve months depending on the record of the civil service.

According to legislation of **Hungary**, in case of liquidation of a public authority, a dismissed civil servant is paid compensation in the amount of one to eight monthly salaries depending on the years of civil service.

Lithuanian civil servants in case of dismissal due to liquidation or reorganization of an authority receive compensation in the amount of 2-6 monthly salaries.

According to the Law On the Civil Service of **Bosnia** and **Herzegovina**, a civil servant, who is dismissed from a public authority under conditions of reorganization:

- must be hired to similar vacant position in other authority;
- if impossible, he/she must be pensioned off before the appointed time;
- if impossible, he/she must be dismissed and can submit an inquest concerning examination of his dismissal case to the Civil Service Commission (a body for prejudicial consideration of claims);
- a dismissed civil servant receives compensation in the amount of a monthly salary during six months. The term, during which the compensation is paid, is prolonged, if a civil servant has over 15 years of civil service;
- in case of announcing a competition for vacancy, from which a civil servant was dismissed, during a year, he has an exclusive right to be renewed at the position.

Recommendation of SIGMA #4: The rights and obligations of civil servants should be defined with precision, particularly those limiting their rights and linked to the realisation of the values of legality, impartiality and integrity of the civil service, namely incompatibilities, conflict of interest, political involvement and protection against unlawful instructions from superiors. Disciplinary procedures should be adversarial and fully and reasonably guarantee the right to defence.

One of the fundamental ideas of the draft law is to introduce new mechanisms for ensuring loyalty and political neutrality of the civil servants through establishment of additional restrictions as regards their political activity and non-affiliation to any of the parties.

New legal guarantees, which are established by the draft law, include the following:

- protection from political influence (civil servants will be appointed and dismissed not by a minister (politician), but by a person, who holds the highest civil service position);
- protection of civil servants from executing unlawful orders of the leaders (a civil servant has the right to demand its written confirmation);
- mechanism for elimination of obstacles in realization of rights, given to a civil servant by law (a civil servant shall, in case of obstacles to realization of his/her rights, address the corresponding official with an application and is guaranteed of receiving a reply, which can be appealed against at a specially authorized central executive authority on civil service);

4) mechanism of pre-court appeal against decisions on appointment and dismissal from civil service positions, on imposing of disciplinary penalties and conclusions based on results of annual performance appraisal of civil servants.

The draft law determines new approaches aimed at preventing corruption, and at the same time preserves corresponding provisions that are stipulated by the current Law of Ukraine On the Civil Service. In particular, they:

- preserve existing restrictions for civil servants in connection with incompatibilities and conflict of interest and the obligation of declaring by the civil servants of their income;
- 2) introduce the obligation to declare income by all civil servants:
- establish a requirement concerning disclosing income of the higher officials;
- 4) guarantee the principle of equal payfor equal work;
- introduce new instruments for preventing conflict of interests through prohibition for recruitment to the civil service of persons, who are close relatives;
- 6) introduce the possibility of termination of the civil service in case of non-submission of an income declaration by a civil servant, submission of faulty information or if the relations of direct subordination arise between close relatives;
- 7) introduce material responsibility to the civil servants and state's right to counter demand (regress) to a civil servant, who incurred damage (it is material influence upon a civil servant, which is designated for prevention of corruption manifestations and fight with them).

European and world experience

Taking into account that civil servants' salary is on average 40 percent lower comparing to the private sector, developed democratic countries offer them a significant social security privileges and preferences, which are aimed at ensuring stability of personnel at the civil service. In particular, the existing traditions of professional civil service of **France**, **Canada**, **the USA and Australia** provide, beside others, for the following privileges for the civil servants of these countries:

- medical insurance, which is extended to family members;
- payment for a social worker's services for assistance during illness of a civil servant (France);
 - right to additional paid maternity leaves;
- payment of a nurse's services until a child reaches 16 years for the period of business trips or for the overtime work;
 - income tax preferences;

 compensation of fare for getting to the place of work and payment of additional money for traveling during annual leave;

- preferential crediting of the civil servants, including mortgage lending, through a specialized association, which can serve as a guarantor of the civil servants' loans;
- payment of additional money for boarding, if a public authority has no possibility to ensure preferential boarding:
- additional package of privileges introduced in Australia since 2001, which includes compensation for mobile telephones, computers, payment of entrance and membership fees in professional associations, expenses for office supplies at home, payment for financial consultations, expenses for self-education, insurance fees for protection from disability or loss of income.

In **Hungary**, if a civil servant receives a credit, the state compensates difference between its real and hypothecation value, which is determined by the bank.

Recommendation of SIGMA #5: Clarify the issues regarding the institution that has to hold overall responsibility over the public administration and civil service and clearly determine its competences. The political leadership for the reform of the civil service and the public administration should be clear, resolute, balanced and unambiguous.

The draft Law of Ukraine On the Civil Service (new version) clearly defines essential principles of the civil service management where the Cabinet of Ministers implements state policy in the sphere of civil service directly and through a specially authorized central executive authority on civil service.

The powers of the specially authorized central executive authority on the civil service are clearly defined and aimed at increasing its role. These powers include, in the first place, submission to the Cabinet of Ministers of Ukraine of policy recommendations in the sphere of civil service and ensuring

policy implementation; publication of laws and regulations on the civil service, as well as provision of explanations, which are subject to publication and are mandatory for taking into consideration; participation in formation of, placement of and control over executing state order for training of specialists in the education sphere "Public Administration"; ensuring maintenance and publication of a list of vacant civil service positions in public authorities.

In the course of work over the draft law and according to results of numerous public discussions, serious negotiations were focused on mechanism for separation of political and administrative positions. Proposals evolved from introduction of positions of the State Secretary of the Cabinet of Ministers of Ukraine and state secretaries of ministries to introduction of positions of personnel managers in public authorities. At the same time proposed powers of the above positions narrowed to human resources management (i.e. holding competition for vacant positions, appointing and dismissing of civil servants and employees) and civil service management

European experience

Division of political and administrative positions exists in the system of executive authorities in all EU member-states without exception, for example:

- in Great Britain, Ireland and Iceland positions of permanent secretaries are the highest administrative positions in the ministries and the Government;
 - in France secretaries general;
- in the Netherlands, Sweden, Latvia, Lithuania, Estonia and Hungary state secretaries;

■ in Poland – directors general.

Irrespective of the appointing authority, all of them are selected according to the civil service legislation through an open competition, which, as a rule, is held by a special governmental commission, state secretary of the government or central executive authority on civil service. They cannot be dismissed from positions due to change of the Government.

(i.e. ensuring effective performance appraisal procedures, granting civil service ranks).

Notably, Ukraine with its public administration and civil service systems is one of the few post-soviet countries, which failed to separate political and administrative positions in the civil service.

That is why at the present stage it is proposed that civil service in public authorities is managed by personnel managers of these authorities, who would be functionally connected with specially authorized central executive authority on civil service.

Introduction of position of a personnel manager is a moderate approach to ensure separation of political and administrative positions in executive authorities. The principle of such separation did not cause contradictions, but way of its realization became one of the "stumbling-blocks" for elaboration and agreement of the draft law.

European experience

In most democracies, the issue of protecting civil servants from political influence is resolved due to highly developed political and administrative culture and strong tradition of democratic government. In post-soviet countries and countries with transitional economy, though, protection of the civil service from political influence needs additional legal mechanisms.

For example, the Constitution of the **Slovak Republic** restricts the right of the civil servants to membership in political parties.

The principle of political neutrality is one of the main principles of the civil service, which is determined by the Ethics Code of **Greece**.

What has the Main Department of the Civil Service of Ukraine done for adoption of the draft Law of Ukraine On the Civil Service (new version) during 2006?

On March 1, 2006, draft Law of Ukraine On the Civil Service in Executive Authorities was submitted to the Cabinet of Ministers of Ukraine.

The draft law was agreed with all ministries without exceptions.

The following ministries agreed it without remarks: Ministry of Justice of Ukraine, Ministry of Economy of Ukraine, Ministry of Labor and Social Policy of Ukraine, Ministry of Internal Affairs of Ukraine, Ministry of Culture and Tourism of Ukraine, Ministry of Health Protection of Ukraine, Ministry of Education and Science of Ukraine, Ministry for Environmental Protection of Ukraine and Ministry of Emergencies and Affairs of Population Protection from the Consequences of Chornobyl Catastrophe. 75 out of 136 of critical remarks of other ministries, or 55 %, were resolved.

On April 7, 2006, the Governmental Committee for Economic Policy considered the draft Law of Ukraine On the Civil Service in Executive Authorities at its meeting and supported it.

On April 12, 2006, a meeting was held under the chairmanship of the Prime Minister of Ukraine for consideration of the draft Law of Ukraine On the Civil Service in Executive Authorities. A decision was taken concerning revision of the draft Law of Ukraine On the Civil Service (new version). Effect of the revised draft law shall extend to civil servants of all public authorities, including their machinery.

On April 14, 2006 public hearings "Action Plan for the Parliamentarian Coalition and the Government: Public Administration Reform" took place with participation of the Prime Minister of Ukraine. A decision was taken to recommend the new members of the Ukrainian Government to immediately submit draft Law of Ukraine On the Civil Service (new version) to the Verkhovna Rada, and Verkhovna Rada – to consider and adopt the draft law as a priority one.

On June 30, 2006, basic provisions of the draft Law of Ukraine On the Civil Service (new version) were approved by the Cabinet of Ministers of Ukraine. On August 30, 2006, the Government considered the draft law once again and took a decision on formation of a working group under the direction of Vice Prime Minster of Ukraine Dmytro Tabachnik for its revision together with the draft Law of Ukraine On the Cabinet of Ministers of Ukraine.

Since that moment and up to the end of 2006, the draft Law of Ukraine On the Civil Service (new version) was revised with participation of the Head of the Main Department of the Civil Service of Ukraine, of Ukraine, Minister of Justice of Ukraine, counselors of the Prime Minister of Ukraine and specialists of the Cabinet Secretariat.

Beside internal agreement, the draft law was highly assessed and supported by the Council of Europe, Anticorruption Network of Transitional Economies of the Organization of Economic Cooperation and Development (OECD), International Labor Organization and World Bank especially regarding provisions on separation of political and administrative positions,. Recommendations of the Ukraine Governance Assessment which was conducted in February 2006 against SIGMA baselines, coincide with provisions of the draft law. According to SIGMA experts, adoption of the Law of Ukraine On the Civil Service (new version) is the main factor of successful public administration reform according to EU standards.

SECTION II. MODERNIZATION AND IMPROVEMENT OF THE STATE EXECUTIVE MACHINERY'S ACTIVITIES: CREATING CONDITIONS FOR FOCUSING CIVIL SERVANTS' ACTIVITIES ON SERVING THE PEOPLE'S NEEDS

1. Strengthening of human resources potential of the civil service in local executive bodies: proposals of the Main Department of the Civil Service of Ukraine

One of the top priorities of the Government of Ukraine is to raise a potential of local executive bodies for their effective and efficient cooperation with local self-governing bodies in solving the crucial social and economic prob-

lems, as well as in ensuring the implementation of comprehensive programs for regional development.

That is why, in November 2006, a special advisory body, Council for the Regional Development of Ukraine, was established under the Cabinet of Ministers of Ukraine.

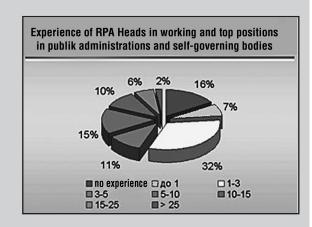
On December 21, 2006, at the meeting of the Council for the Regional Development, the Main Department of the Civil Service of Ukraine proposed ten steps towards strengthening the human resources potential of civil servants in local executive bodies. This issue being included in the agenda of the first Council's meeting is an evidence of its priority for the Government.

From report of Tymofiy Motrenko, the Head of the Main Department of the Civil Service of Ukraine, at the meeting of the Council for the Regional Development of Ukraine on December 21, 2006

"In 2005, almost all heads of local public administrations and their deputies were dismissed. Unfortunately, their successors have lower qualifications and experience. The total civil service turnover reached a peak of 24 per cent during that period.

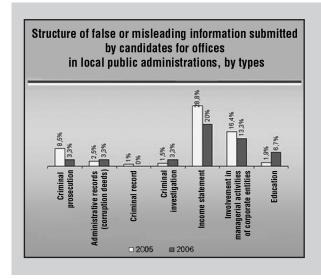
Today, a qualitative composition of top officials of local public administrations is as follows:

- 16 per cent of appointed heads of rayon public administrations and 14 per cent of deputy heads and heads of staff of oblast and city public administrations lack experience in performing tasks of top officials in the public administration sphere. In Kyiv, Kirovohrad and Poltava Oblasts, a share of inexperienced heads of rayon public administrations makes up more than 50 per cent; in Kyiv, Kherson, and Chernihiv Oblasts and in the city of Sevastopol the share of inexperienced deputy heads and deputy top managers of Oblast and City public administrations exceeds a one third;
- Despite the fact that one third of appointed heads of rayon public administrations are older than 50 years, only 8 per cent of them have worked at top positions in public administration bodies and/or local self-governing bodies longer than 15 years;
- 16 per cent of appointed heads of rayon public administrations have had no experience in managerial activities at all.



Unfortunately, the obligatory examination of personal information submitted by heads of rayon public administration (482 persons) in 2005 was made post factum. As a result, it was revealed that about 53 per cent of them submitted false or misleading information as

- near 30 per cent of them submitted false data in income statements:
- more than 16 per cent kept back the fact of being involved in managerial positions in business organizations (LLC, OJSC, foundations, funds, etc.);
- 8.5 per cent (41 heads) kept back the fact of being prosecuted previously, 8 persons have criminal records, and 5 (totally about 3 per cent) are prosecuted at the moment;
- about 2 per cent (9 persons) submitted misleading information on higher education.



Such human resource policy has resulted in increasing number of appeals from citizens, representatives of political parties and NGOs as regards the breach of laws and acts on civil service and combatting corruption. On the basis of these appeals the Main Department of the Civil Service of Ukraine has carried out examinations and official investigations of the breaches. It should be noted that, in 2004, a number of such breaches increased trice.

In 80 per cent of the investigations the information from appeals concerning the breach of law has been confirmed. Upon result of the examinations and official investigations civil servants dismissed unlawfully have been restored in positions, and heads of rayon public administrations who broke the law have been dismissed".

For the purpose of solving these and other problems the Main Department of the Civil Service proposes the following steps:

Firstly. The key problem, a legal definition of status of top official of local public administration, having not been solved systematically makes it impossible to overcome the managerial crisis and to ensure efficiency of executive power at local level.

This problem may be solved provided a new Law of Ukraine "On Civil Service" (revised) is adopted. Today, this Law is under consideration in the Cabinet of Ministers of Ukraine.

Secondly. To develop and approve clear qualification requirements and eligibility criteria for top officials of local public administrations, including, for example, a complete higher education and, at least, a five-year experience in top managerial activities.

Thirdly. Before being nominated for a top position the information on nominees shall be examined, with representatives of personnel departments of Oblast public administration, Secretariat of the Cabinet of Ministers of Ukraine, Secretariat of the President of Ukraine and of the Main Department of the Civil Service involved, with public opinion and references from job place taken into account.

Fourthly. Appointment for top positions shall be made only upon results of obligatory special examination of documents submitted by the nominees.

Fifthly. To create a national database for potential nominees on top positions in local public administrations as personnel reserve for every position or group of positions. Inclusion in the reserve shall be made upon results of competition, with following training of reserve members.

Sixthly. To arrange obligatory fast trainings for all newly appointed top officials of local public administrations on practical issues of their activities. For this purpose it is

necessary to reform radically a civil service professional training system.

Seventhly. To introduce a cross probation of top officials of local public administrations in other public administrations for exchanging experience, to rotate horizontally top officials of rayon public administrations, at least, within one oblast, in order to avoid problems connected with accommodation.

Eigthly. For the purpose of protecting and stabilizing the civil service in local public administrations it is necessary to consider a possibility of amending the Law of Ukraine "On Local Public Administrations", through introducing a position of head of staff/human resources manager at local public administration (in compliance with an approach used in draft Law of Ukraine «On Civil Service» (revised)) who would be appointed by the Cabinet of Ministers of Ukraine in accordance with a special procedure, upon agreement with the head of local public administration for a certain period, whose authority would cover all issues of civil service management and administration in local public administration, including appointment and dismissal of all civil servants.

Ninthly. To initiate creation of a national database of civil servants and officials of local self-governing bodies on the basis of electronic copies of their personal files and records with the use of a national confidential communication system.

Tenthly. Having studied the international experience and best practice, to accelerate creation of a ministry for territorial development responsible for regional policy and human resources development for local public administrations and self-governing bodies.

These ten proposals have become a basis of the Action Plan developed and submitted for consideration of the Government, upon the order of the Prime Minister of Ukraine.

2. "Action Plan for a New Minister" is the first attempt in Ukraine to make a practical guide to support the process of management of change of Government

One of the principal tasks of the civil servants working in government secretariats and ministries of many democratic states is to ensure management of change of government or its members.

As a rule, this process is regulated in detail by respective documents of whatever status, from regulations to instructions or methods.

This task of civil service is of paramount importance for implementing a principle of sustainable governance, preserving institutional memory, and for smoothing potential fluctuations of government policy under changes in composition of parliamentary coalition, as well as for accumulating and "crystallizing" the national political and administrative traditions.

In 2006, the Main Department of the Civil Service of Ukraine, for the first time in Ukraine, developed and published "Action Plan for a New Minister", a practical guide containing a description of seven principal challenges for every newly appointed minister or head of any central executive body:

1. First steps of the minister after the appointment.

- 2. Detailed assessment of situation in the ministry's management sphere.
- 3. Identification of mission, tasks and objectives of the ministry.
- 4. Strategic plan of the ministry.
- 5. Raising the ministry's efficiency and goal oriented approach.
- Involvement of community in preparation of government decisions.
- 7. Public awareness transparency, openness, and publicity of the minister's activities.

On the basis of its own analytical materials and experience the Main Department of the Civil Service in this document proposes possible responses of a new minister to the above challenges, as well as gives explanations as regards why a prompt response to these challenges is essential for the minister.

Under conditions when the Government is formed by a parliamentary coalition, administration of changes in the Government and delivery of documents from one cabinet of ministers to another and from previous minister to the next one are of paramount importance.

This guide is an innovation in the political and administrative practice in Ukraine although it is not a comprehensive document. It rather focuses on the priority tasks and objectives and forms general working framework and proposes examples of measures and tools to tackle key challenges. "Action Plan for New Minister" is a kind of invitation to a well-structured discussion and search of correct managerial decisions for ministers.

From the world experience of delivering government affairs during the change of government

Democratic countries rely upon professional and stable civil service as a key preventive factor to avoid a loss of continuity of government activities irrespective of how often the government changes. Mechanism of managing change of government in the OECD member states may be set in laws, acts, regulations, instructions, codes ethics of top officials or may be unwritten. Some formally elaborated mechanisms are in Canada and in France.

In Canada, the Government Secretary is directly involved into passing the government affairs from previous to the next prime minister. Six months prior to the parliamentary elections the Government Secretary conducts meetings with leaders of key opposition parties (potential prime ministers) and informs them of principal tasks and objectives of the Cabinet of Ministers of Canada at the current stage and urgent measures to be taken after appointment of new Cabinet of Ministers. The incumbent Prime Minister is not engaged in negotiations and discussions but instructs the Government Secretary as regards subjects of discussion. After the elections the affairs shall be delivered within 10 days. During this period Prime Minister, as a head of temporary government, and newly appointed Prime-Minister work jointly. The ministries receive the full package of documents as regards urgent tasks of the government and working conditions. The Government Secretary is responsible for keeping archives (till 1940 archives were destroyed) as well as for informing newly appointed Prime Minister of his/her authority regarding appointment of his/her political cabinet, relations with civil servants, mechanisms of adoption and coordination of decisions, etc. The Government Secretary's task is to ensure the stability of Government activities irrespective of political party represented by the Prime Minister.

In **France**, a between-government period is much longer than in Canada. Since 1946, in France, the delivery mechanism is officially fixed in authorities of the Secretary General of Government. The principal task of the Secretariat General is to inform newly appointed Prime Minister and ministers about provision of their activities and procedure for decision-making. All instructions are set in **regularly** updated guide **Dossier du travail gouvernemental**. This guide gives answers in a simple manner to all possible questions which may arise regarding mechanisms of the government machinery's activities and contains a reference of positions and telephone numbers of all key players. Like in Canada, a position of Government Secretary General is stable – over the last 60 years only seven persons occupied this position.

3. Implementation of quality management system in executive bodies – "synchronizing" private and public sector procedures and standards

Improving the quality of services provided by executive bodies is one of the responsibilities of the Main Department of the Civil Service of Ukraine targeted towards enhancing activities of executive body machinery. For this purpose, on the basis of its own positive experience of implementation and certification, the Main Department of the Civil Service initiated the introduction of quality management system ISO 9001:2000 in executive bodies.

In order to implement the above task, the Main Department of the Civil Service of Ukraine has developed and submitted for consideration of the Cabinet of Ministers of Ukraine a draft Program for Implementation of Quality Management System in Executive Bodies, which was approved by the Government of Ukraine Resolution № 614 of May 11, 2006.

The introduction of quality management system will promote reorientation of executive bodies from "formal" provision activities to provision of services. Civil service activities should be targeted towards satisfying needs of customers, including top authorities, governmental bodies, corporate entities, and citizens. Successful operation of the quality management system requires not only more efficient organization of activities but also changes in the state of mind of top managers and employees of government bodies, as well as regular improvement of their activities.

For the purpose of implementing the quality management system in executive bodies of Ukraine the Main Department of the Civil Service, in 2006, took the following measures:

press-conferences, together with top managers of the State Consumer Standard Committee and the Ukrainian Quality Association; publication of the information in mass media (Bureaucrat bulletin, "Visnyk Derzhavnoi Sluzhby Ukrainy" (Herald of Civil

service of Ukraine), Standartization, Certification and Quality, "Svit Yakosti Ukrainy" (Ukraine's World of Quality) journals, "Uriadovy Kurier" (Government's Courier newspaper);

- creation of special sections on official web sites of the Main Department of the Civil Service of Ukraine and the State Standard Committee of Ukraine with regularly updated information about experience and practice of implementation and operation of the quality management system in executive bodies;
- Regular seminars, trainings, round tables, trainings for representatives of executive bodies, including local ones:
- scientific and practical seminar "Methods of administration in government bodies. General structure of assessing efficiency of executive bodies activities in the EU members states for the purpose of rationalization and modernization" with Tito Konti, the President of the World Quality Academy, as an invited lecturer (October 2006):
- all-Ukrainian Meeting dedicated to the implementation of the quality management system in executive bodies, within the framework of "the European Week in Ukraine"; participants: 435 representatives of central and local executive bodies, NGOs and professional organizations dealing with quality management; decision on the need to continuously improve the quality management system in executive bodies:
- methodical and advisory assistance to executive bodies and local self-governing bodies of Odesa and Chernivtsi Oblasts, the Autonomous Republic of Crimea and the city of Sevastopol as regards structural issues and human resource policy.

The next stage of activities is to create a consulting and advisory center for executive bodies, and electronic database, to introduce a special training course "Quality management systems in executive bodies" in higher education institutions responsible for education for Masters of Civil Service in the educational sphere of public administration, and to further improve qualifications of executive bodies' employees.

Positive results of the introduction of quality management system in the Main Department of the Civil Service of Ukraine initiated interest in central and local executive bodies to get more knowledge of the system and its requirements.

State Committee for Nuclear Regulation of Ukraine began to develop quality management system considering the requirements on quality assurance for the Safe Transport of Radioactive Material.

The following ministries expressed interest to have training seminars on introduction of quality management:

Ministry of Ukraine for Family, Youth and Sport;

- Ministry of Internal Affairs of Ukraine;
- Ministry of Foreign Affairs of Ukraine;
- Ministry of Transport and Communication of Ukraine.

At the local level Kyiv oblast administration is actively developing quality management system. Donetsk, Ivano-Frankivsk, Chernivtsi and Cherkasy oblast administrations expressed interest to have seminars for their staff. Considering standard structure of the oblast administration, there are vast possibilities to exchange experience and documentation on introduction of quality management.

4. Initiative on *Friendly Administration* all-Ukrainian competition

One of the key problems of civil service reform is to change a civil servants' perception of current administration problems and its role and place in the administrative processes. It is necessary to keep in mind the fact that a bureaucrat is a manager hired by people, for the sake of people. Such changes in mentality can be achieved through motivating civil servants to think about whether they correctly understand their own role in relations with the citizens. For this purpose *Friendly administration*, the all-Ukrainian competition for the best executive body, has been initiated by a draft Government resolution developed by the Main Department of the Civil Service of Ukraine, on the basis of the European experience, central and local executive bodies being the competitors thereof.

Resolution of the Cabinet of Ministers of Ukraine "On Arrangement and Conduction of *Friendly Administration* all-Ukrainian Competition" meets the best world practice of public administration, promotes exchange of information between executive bodies and people, as customers of civil services provided by executive bodies, and facilitates the establishment of friendly relations between them.

For implementing the draft resolution an organization committee should be established in order to:

- approve terms and conditions, set terms and stages of the competition;
- announce the competition and publish information in "Visnyk Derzhavnoi Sluzhby Ukrainy", on official web site of the Main Department of the Civil Service and in "Uriadovy Kurier" newspaper;
 - develop and approve a competitor's questionnaire;
 - finalize the results of the competition and award winners. The proposed procedure for the competition is as follows:
- questionnaires about executive bodies and an invitation for citizens to assess activities of these bodies as

What is the competition about?

In order to identify the friendliest administration, the following criteria are evaluated: availability of information about the activity of the executive body, facilities for visitors (customers), quality of services to the visitors (customers), motivation of the employees of executive body.

Availability of information is viewed as: informational stands and informational desks for visitors that have to be located near the entrance or in other open place; tags with names and positions of employees, informational stands with plan of location of offices as well as their numbers; newsletters containing useful information for customers.

Facilities for visitors are: wardrobe at the entrance hall; internal phone available to customers; waiting rooms; desks where documents can be filled out; cafeteria for visitors; accessibility for disabled persons etc.

Quality of services is determined by availability of: guidelines for serving the customers; automated system for queue management; trainings for employees on customer communication.

Finally, motivation of employees and positive work climate in organization is determined by: availability of extramural activities for employees, organization of recreational programs.

regards quality and timeliness of services is published on official web site of the Main Department of the Civil Service of Ukraine:

- the organization committee awards the winners, upon results of expert examination and citizens' evaluation of executive body activities (decision of the organization committee is made by a simple majority of votes);
- till June 23, the Civil Service Day, the organization committee announces the competition results.

The draft resolution has been approved by the Government Committee and will be considered by the Government, in the near future.

Popularizing physical culture and sports among civil servants and promoting healthy lifestyle

Formation of the new image of civil servant, corporate culture in government bodies deman balance of intense work schedule and active recreation.

During nine years, in Ukraine, a sportsday is held annually for employees of rayon and oblast public administrations, the Cabinet of Ministers of the Autonomous Republic of the Crimea, and city administrations of Kyiv and Sevastopol. Yearly the interest of civil servants in this event becomes more and more strong, especially of employees of the machinery of the Cabinet of Ministers of the Autonomous Republic of the Crimea.

The Main Department of the Civil Service of Ukraine developed a draft resolution of the Cabinet of Ministers of Ukraine on conducting all-Ukrainian sportsday for teams of civil servants from the Autonomous Republic of the Crimea, Oblasts and cities of Kyiv and Sevastopol

which sets forth to appoint the Minister of Sports and Youth Affairs and the Head of the Main Department of the Civil Service of Ukraine as co-chairmen of the Organization Committee. The Co-chairmen would be responsible for formation of the staff of Organization Committee and changes in its membership.

Annual all-Ukrainian sportsday for teams of civil servants from the Autonomous Republic of the Crimea, Oblasts and cities of Kyiv and Sevastopol is targeted towards:

- involvement of civil servants in active sports and strengthening of their health:
- creation of conditions for the work related to raising awareness about sport activities in government bodies;
- raising awareness on physical culture and sports among civil servants, their orientation towards healthy lifestyle.

5. Functional review of executive bodies

Improvement of activities of executive bodies remains among the top priorities of the Main Department of the Civil Service of Ukraine, starting with 2005. This task is implemented with the use of an important tool of administrative reform, such as **functional review**, as a regular analysis of compliance of tasks and functions of executive bodies, as well as of their internal structure, with the applicable legislation, to avoid internal collisions, irrelevant or duplicating functions.

Unclear division of authorities and responsibilities in the current system of executive bodies of Ukraine that manifests itself in duplicating functions, both horizontally and vertically, results in a loss of efficiency of the executive system activities and reduces Government's ability to develop the government policy. That is why functional review should be a basis for institutional transformation of executive bodies. The results of functional review are important and useful:

- for policy makers because they ensure implementation of the Government's priorities in the respective spheres of public administration and economic spheres; help to seek possibilities of budget cuts and optimization of executive bodies' staff;
- **for citizens** because they result in improving the quality of government services.

In 2006, the Main Department of the Civil Service implemented **pilot projects based on different approaches to functional review** of executive bodies, type and methods of the review depending on objectives, capabilities, resources and political will of the Government.

Firstly, on initiative of the Main Department of the Civil Service the following measures were taken:

- pilot functional review of the Ministry of Transport and Communications and the Ministry of Economy of Ukraine (March-August 2006) with the use of "vertical" review methods, i.e. methods targeted towards analysis of intraministerial activities of an executive body's machinery;
- first stage of functional review of state and republican executive bodies of the Autonomous Republic of the Crimea (October-December 2006) performed with the ARC Civil service administration involved. In the course of the review both horizontal and vertical approaches were used for revealing duplicating functions of state and republican executive bodies.

Secondly, following the orders of the Government:

functional review of central executive bodies responsible for developing and/or implementing government policy in the field of science, research, innovations, know-how transfer and intellectual property protection (July-August 2006) was carried out. In the course of review a horizontal approach was used to make a comparative analysis and to reveal interministerial duplication of functions;

functional review of ministries (August-October 2006) was made with the use of horizontal approach. Upon its results the Main Department of the Civil Service of Ukraine put forward proposals for the Government as regards streamlining of ministerial functions and managerial structure in the respective sectors of economy and fields.

Thirdly, on initiative of the Main Department of the Civil Service of Ukraine, the Cabinet of Ministers of Ukraine passed the resolution "On Establishment of Coordinating Council for Functional Review of Central Executive Bodies", which put a start to functional reviews of central executive bodies in December 2006.

This "systemic" review is focused on streamlining and distribution of functions among ministries and departments to determine whether the system of executive bodies, as a whole, is efficient. For this purpose it is necessary to choose a method of comparing authorities and structures of executive bodies in order to make proposals on their optimization and to raise their efficiency.

As the international experience shows, successful functional review of executive bodies of various types depends on the **following factors**:

- 1. Political will;
- Creation of task force responsible for functional review:
- 3. Implementation of results (decision should be made according to the results of functional review);
- 4. Powerful research and methodical potential and international expert assistance.

Results of 2006 as regards the arrangement and provision of functional review of executive bodies may be analyzed from the standpoint of the above factors:

Political will

Political decision of the Government (Resolution of November 16, 2006, № 570-p) is an evidence of the political will. This decision calls for:

- 1. functional review of central executive bodies, at the first stage, of ministries:
- creation of Coordinating Council headed by the Minister of the Cabinet of Ministers of Ukraine, with the leaders of all task forces of ministries examined being the Council's members.

The resolution is targeted towards coordinating activities of central executive bodies in Ukraine as regards their functional review. According to decision of the Coordinating Council № 1 of December 29, 2006, the timeline of functional review of central executive bodies was approved. The timeline demands that after completion of the first stage of functional review (till March 15, 2007) to continue the review of other central executive bodies till July 15, 2007.

However, as the world experience shows a comprehensive functional review of one central executive body, according to the most optimistic forecasts, lasts at least 4-5 calendar months.

Hence, on one hand, the terms of functional review of central executive bodies set in timeline are very short. On the other hand, these time restrictions are connected with terms set in the Law of Ukraine "On State Budget of Ukraine for 2007" and in Government orders to the Main Department of the Civil Service to conduct functional review of central and local executive bodies.

Creation of task force responsible for functional review

For arranging activities connected with functional review of seventeen ministries the task forces headed by (first) deputy ministers were established and charged with organization of respective activities.

For ensuring an unbiased review ten independent experts are included in the task forces.

However, the task forces responsible for functional review of ministries have faced some problems connected with cooperation and distribution of responsibilities among representatives of ministries and independent experts. In addition, ministries staff were unsatisfied with an additional burden connected with functional review. One more problem was weak skills of the experts in administrative support of functional review.

Implementation of results

<u>Firstly.</u>, the pilot functional review results allows: The Ministry of Economy of Ukraine:

- to take into account proposals made upon results of analysis of functions when developing draft regulations for the Ministry of Economy of Ukraine;
- to make proposals on improving regulations for some structural units of the Ministry of Economy of Ukraine.

The Ministry of Transport and Communications of Ukraine:

- to enhance political functions of the ministry in new regulations for the Ministry of Transport and Communications of Ukraine approved by the Government's Resolution of June 6, 2006, № 789;
- to divide functions of the ministry and its governmental units:
- to reveal intersecting functions between the Ministry's structural units responsible for implementing social policy measures: the Security Department (a section for labor safety and social protection) and the Department for Financial Regulation and Social-Economic Policy (a section for labor remuneration and social issues). Both sections deal with improving the policy for social benefits to people who have privileges for the use of transport and communications.

Secondly, as a result of functional review of executive bodies (Ministry for Education and Science of Ukraine, Ministry of Economy of Ukraine, Ministry of Industrial Policy of Ukraine and Committee for Investments of Ukraine) in the field of science, research, innovations, know-how transfer and intellectual property protection the Main Department of the Civil Service made a report previ-

ously considered at the Coordinating Council's meeting, on August 15, 2006, and further submitted to the State Committee for Investments of Ukraine and to the Cabinet of Ministers of Ukraine for making political decisions with the review results taken into account.

- This review was the first attempt to build a socalled matrix of functions and authorities of central executive bodies in the respective field of public administration:
- The review revealed duplicating and intersecting tasks and functions in the field of innovations (for example, three central executive bodies, the State Committee for Investments, the Ministry of Education and Science of Ukraine, and the Ministry of Industrial Policy of Ukraine, are charged with a task "to be engaged in formation and ensuring of implementing the national innovation policy").

Thirdly, functional review of the state and republican executive bodies of the Autonomous Republic of the Crimea made pursuant to resolution of the Interdepartmental Commission for Assessment of Efficiency of Activities of Executive Bodies and Local Self-Governing Bodies of the Autonomous Republic of the Crimea and Regional Representative Offices of Central Executive Bodies of Ukraine in the ARC and in city of Sevastopol of June 30, 2006, No.92:

- showed that functional review of local executive bodies should be made together with territorial units of the central executive bodies:
- revealed multiple duplication of functions and authorities in the system of state and republican executive bodies of the Autonomous Republic of the Crimea (for example, between the Chief Administration for Consumer Rights Protection in the ARC and the Committee for Commerce and Consumer Rights Protection under the Council of Ministers of the ARC).

Powerful research and methodical potential and international expert assistance

The pilot functional review of the Ministry of Transport and Communications of Ukraine and the Ministry of Economy of Ukraine showed that an applicable procedure for functional review of executive bodies approved by the Resolution of the Main Department of the Civil Service of July 29, 2005, № 189 and registered by the Ministry of Justice of Ukraine on August 17, 2005, № 901/11181, as well as draft methodical recommendations thereto should be improved.

Methodical approbation of the above documents has revealed the following shortcomings when using the applicable procedure:

the Procedure for functional review does not take into account all specific features of regular activities of the central executive body's machinery, as a result of some differences in definitions used by executive bodies and those used for the purpose of functional review (mission, objectives, tasks, and functions);

- problems with filling some forms of the above Procedure in the course of functional review are caused by a lack of consulting and training activities, including a lack of special seminars and trainings.
- filling of forms attached to the Procedure and processing of the data are extremely labor-intensive, therefore, it is necessary to develop a special software.

Despite this the results of the pilot functional review of the Ministry of Transport and Communications and the Ministry of Economy of Ukraine allow:

- To get an important knowledge of practical organization of functional review;
- To confirm the necessity to engage independent experts;
- To make planning of human and time resources for functional review of other executive bodies.

The experience of the pilot functional review shows an urgent necessity:

- To enhance skills of local experts in ensuring execution of functional reviews:
- To engage a great scientific potential, including the National Academy for the Public administration under the President of Ukraine, R&D institutions and consulting/advisory companies;
- To involve international experts experienced in functional review.

Next year the experience of the first functional reviews will be extended over the whole system of executive bodies taking into account lessons learnt in 2006. The international experience shows that functional review should be a regular, uninterrupted process targeted towards ongoing improvement of structure and functions of executive bodies and towards optimization of resources utilized for the public administration.

6. Comprehensive examination of executive bodies – tool of improvement of their work

In 2006, the executive bodies were subjected to comprehensive review targeted towards systematic improvement of their activities.

The Main Department of the Civil Service of Ukraine together with the Security Service of Ukraine, the Ministry of Internal Affairs of Ukraine, and the State Tax Administration of Ukraine performed comprehensive examination of compliance with the legislation in the sphere of civil service and combating of corruption in the Ministry of Labor and Social Policy, the Ministry of Economy, the State Land Committee and the State Committee for Nationalities and Migration of Ukraine, as well as in local public administrations of Donetsk, Zaporizhia, Zakarpattia, and Lviv Oblasts. In addition, executive and local self-governing bodies of Odesa and

Chernivtsi Oblasts, as well as the Autonomous Republic of the Crimea and city of Sevastopol, were provided with consulting and advisory services on organization and human resources issues.

Upon results of the comprehensive examination the systematical problems were revealed in organization of the machinery's activities in majority of executive and local self-governing bodies that is an evidence of a low efficiency of planning and control, a lack of monitoring and analytical skills, as well as skills to conduct collegial and machinery's staff meetings efficiently. In addition, the inspectors revealed failures to comply with legislation on appointment, ranking, human reserves, etc. In particular, there is no uniform system of prospective, current and operational plans of the executive body, as a whole, and of its structural units.

- Very often the action plans of structural units of one executive body are developed for different time intervals (for example, one unit deals with quarter plan, the other with semi-annual or annual plan).
- Action plans are developed unsystematically: structural units do not all submit proposals for action plans, fail to do it in due time, to approve them with competent officials or fail to submit proposals at all.
- Territorial units of central executive bodies in a given region do not all submit proposals for annual plans of Oblast Public Administrations.

Majority of executive bodies and local self-governing bodies examined in 2006 do not collect information on fulfillment of action plans.

- No specific information on fulfillment of action plans. Only general reporting on the activities performed (for example, "Measures set in the action plan of the Oblast Public Administration for the 1st quarter of 2005 are fulfilled").
- No general reporting standards. No uniform reporting forms within executive body for the same period, such as "information about activities", "information about a status of fulfillment of the action plan", "statistical report on basic indices", "reference on activities".

Majority of executive bodies fail to comply with procedures for preparation and arrangement of board meetings. The most frequent failures are as follows:

- Absence of proposals from structural units for developing a plan of board meeting;
- Removal of issues from the agenda without approval of the top manager;
- Undue preparation of materials for board meetings, including reference information, draft resolutions, minutes, agenda (non-compliant with the applicable requirements, formal or missing);
- Poor quality of decisions: no formal orders/ instructions are given; responsible persons or deadlines are not specified.

Preparation and arrangement of meetings of top management should be improved to remove problems connected with:

poor preparation of materials for staff meetings;

- poor monitoring of fulfillment of orders issued by top managers upon results of the meetings;
- reporting to the top managers on results of fulfillment of their orders issued at the previous meetings.

The Main Department of the Civil Service pays special attention to methodical and advisory support of executive bodies in the field of human resource management. The most frequent failures revealed in the course of the examination are:

- competition for civil service vacancies is announced but not published;
 - a procedure for examination is not approved;
- staff reserve for top managerial positions comprises only one person;
- next rank is assigned with delay or prior to the due term unreasonably;
- personal files do not comprise all documents required by rules of procedure;

- non-compliance with requirements for filling income statement or financial liabilities statements;
- no records of probation and/or appointment on position in the work record.

As the experience shows, in general, efficiency of human reserve for 1st-3rd rank civil servants (appointed by the President of Ukraine or the Cabinet of Ministers of Ukraine) still remains low (about 4 per cent).

Based on the results of comprehensive examination of executive bodies it is necessary to develop uniform standards and procedures for activities of central and local executive bodies set in respective regulations.

It means that initiative of the Main Department of the Civil Service of Ukraine on the development of standard rules of procedure for central and executive bodies becomes more important.

Training seminar for human resources managers of executive bodies

In November 2006, top management of the Main Department of the Civil Service of Ukraine held a training seminar for managers of human resources departments of Verkhovna Rada of the Autonomous Republic of Crimea, the ARC Council of Ministers, Oblast Public Administrations and Kyiv and Sevastopol City Public Administrations (totally 49 participants) to familiarize them with the principal provisions of draft Law of Ukraine "On Civil Service" (new version), as well as with principles of operation of the quality management system in executive bodies and to enhance their knowledge and skills in the human resources management and civil service issues.

The following topics were discussed in the course of the seminar:

- cooperation between the Main Department of the Civil Service of Ukraine and local public administrations;
- legal aspects of the human resources management: competition for vacancies, probation, formation of human reserve, procedure for appointment and dismissal of civil servants;
- draft Law of Ukraine "On Civil Service" (new version);
- anti-corruption examination of candidates when accepting for civil service;
 - operation of the quality management system;

- organization of activities of the Main Department of the Civil Service of Ukraine in compliance with the quality management system ISO 9001: 2001;
- procedure and specific features of implementing Kartka (File) software for registering civil servants of I-VII categories.

Upon the results of the seminar decision was made:

- to commission territorial units of the Main Department of the Civil Service of Ukraine and human resource departments of local public administrations with providing on-site consulting and advisory services to civil servants as regards a procedure for calculating length of civil service;
- to engage representatives of human resource departments of local executive bodies in the comprehensive examination of compliance with the applicable legislation in the field of civil service and combating of corruption:
- to commission territorial units of the Main Department of the Civil Service of Ukraine with developing an action plan for consulting and advisory assistance to local executive bodies as regards fulfillment of Program for implementing the quality management system in executive bodies and as regards operation of Kartka system in local executive bodies.

SECTION III. IMPLEMENTATION OF NEW INSTRUMENTS OF INSTITUTIONAL DEVELOPMENT – INTEGRATION OF THE UKRAINIAN PUBLIC ADMINISTRATION INTO THE EUROPEAN ADMINISTRATIVE SPACE

One of the priorities of the Main Department of the Civil Service of Ukraine in 2006 was the support of the government's European integration strategy. For this purpose, the Main Department of the Civil Service of Ukraine supported by the European Commission initiated the application of three key institution building instruments that have been used by the European Commission only for candidate countries for the European Union Membership – Twinning, TAIEX i SIGMA.

1. SIGMA¹ – monitoring of public administration and its approximation to the EU standards

In March 2006, the Main Department of the Civil Service of Ukraine, with the financial support of the Swedish and UK governments, organized Ukraine Governance Assessment against SIGMA baselines in the following sectors of public administration:

- Policy-making and coordination,
- Civil service.
- External audit,
- Public internal financial control,
- Public expenditure management systems,
- Public procurement system.

On May 5, 2006, Memorandum of Understanding was signed between the Government of Ukraine, UK Department for International Development and Swedish International Development Agency (SIDA) to support Ukraine governance assessment against SIGMA baselines.

SIGMA experts presented a report on the results of this assessment, with the recommendations concerning the compliance of the Ukrainian public administration with the requirements for the EU membership, and its adaptation to the European best practices and the legislation of the European Union.

On July 5, 2006, the report was presented at the international conference "The Administrative Reform Strategy: SIGMA recommendations for the Government of Ukraine".

On August 31, 2006, the Main Department of the Civil Service of Ukraine, based upon the recommendations of SIGMA, submitted preliminary proposals on high priority measures of administrative reform in Ukraine to the Cabinet of Ministers of Ukraine.

SIGMA is a joint initiative of the Organisation for Economic Co-operation and Development (2 percent) and the European Union (98 percent). This programme was launched to help countries in Central and Eastern Europe modernise their public governance systems. SIGMA programme is principally financed by the European Union.

In the framework of the programme, the administrative reform strategies have been implemented in almost all 25 countries of the European Union during 12 years. Based upon the results of the assessment, which is conducted for the EU membership candidate countries on a yearly basis, SIGMA provides expert conclusions and recommendations to the European Commission and the beneficiary countries regarding the compliance of their public administration systems with the requirements for the European Union membership.

Sigma support includes:

- Assessing reform progress and identifying priorities against baselines set by good European practice and existing EU legislation (acquis communautaire):
- Assisting decision-makers and administrations in building institutions and setting up legal frameworks and procedures to meet European standards and good practice;
- Facilitating assistance from the EU and other donors inside and outside Europe by helping to design projects, ensuring preconditions and supporting implementation

SIGMA supported the reforms in partner countries in the following eight priority areas:

- Design and Implementation of Reform Programmes
 - External Audit
 - Financial Control
 - Legal Framework, Civil Service and Justice
 - Policy-making and Co-ordination Capacities
 - Regulatory Policy Better Regulation
 - Public Expenditure Management
 - Public Procurement

The baselines cover both formal aspects (legal basis, institutional framework), and dynamic aspects of such a framework (performance in practice, capacity for future upgrading).

Support for Improvement in Governance and Management – a joint programme of the European Commission and the Organization for Economic Cooperation and Development.

An extract from the introduction to the report of SIGMA experts on the results of the evaluation of administration system in Ukraine, March 2006

"Although there have been advances in many areas, the governance system of Ukraine does not yet meet the standards that prevail in EU Member States. Sigma shares the views of many other observers including the EU, World Bank, IMF, Council of Europe and national experts, that systemic reform is required, including better definition of constitutional responsibilities and strengthening the rule of law. Such a reform can only be sustained if supported by a broad policy consensus. The time appears not to be ripe for such grand reform. It is therefore recommended that Ukraine take the following actions in the short and medium term perspectives:

■ focus on what is doable, in the short term perspective through sectoral improvements aimed at improving the legal certainty and reliability of public action and the management of public funds which in the medium term should accumulate to a systemic reform; priority should be given to reduce arbitrariness in public

decision-making, develop administrative justice and reinforce financial management;

- foster a consensus amongst societal and policy continuity institutions for future change to the fundamental governance arrangements of the State:
- encourage main constitutional actors to evolve towards creating a democratic institutional environment where the checks, balances and limits to the exercise of power are legally defined and enforced;
- support the emergence of next generation civil service leaders.

Rather than engaging in grand reforms which most probably will not be implemented in practice, or advancing law beyond the capacities of institutions and understanding, we recommend to Ukraine authorities a policy of a "radical modesty"— acting modestly in rejecting grand reforms, and acting radically in accepting a modest reform strategy; this will require change in behaviour by both reform proponents in Ukraine and donors".

On October 5, 2006, the meeting of the Coordination Council for Ukraine Governance Assessment against SIGMA Baselines took place to develop the plan SIGMA recommendations implementation.

Based upon the resolution of the Coordination Council, three working groups and four sub-groups were established, one for each SIGMA baseline, to follow on SIGMA analysis and implement recommendations in each of the six public administration areas.

The group on public expenditure management, internal financial control and external audit developed reform proposals to strengthen public internal financial control, external audit and the public expenditure management systems. These proposals have been taken into account in the work of the Ministry of Economy, the Ministry of Finance, and the Ministry of Foreign Affairs of Ukraine.

The use of SIGMA recommendations in the new version of the Programme of Civil Service Development for 2005 - 2010

Pursuant to order of the Main Department of the Civil Service of Ukraine No. 129 of April 12, 2006, the working group was established to draft a new version of the Programme of Civil Service Development for 2005 – 2010, approved by the Cabinet of Ministers of Ukraine decree No. 746 dated June 8, 2004. The recommendations of SIGMA for civil service reform based upon the principles of democratic governance will be taken into account in the new version of the Programme of Civil Service Development for 2005 – 2010. The draft Programme will be submitted by the Main Department of Civil Service to the Cabinet of Ministers of Ukraine in the first half of 2007.

2. Twinning – cooperation of the Ukrainian public administrations with the public administrations of the EU member states

Twinning is a joint implementation tool of administrative cooperation between an EU member state and a partner country (a candidate country or a neighbour) for the implementation of public administration elements required for approximation of the national legislation to the EU legislation.

The priority objective of Twinning is to facilitate the implementation of the EU legislation and standards, which are necessary for the integration into the internal common market of the European Union, and the formation of a functional and competitive market economy.

Twinning projects are implemented through the system of the civil service in the framework of cooperation between two similar public bodies, in which the civil servants of two countries take part.

The implementation of the Twinning instrument facilitates the institutional capacity building of central executive bodies to introduce the EU legislation and the best practices of public administration and regulation, primarily, in the area of economy, based upon the national priorities and the priorities of cooperation between Ukraine and EU; the deepening of cooperation between the central executive bodies of the EU member states and the partner country.

2.1. Legislative framework for the implementation of Twinning instrument at central executive bodies of Ukraine

With a view to regulating the conditions of staying of the EU nationals involved in the preparation and the implementation of Twinning projects in Ukraine at the public agencies, and facilitating the regulations for their resident work in the public agencies, at the initiative of the Main Department of the Civil Service of Ukraine, with the support of the Security Service of Ukraine, the Resolution of the Cabinet of Ministers of Ukraine dated May 22, 1996, No. 558 "On the Adoption of the Instruction on the Procedures for Protection of State Secrets and Other Confidential Information, which is the Property of the State, During Visits of Foreign Delegations, Groups and Individual Foreign Nationals, and Conduction of the Work with Them" was abolished. This is a very important step to provide the transparency of the Ukrainian administration and to overcome the post-Soviet administrative barriers in the professional communication of the Ukrainian civil servants and their colleagues from EU member states.

In pursuance of the Cabinet of Ministers' Resolution of July 19, 2006, No. 1000, "Some Issues Regarding the Keeping, Accounting and Using Documents, Files, Publications and Other Material Information carries that Contain Confidential Information, which is the Property of the State", the Main Department of the Civil Service of Ukraine, jointly with the Security Service of Ukraine, drafted the Resolution of the Cabinet of Ministers of Ukraine "On the Approval of the Procedures for Organizing the Preparation and Implementation of Twinning Projects in Ukraine", which was approved by the Government.

The adoption of the above-mentioned draft of the Cabinet of Ministers' Resolution will facilitate efficient technical cooperation in the framework of Twinning projects, allowing protection of the information, which is the property of the state and state secrets.

2.2. Institutionalization of the Twinning instrument management system

For the purpose of organizing the preparation and implementation of Twinning projects in Ukraine, the Main Department of the Civil Service of Ukraine established Twinning Programme Administrative Office under the auspices of the Centre for Support of Civil Service Institutional Development, and allocated financial, human and material resources to ensure its functioning.

In order to ensure the coordination of the Twinning instrument implementation with the programme cycle of the European Union technical assistance, as well as to ensure objectiveness, transparency and consideration of the interests of all stakeholders when developing an indicative plan for the implementation of Twinning instrument, the Main Department of the Civil Service of Ukraine jointly with the Ministry of Economy of Ukraine issued order dated July 24, 2006, No. 265/249, reconciled by the European Commission for establishment of Twinning Programme Coordination Group.

The main task of the Coordination Group is to consider the issues on coordination of the process of Twinning project preparation and implementation with the process of the European Union technical assistance programme preparation. The Workgroup, chaired by the Head of the Main Department of the Civil Service of Ukraine, consists of the representatives of the Ministry of Economy, Ministry of Foreign Affairs of Ukraine and the Delegation of the European Commission in Ukraine.

On November 14, 2006, at the first meeting of the Coordination Group, the Indicative Plan of Twinning projects, comprising 27 projects, was considered and approved.

2.3. Funding of the Twinning projects

The Twinning projects are funded by the European Commission and implemented according to the regulations and procedures established by the European Commission.

Till the end of 2006, the Twinning projects are implemented in the framework of TACIS National Action Programmes. For this period the European Commission allocated 23 million euro to implement the Twinning projects.

2.4. The preparation of the first Twinning projects

For the funding of the projects, which have been already included in the Indicative Plan of the Twinning projects, and those to be included in this list in 2007 and funded within new Neighbourhood Instrument, the European Commission is planning to allocate around 38 million euro in total, based on average project scope.

The implementation of the Twinning instrument is aimed at supporting the European integration process and performing a considerable part of priorities set out in EU - Ukraine Action Plan.

As of the end of 2006, four projects in the following areas are at the final phase of preparation — at the phase of Twinning contract preparation,:

- Civil aviation (State Administration of Ukraine for Aviation Safety Oversight);
- Energy sector regulation (National Electricity Regulation Commission of Ukraine);
 - Competition (Antimonopoly Committee of Ukraine);
- Norms and standards/ technical regulation (State Committee for Technical Regulation and Consumer Policy).

On December 18, 2006, the European Commission officially announced the bid among the EU member states for the implementation of the Twinning project in space sector (the beneficiary is the National Space Agency of Ukraine).

22 more Twinning projects in such priority areas of EU-Ukraine Action Plan as energy, internal market, justice, transport, accreditation, finance, public administration, agriculture, environment, defence, space, technical regulation and other key areas – are at the stages of framework contract preparation, preparation and approval of the Twinning fiche, identification and development of project proposals.

The stakeholders, primarily, the European Commission, repeatedly noted in the process of work that the implementation of the Twinning instrument in Ukraine is progressing at satisfactory pace.

3. TAIEX¹

In 2006, in the framework of the European Neighbourhood Policy, Ukraine became the first beneficiary of institutional building instrument TAIEX among TACIS countries. TAIEX provides short-term technical assistance in the field of the approximation of the national legislation to EU norms and standards and its enforcement.

TAIEX was initially available to candidate countries, in order to support the faster implementation of the EU acquis.

TAIEX enjoys a reputation as a quick and flexible tool to deliver assistance to the national administrations (usually it takes from one to two months from on-line application to the providing assistance).

During 2005, the European Commission arranged over 1300 TAIEX events, in which around 42 thousand of new member states, candidate countries and countries of 'the West Balkans participated.

In the framework of TAIEX, the following services are provided at the expense of the EU funds:

- Experts sent to a beneficiary country to advise on legislative acts and interpretation of the acquis,
- Study visits providing opportunities for officials of beneficiary countries to understand how Member States deal with practical issues related to the implementation and enforcement of the acquis and issues related to the interaction with stakeholders.
- Seminars and Workshops to present and explain issues related to the acquis to a wider audience.
- Monitoring and analysis of progress through Peer Reviews which inter-alia help to refine strategies and targeting of further assistance.
- Assistance to the central and local public bodies, including regional training programme.

Key target groups:

civil servants working in public administrations;

On November 22, 2006, during a workshop, which was organized by the Main Department of the Civil Service of Ukraine jointly with the EC Directorate General for Enlargement and Delegation of the European Commission in Ukraine, for the structural units of executive bodies, responsible for Twinning projects preparation and implementation, the official launching of institutional instrument of the European integration TAIEX in Ukraine took place.

On November 23, November 27 – 28, 2006, TAIEX seminars on packaging waste management in EU and Ukraine" (the beneficiary – the Ministry of Environmental Protection) and on the implementation of the New Approach directives in Ukraine (the beneficiary – the State Committee of Ukraine for Technical Regulation and Consumer Policy) were held for the first time in Ukraine.

In general, despite a short period of this programme in Ukraine, 259 representatives of the Ukrainian central executive bodies were involved in ten TAIEX projects during September – December 2006 alone, in the following areas:

- Civil aviation:
- Veterinary medicine;
- Environmental protection;
- Internal affairs:
- Intellectual property rights;
- Agricultural policy;
- Technical regulation.
- civil servants working in administrations at subnational level and in associations of local authorities;
- Members of Parliaments and civil servants working in Parliaments and Legislative Councils;
- professional and commercial associations representing social partners, as well as representatives of trade unions and employers' associations;
 - the Judiciary and Law Enforcement authorities;
- interpreters, revisers and translators of legislative texts.

TAIEX is a powerful financial and intellectual resource for the civil servants of Ukraine, which can be mobilized within short term to resolve specific issues related to the development and implementation of legislation required for efficient economic cooperation between Ukraine and the EU.

Upon the average nearly 40 000 representatives of the bodies of state powers of the beneficiary country annually participated in the TAIEX events.

¹ Technical Assistance Information Exchange

SECTION IV. THE IMPLEMENTATION OF TRAININGS IN THE EDUCATION OF CIVIL SERVANTS – FORMING CIVIL SERVICE GROUPS OF NEW TYPE

1. Policy analysis groups in the central executive bodies, the Secretariat of the President of Ukraine and the Secretariat of the Cabinet of Ministers of Ukraine- ensuring the new role of civil servants as experts in policy analysis

The society today demands reform of bureaucracy to ensure its democratic approach and professionalism. One of the most efficient ways for this reform is to start it from inside, through creating new-quality civil service, a network of change agents, who will impact other civil servants' consciousness and mode of work through changing those of their own.

During 2006, a pilot project was carried out to introduce policy analysis groups in the central executive bodies and the secretariats of the President of Ukraine and the Cabinet of Ministers. The project was initiated by the Main Department of the Civil Service in Ukraine and aimed at supporting the implementation of EU - Ukraine Action Plan and the preparation of central executive bodies for the implementation of Twinning instrument. Another objective

of the project was to enhance top civil servants' professional skills in terms of policy analysis and democratic procedures of government decision-making.

The International Centre for Policy Studies performed this project based upon the order of the Centre for Support of Civil Service Institutional Development under the Main Department of the Civil Service of Ukraine. The project was funded from the state budget of Ukraine.

The main objective of the project was the formation of civil servants' professional self-organization capacity in using the public policy principles and procedures during government decision-making in specific areas of public administration.

Policy analysis groups were established at the Ministry of Economy, Ministry of Finance, Ministry of Transport and Communication, State Committee of Ukraine for Technical Regulation and Consumer Policy,

Antimonopoly Committee of Ukraine, National Commission for Electrical Energy Sector Regulation in Ukraine, National Space Agency of Ukraine, State Agency of Ukraine for Investments and Innovations, the Secretariat of the President of Ukraine and the Secretariat of the Cabinet of Ministers. The groups prepared green and white papers in various areas of public policy, which along with the discussion of these documents by the stakeholders were the main products of this project.

Green and white papers as a key tool of policy-making and government decision-making in the European Union

Green papers are used at various steps of policy-making. They are aimed at reflecting a full policy-making cycle – from the problem statement to the evaluation of policy implementation results. Therefore, a full policy-making cycle can be used as a general framework to evaluate the quality of policy papers.

Green paper aims to raise a specific issue in the public policy area, define its scope and the social groups, which are interested in resolving this issue, in order to assist the government in driving the attention of the stakeholders and public at large to the raised issue, and to find out about their opinions on possible ways of its resolution.

The green paper is a product of discussions with stakeholders, since not only the government, but also all

citizens and institutions of civil society need to make efforts to implement the required changes, which are discussed in a green paper.

The preparation of green papers devoted to various public policy issues is also a means for the policy makers to predict the possible reaction of the public to future government decisions and adjust the decisions in a proactive manner.

The public hearings on the green papers prepared in the framework of the "Activities of Policy Analysis Groups at Government Agencies of Ukraine" project revealed the gross dissatisfaction of the interest groups' representatives with the fact that the current practices of the implementation of government decisions is often separate from the actual process of decision-making and approval.

They also demonstrated that in many cases the state agencies themselves do not have a unanimous view on the problems and ways of their resolution, which undermines the confidence of the society in the authorities.

The work over these documents is meant to enhance the dialogue between the government and the stakeholders, raise the efficiency of implementation of future government decisions through consideration of stakeholders' interests, or, at least, their involvement, the opportunity to elaborate single approaches to the resolution of some particular public policy issues within the government, have a clear opinion regarding the public policy issues during the negotiations with foreign partners, primarily, the EU, and, at the same time, identify and assert the national interests.

Through white paper drafting the government deepens the dialogue with the public, which was initi-

ated during the preparation of a green paper, and states its own opinion and vision on a certain public policy issue. A white paper contains the specific proposals regarding the ways to overcome the problem specified therein. As a rule, the documents, which are drawn up on the basis of a green paper's discussion results, start a series of consultations for the evaluation of possible policy options. When such options for a solution is found, which is acceptable for both policy makers, and key stakeholders in the society, the proposals outlined in the white paper are converted into a policy decision, which is referred for consideration to the Cabinet of Ministers or the Verkhovna Rada, as a draft of legislative act.

Professional policy analysts draft policy documents, while lawyers transform policy into draft legislative acts. A clear distinction between these two competencies of civil servants is a crucial factor of not only public policy, but also of the legislation.

80 civil servants who took part in the project gained new knowledge and acquired new skills in policy analysis, strategic planning and change management that are vital for democratic governance, and ensure government focus on crucial problems of the society. This knowledge and skills are vital for the government, especially in the circumstances where the political reform is underway, the Cabinet of Ministers is a coalition government and the level of its policy responsibility is rising.

The participants of the policy analysis groups prepared green and white papers on the following priority issues of public policy:

- 1. Improvement of the tariff regulation system of natural monopolies.
- 2. Public policy in the area of motor transport safety.
- 3. State regulation of the electrical power sector in Ukraine.
- 4. Raising foreign investments for the Ukrainian economy: problems and ways of their resolution.
- 5. Implementation of short-term budgeting as a mechanism for coordination of the social economic and budget policy.
- 6. Public administration reform in Ukraine.
- 7. Improving the system of strategic policy documents as the foundation for budgeting.
- Commercialisation of space technology the prospective area for enhancing the efficiency of space activities in the contemporary market environment.
- 9. Democratisation of the decision approval process.
- The policy for the adaptation of the domestic legislation in the area of norms and standards to the EU requirements.

The results of the project were publicly presented at the scientific and practical conference with the participation of the Minister of the Cabinet of Ministers of Ukraine Anatoliy Tolstoukhov and the first secretary of the Mission of the European Commission in Ukraine Mr. E. Kray on October 6, 2006.

Green and white papers elaborated by the project participants were published, and several hundreds of copies in Ukrainian and English were provided to all central executive bodies, the Secretariat of the Ukrainian President, the Secretariat of the Cabinet of Ministers, the diplomatic missions of donor countries and international organizations.

The government supported the initiative of the Main Department of the Civil Service and requested the preparation of the Cabinet of Ministers' draft resolution, pursuant to which the project will be continued in 2007 and subsequent years, and the network of policy analysis groups will be extended to embrace the whole system of central executive bodies of Ukraine.

During 2006, the Main Department of the Civil Service of Ukraine received over 45 requests from central executive bodies regarding the participation in the project in 2007 and in subsequent years, which demonstrates their high motivation to participate in this project. One of the main issues to be resolved during the planning of subsequent project will be the method for the selection of central executive bodies that will participate in the project. The key criteria will include a clear identification of the priority public policy issues that the policy analysis groups will deal with, and the leaders' readiness to take responsibility for further implementation of white papers, which are elaborated in the course of the project, for government decisions and laws.

2. The agreements of the Main
Department of the Civil Service of
Ukraine with regional administrations
and regional councils –
extending the acquired European
management experience at a regional
level

In order to use the experience, which was acquired through cooperation with the European institutions, at a local level, raise the working standards of civil servants at local executive bodies and of local self-government officials, enhance their professionalism in providing services to the citizens, the Main Department of the Civil Service of Ukraine initiated the signing of agreements with regional administrations and regional councils. Three such agreements were signed in 2006.

In June 2006, the Agreement on the Promotion of Local Self-Government Development in Zhytomyr region was signed between the Main Department of the Civil Service of Ukraine and Zhytomyr regional council.

Its objective is to facilitate the development of local self-government in the region, including through the trainings conducted for officials of local self-government agencies. Based upon the schedule of trainings for the heads of village and settlement administrations, as well as mayors of district and regional centres, and heads of regional councils, 23 trainings were held, and 654 officials participated in the trainings.

The subjects of the trainings were as follows:

- Procedural and institutional basis for the activities of local self-government authorities;
- Communal property of the citizens, the ways of its efficient use:
 - Financial support of local self-government;
 - Citizens' land resources, their use;
- The role of territorial community in decision-making and the instruments of decision-making.

In August 2006, the Agreement on Cooperation between the Main Department of Civil Service of Ukraine, Dnipropetrovsk regional administration and Dnipropetrovsk regional council was signed.

The agreement is aimed at:

Introducing quality management in Dnipropetrovsk regional administration, its structural departments and local self-government agencies of the region; Implementing intensive training of civil servants and officials of Dnipropetrovsk region.

For the realisation of the last task, the Main Department of the Civil Service of Ukraine undertook the obligation to provide methodical guidance on the selection of qualified personnel and on the service at executive bodies and local self-government agencies, organization/conducting of trainings on administrative activity.

During the second half of 2006, 16 trainings were held on the following subjects:

- The practical application of the nationwide computer system "Kadry" ("Personnel") for maintaining civil servants' records;
- The use of state standards in up-to-date record-keeping practices:
- Implementing and ensuring the functioning of the quality management system in the administration and the structural departments of the regional administration:
- Organizing management at local self-government authorities;
 - Project management etc.

In December 2006, the Agreement on Cooperation between the Main Department of the Civil Service of Ukraine, Chernivtsi regional administration and Chernivtsi regional council was signed.

The key areas covered by the Agreement are:

- Methodological and counselling assistance in organizational work, the implementation of public policy, civil service and service at local self-government agencies;
- Organizing and conducting the trainings for civil servants on organizational/human resource operations and management systems;
- Implementation of the quality management system in executive bodies; providing explanations and counselling to local self-government agencies:
- Getting the public involved in the research of issues relating to the efficiency and effectiveness of local executive bodies' activities.

The plan of actions for the implementation of this agreement is currently pending approval at the Chernivtsi regional administration and Chernivtsi regional council.

When the Head of the Main Department of Civil Service was on a working visit to Donetsk in December, 2006, an agreement was reached with the heads of Donetsk regional council and Donetsk regional administration on entering into a similar contract with the Main Department of the Civil Service of Ukraine in the beginning of 2007.

3. Conducting the trainings in the regions using a new methodology – equipping the civil servants with up-to-date management and communication instruments

An important factor for civil service professionalism is the acquisition of work skills by civil servants. One of the most efficient forms of education, which meets this objective, is training.

Introduction of trainings in the system of civil servants' professional education was determined as one of the priorities in the activities of the Main Department of the Civil Service of Ukraine in 2006, which was expected to improve the process of state order placement for the education of civil servants and local self-government officials, identification of the training needs and preparation of a pilot package of key training courses, and pilot trainings for civil servants.

A standard methodology for the organization/conducting of trainings for civil servants and local self-government officials was elaborated and approved by the order of the Main Department of the Civil Service of Ukraine dated April 3, 2006, No. 116, pursuant to which the territorial agencies of the Main Department of Civil Service of Ukraine will organize trainings at a local level.

The use of trainings allows not only acquiring a considerable volume of valuable information within short terms (2 to 6 hours), but also ensures the acquisition and development of professional and practical skills necessary for civil servants and local self-government officials.

The training subjects are mostly concerned with the issues, which are vital for streamlining the operation of human resource departments in local executive bodies and local self-government agencies, such as the specifics of civil service and the implementation of a quality management system at executive agencies.

The territorial units of the Main Department of the Civil Service of Ukraine engage in trainings the groups of specialists - both professional trainers and experts in some specific areas.

During 2006, the territorial units of the Main Department of the Civil Service of Ukraine held 534 trainings, for over 15 thousand managers and specialists of human resource departments, legal advisers and other employees of the structural departments of regional administrations, territorial agencies of central executive bodies, city mayors, deputy mayors, heads of village and settlement councils, secretaries of local councils and other categories of officials of executive bodies and local self-government agencies.

The subjects of the trainings are various. They include, in particular, the practical use of the single state computer system "Kadry" ("Personnel") intended for maintaining of civil servants' records; the use of state standards in up-to-date record-keeping practices; implementation and enabling of the quality management system for the top administrative

staff and the structural departments of the regional administration; organization of management activities in local self-government authorities; project management etc.

The use of training methods proves to be efficient in terms of practical skills acquisition and ensures maximum audience exposure.

In August 2006, the Agreement on Cooperation between the Main Department of the Civil Service of Ukraine, Dnipropetrovsk regional administration and Dnipropetrovsk regional council was signed. A Tentative plan of trainings for 2006 was approved. Based upon the results of its performance, 16 trainings on administration activities were held, in which over 550 officials of executive bodies and local self-government agencies participated.

Organizational support for these trainings was provided by territorial unit of the Main Department of Civil Service of Ukraine in Dnipropetrovsk region.

Heads of human resource departments working in executive bodies and local self-government authorities, persons responsible for maintaining civil servants' electronic records in executive bodies and local self-government agencies, territorial agencies of central executive bodies, heads of village and settlement councils, secretaries of local councils and other local self-government officials were engaged in these trainings.

The training subjects included, among other things, the behavioural standards and the ways to support an attractive image of civil servants during their work. During the training, which was conducted jointly by the territorial unit of the Main Department of the Civil Service of Ukraine in Kirovohrad region and the Association of Young Civil Servants, the young civil servants were taught to give interviews, speak in public and take part in discussions.

The organization of trainings at the territorial unit of the Main Department of the Civil Service in Odessa region is noteworthy: the trainings are conducted with the use of mini-lectures (the theoretical basis), role and business games, discussions, special exercises with audio- and video materials, group discussions and case studies from the participants' professional experience. Handout materials are used extensively during the trainings, and the training participants are questioned on their satisfaction with the training results and possibility to use that in further work.

The implementation of the international project "Development of Democracy and Civil Service Capabilities in Ukraine"

In 2006, the territorial unit of the Main Department of the Civil Service in Kherson region continued the implementation of the pilot project "The establishment and organization of a creative consultative centre for civil service and efficient management" (hereinafter – "Centre"). The pilot project implementation plan includes three-stage implementation during 2005 – 2007.

The Centre took the following actions, in compliance with the work plan:

1. In January – March 2006 the trainers of partner organizations conducted regional trainings in Kherson. In 2006, based upon the agreement on cooperation between the territorial unit and non-government public organizations, 14 trainings and workshops were held, with the participation of public youth organizations' activists and leaders, officials of local self-government agencies, to identify the persons to be included in the pool of candidates for civil service and service in local self-government agencies.

The specified trainings were held in 5 districts of the region. Based upon the results of these trainings, executive bodies and local self-government agencies recommended to accept into the pool of candidates 122 young people from villages and leaders of youth organizations, as well as 72 those, who were graduates and students of the youth school of civil service in 2005 – 2006, 47 of whom had taken internship at structural departments of regional and district administrations.

- 2. In September 2006, with a view to enhancing the qualifications of government agencies' and local self-government agencies' employees, short-term seminars were held for the heads of regional administrations' human resource departments, city and district executive committees and the structural departments of the regional administration, in particular: meetings devoted to specific subjects, psychological trainings, daily interactive discussions and lectures. In total, 40 persons took part in the training.
- 3. Based upon the results of creative papers by the sixth class of graduates of the Youth School of Regional Public administration, a concluding scientific and practical conference took place on September 29, 2006. Its subject was "Vital issues and prospects for training the new generation of civil servants in the context of the

European integration of Ukraine", and the participants were the school's students, the employees of the Office and the representatives of the youth public organizations of Kherson region.

- 4. With the participation of the heads of the Training and Professional Development Centres in Kherson and Lugansk, the heads of Civil Service Offices of the Main Department of Civil Office in Kherson and Lugansk regions, and the deputy head, on September 22, 2006, a regional practical conference was held in the framework of further training of management personnel, "Vital issues of shaping and implementing up-to-date regional human resource policy", and on October 20, 2006, the second interregional practical video conference was held. The subject was "Innovation and communication approaches in the activities of local self-government officials in the context of reform".
- 5. In the second half of 2006, to gain knowledge and skills in efficient management, interactive trainings were held with local self-government agency officials, especially the newly elected heads, secretaries and deputies of local councils. In total, 7 round tables were held with newly elected heads of village councils on the vital issues of local self-government reforms.
- 6. During November December 2006, the specialists of the territorial unit, Kherson city organization "Business and Professional Women's League", and the students of the Institute of Psychology, History and Sociology of Kherson State University conducted monitoring of public opinion on the activities of local self-government officials, during which 721 persons were questioned in 18 districts of the region and 281 persons in the town of Kherson. Based upon the results of this monitoring, over a half of those questioned are not satisfied with the quality of services rendered to the population by local executive bodies and local self-government agencies.

The Main Department of the Civil Service of Ukraine supports the international project "Development of Democracy and Civil Service Capacity in Ukraine", which is being implemented in 2006 – 2007 by the National University "Kyiv Mohyla Academy", Pylyp Orlyk Institute for Demoracy, and financed by the independent Norwegian company "Telenor".

The objective of this project is the reinforcement of general management potential and enhancement of the Ukrainian civil servants' qualifications to the level of international requirements.

The course attendees can gain knowledge, in particular, on such topics as democracy and modernization of public sector through the establishment of electronic government, the European Union and the European economic space, the EU Neighbourhood

Policy, project management and IT-based management, public policy development and implementation, management decision making, cooperation with public organizations.

The project training programmes are based on the cutting-edge achievements of public administration research, taught by the leading specialists from the European and the Ukrainian educational institutions and held in Kyiv, Lviv and Brussels (Belgium). All training costs will be covered at the expense of the project funds, in full. During 2006, about 79 civil servants, local self-government officials, leaders and members of public organizations, analysts, scientist and teachers specializing in the area of public administration, took part in the project and received a certificate.

SECTION V. IMPROVEMENT OF MATERIAL AND SOCIAL STATUS OF THE CIVIL SERVANTS – AN IMPORTANT PRECONDITION FOR PROFESSIONALISM AND INTEGRITY

Attracting to the civil service of the most qualified specialists, improving attractiveness of the civil service and ensuring its competitiveness in the labor market, as well as preventing corrupt behavior cannot be achieved without improving civil servants' pay and social security conditions.

Improvement of material and social status of the civil servants is one of the key priorities in activity of the Main Department of the Civil Service of Ukraine. With this goal, the Main Department of the Civil Service of Ukraine cooperates with the Ministry of Labor and Social Policy of Ukraine, the Ministry of Finance of Ukraine and Central Committee of Trade Union of Employees of Public Institutions of Ukraine.

1. Analysis and prospects of implementing the Resolution of the Cabinet of Ministers of Ukraine "On Regulation of the Pay Structure of Employees of Executive Bodies, Public Prosecutor Offices, Courts and other Bodies" dated March 9, 2006 No. 268

In response to numerous appeals addressed to the Cabinet of Ministers of Ukraine concerning establishment of basic pay rates of the civil servants to exceed legally established size of minimal salary, and increasing the share of mandatory payments within the salary structure, the Cabinet of Ministers of Ukraine adopted resolution dated March 9, 2006 No. 268 "On Regulation of the Pay Structure of Employees of Executive Bodies, Public Prosecutor Offices, Courts and other Bodies".

Analysis, which was conducted by the Main Department of the Civil Service of Ukraine regarding new approaches to pay system of the civil servants, which have been introduced by the above mentioned resolution, demonstrated ambiguity of their influence upon material and social status of the civil servants.

First of all, absence of clear criteria for determining the size of basic pay rates results in their ungrounded raise or reduction, and increased disproportions in salaries of the civil servants.

Salary of a head of a central executive body exceeds salary of a specialist more than 10 times, while the European experience shows that such coefficient must not exceed 7.

- Ratio of basic pay of a specialist and a head of rayon state administration increased from 1:2.7 to 1:5. Under conditions of low pay of civil servants at the local level, such gap intensifies social strain and complicates attracting and retaining personnel, especially young people, in positions of specialists.
- Basic pay rates for all line management and specialists of the Secretariat of the President of Ukraine, Secretariat of the Cabinet of Ministers of Ukraine, Machinery of the Verkhovna Rada of Ukraine were raised by 3.5 times, basic pay rates of line management of main departments of the oblast beyond the group were raised by 4 times, and basic pay rates of specialists were raised by 2.3 times.

Secondly, there is growing disparity in pay levels among civil servants performing duties of similar complexity and responsibility as well as unequal treatment of one branch of power over the other in terms of the level of pay. In particular, there are big differences in salaries received from the national budget (e.g. for employees of territorial units of central executive bodies) and salaries received from the budget Crimean Autonomous Republic, where a supplement for high labor achievements in the amount of up to 50 percent of basic pay and a monthly bonus and awarding of other bonuses have been preserved.

Thirdly, resolution No. 268 was adopted after adoption of the Law of Ukraine "On the State Budget of Ukraine for 2006" (so this resolution was financed within the approved payroll fund), and thus almost all categories of employees could not receive salary in the full amount, namely they could not receive labor achievements supplement or supplement for performing especially important work, for performing functions of temporarily absent employees, material assistance for settlement of social problems, assistance for health improvement provided during annual vacation, other supplements, vacation pay; besides, there were difficulties with payment of 10 basic pay rates for retiring persons and other payments.

Fourthly, the said resolution has not established basic pay rates for all positions, which are determined by staff list of executive bodies, which have been earlier envisaged by resolution of the Cabinet of Ministers dated December 13, 1999 No. 2288.

These facts and increasing number of appeals s from government agencies and individual civil servants prove inconsistency and incompleteness of the reform described above, as well as need in further actions in this area.

In order to solve part of the problems related to new pay levels for the civil servants, Ministry of Labor and Social Policy together with Ministry of Finance, Ministry of Economy and the Main Department of the Civil Service of Ukraine elaborated and the Cabinet of Ministers of Ukraine adopted resolution dated July 19, 2006 No. 984 "Some Issues of Labor Remuneration of Employees of Executive Bodies, Public Prosecutor Offices, Courts and other Bodies". The resolution took into account certain proposals of government agencies and local self-government bodies to better regulate pay conditions of these authorities' employees.

At the same time, these measures did not settle the most serious problems. In particular they did not allow increasing and better regulating pay levels of the civil servants at the local level. The Ministry of Labor and Social Policy of Ukraine elaborated draft resolution of the Cabinet of Ministers of Ukraine with purpose of amending resolution dated March 9, 2006 No. 268, which provided for:

- raising basic pay rates of specialists in local executive bodies and bodies of local self-government;
- regulation of basic pay rates of employees of local executive bodies and local self-government;
- introducing changes to basic pay rates while introducing for separate positions of coefficient allowing to increase minimum salary in 2006 from UAH 350 to UAH 400;
- clarifying provisions concerning payment of labor achievements supplement or supplement for performing especially important work:
- introduction of supplements for years of service in local self-government bodies.

The draft has not been yet supported by the Ministry of Finances, since it is regarded as a draft, for realization of which "there are no funds".

At the same time, even if being supported, the said draft resolution cannot systematically resolve the problem of low pay and social security of civil servants. Experience of EU member states shows that professional civil service is possible only under transparency and predictability of pay conditions and sufficient material and social support. Civil service remuneration is normally regulated by civil service legislation rather than ad hoc governmental resolutions.

The Main Department of the Civil Service of Ukraine believes that the best way to solve the issues described above is through legislative regulation of the pay system of the civil servants and gradual implementation of such reform.

Draft Law of "Ukraine On the Civil Service" (new version) guarantees independence of civil servants pay from the subjective opinion of the management as well as adequate level of pay through determining of the dominating role of basic pay within the structure of salary (not less than 80 percents) and establishing of minimal basic pay of a civil servant in the amount of not less than two minimal salaries.

Improvement of social status of persons with disabilities in the civil service

On December 12, 2006, amendments were introduced to Article 37 of the Law of Ukraine "On the Civil Service" to improve social protection of persons with disabilities, who have necessary record of civil service, and increasing level of their pensions with purpose of clear definition of conditions for awarding disability pensions to persons, who were recognized as disabled before their admission to the civil service and have sufficient record of civil service, as well as for settling of issues connected with payment of pension in case of change in disability group or regaining of capacity for work by a civil servant.

2. Solving the issue of material support of the civil servants in draft Law of Ukraine "On State Budget of Ukraine for 2007"

Preparation of the draft Law of Ukraine "On the State Budget of Ukraine for 2007" and, in particular, aspirations of separate officials of the Ministry of Finance caused serious anxiety of the civil servants and officials of local self-government, since separate provisions of this draft law envisaged significant changes in their levels of pay and social support. In particular, Article 76 of the draft law was to envisage:

- suspension of Articles of the Law of Ukraine "On the Civil Service: concerning payment to the civil servants of supplements for years of service, for high labor achievements and for fulfilling of especially important work, for fulfilling functions of temporarily absent employees, material assistance for health improvement and settlement of social problems;
- abolition of payment of ten basic pay rates for retiring persons (6 to 7 thousand persons annually);
 - non-payment of pension to working pensioners.

Trying to save on civil service pay, the drafters did not take into account those negative effects, which these provisions can have upon stability and effectiveness of the public administration. Exactly these social guarantees are determinative for competitiveness of the civil service at the labor market. In contrast to other citizens' rights and freedoms, constitutional rights and freedoms of the civil servants and officials of local self-government are limited by law because of their fulfillment of the state functions. Prohibition to receive, when holding position of a civil servant, other remuneration beside salary is a constraint for employing capable and initiative specialists. Thus, liquidation of certain preferences in material support of the civil servants makes existence of the institute of professional civil service doubtful.

If social guarantees are abolished, salary must be attractive enough for young qualified specialists. According to the State Committee of Statistics as of July 1, 2006, average salary in the public administration sector was equal to UAH 1,578, but we should take into account that this "average salary" was calculated taking into account salaries of top management, which were equal to UAH 10 to 12 thousand after adoption of resolutions of the Cabinet of Ministers of Ukraine dated June 30, 2005 No. 510, No. 512. 10.3 percent of civil servants receive salary, which is lower than minimum living salary (UAH 496), and each second civil servant receives salary of up to UAH 1000. 13-% increase in pay, which is planned in the draft law, leveled out within the forecasted inflation for 2007.

Taking into account the disproportions, which occurred in pay levels of the civil servants of different categories (see paragraph 3.1), and decrease in salary of specialists, especially at local level, we can claim that non-payment of a significant part of supplements would effect the local level and would cause significant personnel turnover, which over last three years was equal to 19 percents. 80 percents of vacant positions are positions of specialists, namely the least paid position category.

Addresses to the Main Department of the Civil Service of Ukraine through "hot line", by letters from citizens and inquiries of the Members of Parliament of Ukraine are feeding into the growing number of reasons for systemic solutions of pay problem of the civil servants with purpose of preventing risks of losing high-level personnel potential by the public administration.

Reacting to the increased number of addresses of the civil servants and officials of local self-government, the Main Department of the Civil Service of Ukraine together with Central Committee of Trade Unions of Employees of Public Authorities of Ukraine contributed to a wide discussion of the problem with the Government with participation of representatives of international organizations. This discussion provided additional arguments for defending the interests of the civil servants.

As a result of the held events and under support of the Budget Committee of the Parliament of Ukraine, Article 76 was excluded during consideration of the draft Law of Ukraine "On the State Budget of Ukraine for 2007", which allowed preserving social guarantees for civil servants and officials of local self-government.

National seminar "Social Dialogue on Civil Service Pay and Pension System in Ukraine"

On October 10 – 11, 2006, national seminar "Social Dialogue on Civil Service Pay and Pension in Ukraine" was held in the premises of Trade Union Federation of Ukraine in the framework of discussion on the draft Law of Ukraine "On the State Budget of Ukraine for 2007". The seminar was organized by the International Labor Organization with participation of the Main Department of the Civil Service of Ukraine and Central Committee of Trade Unions of Employees of Public Authorities of Ukraine.

The goal of the seminar was to assist the Government and civil servants of Ukraine in acquiring knowledge and skills of social dialogue, in particular regarding pay and pension system of the civil servants, which would be based on standards of the International Labor Organization (ILO) and European Union, as well as experience of other countries.

Two themes were discussed during two days: "Pay System in the Civil Service" and "Pension System in the Civil Service". Seminar participants compared international and Ukrainian experience of pay system' functioning at the civil service (ILO Conventions No. 87, 100, 151, 154 and others). Experts from Hungary and Slovenia participated in the discussion.

The seminar was held, in the first place, for public authorities, which are engaged in implementation of Ukraine – EU Action Plan, with participation of representatives of EU member states. It was designed for heads of ministries and other central executive bodies, as well as heads of structural units of these authorities, who are responsible for social dialogue.

The following persons participated in the seminar: Head of the Main Department of the Civil Service of Ukraine Tymofiy Motrenko, senior specialist of the Sectoral Activity Department of the International Labor Organization in Geneva Shizue Tomoda, head of the Committee of the Parliament of Ukraine on Social Policy and Labor Ivan Bondarchuk, Head of the Central Committee of Trade Unions of Employees of Public Authorities of Ukraine Tetyana Nikitina, Deputy Minister of Labor and Social Policy Olena Garyacha and Co-Chairman of the National Tripartite Social and Economic Council under the President of Ukraine Volodymyr Gryshchenko.

This action was well-timed and contributed to protection of the civil servants' rights.

SECTION VI. PROTECTING RIGHTS OF CIVIL SERVANTS AND ENSURING OBSERVATION OF LEGISLATION ON THE CIVIL SERVICE

In 2006, the Main Department of the Civil Service of Ukraine conducted 107 inspections on observation of legislation on civil service and fight against corruption in executive bodies (compared to 77 inspections in 2005). Most of the inspections were conducted in response to applications of citizens (57 inspections), on the instructions of the Cabinet of Ministers of Ukraine (35 inspections), as well as upon inquiries of Members of Parliament of Ukraine (7 inspections).

Almost one third of applications, which were grounds for inspections, concerned issues connected to appointments, violations of the order of holding competition for filling vacant civil service positions.

Most of the applications, which led to conducting of the inspections, were received from Lugansk and Kyiv oblasts. At the same time, such applications were not received from Volyn, Mykolaiv and Zakarpatya oblasts.

Cases of improper fulfillment by civil servants of their duties are most common in rayon state administrations. For example, head of a rayon state administration combined positions of the head of rayon state administration and head of the rayon council, was one of the founders of a limited company, violated requirements of the Law of Ukraine "On Public Procurement of Goods, Works and Services", requirements of the Budget Code of Ukraine, "Typical Record Keeping Instruction in Ministries, Other Central Executive Bodies, Council of Ministers in the Autonomous Republic of the Crimea and Local Executive Bodies", which was approved by Resolution of the Cabinet of Ministers of Ukraine dated October 17, 1997 No. 1153.

Based on the inspection results, the Main Department of the Civil Service of Ukraine submitted corresponding recommendations to the Cabinet of Ministers of Ukraine, which were taken into account.

Cases of improper fulfillment by civil servants of their duties have occurred in central executive bodies.

For example, based on results of inspection of information provided in the appeal of a civil servant concerning protection of his labor rights, which in his opinion were violated by central executive body, head of a personnel department received a warning.

Besides, there are cases of breaching legislation during recruitment to the civil service. In a central executive body, violation was registered during holding of a competition for filling vacant position of the head of a territorial unit.

In pursuance of order of the Prime Minister of Ukraine and First Vice Prime Minister of Ukraine, as well as in response to request of civil servants with purpose of withdrawing of ungrounded, in their opinion, accusations or suspicion, the Main Department of the Civil Service of Ukraine conducted 34 service inspections in 2006 (as compared to 22 inspections in 2005).

Unfortunately, significant part of the violations is committed by civil servants in management positions. A service investigation was conducted at central executive body concerning civil servant of the second category. Based on results of the service investigation and according to proposition of the Main Department of the Civil Service of Ukraine, civil servant of the second category received a reprimand stated in resolution of the Cabinet of Ministers of Ukraine.

Examples of protecting rights of civil servants based on the results of service investigations, which were conducted by the Main Department of the Civil Service of Ukraine in 2006

The Main Department of the Civil Service of Ukraine was addressed by head of education department of Bobrynets Rayon State Administration of Kirovograd Oblast O. Pavlenko concerning conduct of a service investigation on unlawful dismissal from the held position.

In August 2006, a commission composed of employees of the Main Department of the Civil Service of Ukraine and Kirovograd Oblast State Administration conducted a service investigation concerning withdrawal of ungrounded, in her opinion, accusations and suspicion against O. Pavlenko, which become a ground for her dismissal from the position.

During September to December 2006, sittings of rayon court and court of appeal of Kirovograd Oblast took place. According to judgment and based on results of the service

investigation, she was renewed at the civil service and at position of the head of education department.

The Main Department of the Civil Service of Ukraine was also addressed by unlawfully dismissed head of the Section for Control over Awarding of Social Payments, Department of Labor and Social Protection of the Population of Myronivka Rayon State Administration in Kyiv Oblast S. Lomachynska concerning conducting of a service investigation and withdrawal of ungrounded accusations against her by the department head.

The service investigation detected numerous breaches of labor legislation, Laws of Ukraine "On Labor Remuneration" and "On the Civil Service". S. Lomachynska was renewed at the position by the Court of Appeal of Kyiv Oblast.

SECTION VII. PREVENTING CORRUPTION IN THE CIVIL SERVICE

1. Combating corruption: results and problems which require attention

During 2006, 5,862 protocols on corrupt actions were forwarded to the court (during 2005-6,111 protocols), out of them, 18 protocols concerned civil servants of I – II position categories (during 2005-13 protocols), 978 protocols concerned civil servants of III – IV categories (during 2005-867 protocols) and 2,201 protocols concerned civil servants of V – VII categories (during 2005-2,438 protocols).

Over 2006, 5,126 officials were made administratively responsible (over 2005-4,844 officials), out of them 2,222 persons (43.3 percents) were civil servants (over 2005-2,106 civil servants or 43.4 percents).

Most of the administrative protocols on corrupt actions, in particular, among civil servants and officials of local self-government of I-IV position categories, who worked in local executive bodies and local self-government bodies, were drawn up in connection with:

- illegal receiving by a person, authorized for performing of the state functions, of material benefits, services, privileges or other preferences 47.2 percents of the general number of drawn protocols;
- refusing natural and legal persons in information, provision of which is stipulated in legal acts, its intentional delaying, providing inadequate or not full information 24.5 percents;
- providing of illegal preferences to natural or legal persons during elaboration or adoption of laws and regulations or decisions 16 percents.

We should recognize that measures, which are taken for preventing corruption, are insufficient. It is demonstrated by the following facts:

- only 0.03 percents of detected and officially registered corrupt actions concern civil servants, who hold top executive positions. Such index can hardly be perceived as being true and reflecting actual state of things:
- according to official data, civil servants, who work in the city of Kyiv, where financial flows and the biggest resources are concentrated, are the less corrupted: their share is equal only to 0.09 percents of the general number of civil servants who were made administratively responsible.

2. Improvement of legislation on fight against corruption and prevention of corruption is a necessary systemic condition

With purpose of eliminating causes and conditions, which contribute to criminal manifestations and corruption, regulating the order of instituting criminal and administrative proceedings against officials, reimbursing damage caused by corrupt behavior and protecting citizens from criminal trespasses, the Main Department of the Civil Service of Ukraine reviewed and supported the following draft laws, which were drafted principally by the Ministry of Justice of Ukraine.

- Draft Law of Ukraine "On Amending Some Legislative Acts of Ukraine on Responsibility for Corruption", which stipulates:
- bringing criminal legislation and legislation on administrative responsibility in line with provisions of United Nations Convention against Corruption dated October 31, 2003, and draft Law of Ukraine "On Basic Provisions for Preventing and Combating Corruption";
- extending subject composition through establishment of responsibility of persons, who do not have status of a civil servants, but who perform public functions delegated to them by state (private auditor, private notary, expert, lawyer, arbitral administrator etc);
- differentiating criminal responsibility of officials through singling out of offenders in the sphere of service activity into a separate category persons, who perform organizational and regulatory or administrative and economic functions in a legal entity of private law irrespective of organizational and legal form;
- outlining range of corruption related crimes and other corrupt offences, taking into account features, which are determined by the draft Law of Ukraine "On Basic Provisions for Preventing and Combating Corruption", in particular, illegal enrichment, illegal receipt of a gift, violation of requirements for declaration of private interests etc.

2. Draft Law of Ukraine "On Basic Provisions for Preventing and Combating Corruption" envisages:

establishing an authority responsible for prevention of corruption and, if appropriate, which shall supervise and coordinate policy implementation and spread knowledge on prevention of corruption;

creation, maintenance and strengthening of system of job placement, career development, promotion and retirement of the civil servants and other officials.

According to this draft law, officials of economic entities of all property forms, natural and legal persons can also be made responsible for provision of material and non-material benefits (preferences, privileges, services) to persons, who are authorized for performing functions of the state, and persons, who are equated to persons, who are authorized for performing functions of the state, in particular:

- assisting natural persons and/or legal entities in carrying out of business activity, obtaining of subsidies, subventions, grants, loans or privileges;
- contributing to preferential appointment to a position of a person, who has no superior qualities compared to other candidates to this position;
- interfering in activity of public authorities, local self-government bodies or officials;
- unlawful provision of preferences to natural and/or legal persons in connection with preparation (publication) of laws and regulations and taking of decisions;
- carrying out of business activity directly or through intermediaries or men of straw (beside scientific, teaching and creative activity, as well as medical practice during off time).

In particular, Article 18 of the draft states that persons are subject to criminal, administrative, disciplinary and civil responsibility for commitment of corruptive offences.

The draft law envisages that authorities responsible for prevention of and fight against corruption are categorized into specially authorized authorities and other authorities. For example, Council of National Security and Defense of Ukraine ensures coordination of and control over activity of executive bodies on prevention of and fight against corruption.

3. Draft Law of Ukraine "On Responsibility of Legal Persons for Corruption" determines:

- the order of making legal persons responsible;
- defining grounds of such responsibility;
- the order of proceedings against corruptive offenses of legal persons.

For example, Articles 3 to 5 of the draft law define offences, for which legal persons are to be made responsible, namely: offering or giving a bribe to official of a public authority or local self-government body; bribery of a person, who is not an official of a public authority or local self-government body, but who performs authoritative functions vested by law; commercial bribery.

Fine in the amount which is divisible by amount of the subject of offence, restrictions in carrying out of certain business activity or liquidation of a legal person are proposed as penalties for commitment of corruptive offences.

The said offences correspond to corresponding offences, which are proposed for amending the Criminal Code of Ukraine.

3. Special verification of data, which are submitted by candidates to positions, appointments to which are made by the President of Ukraine and Cabinet of Ministers of Ukraine – one of the key stages in selection of top civil servants

The Main Department of the Civil Service of Ukraine, according to tasks vested in it, takes measures aimed at prevention of corruption among civil servants and officials of local self-government.

Beginning from 2005, there was intensification of activity related to special mandatory verification of data, which are submitted by candidates to positions of civil servants according to Decree of the President of Ukraine dated November 19, 2001 No. 1098. It should be noted that the said decree was signed already at the end of 2001, but only 14 such verifications were conducted during the period of 2002 – 2004. During 2005 – 2006, 561 verifications were conducted upon insistent initiative of management of the Main Department of the Civil Service of Ukraine. Notwithstanding, percentage of persons, who were appointed to positions by the President of Ukraine or the Cabinet of Ministers of Ukraine (over 2005 – 2006 there were 1,903 such persons), whose data were specially verified, is still insufficient and is equal to 29.4 percents.

Analysis of results of special verifications shows that 302 candidates to positions of civil servants (or 53.9 percents) gave inadequate information. The biggest percentage of candidates to positions of civil servants, who submitted faulty information was from Kharkiv Oblast – 93 percents, Council of Ministers of the Autonomous Republic– 82 percents, Sumy Oblast – 74 percents, Volyn Oblast – 67 percents.

It is, in particular, information:

- on education (2.3 percents 15 persons);
- on income and financial obligations (31.4 percents 176 persons);
- on participation in activity of legal entities (15 percents 84 persons);
- additional information on being made criminally or administratively responsible for corruption (8 and 2.6 percents, respectively 45 and 15 persons).

Information received from heads of local executive bodies of oblast level demonstrate that sometimes candidates to management positions are selected on political grounds rather than based on professional qualities of a person.

Below there are examples of concealed information, which was revealed during special verification of data, which have been submitted for taking of the positions.

1. A candidate was proposed for the position of the head of one of rayon administrations. The candidate held positions of the head and chief accountant of another organization, besides he did not show income of family members

Legislative initiative for strengthening fight against corruption based on results of special verifications of data, which are submitted by candidates to higher civil service positions

Taking into account results of special verifications, which were conducted in 2005 – 2006, the Main Department of the Civil Service of Ukraine submitted to the Cabinet of Ministers of Ukraine a proposition of a legislative initiative, which would introduce more stringent requirements to filling of income declarations by the civil servants, as well as for special verifications of data, which are submitted by candidates to higher category positions at the civil service, mandatory.

To this end, the Main Department of the Civil Service of Ukraine elaborated draft Law of Ukraine "On Amendment to Article 13 of the Law of Ukraine "On the Civil Service", which was approved by the Cabinet of Ministers of Ukraine on November 15, 2006.

The draft law envisages:

extending to all categories of the civil servants the obligation on filing in sections of income declaration about movable and immovable property of the civil ser-

in the submitted declaration. According to data of the State Tax Administration, they received income in the amount, which was different from that indicated in the declaration.

Besides, according to data of the Security Service of Ukraine, the candidate to the position had criminal responsibility in 2004 for crime according to part 5 of Article 191 (appropriation, embezzlement of property through abuse of power) and part 1 of Article 209 of the Criminal Code of Ukraine (money laundering). The Actions were re-qualified into part 2 of Article 367 of the Criminal Code of Ukraine (service negligence). Next year, this person was exempt from criminal responsibility on the ground of part 2 of Article 1 of the Law of Ukraine "On Amnesty" due to serious illness, which required constant supervision of a doctor and treatment.

- 2. According to information of the Ministry of Interior of Ukraine, an administrative protocol was drawn up concerning candidate to a certain position for corruption, envisaged in Article 1, part 2, paragraph "a" of the Law of Ukraine "On Fight against Corruption" (in the part of accepting or receiving of items (services) through their purchase at a price (tariff), which is significantly lower than its actual (real) value). According to the judgment, he was made responsible in the form of a fine in the amount of UAH 500 and dismissed.
- 3. Head of a rayon administration, when appointing a candidate to the position of deputy head, concealed information about convictions of the candidate, and, in particular, indicated: "The candidate has not been made criminally responsible and has not been under trial or under investigation". The fact was made public by mass media and became the subject of discussion in community of the oblast.

According to results of investigation, heads of rayon state administrations, who breached the law, were dismissed.

vants, as well as bank deposits, securities and other assets. It will increase the number of persons, who would declare the said data, from 1,534 civil servants to almost 270 thousand:

■ legislative requirement for special mandatory verification of data submitted by candidates to civil service positions, who are appointed or whose appointment is approved by the President of Ukraine on application of the Cabinet of Ministers of Ukraine or by the Cabinet of Ministers of Ukraine

Furthermore, draft joint order was elaborated together with State Tax Administration, Ministry of Internal Affairs and Security Service of Ukraine "On Approving the Instruction On Special Verification of Data Submitted by Candidates to Positions, Appointments or Agreement of Appointments to which are made by the President of Ukraine on Application of the Cabinet of Ministers of Ukraine or by the Cabinet of Ministers of Ukraine".

4. Direct telephone line "Society against Corruption" – an additional channel for information exchange in elimination of corruption

Upon initiative of the Main Department of the Civil Service of Ukraine and together with the Ministry of Internal Affairs, Security Service of Ukraine and State Tax Administration, a direct telephone line "Society against Corruption" was introduced, which is held twice a year. During two telephone lines, which were held in 2006, the citizens asked 71 questions.

During joint direct telephone lines "Society against Corruption", questions by citizens and journalists were answered by top management of the Main Department of the Civil Service of Ukraine, Ministry of Internal Affairs, Security Service of Ukraine and State Tax Administration.

The direct telephone line allows citizens to receive information on:

- the order of submitting of income and expenditure declarations by the civil servants and officials of local self-government bodies:
- forms and methods of control over activity of officials of public authorities concerning observation of the Laws of Ukraine "On the Civil Service", "On Fight Against Corruption" and other anti-corruption legislation.

Moreover, citizens can assess and give their proposals on improving work of law-enforcement bodies and executive bodies.

Ukraine participated in work of plenary session of the Council of Europe's Group of States against Corruption (GRECO), Strasburg, December 2006

On November 22 and 23, 2006, meetings were held with representatives of the Council of Europe's Group of States against Corruption (GRECO) at the Main Department of the Civil Service of Ukraine and Ministry of Justice of Ukraine concerning discussion of basic provisions of the draft Law of Ukraine "On the Civil Service".

In December 2006, a representative of the Main Department of the Civil Service of Ukraine participated in work of Ukrainian delegation at plenary session of GRECO in Strasburg. The delegation was composed of representatives of the Ministry of Justice of Ukraine, Office of Prosecutor General of Ukraine and Institute of Applied Humanitarian Research.

During the visit, Ukrainian delegation participated in review and discussion of reports on observation by Armenia, Georgia, Kazakhstan and the Russian Federation of GRECO recommendations based on results of the first and second round of assessments.

Based on results of participation in the said event, the Main Department of the Civil Service of Ukraine was proposed to continue training of the civil servants and officials of local self-government bodies at Kyiv National University of Internal Affairs of Ukraine "On Fight Against and Prevention of Corruption".

Besides, the Main Department of the Civil Service of Ukraine was proposed to continue work over draft Code of Ethical Behavior of Persons, who are Authorized for Performing Functions of State, which determines norms of behavior of higher officials and civil servants, officials of local self-government during their performance of duties and relations with citizens.

5. Training of civil servants and officials of local self-government on preventing corruption – an important factor of preventing corruption and improving legal awareness of the civil servants

According to the Program of Civil Service Development for 2005 – 2010 approved by resolution of the Cabinet of Ministers of Ukraine dated June 8, 2004 No. 746, the Main Department of the Civil Service of Ukraine commissioned training at the Kyiv National University of Internal Affairs for civil servants and officials of local self-government, who are responsible for prevention of corruption.

During 2006 training was held for 428 civil servants of central and local executive bodies, local self-government bodies (in 2005 – 305 persons), 199 persons out of them – of categories I – IV and 229 persons of categories V – VII of the civil servants and officials of local self-government, who were responsible for organization of work on prevention of corruption in executive bodies and local self-government bodies (in 2005 – 164 and 141 persons, respectively).

The training was aimed to provide specific knowledge on combating and prevention of corruption in areas of social, humanitarian, law and economic disciplines, forming of practical skills, and raising awareness of civil servants about their duties and responsibilities.

Duration of training according to professional program for civil servants of categories I-IV was 54 hours; for categories V-VII – 108 hours.

Training of civil servants was conducted by specialists of the university as well as specialists of other educational and scientific institutions, employees of ministries and other executive bodies.

Civil servants of categories I-IV who were trained prepared essays and took examinations. Upon results of the training certificates were awarded.

The said training was completed by holding of a round table with participation of representatives of The Main Department of the Civil Service of Ukraine, during which topical issues were discussed, which were connected with anti-corruption legislation, and propositions of the trained persons on improvement of the training process.

The Main Department of the Civil Service of Ukraine monitors effectiveness of the training during comprehensive inspections of the state of observation of the Laws of Ukraine "On the Civil Service", "On Fight Against Corruption" and other laws and regulations on the civil service and fight against corruption in executive bodies, and assesses work of employees, who were trained (planning, internal training, elaboration of measures for fight against corruption in authority).

SECTION VIII. INTERNATIONAL COOPERATION IN THE AREA OF PUBLIC ADMINISTRATION AND CIVIL SERVICE REFORM – EXCHANGING BEST PRACTICES AND SPREADING DEMOCRATIC GOVERNANCE VALUES

Approximation of civil service of Ukraine to EU standards calls for new approaches in the work of civil servants and adoption of the best international practices in the civil service.

For this purpose, the Main Department of the Civil Service of Ukraine is actively involved in cooperation with government agencies of foreign countries responsible for civil service and public administration issues, in the following areas:

- Acquiring international experience in the civil service and public administration (primarily from the countries of the Euro-Atlantic area);
- Attracting international assistance and intellectual resources to support civil service reform in Ukraine (from Western democracies and international organizations);
- Spreading the values of democratic governance, providing consultative, methodological and other expert assistance in the area of civil service to other countries (mostly to countries of Central Asia, Middle East and Far East).

Cooperation is carried out through the implementation of joint projects and programmes, joint consultations, training of civil servants, conferences, seminars etc.

1. Cooperation with the European Union member states

The Republic of Poland

Based on the Agreement on Cooperation in the Sphere of Civil Service Development and Administrative Reform concluded on July 11, 2005, between the Main Department of the Civil Service of Ukraine and the Head of Civil Service of the Republic of Poland, training programme was arranged for Ukrainian civil servants in Poland government agencies from November 20 till December 21, 2006.

Oblast administrations delegated three representatives, and the Ministry of Labour and Social Policy of Ukraine, Ministry of Industrial Policy of Ukraine and the Main Department of the Civil Service of Ukraine each sent one representative for participation in the training programme.

During the training Ukrainian civil servants were directly involved in the work of respective government agencies of the Republic of Poland, and had the opportunity to familiarize themselves with the processes of civil service functioning in this country.

From December 11 to December 14, 2006, in the Training Centre of the National Bank of Ukraine, trainings on strategic management and interpersonal communications were held for 80 Ukrainian civil servants – the participants of policy excellence groups. The above-mentioned trainings were held in the framework of the project "Establishing policy excellence groups in public agencies of Ukraine" and were jointly financed by the Ministry of Foreign Affairs of the Republic of Poland and the Center for Support of Civil Service Institutional Development under the Main Department of the Civil Service of Ukraine. The representatives of the Secretariat of the Cabinet of Ministers of Ukraine, Secretariat of the President of Ukraine, ministries and other central executive agencies took part in the trainings.

The United Kingdom of Great Britain and Northern Ireland

Cooperation between the Main Department of the Civil Service of Ukraine and Great Britain is of prime importance. The UK Department for International Development, jointly with the Swedish

International Development Cooperation Agency supported such important initiatives of the Main Department of the Civil Service, as Ukraine governance assessment against SIGMA baselines and the implementation of the project for the establishment of policy excellence groups at government agencies of Ukraine. The Main Department of the Civil Service of Ukraine, jointly with the London Metropolitan University, coordinated the implementation of the project "Specialised Programmes in European Integration for Advanced Training of the Ukrainian civil servants (2nd – 4th category)", which is financed by the Ministry of Foreign Affairs of Great Britain and aimed at enhancing the competence of the Ukrainian civil servants of the 2nd and 4th category in the area of European integration.

The Kingdom of Sweden

The Kingdom of Sweden supports public administration and civil service reform in Ukraine through its International Development Cooperation Agency (SIDA). In the framework of the Memorandum on Mutual Understanding between the Government of Ukraine, the UK Department for International Development and the Swedish International Development Cooperation Agency concerning the assessment arrangement of public administration under SIGMA baselines of May 5, 2006, the Organization for Economic Cooperation and

Development received funding for Ukraine governance assessment against SIGMA baselines.

For the participation in the fifth annual Cisco Public Services Summit @ Nobel Week 2006 co-hosted by the City of Stockholm and Cisco Systems and organized for high-level decision makers in the public sector, the Head of the Main Department of the Civil Service visited the Kingdom of Sweden and the Kingdom of Norway. The heads of government agencies and persons responsible for various public policy areas took part in the Summit, whose theme was "Inspire, Innovate and Empower".

The Summit participants discussed the following issues:

- 1) The strategy for development and implementation of measures aimed at establishment of centres of information service in government agencies at the central and regional level;
- 2) law enforcement agencies' combat against crime and terror;
- 3) the new forms of cooperation between the heads of educational institutions and government officials;
- 4) the reform of relations between the citizens and the public health protection system;
- 5) the key objectives of city development in the nearest twenty years, with Stockholm taken as an example;
- 6) large-scale actions for the reform of public education system to enhance its efficiency;
- 7) the reform of public administration system to reinforce the impact of the general public upon government decision-making.

The main subject of the discussion was the prospects for the use of information and telecommunication technologies in the process of public administration reform to strengthen the interaction with the public. The preliminary consultations were held on further interaction between government officials of different countries with regards to the prospects for the implementation and use of innovative information and communication technologies.

The Kingdom of Norway

On September 18, 2006, the top officials of the Main Department of the Civil Service of Ukraine took part in the opening of the training programme for civil servants "Democracy and Public Service Capacity Building in Ukraine", based upon the project of the National University of Kyiv Mohyla Academy and the Norwegian Corporation Telenor. The Main Department of the Civil Service of Ukraine supports the international project "Democracy and Public Service Capacity Building in Ukraine", which is being implemented during 2006 – 2007 by the National University of Kyiv Mohyla Academy, Pylyp Orlyk Institute for Democracy, and financed by the Norwegian Company Telenor. The Main Department of the Civil Service of Ukraine facilitates the selection of the training participants among the civil servants.

The objective of the above-mentioned project is the strengthening of overall management potential and competence of the Ukrainian civil servants. The course attendees have the opportunity to familiarize themselves, in particular, with such subjects as the democracy and modernization of

public sector through the establishment of electronic government, the European Union and the European Economic Area, the EU policy and the neighbourhood programme, project management and IT-based management, public policy making and implementation, decision making in management and cooperation with public organizations.

The training programmes for the Ukrainian civil servants are based on the innovative achievements of public administration research, and conducted by the leading professionals from the European and the Ukrainian educational institutions in Kyiv, Lviv and Brussels. All training costs are covered at the expense of the project. During 2006, 79 civil servants, officials of local self-government bodies, heads and members of NGOs, analysts, scientists and teachers in the area of public management took part in the project and received certificates.

The French Republic

On January 27, 2006, the Head of the Main Department of the Civil Service of Ukraine and the Ambassador Extraordinary and Plenipotentiary of the French Republic Jean-Paul Veziant signed the Accompanying Letter to the position of the Technical Advisor to the Head of the Main Department of the Civil Service, under the provisions of the "Roadmap" for cooperation between Ukraine and the French Republic. Considering the challenges arising in the

The Regional seminar on civil service and administrative reform,

November 31 - December 1, 2006

On November 30 and December 1, 2006, at the National Academy of Public Administration under the President of Ukraine, a Regional seminar was held. Its theme was "The challenges of administrative and civil service reform": What the civil service should be like? What the training of civil servants should be like? What the territorial administration and management should be like? What are the ways for the integration into the European administrative space? What are the risks and opportunities?" The seminar was organized by the Main Department of the Civil Service of Ukraine, the Embassy of France in Ukraine and the National Academy of Public Administration under the President of Ukraine.

The seminar participants were heads of central executive bodies, representatives of the Secretariat of the Cabinet of Ministers of Ukraine, the Parliament of Ukraine, the Secretariat of the President of Ukraine, the Extraordinary and Plenipotentiary Ambassadors of the European Union, France, Italy, and representatives of the government agencies of the EU countries, representatives of numerous international and public organizations.

The ceremonial signing of the Memorandum of Understanding between the Main Department of the Civil Service of Ukraine and Direction Gйnйrale de la Fonction Publique de France (the General Directorate of Administration and Civil Service of the French Republic) took place in the framework of the Regional seminar.

course of this cooperation due to the reform of the National Academy of Public Administration under the President of Ukraine, the parties agreed that the technical Advisor would render the assistance to the Academy as well.

As part of cooperation with Direction Gňnňrale de la Fonction Publique de France (the General Directorate of Administration and Civil Service of the French Republic), and through the intermediary of the technical advisor to the Head of the Main Department of the Civil Service of Ukraine, Ms. Anne Azam-Pradeilles, two training visits of the Ukrainian delegations to the French Republic took place during autumn 2006, policy seminars were held, and the French language courses for the Main Department of the Civil Service of Ukraine were arranged.

On December 1, 2006, the Memorandum of Understanding between the Main Department of the Civil Service of Ukraine and Direction Gňnňrale de la Fonction Publique de France (the General Directorate for Administration and Civil Service of the French Republic) was signed. On the part of France, the document was signed by the Directeur Gňnňral, the prefect Paul Peny.

On November 24, 2006, the first seminar on the civil service was held at the National Academy of Public Administration under the President of Ukraine. Its subject was "The European Experience for Ukraine: the functioning of the Civil Service in the French Republic". At the seminar, the Chief Financial Inspector of the Ministry of Economy, Finance and Industry of the French Republic Daniel Lasumar, spoke about separation of political and administrative positions in government agencies of France, the role and status of secretaries general of ministries. The seminar participants discussed mechanisms that of separation of political and administrative positions in Ukraine in the framework of civil service approximation to the standards of developed democratic countries.

The visit of the Secretary General of the French Ministry of Internal Affairs and Land Improvement Bernadette Malgorn (Secrütaire günürale du Ministure fransais de l'Intürieur et de l'Amünagement du Territore) on December 4, 2006, became a landmark event in the process of bilateral cooperation.

This top ranking French official had numerous meetings with the heads of the Ukrainian government, the Secretariat of the President of Ukraine, the Committee for State-building and Local Self-government of the Parliament of Ukraine, the Ministry of Construction, Architecture, Housing and Municipal Economy of Ukraine.

Ireland

Based upon the results of visit of the Ukrainian delegation led by the Minister of Foreign Affairs of Ukraine with participation of the Head of the Main Department of the Civil Service of Ukraine, decision was made to provide one million euro grant for civil service reform of Ukraine. The Ukrainian delegation was officially notified about this during the meeting with the Prime Minister of Ireland in Dublin.

During 2006, active consultations of the parties were under way, concerning the legal aspects of providing technical assistance, which was complicated due to the absence of the framework agreement on cooperation between the two countries.

Considering the fact that it takes much time to enter into an inter-governmental agreement and that preferential tax treatment must be used to the technical assistance, the Ministry of Foreign Affairs of Ireland and the Main Department of the Civil Service of Ukraine developed a procedure for transferring grant funds through the representative office of the United Nations Development Programme in Ukraine.

It is planned that the agreement between the UN Development Programme and the representatives of the Irish government on the transfer of corresponding financial assistance should be signed in the first half of the following year.

The Kingdom of Denmark

In early 2006, the Government of the Kingdom of Denmark took the decision to provide support and technical assistance in the framework of the European Neighbourhood Programme for public sector reform in Ukraine.

Based upon the results of the Danish Ministry of Foreign Affairs identification mission in May 2006 and consultations with the Ukrainian top officials, the priority areas of support, as well as the partner institutions for the project implementation were identified.

According to Identification report, which was drawn up on the basis of the visit results, the future two-year technical assistance project will provide for the actions aimed at the support of the implementation of the future Law of Ukraine "On the Civil Service" (new version) as well as the strengthening of institutional capacity to manage organizational change in the central executive bodies, decentralization and strengthening of local self-government and preparation for administrative and territorial reform in Ukraine.

The key institutions representing Ukraine in the project will be the Secretariat of the Cabinet of Ministers of Ukraine and the Main Department of the Civil Service of Ukraine.

According to the Agreement between the Cabinet of Ministers of Ukraine and the Government of the Kingdom of Denmark, which was signed in 2006, on technical and financial cooperation, the Main Department of the Civil Service of Ukraine is drafting an intergovernmental agreement jointly with the Danish party, which will create a legal framework for the implementation of the future technical assistance project.

Based upon joint efforts taken in 2006 for the preparation of the future project, preliminary conclusions were made regarding strengths, weaknesses and threats of public administration of Ukraine, and the opportunities, which will arise owing to the public sector reform support project.

SWOT analysis (strengths, weaknesses, opportunities, threats) from Identification Report of the project "Technical Support to Public Sector Reforms in Ukraine"

	Positive	Negative
Public sector reform	Strengths Public sector reform strategy formulated and still accepted Law on Cabinet of Ministers approved and the Law on Civil Service and other key civil service legislative acts in the process of being enacted MDCSU referring to Cabinet of Ministers Municipalities are interested in reform Welcoming environment for donors The anticipated establishment of a Ministry of Local and Regional development Relevant civil society organisations are quite strong and provides extensive policy advice to the government	Weaknesses Lack of capacities in the institutions charged with implementing public sector reform Potential instability problems in the civil service because of dismissals Weak public awareness of public sector reform The many new mayors lacks experience with their public role Excessive number of small communities and unclear borders between municipalities
Political & societal environment	Opportunities New government in place and to some extend committed to public sector reform Public push for reforms Prospects of EU membership General consensus on the need for some basic changes in the local government system	Threats Political struggle between President and government continues Lack of public confidence in public sector reforms High level of corruption in the public sector Resistance to change in parts of the civil service Public cynicism towards political elite

(Prepared by Ramboll Management at the request of the Ministry of Foreign Affairs of Denmark, in the framework of the technical assistance project for support of public administration reform in Ukraine, which is carried out jointly with the Main Department of the Civil Service of Ukraine and the Secretariat of the Cabinet of Ministers of Ukraine)

The Republic of Latvia

During the official visit of the Ukrainian delegation led by the President of Ukraine to the Republic of Latvia on April 27, 2006, the Head of the Main Department of the Civil Service of Ukraine signed an interagency Agreement on Cooperation in the area of Civil Service Development and Administrative Reform between the Main Department of the Civil Service of Ukraine and the Civil Service Department of the Republic of Latvia.

The signing of this Agreement during a high level international event signified the completion of the negotiation process with the Latvian party, which started in mid 2004.

The following key areas of cooperation under the Agreement were defined:

- 1) formation and development of the top level civil service staff (state secretaries);
- 2) legal regulation of the civil service;

- 3) review of public administration (functional reviews) and the implementation of the quality management system in the activities of government agencies;
- policy planning and coordination; enhancing the efficiency of public administration, human resource policy and strategic planning;
- personnel development in the civil service (the development of competence profiles for the positions of civil servants and performance appraisal based on merit and competence for personnel selection and promotion);
- 6) development of the of training, retraining and qualification upgrade of the civil servants.

The cooperation under this Agreement will allow implementation of joint projects and programmes, exchange of delegations, with the view to study the experience, provide education and training opportunities for civil servants, organize joint conferences, seminars, consultations and panel meetings, exchange information and the regulatory framework.

The Republic of Lithuania

During the visit of the Head the Main Department of the Civil Service of Ukraine to Lithuania in 2004, preliminary negotiations took place with the Lithuanian Ministry of Internal Affairs on signing the Agreement on Cooperation in the Sphere of Civil Service Development and Administrative Reform.

On November 14, 2006, during the official visit of Valdas Adamkus, the President of the Republic of Lithuania, to Ukraine, Agreement on Cooperation in the Sphere of Civil Service Development and Administration Reform between the Main Department of the Civil Service of Ukraine and the Lithuanian Ministry of Internal Affairs was solemnly signed.

The Republic of Estonia

The Main Department of the Civil Service of Ukraine and the Department of Public Service of the State Chancellary of the Republic of Estonia agreed to sign an interagency agreement on cooperation. The Draft Agreement was approved by the Ukrainian Ministry of Foreign Affairs and submitted to the Estonian party. The future agreement signing will allow studing and using Estonian experience of quality management system introduction at government agencies, in particular, the Common Assessment Framework (CAF), which is used by government agencies as an instrument for continuous self-improvement. It will be particularly helpful to learn about this model, as the Main Department of the Civil Service of Ukraine initiated the implementation of the quality control system on the basis of ISO 9001:2000 standard at government institutions of Ukraine.

The Republic of Italy

With assistance of the Ukrainian Embassy in the Republic of Italy, the consultations were held with the Minister for Civil Service Reform and innovations Luigi Nicholas during 2006, on establishment of the cooperation in the sphere of civil service development and administrative reform.

As a result of this, the Main Department of the Civil Service of Ukraine drafted the Agreement on cooperation, which was submitted for approval to the Ukrainian Ministry of Foreign Affairs, to be subsequently sent for consideration to the Italian party.

The Slovak Republic

In 2006, the Main Department of the Civil Service of Ukraine started the cooperation with the Slovak Republic.

Based upon the results of negotiations and working consultations, the Main Department of the Civil Service of Ukraine prepared and sent the draft Protocol for the Experience Exchange in the Civil Service Law Development to the Ministry of Labour, Social Affairs and Family of the Slovak Republic, which is entrusted with public policy issues. The Protocol is supposed to be signed in the first half of 2007.

The Republic of Hungary

On the initiative of the Main Department of the Civil Service of Ukraine, article 2 was added to the Memorandum on cooperation between the Ministry of the Foreign Affairs of Ukraine and the Ministry of the Foreign Affairs of the Republic of Hungary in the process of the Ukraine – EU Action Plan implementation of November 23, 2006. This article is concerned with the cooperation between the countries in the area of administrative reform through the implementation of joint projects and programmes, the exchange of visits between the civil servants for the purpose of institutional infrastructure development and the enhancement of civil servants' professional skills in the context of the European integration of Ukraine.

Clause 38 listed in the Areas of Cooperation between the Ukrainian and Hungarian ministries and government agencies for the purpose of the Ukraine – EU Action Plan implementation, provides for the assistance of the Republic of Hungary in the administrative reform in Ukraine through the exchange of experience in law-making, the prevention of corruption, the implementation of corresponding quality control standards at government agencies.

2. Cooperation with the countries of North America

The United States of America

The Main Department of the Civil Service of Ukraine places special emphasis on the cooperation with the USA, as this country has unique experience of development and reform of the civil service.

"The US – Ukraine Foundation" is one of the key partners of the Main Department of the Civil Service of Ukraine in its cooperation with the USA. It is a nonprofit, non-governmental organization focused its activity on the development of democracy and civil society and building of the strategic partnership between Ukraine and the United States of America.

On June 12 - 16, 2006, the "US - Ukraine Foundation", as well as directly its President, Nadia K. MacConnell and the Director of US - Ukraine Community Partnerships Project Vira Andrushkiv, organised the visit of the Head of the Main Department of the Civil Service to the US.

During this visit, the working meetings were held with the Director of the US Office of Personnel Management Linda Springer, the Director General of the Foreign Service and Director of Human Resources of the Department of State, the Ambassador George Staples, the federal judge of the U.S Court of Federal Claims Bohdan Futey, the advisor of the US Vice President Dick Cheney Eugene Fishel,,, the Director of Office of Government Ethics Robert Cusick, the Director of Foreign Service Institute Ruth Whiteside, the Director of the Federal Labor Relations Authority Dale Cabaniss, the Vice President of the National Academy of Public Administration Hannah Sistare, other high level officials. During this visit a number of agreements were

The US - Ukraine Foundation's Community Partnership Project"

The community partnership project is implemented by the "US – Ukraine Foundation", an nonprofit, non-governmental organization, focused its activity on the development of democracy, civil society and market economy in Ukraine, as well as the strategic partnership development between Ukraine and the US since 1991.

The US – Ukrainian Community Partnership Project (CPP) was created in 1997 to render the practical training services for the officials of the Ukrainian local self-government agencies.

The programme is aimed at:

- promote innovative and efficient government practices in local self-government;
- establishing mutually beneficial relations, which would facilitate qualitative changes in the local self-government practice;
- establishing the networks of innovative local self-government agencies, which would support each other in the joint process of reforms;
- creating the "critical mass" of knowledgeable and progressively minded people, who will work to ensure the well being of Ukraine.

The CPP is focused on the following three areas: the cooperation between the US and the Ukrainian cities, the

reached on cooperation in the civil service area, in particular, on the signing of the Memorandum of Understanding between U. S. Office of Personnel Management and the Main Department of the Civil Service.

The participation of the Main Department of the Civil Service in the workgroup on policy and administration issues in the framework of the third working meeting of the programme "Ukraine - US political dialogue", held in September 24 - 30, 2006, in the United States of America, was a milestone in the development of bilateral relations .

Based upon the results of these meetings, the draft resolution of the above-mentioned workgroup was prepared, which contains the recommendations to the Ukrainian and

network of regional training centres for local self-government officials of the Ukrainian cities, and the mass media publications, which cover the local self-government development issues.

The representatives of over 1700 Ukrainian cities having the total population of over 40 thousand participated in the seminars. Owing to the community partnership programme, the widest network of qualified teachers and experts on various issues of local self-government in Ukraine was created.

A number of teachers are the trainees of the CPP, who were trained in the US for several weeks. Many of them have substantial work experience with local self-government agencies. The CPP provides support to the teachers through regular methodology and subject-matter training, and ensures their participation in conferences and seminars held by other organizations.

The Main Department of Civil Service considers the potential acquired through the participation in the Programme as a powerful resource for the reinforcement of the institutional capability of the advanced training system for civil servants and local self-government officials, primarily, through the network of regional advanced training centres.

the US parties on further development of democracy, as well as on creating a responsible and efficient government system in Ukraine.

The signing of the inter-governmental Agreement will stimulate the cooperation between the parties and enable the use of the world's best practices in the process of the civil service reform in Ukraine. The first example of this cooperation was the training seminar "The Prospects of Ukraine in the context of the Accession to the World Trade Organization", which was organized by the Main Department of the Civil Service of Ukraine, jointly with the Ukrainian Ministry of Economy and the United States Agency for International Development (USAID) project.

An extract from the resolution of the policy and administration workgroup involved in the "Political dialogue between the US and Ukraine" programme

The recommendations for the Ukrainian party:

- The Verkhovna Rada should accelerate the consideration and the adoption of the Laws of Ukraine "On the Cabinet of Ministers of Ukraine", "On Civil Service", as amended, "On Parliamentary Opposition", "The Code of Proper Behaviour for Civil Servants".
- The Cabinet of Ministers of Ukraine should concentrate its efforts on the implementation of the Concept for combating corruption "On the Way to Integrity".
- The necessity exists to formalise the compulsory declaration of the financial and property status for top state officials, the members of the Cabinet of Ministers of Ukraine, top ranking civil servants, and the check of this

information by special agencies; the compulsory check of the information submitted by the candidates for the positions, which are subject to appointment by the President of Ukraine and the Cabinet of Ministers of Ukraine.

- It is necessary to ensure the annual publication of the declarations of officials on the Internet sites of corresponding government agencies, and to provide this information upon the requests of the media and individuals.
- Efforts should be continued for the establishment of a specialised agency for combating corruption at top government institutions. This agency should be autonomous from other government agencies, politically neutral, the proper level of personal safety should be ensured for the

employees and their family members, as well as the proper level of employee compensation, legal and social protection.

- It is necessary to ensure the control over the revenues and expenses of top officials during 5 years after they leave office.
- There is need to develop and implement the new form of income and property reporting for top officials and high-ranking civil servants, to enable the evaluation of their actual financial and property status and its dynamics.
- The implementation of the quality control system at executive agencies, in compliance with the international standards, should be continued.
- The reduction of allocations for the financial and material support of civil servants in the State Budget of Ukraine for 2007 should be prevented, because the level of corruption may rise and many qualified civil service professionals may leave office in case of this reduction.
- The exhaustive list of reasons, for which the regulatory legal acts may not be subject to publication, should be stipulated in the respective law.
- The transparency in the appointment of top-level civil servants, through the publication of the information on their professional and business skills, should be ensured.

Canada

The Canadian Government delivers technical assistance to Ukraine within the framework of Memorandum of Understanding between Ukraine's Government and Canada's Government through the Canadian International Development Agency. In accordance with the above Memorandum, according to the data of the Ministry of Economy of Ukraine, Ukraine is annually granted with technical assistance from Canada worth about CAD 20 million.

Pursuant to the Memorandum, upon the results of correspondence between the Main Department of the Civil Service of Ukraine and the Canadian International Development Agency of August 11, 2005, at the beginning of 2006, Canada's Government made a resolution on delivering to Ukraine technical assistance worth CAD 4 million for supporting the reform of human resources management system in government bodies of Ukraine. Currently, representatives of the Main Department of the Civil Service of Ukraine and the Canadian International Development Agency are coordinating principal provisions of draft intergovernmental Memorandum which, in future, will be a legal framework for the technical assistance project. It is a complex process aimed at seeking new mechanisms for establishing the real fruitful partnership based on dialogue and mutual respect.

3. Cooperation with the Middle Asia, the Far East and the Middle East countries

Majority of partners from the European-Atlantic region treat Ukraine as a conductor and multiplier of democratic state management principles, in as much as Ukraine has accumulated a great experience in the transformation of public administration and public service for the purpose of its sharing with post-Soviet countries of the Central and Middle Asia.

The Republic of Tajikistan

In 2006, a draft Agreement on cooperation in the sphere of public service development between Department of the Public Service under the President of the Republic of Tajikistan and the Main Department of the Civil Service of Ukraine was coordinated by both Ukrainian and the Tajik

Parties. The Cabinet of Ministers of Ukraine has authorized the Main Department of the Civil Service of Ukraine to sign the Agreement on behalf of Ukraine. The Agreement provides for rendering to the Tajik party an advisory, methodical and consulting assistance in the sphere of public service.

The Kyrgyz Republic

On October 25, 2006, in the course of the visit to Ukraine of the Kyrgyz delegation headed by Anvar Ryskulbekov, the State Secretary of the Agency of the Kyrgyz Republic on Civil Service Affairs, the Kyrgyz party delivered to the Main Department of the Civil Service of Ukraine a draft Agreement on cooperation approved by Nurmambet Toktomakov, the Agency's Director. The Main Department of the Civil Service of Ukraine has completed the draft Agreement in compliance with Ukraine's law and submitted it to the Ministry of Foreign Affairs of Ukraine for approval. During the meeting, the agreement was achieved to organize a visit of the Head of the Main Department of the Civil Service of Ukraine to the Kyrgyz Republic in June-July next year, for signing the Agreement on cooperation.

Having signed the Agreement on Cooperation in the sphere of public service development between the Department of the Public Service under the President of the Republic of Tajikistan and the Main Department of the Civil Service of Ukraine and Agreement on cooperation between the Main Department of the Civil Service of Ukraine and the Agency of the Kyrgyz Republic on Civil Service Affairs, Ukraine should provide these countries with advisory and methodical assistance in the public service sphere for promoting further democratization and stabilization in these countries.

The People's Republic of China

Cooperation with the People's Republic of China is realized through exchanging governmental delegations within the framework of the Memorandum of Cooperation in the sphere of public service and human resources management between the Main Department of the Civil Service of Ukraine and the Ministry of Human Resources of the People's Republic of China of January 15, 2003. For more precise definition of ways and directions of the further

cooperation in the sphere of reforming the public service system and implementing the administrative reform by the Main Department of the Civil Service of Ukraine, the Protocol on Sharing Experience in the public service issues was drafted within the Memorandum's framework. During the meeting, on October 20, 2006, the Head of the Main Department of the Civil Service of Ukraine gave the draft Protocol to Mr. U Fu, Deputy Chairman of the Committee on Management and Control of the State Council of the People's Republic of China, who supported the initiative of the Main Department of the Civil Service Ukraine on signing the Protocol within the framework of the Memorandum of Cooperation and promised to deliver it for consideration to the Ministry of Human Resources of the People's Republic of China. To sign this Protocol is expected to boost the Ukrainian-Chinese relations in the public service sphere.

The State of Israel

Ukraine and the State of Israel made preliminary arrangements as regards starting the cooperation in the public service sphere in the course of visit of Israel's public employee trade union delegation to the Main Department of the Civil Service of Ukraine, in May 2006. Upon results of the visit, in 2006, a Memorandum of cooperation between the Main Department of the Civil Service of Ukraine and Civil Service Commission of the State of Israel was drafted and, having been agreed by the Ukrainian party, it was submitted to the Israeli party for the further consideration.

The cooperation between the State of Israel and Ukraine in the public service sphere will be targeted towards adopting the Israeli experience in the development, implementation and use of information systems and technologies in the government bodies of Ukraine, including at the regional level.

4. Cooperation with international organizations

Organization for Economic Cooperation and Development

For the purpose of adopting the best practice in the public service sphere the Main Department of the Civil Service of Ukraine initiated its joining the Public Management Committee under the Organization for Economic Cooperation and Development (OECD), as a permanent observer.

During the visits of the Ukrainian delegations to the Republic of France, at the Embassy of Ukraine to the Republic of France, on October 16, and on November 20, 2006, Yurii Sergeev, Ukraine's Ambassador Extraordinary and Plenipotentiary to the Republic of France, expressed his will to support intentions of the Main Department of the Civil Service of Ukraine as regards the membership. Also, the Main Department of the Civil Service has got an official sup-

port of its initiative from the Ministry of Foreign Affairs of Ukraine. Currently, a procedure and conditions for joining the Committee are being negotiated with the OECD Secretariat.

Ukraine being engaged in the OECD Committee can study and adopt the best practice necessary for implementing the public service reforms and the administrative reform in Ukraine, in the following directions:

- decentralization and deconcentration of the state management:
- strengthening of the capacity of the civil servants to develop and implement state policy;
- 3) launching of e-government system in the public bodies of Ukraine;
- raising of public employees' responsibility for fulfillment of their duties;
- 5) improvement of the public service quality; and
- 6) establishment of efficient system of cooperation between the government bodies of Ukraine and the public.

International Bank for Reconstruction and Development

In 2006, pursuant to the Memorandum of Understanding between the Cabinet of Ministers of Ukraine and the International Bank for Reconstruction and Development in the public service and administrative reform sphere of May 27, 2004, a project for institutional development and modernization of the public service was initiated and drafted for the implementation to comprise this issue in a new Strategy for Cooperation between the World Bank and Ukraine. The project provides for Ukraine being granted with a loan worth USD 48 million for supporting the modernization of the public service system.

On April 5, 2006, the Cabinet of Ministers of Ukraine approved proposals of the Main Department of the Civil Service of Ukraine as regards drafting the Project for institutional development and modernization of the public service, and charged the Main Department of the Civil Service of Ukraine therewith as a chief executor.

The principal objectives of the future project are reforming of the public employee salary system, professional training system and implementing information technologies in the public service system, including creating the national database of electronic personal files of public employees as a component of the e-government system.

In the context of preparing of the new Strategy for Partnership between the World Bank and Ukraine the Government of Ukraine supported proposals of the Main Department of the Civil Service of Ukraine as regards financing investment projects initiated by the public bodies of Ukraine on a tender basis. Open tenders for credit resources from the World Bank will stimulate transparency of investment project selection, as well as will raise efficiency and minimize institutional risks of their implementation. The public service system reforms are agreed to be embraced in the new Strategy for cooperation between the World Bank and Ukraine.

Organization of the Black Sea Economic Cooperation

Ukraine actively cooperates with the Organization of the Black Sea Economic Cooperation (OBSEC).

OBSEC was founded pursuant to the Summit Declaration on the Black Sea Economic Cooperation signed on June 25, 1992, in Istanbul, Turkey. In accordance with the Declaration, the OBSEC founding and member states, in addition to Ukraine, are Albania, Armenia, Azerbaijan, Bulgaria, Georgia, Moldova, Romania, Russian Federation, Turkey, and Greece. Institutional development and public service are among the priority issues of the Organization's activities, an institutional development and appropriate management task force established by the Council of Foreign Ministers of the OBSEC member states being charged with these issues. The program for OBSEC activities for the period of Ukraine's presidency (November 2007 - April 2008) includes an international conference Development of public service in the OBSEC member states, the Main Department of the Civil Service of Ukraine being responsible for holding this meeting.

Eurasia International Foundation

Cooperation between the Main Department of the Civil Service of Ukraine and Eurasia Foundation is of paramount importance for Ukraine, especially for the reform of the civil servants professional training system in Ukraine.

From July till November, 2006, the Indiana University (the United States of America), upon request of Eurasia Foundation, made assessment of the civil servants training and improving qualifications system in Ukraine, upon the results thereof a report was compiled to define possible strategies targeted towards reforming the training and improving qualifications system in compliance with the standards of Western democracies and the European Union.

For the purpose of coordinating the survey and making strategic decisions at the final stage an advisory board of Eurasia Foundation for strategic assessment of education and improving qualifications in the public administration sphere in Ukraine was established, Head of the Main Department of the Civil Service of Ukraine being among its members.

The final report is expected to be made at the beginning of the next year, upon the results of survey Strategic assessment of current situation in the education and training system in the public administration sphere and prospects for establishing an institute for improvement of qualifications of the civil servants. It is anticipated to be a sort of benchmark for the further reforms of the civil servants professional training system in Ukraine. The report is planned to be delivered to a task group under the President of Ukraine responsible for reforms of the professional training system for the civil servants and local self-government bodies' officials.

Ukraine participated in the first educational seminar of the Organization of the Black Sea Economic Cooperation, in Athens, in June 2006, organized by the Ministry of Internal Affairs, Public Order and Decentralization of Greece. Among the participants were delegations from 12 countries: Azerbaijan, Albania, Armenia, Bulgaria, Georgia, Greece, Moldova, Russian Federation, Romania, Serbia, Turkey, and Ukraine. The most interesting reports covered methods for communicating the administrative procedures to the public (P. Kromidas, Director of Department for Adapting People with Limited Abilities of the Ministry of Internal Affairs, Public Order and Decentralization of Greece); participation of people and social organizations in decision-making: consulting, social dialogue and partnership, declaration of public opinion (S. Ladi, Advisor to the Ministry of the Aegean Sea); general quality management system and its effect on compliance of government bodies' activities with needs of population and NGOs (N. Michalopoulos, Quality and Efficiency Director of the Ministry of Internal Affairs, Public Order and Decentralization of Greece); improvement of public services quality (M. Kotronia, Director for Simplification and Improvement of Procedures of the Ministry of Internal Affairs, Public Order and Decentralization of Greece); monitoring of efficiency and quality of public management in the sphere of communication with the public from the standpoint of combating of corruption, role of controlling mechanisms and independence of power (L. Rakitzis, Inspector General for Public Management; K. Daramaras, ombudsman, expert); transparency, objectivity and responsibility: implementation of these basic principles in regular administrative activities (D. Papadimitropulos, Organization Development Director of the Ministry of Internal Affairs, Public Order and Decentralization of Greece); access to administrative documents and general access to information (O.Psomiadu, Director for Relations with Community of the Ministry of Internal Affairs, Public Order and Decentralization of Greece); and implementation of principles for enhancing the regulatory reform in order to improve relations with community and to simplify administrative procedures (E. Vasileu, Director General for Organizational and Procedural Issues of the Ministry of Internal Affairs, Public Order and Decentralization of Greece).

The Main Department of the Civil Service of Ukraine, upon the seminar's results, put forward proposals on adopting the Hellenic practice and experience of other OBSEC members states in the development of public administration institutions in Ukraine, including, in the view of establishing providers of public services to the population, "one-stop-shop" complex servicing, general quality management system (as regards CAF implementation), and electronic system of single register of administrative services.

SECTION IX. OPENNESS AND TRANSPARENCY OF ACTIVITIES IS OUR KEY PRINCIPLE

1. Working with citizens' appeals

During 2006, 2388 individual and collective appeals from citizens were sent to the Main Department of the Civil Service of Ukraine via mail or submitted in person. This is additional 67 appeals compared to 2005 and the largest number of appeals in the latest years.

A considerable part of these appeals (81 percent of the total number) were sent via mail, including:

- 73 (3.1 percent)through the Cabinet of Ministers of Ukraine;
- 80 (3.3 percent) through the Secretariat of the Ukrainian President;
 - 15 (0.6 percent) through the Verkhovna Rada of Ukraine;
- 328 (14 percent), including collective appeals 100 (4.2 percent) from other bodies of executive power, local self-government authorities, institutions, companies, organizations;
- 1892 (79.1 percent of the total number of appeals)directly from citizens.

During the last three years the number of citizens' appeals increased, which demonstrates a considerable rise of confidence in the Main Department of the Civil Service of Ukraine and its management, as well as the expectations of obtaining efficient assistance in solving the raised issues.

At the same time, this is closely connected with the efficiency of actions taken by the Main Department of the Civil Service of Ukraine regarding citizens' appeals in the latest years: the start and efficient functioning of the citizens' reception for the citizens' appeals, the arrangement of "Civil Service" hotline and the opportunity for the citizens to register via the Internet for personal reception by the management of the Main Department of Civil Service of Ukraine.

During 2006 all citizens' appeals were considered and the explanations concerning the issues specified in the applicants' letters were provided in a timely manner.

In cases when the raised questions were not within the competence of the Main Department of Civil Service of Ukraine, the appeals were forwarded to the Ukrainian Ministry of Labour and Social Policy, Ministry of Education and Science of Ukraine, Pension Fund of Ukraine, other competent public authorities, as necessary (248 appeals – 10.4 percent of the total number). During the reporting period 206 appeals were received by the Main Department of Civil Service repeatedly (8.6 percent of the total number).

The reason for the repeated appeals in the majority of cases was that the citizens submitted additional documents for consideration, and also the applicants' request to send a copy of the reply by the Main Department of the Civil Service of Ukraine for the second time, because the original documents were not received for various objective reasons. The remaining repeated appeals were sent because the citizens were not satisfied with the reply

obtained from the Main Department of Civil Service of Ukraine, which was due to the fact that some issues have not been sufficiently regulated at the legislative level.

A considerable part of appeals concerned the inclusion of some periods of work into the length of civil service (around 34.6 percent). Among other issues, which were raised by the citizens most often, were the following:

- recalculation and award of a civil servant's pension (13.7 percent);
 - assignment of years of service supplement (2 percent);
- provision of benefits and guarantees to civil servants and officials of local self-government bodies (1.8 percent);
- breach of laws on civil service and service at local self-government bodies (2.8 percent);
 - payment of ten salaries at the retirement (3 percent);
 - other issues related to civil service (42 percent).

These appeals were caused, in particular, by the fact that some labour law norms are inconsistent, such as the inclusion of certain work periods into the length of civil service necessary to award a pension to a civil servant, and often result from the lack of understanding of the difference between "the length of employment at civil service positions" stipulated in article 37 of the Law of Ukraine "On Civil Service", and the "length of civil service" determined by the Procedures for the Calculation of the Length of Civil Service, approved by the Decree of the Cabinet of Ministers of Ukraine dated May 3, 2004, No. 283.

The analysis shows that majority of the appeals were submitted by civil servants, officials of local self-government and pensioners who previously held such positions. 369 appeals (15 percent of the total number) were received from persons with disabilities and veterans of war and labour, as well as other citizens in need of social security and support.

In total, during 2006 the Main Department of the Civil Service of Ukraine received 2321 applications (97.2 percent of the total number of appeals), 5 proposals (0.2 percent), 3 information inquiries (0.1 percent) and 59 complaints regarding management actions related to the compliance with the Law of Ukraine "On Citizens' Appeals" (2.5 percent).

2. Hotline on civil service issues

Considering the need to clarify the most important issues raised by citizens, the Main Department of the Civil Service of Ukraine and its territorial units hold weekly "Civil Service" telephone line. In 2006, 54 hotlines were held, 4 of which were organized by the Cabinet of Ministers of Ukraine with participation of management of the Main Department of Civil Service. In addition, 657 hotlines were conducted by the territorial units of the Main Department of Civil Service of Ukraine.

During the Hotline, the management the Main Department of Civil Service considered 1625 appeals from 1360 citizens, which is 1.8 times more than in 2005.

In their telephone appeals, the citizens raised the following issues most often:

- salary raise for civil servants;
- calculation and inclusion of periods into the years of civil service;
 - prolongation of the civil service term;
 - housing loans for civil servants;
 - recruitment and appointment;
 - employment and professional training;
 - measures to prevent corruption;
 - payment of ten salaries at the retirement;
- the draft Law of Ukraine "On Civil Service" (new version);
- possibility of payment of average monthly salary to village council head/secretary during six months, in case that he/she is not re-elected.

3. Coverage of civil service in mass media

During 2006, the Main Department of the Civil Service of Ukraine issued 975 information messages about its activities for publication in mass media. In particular, 636 messages were posted on the official web site of the Main Department of Civil Service alone.

The following information agencies show interest in the civil service functioning and reform issues: "UKRINFORM", "Interfax Ukraine", "RBC Ukraine", "BusinessInform LEAGUE", "Ukrainian News"; TV channels: "First National", "Inter", "ICTV", "Ukrainian television and radio broadcasting", "5th channel", "Novy Kanal", "Tonis", "K1", "HTH", "TRC Kyiv", ""TV Prospective", printed media: "Uryadoviy Kurier" ("The Government Courier"), "Dzerkalo Tyzhnya" ("Mirror of the Week"), "Economicheskie Izvestiya" ("Economic News"), "BUSINESS", "Korrespondent", "Delo", "Den" ("The Day"), "Gazeta Po-Kievsky" ("The Kyiv

"A New View on the Civil Service - Liberation from Stereotypes"

On September 28, 2006, the training seminar "A new View on the Civil Service - Liberation from Stereotypes" was held in the Main Department of the Civil Service of Ukraine for employees of the Main Department of Civil Service territorial units, responsible for the interaction with mass media and public.

The goal of the seminar was to find new methods for interaction of executive authorities with mass media and the public, provide expertise and consultancy to the employees of the Main Department of the Civil Service of Ukraine territitorial units responsible for interaction with mass media and public relations, as well as the facilitation of the information society development in the regions.

Research associates, post-graduate students and attendees of the National Academy for Public Administration under the President of Ukraine were invited to participate in the seminar.

The following issues were considered at the seminar:

- the ways to extend contacts with mass media;
- regulations and specific features of using the web site;
- the procedures for the preparation and organization of press conference;
- the procedures for arranging and conducting interviews with management officials;
 - consultations with the public at large;
- questionnaire surveys as a way of communication with the public.

The seminar participants discussed the following practical issues: how to start building partnership with public organizations and associations; the ways to inspire interest of journalists and the public; how to organize an event and ensure maximum involvement of mass media and reach the objective of creating the public image of a civil servant as a professional, unbiased and politically neutral figure.

The speakers at the seminar were Svitlana Chukut, PhD in public administration, professor, head of Information Policy Department at the National Academy of Public Administration under the President of Ukraine; Tetyana Jiga, PhD in political science, assistant professor of Information Policy Department; Anastasiya Barovska, post graduate student of Information Policy Department.

Vasyl Tsebryk, deputy head of the Zakarpattya territorial unit of the Main Department of Civil Service of Ukraine, shared his experience of interaction with mass media in the region.

Seminar participants received materials, which provided answers to key questions relating to cooperation with mass media. Guidelines on the work with mass media were provided in the attachment to the materials.

Based upon the results of the seminar, the new methods for the interaction of the territorial units of the Main Department of the Civil Service of Ukraine in the Autonomous Republic of Crimea, regions, Kyiv and Sevastopol with mass media and the public were considered and analysed. This seminar served as the start of a range of educational seminars with the employees of territorial units of the Main Department of Civil Service offices in the Autonomous Republic of Crimea, the regions, Kyiv and Sevastopol, devoted to the principal areas in the activities of the Main Department of Civil Service of Ukraine.

Two training seminars are planned for 2007, for the employees in charge of contacts with mass media and public relations, who work at the Main Department of Civil Service offices in the Autonomous Republic of Crimea, the regions, Kyiv and Sevastopol. Based upon the results of these trainings, methodological recommendations will be elaborated on the cooperation with mass media and the public.

Newspaper"), "Pratsya i Zarplata" ("Work and Payroll"), "Svit Yakosti Ukrayiny" ("The Ukrainian World of Quality"); radio: "Radio Rox Ukraine", the National Ukrainian Radio, Radio "Era", "Radio Freedom", and also regional mass media: Lviv newspaper "POSTUP", the newspaper "Vinnychyna", "Zakhidna Informatsiyna Korporatsiya" ("Western Information Corporation").

The issues regarding the draft Law of Ukraine "On Civil Service" (new version) inspired mass media interest:

"This draft is important and innovative for the civil servants and the society in general. The Draft Law of Ukraine "On Civil Service" calls for separation of political and administrative positions, competitive selection of civil servants, protection of civil servants from unlawful actions taken by management officials and determination of the civil servants' actual responsibility for their actions", the Head of the Main Department of Civil Service noted at the press briefing during the public hearings on "The Action Plan for the Parliamentary Coalition and the Government: Public Administration Reform"

("Government courier", "Economic News").

The interest of mass media to the key issues of civil service reform, such as separation of political activity and the civil service, was growing. TV channels "K1" and "Inter", the newspapers "Business", "Mirror of the Week" and "Economic News" addressed this subject.

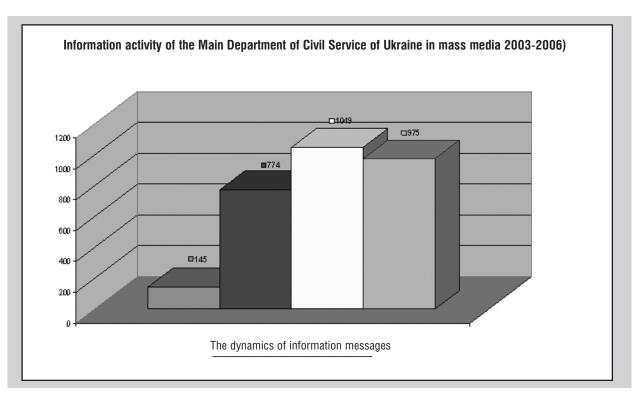
"The system of public management is inefficient in Ukraine today, and the country, therefore, needs public administration reform. This reform must have a certain direction, based on the European standards. Thus, the compulsory separation of political and administrative positions is currently in

place in Europe, while this does not yet exist in Ukraine. While the European standards call for the participation of civil servants in public policy making, the officials in Ukraine still act only in executive capacity".

("LEAGUE BusinessInform information agency"). In the framework of the Information Partnership Agreement that the Main Department of the Civil Service of Ukraine and the "MediaPro" LLC entered into in 2005, a number of provisions were implemented during 2006. Thus, "Spravochnik Kadrovika" ("HR Specialist Reference Book") magazine published regulatory acts regarding civil service, and provided clarifications on issues of civil service in Ukraine. In addition, in the "HR Manager" magazine, which is the property of "MeidaPro" LLC, a number of articles were published, in particular, the interview with the Head of the Main Department of the Civil Service of Ukraine "On the Way towards the European Standards", the article "Assessment of Ukraine Governance", based upon the results of the international conference "The Strategy of Administrative Reform: SIGMA recommendations for the Government of Ukraine".

In 2006, the Main Department of Civil Service initiated and conducted 14 press briefings and 3 press conferences, in particular, the press conference "100 days of the government's activities: the achievements of the Main Department of the Civil Service of Ukraine — a decisive step towards the European level of civil service", during which the Head of the Main Department of the Civil Service of Ukraine informed the journalists about the work, which was accomplished during this period.

An efficient form of communication with mass media representatives and with the public is the participation in



Internet conferences. These conferences allow every citizen to take part in open dialogue with a representative of the authorities. Thus, during the Internet conference at "Obozrevatel" web site in April, 2006, the Head of the Main Department of the Civil Service of Ukraine was asked 26 questions, out of which 8 concerned the draft Law of Ukraine "On Civil Service" (new version).

In 2006, the headquarters of the Main Department of the Civil Service of Ukraine conducted 3 press conferences and 14 briefings, 54 hotlines, 28 interviews with the management of the Main Department of the Civil Service of Ukraine in printed media, made 11 TV messages, 55 radio messages and 159 messages in the electronic media.

In addition, information materials on the activities of the Main Department of Civil Service were published in the printed mass media of Ukraine with circulation of over half a million copies.

4. The development of publications – spreading the European values of democratic governance, advanced experience and the best national and foreign practices of public administration

In 2006 the Center for Support of Civil Service Institutional Development under the Main Department of the Civil Service of Ukraine published and distributed the following publications:

- Public report on main results of activity of the Main Department of the Civil Service of Ukraine "Professional Civil Service: What has been done, and what is next?" (published in 5000 copies in Ukrainian and 2000 copies in English, distributed free of charge);
- "The Library of a Young Civil Servant" series (1000 copies of each issue were published, which were distributed among the subscribers):
- 1) M.Logunova. Social and psychological aspects of management activities;
- 2) I. Klymenko, K. Lyniov. Electronic Government Technologies;
- 3) R. Voytovych, I. Nadolniy, M. Piren. A management official at government bodies and local self-government agencies;
- 4) E. Afonin, R. Voytovych, L. Gonyukova. The citizens' participation in state policy making and implementation.
- Guidelines "Action plan for a new Minister" (1000 copies published, distributed free of charge);
- "Bureacrat" newsletter— a periodical, 24 issues published in 2006 (7000 8000 copies of each issue published, distributed free of charge);
- translation of the OECD Policy Brief (5000 copies issued, distributed free of charge);
- leaflet "The European Principles of Civil Service for Ukraine" (8000 copies published, distributed free of charge);

- 2006 calendar entitled "Principles of Civil Service" (1000 copies published in 2006, distributed free of charge);
- 2007 calendar entitled "History of Civil Service in Ukraine" (1000 copies issued, distributed free of charge);
- report based on the results of SIGMA Assessment of Ukraine Governance.

5. Popularisation of national administrative traditions: 2007 Calendar entitled "History of Civil Service in Ukraine"

Having the history of state-building, which extends for over one thousand years, and the tradition of democracy, which is nearly four hundred years old, the Ukrainian people still do not have a written and published history of their public service, or, as it is put in the contemporary Ukrainian law, "civil service".

In late 2006 the Center for Support of Civil Service Institutional Development under the Main Department of the Civil Service of Ukraine started research of the history of civil service in Ukraine. Based upon collected materials, a 2007 calendar entitled "History of Civil Service in Ukraine" was prepared and published. It is illustrated with the fragments of ancient manuscripts and unique achive documents of the 14th – 20th centuries. This popular edition attempts to provide a brief and undetailed outline of the history of national civil service.

1000 copies of the calendar were published and distributed free of charge to all government authorities at the central and local level. ■

The National Roots of the Ukrainian Civil Service

The Ukrainian nation has an ancient administrative tradition, whose essential features have much in common with the Western European tradition, dating back Kyiv Rus' and Galytsko-Volynske Principality, through the state existence of the Rus' people in the form of the Grand Duchy of Lithuania, its liberation war of 1648–1654, the cossacks' state of the second half of the 17th- first half of the 18th centuries, the attempt to restore the national statehood in the early 20th century in the form of the Ukrainian National Republic and the Ukrainian State, up to the existence of Ukraine, which was proclaimed and recognized as an independent state in 1991.

This difficult and dramatic path to state building, the institutional development of national public administration and civil service was repeatedly interrupted by wars, invasions and attempts to assimilate the Ukrainians with other peoples and states. However, the longest interruptions took place when the Ukrainian land was a part of the Russian empire in the second part of the 18th- early 20th centuries, and the Ukrainian SSR in the Soviet Union.

In spite of this, some features of modern public (civil) service of the European type can be traced in the Ukrainian administration in various historical periods.

SECTION X. PRIORITIES OF THE MAIN DEPARTMENT OF THE CIVIL SERVICE OF UKRAINE IN 2007 AND FOR MID-TERM PERSPECTIVE

1. Continue drafting civil service legislation in the framework of administrative law development:

- The Law of Ukraine "On Civil Service" (new version);
- The Code of Administrative Procedures of Ukraine;
- The Code of Ethics of a Civil Servant of Ukraine;
- The Disciplinary Code of Civil Service of Ukraine.

2. Transform the activity of civil servants to respond to demands of social development and democratic governance standards:

- Continuing the introduction of public policy standards and procedures through the development of the network of policy analysis groups;
- Developing the standards and procedures public service delivery and listing the register of services rendered by civil servants and government agencies in Ukraine;
- Further introduction of quality management in executive agencies;
- Deconcentration of services rendered by the Main Department of Civil Service bringing them closer to consumers at the local level through pilot project implemented by the territorial units of the Main Department of the Civil Service of Ukraine.

8. Develop qualification requirements of civil servants of central and local executive bodies based upon the changed requirements to their activity:

- Improving civil servants' pay system to respond to the new demands to their work;
- Changing personnel selection procedures: announcement of job openings, selection principles, organizing the work of selection committees, new methods of interviewing the candidates;
- Monitoring the activities of newly appointed civil servants, their training and the control of its results.

4. Reform civil servants' professional training:

- Changing the quality of master's programmes in civil service;
- Demonopolisation and liberalisation of the market of training for civil servants;
- Forming the new training resources necessary to support the new demands to activity and new qualification requirements to civil servants.

5. Search, regulation, popularisation and implementation of the best national administrative traditions in the contemporary practice:

- Conducting a wide-scale scientific research on the history of civil service in Ukraine;
- Organizing a broad public campaign to spread the national values of civil service.

6. Next steps for practical integration of the civil service of Ukraine into the European administrative space:

- Enhancing Twinning and TAIEX institutional building instruments;
- Implementing the bilateral agreements on cooperation with the European Union members.
- Deepening the cooperation with international financial organizations, in particular, the European Bank for Reconstruction and Development.

7. Build the "Electronic Government' (E-Government) segment, which is necessary for efficient human resource management in the civil service:

- "E-Ministry" project including the internal electronic system of human resource management at the Main Department of the Civil Service of Ukraine;
- Creating the National database of electronic personal files of civil servants and officials of local self-government;
- National electronic system for the competitive selection of civil servants for vacant positions;
- National system of civil servants' wage management.

8. Enhance the openness, transparency and accountability in the activities of civil servants as the basis of democratic governance:

- Providing special information, methodological and informational materials for journalists and mass media to facilitate coverage of the events and trends in the civil service activities and reform;
- Holding large-scale information campaigns, social advertisement to spread the values of the professional civil service of the European type, the formation of a new corporate culture of civil servants and the shift in the public attitude towards them;
- Engaging the professional community, the participation of civil society institutions in the process of government decision making and implementation.

PROFESSIONAL CIVIL SERVICE: What has been done and what is next?

Public report on activity in 2006

Main Department of the Civil Service of Ukraine

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MAIN DEPARTMENT OF THE CIVIL SERVICE OF UKRAINE

PROFESSIONAL CIVIL SERVICE:

WHAT HAS BEEN DONE AND WHAT IS NEXT

Public report on activity in 2006