

**Priority Reform List**

**Reforms Linked to Conditions on U.S. Assistance**

1. **REMIT Legislation Implementation**: On or before April 1, 2024, the National Energy and Utilities Regulatory Commission adopts the procedure, scope, extent, and frequency of submission of information on trading in wholesale energy products related to the Regulation on Wholesale Energy Market Integrity and Transparency (REMIT) legislation.
2. **Supervisory Boards of State-Owned Enterprises (SOEs) \*EU MFA conditionality:**
  - a. Seat a seventh member on the UkrEnergo and Naftogaz Supervisory Boards;
  - b. Complete the legislative process to corporatize Energoatom and select an independent supervisory board;
  - c. Transfer GTSO ownership to Ministry of Energy, adopt a new company charter, and select a new independent supervisory board *\*IMF Structural Benchmark*;
  - d. Adopt SOE Corporate Governance legislation (DL5593) in alignment with OECD guidelines by autumn 2023, to ensure the transparent and merit-based nomination, selection, and reappointment of high-quality independent professionals as members of SOE supervisory boards and establish an annual evaluation procedure for the supervisory boards (preventing board members being removed in an arbitrary manner); and
  - e. Select and implement new supervisory board for newly created Ukrainian Defense Industries JSC (formerly Ukroboronprom) in alignment with OECD standards.

**0-3 Month Priorities**

1. **Strengthen the Special Anti-Corruption Prosecutor's Office (SAPO):**
  - a. The Rada will pass legislation to reform of the Specialized Anti-Corruption Prosecutor's Office (SAPO), in line with the parameters of the IMF structural benchmark. The legislation must include provisions to: (a) improve the procedures for selecting the SAPO head and key officials to ensure the direct and meaningful participation of independent experts in organizing the competition; (b) strengthen SAPO's capacity to regulate its organizational activities; and (c) establish mechanisms for discipline and accountability of SAPO leadership (including performance evaluation and a periodic external audit conducted by external experts with international experience). *\*IMF Benchmark for end of December.*
  - b. Amend legislation to clarify the relationship between the head of SAPO and the Prosecutor General to strengthen SAPO's procedural independence over its cases, as well as provide separate extradition and MLAT authority to SAPO.
2. **National Anti-Corruption Bureau of Ukraine (NABU):** Increase the number of detectives by at least 300; increase forensic capacity of NABU in line with international standards and safeguards; form a public oversight council; provide NABU with wiretapping capability; and preserve NABU independence and exclusive investigative authority over high-profile corruption matters.
3. **Reinstate Asset and Financial Disclosure Requirements:** Adopt Draft Law 8071 reinstating mandatory asset declarations for all public officials and judges including all declarations for 2021 and 2022 to promote greater accountability. Restore political party financial disclosures. Simplify the asset declaration system

through linking with other databases and registers consistent with the public officials' legal obligations to make truthful and timely submissions. *\*IMF Structural Benchmark.*

4. **National Agency for Corruption Prevention (NACP)**: Ensure independent, transparent, competitive, and timely selection of the new head of the NACP based on vetting of independence, competence, and integrity in alignment with OECD standards.
5. **Complete the High Council of Justice (HCJ) Reboot**: Establish the Service of Disciplinary Inspectors with direct and meaningful participation of independent experts ensuring the recruitment of highly qualified inspectors with integrity, professionalism, and adequate remuneration and restore HCJ's disciplinary function (Draft Laws 9261 and 9483). *\*EU MFA conditionality.*

### **3-6-Month Priorities**

3. **High Anti-Corruption Court (HACC)**: Amend legislation expanding the number of judges and allow certain cases to be adjudicated by a single judge rather than a panel of three judges to promote the fair and effective consideration of an increasing number of corruption cases.
4. **National Anti-Monopoly Committee of Ukraine**: On or before 1 January 2024, the Anti-Monopoly Committee of Ukraine will enact updated procedures covering the consideration of proposed mergers and updated procedures on conducting inspections of anticompetitive practices related to the anti-monopoly legislation (Law 5431).
5. **Establish the High Administrative Court of Ukraine (HACU)**: Introduce legislation to establish a new specialized court for administrative cases against national state agencies, staffed by properly-vetted judges, following the dissolution of the Kyiv District Administrative Court.
6. **Reform Supreme Court (SC)**: Review the integrity of sitting SC justices in the wake of the high-profile corruption cases involving the former SC chief justice and the SC's Grand Chamber and select new SC justices to fill vacant seats via a transparent process with the meaningful role of independent experts and civil society.

### **One-Year Priorities**

1. **Strengthen the Asset Recovery and Management Agency (ARMA)**: Amend the law on ARMA to allow for an open, competitive, and merit-based selection of the leadership with required integrity checks. Ensure new competition for leadership within one year. Improve the effectiveness and transparency of the management and disposal of seized and confiscated assets within ARMA or any other state institution assigned this function.
2. **Restart Judicial Selection and Qualifications Assessment under newly reformed High Qualification Commission of Judges (HQCJ) with meaningful Public Integrity Council (PIC) involvement**: Amend legislation to improve judicial selection by streamlining competition stages, review the length of mandatory judicial training, approve and publish regulations, including clear assessment criteria, and scoring methodology. Support the restart of judicial selection to fill ~2,000 judicial vacancies and qualifications

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assessment of ~1,500 sitting judges with the meaningful participation of the reestablished PIC. *\*EU MFA conditionality.*

3. **Constitutional Court of Ukraine (CCU) Reform**: Implement newly enacted law #3277-IX by standing up the Advisory Group of Experts with the meaningful participation of Venice Commission, EU, and U.S. nominated experts and supporting the vetting process of CCU judge candidates. *\*Passage of #3277 was one of seven requirements for Ukraine to begin EU accession process.*
4. **Implement Natural Gas and Electricity Tariffs Liberalization**: Implement a roadmap to liberalize gas and electricity prices to better ensure energy savings and the financial sustainability of companies and operators, while developing targeted support schemes for vulnerable customers in the context of electricity subsidy reform. Take steps to further liberalize gas and electricity prices, and prepare for green energy generation and EU-Ukraine energy grid integration. Accompany liberalization with social protection mechanisms to mitigate impact on the poorer sections of the population.
5. **Strengthen the Accounting Chamber of Ukraine (ACU) and State Audit Service of Ukraine (SAS)**: Amend legislation to facilitate greater transparency and accountability during post-war reconstruction of Ukraine through strengthening the independence and professionalism of these two institutions. Ensure independent, transparent, competitive, and timely selection of ACU board members with vetting of independence, competence, and integrity. Strengthen ACU's mandate to audit local government bodies, state owned enterprises, and public procurement activities.
6. **Ministry of Defense (MOD)**:
  - o Without undermining readiness, re-design both military armament and public procurement processes and procedures reflecting NATO standards of transparency, accountability, efficiency, and competition in defense procurement.
  - o Adopt legislative national security omnibus amendment 4210 that strengthens democratic civilian control and oversight of the military, modernizes command and control architecture in accordance with NATO principles, and transforms governance and defense planning processes to increase interoperability with NATO.
  - o Transform defense planning and resource management systems to increase transparency, reduce corruption, and increase interoperability with NATO.
  - o Re-design both military armament and public procurement processes and procedures reflecting NATO standards of transparency, accountability, efficiency, and competition in defense procurement.
  - o Modernize defense human resource management and military education systems to align with and reflect NATO principles, standards, and doctrine.
  - o Invest in Women, Peace, and Security (WPS) initiatives.

**18-Month Priorities**

1. **Reboot the Bureau of Economic Security of Ukraine (BES)**: Conduct an open, competitive, and merit-based selection for new leadership and mandatory re-attestation for BES personnel. Create credible disciplinary committee and replace staff who do not meet ethical and professional standards.
2. **Security Service of Ukraine**: Adopt draft laws to reform and further restructure the Security Service of Ukraine (SBU), including limiting the SBU's law enforcement authorities to those associated with counter-intelligence, counter-espionage, cybersecurity, and counterterrorism. Complete ethical and professional

attestations of those to be hired in (and re-attestations of those working in) the SBU. Create credible disciplinary committee and replace staff who do not meet ethical and professional standards. Enhance parliamentary and civilian oversight of SBU. Restructure process for requesting lawful intercept (wiretapping), and allow other institutions to conduct judicial intercept separate from SBU. Open a transparent process for hiring leadership with meaningful and sustained international participation.

3. **Ministry of Strategic Industries / Ukraine Defense Industry (formerly UkrOboronProm):** Stand up UDI supervisory board that complies with OECD standards, including participation by foreign defense experts. Build stronger institutional connections (e.g., liaison or procurement offices) with MOD and General Staff planning, to ensure UDI's work is aligned with the country's most pressing needs. Ensure NATO standards of transparency, accountability, efficiency, and competition across the defense industrial sector. Institute transparency procedures (even taking into account wartime needs for secrecy) to allow later audit and avoid even the appearance of politicization or corruption in defense production.
4. **National Police of Ukraine (NPU):** Create transparent, merit-based promotion and selection system. Strengthen the NPU's internal affairs and inspector general units, remove inspector general units from oblast leadership control. Expand patrol police jurisdiction to districts and replace district patrol units. Incorporate modern and practical police training modules into all aspects of police training.
5. **Complete Reform of the Office of the Prosecutor General (OPG):** Complete ethical and professional attestations of those to be hired in (and re-attestations of those working in) the OPG. Create credible disciplinary committee and replace staff who do not meet ethical and professional standards. Establish a system for case weighting to align with prioritization in the distribution of cases.
6. **State Customs Service (SCS):** Develop and ensure the implementation of a comprehensive customs reform strategy, including harmonization of legal frameworks with EU legislation (including criminalization of large-scale smuggling), simplification and digitalization of the custom rules, and introduce anti-corruption tools. Complete ethical and professional attestations of those to be hired in (and re-attestations of those working in) the Customs Service. Revamp the selection process for SCS leadership to ensure a transparent and merit-based process that includes meaningful participation of international experts. Create credible disciplinary committee and replace staff who do not meet ethical and professional standards. Overhaul and increase staffing of the SCS's internal affairs unit. *\*IMF MEFP*
7. **State Border Guard Service (SBGS):** Create safe and secure inter-linkages of information between SBGS and border guard services of EU countries to increase efficiency of cross-border movements of people and commerce. Modernize incident and traffic flow (people and commercial) reporting and business applications to allow accurate statistical reporting for public consumption. Improve processes for reporting corruption, including the establishment of whistle-blowers protection within the service.
8. **Inspectors General for Reconstruction:** Revise and adopt pre-war draft legislation to establish office of Inspectors General within each key ministry involved in reconstruction with authority to (1) make proactive criminal referrals to the NABU or other appropriate anti-corruption investigating authorities, and (2) to intercept and prevent waste, fraud and abuse within the ministry.