

APPROVED
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Ukraine
of 24 February 2016 No. 175

**STRATEGY
for Public Procurement Reform (Roadmap)**

I. General Provisions

Procurement of supplies, works and services satisfying basic public needs is one of the key functions of the state that should rely on rational public spending and developed competitive economy. Public procurement reform is linked to a wide range of political, legal, social, financial, institutional, ethical and technological issues settling which will facilitate sustainable social and economic development of the country, increasing competitiveness of economy and dynamic integration of Ukraine into international market, the EU Common Market in particular.

One of the most important components of a public procurement system is appropriate legal framework laying down the key principles, terms and procedures of awarding supplies, works and services contracts to satisfy public needs.

Today, the public procurement system is regulated by the Law of Ukraine “On Conduction of State Procurement” (hereinafter referred to as the “Law”). The Law of Ukraine “On Peculiarities of Procurement in Certain Spheres of Economic Activity” established a special legal framework for awarding supplies, works and services contracts by organizations and companies operating as monopolies in the public water supply, postal services and transport sectors etc.

Apart from these laws the Verkhovna Rada of Ukraine on 25th December 2015 has adopted new Law “On Public Procurement” that introduces e-procurement system and electronic complaints review.

At the same time, the every-changing legal environment is one of the key problems in the public procurement sector which results in ambiguous interpretation of the public procurement principles and rules and inefficient legal regulation.

Therefore, one of the most important objectives of the public procurement reform is ensuring that the legal and regulatory framework is predictable and stable through harmonizing the national legislation with the EU rules, adaptation of key concepts and terms, and bringing procurement procedures in compliance with the international standards.

Institutional structure is another important component of the public procurement system.

Thus, according to the Law, the Authorized Body is the central executive body in charge of the implementation of the national public procurement policy (Ministry of Economic Development and Trade), and Complaint Review Authority is the Anti-Monopoly Committee of Ukraine, while the State Financial Inspection, the Accounting Chamber and the Anti-Monopoly Committee of Ukraine perform control functions within the scope of their competence defined by law.

At the same time, the institutional basis of the public procurement system is characterized by overlapping of control and regulatory functions to an extent.

Public procurement in Ukraine is decentralized. There are about 15,000 contracting entities operating in different sectors. On the one hand, a decentralized model allows accounting for the needs of local communities, end users of supplies and services procured, as well as supporting local producers and encouraging them to participate in public procurement procedures.

However, a centralized procurement model proved to be effective and today is widely used worldwide as it allows reduction of the overall costs within the system.

The centralized approach facilitates standardization, professionalization, legal certainty, introduction of flexible procurement methods, such as framework agreements, e-procurement. Therefore, the reform, *inter alia*, aims at the introduction of centralized procurement mechanisms while at the same time making the most of the advantages of the existing decentralized model.

An important task within the framework of the institutional reform is professionalization of public procurement which will allow increasing quality and controllability of the public procurement process, saving public funds, enhancing

accountability of contracting authorities and integration of the public procurement function into the comprehensive public finance management system. Professionalization of public procurement is considered a compulsory component of the process of harmonization with the international standards and optimization of centralized and decentralized procurements within a unified system.

Society and authorities must control the procurement of supplies, works and services by state institutions, self-governing authorities with the budgetary funds; understand why these supplies and services are considered social needs, the overall cost of such supplies and services, and the procedure of their procurement as such. To achieve this purpose, it is important to enable transparent, well-structured, comprehensive economic analysis and monitoring of the public procurement system.

Moreover, another problem in the public procurement sector is corruption. Increasing transparency of activities of contracting entities and liability of officials is a key factor in detecting and prevention of corruption. Transparency implies informing the market about the planned and awarded contracts, publication of all required conditions and requirements to potential bidders and contractors, timely and complete reporting on completed procedures and fulfilment of concluded contracts. Transparency also implies publication of regulatory documents, detail recommendations, explanations, guidelines and standards, relevant procurement decisions. Clear, predictable rules, simple conditions of participation in procurement procedures, standardized documents, clear distribution of functions between institutions, specialists and controlling bodies help prevent officials from taking unreasoned or unlawful decisions regarding procurement of supplies, works or services, and therefore, reduce corruption risks. For this purpose, it is necessary to introduce generally accessible means of e-communication and standardize public procurement procedures.

In addition, by signing the Association Agreement between Ukraine, on the one part, and the European Union, the European Atomic Energy Community and their Member States, on the other part (hereinafter referred to as the “Association

Agreement”), Ukraine undertook to bring its public procurement system in line with the standards of the European Union.

Public procurement provisions are laid down in Title IV, Chapter 8 of the Association Agreement (Articles 148 to 156 and relevant Annex XXI), providing for progressive mutual access to the public procurement markets of the EU and Ukraine on the basis of planned, phased and supervised progress in the approximation of the public procurement legislation of Ukraine with the EU public procurement *acquis*, accompanied by institutional reform and the creation of an efficient public procurement system based on the principles governing the EU public procurement. These provisions apply to the contracts covered by relevant EU directives.

In accordance with Article 152 of the Association Agreement, Ukraine must develop a comprehensive roadmap for the implementation of Title IV, Chapter 8 of the Agreement to provide for a phased reform to be completed within the time schedules set in Annex XXI-A, namely:

Phase 1 is to be completed within 6 months after the entry into force of the Agreement. Achieving the reform objectives at this stage by implementation of Article 150 of Title IV, Chapter 8 will allow introduction of the most essential principles and legal concepts, creation of the institutional structure in compliance with the EU standards, and therefore, mutual access of economic operators to the supplies procurement market to the EU central bodies and Ukraine. According to Articles 150 and 151 of the Association Agreement, no later than six months from the entry into force of the Agreement, the Parties must comply with a set of standards, particularly for publication of information about terms and conditions of public contracts, award procedure and criteria, and remedies available to persons whose interests were affected due to unlawful decisions of procuring entities.

Phase 2 is supposed to be completed within 3 years after the entry into force of the Agreement and bring the introduction of amendments to the laws of Ukraine to harmonize the applicable terminology and standard procedures. Accomplishing these tasks will result in opening supplies procurement markets to all contracting entities representing all levels of public authorities and local self-governance.

Phase 3 is expected to be completed within 4 years after the entry into force of the Agreement. The activities planned for this period include, first of all, harmonization of rules of supplies, works or services contracts award to economic operators, usually monopolies, enjoying special or exclusive rights to provide economic infrastructure services, utility services to the population. Implementation of this phase of the reform is supposed to open mutual access to supplies procurement markets to procuring entities operating in the above-mentioned sectors (gas, power and water supply, postal and transport services).

Phase 4 will be completed within 6 years after the entry into force of the Agreement. At this stage, deep harmonization of Ukraine's legislation and introduction of advanced institutional mechanisms will allow setting up a centralized procurement system, wider use of framework agreements and e-procurement as well as dynamic purchasing system, competitive dialogue, innovative partnership, joint procurements and design contests. This will facilitate mutual access to works and services procurement markets, as well as participation of both the EU and Ukrainian public authorities of all levels in procedures for concession contracts award.

Phase 5 will take 8 years of the entry into force of the Agreement, and the key achievement at this stage of the reform will be ensuring access to procurement markets for supplies, works and services procured not only to satisfy the needs of public procuring entities but also for companies that maintain the economic infrastructure and operate on the basis of special and exclusive rights in the sectors of power and water supply, transport, postal services, etc.

According to Annex XXI to the Association Agreement, harmonization of Ukraine's legislation is aimed at bringing it in compliance with Directive 2004/18/EC on public procurement and Directive 2004/17/EC on procurement in the utilities sector (transport, water supply, energy, postal services).

However, in 2014 the European Union adopted new public procurement directives replacing Directive 2004/18/EC and Directive 2004/17/EC. They are Directive 2014/24/EU of 26 February 2014 (the new Public Procurement Directive) and Directive 2014/25/EU of 26 February 2014 (the new Utilities Procurement

Directive on procurement by entities operating in the water, energy, transport and postal services sectors). In addition, the EU adopted a new Directive 2014/23/EU on concessions and the Directive 2014/55/EU on e-invoicing. In view of the aforesaid, Ukraine's legislation, pursuant to Title IV, Chapter 8 of the Association Agreement, must be harmonized in terms of terminology, procedures and other rules of new EU Public Procurement Directives replacing Directive 2004/18/EC and Directive 2004/17/EC.

The Association Agreement (Article 150) also requires the harmonization process to be accompanied by a comprehensive institutional reform which is supposed to establish an effective institutional basis in the public procurement sector, particularly, in the context of the two key bodies:

the central executive body responsible for economic policy whose main task in the context of public procurement is ensuring coordinated policy regulating all the issues relating to fulfilment of public procurement functions, and coordination of the process of harmonization of the legislation with the relevant EU *acquis*;

independent and unbiased body that will supervise the decision-making activity of procuring entities with respect to contract award procedures.

Therefore, this Strategy covers period until December 31, 2022 and includes key priorities with regard to the development and improvement of the public procurement system, including a set of objectives regarding harmonization of the legislation, development of the institutional structure, human resources, procedures and practices.

II. Aim of the Strategy

The principal aim of this Strategy is establishment of modern and efficient public procurement system, aimed to creating a competitive environment and further development of fair competition in this area in Ukraine and ensuring fulfilment of Ukraine's international commitments in the field of public procurement through staged legislative approximation with the European standards within the period 2015 through 2022.

III. Key Priorities under the Strategy

The Strategy's priorities are the following:

Harmonisation of the public procurement legislation in Ukraine with the relevant EU *aquis communautaire* pursuant to Title IV, Chapter 8 and Annex XXI to the Association Agreement;

Institutional development, creation of appropriate material and technical basis and engaging necessary human resources needed for functioning of Authorised body on public procurement, and for an independent review authority to protect the rights of participants of the public procurement process, optimizing cooperation of regulatory and controlling bodies in the public procurement sector and public finance management, particularly, cooperation between the authorized bodies for the purposes of implementation of tasks under this Strategy;

Establishment and development of e-procurement system in compliance with the EU requirements and standards and best international practices;

Development of system for professional training of public procurement specialists and professionalization of the public procurement function;

International cooperation in the field of public procurement and boosting Ukraine's reputation in the international arena as a state using a modern public procurement system;

The process of harmonization of Ukraine's public procurement legislation with the relevant EU Directives includes the following objectives:

Development of a new draft Law the concept of which will be in line with Directives

2014/24/EU, 2014/25/EU, 92/13/EU and 89/665/EEC due to the transposition of key terms, requirements to drafting technical specifications, qualification and tender evaluation criteria, other basic elements regulating public procurement as laid down in the said EU Directives and the Association Agreement;

Harmonization of standard procurement procedures, procurement technics and instruments, namely, introduction of restricted procedure, negotiated procedure, competitive dialogue, e-auction, etc.;

Establishing a more flexible regulation and simplified procedures for awarding public contracts below the threshold values set by the EU Directives, as well as improvement of flexible rules of procuring supplies, works and services by economic operators enjoying special or exclusive rights and providing services in infrastructure sectors in monopolized markets (energy, water, transport, postal services);

Creation of a legal and regulatory framework to regulate the use of electronic means, facilitate e-communication in the public procurement sector;

Improvement of remedies available to economic operators whose interests are or may be affected due to unlawful decisions, actions or omissions of procuring entities;

Ensuring openness and transparency of public procurement in order to reduce corruption risks;

Determination of active position of the Government to prevent changes to public procurement legislation which has the object or effect of taking the legislation in a direction that runs contrary to the Strategy.

Development of the institutional structure in the field of public procurement will envisage:

Optimization of functions of the authorized body, particularly, improvement of the mechanisms of economic analysis, monitoring of efficiency of the public procurement system based on the quality-cost ration criterion;

Optimization of control function in the public procurement sector, removing overlapping and reduction of the scope of control powers in this field;

Supporting unbiased and independent functions of the complaints review authority, engaging necessary material, technical and human resources to ensure effective functioning of the mechanism of protection of rights in the public procurement sector;

Development of the centralized purchasing system with the purpose to ensure resource saving, encourage the use of advanced purchasing methods, particularly wider use of framework agreements, dynamic purchasing system, e-auctions, e-catalogues and professionalization of procurement function.

Establishment and development of e-procurement system will include:

Creation of the relevant regulatory framework, requirements to structuring and standardization of information at all public procurement stages, ensuring equal access to electronic technologies used for public procurement procedures;

Creation of the e-procurement system that will guarantee appropriate protection and storage of information about tenderers, build on the prospects of integration of the relevant databases and services into a unified information system of e-governance, ensure effective data exchange with databases of other public authorities in charge of public finance management, personal identification systems, confirmation of information about tenderers;

Use of electronic means supposed to simplify and standardize communication at all stages of public procurement including: planning, noticing, access to technical specifications and other procurement documents in electronic form, e-submission, e-evaluation of tenders or certain elements of tenders based on both price and non-price criteria, e-award and e-payment, e-complaining, etc.

Professionalization of public procurement will include:

Gradual liquidation of tender committees to be accompanied with extensive training and use of modern methods and technologies;

Introduction of the differentiated qualification of “public procurement specialist”, setting qualification requirements to specialists engaged in performing relevant functions for procuring entities at various stages of the procurement process (financial planning, drafting specifications, marketing, organization of procurement procedures, legal support and contract management, etc.), as well as gradual replacement of tender committees with public procurement specialists. The process of professionalization will be supported through the implementation of public procurement specialists training program based on advanced teaching methods (online courses, module distant learning, etc.). Special courses for training public procurement specialists must be available within the framework of training and retraining programs for public servants, as well as be included in curricula for economists, lawyers and technicians. Moreover, with the purpose to support

procuring entities and members of tender committees engaged in the organization of public procurement procedures, the authorized body is planning on establishing a help desk to offer consultations in public procurement.

International cooperation in the field of public procurement implies:

Bilateral and multilateral cooperation between relevant public authorities and international organizations representing interests of foreign countries or members of international organizations in the public procurement sector, as well as accession of Ukraine to international treaties and structures with the purpose to harmonize public procurement principles and procedures on a reciprocal basis, introduce international technical standards applicable to a public procurement system, ensure exchange of information about public procurements.

Cooperation with the European Commission in the process of implementation of Title IV, Chapter 8 of the Association Agreement, as well as participation of Ukraine in the activities of the WTO Committee on Government Procurement.

IV. Objectives of the Strategy

The key objectives of the Strategy are the following:

Fulfilment by Ukraine of its commitments in the public procurement sector set by Association Agreement and by WTO Agreement on Government Procurement (in edition of 2012);

Ensuring sound and efficient use of budgetary funds achieved through the establishment of a transparent, open, clear, accessible and sustainable public procurement system and operation of the common e-procurement system;

Improvement of the process efficiency and combating corruption in this area achieved through improved professionalization of procurement bodies, implementation of anti-corruption measures, introduction of e-procurement and public participation in the public procurement system monitoring;

Improvement of legal certainty and establishment of efficient system for combating public procurement offences achieved through the implementation of phased and targeted legislative reform, facilitation of access to administrative and

judicial review, publication of decisions adopted in public procurement cases and recommendations on application of public procurement rules and best practices.

V. Expected Outcomes

Realisation of the Strategy shall bring the following achievements:

Operation of effective public procurement system compliant with the international standards of transparency, accessibility, sustainability and competitiveness;

Conformity of the national public procurement legislation with the EU Directives and WTO GPA;

Operation of the e-procurement system in Ukraine;

Reduction of corruption in the public procurement sector;

Improvement of trust in the public procurement system on the part of business and society;

Optimization of spending in the public procurement system through centralization and applying a balanced approach to decentralized procurements, wider use of framework agreements, electronic means, professionalization and development of the institutional structure in the public procurement sector.

VI. Performance monitoring and reviewing the Strategy and action plan

Ministry of Economic Development and Trade of Ukraine is responsible for monitoring, reporting on the implementation of the Strategy and Action Plan and for submission of proposals to the Cabinet of Ministers of Ukraine to amend to the Strategy and Action Plan.

The involved ministries/authorities report to MEDT on the implementation of the measures where a ministry/authority is defined as main responsible body. In this case, the responsible authorities must indicate the grounds and reasons for delays and/or default in execution of relevant action as well as if necessary the responsible authorities may submit proposals to amend the Strategy and / or Action plan.

Every six months MEDT by to the 30th January and 30th July submits to the Cabinet of Ministers of Ukraine the report on the implementation of the Action Plan and every two year prepares proposals for amending the Strategy and / or Action plan. At the same time if necessary amendments are needed earlier due to the more rapid implementation of the tasks specified in the Action plan and / or recommended by the European Commission – MEDT may submit such proposals earlier than each two years.

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**ACTION PLAN
for the Implementation of the Strategy
for Public Procurement Reform (Road Map) until 2022**

Description of measures	Responsible bodies	Timing	Source of funding	Expected outcomes	Performance indicators
1	2	3	4	5	6

Phase 1 (1 January 2016 to 31 December 2016)

Implementation of provisions of Article 150 of the Association Agreement

1. Ensuring availability of material, technical and labour resources required for the effective functioning of the authorized body and complaints review authority in the public procurement sector, as well as for the advanced training of these agencies' staff	Cabinet of Ministers of Ukraine (CMU) MEDT AMCU	February 2016	State Budget of Ukraine, donor funds	Compliance with conditions laid down in Article 150, paragraph 2 of the Agreement, and functioning institutional structure in the public procurement sector in compliance with the EU standards	Submission of proposed amendments to budget legislation
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International cooperation in the field of public procurement

2. Ratification of WTO Agreement on Government Procurement	MEDT Ministry of Foreign Affairs (MFA)	2015-2016	-“-	Access to public procurement markets of	Adoption of the Law on Ratification of the WTO Agreement on Government
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Description of measures	Responsible bodies	Timing	Source of funding	Expected outcomes	Performance indicators
1	2	3	4	5	6
	Ministry of Justice			countries parties to the WTO Agreement on Government Procurement	Procurement by the Verkhovna Rada of Ukraine
3. Ukraine's participation in activities of the WTO Committee on Government Procurement as a country member, particularly, in negotiations on accession of new members	MEDT MFA MINJUST	2016	State Budget, Donor funds	Fulfilment of commitments under the WTO Agreement on Government Procurement	Participation of Ukraine's representatives in meetings of the WTO Committee on Government Procurement
4. Establishing a regulatory and legal framework for using electronic means in public procurement procedures in compliance with the EU standards, particularly, with the purpose to ensure: Legal equality of electronic and paper documents used for public procurement purposes; Minimum requirements to telecommunication and other computer equipment used to secure reliable and safe data transmission, exchange of notices between contracting authorities and stakeholders in the public procurement sector, for getting access to information and submission of e-tenders; Establishing requirements to information technologies (software) used for the purposes of structuring, processing, storage of information (particularly, for opening and evaluation of tenders in e-auctions) related to public procurements in compliance with Article 35 of Directive 2014/24/EU);	--	2015-2016	--	Transposition of basic elements of Directive 2014/24/EU	Submission of draft Law of Ukraine "On Public Procurement" to the Verkhovna Rada of Ukraine and adoption of relevant Government acts

Description of measures	Responsible bodies	Timing	Source of funding	Expected outcomes	Performance indicators
1	2	3	4	5	6
Standardization of processes and interfaces between different databases used in procurement procedures, particularly, means of identification and proving of legal status, qualification and financial standing of candidates and tenderers					
5. Setting up an overall e-procurement system, improvement of existing facilities for e-noticing, e-communication and providing for possibility of e-evaluation	MEDT MINJUST State Agency for e-Governance (SAEG) MINFIN Other central executive bodies concerned	2016	State Budget, Donor funds	Establishing transparent, open and user-friendly e-procurement system	Operation of the e-procurement system Positive outcome of system test; Increased use of the system and confirmed user satisfaction
6. Ensuring possibility of electronic -submission and -publication of complaints	AMCU MEDT MINJUST MINFIN SAEG Other central executive bodies concerned	-“-	-“-	Introduction of a quick and user-friendly procedure of complaint submission	Introduction of a facility for e-submission of complaints in the e-procurement system Growing use of e-submissions and confirmed user satisfaction

Development of institutional structure and improvement and optimization of functions of controlling bodies

Description of measures	Responsible bodies	Timing	Source of funding	Expected outcomes	Performance indicators
1	2	3	4	5	6
7. Establishment (determination) of a centralized procurement organization(s) to implement a pilot project introducing the mechanism of centralized procurement and legal regulation of centralized procurements (Directive 2014/14/EU, Articles 37–38)	MEDT MINFIN Central executive bodies Local self-governing authorities (given their consent)	December 2016	--	Ensuring saving of budgetary funds and professionalization of public procurement activities	Realisation of pilot project introducing a centralized procurement mechanism by conduction of centralised procurement procedures on behalf of involved procuring entities. Development and adoption of amendments to the Law “On Public Procurement” to authorize activities of a centralized procurement organization; approval of the ordinance of the Cabinet of Ministers of Ukraine on establishing a centralized procurement organization
8. Introduction of comprehensive monitoring of efficiency of the public procurement system, publishing annual reports on the operation of the public procurement system	MEDT	December 2016	State Budget, Donor funds	Availability guidelines for comprehensive economic analysis of efficiency of the public procurement system Publishing results of analysis of the public procurement system efficiency	Updated information and analytical web-service of the Authorised Agency; preparation of relevant draft laws and regulations; Annual reporting on the efficiency of the national public procurement system Active political dialogue regarding state of the art in public procurement sector

Description of measures	Responsible bodies	Timing	Source of funding	Expected outcomes	Performance indicators
1	2	3	4	5	6
9. Review of control functions in the public procurement sector to ensure clear distribution and eliminate overlapping of the functions of control over compliance with the public procurement legislation, financial discipline of contracting authorities and efficiency of the public procurement system	MEDT MINJUST Ministry of Internal Affairs (MIA) Security Service of Ukraine (SSU) General Prosecutor's Office of Ukraine (GPO) Accounting Chamber (AC) (given its consent) State Audit Service (SAS) National Agency for Prevention of Corruption (NACA)	--	State Budget	Prevention of overlapping of control functions, unambiguous interpretation of provisions of law	Introduction of relevant amendments to public procurement legislation Development of guidelines for internal procurement audit and strengthening the self-assessment capacity of contracting authorities

Training and professionalization in the public procurement sector

10 Arranging of basic (on-line) training for contracting authorities (members of tender committees)	MEDT	2016	State Budget of Ukraine, donor funds	Raising awareness of all stakeholders in the public procurement sector as regards public procurement rules	Holding relevant seminars, creation of an on-line training module
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Coordination of and control over the implementation of the Strategy (Roadmap)

11 Preparing and submission of progress reports on the implementation of the Action Plan for the implementation of the Strategy for Public Procurement Reform to the joint body for	MEDT	2016	State Budget of Ukraine, donor funds	Effective coordination of and control over the implementation of	Preparation and delivery of report to the joint institutional body
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Description of measures	Responsible bodies	Timing	Source of funding	Expected outcomes	Performance indicators
1	2	3	4	5	6
monitoring implementation of the Agreement				the Action Plan and fulfilment of obligations under Article 154 of the Agreement	

Phase 2 (1 January 2017 – 31 December 2018)

Adaptation of Ukraine's legislation with the EU rules pursuant to Chapter 8 of the Association Agreement and Annexes XXI-B, XXI-C, XXI-D, XXI-E thereto

12. Drafting a new version of the Law of Ukraine "On Public Procurement" incorporating Utilities law to include definitions of the key public procurement terms as defined in Directives 2014/24/EU and 2014/25/EU, in particular: Public contracts for works, supplies, services and rules of concluding thereof, and mixed contracts (brining the definitions in line with Directive 2014/24/EU, Article 1(1)–(2), Article 2, points (5)–(10) of part 1, Article 3);	MEDT MINFIN MINJUST AMCU	January 2017	State Budget of Ukraine, donor funds	Transposition of basic elements of Directives 2014/24/EU and 2014/25/EU in the new version of the Law of Ukraine "On Public Procurement"	Submission of the draft amendments to the Law of Ukraine "On Public Procurement" to be considered by the Verkhovna Rada of Ukraine
Subjects to public procurement law in accordance with the EU principles and terms (Directive 2014/24/EU, Article 2(1)–(4), (14)), as well as creating legal grounds for the participation of a group of economic operators (consortia) in procurement procedures;					
Introduction of principles of public procurement institutional organization (in compliance with Directive 2014/24/EU, Article 1);					

Description of measures	Responsible bodies	Timing	Source of funding	Expected outcomes	Performance indicators
1	2	3	4	5	6

Specific regulation of public procurements made by contracting authorities enjoying exclusive or special rights (Directive 2014/24/EU, Articles 7, 9–11), as well as for defence and national security purposes;

Procurement procedures brought in line with Directive 2014/24/EU (Articles 26–32) and Directive 2014/25/EU, principles and grounds for applying each particular procedure (Directive 2014/24/EU, Article 26), in particular, introduction of the Restricted procedure (Directive 2014/24/EU, Article 28): competitive procedure with negotiation with prior publication, and negotiated procedure without prior publication (Directive 2014/24/EU, Articles 29 and 32);

Principles and standards of informing of procurement contracts, in particular with respect to sending invitations to candidates and tenderers in restricted and negotiated procedures (Directive 2014/24/EU, Articles 20, 22, 28, 29 and 48-55);

Standards and requirements to technical specifications, other documents related to a procurement procedure (Directive 2014/24/EU, Article 42);

Standards of proving qualification of candidates and tenderers, certification of goods and services, acceptable means of proving tenderers' qualification (Directive 2014/24/EU, Articles 43–

Description of measures	Responsible bodies	Timing	Source of funding	Expected outcomes	Performance indicators
1	2	3	4	5	6

44);

Pre-qualification (in restricted procedures, competitive negotiated procedures) and criteria for admitting candidates to participate in public procurement procedures (namely, individual requirements, criteria of professional and technical abilities, financial and economic standing), as well as introduction of the requirement to submit a self-declaration with further presenting of relevant documents by the successful tenderer at the stage of concluding the contract instead of compulsory submission of supporting documents at the qualification stage (Directive 2014/24/EU, Articles 56-58, 60, 65);

Introduction of the provision on excluding an economic operator from a procurement procedure where such economic operator was involved in preparing the procurement procedure (Directive 2014/24/EU, Article 41);

Standards of proving quality of goods, works and services, business management practices, criteria of green production etc. (Directive 2014/24/EU, Articles 57–58, 62);

Tender evaluation criteria, particularly, criteria representing the most economically advantageous tender and requirements to applying tender evaluation criteria, evaluation criteria for abnormally low tenders (Directive 2014/24/EU,

Description of measures	Responsible bodies	Timing	Source of funding	Expected outcomes	Performance indicators
1	2	3	4	5	6

Articles 67-69);

Methods for calculating the estimated value of a public contract for the purposes of choosing a procurement procedure (Directive 2014/24/EU, Articles 4–6).

13. Harmonization of remedies with Directive 89/665/EEC (as supplemented by Directive 2007/66/EC), as amended by Directive 2014/23/EU, particularly with respect to:

Full or partial invalidation of awarded contracts due to failure to hold a procurement procedure or violation of the procedure prescribed by law, failure to comply with the standstill period upon completion of the procurement procedure (Directive 89/665/EEC, Articles 1–3);

Setting the time limits for submitting complaints against procurement procedures and decisions of contracting authorities (in compliance with Directive 89/665/EEC, Article 2c);

Establishing a sole standstill period to apply to all types of procurement procedures (Directive 89/655/EEC, Articles 1–3);

Specifying grounds for applying a shorter standstill period and derogation from the standstill period (Directive 89/665/EEC, Article 2b);;

MEDT
AMCU
MINJUST
MINFIN
Other central executive
bodies concerned

January
2017

State budget,
Donors funds

Adaptation of
remedies in the
public procurement
sector available in
Ukraine with
Directive
89/665/EEC as
amended by
Directive
2007/66/EC

Respective amendments to
the Law of Ukraine “On
Public Procurement” to be
considered by the
Verkhovna Rada of Ukraine

Description of measures	Responsible bodies	Timing	Source of funding	Expected outcomes	Performance indicators
1	2	3	4	5	6
<p>Specifying grounds for compensating loss caused due to the non-compliance with the procurement contract award procedure and public procurement procedures (Directive 89/665/EEC, Article 2)</p>					
<p>14. Harmonization of legislation with Directives 2014/24/EU, 2014/25/EU, 89/665/EEC and 92/13/EEC as amended by Directive 2007/66/EC, and identifying relevant business activities in accordance with EU Directives, in particular with provisions on: Rules of applying procurement procedures for mixed procurements, where part of the procurement object is regulated by rules for contracting authorities providing economic infrastructure services, enjoying special or exclusive rights (operating in the water, energy, transport and postal services sectors), and another part by general or special procurement rules, or is not regulated by public procurement legislation (Directive 2014/24/EU, Article 3);</p>	<p>MEDT AMCU MINJUST MINFIN Other central executive bodies concerned</p>	<p>2018</p>	<p>-“-</p>	<p>Transposition of Directives 2014/24/EU, 2014/25/EU and 92/13/EEC as amended by Directive 2007/66/EC</p>	<p>Development and adoption of amendments to existing laws; Publication of normative and legal acts adopted pursuant to the amended laws</p>
<p>Procurements by contracting authorities providing economic infrastructure services, enjoying special or exclusive rights (operating in the water, energy, transport and postal services sectors) if they combine several activities subject to special regulation (according to Directive 2014/25/EU, Articles 9-13);</p>					
<p>Introduction of more flexible procedures for certain social, educational and cultural services;</p>					

Description of measures	Responsible bodies	Timing	Source of funding	Expected outcomes	Performance indicators
1	2	3	4	5	6

Rules on recognizing financial and technical guarantees, certificates, expert opinions and other supporting documents by EU Member States (Directive 2014/24/EU, Articles 60 and 62);

Conditions of introduction of supplier qualification system by contracting authorities providing economic infrastructure services, enjoying special or exclusive rights (operating in the water, energy, transport and postal services sectors) (according to Directive 2014/25/EU, Article 77);

Providing for special derogations from the standstill period pursuant to Article 2b of Directive 92/13/EEC as amended by Directive 2007/66/EC;

Approval of grounds for and procedure of recognizing concluded procurement contracts invalid (Directive 2014/24/EU, Article 73);

Establishing sanctions against contracting authorities (fines and alternative sanctions) for the non-compliance with the requirements to procurement procedures (Directive 92/13/EEC, Articles 2d and 2e), and collection mechanisms

15. Reduction of time limits for publishing notices, simplifying procedural requirements to reviewing complaints against decisions of contracting authorities regarding procurement contracts below

MEDT
MINFIN
MINJUST
AMCU

January
2017

State budget,
Donors funds

Simplified
procurement
regulation regime
under contracts

Development and adoption
of amendments to existing
laws;

Description of measures	Responsible bodies	Timing	Source of funding	Expected outcomes	Performance indicators
1	2	3	4	5	6
<p>the thresholds applicable to procurement procedures harmonized with EU Directives, in compliance with the principles of equal treatment, transparency, non-discrimination and competition;</p> <p>Reduction of the scope of information subject to compulsory publication with regard to public contracts below the threshold values applicable to procurement procedures established by EU Directives;</p> <p>Establishing more flexible requirements to procurements made by contracting authorities at the local and regional levels (Directive 2014/24/EU, Articles 28 and 48)</p>				<p>below the thresholds established for procurement procedures harmonized with EU Directives</p>	<p>Publication of normative and legal acts adopted pursuant to the amended laws</p>
<p><i>Development of institutional structure and improvement and optimization of functions of controlling bodies</i></p>					
16. Introduction of the Code of Conduct for all stakeholders in the public procurement sector	<p>MEDT MINFIN MINJUST Ministry of Education</p>	2018	State budget, Donors funds	Introduction of unified rules of conduct in the public procurement sector	Approval of the Code of Conduct in the public procurement sector
<p><i>Development of e-procurement</i></p>					
17. Using electronic means for the purposes of concluding framework agreements	<p>MEDT MINJUST MINFIN Other central executive bodies concerned</p>	2018	-“-	Ensuring quick, transparent and efficient procurement under framework agreements	Introduction of a facility for procurement under framework agreements in the e-procurement system

Description of measures	Responsible bodies	Timing	Source of funding	Expected outcomes	Performance indicators
1	2	3	4	5	6
<p>18. Development of specifications for the integration of technical solutions into a unified information and analytical system to ensure automation of the public procurement process, in particular, combination of facilities for procurement planning and execution of relevant budgets, exchange of data on identification and verification of information on economic operators, ensuring free access to information (documents) on procurement procedures and reliable communication between contracting authorities and tenderers in procurement procedures provided for by the Law of Ukraine “On Public Procurement”, particularly, possibility of e-submission and e-acceptance of tenders (in compliance with the standards of use of electronic catalogues), as well as support to the process of selecting tenderers with most economically advantageous tender (incl. e-auctions)</p>	<p>MEDT MINFIN MINJUST</p>	<p>2018</p>	<p>-“-</p>	<p>Simplifying procurement procedures and improving transparency thereof</p>	<p>Availability of electronic means allowing creation and use of e-catalogues;</p> <p>Positive outcome of system test in compliance with general public procedures and increased use of the system;</p> <p>Growing use of e-submission</p>
<p><i>Training and professionalization in the public procurement sector</i></p>					
<p>19. Setting standards for training and retraining programs of public procurement specialists, and establishing qualification requirements to public procurement specialists</p>	<p>MEDT Ministry of Education National Agency of Ukraine on Civil Service</p>	<p>January 2017</p>	<p>State budget, Donors funds</p>	<p>Introduction of professional training system and professional responsibility of persons for the organization and holding of procurement</p>	<p>Approval of relevant guidelines and programs</p>

Description of measures	Responsible bodies	Timing	Source of funding	Expected outcomes	Performance indicators
1	2	3	4	5	6
20. Setting requirements to educational institutions that arrange training in the public procurement sector, training requirements and accreditation mechanisms	Ministry of Education MEDT MINFIN MINJUST	March 2017	State budget, Donors funds	Structuring of training capacities, curriculum and forms of training as well as deciding upon mandatory and non-mandatory training for relevant target groups	Development and adoption of relevant regulations and/or recommendations
21. Arranging and permanent updating of basic (on-line) training for contracting authorities (members of tender committees)	MEDT	2017	State Budget, donor funds	Raising awareness of all stakeholders in the public procurement sector as regards public procurement rules	Holding relevant seminars, creation of an on-line training module
22. Changing the status of tender committees as collective bodies in charge of the whole process of organizing procurements and decision-making with regard to supplies, works and services to recognize them as advisory bodies (committees) whose key function would be setting criteria of evaluation and evaluation as such of submitted tenders based on the criteria approved by the contracting authority, and choosing the successful tender based on the most economically advantageous tender for contract awarding	MEDT Other central executive bodies concerned	December 2017	State Budget of Ukraine, donor funds	Increase of professional level during conduction of public procurement procedures	Adoption of amendments to the legislation Making procurements through the central purchasing body (bodies)
23. Establishment of MEDT Help Desk	MEDT	2018	State Budget,	Reporting on the	Operation of MEDT Help

Description of measures	Responsible bodies	Timing	Source of funding	Expected outcomes	Performance indicators
1	2	3	4	5	6

donor funds

state of the art in the public procurement sector to stakeholders, ensuring possibility to obtain on-line consultations

Desk

International cooperation in the field of public procurement

24. Ukraine's participation in activities of the WTO Committee on Government Procurement as a Party, particularly, in negotiations on accession of new members

MEDT
MFA
MINJUST

2017–2018

State Budget,
donor funds

Fulfilment of commitments under the WTO Agreement on Government Procurement

Participation of Ukraine's representatives in meetings of the WTO Committee on Government Procurement

Coordination of and control over the implementation of the Strategy (Roadmap)

25. Preparing and submission of progress reports on the implementation of the Action Plan for the implementation of the Strategy for Public Procurement Reform to the joint body for monitoring implementation of the Agreement

MEDT

2017–2018

State Budget of Ukraine,
donor funds

Effective coordination of and control over the implementation of the Action Plan and fulfilment of obligations under Article 154 of the Agreement

Preparation and delivery of report to the joint institutional body according to its procedural rules

Phase 3 (1 January – 31 December 2019)

Adaptation of Ukraine's legislation with the EU rules pursuant to Chapter 8 of the Association Agreement and Annexes XXI-F, XXI-G, XXI-H thereto

Description of measures	Responsible bodies	Timing	Source of funding	Expected outcomes	Performance indicators
1	2	3	4	5	6
<p>Adaptation of legislation with Directives 2014/24/EU and 89/665/EEC pursuant to Annexes XXI-F, XXI-G, XXI-H of the Agreement, in particular with provisions on:</p> <p>Establishing and introduction of competitive dialogue procedure (Directive 2014/24/EU, Article 30);</p> <p>Special conditions of public procurement of supplies and services to support professional integration of disabled and disadvantaged persons, as well as to provide specialized services by creative unions or non-profit organizations in the spheres of culture, healthcare and welfare to the population (Directive 2014/24/EU, Articles 20 and 77);</p> <p>Conditions of integration of social and environmental standards and requirements to contractors or to supplies procured to meet the needs of the state as qualification criteria and elements for the purposes of evaluation of tenders (Directive 2014/24/EU, Articles 74 and 77);</p> <p>Standards of proving quality of products and international labelling standards;</p> <p>Requirements to and methods of calculation of cost of procured supplies, works and services taking into account their full life cycle and additional costs relating to their environmental, social and</p>	<p>MEDT AMCU MINJUST MINFIN Other central executive bodies concerned</p>	<p>2019</p>	<p>State Budget, donor funds</p>	<p>Transposition of provisions of Directive 2014/24/EU 89/665/EEC and 92/13/EU amended by 2007/66/EU</p>	<p>Development and adoption of amendments to existing laws</p> <p>Guidelines supporting relevant legislative changes</p>

Description of measures	Responsible bodies	Timing	Source of funding	Expected outcomes	Performance indicators
1	2	3	4	5	6
<p>technological effects (Directive 2014/24/EU, Articles 31, 68, 78–82);</p> <p>Division of procurement object into lots (principles of reasoning of refusal of having lots divided and possibility of awarding more than one lot to the same tenderer), in particular, to create conditions for the participation of small and medium-sized businesses in public procurement (Directive 2014/24/EU, Article 46);</p> <p>Ensuring well-balanced approach to address conflicts of interests (Directive 2014/24/EC, Articles 18, 30, 46, 69, 70-73);</p> <p>Introduction of “reserved contracts”, higher thresholds (Directive 2014/24/EC, Articles 20, 74-77);</p> <p>Introduction of dissuasive penalties as an alternative sanction in relation to utilities operators or certain categories thereof (Directive 92/13/EEC, Article 2.1.C, as amended).</p>					
27. Setting defence procurement rules (Directive 2009/81/EC)	Ministry of Defence (MD) MEDT AMCU MINJUST MINFIN	January 2019	State Budget, donor funds	Introduction of simplified and efficient defence procurement mechanism	Development and adoption of amendments to existing laws Guidelines supporting relevant legislative changes

Description of measures	Responsible bodies	Timing	Source of funding	Expected outcomes	Performance indicators
1	2	3	4	5	6

Development of e-procurement

28. Introduction of technical standards for the integration of the unified public procurement information system (web portal) with international systems to enable mutual participation of foreign and domestic economic operators in international public procurement markets	MEDT MINFIN MINJUST	January 2019	State Budget, donor funds	Improving access to information on public procurement, for both Ukrainian and foreign stakeholders, ensuring possibility to conduct comprehensive analysis	Operation of the Authorised Body's integrated web portal
29. Creation of e-review system to include: Creating a legal framework for e-review of the results of procurement procedures; Development of technical solutions for e-submission and e-review of complaints, e-communication between the complaint review authority and complainants during review procedures, access of the complaint review authority to e-documents relating to the challenged procurement procedures.	AMCU MEDT Other central executive bodies concerned	January 2019	State Budget, donor funds	Ensuring quick, transparent and efficient complaints review mechanism	Operation of e-review system
30. Creation of e-document and data exchange system to allow public authorities exchange information about tenderers and analysis of public procurement sphere.	MEDT SAEG Other central executive bodies concerned	2019	State Budget, donor funds	Ensuring accurate reporting on state of the art in public procurement sector,	Introduction of information exchange system and analytical facility in the general e-procurement

Description of measures	Responsible bodies	Timing	Source of funding	Expected outcomes	Performance indicators
1	2	3	4	5	6
				quick detection of procurement-related violations and problems	system
<i>Development of institutional structure and improvement and optimization of functions of controlling bodies</i>					
31. Organization of centralized procurement in compliance with international best practices as regards structure, financing, functions and activities in procurement process	MEDT MINJUST MINFIN	2019	State Budget, donor funds	Optimization of institutional structure of the public procurement system through professionalization, innovation and consolidation of demand of contracting authorities to ensure economy and efficiency of procurement	Centralized purchasing organization has been working
<i>Training and professionalization in the public procurement sector</i>					
32. Establishment of MEDT Help Desk	MEDT	2019	State Budget, donor funds	Reporting on the state of the art in the public procurement sector to stakeholders, ensuring possibility to obtain on-line consultations	Operation of MEDT Help Desk

Description of measures	Responsible bodies	Timing	Source of funding	Expected outcomes	Performance indicators
1	2	3	4	5	6

International cooperation in the field of public procurement

33. Ukraine's participation in activities of the WTO Committee on Government Procurement as a Party, particularly, in negotiations on accession of new members	MEDT MFA MINJUST	2019	State Budget, donor funds	Fulfilment of commitments under the WTO Agreement on Government Procurement	Participation of Ukraine's representatives in meetings of the WTO Committee on Government Procurement
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Coordination of and control over the implementation of the Strategy (Roadmap)

34. Preparation and provision of required information on the implementation of measures under Phase 2 hereof to the joint institutional body	MEDT	2019	State Budget, donor funds	Fulfilment of obligations under Article 154 of the Agreement	Preparation and delivery of report to the joint institutional body according to its procedural rules
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Phase 4 (1 January 2020 – 31 December 2021)

Adaptation of Ukraine's legislation with the EU rules pursuant to Chapter 8 of the Agreement

35. Introduction of procedures of award of concession contracts in compliance with the principles and provisions of Directive 2014/24/EU, Introduction of innovation partnership procedure (Directive 2014/24/EU, Article 31), Establishing rules for design contest procedures (Directive 2014/24/EU, Article 80).	MEDT	2020	State Budget, donor funds	Transposition of provisions of Directive 2014/24/EU	Submission of the new draft of the Law of Ukraine "On Public Procurement" to be considered by the Verkhovna Rada of Ukraine
36. Introduction of techniques and instruments for e-procurements and complex procurements in line with Directive 2014/24/EU (Articles 33-38)	MEDT	2020	-"-	Transposition of provisions of Directive 2014/23/EU	-"-

Description of measures	Responsible bodies	Timing	Source of funding	Expected outcomes	Performance indicators
1	2	3	4	5	6

Development of institutional structure and improvement and optimization of functions of controlling bodies

37. Improvement of the function of technical support to contracting authorities by means of providing services of marketing research, joint procurement strategies development, legal and technical support during procurement procedures under both framework agreements and procurement procedures organized by individual contracting authorities;	MEDT Other central executive bodies concerned	2020	--	Operation of professional purchasing organization to ensure increase of competition, cost-saving and efficient procurement	Fully centralized procurement mechanism; Sets of specific guidelines for procuring entities and economic operators are issued by the MEDT
Introduction of procurement via centralized purchasing organizations (under framework agreements and based on e- services)					

Training and professionalization in the public procurement sector

38. Introduction of the concept of “public procurement specialist”	MEDT MINFIN MINJUST Ministry of Education	2020	State Budget, donor funds	Professionalization of the public procurement sector	Introduction of “public procurement specialist” as a professional category
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International cooperation in the field of public procurement

39. Ukraine’s participation in activities of the WTO Committee on Government Procurement as a country member, particularly, in negotiations on accession of new members	MEDT MFA MINJUST	2020–2021	State Budget, donor funds	Fulfilment of commitments under the WTO Agreement on Government Procurement	Participation of Ukraine’s representatives in meetings of the WTO Committee on Government Procurement
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Description of measures	Responsible bodies	Timing	Source of funding	Expected outcomes	Performance indicators
1	2	3	4	5	6

Coordination of and control over the implementation of the Strategy (Roadmap)

40. Preparation and provision of required information confirming implementation of measures under Phase 4 hereof to the joint institutional body	MEDT AMCU MINJUST MINFIN Other central executive bodies concerned	2020–2021	State Budget of Ukraine, donor funds	Fulfilment of obligations under Article 154 of the Agreement	Preparation and delivery of report to the joint institutional body according to its procedural rules
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Phase 5 (2022)

Adaptation of Ukraine's legislation with the EU rules pursuant to Chapter 8 of the Agreement

41. Introduction of specific rules for utilities operators on e-auctions, reserved contracts, innovation partnership and dynamic purchasing systems (Directive 2014/25/EU, Articles 52, 53, 38 and 49)	MEDT AMCU MINJUST MINFIN Other central executive bodies concerned	2022	State Budget of Ukraine, donor funds	Transposition of provisions of Directive 2014/25/EU	Development and adoption of amendments to existing laws
42. Introduction of optional rules regarding standstill period (Directive 92/13/EEC, Article 2.d.1 and 2.d.5 as amended)	MEDT AMCU MINJUST MINFIN	2022	State Budget of Ukraine, donor funds	Transposition of provisions of Directive 92/13/EEC as amended by Directive 2007/66/EC	Development and adoption of amendments to existing laws

Development of e-procurement

43. Introduction of e-contracting and e-payment	MEDT MINFIN	2022	State Budget of Ukraine,	Ensuring transparency,	Operation of e-contracting and e-payment facilities and
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Description of measures	Responsible bodies	Timing	Source of funding	Expected outcomes	Performance indicators
1	2	3	4	5	6

MINJUST
Other central executive
bodies concerned

donor funds

openness and user-
friendliness at all
stages of
procurement
process

mechanisms

International cooperation in the field of public procurement

44. Preparation and provision of required information on the implementation of measures under Phase 5 hereof to the joint institutional body

MEDT

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Fulfilment of obligations under Article 154 of the Agreement

Preparation and delivery of report to the joint institutional body according to its procedural rules