



## **UKRAINE CIVIL SOCIETY ENABLING ENVIRONMENT ACTIVITY**

**Annual Report  
July 11, 2014 – September 30, 2015**

Implemented by Ukrainian Centre for Independent Political Research (UCIPR)

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## **I. Summary**

Overall purpose of the program is to improve the legislative and policy environment to become more conducive to civil society needs and to reflect European standards. The program envisages strengthening of public oversight and engagement in governance, which is only possible through improvement of legislative/policy environment for media and civil society, as well as forming CSO ability to engage citizens and to represent their interests.

UCIPR's unique approach will cover the full cycle of improvement of legislative and administrative environment for civil society development in its key areas. Namely, UCIPR will combine analysis of shortcomings and opportunities, monitoring of emerging challenges, development of proposals for improvement of legal acts and administrative practices, initiating and leading advocacy campaigns as well as offer awareness campaigns, methodological support and monitoring of adopted legislation for civil society development.

In addition, the program also will cover organizational development of UCIPR to make the Center able to sustain its activities and to serve as a leader and driver of civil society legislative efforts.

## **II. Current Context and Problems**

Although the current political climate is in flux, Ukraine has made some advances toward democratic reform in its recent history. The progressive legislation that was passed between 2010 and 2013, along with mechanisms for civil society engagement in governance that were developed, helped Ukraine move closer to an Association Agreement (AA) with the European Union (EU). The Law on Public Associations provides an overarching framework for all non-governmental organizations in Ukraine. The Law on Charity and Charitable Associations, the Law on Access to Public Information, the Law on Volunteerism and the GOU Strategy of Government Policy on Civil Society Development and Priority Action Plan are supporting legislation and policy that have helped to establish a positive framework for Ukrainian civil society, which remains committed to supporting and furthering these gains.

Nevertheless, even with these significant and progressive civil society enabling legislative reforms, much more is needed to ensure a regulatory framework that is conducive to civil society and protects political and civil rights in Ukraine, and to prevent possible rollbacks. Remarkably, civil society and government have been unable to agree upon a legislative approach to governing assemblies, which has enabled law enforcement agencies to apply administrative charges against civic activists engaging in peaceful protests. The legal status of peaceful assembly has become more important and convoluted as citizens, opposition and the government struggle over prosecution versus amnesty for those engaged in the nation-wide EuroMaidan protests. Even one year and half after the Maidan, all appeals regarding closing the criminal prosecution cases against activist are not considered, the judges are not charged for unlawful criminal prosecution of activists and the legal system is not changed.

Moreover, politicians commonly toy with the idea to control international funding to NGOs. Legislation labeling civil society organizations that receive funds from international donors as "foreign agents" attempt to restrict operations through high taxation, negative public image and stringent governmental control, essentially leaving NGOs unable to function. At the same time, Ukrainian citizens are excluded from decision-making process on the national and local level. Ukrainian authority still remains closed and non-accountable to its citizens.

Besides that, tax environment for NGOs, came into effect on January 1, 2015, faced significant changes. With comprehensive amendments to the Tax Code of December 28, 2014, condominiums and business associations became subject to income tax, while non-profit public associations and charitable associations were freed from income taxes from all revenues (previously only some revenues of public associations and charities had tax exemptions); income tax for individuals was increased, which increased tax burden on charitable aid. At the same time, tax burden on charitable aid was increased and legal framework for public funding of NGOs faced negative changes as on December 28, 2014 the Parliament amended the Budget Code of Ukraine for the purpose of budget decentralization, but at the same time leaved out provisions of the Budget Code on mandatory expenses of national and local budgets for contest-based public financial support of NGOs.

Changes in constitutional system of Ukraine, according to which the President was left without powers to give direct assignments to executive bodies of any level, also affected institutional framework for state policy for civil society development. Instrument of yearly plans for civil society development that had to be adopted by the President and implemented by executive bodies is no longer available. Coordinating Council for Civil Society Development under the President was left without formal mechanism to enforce its decisions.

In addition, homophobia is a commonplace in Ukraine and violence and discrimination against LGBT activists routinely goes unpunished. Discrimination based on gender, ethnicity, sexual orientation and gender identity is broadly accepted by society and further legislative and policy protection of victims of discrimination is of paramount importance.

Finally, in the context of the conflict in the eastern part of Ukraine and the threat of separatism, many local democracy experts and MPs are against the adoption of the Law on Local Referendums. They advised to discuss the adoption of this Law after studying the international experience and further consultations with stakeholders.

### **III. Program Approach**

Building on successful legislative efforts of the current civil society program Ukraine National Initiatives to Enhance Reforms (UNITER), this activity supports CSO efforts to ensure proper implementation of the recently adopted progressive NGO legislation; further develop and introduce more favorable policies; protect against attempts to roll back progressive legislation or introduce new restrictive laws; and improve the overall CSO enabling environment sustained through the development of local funding mechanisms. Efforts also include educating CSOs and appropriate government bodies on emerging legislative changes and encouraging compliance. In addition, UCIPR develops its technical and organizational capacity by implementing recommendations from a recipient contracted audit conducted in the summer of 2013, USAID's Non-U.S. pre award survey (NUPAS) and UNITER/Pact evaluations. This improves its internal capacities and further grow as a leader and driver of civil society legislative efforts.

UCIPR identified as priorities the below mentioned issues and the programmatic approach to improving the quality and content of legislation and policy for civil society through annual implementation plan and monitoring and evaluation plan. During the first year, the activity focuses primarily on expanding citizen and civic participation in the development and monitoring of legislation and policy that is in line with European standards. UCIPR focuses its activities on proactive improvements to the legislative and policy environment for Ukrainian civil society, as well as respond to and prevent any attempts to limit democratic governance through legislation and policy.

#### IV. Purpose, Objectives, Results and Activities

All proposed activities fall under the three objectives of the Cooperative Agreement.

**The purpose of the activity is to improve the legislative and policy environment to be more conducive to civil society and reflect European standards.** To achieve this, UCIPR will focus on three objectives:

**Objective 1:** (*notional 40%*) Quality of relevant civil society enabling legislation and policy improved

**Objective 2:** (*notional 40%*) Capacity of public officials and CSOs to ensure effective implementation of legislation and policy increased

**Objective 3:** (*notional 20%*) Technical and organizational capacity of UCIPR as a leader and driver of civil society legislative efforts increased.

#### Startup Activities:

- a. **Initial Implementation Plan and Monitoring & Evaluation Plan:** During the reporting period, it was developed the Initial Implementation Plan for the first year and indicators for measurement and evaluation of the project five-year results.
- b. **Marking Plan and Branding Strategy:** On September 2014, UCIPR team developed the Marking Plan and Branding Strategy.
- c. **Project registration:** In October 2014, the UCIPR team submitted all required documents for Program Registration to the Ministry of Economic Development and Trade of Ukraine and registered the project on November 10, 2014.

#### B. Activities by Objectives

##### Objective 1: Quality of relevant civil society enabling legislation and policy improved

During July 2014 – September 2015, UCIPR continued to drive the Ukrainian civil society agenda as the lead CSO advocacy group on civil society legal improvements as part of the *Reanimation Reforms Package* platform or other similar civic platforms. UCIPR analyzed, developed and advocated for new legislation and policy in order to improve the civil society-enabling environment. UCIPR hold ongoing monitoring of legislation that affects civil society, analyzed, developed and continues to advocate for new legislation and policy in order to improve the civil society-enabling environment.

During the first year of the program, UCIPR focused on the following **legislative priorities**:

- Changes to the Tax Code to reintroduce non-profit status for condominiums, creative unions and business associations, improve regulations on non-profit status and to lessen the tax burden on charitable aid;
- Amendments to Cabinet Decree #1049 on state financing of NGOs to improve procedure of distribution of public funding for NGOs according to latest problems and best practices and to open access to all NGOs (regardless of their territorial status) to support from state budget;
- Amendments to Cabinet Decree #996 on public councils and amendments to local acts on tools of local democracy to improve participatory democracy;
- Improvements to the Law on Volunteering in order for NGOs to be able to use volunteers without fulfilling cumbersome obligations;

- Improvements to legislation on freedom of peaceful assembly in order to ensure that the legislation is in line with European standards;
- Amendment to the Budget Code of Ukraine in order to reintroduce expenses of local budgets for contest-based financial support of NGOs;
- Reestablishment of Coordinating Council for Civil Society Development under the President of Ukraine and adoption of Action plan for civil society development in 2015.

While working on legal reforms for civil society, UCIPR ensured participation of wide range of organizations in program activities, including charitable organizations, volunteer organizations, business associations and local activists. UCIPR engaged NGOs through various methods and in the same way; it strengthened its advocacy capacity and the advocacy capacity of its partner NGOs through trainings, workshops and webinars. UCIPR collaborated closely with the NGO Capacity Building Market place in order to use vouchers to empower NGOs to advocate more efficiently for legal reforms.

## **Results**

- 1.1. Broad and effective civic networks formed that advance civil society legislative reforms.
- 1.2. Advocacy efforts at national and local levels lead to positive changes in civil society legislation.
- 1.3. Appropriate bi-laws adopted to ensure implementation of progressive legislation (e.g., the Laws on Access to Public Information and on Public Associations).
- 1.4. CSO enabling legislation developed with significant input from CSOs (e.g., draft Law on Peaceful Assembly, Tax Laws, policy initiatives outlined in the Civil Society Strategy. Public proposals for the draft Law on Local Referendum considered in final draft of the Law. ).

## **Indicators**

- Number of CSOs receiving USG assistance engaged in advocacy interventions (*Foreign Assistance Framework standard indicator*)
- Number of CSO advocacy campaigns supported by UCIPR
- \*Number of public policies adopted, repealed, changed or implemented with USG assistance<sup>9</sup> (*Civic Oversight Project indicator*)
- \*Percentage of CSOs with improved oversight capacity (*Civic Oversight Project indicator*)

### **a. Activities**

Within this objective, during first year UCIPR was focused on legislation on registration and status of NGOs, public participation in decision-making and policy monitoring, financial sustainability of NGOs, peaceful assemblies, state policy for civil development and access to public information. These issues are crucial for development of civil society as leading to formation of participatory and accountable government. Therefore, to reach goals of the Objective 1, UCIPR plans the following activities in the first year:

### ***Expected result 1.1: Broad and effective civic networks formed that advance civil society legislative reforms***

#### 1.1.1. Forming of two networks to advance civil society legislation reforms.

UCIPR together with partner-CSOs formed two networks (Freedom of Assembly Network and Local Democracies Network) to advance civil society legislation reforms. Both networks develop and advocate for common changes in the legislation and monitor the practices of its

implementation. Freedom of Assembly Network focuses on the Law on Peaceful Assemblies and promotes freedom of assemblies in Ukraine. Local Democracies Network focuses on development of joint recommendations to the local councils and exchanges with experience and documents among themselves. The Local Democracy Network facilitates and advocates for adoption of decision regarding introduction of local democracy tools. In February 2015, the negotiations with partner NGOs were held. The partners agreed about the need to register the Draft Law on Guarantees for Freedom of Peaceful Assemblies in 2015. With this purpose, it was formed coalition for protection of freedom of peaceful assemblies and started advocacy campaign. In the course of cooperation with different stakeholders (MPs, CSOs and Experts), the proposals to the Draft Law were developed. In addition, it was held the negotiations with decision makers and international partners. The coalition was also joined by the experts from the Center of Political and Legal Reforms, Ukrainian Helsinki Human Rights, Renaissance Foundation, Ombudsman Office, MPs and other decision-makers.

During the advocacy campaign, it was held a meeting with the MPs, including Iryna Lunko and Hryhoriy Nemyrya (Chairperson of the Committee on Human Rights, Ethnonational Minorities and International Relations). Furthermore, Anastasiya Shymchuk, UCIPR expert, took part in the round table organized by the Institute of Respublika and the Chairperson of the Committee on Human Rights where she delivered a report on freedom of peaceful assemblies.

In addition, it was prepared analytical report on limitations of the freedom of peaceful assemblies by the local authorities. The report was prepared based on the survey conducted in 2014 – 2015 in all oblasts of Ukraine (except Donetsk and Luhansk oblasts and Crimea). The survey contained two questions: whether decision on holding peaceful assemblies was passed by the local council and which regulation is used by the local authorities when they receive notification on holding peaceful assemblies. As showed survey results, local authorities violated Constitution by adopting own local acts which limits freedom of peaceful assemblies at the local level (out of 283 responses, in 32 case local councils adopted own local act and in 63 cases local authorities use old soviet act).

As regards to the local democracy coalition, it was established “Open Local Council” – coalition of regional NGOs dealing with development of local democracy in Ukraine. The coalition was established during two-day conference held under the Project on April 3-4, 2015. Since the establishment of the coalition, UCIPR coordinates its work and provides expert support. To facilitate the work of the coalition, it was established on-line platform ([vidkryta\\_rada@googlegroups.com](mailto:vidkryta_rada@googlegroups.com)) for communication among members, defined the format of communication and work of the coalition. The coalition was joined by more than 30 regional NGOs and 70 individuals from 21 oblasts of Ukraine, including Luhansk and Donetsk oblasts. Donetsk and Luhansk oblasts are represented by NGOs from Kramatorsk (Donetsk oblast) and Severodonietsk (Luhansk oblast).

The Open Council Coalition coordinates affords for introducing of mechanisms of local democracy in Ukraine, securing transparency and accountability of the local self-government bodies. As example of its join work is a development and introduction of the new mechanisms of local democracy in Ivano-Frankivsk and Chernihiv. The coalition is still continuing to work on the introduction of the new procedures for local democracy in Chernivtsi, Rivne and Mykolaiv.

***Expected result 1.2: Advocacy efforts at national and local levels lead to positive changes in civil society legislation***

Experts of UCIPR became members of working groups of the Ministry of Justice on development of legal acts on public participation in decision-making (amendments to Cabinet's Decrees # 996, # 976 and development of new draft law on public participation in decision-making). In addition,

experts of the UCIPR took part in meetings and consultations with governmental officials on issues of public funding of NGOs (central level, consultations with the ministry for Youth and Sports) and public participation in decision-making on the level of Cabinet of Ministers (central level).

1.2.1 Consultations with decision-makers are held on issues of local democracy (local level), public funding of NGOs (central level) and public participation in decision-making (central level).

To foster the adoption of required changes, the UCIPR Experts became members of working groups of the Ministry of Justice on development of legal acts on public participation in decision-making (amendments to Cabinet's Decrees # 996, # 976 and development of new draft Law on public participation in decision-making). In addition, experts of UCIPR took part in meetings and consultations with governmental officials on issues of public funding of NGOs (central level, consultations with the ministry for Youth and Sports) and public participation in decision-making on the level of Cabinet of Ministers (national level).

In addition to the work for improvement legislative environment at the national level, UCIPR actively provides support to the local organizations for improvement their advocacy capacities at the local level. Experts provided consultations and trainings to the local partners. Namely, Ivan Lukerya and Maksym Latsyba, UCIPR experts participated in the advocacy club organized by Kramatorsk NGOs on November 1-2, 2014 where they held seminar “Advocacy and influence on the local authority”. During this advocacy club, the local NGOs received mechanisms for influencing local authority, for instruments for introduction local democracy and tools of access to public information. After holding the advocacy club, it was formed NGO coalition for development and implementation of the mechanisms of local democracy in Kramatorsk.

Under the initiative “Uniting for Reforms: Cooperation between Authority and Civil Society”, Ivan Lukerya, UCIPR expert, held a series of public discussions in Vinnytsya (November 19 and December 10, 2014), Chernihiv (November 21, 2014 and December 12, 2014) and Mykolaiv (December 25-26, 2015). During these public discussions, the UCIPR experts explained how the local democracy tools can help local NGOs to influence local authorities and how to be included into decision-making process at the local level.

After these public discussions, NGO coalitions for development and implementation of the mechanisms of local democracy have been formed, in particular advocating for the adoption of the draft regulation on local initiatives in Chernihiv and draft regulation on public hearings in Mykolaiv. The draft regulations were submitted for consideration of the City Councils on March 12, 2015. However, due to the absence of political will and strong opposition of local authorities, the draft regulations were not passed. In the future, UCIPR will continue to support the coalitions until the adoption of these Regulations.

During public hearings on introduction of changes to Ivano-Frankivsk City Charter and implementation of the mechanisms of local democracy on March 4, 2015, UCIPR team (Maksym Latsyba and Ivan Lukerya) facilitated the dialogue between local NGOs and representatives of city council. Moreover, they held public meeting with the local NGOs and explained them the possibilities for cooperation among NGOs and authority through the mechanisms of participatory democracy.

Moreover, the UCIPR experts joined working groups under Kyiv City council for development of the Draft regulation on public hearings in Kyiv City. In the framework of the work, The UCIPR experts developed and provided working group with the final draft regulations on public hearings in Kyiv City. The draft was registered with the Kyiv City council and it is expected that it will be considered after local election on October 25, 2015.

In addition, on March 23-27, 2015, Ivan Lukerya and Maksym Latsyba, UCIPR Experts, held consultations with the cities leadership regarding the prospective for introduction of the local democracy mechanisms during the public events in Chernivtsi, Rivne, and Lutsk. After the consultations were held Chernivtsi and Rivne NGOs formed coalitions for advocating for such instruments at the local level.

Facilitation of introduction of amendments to the Law on Volunteerism aimed at abandoning the binding registration of volunteering organizations.

At the end of 2014 – beginning of 2015, UCIPR ran the successful advocacy campaign, which resulted in the adoption of the amendments to the Law on Volunteerism (the draft law No. 1408). The Law was important step for improving regulation of the volunteer activities as abolished restrictions for volunteer activities such as allowing everybody to conduct volunteer activities, avoiding bureaucratic procedure for registration of volunteer organizations, providing the right to pupils to carry on volunteer activities, liquidating the burdening requirement to have insurance for volunteers.

The campaign was started in December 2014, and since that, UCIPR was managed to attract 15 MPs, other civil society organizations (e.g. the Ukrainian Philanthropist Forum), volunteer organizations (e.g. Alternative B), the UN Volunteers, and public officials.

Throughout the entire campaign, the UCIPR team held meetings with MPs, MP Aids, representatives of the Secretariat of the Committee on Youth Policy, Sport and Tourism, the Ministry of Social Policy, Ombudsman Office, Ministry of Youth and Sport, Presidential Administration, Reanimation Reform Package and other decision-makers. Moreover, the UCIPR team developed information materials, infographic and petition with the demand to sign the draft Law No. 1408. Furthermore, they developed samples of the appeals to MPs, Speaker of the Parliament, Chairperson and members of the Committee on Family, Youth Policy, Sport and Tourism, launched campaign in the social media and held two public gatherings near the Parliament (before first and second reading) demanding to adopt the draft Law No. 1408.



Furthermore, they developed samples of the appeals to MPs, Speaker of the Parliament, Chairperson and members of the Committee on Family, Youth Policy, Sport and Tourism, launched campaign in the social media and held two public gatherings near the Parliament (before first and second reading) demanding to adopt the draft Law No. 1408.

During the whole campaign, the UCIPR team coordinated the work over the text of draft Law. Ms. Anastasiya Shymchuk, UCIPR expert, participated in development of amendments to the draft Law (for second reading) and prepared modifications to the draft Law comparative table. She also actively participated in the meetings of working group under the VRU Committee where the draft Law was discussed. Most of the developed amendments were taken into account and included into the comparative table. She also explained the need to pass this Draft Law<sup>1</sup> during the radio show on Hromadske Radio on February 14, 2015, delivered the report during the Philanthropists Forum on

<sup>1</sup> <http://hromadskeradio.org/2015/02/15/derzhava-ne-maye-obmezhuвати-volonterskiy-ruh-anastasiya-shimchuk/>

February 26, 2015<sup>2</sup> and held press briefing in the Ukrainian Crisis Media Center where she explained new regulations.



As a result of successful advocacy campaign, the Parliament passed the draft Law No. 1408. The Law was signed by the President on March 30, 2015<sup>3</sup>.

### 1.2.2. Development of the draft law of amendments to Ukrainian legislation in line with the Law on Civic Associations

UCIPR prepared the Draft Law of Amendments to Ukrainian Legislation in line with the Law on Civic Associations. Jointly with Ministry of Justice, UCIPR drafted comparative table. However, due to the adoption (in the first reading) the Draft Law on Registration of Legal Entities, Natural Persons and Civil Society Organizations, the process was slowed down. The work over the amendments will be renewed after the draft law will be passed in the second reading.

In addition, in cooperation with the Registry Office, UCIPR developed explanatory notes regarding final beneficiary owners, advocated for the amending State Classifier of Types of Legal Entities, and introduced Civic Union as a Type of Legal Entity.

### ***Expected result 1.3: Appropriate bi-laws adopted to ensure implementation of progressive legislation (e.g., the Laws on Access to Public Information and on Public Associations)***

#### 1.3.1 Adoption of amendments to Cabinet's Decree # 1049 (with provisions on wider application of contests-based procedures for public funding of NGOs)

The UCIPR Expert initiated consultations with ministries and the Secretary of the Cabinet of Ministers to facilitate support for amendments to Cabinet's Decree # 1049. Amendments were developed aimed on improvement of procedure of distribution of public funding for NGOs according to latest problems and best practices and to open access to all NGOs (regardless of their territorial status) to funding from state budget.

In early 2015, UCIPR effectively stopped initiative of the Ministry of Finance to withdraw Cabinet's Decree # 1049. The Ministry requested the Prime Minister to initiate withdrawal of the

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<sup>2</sup> <http://ufb.org.ua/news.htm?id=4026>

<sup>3</sup> <http://ucipr.org.ua/publications/prezident-pidpisav-zakon-na-pidtrimku-volonterskogo-rukhu-v-ukraini>

Decree without any consultations with the public. Such a step may have resulted in considerable worsening of the practice of public financial support of NGOs on regional level. To counteract this initiative, experts of the UCIPR facilitated an appeal from the MP Ivan Krulko to the Prime Minister with a request to hold public consultations regarding withdrawal of the Decree # 1049.

On March 5, public hearings regarding withdrawal of the Decree # 1049 were held by the Ministry of Economy of Ukraine and a decision not to withdraw the Decree was adopted. Based on the result of public hearings, facilitated by the UCIPR, the Ministry of Economy rejected the initiative to withdraw Cabinet's Decree # 1049.

As of September 2015, draft amendments to Cabinet's Decree # 1049 are disputed among the Ministry of Youth and Sports and the Ministry of Finance. UCIPR leads consultations with the Ministry of Finance; UCIPR has mobilized the Minister of Youth and Sports to intervene in order to ensure quick adoption of the Decree with proposals for UCIPR considered in it. Most innovative provision of the draft decree is eligibility of all public associations, regardless of their territorial status, to apply for funding from central budget.

### 1.3.2 Adoption of Annual Action Plans for implementation of the Strategy of State Policy for Civil Society Development for 2015 with public proposals considered in it.

After changes in constitutional system of Ukraine, instrument of yearly plans for civil society development that had to be adopted by the President and implemented by executive bodies is no longer available. The President no longer has legal powers to give direct assignments to executive bodies. UCIPR has held a number of consultations with representatives of President's Administration and the Cabinet of Ministers in order to find possible legal form for President's assignment; however, current constitutional system of Ukraine does not give any legal option for that.

On June 30, 2015, UCIPR held round table "How to empower civil society in promotion of reforms". About 40 public activists took part in discussion of legal and administrative barriers for creation of NGOs, their financial sustainability and participation in decision-making. The National Civic Agenda became a major outcome of the round table. It is mapping of reforms necessary for effective civil society development.



### 1.3.3 Adoption of amendments to Cabinet's Decree # 996 with public proposals considered in it

Amendments to the Cabinet's Decree # 996 on Civic Participation in the Shaping Public Policy were adopted on April 8, 2015. They were developed by the working group under the Ministry of Justice formed out of public officials and CSO representatives. The UCIPR experts were actively involved in the group work and amendments development. In particular, the UCIPR experts developed proposals for improving the regulations for holding public consultations, developing e-

consultations and e-democracy, and establishing advocacy bodies under local authorities. Most of them were taken into account by the working group and approved by the Cabinet of Ministers of Ukraine.

In addition, UCIPR developed the information materials to outline positive changes brought with the adoption of the Decree. All information materials were published at UCIPR and partner CSOs websites and disseminated among representatives of public councils under public authorities and during public events (attachment 1).

#### 1.3.4 Adoption of Cabinet's Decree on information for official use, with public proposals considered in it.

The UCIPR team drafted proposals for Cabinet's Decree on information for official use and provided them to the Ministry of Justice and State Archive Service of Ukraine. While they were working on the proposals' development, UCIPR representatives held consultations with prominent media-lawyers and public officials of the State Archive Service.

Currently, the Draft Decree is under consideration of the Ministry of Justice. UCIPR will continue to communicate with representatives Ministry of Justice regarding submitted proposals and approval of the Draft Decree.

***Expected result 1.4: CSO enabling legislation developed with significant input from CSOs (e.g., draft Law on Peaceful Assembly, Tax Laws, policy initiatives outlined in the Civil Society Strategy, Final Draft Law on Local Referendum).***

Proposals to new Law on peaceful assemblies, proposals for improvement of tax legislation for NGOs, legislation on social contracting and on tools of local democracy are developed with significant input from all interested NGOs.

#### 1.4.1 Development of amendments to legislation on social contracting

Having developed Terms of Reference for analysis, UCIPR has started research of current legal frameworks and practices of social contracting. Analysis will cover national and local legal acts In addition, practices of social contracting on oblast and city level. The research will be made public by the beginning of October 2015. In addition, practice of social contracting on oblast and city level. All interested NGOs will be given an opportunity to share their experience of social contracting and their vision of shortcomings in legislation and practices. Recommendations for improvement of legislation and practices of social contracting will be developed.

#### 1.4.2 Development of amendments to tax legislation for public associations and charitable organizations

After the adoption of amendments to the Tax Code in late December 2014, UCIPR focused its efforts on restoration of non-profit status of number types of NGOs and on reduction of tax burden on charitable aid. For this purpose, UCIPR developed and advocated the adoption of amendments to the Tax Code. They conducted analysis of the new edition of the Tax Code in terms of new tax environment for non-profit organizations and charitable activities and developed a report<sup>4</sup>. In partnership with experts of Reanimation Reform Package and Ukrainian Forum of Charities,

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<sup>4</sup> <http://www.ucipr.kiev.ua/publications/podatkove-seredovishche-dlia-gromadskoi-ta-blagodiinoi-diialnosti-z-2015-roku-novi-mozhливosti-novi-i-stari-bareri>.

UCIPR developed draft law On Amendments to the Tax Code (on taxation of non-profit organizations) No. 2049. Through consultations and other advocacy activities, it facilitated submission of the draft law for consideration of the Parliament; 22 MPs from almost all political factions signed the draft law. The draft law was registered on February 5, 2015<sup>5</sup>.

On February 26, 2015, UCIPR together with Ukrainian Philanthropist Forum held a round table "Legislation for charities: what has changed and what needs to be changed". The event was held within the International Conference "Charity and volunteerism in action: rescuing, reconciling, building the future", organized by Ukrainian Philanthropist Forum. During the round table, UCIPR experts presented review of new tax environment for civic and charitable activities and spoke in support of draft law # 2049.



To inform wider community of NGOs about the changes in Tax environment, Anastasiya Krasnosilska, UCIPR Expert, gave a webinar "Tax innovations for public associations and charitable organizations; what to expect". Platform for the webinar was provided by ISAR "Ednannia"<sup>6</sup>. UCIPR also facilitated support of parliamentary coalition for the draft law and its quick adoption of the draft law in the first reading (adopted on March 18, 2015).

Informal NGO partnership for advocating of the draft law # 2049 was created under the leadership of the UCIPR. As of March 2015, partnership includes representatives of Reanimation Reform Package, Ukrainian Union of Entrepreneurs, Ukrainian Philanthropist Forum and Civic Network "Opora".



<sup>5</sup> [http://w1.c1.rada.gov.ua/pls/zweb2/webproc4\\_1?pf3511=53883](http://w1.c1.rada.gov.ua/pls/zweb2/webproc4_1?pf3511=53883)

<sup>6</sup> <https://www.youtube.com/watch?v=SmclF2l6WdE>

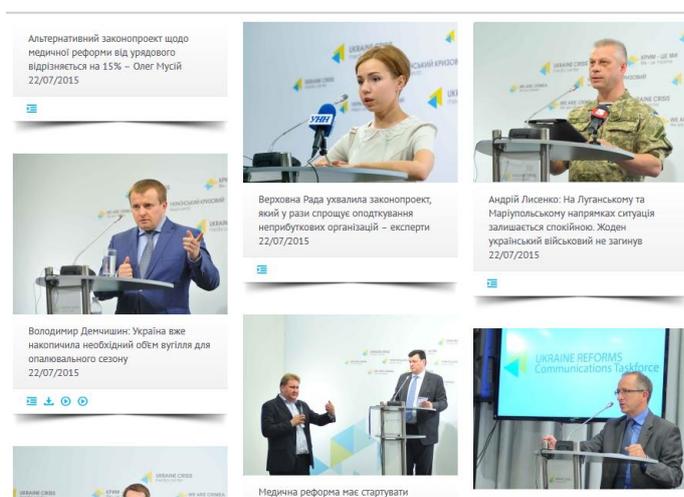
In June and July UCIPR continued advocacy efforts aimed on quick consideration and adoption of draft law # 2049 in the second reading. As a result, the draft law was adopted in the second reading on July 17 and came into effect on August 18, 2015.



The draft law # 2049 improved tax regime for CSOs, including the following innovations, introduced by UCIPR:

- NGOs are now eligible to carry out entrepreneurial activities without income tax under the condition that income is not distributed and is allocated to social goals of organizations;
- Any NGO or organization, that does not distribute profit, is eligible for non-profit status and tax exemptions;
- Precise criteria for granting non-profit status and tax exemptions are set;
- Reintroduction of tax incentives for business that supports ATO.

To empower NGOs for proper implementation on newly adopted amendments to the Tax Code, UCIPR has launched an information campaign that includes thematic publications, media events and trainings for interested NGOs<sup>7</sup>.



<sup>7</sup> <http://www.gurt.org.ua/interviews/27956/>, <https://www.youtube.com/watch?v= TvRFicDZMk>

UCIPR cooperates actively with other USAID-supported projects in disseminating information about innovations in tax legislation for NGOs. On September 24, 2015, it held training on new tax rules for non-profits together with FMCDI project. It also imitated consultations with the Ministry of Finance and State Fiscal Agency on development of new regulation on the registry of non-profit organizations. As of end of September, drat regulation offered by the Ministry of Finance create a number of serious risks for non-profits<sup>8</sup>.

UCIPR mobilized Head of the Tax Committee of the Parliament N. Yuzhanina and member of the Committee O. Prodan to intervene and to submit proposals for draft registry, offered by project experts. In addition, it launched public campaign, mobilizing NGOs to appeal to the Ministry of Finance in order to initiate public hearings on the draft regulation on the registry of non-profits. UCIPR will continue advocacy efforts to ensure consideration of public proposals in draft registry of non-profit organizations.

#### 1.4.3 Development of amendments to new law on peaceful assemblies

In October 2014, UCIPR organized several meetings initial meeting with participants of Partnership “Freedom of Peaceful Assembly” to launch campaign for the protecting and securing right for freedom of peaceful assemblies in Ukraine. The meeting was joined by the Ukrainian Helsinki Human Rights Union, the Information Centre on Human Rights, and the Center of Political and Legal Reforms. The participants of the coalition prepared action planed and defined the area of responsibilities.

To outline the real need in the special Law on Freedom of peaceful Assemblies, UCIPR prepared analytical report on application of the legislation on peaceful assembly by local public authorities, which was followed by two info-graphics. The info-graphics contain images of those local self-government bodies, which passed separate regulations on peaceful assemblies or apply Soviet Union Presidium Decree.

Based on the research results, in May 2015 UCIPR launched advocacy campaign aimed at repealing of the local regulations on peaceful assemblies. In the course of this campaign, it was filed six court suits against city councils of Kharkiv, Korosten, Poltava, Krasnograd, Bucha and Novopetrivtsi Village Council. During first year, positive decision was adopted regarding Novopetrivtsi and Krasnohrad.

Anastasiya Shymchuk, UCIPR Expert, also joined the working group on development of the National Human Rights Strategy 2015-2020 to be able to advocate for the freedom of peaceful assembly and freedom of associations at the strategy level. UCIPR developed a few chapters of the strategy, which was approved by the President on August 25, 2015. Now the working group has started to develop an Action Plan for Strategy Implementation.

In September 2015, the UCIPR team together with European Union Advisory Mission organized round table to discuss the Law on Peaceful Assemblies with the representatives of Ministry of Interior, public authorities and CSOs. The discussion was focused on envisaging of the liberal regulation for the freedom of peaceful assemblies and preventing limitations of the freedom of peaceful assemblies.

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<sup>8</sup>[http://www.gurt.org.ua/blogs/%D0%9E%D0%BB%D0%B5%D0%BA%D1%81%D0%B0%D0%BD%D0%B4%D1%80%20%D0%A0%D0%B0%D0%B2%D1%87%D0%B5%D0%B2/1593/.](http://www.gurt.org.ua/blogs/%D0%9E%D0%BB%D0%B5%D0%BA%D1%81%D0%B0%D0%BD%D0%B4%D1%80%20%D0%A0%D0%B0%D0%B2%D1%87%D0%B5%D0%B2/1593/)

#### 1.4.4 Promoting local democracy tools

During reporting period, UCIPR conducted analysis of legal regulation of mechanisms for public access to the city councils' sessions at the oblast level. In the course of the analysis, it was analyzed city charters, city councils rules of procedures, local acts on local council member permanent commission and executive committees. According to the best practice, local self-government bodies have to provide free access to their sessions and not to limit public access.

Based on the research, UCIPR developed proposals for the emending city charters, which were provided to the city authorities. It also developed model local act on citizens' access to sessions of local councils and mechanisms of local democracy (on local initiatives, on public hearings, on general citizens' meetings, on public consultations, and on civic expertise of local councils. The draft acts were made public and provided to NGOs. These model acts were distributed among interested organizations, local self-government bodies and they were made public at the UCIPR website.

Furthermore, UCIPR together with partners in Rivne developed draft act on amending of the Rules of Procedure of Rivne City Council to secure transparency of the local council work. This draft act will be registered by the city mayor in October 2015. Also taking into account that the session of Kyiv City Council are held in the premises of Kyiv City Public Administration (the premises with the limited access), UCIPR developed separate regulation for the citizens' access to the Kyiv City Council sessions. The draft regulation was submitted for the consideration of the secretary of Kyiv City Council and local council members (Attachment 2. Infographic on public access to the session of Kyiv City Council).

In addition, UCIPR developed six model acts on mechanisms of local democracy for all local self-governance bodies (on local initiatives, on public hearings, on town hall meetings, on public consultations, on civic expertise, on public consultations and on e-petitions). These model acts were distributed among interested organizations, local self-government bodies and they were made public at UCIPR website. These local acts were harmonized with the local regulations of the six pilot cities:

1. Ivano-Frankivsk (Act on local initiatives, Act on public hearings);
2. Chernivtsi (Act on local initiatives and Act on public hearings, Act on town hall meetings, Act on civic expertise, Act on public consultations, Act on e-petitions);
3. Kyiv (Act on local initiatives and Act on public hearings, Act on e-petitions);
4. Chernihiv (Act on local initiatives);
5. Mykolaiv (Act on public hearings);
6. Rivne (Act on public hearings and Amendments to the rules of procedures in the part of access to city council sessions).

Some of the local acts are now under the consideration of local council members (in Kyiv, Chernivtsi and Mykolaiv) and we expect that they will be approved during October – December 2015. Others were passed by the local councils in 2015 (Ivano-Frankivsk, Chernihiv and Rivne).

To promote local democracy mechanisms among citizens to raise citizens' awareness about new opportunities for participation in the decision-making process at the local level, UCIPR organized Local Democracy School in Ivano-Frankivsk and Uzhgorod (July 2015). More than 50 participants from CSOs, media and political parties were trained how to apply local democracy mechanisms.

#### 1.4.5 Development of public proposals for the second reading of the Draft Law on Local Referendum and their submission for consideration of the parliament

##### ***Conference “For Open Local Council”***

On April 3-4, 2015, UCIPR held two-day conference aimed at forming coalition “For Open Local Council”. About 70 people from 21 oblasts took part in the event, including representatives of Luhansk and Donetsk oblasts. In the course of conference, it was discussed legal mechanisms of public participation, including holding local referendums under the decentralization process in Ukraine. In addition, it was formed coalition of NGOs for developing local democracy in the regions and advocating for the bill on local referendum<sup>9</sup>.



However, the issue of local referendum in Ukraine is quite controversial in the light of the separatism in some parts of the Donetsk and Luhansk oblasts of Ukraine. Therefore, the decision was postponed until better times. Nevertheless, UCIPR developed concept regulations for local referendums such as: what issues could be discussed during the local referendum, how local referendum can be initiated, grounds for recognizing the results of local referendum legitimate. These norms were provided to the MPS and included into the Draft Law on Local referendums (No.2145a-2) registered with the parliament on July 6, 2015.

At the same time, this draft requires improvements and UCIPR will work on it amending. In addition, it will ensure wide discussion of this draft among experts, CSOs and representatives of the Parliament and Ministries. With the support of coalition “Open Council”, it will be organized discussion of this Draft Law at the local level. For this purpose, analytical materials regarding local referendum were developed.

##### ***Round-table "How to Introduce the Instrument of Local Referendum in Ukraine" in Kyiv***

Round table on legal regulation of local referendum “How to Introduce the Instrument of Local Referendum in Ukraine” will be held in Kyiv on October 1, 2015. It will be organized in partnership with the VRU Committee on Legal Policy and it will attract representatives of local

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<sup>9</sup> Reports of Vyacheslav Nehoda, Deputy Minister of Regional Development (<https://www.youtube.com/watch?v=MHug93kk6yE>); Report of Oleksandr Slobozhan, Expert of Association of Ukrainian Cities (<https://www.youtube.com/watch?v=aA2-fKXO8iY>) <https://www.youtube.com/watch?v=aA2-fKXO8iY>; Oleksandr Solontay, Expert of Institute of Political Education (<https://www.youtube.com/watch?v=dTPNDA5FUHY>); Vasyl Gatsko, Kyiv City Council Member (<https://www.youtube.com/watch?v=zvHqhUycWyg>); Volodymyr Tarnay, Expert of Center of Political Studies and Analysis (<https://www.youtube.com/watch?v=bS4fZOxNkpU>).

civil society organizations, experts of local democracy, and lawyers. Participants of the round-table will discuss perspectives of introduction of local referendum in Ukraine and final recommendations to the draft Law on local referendum.

In addition, UCIPR together with international experts from the Czech Republic prepared analytical report on legal regulation and internal practice of the holding of local referendums in the European Union countries (Attachment 3).

## **Objective 2: Capacity of public officials and CSOs to ensure effective implementation of legislation and policy increased**

The earlier adoption of progressive civil society legislation was a significant step forward, but it will not improve the regulatory environment unless legislation is properly implemented. Organizations and public officials at the local level are often uneducated about new legislation and are left without the skills, capacity and support to effectively implement or use it at the working level. Further, civic and governmental stakeholders do not often monitor outcomes of implemented regulations in order to make adjustments and improvements. Therefore, it is important to assist local stakeholders in meaningful implementation and use of civil society enabling legislation and policy through awareness-raising, technical support and monitoring efforts.

During first year, UCIPR educated stakeholders on key issues in NGO enabling legislation. Its awareness-raising included the following laws and mechanisms:

- Law on Public Associations; Decree #996 on Public Councils;
- new Tax Code and new legal instruments (e.g., endowments) outlined in the Law on Charity and Charitable Organizations;
- and opportunities for increased access to information and participation in government policy and decision making through recently adopted legislation.

Additionally, UCIPR launched hot line to provide support to CSOs, published brochures, infographics and used new information and communication technologies to explain new legislation and its implication.

Moreover, it provided consultations, methodological recommendations and organized round tables to both NGOs and public officials regarding proper implementation and use of new legislation. UCIPR provided legal assistance to NGO partners related to NGO functioning and operation. In addition, it supported local NGO partners in the regions to create resource and support centers, which provide legal consultations to NGOs on different civil society enabling topics.

UCIPR also monitored the implementation of civil society enabling legislation at local and national levels.

## **Results**

- 2.1. Newly adopted progressive legislation and policies related to civil society properly implemented (i.e., Laws on Public Associations, on Charitable Foundations and on Access to Public Information, and the Strategy on State Policy for Support of Civil Society Development)
- 2.2. CSOs better informed about the improved legislative enabling environment
- 2.3. CSOs increase use of the improved legislative enabling environment
- 2.4. Implementation capacity of public officials improved
- 2.5. Procedures for citizen participation in local decision-making improved
- 2.6. Citizens better informed about opportunities to participate in local decision-making

## **Indicators**

- Number of unlawful registration rejections of public associations
- Number of consultations on CSO legislation provided to public officials and CSOs
- Number of methodological recommendations<sup>10</sup> developed for public officials and CSOs
- Number of training days (on CSO legislation) provided to public officials and CSOs
- Number of CSO legal aid offices or centers in the regions
- Number of regional legal support coalition members

## **Activities**

In 2014-2015 UCIPR conducted following activities to reach results of Objective 2:

***Expected result 2.1: Newly adopted progressive legislation and policies related to civil society properly implemented (i.e., Laws on Public Associations, on Charitable Foundations and on Access to Public Information, and the Strategy on State Policy for Support of Civil Society Development).***

Through hotline, UCIPR monitored whether Laws on Public Associations, on Charitable Foundations and on Access to Public Information, and the Strategy on State Policy for Support of Civil Society Development were properly implemented. It also taught CSOs to use instruments provided by CSOs enabling environment legislation (i.e., Laws on Public Associations, on Charitable Foundations and on Access to Public Information, and the Strategy on State Policy for Support of Civil Society Development). UCIPR encouraged partner organizations to improve their monitoring and oversight capacities through NGO Capacity Building Marketplace.

### 2.1.1 Analyze situation with the implication of the Law on Public Associations

The UCIPR team communicates with staff of the Ukrainian State Registry Service (USRC). In January 2015 State Registry Service was liquidated and the process of transmission of its functions to the Ministry of Justice has been initiated. UCIPR keeps working relationship with the former staff of the State Registry Service and they are informed about the potential changes in the area of registry of civic organizations. After meetings with USRC staff, it became possible to develop joint position regarding reforming of the USRC and requirements for the transferring of the registration services to the Centers of Administrative Services Provisions.

UCIPR constantly informs partners regarding any changes in the work of registry offices. In May-June, 2015, it also plans to hold campaign for improving related legislation.

In addition, UCIPR experts joined the development of the amendments to the Draft Law on CSOs and to the Draft Law on Registration of Legal Entities, Private Entrepreneurs and CSOs. They also held focus group on June 2015 to discuss peculiarities of CSO registration, problems appearing in the course of CSO registration, typical mistakes and problems for CSOs, prospective for legislation development and reforming of registration services.

### 2.1.2 Analyze situation with the implication of the Law on Access to Public Information

During 2015, UCIPR team organized visits to more than 10 two cities of Ukraine. The purpose of such visits was to study and to analyze the situation with the implication of the Law on Access to Public Information, to provide consultations regarding implication of the Law as well as to draft recommendations for public authorities. During the visits, UCIPR held meetings and consultations

with representatives of local self-government bodies and local authorities.

UCIPR held surveys regarding implication of the Law on Access to Public Information, in particular establishment of the separate institution for providing public information, creation of the registry of public information, ensuring citizens' rights for access to public authorities. As results of conducted surveys and consultations, local self-government bodies and public authorities were provided with the official recommendations regarding improving implementation of the legislation on access to public information and amendments to the internal legal regulation.

### 2.1.3 Renewal of the Coordinating Council work

UCIPR initiated restoration of Coordinating Council for Civil Society Development under the President of Ukraine and facilitated support for this initiative from officials of President's Administration and expert community. In October – December 2014, the UCIPR initiated an appeal from leading think tank to the President of Ukraine with request to restore Coordinating Council on Civil Society Development under the President of Ukraine. The appeal was signed by representatives of eight leading think tanks of Ukraine, including UCIPR, Center for Political and Legal Reforms, CCC Creative Center, Laboratory of Legal Initiatives. UCIPR organized two working groups with leading experts and representative of the President's Administration, as a result of which priority activities for reloaded Coordinating Council and key provisions of Annual Action Plan for Civil Society Development (to be adopted as President's Decree) were defined. Together with stakeholders the UCIPR developed proposals for amending the list of member of the Council and the regulation on the Council.



In December 2014 - March 2015 experts of the UCIPR lead series of consultations with representatives of President's Administration to ensure support for restoration of Coordinating Council for Civil Society Development in with amended list of members. As a result, support of Deputy Head of President's Administration Rostyslav Pavlenko for this initiative was ensured.

However, Deputy Head of Administration Dmytro Shymiv blocked restoration of Coordinating Council for Civil Society Development. On April 28, 2015 the President terminated Coordinating Council for Civil Society Development.

Instead, UCIPR initiated consultations with President's Administration on creation of other mechanisms of coordination of state policy for civil society development such as thematic working groups of NGO experts and representatives of key central executive bodies. In September, 2015 UCIPR team initiated creation of such group on taxation of non-profits; mandate of the group shall be to engage in development of draft legislation on taxation of non-profit, monitor implementation of such legislation and facilitate correct application of tax legislation in cases of violations. The group on tax legislation is expected to start working in October, 2015.

***Expected result 2.2: CSOs better informed about the improved legislative enabling environment.***

UCIPR educated stakeholders on key issues in NGO enabling legislation. It conducted trainings on recent civil society enabling laws and decrees as well as the main changes brought about by new legislation, such as Law on Public Associations; Decree #996 on Public Councils; new Tax Code and new legal instruments (e.g., endowments) outlined in the Law on Charity and Charitable Organizations. UCIPR provided legal assistance to NGO partners related to NGO functioning and operation.

**2.2.1 Develop information materials for improving awareness among target audience**

During the reporting period, the UCIPR team developed information stickers about availability and functioning of the hotlines on registration issues and designed booklet about the benefits of the Law on Access to Public Information and 2000 booklets "Simple Steps How to register Civil Society Organization. Five Simple Steps". They were distributed at registry offices and regional justice departments providing registration services for civil society organizations and charitable foundations, as well as distributed among participants of the UCIPR and partner public events (in particular Capacity Development Forums, Helsinki Human Rights Union Offices etc.).



\*Проінформуйте нас, якщо Вам неправомірно відмовили у реєстрації організації

[ucipr.info@gmail.com](mailto:ucipr.info@gmail.com)  
[facebook.com/UCIPR](https://www.facebook.com/UCIPR)  
(044) 227 5420

In addition, the UCIPR team designed booklet about the benefits of the Law on Access to Public Information and on the procedures for receiving information from the public institutions. The booklet was distributed among local self-government bodies, partners during events and regional tours of the Reanimation Package Reform, which covered almost all regions of Ukraine. It was also published at the UCIPR website and distributed by the partner organization “Institute of Political Education” during its training for local council members.

### ***Civil Society Magazine***

On March 2015, UCIPR prepared and publish four editions of Civil Society Magazines. The magazines contain information about changes to in legislation regarding CSOs activity, taxation of non-profit organization, peaceful assembly regulation at the local level, local democracy issues and decentralization<sup>10</sup>. The magazines were disseminated among CSOs leaders, ministries and MPs, mayors, governors, and projects of international technical assistance projects.

### ***Expected result 2.3: CSOs increase use of the improved legislative enabling environment.***

UCIPR provides consultations and trainings for both state and civil stakeholders on proper implementation and use of new legislation (e.g., trainings for tax officials and NGOs to insure legal status through new registration requirements). It conducted training sessions on the effective facilitation of Public Councils. These trainings brought together government officials, council members and NGOs to clarify their roles and improve their capacity in fulfilling them in order to ensure efficient and transparent councils.

#### **2.3.1 Establish call center for civic activists for facilitating their activity and providing support with legal issues.**

In September 2014, UCIPR launched hotline for CSOs and Charitable Foundations aimed at assisting CSOs on application of the Laws on Public Associations and on Charitable Foundations. Any CSO or charitable organization can contact hotline by e-mail, phone, via website or Facebook during working hours and receive support, advice or recommendation from the UCIPR team. Starting from the launching of the hotline, UCIPR received more than 200 requests. As our records show, the hotline became a valuable resource for many CSOs including those, which are registered on the territories uncontrolled by the Ukrainian authorities. CSOs are mostly interested how to prepare documents for registration of new organization, to change geographic area of operation and place of location of organization, peculiarities of changing of place of location and statutory documents for organizations registered on the territory under ATO. In addition, due to the latest changes to the Tax Code, UCIPR received many inquiries regarding taxation of charitable organizations. We can also observe an increase in inquiries from Donbas organizations.

Due to the high interest to the hotline work, the UCIPR team plans to enlarge the number of issues regarding which would be possible to receive support through the hotline, including social entrepreneurship, local democracy and civic participation.

Some CSO activists come to the UCIPR office for the private consultation. As example, UCIPR office was visited by Mickael Shchur (original last name - Vintoniv), TV presenter, with the request to receive consultation on CSO registration process.

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<sup>10</sup> <http://www.ucipr.kiev.ua/publications/zhurnal-gromadianske-suspilstvo-120-2015-rik>.



To simplify the registration process for CSOs, UCIPR team developed interactive map on registry offices location in Kyiv<sup>11</sup>, which was spread in social networks and on UCIPR website.

### 2.3.2 Examine the practices of implication of Government Decree # 996 to identify the gaps and problems

Starting from November 2014, Project team constantly improves its knowledge and capacities of the partners and civic activists. In addition to trainings and consultations, UCIPR organized and held in its office five one-day workshops (with practical cases) for CSOs activists regarding specifics of NGO legislation and NGOs registration procedures. Because of the format of the workshop and small number of participants, it was possible to allocate required time for each participant. Each workshop covered separate issue identified as very important for the target audience.

During the workshops, the UCIPR team provided sample of the documents, useful materials, and provided consultations for participants if the case happened after the workshop. The participants were able to discuss complicated cases and find the solutions for specific situations. 55 were trained in the course of these workshops. The group of participants was formed through the open announcement and competition.

All workshops, which were held in the UCIPR office, were very practical and oriented on the small number of participants. After completion of the events, the participants were able to complete the feedback form. All forms were collected for internal analysis and future planning.

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<https://mapsengine.google.com/map/viewer?authuser=0&authuser=0&hl=uk&hl=uk&mid=zJKhN7CUgjs.kipzPXHY8dXg>

This questionnaire included the questions regarding the quality of the workshop, possible improvements and the timing. Based on the feedback from the participants, UCIPR received quite high evaluation of the workshop quality. Most of the participants expressed confidence in the importance of the knowledge received during the workshops and recommended to establish advocacy club.



On March 26 and on April 8-9, Workshop “How to establish civil society organization in accordance with the Law on CSOs” (36 participants from Kyiv, Kherson, Ternopil, Zaporizhzhya, Sumy).

The topic of this workshop was very important as UCIPR received more than 60 applications. Some of them were invited to the separate workshop on April 8-9, 2015. Some of the applicant received consultations online.

Workshop “Advocacy Campaigns Planning” held on February 13, 2015, was attended by 10 people (5 men and 5 women), including partners from the advocacy coalition for the adoption the Draft Law on Volunteerism No. 1408. It was intended that the workshop would improve the advocacy capacity of the coalition participants at the local and national level. The participants were selected from the applicants from Kyiv, Brovary, Vinnytsya and Bar.

Workshop “How to bring organization Charter in compliance with the Law on CSOs” (November 27, 2014) attracted 7 people (1 man and 6 women) from Chernihiv, Luhansk, Lviv, Lviv oblast, Kyiv, Vinnytsya. The main attention was paid to those organizations, which were registered according to the former Law and now decided to amend their charters to comply with the new Law on CSOs.

### **Summer School of Civic Engagement**

On August 18-21, “Citizens in Action” Project held four-day Summer School of Civic Engagement, which was aimed at teaching young activists and representatives of small NGOs on professional activism. The format of the school combined discussions, presentations, group work, presentations of cases, home assignments, and teambuilding. The trainings covered such issues as advocacy for

civic initiatives, successful CSO establishment, PR of civil society organizations, CSO fundraising and financial stability, volunteers' involvement into CSO work and successful practical cases.

During four-day school, 16 speakers (MPs, representatives of USAID/Ukraine and Project, experts in advocacy, media, fundraising, social entrepreneurship, and volunteers) taught how to be successful and professional activists. The participants of the school represented different age groups and almost all regions of Ukraine, including Donetsk and Lugansk oblasts, IDPs from Donbas and Crimea. They did not have extensive experience but demonstrated strong motivation.

426 people (17 persons per 1 seat) expressed their willingness to participate in the school but in the course of the selection process, selection board selected 26 persons. During the school, they had an opportunity to find partnerships and to discuss future cooperation and activities. Most of them left extremely positive feedback to the project team.



***Expected result 2.4: Implementation capacity of public officials improved.***

UCIPR provided consultations and methodological recommendations to public officials on proper implementation and use of new legislation. UCIPR developed methodological recommendations for public officials and CSOs and provided training on CSO legislation to both public officials and CSOs.

2.4.1 Establishing better communication between public officials and civil society activists

Forum for NGOs and public officials from the Departments of Public Relations at the Ministries of Ukraine is scheduled for October 13, 2015.

***Expected result 2.5: Procedures for citizen participation in local decision-making improved***

Working groups were formed and drafts of local acts, which regulate local democracies procedures, were prepared and submitted to local councils in six pilot cities. As a result, citizens received simplified and available tools for participation in decision making on local level.

### 2.5.1 Analysis of the situation with local decision-making

During the first year of the project, UCIPR organized experts' visits to more than ten cities of Ukraine to learn about citizen participation in local decision-making. During these visits, UCIPR experts held meetings and consultations with government officials, city mayors, local council members, representatives of local self-governments, journalists and representatives of civil society institutions about transparency of authorities, public access to decision-making processes and opportunities for implementation of participatory democracy instruments. In particular, it was held joint meetings of representatives of CSOs and public authority in Mykolaiv, Chernihiv and Chernivtsi to discuss which local democracy instruments would be useful for improving the cooperation. Furthermore, advocacy clubs were organized in these cities to develop joint advocacy campaign strategy.



*Round table in Mykolaiv*

In the frameworks of the support to local coalitions for advocating for local democracy tools and holding consultations with representatives of authority, studying the practice of application of the mechanisms of citizen participation in decision-making process, the UCIPR experts conducted a number of events:

- advocacy club of local NGOs in Kramatorsk on November 1-2, 2014;
- public discussions “Uniting for Reforms: Cooperation between Authority and Community” in Vinnytsya (November 19 and December 10, 2014) and in Chernihiv (November 21 and December 12, 2014);
- meeting of local coalition on development of advocacy plan for adoption of the act on public hearings in Mykolaiv (December 25-26, 2014);
- working group of experts and CSOs of Chernihiv City with representatives of Chernihiv local council regarding the adoption of Act on local initiatives (November 25, 2014 and February 10, 2015);
- public hearings on amendments to the Statute of the local community and the implementation mechanisms of local democracy in Ivano-Frankivsk (March 4, 2015).

UCIPR experts had meetings with local NGOs, gave interviews to the local media, and held consultations with representatives of local governments in Chernivtsi (On March 18, 2015), Lutsk (on March 24, 2015), Rivne (March 25-25, 2015), Cherkasy (March 27, 2015). . During these meetings, they discuss the work of local governments, citizen participation in decision-making process, prospective mechanisms of local democracy. Mr. Lukerya made presentations on the

reform of local government in Ukraine in Lutsk (March 24) and Rivne (March 25). The presentation were attended by the representatives of city and regional councils; village, town and city mayors; representatives of oblast administrations.

Finally, UCIPR held public hearings to discuss draft local acts on mechanisms of local democracy in Ivano-Frankivsk. More than 70 citizens, journalists, experts and Secretary of Ivano-Frankivsk City Council took part in the hearings.

All communications with the interlocutors showed that the citizen participation in decision-making process is very low at the local level. In the majority of cities, local authorities do not want to increase citizen participation in decision making and local activists have lack of skills and capacities for advocating for their rights to be included into decision making process, particularly this is a case for Mykolayiv, Chernivtsi and Kramatorsk (less for Chernihiv, Ivano-Frankivsk, Rivne).

***Expected result 2.6: Citizens better informed about opportunities to participate in local decision-making.***

During the first year of the project, citizens received knowledge and develop own skills regarding usage of participatory democracy tools on the local level. For this purpose, the UCIPR team organized awareness campaign, which includes dissemination of information materials (booklets and experts' articles) about the right for local referendum

**2.6.1 Publication of information materials about opportunities to participate in local decision-making process.**

UCIPR designed and published booklets on mechanisms of civic oversight over local authorities, including right for local referendum and citizens' involvement in decision-making process. The booklet contained information how to hold public hearings, to submit the draft act on local initiative, to conduct civic examination of the work of the local body as well as explain legal regulations for holding local referendum. Information booklets explain why it is important to involve citizens into decision-making process. It is aimed at increasing citizens' involvement in decision-making process.

**Objective 3: UCIPR's technical and organizational capacity increased to serve as a leader and driver of civil society legislative efforts**

During the first year, UCIPR worked on strengthening its own technical and organizational capacity by implementing recommendations from recent surveys, assessments and audits. The priority was given to the organization capacity strengthening, specifically further institutionalizing of the governance structure in the organization, and improvement of the procurement, financial and HR systems in the organization. UCIPR first worked on implementing NUPAS and audit recommendations focused primarily on organizational capacities. In addition, it also strengthened other aspects of its organizational development as it was recommended by UNITER/Pact's 2013 assessment of UCIPR.

During this period, the organization was re-registered in accordance with the new legislation and ensure that the statute clearly defines its organizational governance system. The financial system and internal controls was improved by clarifying procedures, ensuring back-up of accounting data

and limiting access to accounting documents. The HR system was improved by enforcing a timesheet system and remuneration policies.

At the same time, UCIPR worked on strengthening its own technical capacity, further developing its legal expertise and skills. UCIPR staff participated in study visits, international industry events and in-country networking activities.

Moreover, UCIPR improved its communication with the international community and donors by developing policy updates and introducing the practice of sending out English-language information to key stakeholders. Besides expert roundtables and participation in government working groups, UCIPR worked more closely with citizens and NGOs whose interests the organization represents. As a result, UCIPR improved its ability to influence the public.

Finally, UCIPR refined its strategic plan for the next 3 years; developed and improved UCIPR's communications strategy; online legislative tools and packages; regular policy updates (in Ukrainian, Russian and English); membership (informal) in international networks etc.

## **Results**

3.1. UCIPR's organizational capacity strengthened – governance structure, procurement processes, financial and human resources systems, monitoring and evaluation, communication and outreach

3.2. UCIPR's technical capacity improved – legal analysis and expertise

3.3. UCIPR's capacity to influence a broad community of stakeholders increased – government, NGOs, citizens and the international organizations.

### ***Indicators:***

- Number of NUPAS and audit recommendations implemented
- Number of CSOs partnering with UCIPR
- Number of international donors partnering with UCIPR
- Number of regular policy updates (in Ukrainian and English)

## **Activities**

***Expected result 3.1: UCIPR's organizational capacity strengthened – governance structure, procurement processes, financial and human resources systems, monitoring and evaluation, communication and outreach.***

During the reporting period, UCIPR has started to strengthen its own technical and organizational capacity by implementing recommendations from recent surveys, assessments and audits. Recommendations from USAID's pre-award assessment, a recipient contracted audit and UNITER/Pact's holistic capacity development assessment served as a basis of UCIPR's advanced capacity development roadmap. UCIPR worked on implementing NUPAS and audit recommendations. It also strengthened other aspects of its organizational development.

### **3.1.1 Implementation of NUPAS audit recommendations**

During September 2014 – March 2015, UCIPR made significant improvements into organizational, financial, HR and control systems. It re-registered the organization in accordance with the new legislation and ensure that the statute clearly defines its organizational governance system and it finished the registration of the new UCIPR's statute developed in comply with NUPAS and Ukrainian legislation, in particular the Law on Civil Society Organizations. In addition, a new

independent Board was convened and policies for the Board (election/removal of members, main tasks, approaches, frequency of meetings and formalization of decisions etc.) were developed and approved. The Board was formed with five people from business, education and international NGOs. On December 8, 2014, the Board held its first establishing meeting.



*First meeting of the Board*

Having received consultations from USAID OFM, Financial Management Capacity Development Initiative in Ukraine (FMCDI), and Kreston consultancy firm, UCIPR started to develop/amend policies and procedures following NUPAS and audit recommendations. Together with Kreston, UCIPR improved HR, Procurement and Financial Management Manuals and policies.

During January – April 2015, UCIPR together with Kreston improved HR Manual (approved on May 7, 2015) and in the same way, it improved UCIPR HR Policies. It developed clear HR system and policies – clear delineation and division of staff functions, responsibilities and subordination based on actual work being carried out in the Organization’s different activities; upgrade of a pay scale for both permanent and temporary employees using the same rates for compensating staff for work on all projects; developed the detailed time sheets with special codes assigned to each activity/project and written procedures about the timesheets reports approval. After timesheet template was developed, UCIPR team introduced written procedure on timesheets management, which assigned the responsibility for monitoring work activities and timesheets reports approval by each employee's direct supervisor prior to making salary payments. In addition, it compiled personal files, which include employees’ personal data, CV, selection process documentation, job description and annual performance evaluations. In addition, UCIPR also introduced written standards governing the performance of UCIPR’s employees who are immediate family members and engaged in different management functions.

Moreover, UCIPR developed and approved (on May 18, 2015) Password Policy aimed at protecting resources of organization in the Internet as well as procedures for protecting the passwords and their replacement.

As regards to financial management, UCIPR developed and approved Financial Management Manual (developed in cooperation with Kreston Consultants under FMCDI Project) which clearly delineate the responsibilities of top management and other employees as well as regulates budgeting and financial planning processes in the organization.

UCIPR also improved its Procurement Procedures. In November 2014, it formed a procurement panel and since then, it convenes it for all purchases over threshold (USD 500 for goods or USD 1500 for services). With the improved Procurement Manual, it formed database of permanent goods and services providers and selected permanent providers of such services as design, printing, catering, logistics etc.

UCIPR has also been launching the system of the formal control system over cash and EFT payments in compliance with both Title 22 of Code of Federal Regulations Section 226.21(b)(6) and OMB A-123"Management's Responsibility for Internal Control". With the selection of new Finance Director, UCIPR assigned him the responsibility for reviewing the expenses for reasonableness and availability of funds, before the accounting records are made by a different person in the payment process (Maker – Checker approach). UCIPR minimizes the use of cash in its operations. Currently, cash operations account for 1 % of total amount of operations (utilities, tickets reimbursement of the UCIPR events participants). It was also started to develop the system of producing financial statements on a quarterly basis for overall assessment of financial position of the Organization. It is expected that the system will be launched next year.

Finally, UCIPR established formal procedure for backup and recovery of the documents and accounting software data. It also introduced the user in accounting system with "read only" access. In addition, it is replacing 1C 7.7 with upgraded version of licensed accounting software 1C 8.2 with configuration for NGOs. During next year, it plans to rebuild 1C for setting automatic reporting system. (Responsible person – Kostiantyn Latsyba, Project Manager/Objective 3 and Executive Director).

### 3.1.2 Strengthening of UCIPR's organizational capacity

During the reporting period, UCIPR experts received consultations from external experts, including USAID OFM, USAID Project FMCDI and external consultants on the development/amendments of certain policies and procedures following NUPAS and audit recommendations. Furthermore, the UCIPR staff improved its gender awareness through the gender awareness training. UCIPR employees also improved its financial management and internal control system through the trainings organized by the USAID Project "Financial Management Capacity Development Initiative in Ukraine" (FMCDI). In particular, UCIPR staff took part in the following trainings:

- Training in financial management, human resources, procurement, administration and other operational support functions according to USAID's standards (December 11-12, 2014).
- Training "Introduction to finance management for non-finance project staff" focused on Budgeting and Form 1034, allowability of expenses and procurement of goods and services, personnel time and attendance, travel and transportation expenditures (February 11, 2015).
- Roundtable on using and application of 1C accounting software aimed at discussing such issues as: use of 1C software by NGOs' in a multi-donor environment; problems and solutions in coding/implementing 1C software including; donor (especially USAID) reporting particularities; development of both program and organization financial statements; budgets and cash flow statements, integration and/or conflict with Ukrainian accounting or tax requirements (On March 12, 2015).
- USAID/FMCDI Round table "Costs Principles under 2CFR200" which was focus on costs allowability under 2 CFR 200, effective from January 1st, 2015, in particular procurement of goods and services; personnel time and attendance; travel and transportation expenditures; discussion of issues encountered in the course of cooperation with USAID and compliance with cost principles in accordance with the Code of Federal Regulations (CFR) (April 29, 2015).

- USAID/FMCDI round table on Personnel and Payroll during which the participants were able to discuss the following topics: compensation - personal services and fringe benefits under 2CFR200; review of the Ukrainian labor market (short macro-economic reviews; main tendencies on the Ukrainian labor market); full Time Employee vs. Private Entrepreneur (peculiarities of the Private Entrepreneur Status; using of the private entrepreneur services by NGO: risk of private); Entrepreneur designating as employee and the consequent effect for NGO; Salary cost allocation in multi-donor environment (June 17, 2015).

USAID/FMCDI Conference “Financial Management and Development of NGOs: Sustainability, Compliance, Audit Rules and Fraud Prevention” during which the participants were able to discuss the following topics: Managing an NGO for Success; Auditors’ Reports on Recipient Contracted Audits; Peer Review and CPE Requirements; How an NGO Matures: from USAID Recipient to Self-Sustained Institution; Prevalence and Methods of NGO Fraud: An International Perspective; Compliance Systems and Internal Controls to Avoid Fraud; Avoiding Common Audit Problems; Examples of fraud waste abuse (How Cases Arise, Types of Conflicts, How Conflicts are Resolved, The Investigative Process and Its Cost Resolution) (July 29-30, 2015).

In the course of strengthening organizational management and improving operation of the finance office, it was made significant changes in the top management of organization (new Finance and Executive Directors were appointed).

It also refined UCIPR Strategic Plan for 2015-2017, which includes development of all UCIPR programs during the next three years. The plan will be modified in 2016.

### 3.1.3 Internship program with UCIPR

Since October 2014, UCIPR developed the UCIPR’s two-month internship program and selected three interns on the competitive basis. After they received the training, they had two months internship with UCIPR. The interns were actively involved in all UCIPR activities, namely preparation of the key advocacy activities, collection of information during monitoring process. During the internship program, they improved their skills and competencies in the field of advocacy campaigns, communicating with public authorities and monitoring of legislation implementation. At the end of the program, interns evaluated the program and provided recommendations for future internships.

## ***Expected result 3.2: UCIPR’s technical capacity improved – legal analysis and expertise***

### 3.2.1 Use of English language resources in UCIPR’s expertise

During reporting period, the UCIPR team analyzed available and relevant resources (analytical reports, European legislation and research papers and databases) and discussed what would be the most appropriate for the project and UCIPR benefits. After conducting such analysis, the UCIPR team mapped resources according to policies/issues of public policy.

In addition, it attended the series of seminars and master classes in analysis of public policy (trainer Mr. Roman Kobets) organized under project “Initiatives for development of Ukrainian think tanks” by the International Renaissance Foundation with the financial support of SIDA and TTF. The seminars included such issues as public policy analysis, problem analysis, and policy development, evaluation of public policy stakeholders’ analysis and planning of advocacy campaign.

***Expected result 3.3: UCIPR's capacity to influence a broad community of stakeholders increased – government, NGOs, citizens and the international organizations***

**3.3.1 Launching of the Project webpage.**

In January 2015, UCIPR launched the project webpage on the UCIPR website where it constantly publishes project news, information about project activities and project documents. In addition this information is also published on the UCIPR Facebook page.

**3.3.2 Launching of the UCIPR's policy updates**

During the reporting period, UCIPR team developed and approved structure and layout of the policy updates. Together with partners, it also developed database for policy updates distribution and approved responsible persons for policy updates. In March 2015, first policy update in Ukrainian was distributed among partners, civic activists, experts, and representatives of public authorities etc. Since April 2015, UCIPR prepares and disseminates policy updates in English to partners and donors. Since that period, 7 policy updates were prepared, 4 out of them in English. The policy updates contained information on the changes in the legislative environment for CSOs and on important events.

In addition, Project team participated in the Mistechko USAID in Ternopil (August 28, 2015), Sumy (September 5, 2015) and Chernihiv (September 19, 2015) where they provided consultations on registration of civil society organizations and charitable organizations, collected proposals from citizens of cities regarding development of the city, taught citizens how to influence local authorities, and taught children about their rights and freedoms. The project team also held advocacy clubs in all above-mentioned cities to discuss local democracy tools and upcoming local elections. The advocacy clubs gathered civic activists and CSO representatives.

With the purpose of improving perception of information, it was developed project hero, which is actively used in raising awareness campaigns and information campaigns of the project.



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### 3.3.3 UCIPR staff training

In addition, during reporting period, Project team organized the series of trainings aimed at improving staff skills in communication, public negotiation and social media. On May 25-26, 2015, it was organized a training in communication with media for the UCIPR staff. The training was divided into two part: theory and practice. The theory of the training covered such issues as theory of communication, specifics of the media work, preparation for the interview, participation in toc show, press-conference organization, etc. The major focus was made on practical exercises. Each participant of the training was able to practice in public speaking in the form of interview in the studio, commentary for the media.

The participants of the training prepared and simulated two press conferences. Everything was recorded on camera and analyzed by the trainer. Based on the results, the participants received recommendations for further improvements.



*Training in specifics of the media work and preparing for the interview*

On July 1-2, 2015, it was held two-day training in public negotiation for the UCIPR staff. During this training, the participants learned how to prepare and hold successful negotiations and how to manage stress. The simulation of the negotiation process gave opportunity to improve UCIPR staff skills in public negotiations.

During the reporting period, PR Manager of the project received on-line training in Web 2.0, social networking (SMM), email and Internet marketing. Online course «E-mail Marketing» from the company «WebPromoExperts» (April – May 2015) helped to systematize knowledge in E-mail-mailing and learn current trends in application of this tool. This knowledge was embedded in the organization's monthly newsletter on updates about civil society developments. In addition, PR Manager of the Project organized training in using social media such as Facebook in project work (April 17, 2015). Because of received knowledge, it was increased the visibility of the UCIPR publications in the social media, e.g. post about adoption of the draft law was viewed by the 9,400

users (an average – from 500 to 1000 views). When the UCIPR started to use social media, there were about 70-150 reviews.

#### 3.3.4. Publication of UCIPR Annual reports

Moreover, to increase UCIPR visibility, it was prepared and published Annual UCIPR Report 2014 about outcomes of Organization.

## **V. Mandatory Factors**

### **A. Gender**

In 2014-2015, UCIPR tried to attract equal number of women and men to its trainings and activities. However, its program activities, UCIPR supports Ukrainian coalitions or networks dealing with gender inequality in the application of government policies and practices. It incorporated gender in all trainings to increase awareness of gender gaps what helps to facilitate inclusion of women in formal decision-making processes in civil society work. Moreover, conducting legislative and policy analysis, drafting and monitoring, UCIPR performed with a gender lens. All advocacy initiatives considered gender differences and perspectives from the outset in order to effectively represent all Ukrainians and their interests.

UCIPR also worked closely with other activities implemented under the Civic Oversight Project that focus specifically on the advocacy and monitoring initiatives and CSO organizational capacity building in order to strengthen women's participation in civil society activism and engagement.

### **B. People with Disabilities**

During the reporting period, UCIPR assisted DPOs and CSOs engaged in disability issues to understand and use legislative and policy changes. It included DPOs and CSOs in their networks and partnerships at the national and local levels. UCIPR helped these organizations to improve their capacities in analysis and put forth recommendations on legislation. UCIPR worked closely with other Civic Oversight Project activities that assist in advocacy and monitoring initiatives as well as provided institutional and management capacity-building support to DPOs and CSOs engaged in disability programming. UCIPR looked for synergies between this program and other USG-supported initiatives, and presented additional areas for support to the issue of disability in civil society strengthening.

### **C. Lesbian, Gay, Bisexual and Transgender Community**

This program assisted organizations focused on LGBT issues, along with other organizations, to support a legislative framework that protects and supports civil society. UCIPR engaged a breadth of civil society organizations working to improve the legislative environment, including those that engage on LGBT issues. UCIPR worked closely with other activities implemented under the Civic Oversight Project that focus specifically on the advocacy and monitoring initiatives and CSO organizational capacity building in order to support organizations representing underserved populations. It invited LGBT organizations representative to all events and engaged them in all activities.

## **D. Sustainability**

In order to achieve sustainability of the project in 2014-2015, the program team prepared Initial implementation Plan, Monitoring and Evaluation Plan, built relationship with the Ministry of Justice as key Beneficiary, Ministry of Social Policy, Ministry of Finance and Presidential Administration. It also registered project with the Ministry of Economic Development and Trade. In addition, it started all activities to be implemented in the next five years.

## **VI. Coordination**

All activities 2014-2015 were implemented in close collaboration with other Mission activities and projects, as appropriate, including those outside the democracy and governance sector portfolio. This helped to identify complementarities, synergies and areas for collaboration. For instance, the Ukraine Civil Society Capacity Building activity can provide with knowledge and skills on various different fields (e.g., advocacy and communication, international law and best practices). UCIPR closely cooperated with the :

- The USAID/Strengthening Civil Society in Ukraine (also known as Ukraine National Initiative to Enhance Reform – UNITER);
- The USAID/Ukraine Financial Management Capacity Development Initiative;
- The USAID/Ukraine local governance programs, including efforts to increase levels of citizen participation and engagement with local officials;
- The USAID/Ukraine rule of law program dealing with administrative law reform, especially given the role of administrative courts as the nexus for resolving disputes between citizens and government;
- The USAID/Ukraine Responsible Accountable Democratic Assembly (RADA) program to spur civil society participation in legislative drafting and to monitor legislation implementation
- USAID's Human Rights in Action Program
- USAID's ISAR/Yednanya Program on Capacity Building.

The activity also worked in close collaboration with non-US government donors, including the International Renaissance Foundation, UNDP, Swedish, Canadian and other Embassies, the EU Delegation and EU projects implemented in Ukraine. Regular donor coordination helped better to shape legislative agenda and ensured more effective use of resources.