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National Civic Agenda

USAID Citizens in Action Project
Ukrainian Center for Independent Political Research

Discussion Memorandum

I. Objectives of the National Civic Agenda

- Simplify procedures for establishing any type of CSO;
- Introduce tax reliefs for charity and civil society activism;
- Enable social entrepreneurship and government financial aid for civic initiatives;
- Order social services from civil society and charity organizations;
- Provide opportunities and sustainable practices for citizens engagement in policy-making at any level;
- Secure freedom of peaceful assembly.

II. Suggested solutions

For legitimizing CSOs:

- Reduce the registration duration for all types of CSOs;
- Establish a single point of contact for registering all types of CSOs and obtaining non-profit status;
- Register CSOs at administrative services centers;

For taxation of charity and civil society activism:

- Reduce tax liabilities for charitable assistance to individuals (not to apply progressive tax rate to the individual income in the charitable assistance form);
- Cancel taxation of charitable SMS (cancel income tax, VAT and pension duties on charitable SMS for the mobile phone operators);
- Raise the amount of tax-free non-targeted charitable assistance to the subsistence level (annual total);
- Introduce tax benefits for individuals and companies, supporting non-profit organizations (raise the tax relief for donations to non-profit organizations up to 15 % from total taxable individual income, up to 15 % from profit or 0,5 % from turnover for legal entities);

- Establish a reduced VAT rate for goods and services related to social wellbeing (in accordance with the EU directives).

For supporting social entrepreneurship and government financial aid to civic initiatives:

- Entitle charity organizations to compete for obtaining government financial aid to social projects;
- Provide for mandatory inclusion of expenditures on financial aid, granted competitively to CSOs' projects and programs, to the national and local budgets;
- Prescribe competitive procedures, unified for all executive authorities, in order to allocate government financial aid to CSOs' programs and projects;
- Introduce competitive procedures for selecting executors of national and local target programs, and provide for CSOs participation in respective competitions;
- Establish the practice of CSOs engagement in prioritizing financial aid to civil society development;
- Secure mandatory monitoring and assessment of projects and actions taken by the CSOs at the expense of public funds, and prescribe mandatory public reporting by the organizations, granted government funding;
- Introduce transparent competitions to lease out community property to civic initiatives at a reduced rate.

For engagement CSOs and charity organizations in providing social services at the expense of public funds:

- Switch to the system of social services ordering (procurement) from non-governmental entities (CSOs or businesses);
- Develop and adopt national quality standards for social services, universal for relevant service providers, regardless of their ownership type;
 - Stipulate the list of social services, necessarily financed at the expense of the public funds, by the decree of the Ukrainian Cabinet of Ministers;
- Define criteria and procedures for government inspections and public reporting of social services providers of any ownership and subordination type;
- Remove individual income tax from the cost of social services, provided by CSOs and charity organizations to the citizens at the expense of national or local budget.

For protecting freedom of peaceful assembly:

- Define duties of the state regarding protection of freedom of peaceful assembly;
- Set an exhaustive list of grounds to limit and to ban peaceful assemblies;
- Grant possibility of holding spontaneous assemblies, counter-assemblies, concurrent assemblies;
- Abolish local procedures for holding peaceful assemblies, set by the resolutions of the local governments.

For providing civil society engagement in policy-making and administering at any level:

- Adopt the statute and provisions on citizens engagement mechanisms in each territorial community, including:
 - local initiatives implementation procedure;
 - public hearings procedure;
 - public consultations procedure;
 - procedure for civil society oversight of local council executive authorities operating;
 - reporting procedures for city (town, village) heads and local council deputies.
- Introduce e-petitioning.
- Enable expert commissions establishment at the local councils in order to engage citizens in decision-making.
- Adopt budget regulation in order to involve citizens in the budget formulation (public discussion of the draft budget, adoption and implementation of budget programs).
- Cover the information on local budgetary funds use in comprehensible manner at the local council official website.
- Enable publication of the information on budgetary funds use by the local councils at the Edata, single web-portal for public funds use.
- Introduce a provision on civic engagement budget in order to involve citizens in prioritizing public funds spending. Provide for finances to civic engagement budget fund annually.
- Establish supervisory councils at all utility companies at the local level. Secure publication of utility companies financial data.
- Set in law the duty of executive authorities and local governments to hold public consultations with the citizens.
- Provide for civil society oversight of public institution, rendering administrative and social services.
- Allow for citizens participation in executive committee sessions, plenary sessions and permanent deputy commissions at the local councils.
- Pass the agenda for supporting establishment and activities of community association bodies, additionally empowering them in terms of utility services provision and works fulfillment.
- Introduce roll-call voting to the local councils.
- Set in law the procedure for citizens townhall meetings by the place of residence.
- Stipulate by the law the procedure for initiating and holding local referendum.
- Draw public data registers and post them at local councils' websites. Publication of draft resolutions, adopted resolutions, protocols, minutes.

For implementing government policy of facilitating civil society development:

- Reinstatement of government policy of facilitating civil society development. Specify objectives, tasks, and high priority measures of the policy in question;
- Establish governmental inter-departmental coordination board on civil society development facilitation with mandatory CSOs representation;
- Establish national fund for civil society development facilitation in order to provide financial aid to civic initiatives, aimed at civil society development;
- Appoint a member of Government accountable for shaping and implementing government policy of facilitating civil society development;
- Provide for obligatory expert review of draft public and legislative resolutions (draft laws and decrees of the Ukrainian Cabinet of Ministers) in terms of their compliance with principles and objectives of government policy on civil society development facilitation;
- Improve organization and staff capacity of authorities' departments, accountable for public relations;
- Secure consistent professional skills maintenance and improvement for public officials regarding implementation of government policy on civil society development facilitation.