

# Index of Reform Monitoring (iMoRe)

Release 22

Monitoring period: October 26 – November 08, 2015



## Issue 22: Technical sectoral steps

The iMoRe value for the 22<sup>nd</sup> monitoring period (October 26 – November 08, 2015) was **+0.6 point** out of the possible range from -5.0 to +5.0 points. Political developments and ongoing local elections do not contribute to reform progress. Only sectoral changes with a limited impact were recorded in the monitoring period, while index value has not exceeded the +1.0 point threshold for the third time in a row.

The most prominent event in this period was recently published **Ministry of Health order** (460 of 23.07.2015), which **conclusively abolished state re-registration of medical drugs - it received +2.0 points**. The other two events in Industrial Organization and Trade Policy sub-index received lower grades. **Introduction of an integrated electronic register of delivery slips for shipments of alcohol and alcoholic beverages** (CMU decree 864 of 28.10.2015) scored +1.0 point.

**The ban on the movement of vehicles with an actual weight of more than 40 tons by regional roads** (CMU decree 869 of 21.10.2015) received controversial comments. Total grade equaled +1.0 point, while individual grades varied from -2.0 to +3.0. On the one hand, the measure will reduce the load on the roads and thus extend their life; on the other hand, according to some experts, it increases corruption opportunities. For instance, Ilona Sologoub from Kyiv School of Economics notes that *"costs for enterprises will rise, thus informal payments to officials for "turning a blind eye" to overweight may rise as well. In general, it would be better to charge a road fee based on the weight of a vehicle and direct these funds to renovation of roads (or, better still, to construction of proper roads)"*. Overall **Industrial Organization and Trade Policy sub-index amounted to +1.0 point**.

The same **+1.0 point** was assigned to **Monetary Policy and Financial Markets** sub-index. **The National Bank of Ukraine (NBU) decision to allow banks to perform currency swaps with international financial organizations** (NBU decree 721 of 23.10.2013) **scored +1.3 points**. The development aims at facilitating foreign capital inflow and support of the national currency. It also slightly enhances opportunities for international financial institutions to attract hryvnia liquidity for lending to Ukrainian borrowers. **Launching of daily publishing of the fair value of securities, which are in the NBU portfolio or accepted as a collateral** (NBU decree 732 of 26.10.2015) **received +1.0 point**. This decision should strengthen the trust of market participants to NBU liquidity regulation and promote development of secondary market for government bonds.

**Energy Independence sub-index totaled +1.0, and the same grades were given to the three events in the sector**. The first event was **creation of the commission for selection of gas supplier of the last resort** (CMU decree 873 of 21.10.2015). Second, **CMU approved a template for energy service contract** (decree 845 of 21.10.2015). Dmytro Naumenko from Stronger Together Information Campaign says the development *"sets the legal basis for the execution of contracts between ESCO and their customers that will actually launch funding mechanism for energy efficiency measures through savings from their implementation"*. Third, **CMU established social standards for the housing subsidies** (resolution 842 of 28.10.2015), including the norms for central heating for residential buildings equipped with heat metering devices and of electricity consumption in individual heating systems.

Governance and Anti-Corruption sector scored 0.0 since experts were not impressed with reorganization of State Financial Inspection to the State Audit Office (0.0 points, CMU decree 868 of 28.10.2015). Without any events of note, Public Finance sector grade totaled 0.0 as well.

(Please see charts on the next pages and on the website [http://imorevox.in.ua/?page\\_id=577](http://imorevox.in.ua/?page_id=577), [http://imorevox.in.ua/list\\_rounds.php](http://imorevox.in.ua/list_rounds.php))

**Note:** Index for Monitoring Reforms (iMoRe) from VoxUkraine aims to provide a comprehensive assessment of reform efforts by Ukraine's authorities. The Index is based on expert assessments of changes in the regulatory environment in five areas. For details please visit [imorevox.in.ua](http://imorevox.in.ua). VoxUkraine is a group of global economists and members of the Ukrainian policy community who are working on reforms in Ukraine. The goals of VoxUkraine are to promote research-based policy analysis and commentary on economic developments in Ukraine, to formulate a systemic approach to reforms, to provide high-quality discussion platforms, and to integrate Ukraine into the global network of economists and public policy leaders. One of VoxUkraine's activities, blog <http://voxukraine.org/>, is rapidly becoming an important place for exchange of ideas on Ukraine's economy as well as a resource for the independent Ukrainian and foreign media.

Main media partner



Project partners



BAKER TILLY



# Index of Reform Monitoring (iMoRe)

Release 22

Monitoring period: October 26 – November 08, 2015



Chart 1. iMoRe dynamics

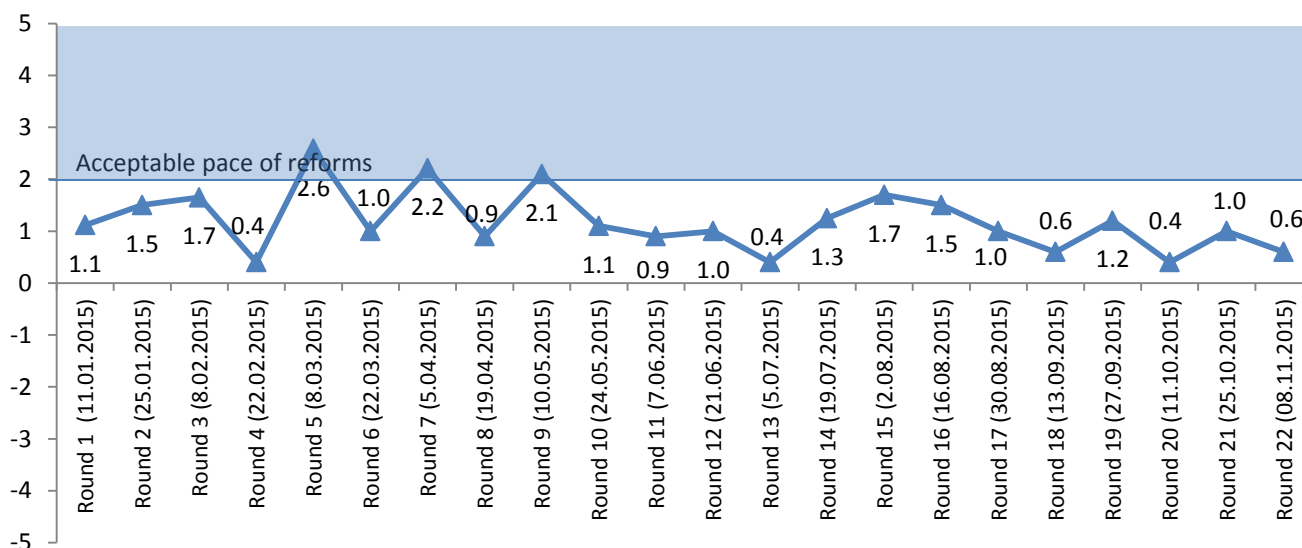
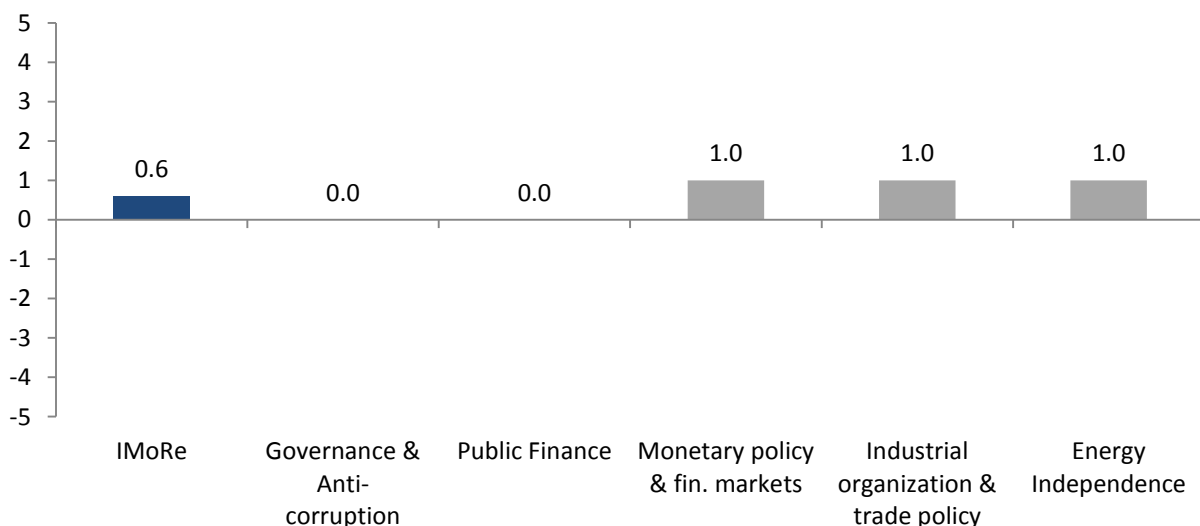


Chart 2. iMoRe and its components in the current round



Main media partner



Project partners



BAKER TILLY



ЦЕНТР  
ЕКОНОМІЧНОЇ  
СТРАТЕГІЇ

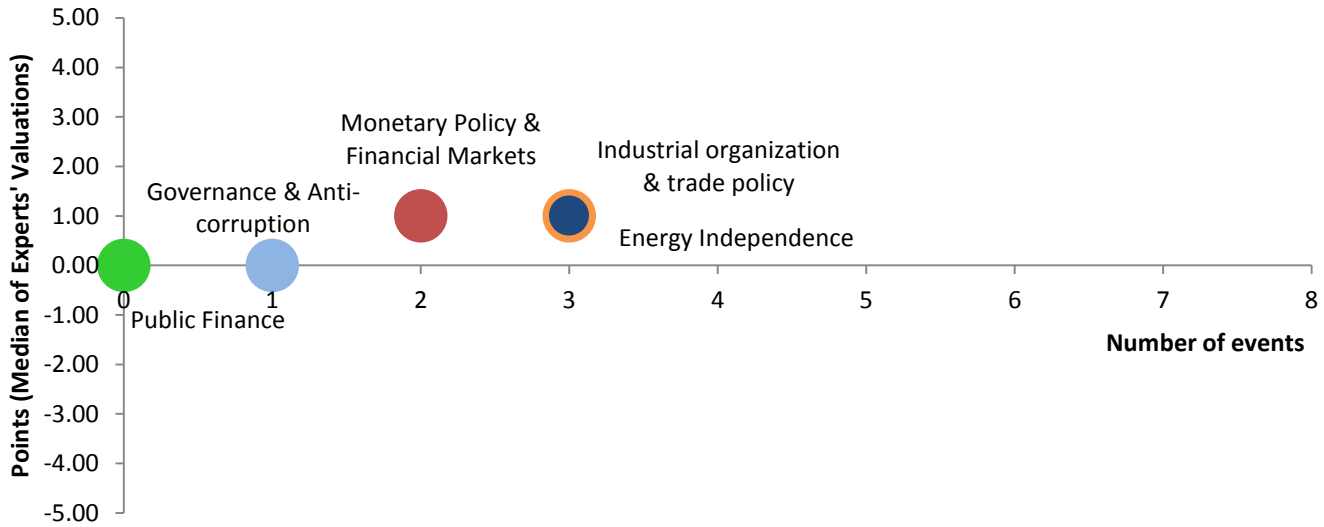
# Index of Reform Monitoring (iMoRe)

Release 22

Monitoring period: October 26 – November 08, 2015



Chart 3. Value of iMoRe components and number of events October 26 -November 08, 2015



Main media partner



Project partners



BAKER TILLY



ЦЕНТР  
ЕКОНОМІЧНОЇ  
СТРАТЕГІЇ