

# Index for Monitoring Reforms (iMoRe)

Release 29

Monitoring period: February 8 – 21, 2016



## Issue 29: Transparent public procurement

The iMoRe value for the 29<sup>th</sup> monitoring period (February 8 - 21, 2016) stood at **+1.4 points** out of the possible range from -5.0 to +5.0 points. The Index growth was provided by the law on public procurement adopted by the Parliament at the end of 2015 and signed by the President on February 16.

The law on public procurement (922-VIII of 25.12.2015) received **+8.0 points**, of which +4.0 points in the **Governance and Anti-Corruption** direction and the same score in **Public finance and Labor Market sector**. As a result, the above mentioned sectors' grades constituted **+3.0 and +2.5 points respectively**. The law introduces a system of electronic procurement for all public procurement of goods and services totaling to UAH 200 thousand or above and for works totaling to UAH 1.5 million or above. In addition, the law requires publishing a report on procurement made without the electronic system, which cost exceeds UAH 50 thousand. The law will take effect for the central authorities on April 1, 2016 and for all customers on August 1, 2016. Such a high grade of reform was provided by its successful implementation. Olena Bilan from investment company Dragon Capital says that the reform of public procurement is *"one of the most successful reforms. It will reduce corruption, increase competition and save state funds."*

Other events, evaluated in the monitoring period, received substantially lower grades. **Two events in the energy sector scored +1.0 point each**. First, the government abolished fixation of electricity rates for municipal electric transport to tariffs for the population and canceled time-of-use rates for urban lighting, which differentiated rates by time of day (CMU decree 1192 from 25.11.2015). Another event in the sector was amendments to the Budget Code, which allowed providing of state guarantees for the formation of stabilization (reserve) energy fund– the law 937-VIII of 26.01.2016. The development will promote sustainability of the heating seasons, and in particular it will permit to attract USD 700 million from the World Bank for the purchase of gas from the EU. In general, **Energy Independence direction received +0.5 point**.

The two remaining sectors - **Monetary Policy and Financial Markets** and **Industrial Organization and Trade Policy** direction - scored **+0.5 point** as well since experts noted only minor progress in these directions.

(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.

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Chart 1. iMoRe dynamics

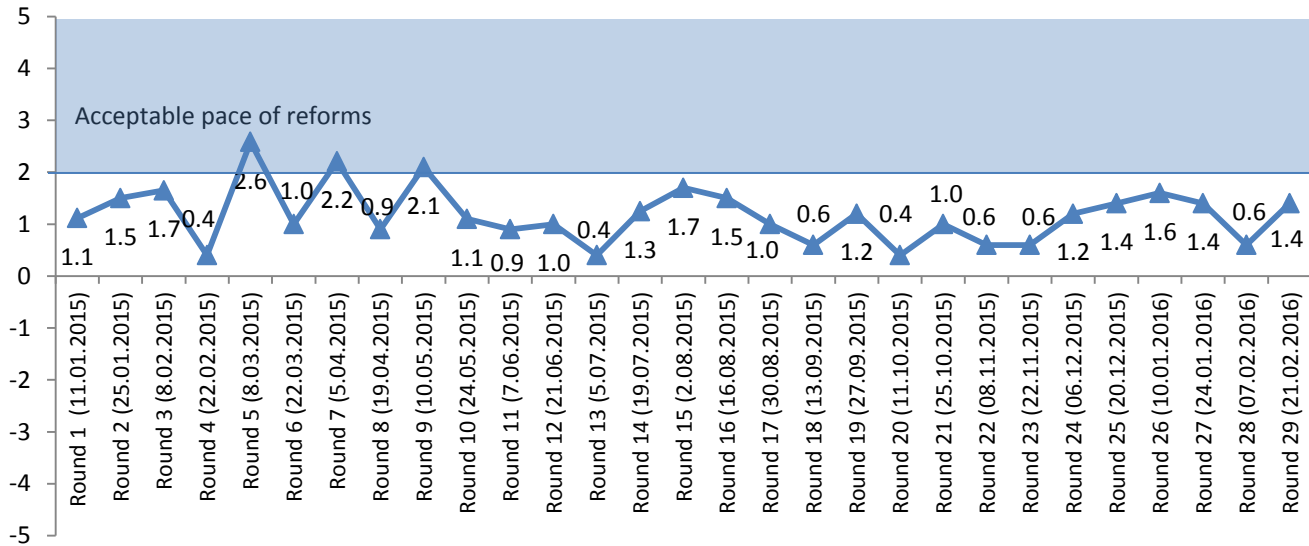
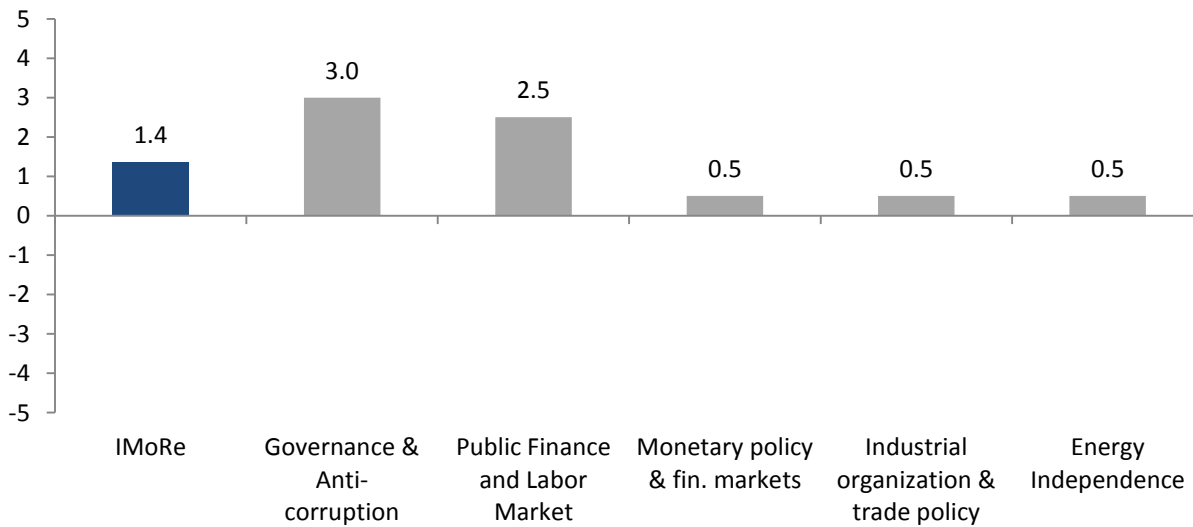


Chart 2. iMoRe and its components in the current round



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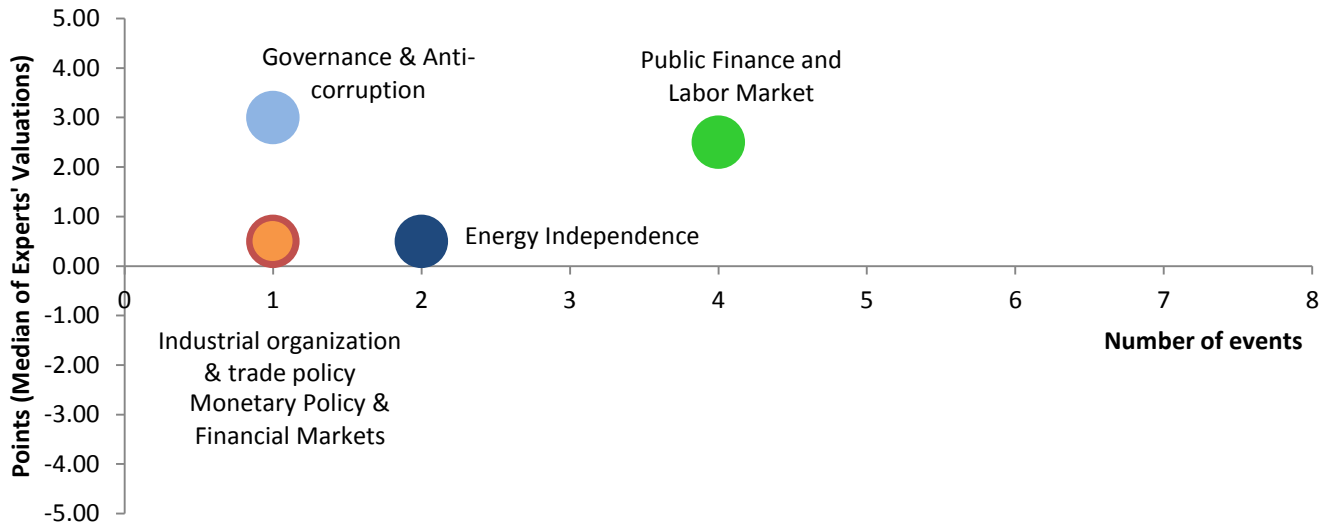
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Chart 3. Value of iMoRe components and number of events February 8 – 21, 2016



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