

# EU4PFM

**EU4PFM strives for competitive, sound and thriving Ukraine**

**Public Finance Management Support Programme for Ukraine (EU4PFM)** aims to enhance Public Finance Management (PFM) in Ukraine, leading to better public service delivery, a more favourable business environment, and increased resilience of the country in response to urgent needs arising from Russia's full-scale war against Ukraine.



## COMPONENTS

- 1 Budget Process Modernisation, Improved Control and Accountability
- 2 Public Procurement
- 3 Revenue Mobilisation
- 4 Horizontal Functions and Governance
- 5 External Audit and Parliamentary Oversight (to be launched in autumn, 2024)

## MAIN PROJECT BENEFICIARIES

Ministry of Finance of Ukraine, Ministry of Economy of Ukraine, State Customs Service of Ukraine, State Tax Service of Ukraine, Accounting Chamber of Ukraine

## LOCATION

Ukraine

## EU INSTRUMENTS

- European Neighbourhood Instrument (ENI)
- Neighbourhood, Development and International Cooperation Instrument – Global Europe (NDICI – Global Europe)

## DURATION

2018-2026

## BUDGET

- Total budget: 50,485 MEUR<sup>1</sup> (EU4PFM budget 36,985 MEUR and Extension of EU4PFM budget 13 MEUR)
- EU contribution: 49,985 MEUR
- CPMA (Ministry of Finance of the Republic of Lithuania) contribution: 0,5 MEUR

<sup>1</sup> Financed from European Neighbourhood Instrument (ENI) and Neighbourhood, Development and International Cooperation Instrument – Global Europe (NDICI – Global Europe)



## IMPLEMENTATION MODALITY

Indirect management with Central Project Management Agency (CPMA)

## MAJOR RESULTS IN SUPPORT AREAS



Strategies for Public Finance Management development and for Digital development and digitalisation of the PFM system developed and approved by the Government; Strategy of IT developments for the SCS approved



Ukraine has joined the Conventions on a Common Transit Procedure and Simplification of Formalities and the international use of a common transit procedure has started

Amendments to the Customs Code to align with EU Customs Code adopted

Primary and secondary legislation on the unification with EU and NATO standards of the procedure for declaring military equipment adopted

Phase 4 developed, Phase 5 of the New Computerised Transit System (NCTS) operational in Ukraine; Traders and Customs prepared for NCTS P5 operation in Ukraine

Framework for development of the new Customs Code established



Legal and administrative framework of OECD Common Reporting standard established (in line with EU DAC); IT system for automatic exchange of information under CRS/CbC standards launched

A platform for the tax disputes (e-case management) launched

Detailed assessment of the compliance with over 20 EU directives is being finalised, support in drafting implementing laws on VAT, Excise, Profit Tax provided

Concept of risk-management-based approach approved

Contact Centre of the STS modernised implementing new service delivery model

E-cash registers free tool for small business developed



Capacities of the MoF on EU experience in budgetary system and alignment with EU requirements strengthened

The scope of the automatization of Public Internal Financial Control processes defined (PIFC Concept Note)

IT system for budget planning and monitoring developed

Dialogue with the Ukrainian audit community enhanced on possible pathways to strengthen and optimise internal audit function

Development of NPSAR(s) according to the IPSAS supported



Range of tools and respective guidelines to run a modern HRM system and organisational development elaborated and implemented (on staff engagement, adaptation system for new employees, training and development, mentorship etc.)

People Management Strategies for MoF, STS, and SCS approved and are under implementation

Competency Framework for the MoF, STS and SCS is developed

Anti-corruption policy and practices enhanced



Emergency assistance for Partner Institutions provided in establishment of recovery data centres, enhancement of general infrastructure and improvement of safety



## STREAMS



### Customs

- Development of Computerised Transit System (NCTS) in Ukraine
- Aligning the Ukrainian customs legislation with the Customs Union acquis
- Implementation of the best EU practices in the field of risk management process, post clearance control, customs audit, etc.
- Customs enforcement of intellectual property rights
- Raising awareness of the customs reform agenda



### IT

- Development of IT strategies for Partner Institutions
- Development and deployment of IT solutions in the PFM area, in particular: NCTS, IT system for budget planning and monitoring, Single Tax Account, automatic exchange of information under CRS/CbC standards, a platform for the tax disputes administration, Contact Centre for the State Tax Service, transfer pricing, etc.



### Budget Process Modernisation

- Strengthening capacities in MoF and key spending units in medium-term budgetary planning including macroeconomic forecasting and risk management
- Implementation of capacity building tools in the field of public internal financial control
- Improvement of the Ukrainian public sector accounting regulatory framework in line with international standards
- Raising awareness of the budget process reform agenda



### Tax

- Aligning the Ukrainian tax legislation with EU legislative and administrative framework
- Implementation of international initiatives for fighting tax avoidance and evasion
- Facilitation of voluntary tax compliance for taxpayers
- Implementation of the most advanced tax administration practices, in particular: e-audit, transfer pricing control, risk management-based approach
- Raising awareness of the tax reform agenda



### People Management

- Development of relevant tools to design and implement modern Human resources management practices in PFM institutions, in particular: Competency Framework, staff engagement survey, adaptation system for new employees, mentorship, etc.
- Enhancing training and professional development system
- Development of HRM training courses



### Public Procurement

- Aligning the public procurement legal framework with EU acquis
- Strengthening institutional and organisational framework in public procurement, including Public-Private Partnerships/concessions and defence procurement
- Strengthening capacities of the relevant public bodies in control, audit and review of public procurement procedures
- Strengthening framework for professionalisation of public procurement officers and enhancing outreach to the participants of the public procurement market

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