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ISTANBUL ANTI-CORRUPTION ACTION PLAN

FOU ROUND OF MONITORING

UKRAINE

PROGRESS UPDATE

By TI Ukraine

This document contains the progress update and assessment of implementation of recommendations from the Third Round of Monitoring of the Istanbul Anti-Corruption Action Plan for Ukraine. This Progress Update was adopted at the ACN Plenary meeting on **14-16 September, 2016**.

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BACKGROUND

About the OECD

The OECD is a forum in which governments compare and exchange policy experiences, identify good practices in light of emerging challenges, and promote decisions and recommendations to produce better policies for better lives. The OECD's mission is to promote policies that improve economic and social well-being of people around the world. Find out more at www.oecd.org.

About the Anti-Corruption Network for Eastern Europe and Central Asia

Established in 1998, the main objective of the Anti-Corruption Network for Eastern Europe and Central Asia (ACN) is to support its member countries in their efforts to prevent and fight corruption. It provides a regional forum for the promotion of anti-corruption activities, the exchange of information, elaboration of best practices and donor co-ordination via regional meetings and seminars, peer-learning programmes and thematic projects. ACN also serves as the home for the Istanbul Anti-Corruption Action Plan. Find out more at www.oecd.org/corruption/acn/.

About the Istanbul Anti-Corruption Action Plan

The Istanbul Anti-Corruption Action Plan is a sub-regional peer-review programme launched in 2003 in the framework of the ACN. It supports anti-corruption reforms in Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Mongolia, Tajikistan, Ukraine and Uzbekistan through country reviews and continuous monitoring of participating countries' implementation of recommendations to assist in the implementation of the UN Convention against Corruption (UNCAC) and other international standards and best practice. Find out more at www.oecd.org/corruption/acn/istanbulactionplan/.

PROGRESS UPDATE METHODOLOGY SUMMARY

After the adoption of the Monitoring Report, the evaluated country presents a Progress Update at each subsequent ACN Plenary meeting.

The **Progress Update** begins with a description of the methodology, followed by the summary of the assessment of implementation of recommendations, as agreed during the Plenary Meeting of September 2016. It then goes into each recommendation separately, providing the country report, as well as the ACN and expert evaluation. Each recommendation section includes all progress updates since the last monitoring report.

The Progress Update follows the following steps:

1. Progress Update reports are prepared by country representatives

These documents include information on implementation measures taken for each recommendation, and may also cover additional anti-corruption developments. Country representatives submit a written Progress Update report to the ACN Secretariat through appointed National Co-ordinators, together with supporting documents, such as laws and statistical data. Civil society also submits alternative reports on progress.

2. Preparation of preliminary assessment by ACN Secretariat and experts

The Secretariat and the experts who contributed to the Monitoring Reports (or delegates replacing the experts) study the Progress Update reports and prepare a draft progress assessment for the Plenary Meeting. Civil society is also invited to contribute to the evaluation.

3. Discussion at ACN Plenary meeting

ACN Secretariat and experts discuss the Progress Update during a bilateral preparatory meeting with country representatives. The Plenary then discusses and endorses the assessment.

4. Finalisation of Progress Update

Following the Plenary Meeting, the Secretariat adds the final assessment to the Progress Update reports, finalises and publishes them on the ACN website.

PROGRESS UPDATE SUMMARY

16th ACN Istanbul Action Plan Meeting on 7-9 October 2015: Progress update was presented by Andrii Yaychuk, Deputy Head of the Anti-corruption Department of the Ministry of Justice, which acts as the National Coordinator. The assessment was prepared by Milica Bozanic, Serbian Anti-Corruption Agency; Peter Koski, US Department of Justice; Evgeny Smirnov, EBRD; Wojtek Zielinski and Daniel Ivarsson from the OECD-EU SIGMA. Olga Savran and Dmytro Kotliar from the ACN Secretariat coordinated the compiled the assessment. The plenary meeting noted that only 6 months have passed since the adoption of the last monitoring report on Ukraine, but despite this short period of time, Ukraine has showed progress in addressing 13 recommendations, only 5 recommendations show the lack of progress. In addition to the issues covered by the recommendations, the meeting welcomed the important progress in reforming the traffic police that was presented by Eka Zguladze, Deputy Minister of Interior of Ukraine, and Chris Smith, US Embassy in Ukraine, on 7 October 2015 at the joint session of the ACN and OECD/DAC Anti-Corruption Task Team. The meeting also took note of information about the forthcoming AntiCorruption Conference that will take place in Kyiv on 16 November 2015.

17th ACN Plenary on 14-15 September, 2016: Progress update presented by Mr Bogdan Shapka, the National Agency for Corruption Prevention, Ukraine. The assessment was prepared and presented by Ms Maja Barišević, Head of Sector for Anti-Corruption, Ministry of Justice, Croatia; Ms Mariam Tutberidze, Senior Legal Advisor of the Strategic Development Unit, Ministry of Justice, Georgia; Ms Aziza Umarova, Advisor on Public Sector Innovation, Global Centre for Public Service Excellence, UNDP; and Ms Liubov Samokhina from the ACN Secretariat. The Plenary concluded that, out of a total of 18 recommendations, Ukraine has showed significant progress in addressing two recommendations, progress – in implementing eleven recommendations and lack of progress – in complying with five recommendations.

Recommendation	Progress in implementation	
	16 th Plenary Meeting October 2015	17 th Plenary Meeting
Recommendation 1.1-1.2: Political will and anti-corruption policy	Progress	Lack of Progress ¹
Recommendation 1.3: Corruption surveys	No progress	Lack of progress
Recommendation 1.4-1.5: Public participation, awareness raising	Progress	Progress
Recommendation 1.6: Anti-corruption co-ordination institutions	No progress	Progress
Recommendation 2.1-2.2:	No progress	Lack of progress

¹ A new methodology with new ratings has been adopted for the Fourth Round of Monitoring of the Istanbul Anti-Corruption Action Plan. The full methodology is available online here (document to be uploaded and linked).

Offences and elements of offences		
Recommendation 2.5: Confiscation	Progress	Progress
Recommendation 2.6: Immunities	Progress	Progress
Recommendation 2.7: MLA	Progress	Progress
Recommendation 2.8: Effectiveness of law enforcement	Progress	Progress
Recommendation 2.9: Specialised law enforcement bodies	Progress	Progress
Recommendation 3.2: Integrity in civil service	No progress	Progress
Recommendation 3.3: Transparency and reducing	No progress	Lack of progress
Recommendation 3.4: Public financial control and audit	Progress	Lack of progress
Recommendation 3.5: Public procurement	Progress	Significant progress
Recommendation 3.6: Access to information	Progress	Progress
Recommendation 3.7: Party financing	Progress	Progress
Recommendation 3.8: Integrity in the judiciary	Progress	Significant progress
Recommendation 3.9: Business integrity	Progress	Progress

Note:

Significant progress - important practical measures were taken by the country to adequately address many elements of the recommendation (more than a half). This can involve the adoption and/or enforcement of an important law.

Progress - some practical measures were taken towards the implementation of the recommendation. For example, drafts of laws that have been at least approved by the government and submitted to the parliament would constitute "progress" for the assessment of Progress Updates.

Lack of progress - no such actions were taken.

Recommendations, that appear to be fully addressed can be closed for the progress update procedure and further evaluated only as a part of the monitoring procedure.

PROGRESS UPDATES BY RECOMMENDATION

Recommendation 1.1 – 1.2: Political will and anti-corruption policy

Develop and adopt without delay an action plan for the 2014 Anti-Corruption Strategy with effective measures and measureable performance indicators.

Allocate proper budget for the Anti-Corruption Strategy and its action plan implementation.

17TH ACN Plenary Meeting, September 2016

NGO report

The implementation plan itself exists in the form of State anti-corruption program on 2015-2017, approved by the Cabinet of Ministers of Ukraine. It provides for certain activities and timelines, as well as responsible individuals. It should be noted that timelines according to a number of components have been missed, which implies the need for the program to be reviewed. In many respects the program implementation is slow enough because of ineffective work of National Agency for the Prevention of Corruption (NAPC), which is responsible for most of the activities.

There is simply not enough money in the budget for the implementation of the strategy. Let us consider the example with the NAPC. In 2016, the NAPC is to receive UAH 93,379,800. UAH 63,544,300 is allocated for salaries. UAH 30,370,800 – for financial and logistical support, which is not enough for the newly created body. For instance, the budget of a similar body in Latvia is USD 5,4 mln, which is UAH 140 mln in Ukraine.

Assessment of Progress - 17th Plenary: SIGNIFICANT PROGRESS/PROGRESS/LACK OF PROGRESS

LACK OF PROGRESS

Recommendation 1.3: Corruption surveys

Conduct regular corruption surveys to provide analytical basis for the monitoring of implementation of the Anti-Corruption Strategy and its future updates.

Such surveys should be commissioned by the government, through an open and competitive tender.

Use surveys conducted by non-governmental organisations for the monitoring of the AntiCorruption Strategy implementation and adjustment of the anti-corruption policy.

17TH ACN Plenary Meeting, September 2016

NGO report

State anti-corruption researches are practically not conducted. According to the existing legislation, the NAPC is a responsible body for such researches. As the NAPC does not fully function, this sphere is without due attention at present. At the same time government agencies sometimes consider anti-corruption researches by NGOs. Some certain collaboration in this direction takes place in the framework of the National Reforms Council.

Assessment of Progress - 17th Plenary: SIGNIFICANT PROGRESS/PROGRESS/LACK OF PROGRESS

LACK OF PROGRESS

Recommendation 1.4 - 1.5: Public participation, awareness raising

Ensure that there is a functioning institutional mechanism for civil society participation in the designing and monitoring of the Anti-Corruption Strategy and Action Plan implementation.

Include systemic awareness-raising and anti-corruption public education in the Government anti-corruption measures.

Engage civil society in the development and delivery of education and awareness raising activities.

17TH ACN Plenary Meeting, September 2016

NGO report

No data

Assessment of Progress - 17th Plenary: SIGNIFICANT PROGRESS/PROGRESS/LACK OF PROGRESS

No data

Recommendation 1.6: Anti-corruption co-ordination institutions

Ensure effective operation of the new National Council on Anti-Corruption Policy; consider assigning the function of its secretariat to the National Agency for Corruption Prevention.

Establish without delay and ensure effective and independent functioning of the National Agency for Corruption Prevention.

Ensure that the budget of the National Agency for Corruption Prevention provides for the necessary resources and operational autonomy.

Subordinate anti-corruption units/officers in executive bodies to the National Agency for Corruption Prevention.

Provide necessary training and other capacity building support to the staff of the National Agency for Corruption Prevention.

Develop effective mechanism of coordination between the National Agency for Corruption Prevention, National Anti-Corruption Bureau, and other executive, legislative and judiciary authorities.

Ensure in practice functioning of an effective mechanism for NGO participation in the work of the National Agency for Corruption Prevention.

17TH ACN Plenary Meeting, September 2016

NGO report

At present the NACP does not fully function. The fifth member has not been yet selected (the competition is now practically frozen). The NACP's staff has been formed partially as well. One more significant challenge is material aspect: office premises, transport, equipment, office furniture either lack or in totally unusable condition. The NACP does not have its own premises and is situated on several floors of the building of the Ministry of Economic Development. The NACP members are under constant pressure all the time. Most of them, excluding R. Riaboshapka, sometimes take decisions under dictates from the outside, which negatively influences the atmosphere within the agency and devalue the already existing society's lack of confidence. Accordingly, it is impossible to fulfil recommendations, namely to assume functions of the National Council on Anti-corruption Policy, initiate subordination of civil servants/ the authorized subdivisions (persons) for the issues of corruption prevention and counteraction to the NACP, provide effective coordination with the National Anti-Corruption Bureau. Alongside with that, trainings for the NACP staff with the support of UNDP and other international partners are constantly conducted. The civil society provides constant monitoring of the NACP's activity (i.e. being present at the NACP's meetings). At the same time legal mechanism (the Civic Council at the NACP) has not been still implemented in practice. The civil society supports the electronic voting, while the Cabinet of Ministers of Ukraine and some members of the NACP choose the formation of the constituent assembly of non-governmental organisations. The latter method is being criticized as there exists a real opportunity to establish controlled Civic Council at the NACP.

Assessment of Progress - 17th Plenary: SIGNIFICANT PROGRESS/PROGRESS/LACK OF PROGRESS

LACK OF PROGRESS

Recommendation 2.1-2.2: Offences and elements of offences

Expand the statute of limitations for all corruption offences to at least 5 years and provide for suspension of the statute of limitations during the period an official enjoyed immunity from criminal prosecution.

Provide adequate training and resources to prosecutors and investigators to ensure the effective enforcement of new criminal law provisions, in particular with regard to such offences as illicit enrichment, trafficking in influence, offer and promise of unlawful benefit, definition of unlawful benefit including intangible and non-pecuniary benefits, criminal measures to legal persons, new definition of money laundering.

Analyse practice of application of the new provisions on corporate liability for corruption and, based on results of such analysis, introduce amendments to address deficiencies detected. Ensure autonomous nature of the corporate liability.

17TH ACN Plenary Meeting, September 2016

NGO report

No data

Assessment of Progress - 17th Plenary: SIGNIFICANT PROGRESS/PROGRESS/LACK OF PROGRESS

Nod data

Recommendation 2.5: Confiscation

Ensure that confiscation of assets obtained as a result of crime, their proceeds, or their equivalent in value is applied to all corruption and related crimes in line with international standards; collect and analyse statistics on the application of special confiscation measures (both under criminal and criminal procedure codes).

Implement an efficient procedure for identification and seizure of proceeds from corruption; consider setting up a special unit responsible for tracing and seizing property that may be subject to confiscation.

Introduce extended (civil or criminal) confiscation of assets of perpetrators of corruption crimes in line with international standards and best practice.

17TH ACN Plenary Meeting, September 2016

NGO report

No data

Assessment of Progress - 17th Plenary: SIGNIFICANT PROGRESS/PROGRESS/LACK OF PROGRESS

No data

Recommendation 2.6: Immunities and statute of limitations

Review legislation to ensure that the procedures for lifting immunities of MPs and judges are transparent, efficient, based on objective criteria and not subject to misuse.

Limit immunity of judges and parliamentarians to a certain extent, e.g. by introducing functional immunity and allowing arrest in cases of in flagrante delicto.

Revoke additional restrictions on the investigative measures with regard to MPs, which are not provided for in the Constitution of Ukraine.

17TH ACN Plenary Meeting, September 2016

NGO report

No data

Assessment of Progress - 17th Plenary: SIGNIFICANT PROGRESS/PROGRESS/LACK OF PROGRESS

No data

Recommendation 2.7: MLA

Step up efforts in obtaining mutual legal assistance in corruption cases, in particular with a view to recover assets allegedly stolen by the officials of Yanukovich regime.

Review procedures on assets recovery to ensure that they are effective and allow swift repatriation of stolen assets.

Raise capacity of the Prosecutor's General Office and other agencies (notably, the newly established National Anti-Corruption Bureau) on mutual legal assistance and asset recovery issues.

Establish national mechanism for independent and transparent administration of stolen assets recovered from abroad.

17TH ACN Plenary Meeting, September 2016

NGO report

TI Ukraine does not see any progress in the international activity of the Prosecutor General's Office (PGO) of Ukraine concerning the corrupt practices of Yanukovich and his allies from the EU sanctions list. There is no valid information on any improvements. National investigations, conducted by the PGO have not been yet completed. The PGO shows the openness and readiness to cooperate. At the same time positive trends have been identified in the work of the Specialized Anti-Corruption Prosecutor's Office and the National Anti-Corruption Bureau of Ukraine on the issues of international cooperation (for instance, a successful example of frozen immovable property of the corrupt judge in Spain). Obviously, new anti-corruption bodies more effectively implement their international potential on the fight against corruption. It is important to mention the adoption of the law of Ukraine "On the National Agency of Ukraine for Detection and Management of Assets Derived from Corruption and Other Crime". The competition for the position of the Head of the Agency is still ongoing. After the Agency is established, the mechanism of independent and transparent management of the stolen assets returned from abroad will appear in Ukraine.

Assessment of Progress - 17th Plenary: SIGNIFICANT PROGRESS/PROGRESS/LACK OF PROGRESS
PROGRESS

Recommendation 2.8: Effectiveness of law enforcement

Consider establishing a centralised register of bank accounts, including information about beneficial ownership, that should be accessible for investigative agencies without court order in order to swiftly identify bank accounts in the course of financial investigations.

Ensure direct access of investigative agencies dealing with financial investigations to tax and customs databases with due protection of personal data.

Step up law enforcement efforts in prosecution of corruption offences with the focus on high-level public officials and corruption schemes affecting whole sectors of economy.

Ensure free access via Internet to regularly updated detailed statistic data on criminal and other corruption offences, in particular on the number of reports of such offences, number of registered cases, the outcomes of their investigation, criminal prosecution and court proceedings (with data on sanctions imposed and categories of the accused depending on their position and place of work). Statistical data should be accompanied with analysis of trends in corruption offences.

17TH ACN Plenary Meeting, September 2016

NGO report

No data

Assessment of Progress - 17th Plenary: SIGNIFICANT PROGRESS/PROGRESS/LACK OF PROGRESS

No data

Recommendation 2.9: Specialised law enforcement bodies

Ensure swift establishment and genuine independence of the National Anti-Corruption Bureau, in particular by excluding political bodies from the process of the Bureau's head selection, ensuring his job security, providing it with necessary resources, including the salaries for the Bureau's staff as established by the law.

Consider introducing amendments in the Constitution of Ukraine to provide legal basis for functioning of independent anti-corruption agencies (law enforcement and preventive).

Ensure operational and institutional autonomy of the specialized anti-corruption prosecutor's office dealing with cases in jurisdiction of the National Anti-Corruption Bureau.

Consider introducing specialized anti-corruption courts or judges

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NGO report

The National Anti-Corruption Bureau (NABU) is practically fully functioning: staff is formed, and is provided with necessary equipment, regional offices are opened (in particular, in Lviv). The National Anti-Corruption Bureau is under constant pressure from politicians and the media. The pressure is due to the high-profile investigations of the NABU against deputies, judges, and prosecutors. Amendments to the Constitution of Ukraine concerning the status of anti-corruption bodies are not included in today's agenda of the Parliament. An important issue is giving the NABU a right to independently gather information from the communication channels of the mobile and stationary phone providers. The corresponding draft law is planned to be considered in Autumn, but there are real concerns that it will be blocked. The Specialized Anti-Corruption Prosecutor's Office is an independent structure with separate premises, personnel, selected through the competition and provided with all necessary working conditions. The Head of the Specialized Anti-Corruption Prosecutor's Office conducts an independent policy enough. On June 2, 2016 a new law "On Judiciary and Status of Judges" was adopted, which provides for the creation of specialized anti-corruption courts. To implement it, a separate law is needed. TI Ukraine awaits counteraction from the uninterested circles opposing the adoption of this law. After anti-corruption courts are established in Ukraine, and independent mechanism to fight corruption will be finally formed.

Assessment of Progress - 17th Plenary: SIGNIFICANT PROGRESS/PROGRESS/LACK OF PROGRESS

SIGNIFICANT PROGRESS

Recommendation 3.2: Integrity in civil service

Legal framework for integrity in civil service

-Reform the legislation on Civil Service in order to introduce clear delineation of political and professional civil servants, principles of legality and impartiality, of merit based competitive appointment and promotion and other framework requirements applicable to all civil servants, in line with good European and international practice.

-Review and reform rules for recruitment, promotion, discipline and dismissal of civil servants and develop clear guidelines and criteria for these processes, in order to limit discretion and arbitrary decisions of managers, to ensure professionalism of civil service and protect it from politisation.

- Review and reform remuneration schemes in order to ensure that flexible share of the salary does not represent a dominant part and is provided in transparent and objective manner based on clearly established criteria.

-Ensure decent salaries.

-Establish a clear and well balanced set of rights and duties for civil servants.

• Once the new law is adopted and enacted: Implement the regulations on recruitment and selection of civil servants, including the senior civil servants, based on merit, equal opportunity and open competition to ensure professionalism and avoid direct or indirect political influence on civil service as foreseen in the Law on Civil Service.

• Implement and ensure effective functioning of the regulations on conflict of interest, asset declarations, code of ethics and whistle-blower protection as foreseen in the Law on Prevention of Corruption.

• Consider adopting a stand-alone whistle-blower protection law to cover both public and private sector.

17TH ACN Plenary Meeting, September 2016

NGO report

The implementation of a new law of Ukraine "On State Service" is taking place. At the same time salaries of civil servants remain low and depend on many factors. The e-declaration system is planned to be launched starting from September 1. However, lack of support from the authorities in this process should be mentioned. Since recently one of the NAPC's directions is conflict of interest. Necessary bylaws are adopted, trainings and seminars are conducted. Another important issue is protection of whistleblowers in public and private spheres. The legislative work is rather active in this sphere.

Assessment of Progress - 17th Plenary: SIGNIFICANT PROGRESS/PROGRESS/LACK OF PROGRESS

PROGRESS

Recommendation 3.3: Transparency and reducing

Develop and adopt Code of Administrative Procedures without delay, based on best international practice.

Take further steps in ensuring transparency and discretion in public administration, for example, by encouraging participation of the public and implementing screening of legislation also in the course of drafting legislation in the parliament.

Step up efforts to improve transparency and discretion in risk areas, including tax and customs, and other sectors.

17TH ACN Plenary Meeting, September 2016

NGO report

No data

Assessment of Progress - 17th Plenary: SIGNIFICANT PROGRESS/PROGRESS/LACK OF PROGRESS

No data

Recommendation 3.4: Public financial control and audit

Continue reforming the State Financial Inspection Service by improving the risk based approach, developing an intelligence function, training the staff in analysing expenditures for suspicions of fraud and corruption.

Revise the Law on the Accounting Chamber to strengthen independence and effectiveness of the Chamber in line with international standards. Increase transparency of the Accounting Chamber's operations by ensuring publication on Internet and free public access to information on audit activities, including to all audit reports and results of investigations by the prosecutor's office on corruption cases detected by the Accounting Chamber

Consider revising the legal framework on Financial Management and Control by bringing together the current legal provisions in more than 70 by-laws in one Financial Management and Control law and implement this law in phases.

Adopt an internal audit law in order to strengthen the independent position of the internal audit units and consequently improve the quality of internal audit results.

17TH ACN Plenary Meeting, September 2016

NGO report

No data

Assessment of Progress - 17th Plenary: SIGNIFICANT PROGRESS/PROGRESS/LACK OF PROGRESS

No data

Recommendation 3.5: Public procurement

Continue reforming the public procurement system, based on regular assessment of application of the new Law on Public Procurement, in particular with a view to maximise the coverage of the Public Procurement Law, minimise application of non-competitive procedures. At the same time ensure that any changes to the Public Procurement Law are subject to public consultations.

Establish e-procurement system covering all procurement procedures envisaged by the Public Procurement Law.

Ensure that entities participating in the public procurement process are required to implement internal anti-corruption programmes. Introduce mandatory anti-corruption statements in tender submissions.

Ensure that the debarment system is fully operational, in particular that legal entities or their officials who have been held liable for corruption offences or bid rigging are barred from participation in the public procurement.

Arrange regular trainings for private sector participants and procuring entities on integrity in public procurement at central and local level, and for law enforcement and state control organisations – on public procurement procedures and prevention of corruption.

Increase transparency of public procurement by ensuring publication and free access to information on specific procurements on Internet, including procurement contracts and results of procurement by publicly owned companies.

17TH ACN Plenary Meeting, September 2016

NGO report

The public procurement reform has continued by implementing the maximum open and transparent e-procurement system ProZorro. A new law “On Public Procurement” has been adopted according to which the e-procurement system became obligatory since August 1, 2016. In the framework of changes under threshold bidding were introduced to the competitive market, which previously were concluded by direct contracts. There were no new changes, increasing a number of non-competitive procedures. As if “non-competitive” negotiating procedure for the needs of the Ministry of Defense is being held through the ProZorro auction with the average number of participants not more than four.

Absolutely all changes proposed by the Ministry of Economic Development and Trade of Ukraine are publicly discussed. The procedure of such discussion is informal: remarks and proposals are taken into account.

The provision for obligatory anti-corruption programs was introduced as a requirement for bidding with an expected value of more than UAH 20 mln.

The requirement concerning the denial to making procurement by legal entities who previously were brought to justice is obligatory (Art/ 17 of the Law “On Public Procurement”). The work is currently being done as to the integration of the data bases of ProZorro, the Ministry of Internal Affairs, the Ministry of Justice, Anti-Monopoly Committee of Ukraine for automatic fixing of similar cases (excluding human factor).

The online course of the Prometheus platform has also been launched, including the anti-corruption items in public procurement. Public authorities, business, and NGOs have an opportunity to attend trainings on the system operation and analytics module as well as integrity of players inside the

system.

The principle “Everyone Sees Everything” is implemented within the ProZorro system. Any person may download online any document concerning procurement (including commercial proposals of all tender participants, technical and qualification information). The information on contracts, amendments to them, and the contracts themselves are published in the system (as scan copies).

Assessment of Progress - 17th Plenary: SIGNIFICANT PROGRESS/PROGRESS/LACK OF PROGRESS

SIGNIFICANT PROGRESS

Recommendation 3.6: Access to information

- 1) Strengthen the system of regulation of political party financing by establishing limits on membership fees, broadly defining the term “donation” to include in-kind donations, extending donation restrictions to all entities related or controlled by the party, specifying rules on publication of information on donations, prohibiting donations from companies that received funding through public procurement or other public source.**
- 2) Ensure balance between private and public funding of the political parties and implement restrictions on the use of funds received from the state budget. Provide public funding to parties that obtained a certain level of popular support at the national elections even if it is lower than the electoral threshold.**
- 3) Ensure transparency of party finances, by requiring detailed annual consolidated financial reports with all contributions (except for very small ones) and each contributor, as well as all party expenses reported; such reports should be standardised and published on the internet.**
- 4) Improve rules for disclosure of election campaign finances, including submission and publication of detailed financial reports before election day.**
- 5) Establish without delay a system of independent monitoring and supervision for party finances and financing of election campaigns with adequate resources and powers, in particular to impose proportionate and dissuasive sanctions. Consider assigning powers of supervision over political party financing to the Anti-Corruption Agency. Ensure that the General Election Commission is a professional and independent body consisting of employed full-time members selected according to their merit, preferably based on an open competition.**
- 6) Revise the rules on ethics and integrity of members of the parliament, including decision-making procedure for violations, and ensure an effective mechanism of their enforcement.**

17TH ACN Plenary Meeting, September 2016

NGO report

No data

Assessment of Progress - 17th Plenary: SIGNIFICANT PROGRESS/PROGRESS/LACK OF PROGRESS

No data

Recommendation 3.7: Party financing

Adopt, without further delay, comprehensive reform of the political party and election campaign financing in line with Council of Europe standards, in particular by establishing restrictions on contributions and membership fee, ensuring transparency of party finances and electoral expenses through regular reporting and disclosure of detailed information on party and electoral campaign accounts, providing effective sanctions and establishing supervision mechanism with adequate powers and resources.

To ensure balance between private and public funding, re-introduce direct state financing of political parties according to the results of the parliamentary elections in line with best European practice.

Reinforce rules on integrity and corruption prevention for officials holding political offices, in particular by establishing special regulations and enforcement mechanism for conflict of interests for the parliament and Government members

17TH ACN Plenary Meeting, September 2016

NGO report

UAH 391 mln is budgeted on political parties financing in Ukraine. The most of them have transferred their financial reports to the NAPC. The state financing sphere has been increasingly promoted. Though both politicians and citizens have mixed feelings on this matter. It is worth mentioning that active work on drafting the Ethics Code for MPs is ongoing.

Assessment of Progress - 17th Plenary: SIGNIFICANT PROGRESS/PROGRESS/LACK OF PROGRESS
PROGRESS

Recommendation 3.8: Private sector

Adopt, without further delay, a constitutional reform to bring provisions on the judiciary in line with European standards and recommendations of the Venice Commission, in particular with regard to appointment and dismissal of judges, their life tenure, composition of the High Council of Justice.

Introduce comprehensive changes in the legislation on the judiciary and status of judges, procedural legislation in particular to revise provisions on the system of judicial self-governance, disciplinary proceedings, dismissal and recusal of judges to guarantee their impartiality and protection of judicial independence.

Ensure sufficient and transparent funding of the judiciary and remuneration of judges that is commensurate to their role and reduces corruption risks.

Make public on Internet all court decisions, including interim ones.

Review system of automated distribution of cases among judges to remove loopholes that allow manipulating the system and ensure that results of automated distribution are public and included in the case-file. Introduce ICT tools in the judicial procedures and court functioning (e.g. electronic filing of lawsuits and other legal documents).

17TH ACN Plenary Meeting, September 2016

NGO report

No data

Assessment of Progress - 17th Plenary: SIGNIFICANT PROGRESS/PROGRESS/LACK OF PROGRESS

No data

Recommendation 3.9: Business integrity

Rigorously implement provisions of section 6 of the 2014 Anti-Corruption Strategy on the prevention of corruption in the private sector.

Ensure business participation in the development of the Action Plan for the Anti-Corruption Strategy and its implementation and monitoring.

Pursue further simplification of business regulations to reduce opportunities for corruption and eliminate corruption schemes affecting business.

Consider introducing regulations for lobbying, in particular clear regulations for business participation in the development and adoption of laws and regulatory acts.

Ensure that the business has a possibility to report corruption cases without fear of prosecution or other unfavourable consequences.

17TH ACN Plenary Meeting, September 2016

NGO report

Business is attracted to the development of anti-corruption activities within the authorities. Active deregulation in the Ministry of Agrarian Policy and other agencies is taking place. Business has confidence in new anti-corruption bodies (such as National Anti-Corruption Bureau of Ukraine, Special Anti-Corruption Prosecutor's Office) and addresses them reporting on corruption. Business' participation will be more active when the NAPC will fully function. Legislation in the sphere of lobbying has not been adopted yet in Ukraine. Active actions are not taken in this direction.

Assessment of Progress - 17th Plenary: SIGNIFICANT PROGRESS/PROGRESS/LACK OF PROGRESS

PROGRESS

OTHER MAJOR ANTI-CORRUPTION DEVELOPMENTS

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<ol style="list-style-type: none"><li data-bbox="252 376 512 412">1. Description, link<li data-bbox="252 416 272 452">2.