Role of the Anti-corruption Agency in Promoting Business Integrity – THE CASE OF UKRAINE

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Member of the Council
National Agency for Prevention Corruption of Ukraine
8 November, 2017, Vienna
In the World Corruption Perception Index (CPI) for 2017, Ukraine received 31 points out of 100 possible.

In Doing Business Ranking Ukraine has improved significantly since 2013 – now 76th in the world.

Note: Ukraine ranks 76th in the “Doing Business 2018”, which was published in October 2017.
THE MAIN ANTI-CORRUPTION REFORMS AREAS 2014-2017

- The anti-corruption legislation package and setting up corruption the anti-corruption institutions
- E-procurement system – ProZorro
- Electronic System of Asset declarations with the open access to data
- Opening up public registries and information on public finances, opening beneficial ownership registers
- Reforms in banking and energy sector
- Constitutional admedments and new legislation on Judiciary
- Civil Service law and public administration reform strategy in line with EU standards
- National Police reform

NACP is one of the three new specialized anti-corruption institutions of Ukraine established in 2016.

**National Anti-Corruption Bureau of Ukraine**
- investigation of corruption crimes committed by high officials

**Specialized Anti-Corruption Prosecutor’s Office**
- support of criminal proceedings of NABU

**National Agency on Corruption Prevention**
- as opposed to NABU and SAPO, which are law-enforcement institutions, NACP has a preventive function: it develops and ensures compliance with the regulations that would help prevent corruption.
CORRUPTION PREVENTION AND BUILDING INTEGRITY IN PRIVATE SECTOR IN UKRAINE

NATIONAL AGENCY ON CORRUPTION PREVENTION

**ANTI-CORRUPTION POLICY**
- Formation of anti-corruption strategy and implementation of anti-corruption policy;
  - Conduct research on status of corruption;
  - Carrying out awareness campaigns to enhance the negative procurement to corruption by society;
  - Anti-corruption expertise.

**ASSET DECLARATION FOR PUBLIC OFFICIALS**
- Verification of public officials e-asset declarations;
  - Public officials lifestyle monitoring;
  - Documenting administrative offences against financial control regulation;
  - Drawing up protocols on administrative violations of the requirements of financial control

**CONFLICT OF INTERES**
- Prevention of conflicts of interest of public officials;
  - Ethical standards;
  - Monitoring compliance with legislative restrictions on receiving gifts and outside employment;
  - Drawing up protocols on administrative violations in this area.

**CORRUPTION PREVENTION AND COOPERATION WITH WISTLEBLOWERS**
- Cooperation with whistle-blowers of corruption and their protection;
  - Anti-corruption programs of government agencies and typical anti-corruption programs for legal entities;
  - Corruption risks analysis;

**POLITICAL CORRUPTION PREVENTION**
- Supervision over political parties financial reports, including donations from the companies;
  - State funding of political parties;
  - Documenting administrative offences in this field.
Anticorruption Strategy for 2014-2017

- abolishing obligatory putting the seal on corporate documents
- abolishing control over prices on food products
- abolished a number of obligatory licenses and permission documents in some sectors of economy and has introduced the «silent agreement» principle
- introduced automated VAT (value added tax) return (reclaim) system
- opened access to all state registries, including the State Registry of Intangible Assets (Property)
- introduced electronic open source government e-procurement system ProZorro

Draft of Anticorruption Strategy for 2018-2020

- to ensure the centralization of state property management systems with the consolidation of specific functions for each state body
- to provide open on-line access to information about state and communal property
- to reduce the number of enterprises in the state sector of the economy through privatization, mergers into integrated holdings or liquidation
- to develop and, as a matter of priority, adopt the Code of Administrative Procedure of Ukraine
- to introduce monitoring of the activities of public and communal enterprises and a mechanism for disclosure of their activities
LEVEL OF PERCEPTION OF CORRUPTION

GENERAL EVALUATION OF THE EXTENSION OF CORRUPTION IN UKRAINE

![Bar chart showing perception of corruption by different groups: 4.5 for business, 4.52 for people, and 4.42 for experts.]

Source: NAPC, “Corruption in Ukraine 2017”, Survey data, in cooperation with OSCE, September 2017

Note: Perception of corruption is similar among different groups - businesses, general population, experts in Ukraine; it remains high.

When asked to evaluate level of corruption in different institutions the data show a more favorable view. The experts view the Ukrainian institutions as more clean of corruption than the general public, and businesses are the most critical of the performance of the institutions.
STATE AUTHORITIES AND LOCAL GOVERNMENT
As reported by businesses who had direct contact

<table>
<thead>
<tr>
<th>Service</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receiving permission documents for culture heritage protection</td>
<td>24.7%</td>
</tr>
<tr>
<td>Receiving Phytosanitary Certificates, Quarantine Certificate, ETC</td>
<td>23.7%</td>
</tr>
<tr>
<td>Receiving conclusions, approvals, or permissions</td>
<td>19.1%</td>
</tr>
<tr>
<td>Receiving permission documents/licenses for utilization of...</td>
<td>16.0%</td>
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<tr>
<td>Receiving funding from the budget</td>
<td>12.9%</td>
</tr>
<tr>
<td>Receiving vet documents</td>
<td>12.4%</td>
</tr>
<tr>
<td>Receiving permission documents/licenses for providing employment...</td>
<td>10.3%</td>
</tr>
<tr>
<td>Receiving Phytosanitary Certificates, Quarantine Certificate, ETC</td>
<td>9.3%</td>
</tr>
<tr>
<td>Receiving permission documents for special use</td>
<td>8.2%</td>
</tr>
<tr>
<td>Receiving permission for production or...</td>
<td>8.2%</td>
</tr>
<tr>
<td>Bringing you or your workers to liability</td>
<td>7.2%</td>
</tr>
<tr>
<td>Receiving permission documents for specified professional...</td>
<td>6.2%</td>
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<tr>
<td>Receiving permission documents/licenses for utilization of...</td>
<td>6.2%</td>
</tr>
<tr>
<td>Receiving permission for production or...</td>
<td>5.7%</td>
</tr>
<tr>
<td>Receiving permission for production or...</td>
<td>5.2%</td>
</tr>
<tr>
<td>Receiving transportation licenses</td>
<td>4.1%</td>
</tr>
<tr>
<td>Receiving permission documents for manufacturing/trade in medicine</td>
<td>4.1%</td>
</tr>
<tr>
<td>Receiving permission documents for culture heritage protection</td>
<td>3.6%</td>
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<tr>
<td>Receiving conclusion, approvals, or permissions</td>
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<tr>
<td>Receiving conclusion, approvals, or permissions</td>
<td>0.5%</td>
</tr>
</tbody>
</table>

Source: NAPC, “Corruption in Ukraine 2017”, Survey data, in cooperation with OSCE, September 2017
NACP adopted Anticorruption Program for State Enterprises and Legal Entities that allow to provide:

- a system of compliance-control over the compliance of employees with regulatory acts
- internal procedures and rules in the field of anti-corruption activities

A typical anti-corruption program includes anti-corruption measures

- periodic evaluation of corruption risks in the activity of a legal entity
- anti-corruption check of business partners
- provisions on mandatory compliance with the anti-corruption program
- criteria for selecting business partners of a legal entity
ANTICORRUPTION PROGRAM WAS ADOPTED IN 249 STATE ENTERPRISES AND LEGAL ENTITIES:

• Ukrainian State Enterprise of Posts “Ukrposhta”,
• SEO "Boryspil International Airport",
• SEO "National Information Systems",
• SEO "Ukrgasbank"
• SEO in form of PJSC "Privatbank",
• Municipal Enterprise "Kyivpastrans",
• State Enterprise “National Nuclear Energy Generating Company “Energoatom”,
• Municipal Enterprise “Kyivmetro”,
• Concern for Broadcasting, Radio Broadcasting and Television.
THANK YOU FOR YOUR ATTENTION !!!

For questions related to this presentation please contact the NAPC (courtesy of the UNDP Ukraine Enhanced Transparency and Integrity Project) at eti.ua@undp.org