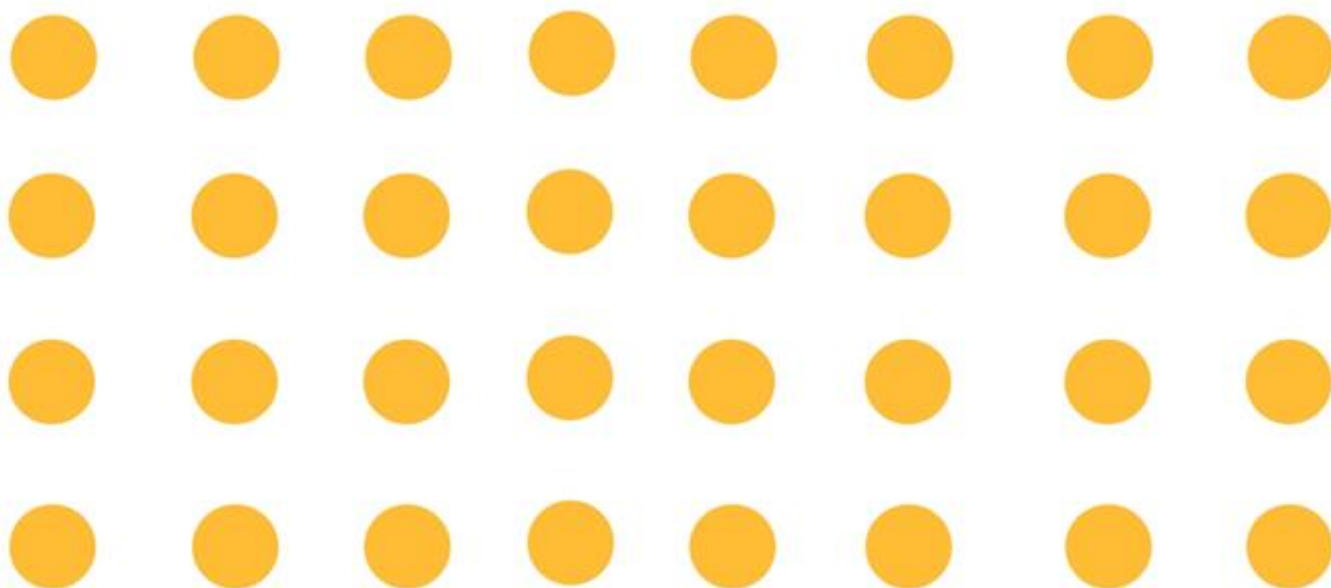


ANTI-CORRUPTION STRATEGY

for 2020 - 2024



Kyiv - 2020

Draft

PRINCIPLES
of the State Anti-Corruption Policy
in Ukraine (Anti-Corruption Strategy)
for 2020 – 2024

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I. GENERAL PROVISIONS

1.1. Introduction

Findings of sociological surveys show that there has been a substantial decrease in the share of citizens which had directly experienced corruption over the last years (not more than 40% in the beginning of 2020 compared to around 60% in 2013). There is also gradual improvement in the comparative indicators of the level of corruption in Ukraine. Based on a “Transparency International” report, Ukraine’s score on the Corruption Perceptions Index (hereinafter referred to as “the CPI”) grew from 25 to 30 points over the period of 2013 through 2019.

However, findings of the above surveys demonstrate that progress achieved over the last years fails to satisfy society, as it is too slow. The general level of perception of corruption in Ukraine remains high (in 2019, Ukraine scored 30 points out of 100, ranking 126 out of 180 countries). Corruption remains one of the most pressing issues (based on the survey conducted in early 2020, corruption is equally important to a resolution of the crisis in Donbas).

Limited progress in implementation of anti-corruption policy in Ukraine significantly hinders economic growth. Surveys of businesses demonstrate that corruption prevalence and distrust in the judiciary are key obstacles to attracting foreign investment to Ukraine.

At the same time, experiences of countries such as Georgia and Poland, demonstrate that a substantial breakthrough in combatting corruption is possible even within a 3-5-year period, provided that the state introduces quick and efficient changes. Focusing on anti-corruption policy implementation will enable Ukraine to catch up on the CPI with other Eastern European countries - EU member-states in the nearest years and reach the average European values of the above index in 10 years.

The previous Anti-Corruption Strategy (for 2014 – 2017) and the State Program for implementation thereof, were high-quality programmatic documents having high anti-corruption potential.

This potential failed to be implemented to the full extent, primarily because of the lengthy process for the creation of anti-corruption institutions in 2014 – 2019.

Due to these documents not being revised or updated, since 2016, their provisions have gradually lost their relevance. In late 2017, the period for the Anti-Corruption Strategy for 2014 – 2017 expired. The new Anti-Corruption Strategy was not adopted. This resulted in unbalanced and ineffective anti-corruption activities of public institutions.

1.2. Concept for anti-corruption policy formation in 2020 – 2024

The objective of this Anti-Corruption Strategy is to achieve significant progress in preventing and combatting corruption, as well as to ensure coherence and consistency of anti-corruption activities of all government authorities and local government agencies. This Anti-Corruption Strategy regards corruption as the key obstacle to sustainable economic development and building efficient and inclusive democratic institutes.

The previous Anti-Corruption Strategy focused on priorities related to the creation of a system of modern anti-corruption tools (legal institutions) and the development of a system of anti-corruption agencies to ensure efficient implementation of such tools. At the same time, due to implementation of other programmatic documents, the Government narrowed the opportunities for corruption in specific sectors through sector-specific reforms.

The concept of this Anti-Corruption Strategy is based on the combination of both approaches: Sections II and IV identify key directions for further improvement of the general system for corruption prevention and combatting, and Section III identifies priority areas for the state and society from the perspective of combatting corruption.

A well-balanced combination of such approaches will enable not only decreasing the level of corruption and increasing public trust in the government, but also significantly accelerate economic growth in Ukraine. In particular, according to “Ukraine's Fight Against Corruption: The Economic Front,” research conducted in 2018, annual economic gain from anticorruption measures already implemented in certain sectors (changes in the gas market, in public procurement, deregulation, introduction of automatic value added tax refunds) amounts to UAH 150–160 billion.

The identification of priority sectors in preventing and combatting corruption for 2020 – 2024 (Section III) was based on findings of a standard survey on the level of corruption in Ukraine conducted in 2020 (which included surveys of entrepreneurs, experts and the general public), other studies on the status, dynamics and prevalence of corruption in Ukraine, as well as the results of the analysis of the effectiveness of anti-corruption policy.

Thus, according to a standard survey on the level of corruption, the key priority area in anti-corruption for both business (57% of respondents) and the population of Ukraine (52% of respondents) is to rid the judiciary of corruption. For the population of Ukraine, the following are next in priority (in descending order) healthcare (38%), police and prosecution services (37%), public sector of economy (27%), tax and customs sectors (25%), as well as political party election campaigns financing (21%). For representatives of businesses, the major priorities in countering corruption include police and prosecution services (41%), tax and customs sectors (32%), political party election campaigns financing (25%), healthcare (24%), and defense and security (23%).

The assessments of business representatives and experts on the most corrupt sectors at the moment are similar. They include customs, land relations, urban development, construction of large infrastructure facilities, and the judiciary. Various studies looking at corruption experience have shown that regular citizens experience greatest exposure to corruption when obtaining healthcare services, while business when interacting with law enforcement and prosecution agencies.

The findings of the analysis of corruption in Ukraine, the effectiveness of previous anti-corruption policies, international standards and best international practices in preventing and combatting corruption, made it possible to formulate the following fundamental principles of the anti-corruption policy for years 2020–2024:

1) streamlining functions of the state and local government, implementation of which shall provide for, in the first place: elimination of duplication of powers by different agencies; temporary suspension of ineffective powers, which are characterized by a high level of corruption risks; elimination of cases of exercise of

powers by the same agency, the combination of which creates additional corruption risk;

2) digital transformation of the exercise of powers by state authorities and local government agencies, transparency and disclosure of data as a basis for minimizing corruption risks in their activities;

3) creation, as a counterbalance to existing corrupt practices, of more user-friendly and lawful alternatives to meeting the needs of individuals and legal entities;

4) ensuring the inevitability of legal liability for corruption and corruption-related offences, which creates an additional deterrent effect for all subjects of legal relations;

5) formation of public intolerance to corruption, establishment of a culture of integrity and respect for rule of law;

The above principles must be taken into account in development of:

- program documents of the Cabinet of Ministers of Ukraine, other public authorities aiming to ensure efficient prevention of corruption in all spheres of public policy.

- anti-corruption programs of public institutions listed in part one of Article 19 of the Law of Ukraine "On Corruption Prevention" (hereinafter referred to as "the Law"), as well as in the activities of local government agencies.

1.3. Mechanism for implementation and evaluation of performance of the Anti-Corruption Strategy

The Anti-Corruption Strategy shall be implemented by way of performance of the relevant state anti-corruption program which shall be developed by the National Agency on Corruption Prevention (hereinafter referred to as "the National Agency") taking into account the peculiarities established by the Law, and approved by the Cabinet of Ministers of Ukraine for the duration of this Strategy.

For each of the priority areas, the Anti-Corruption Strategy defines the key problems and formulates strategic results to be achieved to resolve them. These results are formulated in a way to provide a clear understanding of the set of measures required for implementation.

For each of the expected strategic results, the state anti-corruption program defines measures, performance indicators of each of the measures, responsible persons, deadlines, as well as sources and volumes of funding required for implementation.

Measures defined in the state anti-corruption program shall be mandatory for implementation within the terms established therein.

In cases of improper implementation of measures of the state anti-corruption program, the National Agency shall issue an order to the head of the relevant agency on the need to ensure proper implementation of such measures and shall initiate disciplinary proceedings against the head of such agency.

Amendments to the Anti-Corruption Strategy without public discussion and taking into account the position of the National Agency shall not be allowed.

Coordination of the Anti-Corruption Strategy and implementation of measures of the state anti-corruption program shall be performed by the National Agency according to the procedure defined by the latter. As needed, the Anti-Corruption Policy

Coordination Working Group may be set up at the National Agency, which shall be an advisory body.

The sources of funding for implementation of the Anti-Corruption Strategy shall include funds of the state budget, local budgets allocated for implementation of the state program and funds from international technical assistance.

Monitoring of Anti-Corruption Strategy Implementation

Responsible parties shall report quarterly to the National Agency the information on the status of implementation of measures provided by the state program, which shall be publicized by the National Agency.

The National Agency shall ensure monitoring of the implementation of the Anti-Corruption Strategy through systemic collection, aggregation and analysis of the information on the performance of the measures provided by the state program.

General assessment and report on the status of the Anti-Corruption Strategy implementation

General assessment of the status of the Anti-Corruption Strategy implementation shall be performed based on an assessment of the results of the state program measures implementation, Ukraine's advancement on the IWP index, analysis of social and analytical research of the corruption situation, statistical surveys and analysis of the practical application of anti-corruption legislation.

Indicators of efficient implementation of the Anti-Corruption Strategy shall include:

- implementation of measures provided by the state program;
- compliance of the adopted regulatory acts provided by the state program with international standards and global best practices;
- Ukraine's advancement in the IWP rating;
- increase in the share of the population with negative attitudes toward corruption;
- decrease in the share of the population with personal corruption experiences;
- increase in the number of citizens willing to report corruption, as well as citizens who reported corruption have reported it to the competent authorities.

The report on the status of the Anti-Corruption Strategy implementation shall be reflected in the national report on the efficiency of the anti-corruption policy, which shall be prepared by the National Agency according to the procedure established by the Law.

II. INCREASING EFFICIENCY OF CORRUPTION PREVENTION AND COUNTERACTION EFFORTS

2.1. Formation and implementation of anti-corruption policy

2.1.1. Problem statement. Anti-corruption policy is not always based on comprehensive, objective and accurate evidence; the efforts of various government authorities, local government agencies and the public are insufficiently coordinated.

Expected strategic results:

1) Research aimed at establishing general indicators and causes of corruption in Ukraine, as well as measuring the experience and public perception of corruption is conducted on a regular basis;

2) The introduction of a single unified system for collecting, summarizing and visualizing statistical information on the results of activity of the National Agency, the National Anti-Corruption Bureau of Ukraine, the State Bureau of Investigation, the National Agency of Ukraine for finding, tracing and management of assets derived from corruption and other crimes, the National Police, prosecution agencies, courts and other government authorities regarding detection, investigation and consideration of cases (proceedings) on corruption and corruption-related offences, and on management of assets derived from corruption and other crimes;

3) During the formation and implementation of state anti-corruption policy, the National Agency, the Cabinet of Ministers of Ukraine, the Verkhovna Rada of Ukraine, and other state authorities shall use official statistical information, results from corruption risk assessment and summarize the most common corruption practices, as well as taking into account results from sociological and other surveys;

4) Collection, analysis and publication of the data on the progress in implementation of the anti-corruption policy is performed with the use of modern IT tools;

5) Sufficient financial and other required resources are allocated for the formation and implementation of the anti-corruption policy;

6) Coordination of anti-corruption policy implementation is effective and efficient, including through the creation of efficient mechanisms for interaction of anti-corruption institutions with other state authorities and local government agencies;

7) Findings of monitoring and assessment of anti-corruption policy efficiency are complete, accurate, objective and open to the public;

8) Anti-corruption programs and other anti-corruption program documents of state authorities, local government agencies and other public institutions serve as an efficient mechanism for combatting corrupt practices in the public sector; the public is engaged in the development and monitoring thereof.

2.1.2. Problem statement. Non-systemic legislative amendments on preventing and combatting corruption negatively affect law enforcement.

Expected strategic results:

1) The quality of legislation on preventing and combatting corruption is ensured by planning legislative work in accordance with the principles of the adopted anti-corruption policy and multilevel expertise with mandatory participation of the National

Agency (in particular by amending legislation defining procedures for drafting legislative);

2) Deficiencies in law enforcement practices are detected based on the findings of law enforcement practices analysis conducted by the National Agency or other authorized institutions and are eliminated due to timely required amendments to the legislation;

2.1.3. Problem statement. A significant number of regulatory and legislative provisions and drafts contain corruptogenic factors.

Expected strategic results:

1) The Law of Ukraine “On Regulatory and Legislative Acts” is adopted, which determines the types and legal force of normative legal acts, establishes requirements for the procedure of their preparation, including public discussion, adoption and entry into force; it contains rules for legislative drafting techniques and interpretation, accounting and systematization, and regulates the procedure for eliminating gaps and inconsistencies;

2) A mandatory anti-corruption examination of draft and current regulatory and legislative acts is systemically carried out by authorized subjects; findings of the anti-corruption (including the public) examination are subject to publication and mandatory review.

2.1.4. Problem statement. The institute of authorized units (persons) for corruption prevention is failing to reach its potential due to insufficient guarantees of autonomy.

Expected strategic results:

1) The institute of authorized units (persons) for corruption prevention operates as an integrity and leadership network taking into account global and national best practices and receives comprehensive coordination support from the National Agency;

2) Authorized units (persons) for corruption prevention have, share and implement comprehensive and efficient standards for activities developed by the National Agency jointly with other stakeholders and based on the reasonable qualification requirements, high-quality selection for such positions, resource sufficiency and protection from interference;

3) Preventing prevalence of corrupt practices, engagement of the expert community to the analysis and elimination of corruption risks in regulatory and legislative acts of the state authorities and local government agencies are defined as the priority in activities of authorized units (persons) for corruption prevention.

2.1.5. Problem Statement. In many sectors of public life application of corrupt practices is a more convenient, quick, efficient, and sometimes – the only available means to satisfy the needs of individuals and legal entities when comparing to the satisfaction of such needs by lawful means.

Expected strategic results:

1) User-friendly lawful alternatives to existing corrupt practices for the satisfaction of needs of individuals and legal entities has been created in the areas of education, science, healthcare, administration, social and communal services, as well as in the sphere of state regulation of the economy, primarily for the following:

- identification of prevalent corrupt practices and their causes;
 - improvement of lawful forms for satisfaction of needs of individuals and legal entities to ensure confidence that they will receive a desired and lawful outcome reliably, quickly and conveniently;
 - ensuring an appropriate regulatory and legislative, organizational and financial basis for well-coordinated efforts of state authorities and local government agencies aimed at streamlining procedures for delivery of administrative, social, communal and other services;
 - bringing the systems of state authorities and local government in compliance with the administrative and territorial structure;
 - implementation of e-services, increasing transparency and accountability of processes related to interaction of the state with the population and businesses;
- 2) Citizens reject corrupt practices due to information and educational campaigns aimed at raising awareness on the availability of e-services, streamlining of procedures, etc.
- 3) Representatives of the business community actively participate in the process of mitigation of corruption risks and introducing efficient regulation that promotes economic development and attraction of investment;
- 4) International experiences have been explored and feasibility of introducing the Institute for Integrity Verification of persons authorized to perform the functions of the state or local government in Ukraine has been considered.

2.2. Formation of negative perceptions of corruption

2.2.1. Problem Statement. Petty corruption is a generally-accepted standard of conduct and is not perceived as a breach of ethical or legal norms. Sustainable demand of the population to public persons to adhere to the established rules of ethical conduct and integrity is lacking.

Expected strategic results:

- 1) General level of tolerance to corruption has decreased in Ukraine due to:
- integration of anti-corruption education into the curriculum at all educational levels;
 - creation of an environment conducive to professional development of educators and persons working with the population, in particular on formation of zero tolerance towards corruption in any manifestation among those seeking education;
 - proactive and systemic informational and awareness raising campaigns aimed at the formation of life values incompatible with engagement in corrupt practices (integrity, decency, ethics, joining efforts for shared anti-corruption objectives, etc.);
 - communicating information to society on the negative impacts of corruption and corruption-related offences (for society and the state, as well as for the offenders);
- 2) A level of awareness amongst citizens of the importance of standards of integrity and ethical conduct of public officials, increased due to proactive and systemic information and awareness raising, as well as training and methodological events integrated into formal and informal education.

2.2.2. Problem statement. Lack of unbiased coverage of the situation regarding preventing and combatting corruption in Ukraine leads to a distorted perception by the population about the root causes of corruption, level thereof, and efficiency of anti-corruption institutions.

Expected strategic results:

1) A communications strategy in the area of corruption prevention and combatting has been revised and updated; regular updates of the contents thereof with consideration of efficiency analysis of anti-corruption communications campaigns are performed; an appropriate organizational and financial basis for coordinated efforts for its implementation have been ensured;

2) Citizens have complete and unbiased information on corruption in Ukraine, causes, status and dynamics thereof, system of anti-corruption institutions, distribution of authorities between them, as well as information on efficiency of different state agencies in corruption prevention and counteraction, opportunities and ways for citizens to interact with anti-corruption institutions to report corruption and perform public oversight.

2.3 Resolution of conflicts of interest, compliance with general restrictions and prohibitions, and the rules of ethical conduct

2.3.1. Problem statement. Conflict of interest is a component of the majority of corruption offences, including any corruption crime. Deficiencies in legislation governing conflict of interest and lack of efficient risk-oriented mechanisms for identifying conflict of interest limit opportunities for minimization of corruption due to prevention and resolution of conflict of interest.

Expected strategic results:

1) Legislative definitions of terms “actual conflict of interest”, “potential conflicts of interest”, “private interest” have been specified to streamline comprehension and application thereof;

2) Legislative procedures for reporting conflicts of interest and mechanisms for their resolution, including regarding persons having no direct supervisor, or holding elected positions, have been streamlined;

3) System of rules for internal and external resolution of conflict of interest has been streamlined;

4) Prohibitions for adoption of certain decisions, taking actions or entering into agreements as a means to prevent conflicts of interest has been established;

5) Mechanisms for conflict of interest prevention have been improved, including those connected with availability of corporate rights, in particular, by introducing a prohibition of making decisions or taking action with regard to legal entities in which the person has corporate rights.

6) Efficient risk-oriented monitoring and control over compliance is ensured with the requirements for prevention and resolution of conflicts of interest and associated restrictions defined by sections IV-V of the Law, including the use of IT tools, which enable efficient detection of decisions and agreements adopted in the situation of a conflict of interest.

2.3.2. Problem statement. Legal regulation of prohibitions and limitations to accept gifts, participate in certain legal relations is inadequate; prohibitions are not supported by the legal liability measures in all cases.

Expected strategic results:

1) Legislative definition of the term “other paid activities” has been introduced for the purposes of the Law;

2) A list of cases to which prohibition for accepting gifts shall not apply has been elaborated, limitation related thereto has been improved (in particular, rules for defining the period for which it shall be prohibited for a person to make decisions or take action with regard to the person who provided the gift, has been introduced);

3) Regulation of the procedure for treating illegal benefit or gift with account, in particular, of the means of receiving it in an intangible form, has been improved;

4) Scope of persons to whom limitations regarding membership in boards of directors, executive or control agencies of enterprises or supervisory boards of organizations set to receive profit apply has been extended;

5) Administrative liability for breach of the limitation on participation in certain legal relations following termination of the activities related to performance of the state and local government functions has been established;

2.3.3. Problem statement. Standards for ethical conduct for the Members of Parliament of Ukraine have not been established at the legislative level. Existing rules of ethical conduct are not adequately implemented due to supervisor failure to bring persons guilty of breach to liability.

Expected strategic results:

1) Rules of ethical conduct for the Members of Parliament of Ukraine have been adopted with mechanisms for bringing those in violation to liability at the legislative level, as well as issues of lobbying; Members of Parliament are aware of the rules of ethical conduct;

2) Introduction of measures for supervisor liability for lack of adequate response to identified facts of major breach of rules of ethical conduct has been ensured.

2.4. Implementation of financial control measures

2.4.1. Problem statement. Legislative regulation on including certain categories of persons to declaring subjects is inadequate which limits the potential of financial control.

Expected strategic results:

1) Financial control measures apply to a defined range of officials at business entities in the statutory fund of which the state or municipal share exceeds 50 percent;

2) The list of subjects for declaration is revised and specified taking into account the results from a corruption risks assessment performed by the National Agency.

3) The legislative realignment of positions with high and increased level of corruption risks has been eliminated.

2.4.2. Problem statement. The procedure for submitting information to the Unified State Register of declarations of persons authorized to perform functions of the state or local government is burdensome due to insufficient awareness of declaring subjects with the requirement for filling out declarations; recurrent issues with the Register's operation, inadequate quality of legislation.

Expected strategic results:

1) The Unified State Register of declarations of persons authorized to perform functions of the state or local government is permanently accessible for filling in and reviewing declarations, among other things, due to implementation of the updated software, and hosting the respective hardware and software system in the venues of the National Agency;

2) Declaring subjects spend less time for filling out declarations and make less mistakes in filing information, among other things, due to the updated declaration form, and the opportunity for automated transfer of certain information from other state registers into the declaration;

3) Declaring subjects have the possibility to obtain exhaustive information and consultations regarding filling the declaration, among other things, due to adequate information, awareness raising and educational work.

4) Prohibition to change the declaration rules within the period of filing annual declarations has been established by the regulations; clear rules regarding reflection of the value of items subject to declaration have been established and the list of such items has been specified; deadlines for filing all types of declarations have been clearly defined.

2.4.3. Problem statement. Previous activities on control and verification of declarations, lifestyle monitoring were not effective enough.

Expected strategic results:

1) The number of declarations fully verified within one year increase due to streamlining the verification and risk assessment procedures;

2) The effectiveness of control and verification measures increased, in particular, due to:

- use of the efficient system of logical and arithmetic control, other software means and analytical tools;

- introduction of an automated system for information monitoring;

- streamlining of a procedure for receiving access by the National Agency to the data containing bank secrecy, and the procedure for adoption of regulatory acts;

- international cooperation of the National Agency with competent authorities of foreign states;

- active use of foreign registers and databases by the National Agency;

3) untimely filed declarations are detected promptly due to introduction of automated control over timeliness of submission thereof.

2.5. Ensuring Integrity of Political Parties and Election Campaigns

2.5.1. Problem. Burdensome and non-transparent mechanism of formation, operation and termination of political parties.

Expected strategic results:

1) A conducive environment for the formation of new political parties has been ensured at the legislative level, including through streamlining respective procedures, with the purpose of disabling use of political parties as business projects;

2) A political system has been cleaned out from political parties which have not participated in national elections for 10 years and failed to ensure compliance with legislative requirements on formation and registration of their territorial organizations;

3) Charters of political parties have been put in compliance with legislative requirements; formalistic approach to registration of articles of association thereof have been eliminated;

4) A procedure for voluntary termination of a political party and structural entities has been streamlined at the legislative level;

5) Restrictions for participation of political parties that regularly violate the requirements of the legislation on political parties in the electoral process have been introduced at the legislative level.

2.5.2. Problem. Excessive influence on the part of certain individuals and legal entities on political parties and election campaigns results in prevalence of private interests over public interests in the representative bodies.

Expected strategic results:

1) A ban on political party support by legal entities has been established;

2) Opportunities for making financial contributions to political parties by individuals having no sufficient lawful income for making such contributions have been eliminated;

3) A new mechanism for allocation of state funds aiming to provide financial support to political parties which failed to clear the threshold established by the Law for the parliamentary election has been introduced;

4) An exhaustive list of bans on political party spending of public funds has been established; priority areas for using such funds aiming for compliance of political parties with restrictions established for budget process participants has been defined;

5) Political parties are allowed to spend funds of the state budget on activities related to participation in the elections at the same time repealing the right of such political parties to receive refunds for campaigning in the parliamentary elections;

6) The procedure for the use of non-print media, outdoor advertising, social media and other online platforms for the purpose of the election campaign has been established.

2.5.3. Problem. A system of oversight of political party activities and electoral campaigns requires improvement.

Expected strategic results:

1) An electronic system for filing and publicizing political party reporting is operational;

2) An automatic mode for verification of political party reports has been introduced by way of integration with other information, telecommunication and referral systems, registers, databases;

3) A risk-based approach to oversight of political party activities has been introduced;

4) New procedures for filing and verifying political party reporting have been adopted, alongside new forms for a report and opinion based on the findings of such verification;

5) An efficient distribution of authorities has been ensured between the Central Electoral Commission and the National Agency with regard to oversight of funding of political activities and election campaigning.

2.6. Corruption whistleblower protection

2.6.1. Problem statement. Lack of respect for whistleblowers in society, as well as lack of awareness by persons of their legal guarantees for the protection of their violated rights for being willing to report corruption.

Expected strategic results:

1) Positive attitude toward whistleblowers as responsible citizens has been formed in society;

2) Reports on corruption have become a part of a legal culture of citizens;

3) A significant part of citizens is duly aware of guarantees for legal protection of whistleblowers.

2.6.2. Problem statement. Lack of required knowledge for adequate reporting of corruption cases, entities authorized to deal with them, as well as a mechanism for effective consideration of such reports.

Expected strategic results:

1) Legislative amendments have been introduced to ensure user-friendly reporting on corruption and effective consideration of such reports; single electronic online portal for whistleblowers is operational;

2) A significant part of citizens are duly aware of the procedure and channels for reporting corruption due to efficient information and awareness raising work.

3) Adequate internal reporting channels have been created for filing corruption reports containing information that constitutes as a state secret, investigatory privilege and restricted information collected in the course of investigation, counter-intelligence activities, or in the country's defense sector.

2.6.3. Problem statement. Whistleblower protection is not adequately administered because of insufficient institutional capacity of authorized agencies, and deficiencies in legislative regulation.

Expected strategic results:

1) The National Agency and other authorized agencies (units) within their power duly implement whistleblower protection in practice due to:

- monitoring of the authorized units (persons) in charge of preventing and detecting corruption activities regarding work with whistleblowers;

- adequate coordination between agencies authorized to ensure whistleblower protection;

- adequate level of legal protection of whistleblowers;

- psychological assistance to whistleblowers;

2) Courts and centers for free legal aid serve as a reliable mechanism for protecting whistleblower rights due to increasing the level of qualifications and

competence of judges in cases regarding protection of whistleblower rights, staff members and attorneys in the centers for free legal aid;

3) Ukrainian legislation complies with international standards for whistleblower protection; effective mechanisms for the implementation of legislation on whistleblower protection have been created, including the implementation of security measures;

4) The law provides for peculiarities of protection for whistleblowers in the military service.

III. CORRUPTION PREVENTION IN THE PRIORITY AREAS

3.1. Fair trial, prosecution and police

3.1.1. Problem statement. There is a trend of growing distrust in society in the judiciary. The law fails to define integrity as a qualification requirement for members of the High Council of Justice and the High Qualification Commission of Judges of Ukraine.

Expected strategic results:

1) Integrity is defined as a mandatory legislative requirement to members of the High Council of Justice, the High Qualification Commission of Judges, and disciplinary authorities in the system of justice;

2) A selection of new members to the High Council of Justice, the High Qualification Commission of Judges of Ukraine is conducted by an independent commission of representatives (in equal proportions) of the Council of Judges of Ukraine, the public and international experts; current composition of the High Council of Justice was reviewed for compliance with requirements of integrity and professional ethics; new members of the High Council of Justice, the High Qualification Commission of Judges of Ukraine meet these requirements; members who failed to meet such requirements lose their positions;

3) A possibility to adopt decisions by a member of the High Council of Justice and the High Qualification Commission of Judges of Ukraine in the situation of conflict of interest has been eliminated.

3.1.2. Problem statement. Integrity and professional ethics as the standard requirements for judges are insufficiently implemented in practice, and evaluation of such requirements is not always transparent and predictable.

Expected strategic results:

1) High Qualification Commission of Judges in cooperation with the Public Council of International Experts and the Public Integrity Council developed and implemented clear and predictable criteria (indicators) of integrity and professional ethics for qualification assessment of judges and selection of new judges;

2) The standard of “reasonable doubt in integrity” is applied in the assessment of integrity of applicants for the positions of judges;

3) Verification of compliance with the criteria (indicators) of integrity for applicants within the procedures of selection and appointment of new judges with the participation of the Public Integrity Council was improved to define the status, procedure of creation and organizational and legal principles of activities thereof;

4) A mechanism for qualification assessment procedures and competitive procedures for judges by the High Qualification Commission is improved to avoid unreasonable delays;

5) A non-biased and transparent methodology for marking/scoring by members of the High Qualification Commission of Judges of Ukraine and the High Council of Justice in the process of making decisions within the procedures of selection, assessment and promotion of judges, as well as the process of publication of test materials is introduced.

3.1.3. Problem statement. Lack of effective permanent mechanisms for supporting integrity of the judiciary.

Expected strategic results:

1) Disciplinary authority in the system of justice established on the basis of competition held by an independent commission of representatives (in equal proportions) of the Council of Judges of Ukraine, the public and international experts, defined based on proposals from international and foreign organizations, performs expeditious and fair consideration of disciplinary cases regarding judges;

2) The list and the grounds for disciplinary liability of a judge and types thereof are specified in a manner which allows the judge to predict their conduct, in particular, more clearly defined signs of disciplinary violations which tarnish the position of a judge or undermines the credibility of justice, and improved and specified disciplinary mechanisms; consideration of disciplinary cases;

3) A disciplinary administration regarding judges is open: all decisions of the disciplinary authority are publicized timely; disciplinary consideration of cases regarding judges is, as a general rule, open and is broadcast in real-time;

4) Grounds and mechanisms for termination of criminal proceedings are streamlined, in particular, the mechanism for termination of disciplinary proceedings regarding a judge in the case that he/she files a resignation notice following commencement of a disciplinary case with regard thereto;

5) An efficient mechanism of verification of lawfulness of origin of the assets of a judge and his/her close persons is implemented; judges who failed to verify lawfulness of the origin of assets are dismissed on the basis of Article 126 of the Constitution of Ukraine;

6) Mechanisms for criminal prosecution are not used to press judges; the institute of criminal liability of judges for abuse of power is implemented.

3.1.4. Problem statement. Availability of corruption risks caused by gaps and deficiencies of legislation in the justice system.

Expected strategic results:

1) Mechanisms disabling holding an administrative position in court by one and the same person for a long period of time are implemented;

2) An electronic judiciary is ensured, in particular by way of enabling consideration of certain categories of cases online regardless of the location of the parties and the court, which will promote fair distribution of cases among courts and judges;

3) A sphere for alternate methods of dispute resolution and pre-trial dispute settlement is expanded;

4) A system for enforcement of judicial decisions is improved;

5) Procedures for transparent planning and allocation of budget resources within the judiciary are introduced based on objective and clearly defined criteria; the audit of the State Judicial Administration of Ukraine operation is ensured, in particular regarding financial and economic support to courts and judicial authorities, management of state-owned property items within the management scope;

6) A network of local courts is revised and created taking into account the administrative and territorial reform, the need to provide direct access to justice and economic feasibility.

3.1.5. Problem statement. Internal management processes in prosecution of authorities fail to always be transparent and efficient.

Expected strategic results:

1) An electronic human resources management system, transparent and efficient for the assessment of prosecutor performance based on the results of which HR and management decisions and decisions on bonus payments are made, is implemented;

2) Amendments to the Law of Ukraine “On Public Prosecutor’s Office” establishing an exhaustive list of reasons for dismissal and termination of powers of prosecutors, including the powers of the General Prosecutor, disabling unjustified application are made;

3) Operation of a disciplinary authority ensuring timely and fair consideration of disciplinary complaints against prosecutors is improved.

3.1.6. Problem statement. Lack of an efficient model for appointment to positions, payment of labor, promotion and administration of disciplinary complaints in the system of the National Police.

Expected strategic results:

1) The organization of work of standing police commissions created within the system of the National Police is reviewed; the complex of organizational and practical measures for improvement of their activity is developed and implemented;

2) The practice of application of the norms of the Disciplinary Charter of the National Police is analyzed; proposals on amendments to it are prepared;

3) A system for assessing performance of the National Police staff and the electronic human resources management system are developed.

3.2. State regulation of the economy

3.2.1. Problem statement. There has been no digital transformation for exercising of powers by state authorities and local government agencies, as a basis for ensuring transparency and minimizing corruption risks in their activities.

Expected strategic results:

1) An official tool for preparing and conducting public procurements in the sphere of informatization providing for visualization of procurements, availability of telecommunication networks, automated cost estimation, was developed and put into commercial operation;

2) A single interoperable system of state databases has been established on the basis of a single state data processing center and national spatial data infrastructure, elimination of duplication of data collection processes.

3.2.2. Problem statement. Selective application of mandatory rules for business, causing relevant corruption risks.

Expected strategic results:

1) The implementation of a risk-focused system of state supervision (control) is completed;

2) The implementation of electronic auctions and systems for access to restricted shared resources (electronic account of subsoil user, electronic auctions ProZorro.Sales) is completed;

3) Financial reporting, information on the risk of taxpayers in accordance with the Unified Register of tax invoices, license registers, and other key datasets, publication of which has significant anticorruption effect (in compliance with legislation on access to public information and personal data protection), is publicized in an open data format;

4) An information and analytical system for natural resources management, providing open access to updated information on natural resources and containing the function of provision of electronic services, electronic reporting, traceability, ecological monitoring and inspection is implemented.

3.2.3. Problem statement. An excessive and unreasonable regulatory burden on businesses causing a high level of corruption in this sphere.

Expected strategic results:

1) An analytical module of assessment of regulatory burdens on different types of businesses as a tool for reduction of costs for compliance with legislative requirements in the course of economic activity, is implemented;

2) Public dialog with the business community on deregulation is established;

3) The possibility to open common types of businesses online in accordance with the real-life situation principle, is simplified and ensured;

4) A new integrated system of permits for access to markets to substitute different available procedures, to establish simplified rules and digitalize all cases of activity registration, is implemented;

5) Excessive reporting is cancelled; entrepreneurs are not required to submit the same information to different public authorities; the taxpayer account is integrated into a user-friendly single state web-portal of electronic services;

6) Regulatory acts of authorities and officials of local government have been revised in terms of their effectiveness; proposals on amendments to acts which fail to meet requirements of current legislation, contain corruptogenic factors, or impair competition are submitted.

3.2.4. Problem statement. Ineffective state regulation impeding the development of fair business and causing corrupt practices.

Expected strategic results:

1) A structured efficient process of policy analysis in decision-making processes is implemented in the sphere of state policy formation in the executive and legislative authorities, as well as a systemic analysis of market regulation and implementation of its recommendations;

2) A system for payment of labor is introduced to the state authorities and local government agencies based on the classifications of positions and on the personal contribution to the overall result of the agency's work; payment for labor is competitive and predictable, which enables engaging and maintaining a high-integrity, professional and motivated staff;

3) An efficient and transparent accounting and market for timber is implemented;

4) Telecommunications sector reform is implemented by way of reforming the telecommunications regulator and legislation in the framework of Ukraine's commitments under the Association Agreement between Ukraine and the European

Union, the European Community on Atomic Energy and their member states, and on the basis of Directive 2018/1972 (EU).

3.2.5. Problem statement. Insufficient information on the activities of the Antimonopoly Committee of Ukraine and on the granting of discretionary powers which impedes public control over its activities and causes a high level of corruption risks. An efficient program for mitigation of liability for cartel members who reported on the cartel and presented evidence, is lacking.

Expected strategic results:

1) The Antimonopoly Committee of Ukraine implements its activities based on principles of transparency, predictability and legal certainty, level of corruption risks in its activity is reduced significantly due to unrestricted but controlled public access to discussion and decision making, draft regulatory acts and information on activity plans with detailed description of issues and possible resolutions, as well as the results;

2) The Antimonopoly Committee of Ukraine's responsibility to publish the following information on the official website is established at the legislative level:

- recommendations and proposals submitted to public authorities, local government agencies, institutions, organizations, business entities, and associations;

- an exhaustive list of cases considered by the Antimonopoly Committee of Ukraine specifying the up-to-date information on the authorized government official responsible for its consideration, substance matter, stages and deadlines for consideration, including grounds for its extension;

3) The excessive level of discretion in the exercise of power by the Antimonopoly Committee of Ukraine is eliminated, in particular regarding:

- determination of time period for investigation of cases on violation of legislation on protection of economic competition, the term for which investigation in such cases may be extended, and the term for verification of information on illegal government aid;

- procedure for cooperation with parties in cases on violation of legislation on the protection of economic competition and registration of such cooperation;

- procedure of determination and change of authorized government officials responsible for consideration of cases on violation of legislation on the protection of economic competition;

- determination of the amount and procedure of calculation of a fine imposed for violation of legislation on the protection of economic competition;

4) A procedure for releasing from or mitigation of liability for cartel members who reported on the cartel and presented relevant evidence to the Antimonopoly Committee of Ukraine is established based on best practices of countries of the European Union, for the purposes of promoting disclosure of cartel conspiracies.

3.2.6. Problem statement. A significant number of providers of state aid to economic entities fail to submit reports to the Antimonopoly Committee of Ukraine on new state aid which negatively affects competition and can be the consequence of previous corrupt agreements.

Expected strategic results:

1) Legislation establishes legal liability of supervisors of state aid providers for failure to comply with requirements of the Law of Ukraine "On State Aid to Business

Entities” regarding the commitment to submit reports on new state aid to the Antimonopoly Committee of Ukraine.

3.2.7. Problem statement. Inefficient mechanism of preliminary control and impact assessment on competition of the acts and decisions regarding creation and operation of business entities in the public and municipal sectors of the economy bringing about negative impact on competition and increases the level of corruption in these sectors of the economy.

Expected strategic results:

1) Legislation stipulates that decisions on the establishment of business entities of the public and municipal sectors of the economy, which were made without prior approval of the Antimonopoly Committee of Ukraine’s, are to be considered invalid;

2) Legislation stipulates that the absence of a document certifying the approval of the Antimonopoly Committee of Ukraine of the draft decision on the establishment of business entities in the public and municipal sectors of the economy, is grounds for rejection in the state registration of the legal entity.

3.3. Taxes and customs service

3.3.1. Problem statement. Insufficient transparency and efficiency of customs authorities operation, excessive volume of discretionary powers of customs personnel.

Expected strategic results:

1) An unreasonable influence of human factor within customs clearance formalities is minimized due to automation and digitalization;

2) Efficient cooperation with public and business associations and regular monitoring of customs authorities operation is established in development and implementation of measures on prevention of corruption in customs authorities by way of regular surveys among entrepreneurs and the customs authorities personnel.

3.3.2. Problem statement. Lack of transparency of approaches to classification of goods, estimation of the customs value and assignment of inspections.

Expected strategic results:

1) An open anonymous online database of all previous decisions by customs authorities on the classification of goods and the estimation of the customs value is developed and operates on the official website of the customs authority;

2) A common transit regime with countries of the European Union is implemented;

3) A common customs control with priority countries is implemented;

4) A risk-oriented approach is efficiently used for the purposes of determining the need for inspections at all stages of customs control.

3.3.3. Problem statement. Deficient procedure for administrative appeal of actions of the customs authority officials.

Expected strategic results:

1) An efficient and transparent mechanism for consideration of complaints against the actions of customs authority officials as well as monitoring of the results, is implemented;

2) A mechanism of bringing the customs authority personnel to disciplinary liability (including dismissal from office) operates efficiently and transparently.

3.3.4. Problem statement. Law enforcement authority interference in operation of the customs authority and abuse in the process of transfer of “signals” on goods re-inspection.

Expected strategic results:

1) Reasons for interference by law enforcement personnel with the work of customs and for their presence within the customs-controlled area outside of criminal proceedings, is minimized.

3.3.5. Problem statement. Excessive volume of discretionary powers of tax service authority personnel.

Expected strategic results:

1) An unreasonable influence of human factors in the process of performance by tax service authority officials is disabled;

2) A list of grounds for inspections by the tax service authority and the number of inspections with direct contact with taxpayers is decreased.

3.3.6. Problem statement. Excessive focus on the function of imposition of sanctions in the process of tax service authority operation results in corruption risks.

Expected strategic results:

1) A new agency for pre-trial investigations of crimes in the financial sphere was established on a transparent and competitive basis; guarantees for independence of such authority, institutional capability and accountability thereof are ensured;

2) A degree of compliance of the tax service authority and its officials with the tax legislation rather than implementation of the budget revenues plan is the major criterion for assessment of its productivity;

3) Consultations and advice for taxpayers is priority in the tax service authority activities.

3.4. Public and private sectors of the economy

3.4.1. Problem statement. An existing management model of business entities of the public sector of the economy is inefficient and leads to losses and corruption.

Expected strategic results:

1) A policy framework for the state property approved by the Cabinet of Ministers of Ukraine complies with international standards, is regularly updated and consistently implemented in practice by all subjects performing functions of owners of business entities of the public sector of the economy;

2) The functions of the owner, regulator and the agency responsible for formation of policy related to business entities in the public sector of the economy, are realigned;

3) An annual independent audit of business entities in the public sector of the economy having strategic importance for the economy and national security is implemented; regular review of criteria for mandatory independent audit and establishment of a supervisory board in business entities of the public sector of the

economy, including with consideration of the degree of corruption risks and the level of corruption in the sector of economy, is introduced;

4) For all business entities where the creation of supervisory boards shall be mandatory, such boards are granted with the authority to select and appoint a competitive and transparent basis for the management of the business entity, and the authority to control the implementation of internal anticorruption measures. Formation of supervisory boards is competitive and transparent;

5) Corporate management standards are implemented in business entities in the public sector of the economy having significance (strategic importance) for the economy of Ukraine or having the highest level of corruption risks, or which belong to the most important business entities of the military and industrial complex (in particular, the right of early termination of the agreement with management in case of violation of provisions of the anticorruption laws or the rules of ethical conduct);

6) An internal control and risk management system is implemented in business entities in the public sector of the economy.

3.4.2. Problem statement. Insufficient transparency of privatization procedures and failure to comply with the terms for sales of the object of privatization by the purchasers.

Expected strategic results:

1) Tools for prevention of negative influence of privatization authorities and organizers of the privatization auctions onto the number of bidders and competition are introduced;

2) An assessment of the most common problems in meeting the terms of sales and/or use of the object of privatization by the buyers is conducted; findings of such assessment are taken into account in the practical activities of the privatization authorities;

3) Small privatization or rent of public, municipal property is carried out using the Prozorro.Sale electronic system and in compliance with good faith competition principles.

3.4.3. Problem statement. An insufficient amount of publicly accessible information about state-owned business entities significantly decreases the transparency of their activities, complicates public control and promotes corruption.

Expected strategic results:

1) Register of public and municipal unitary enterprises and business partnerships where the share of the state or territorial community in the statutory capital exceeds 50 percent, with the obligatory publication of information on activities of such legal entities in accordance with international standards, including information on received state assistance, is developed based on the Unified Register of the State Property Objects.

3.4.4. Problem statement. High level of tolerance of corruption in the private sector of the economy.

Expected strategic results:

- 1) Amendments to legislation introducing stimulation of the private sector to increase integrity of business operations are made;
- 2) Sustainable and efficient cooperation between the public authorities, business community, Council of business-ombudsman and the National Network of Integrity and Compliance on issues of ensuring lawful interests of businesses, analysis of systemic issues and drafting of legislative amendments, promotion of the culture of integrity, ethical and responsible business, is established;
- 3) A concept for implementation of the anti-corruption standards in the private sector is developed in cooperation with the Council of business-ombudsman, business representatives, collective action initiatives, associations of entrepreneurs and trade unions;
- 4) Methodological support to private law business entities on the practices of application of anti-corruption standards, identification of corruption risks in their activities, and drafting and implementation of anti-corruption programs focused on elimination of such risks, is provided;
- 5) Support in drafting and elaborating on codes of good practice based on best corporate management practices for private legal entities is provided in cooperation with the business community;
- 6) Efficient mechanisms for verification of information on final beneficiaries of private legal entities in the Unified State Register of Legal Entities, Private Entrepreneurs and Civic Associations are implemented;
- 7) The Law of Ukraine “On Administrative Procedure”, providing, in particular, for the right of a person to be heard prior to the threat of adoption of an unfair administrative act; providing for adoption of balanced decisions that will legally balance public and private interests; determining peculiarities of administrative proceedings in cases with a large number of parties; providing for the duty to substantiate decisions and specify the procedure for its appeal, is adopted;
- 8) The Law of Ukraine “On Administrative Fees” specifying, in particular, the definitions, types and functions of administrative fees, principles of calculation, payment and use of administrative fees, is adopted;
- 9) An obligation of internal auditors to report facts of disclosed corruption and corruption-related offences is established at the legislative level.

3.5. Construction, land relations and infrastructure

3.5.1. Problem statement. Lack of publicity of information in the sphere of urban development and land utilization causes corruption and enables construction in violation of legislative requirements.

Expected strategic results:

- 1) Implementation of the Unified State Electronic System in the sphere of construction is completed;
- 2) A single electronic Urban Development Cadaster serving as a platform for providing all administrative services in the sphere of urban planning, a public source of urban planning information, is created. Urban planning documentation becomes effective as of the moment it is entered into the Urban planning Cadaster and the spatial index is assigned;

3) Urban planning Cadaster is integrated with other registers, cadasters and databases. Verification of relevance and reliability of data in the register is ensured; liability for timeliness and reliability of information uploaded is established;

4) It is established that urban planning documentation is developed in vector digital form. Urban planning terms, conditions and restrictions are generated automatically by software applications of the Urban Planning Cadaster in the form of an extract from a detailed plan of the territory indicating approved restrictions (following the adoption of detailed plans of the territory containing information on urban planning terms, conditions and restrictions for each land plot) or from the master plan of the settlement (in case the detailed plan of the territory is not available and in case it is possible to automatically generate information on urban planning terms, conditions and restrictions for each land plot from current master plans);

5) Mandatory consideration of requirements of urban planning documentation in the process of development and implementation of social and economic development programs is introduced.

3.5.2. Problem statement. Lack of public information on cultural heritage sites, and conflicts in urban planning and monument conservation legislation causes the abuse and construction of cultural monuments.

Expected strategic results:

1) An inventory of cultural heritage sites is made, and the list of historically populated areas is reviewed based on the results of such inventory; content and publicity of an electronic register of cultural heritage sites is ensured;

2) Historical and architectural key plans with boundaries and regime of use of cultural heritage and historical site preservation areas, and staking of land boundaries is developed and approved;

3) The promotion of historical and architectural key plan development is provided for (in case it is not available, any new construction and reconstruction works within the historic sites are prohibited, and in case of unavailability of the approved boundaries of historic sites – within the whole territory of the historically populated areas);

4) The law on clear definition of content and scope of authority of cultural heritage agencies with restriction for applying tacit consent procedures in the sphere of cultural heritage is adopted;

5) A list of administrative and other services provided in the sphere of preservation of cultural heritage (including by the cultural heritage agencies) in connection with urban planning activities is revised for the purpose of its simplification and its provision in electronic form.

3.5.3. Problem statement. A deficient system of state control and regulation in construction stimulates the emergence of corrupt practices.

Expected strategic results:

1) Mechanisms of non-state control over construction objects are improved through a provision of construction design and onsite supervision, independent engineering control involving accredited laboratories and inspection agencies, liability of subjects of such control is increased;

2) In order to protect the rights of investors, clear procedures have been introduced for funding residential construction objects exclusively through construction financing funds, which may be managed by banks or insurance companies (which have special requirements for authorized capital), which are responsible for saving funds and using them for the intended purpose, control of construction progress, control of the general contractor, as well as carrying out only phased financing of construction works;

3) Mandatory verification of documents submitted for issuance of permits is introduced; liability of officials for undue performance of obligations on such verifications is established; legislation providing for liability of violations in the sphere of urban planning is improved;

4) Discretionary powers of architecture and construction control and supervision agencies are cancelled by way of defining an exhaustive list of grounds for refusal or cancellation of permits, issuance of orders or imposition of sanctions, and the obligation to take actions (adoption of decisions) established by laws if sufficient grounds are available, is introduced;

5) The problem of large-scale falsification of construction materials is resolved by way of implementation of provisions of EU Regulation No. 305/2011 which lay down the harmonized terms for marketing of construction products;

6) Easy and quick access to engineering and transport infrastructure is ensured;

7) Implementation of a transparent information administration system of the State Fund for Regional Development, reflecting the projects performance and compliance thereof with the regional development strategies is completed.

3.5.4. Problem statement. The land plots formation procedure is complicated and causes excessive discretion.

Expected strategic results:

1) A process of land lots formation is revised and simplified (number of steps in administrative procedures is reduced);

2) Land legislation is amended to provide for a comprehensive electronic procedure for land plots formation;

3) Software for land plots formation is put into operation, drafting of land utilization documents and technical documentation on land valuation is implemented entirely in electronic form (without paper documentation development).

3.5.5. Problem. The procedure for land tax collection and leasing state and municipal lands is accompanied by corruption risks due to the possibility of providing them for use below market value.

Expected strategic results:

1) A pilot project on calculation of land tax based on the indices of large-scale valuation of lands taking into account international standards of assessment of property for taxation purposes, is implemented;

2) Amendments to the Tax Code of Ukraine regarding determination of lease rates for public and municipal land plots on the basis of their market value are made.

3.5.6. Problem statement. The free-of-charge procedure for changing the allocation of land plots encourages corruption in adoption of appropriate decisions.

Expected strategic results:

1) Mechanisms of promoting local government agencies to quickly draft and approve design documentation for the entire territory of communities (both within and beyond the settlement boundaries) are introduced;

2) Legislative amendments are made to legislation abolishing the separate procedure for changing the purpose of land plots under land management projects, and instead enabling their owners to make decisions regarding change of its intended purpose independently in case of compliance of the proposed purpose with the urban planning documentation. Introducing mandatory payment of difference in value of the land plot prior to the change of the intended purpose, and with regard to the most valuable lands – in the amount of five times the respective payment.

3.5.7. Problem statement. Free-of-charge privatization of state and municipal lands is a major source of corruption in land relations (as opposed to the fee-based acquisition of land rights at land auctions).

Expected strategic results:

1) Land legislation providing for cancellation of free-of-charge privatization of land lots (other than land lots provided to citizens for use before 2020) is amended;

2) Instead of free-of-charge privatization, other forms of state support are introduced for citizens with special merits before the state and socially vulnerable groups of the population.

3.5.8. Problem statement. Excessive concentration of powers in the central executive agency implementing state policy in the sphere of land relations causes conflicts of interest and large-scale corruption.

Expected strategic results:

1) Powers related to state lands management, control over land use and protection, regulation of land utilization, maintaining of the State Land Cadaster are split between separate agencies.

3.5.9. Problem statement. Inefficiency of available tools for control and insufficient transparency in roads construction, repair and use processes.

Expected strategic results:

1) Mandatory publication of all data provided for by the Law of Ukraine “On Openness of Public Funds Use”, as well as disclosure of all data in accordance with CoST IDS (Infrastructure Data Standard) and publication of data (including project documentation and procedures for estimated cost of the procurement) in a machine-readable format in accordance with OC4IDS and OCDS, is ensured with regard to public infrastructure projects;

2) Results of road construction quality monitoring, data on findings of the inspections, and punitive sanctions are published on the official website of the person requesting the inspection, person requesting monitoring or a customer of the monitoring;

3) An open map of construction, repair and operation of roads is created, which reflects the tenders held and contracts concluded for such works aiming to avoid

repeated works on the same sites; this map is integrated with the Unified State electronic system in the sphere of construction;

4) Requirements have been introduced according to which all road construction works are planned to take into account the findings of the instrument-aided structure surveys;

5) A round-the-clock comprehensive automated dimensional and weight control is ensured; administrative liability for exceeding the mass-size parameters by shippers and carriers is established; information on violations of mass-size parameters and imposed sanctions is published on the official website of the central executive agency on transport safety control.

3.6. Defense sector

3.6.1. Problem statement. Non-transparent and inefficient use and utilization of defense lands, immovable property units in the military and industrial complex, and excessive movable military property, intellectual property items; uncontrolled consumption of fuel procured for the needs of the Armed Forces of Ukraine.

Expected strategic results:

1) All data received based on the results of a full inventory of objects in the sphere of defense, including the data on defense lands and land plots of business entities of the military and industrial complex are entered into an electronic records system;

2) The state registration of property rights to immovable property of business entities of the military and defense-industrial complex (including data on land plots in the special information layer in the Public cadastral map) is ensured;

3) An automated system for recording and monitoring of consumption and quality of fuel procured for the needs of the Armed Forces of Ukraine is created;

4) A full inventory and appraisal of intellectual property items of business entities of the military and industrial complex is made.

3.6.2. Problem statement. Procurement of goods, works, and services for defense purposes is carried out in conditions of excessive secrecy and has a low level of competition, which contributes to abuse and unreasonable spending of budget funds.

Expected strategic results:

1) The procurement procedures for goods, works, and services for defense purposes are competitive and provide for the application of electronic procurement systems with certain restrictions; non-public procurement procedures are applied as an exception and legislatively defined procurement procedures from a sole provider is governed in detail by the implementing regulations, including with regard to the value and profit margin formation;

2) Secrecy in the sphere of military procurements is reduced to a reasonable level, scope of information, including in the form of datasets, specified by the law is disclosed based on the results of procurements; a transparent price formation system related to defense products is applied;

3) The possibility of procurements based not only on the lowest price criterion, but also with account of the product life cycle and other non-price criteria required for

procurement of goods, works and services to meet the needs of the Armed Forces of Ukraine and other security and defense forces, is introduced;

4) An electronic register of bidding participants and contractors of state contracts (agreements) is formed in a transparent mode; transparent information to potential providers of procurement plans for defense goods, works and services is provided;

5) Cooperation with NATO Maintenance and Supply Agency is established to mitigate corruption risks in procurement through import.

3.6.3. Problem statement. An inefficient model of control over defense products in the production process disables timely and full prevention of supply of defective specimens of weapons and military hardware.

Expected strategic results:

1) The system of state guarantees for defense quality of goods, works and services established in Ukraine introduces international requirements and standards of assessment of compliance with quality management systems of producers and distributors, which also comply with NATO standards;

2) A competent agency on state guarantees of quality of defense products, which issues certificates of compliance, is established and operates.

3.6.4. Problem statement. Inefficient use of budget funds and abuse in the process of provision of housing for military personnel.

Expected strategic results:

1) An audit of the existing housing queue for military personnel is conducted; there is a fully-automated housing queue control system through which provision of housing to military personnel is ensured transparently and in accordance with the order of priority;

2) New mechanisms for satisfying housing needs of the military personnel are implemented; state mortgage and leasing programs are applied; cash reimbursement is used; housing is constructed with attractive to external credit funds; list of facilities under construction reconstructed for housing purposes, has been defined; the Housing Code of the Ukrainian SSR becomes invalid;

3) Information on housing provided to military personnel is publicized on the official website of the Ministry of Defense of Ukraine specifying the floor area, price, number of living quarters and sources of funding.

3.7. Healthcare and social protection

3.7.1. Problem statement. Patients and doctors do not receive pharmaceuticals and medical devices on time and in full, in particular, due to the incomplete transition to the new system of organization and control of medical procurement, and not fully regulated processes for determining needs and accounting for pharmaceuticals.

Expected strategic results:

1) Procurement of pharmaceuticals and medical devices at the expense of state and local budgets is performed on a professional basis by centralized procurement organizations pursuant to transparent and detailed procedures according to the objective needs based on quality and proven efficacy of such pharmaceuticals and

products. If required, specialized international organizations are also engaged in centralized procurement;

2) Peculiarities of procurement of pharmaceuticals and medical devices caused by the pandemic or performed during the pandemic are established in such a way as to prevent corruption risks;

3) Ukrainian procurement organizations procuring pharmaceuticals and medical devices have independent supervisory boards consisting of representatives of central executive authorities, international organizations and civic associations;

4) Standard catalogues and requirements to products procured in the sphere of healthcare are used in the process of procurement;

5) An electronic system of accounting for pharmaceutical and medical devices, on the basis of which transparent and detailed methods and systems for defining the needs by all areas of procurement is implemented in all state and municipal healthcare institutions; such an accounting system is integrated into the electronic healthcare system ensuring additional mechanisms for data verification; information from the system is published in an open data format;

6) Clear rules and procedures for defining availability and settlement of conflict of interest of members of working and expert groups (primarily those providing support to medical products procurement at the expense of the state budget and defining lists of products subject to procurement) are established, practical commitment is ensured;

7) Clear ethical rules of interaction are established between pharmaceutical companies and medical personnel are defined, observance of which prevents corruption in the process of prescription of medicines to patients; legal liability for violation of such rules is established.

3.7.2. Problem statement. Patients do not receive necessary medical treatment abroad, as well as during the provision of medical aid using transplantation, due to corrupt practices caused by insufficient regulation of relevant procedures and lack of transparency of accounting.

Expected strategic results:

1) The operation of state information systems of transplantation and automated procedure for registration of Ukrainian citizens requiring referral to medical treatment abroad is ensured;

2) The procedure of export, import and transportation of human anatomic materials within the territory of Ukraine, rules for reimbursement for donor expenses and other procedures are regulated and contain no corruption risks;

3) A list of healthcare institutions of foreign countries recommended by the Ministry of Health of Ukraine for medical treatment abroad is publicized.

3.7.3. Problem statement. The electronic healthcare system is not sufficiently integrated with other databases enabling abuse in implementation of certain functions (in particular, payments for disability, medical examinations, and establishing disability status).

Expected strategic results:

1) The electronic healthcare system is integrated with other state databases beyond the sphere of healthcare, ensuring completeness, consistency and additional data verification, functionality for processes automation; data from the electronic healthcare system is the main source of information on provided medical services in Ukraine, on

the basis of which decisions are made on the calculation of the medical guarantees program, managerial decisions, and required statistics are formed;

2) The electronic healthcare system contains the results of professional medical and mandatory preventive examinations;

3) Tools for assessing a person's functional condition based on the International Classification of Functioning, Disability and Health are integrated into the electronic healthcare system;

4) Functions of provision of relevant medical opinion on assessment of the disability status and social aid based on such opinion are delimited between public authorities for the purposes of corruption risks mitigation;

5) The electronic register of temporary disability leaves is put into industrial operation.

3.7.4. Problem statement. Insufficiently transparent recruitment procedures of personnel in healthcare institutions reduce competition and create opportunities for corruption in appointments to such positions.

Expected strategic results:

1) A unified web-portal of vacancies in state and municipal healthcare institutions with public access is operational;

2) The selection of staff to managerial positions in the state and municipal healthcare institutions is performed by tender commissions with mandatory representation of the public and in accordance with a defined list of required skills, competencies and assessment criteria; the list of non-governmental organizations authorized to delegate representatives to tender commissions is extended; compliance with transparency and openness principles in operation thereof is ensured.

3.7.5. Problem statement. Adequate accounting and transparency in application of funds allocated for social protection of all categories of social aid receivers is not available, which enables risks of unreasonable payments.

Expected strategic results:

1) Information and an analytical system for managing social support to the Ukrainian population (E-SOCIAL) is implemented, and simplification of the procedure of services provision in the social sphere is ensured;

2) Fair competition for support to non-governmental associations of persons with disability is implemented.

IV. UNAVOIDABILITY OF LIABILITY FOR CORRUPTION

4.1. Disciplinary liabilities

4.1.1. Problem statement. Violation of the requirements of anti-corruption legislation is not always considered in practice as a disciplinary offence; a significant share of subjects covered by the Law avoid disciplinary sanctions.

Expected strategic results:

1) Legislative provisions defining the grounds and procedure for bringing the subjects covered by the Law to disciplinary liability for violating the requirements of anti-corruption legislation with the introduction of basic rules stating that:

- major breach of the requirements of the Law shall be the basis for bringing such persons to disciplinary liability;

- a separate ground for disciplinary action is the fact of entry into force of a judicial decision to bring such a person to administrative liability for committing a corruption-related offence, or to close proceedings on an administrative offence in connection with the expiration of the term for imposing an administrative sanction, or in connection with releasing the offender from administrative liability due to a minor nature of the offence, shall be a separate reason for bringing to disciplinary liability;

- entry into force of a judicial verdict to prosecute such a person for committing a corruption or corruption-related crime, as well as entry into force of a court decision to release such a person from criminal liability on the grounds provided for in Articles 45–49 of the Criminal Code of Ukraine, is unconditional ground for dismissal;

2) Disciplinary and administrative liabilities are established for failure to comply with legislative requirements on making offenders disciplinary liable;

3) The Law defines the following major grounds for disciplinary liability of subjects:

- a person who committed a major breach of the requirements of the Law shall be subject to disciplinary liability regardless of whether another type of legal liability has been established for this offence, whether this offence is considered criminal, administrative or civil proceedings, the stage of consideration and final decision in such cases;

- the statute of limitations for imposition of disciplinary sanctions are at least three years from the date of the offence;

- lack of the National Agency's opinion regarding availability of characteristics of a corruption or corruption-related offence in the act of a person does not affect making such a person disciplinary liable;

4) Legislation establishes that courts, which considered a case on corruption or corruption-related offence, or a case on declaring assets insupportable, are obligated to send a copy of the judicial decision in the case that came into effect, to the state executive agency, local government agency, enterprise, establishment or organization where the person regarding whom such case was considered works.

4.2. Administrative liabilities

4.2.1. Problem statement. Part of the rules, prohibitions and limitations established by the anti-corruption law, have not been supported by legal liability

measures. Articles 172-4 – 172-9, 212-15 – 212-21 of the Code of Ukraine on Administrative Offences have a number of deficiencies significantly narrowing supportive and preventative capacity, and the efficiency of the National Agency, the National police, prosecution and judiciary.

Expected strategic results:

1) Administrative liability has been introduced for violation of restrictions after the cessation of activities related to the performance of state or local government functions;

2) Based on the results of the analysis and summarization of the practice of bringing guilty persons to justice for committing corruption-related administrative offences, the relevant prohibitions have been systematically improved;

3) Sanctions for committing corruption-related administrative offences have a significant security and preventive effect, and are proportionate; compulsory dismissal for committing a corruption-related administrative offence applies only if the court imposes a penalty in the form of deprivation of the right to hold certain positions or engage into certain activities;

4) The grounds for bringing to administrative responsibility for violation of rules, prohibitions and limitations in the area of political party financing and filing of financial reporting has been improved.

4.2.2. Problem statement. Majority of persons guilty in committing corruption or corruption-related offences in the area of political party financing and financial reporting, avoid administrative liabilities and/ or sanctions using systemic gaps of the existing procedure for bringing persons to administrative liability, and due to the inadequacy of the judiciary.

Expected strategic results:

1) The procedure for bringing to administrative liability for committing corruption or corruption-related offences, as well as offences in the area of political party financing and financial reporting thereof is streamlined, in particular due to:

- simplifying the procedure for summoning and delivering protocols on such offences;

- prohibition of returning protocols for due documentation and establishment of an exhaustive list of significant violations in drafting protocols, which hinders the adoption of a decision;

- ensuring consideration of a category of cases regarding national public figures and judges by the High Anti-Corruption Court;

- granting the National Agency, the status of a trial participant in cases according to the protocols issued by it;

- granting the right of appeal to the National Agency of judicial decisions rendered in cases based on protocols issued thereby; and the same right to the prosecutor in cases based on articles 172-4–172-9 of the Code of Ukraine on Administrative Offences;

- establishing a prohibition on releasing from administrative liabilities for such offences based on a minor nature;

- cancellation of time limits for imposing sanctions for committing such offences to the date of their detection, as well as the establishment of a rule according to which these terms shall be suspended if a person intentionally evades appearing in court, or cannot appear in court for valid reasons;

- improvement of the procedure for application of enforcement measures to persons who evade appearing in court for no valid reason;
- 2) The system for electronic proceedings in cases on administrative offences is implemented;
- 3) Adequate quality of the National Agency's and the National Police Agencies' work is ensured regarding collection of evidence and issuing protocols on corruption-related offences and offences in the area of political party financing and financial reporting.

4.3. Criminal liabilities

4.3.1. Problem statement. Certain provisions of criminal law relating to criminal liabilities for corruption offences contradict international standards in this area, lack coordination among themselves and with the provisions of criminal procedure legislation and the Law. As a result, in a significant portion of cases persons who have committed corruption crimes are released from criminal liabilities and/or punishment.

Expected strategic results:

- 1) Contradictions between the provisions of the Criminal Code of Ukraine and the Law regarding definition of criminal corruption offences are eliminated;
- 2) Sanctions for committing corruption and corruption-related offences are balanced and have a significant supporting and preventive effect; neither criminal corruption offences belong to the category of misdemeanor offences;
- 3) Amendments to criminal legislation are introduced to provide that persons who terminated activities related to performance of functions of the state or local government may be held criminally liable for unlawful enrichment;
- 4) investigatory and judicial practices for bringing persons guilty of committing corruption and corruption-related offences to criminal liability is consistent and predictable, in particular due to generalization of law enforcement.

4.3.2. Problem statement. Low efficiency and quality of pre-trial investigation in corruption crimes (significant number of such proceedings lasts for years) caused by the excessive complexity of certain procedural actions;

Expected strategic results:

- 1) Practicability of simplification of certain investigative (search) measures and other procedural actions is considered;
- 2) Laws provide for the possibility of using the whole scope of evidence obtained during the pre-trial investigation, inadmissibility of which is not directly specified by the laws, in the process of judicial consideration in criminal proceedings;
- 3) An electronic criminal proceedings system is implemented;
- 4) Disciplinary liability for all participants of legal proceedings is the efficient instrument for ensuring compliance with the requirements of the criminal procedure law and reasonable terms for investigation and judicial consideration on corruption and corruption-related criminal offences;
- 5) Guarantees of institutional and operational independence of the National Anti-Corruption Bureau of Ukraine and the Specialized Anti-Corruption Prosecutor's Office are adequately determined and implemented in practice, in particular, due to:

- the strengthening of the status and extending the scope of authorities of the Head of the Specialized Anti-Corruption Prosecutor's Office and its deputies;
 - clarification of legislative provisions on the status of the National Anti-Corruption Bureau within the system of public authorities (with preservation of current guarantees of independence), and subject for appointment and dismissal of the Director of the National Anti-Corruption Bureau in accordance with the decision of the Constitutional Court of Ukraine No.9-p/2020;
 - an external independent assessment of performance of the National Anti-Corruption Bureau of Ukraine and the Specialized Anti-Corruption Prosecutor's Office with participation of international experts;
- 6) The National Anti-Corruption Bureau of Ukraine and the Specialized Anti-Corruption Prosecutor's Office perform their tasks efficiently, in particular due to:
- clarification of legislative provisions on entering into plea agreements in criminal proceedings on corruption offences;
 - ensuring compliance with jurisdiction procedures bringing prosecutors committing violation thereof to liability;
 - further optimization of internal processes, full implementation of an electronic criminal proceedings system;
 - referring to the jurisdiction of the National Anti-Corruption Bureau of Ukraine a crime under Article 159-1 of the Criminal Code of Ukraine;
- 7) Efficient interaction between the National Anti-Corruption Bureau of Ukraine, the Specialized Anti-Corruption Prosecutor's Office and other public authorities (primarily, pre-trial investigation authorities, prosecution authorities, the National Agency, the National Agency for finding, tracing and management of assets derived from corruption and other crimes, the State Service for Financial Monitoring) established.

4.3.3. Problem statement. Low effectiveness of tracing and recovery of assets derived from corruption and corruption-related offences, and prevention and countering money laundering.

Expected strategic results:

1) Management of assets arrested within criminal proceedings, tracing illegally obtained assets outside the borders of Ukraine and repatriation thereof is administered efficiently including due to the strengthening of institutional capacity of the National Agency of Ukraine for finding, tracing and management of assets derived from corruption and other crimes; improvement of legislation on transfer of assets into management; and ensuring efficient international cooperation;

2) Cases of money laundering and assets derived from corruption are detected and adequately registered due to efficient activities of the State Service for Financial Monitoring and regulation of cooperation thereof with the National Agency, the National Anti-Corruption Bureau of Ukraine, the Specialized Anti-Corruption Prosecutor's Office, the National Agency of Ukraine for finding, tracing and management of assets derived from corruption and other crimes, and other state agencies;

3) Finding and tracing funds derived from corruption is streamlined due to creation of a single register of bank accounts, direct access to which will be granted at least to the National Agency, the National Anti-Corruption Bureau of Ukraine, the

Specialized Anti-Corruption Prosecutor's Office of Ukraine, the National Agency of Ukraine for finding, tracing and management of assets derived from corruption and other crimes, the State Service for Financial Monitoring, the State Tax Service of Ukraine, the State Customs Service of Ukraine and the State Fiscal Service of Ukraine;

4) Measures to prevent money laundering derived from corruption is defined based on a risk assessment and is adequately implemented; FATF recommendations are consistently implemented in practice;

5) Seizure and transfer to the management of the National Agency of Ukraine for finding, tracing and management of assets derived from corruption and other crimes, of illegally acquired assets for conservation of economic value is carried out efficiently and in a timely manner.

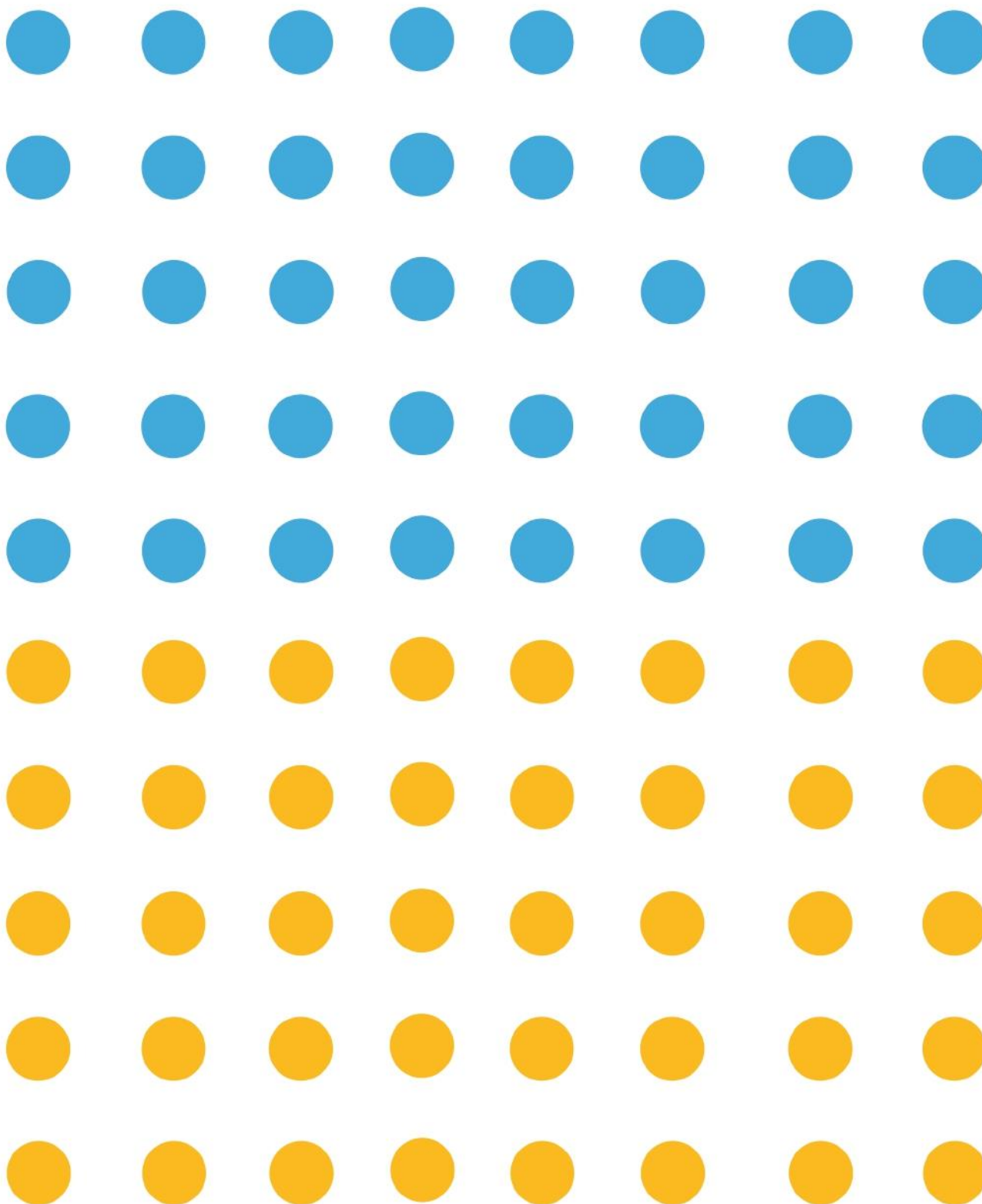
4.3.4. Problem statement. The general dynamics of court proceedings on cases of corruption and corruption-related crimes is low. There is no established practice of considering criminal investigations of this category. There are multiple cases of abuse of procedural rights by participants in the court.

Expected strategic results:

1) Judicial review of criminal proceedings on corruption and corruption-related criminal offences is administered adhering to the principle of continuity;

2) The subject-matter jurisdiction of the High Anti-Corruption Court is narrowed due to an increase in the threshold of the size of the subject of the crime or the damages caused by it;

3) The practice of consideration of criminal proceedings by the High Anti-Corruption Court sets the standard for the formation of a well-established practice for consideration of relevant categories of proceedings by other courts.



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