PRESS RELEASE

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**NAKO Will Act As An Independent Expert In The Reformation of “Ukroboronprom”**

*The Defence Corruption Monitoring Committee (DCMC/Ukrainian abbreviation is NAKO) and Transparency International Ukraine have agreed with* *the State Concern “Ukroboronprom” to participate in its reformation as an independent expert.*

NAKO and TI Ukraine will provide expert assistance in developing the final technical specifications regarding reform of the Concern and will participate in the selection of companies that will present preliminary proposals. "Ukroboronprom" must purchase the services of independent auditors through the government procurement system ProZorro.

NAKO and TI Ukraine declared readiness to act as a third party in the reformation of the Concern and in increasing its level of transparency. They will carry out public control over activity of the Concern’s enterprises and will contribute to reducing corruption. The participation of NAKO and TI Ukraine is possible only under the condition that the joint work will lead to real results, and will be not limited only by the "Declaration of intent".

Secretary of NAKO **Viktor Plakhuta** expressed a word of caution ‘*The Concern shows commitment to transparency in matters of reformation. It is important for us that representatives of civil society will be not just a cover-up for inaction and resisting positive change.* *We are ready to provide the necessary assistance in raising the level of transparency and public control and in reducing the level of corruption within the Concern.* *Such cooperation is an opportunity to closely monitor the reform process and to inform the public should corruption risks remain in the military-industrial sector ‘-*

According to the agreement with the Concern, the representatives of NAKO and TI Ukraine will have the right to provide their expert opinion and recommendations, but only the State Concern "Ukroboronprom" will have the right for the final decision on its acceptance.

Furthermore, NAKO and TI Ukraine will render all possible assistance in attracting donor funds to conduct an independent audit of the State Concern "Ukroboronprom" and to finance the cost of consultants’ services. The Concern will allocate from its budget the part of the funds for these purposes and it plans to attract another part through government programs.

Yulia Klimenko, member of the Board of TI Ukraine **Yulia Klymenko** could assure during the meeting with the heads of the State Concern "Ukroboronprom" that “*As soon as the Concern implemented the principles of transparency and openness, in particular, the corporate governance standards of the Organisation for Economic Co-operation and Development (OECD), it automatically will increase its value. The Concern will be able to participate in the world's best tenders, because the company with transparent accounting is more competitive and attractive to investors’.*

NAKO and TI Ukraine hope that the Concern will be reformed with all anti-corruption recommendations because the reduction of corruption is one of the conditions of strengthening of Ukrainian defence capability and development of the economy.

***The Defence Corruption Monitoring Committee (DCMC/Ukrainian abbreviation is NAKO)*** *is a joint international and Ukrainian monitoring group supported by Ukraine-based Secretariat and UK-based Transparency International Defence and Security programme. Aims of the project are monitoring and evaluating efforts to reduce corruption and corruption risks within the defence sector, developing anti-corruption recommendations and promoting transparency for the defence sector.* [*http://bit.ly/2jls9iH*](http://bit.ly/2jls9iH)

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