TI UKRAINE ENCOURAGES THE GOVERNMENT TO MEET TRANSPARENCY STANDARDS IN THE DEFENSE SECTOR

17.11.2016

*The Ministry of Economic Development responded to Transparency International Ukraine in an* [*open letter*](http://ti-ukraine.org/news/oficial/6246.html)*on independent auditing by “Ukroboronprom”. It said that under the decree of the Cabinet of Ministers No. 390, 28 enterprises and participants are subject to financial audit control. 8 of them have already begun such audit.*

TI Ukraine will monitor the process of auditing state defense sector. According to the experts from the organization, this will be the first step in reforming the country’s defense sector , and would attract investments resulting in the modernization of the industry.

*“The sphere of defense today requires effective mechanisms of accountability and openness, that pose no threat for the national security. The efficiency issue is an issue of life and death of the military and the existence of the state”*, mentioned **Yaroslav Yurchyshyn**, executive director of TI Ukraine.

The General Secretary of the Independent Defense Anti-Corruption Committee, **Viktor Plakhuta** also stressed that insufficient transparency costs the country greatly.

*“We need to simplify and standardize procedures of disclosure and data access in the defense sector which is a state secret. The Government will then not be able to hide corruption, inefficiency or mistakes behind the ‘secured information’ clause. It is a key to transparency”*, says Plakhuta.

He said that the majority of weapons and goods for military use in Ukraine is procured via closed and noncompetitive procedures. Noncompetitive procedures of procurement leads to higher prices, low quality of equipments and is also a source of corruption. Proponents of such system argue that transparency of procurement is a threat for national security however. Nonetheless, TI Ukraine believes otherwise as corruption surely undermines the country even more

The expert is sure that Ukraine shall follow the example of NATO in the participation of defense enterprise in supplying the army, defense budgeting, planning and holding procurement.

TI Ukraine, therefore, will demand transparency and accountability in defense sector and maximum efficiency in the use of budgetary resources that are invested in defense. For its part, the organization will promote a detailed civil control.

Full text of the response from the Ministry for Economic Development on audit of “Ukroboronprom” is attached.