TRANSPARENCY
INTERNATIONAL
Ukraine

ACTIVITY STRATEGY

TRANSPARENCY INTERNATIONAL UKRAINE

2019–2021

2018

Who we are

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Transparency International Ukraine is an accredited chapter of
a global movement with a comprehensive approach to development
and implementation of changes for reducing levels of corruption.

Mission

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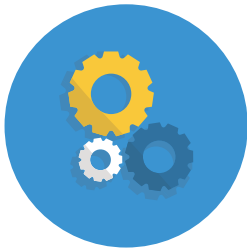**TO REDUCE THE LEVEL OF CORRUPTION IN UKRAINE.**

Who we work for

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OUR BENEFICIARIES are people, organizations and institutions that are
positively affected by the reduction of the corruption level in Ukraine.
They include each and every citizen of our country,
a representative of any social group.

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OUR SUPPORTERS AND ALLIES are those who both benefit from, and
realize the usefulness of, the reduction of corruption in this country. This
realization encourages them to seek ways to overcome corruption and to
make use of them. They act and, sooner or later, they win. They are honest
social activists, entrepreneurs, journalists, members of the organization,
representatives of public authorities, Ukraine's international partners
and active citizens.

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Our values

SYSTEMIC APPROACH

We analyze both the consequences and the reasons, suggesting and implementing comprehensive mechanisms.

UNITY

We are a team united by a common goal. We unite everyone who shares our values and who is ready to make the effort to make those changes happen.
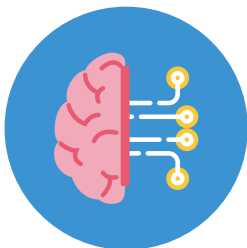
EFFICIENCY

We achieve excellent results with optimal use of resources and account for them.

OPENNESS

We are open, accountable and honest in our activity.

INNOVATION

If old methods are ineffective, we are willing to take risks to find new effective strategies. We think outside the box.

PROACTIVITY

We do not wait for change; we make the change ourselves.

BALANCE

We are willing to listen to all sides and make an independent, informed decision. Our activity is constructive.

Our guiding princeples

1. We work cooperatively with all individuals and groups, with for-profit and not-for-profit companies and organizations, and with governments and international bodies committed to the fight against corruption, subject only to the policies and priorities set by our governing bodies.

2. We undertake to be open, honest and accountable in our relationships with everyone we work with, and with each other.

3. We are democratic, politically non-partisan and non-sectarian in our work.

4. We condemn bribery and corruption vigorously in all their manifestations.

5. The positions we take are based on sound, objective and professional analysis and high standards of research.

6. We only accept funding that does not compromise our ability to address issues on which we work freely, thoroughly and objectively.

7. We provide accurate and timely reports of our activities to our stakeholders.

8. We respect and encourage respect for fundamental human rights and freedom.

9. We are committed to working with other Chapters of the global network.

10. We recognize the equal opportunities policy and are committed to providing everyone with equal career, education, motivation and promotion opportunities regardless of age, gender, race, religious beliefs, sexual orientation and other personal characteristics.

11. As one global movement, we stand in solidarity with each other and we will not act in ways that may adversely affect other Chapters or the TI movement as a whole.

Our worldview

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The Revolution of Dignity opened up a "window of opportunity," and in the four years since, a number of progressive ideas have been implemented; a reform process has been launched in many sectors. During this time, anti-corruption agencies were created in Ukraine, the public procurement and sales systems became consistent with the principle "everyone can see everything," electronic declarations were introduced, public registers were made accessible, decentralization was implemented, and healthcare reform was initiated - amongst other activities. However, corruption continues to bear a considerable economic impact: it is costing Ukraine 2% of its annual GDP (according to the IMF[1]). Corruption is regularly named one of the top three problems which Ukrainians believe hamper the country's development and success.[2] Business circle representatives (89%[3]) consider anti-corruption a priority for improving the business climate in the country.

We believe that the following should be taken into account in Ukraine's anti-corruption effort today:

Adverse political environment and a high level of uncertainty. 2019-2020 will see elections held in Ukraine. In their attempts to win over voters, political elites tend to focus on short-term results and are not ready for systemic change. Furthermore, Ukraine's political culture is highly tied to individual leaders, which makes it hard to predict the government's course of action following the elections.

People's frustration and disbelief that anything can change. According to general public opinion, the high expectations and demand for systemic change that emerged following the Revolution of Dignity have not been met. People do not feel that there have been any tangible results, and the notions of "activist," "anti-corruption campaigner," and "change agent" have been discredited. Thus, Ukrainians wish to see "new faces" in government but today, this request effectively remains unanswered. This leads to populist politicians gaining support. The population does not trust political institutions and does not believe in positive change.

Complicated economic circumstances and the low living standard. World Bank estimates that the level of poverty grew by 10% over 2014-2018, and 25% of Ukrainians live below poverty line[4]. The projected GDP predicts a deceleration of economic growth to 3%

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[1] IMF Resident Representative in Ukraine Gösta Ljungman in his speech at the Ukrainian Investment Forum organized by CFA Society Ukraine in Kyiv in November 2017. Source: http://bit.ly/2FqAfWL

[2] The research was carried out by the Rating Sociology Group in July of 2018. Sample: 3200 respondents aged 18 and more. Link: http://bit.ly/2Rs0Ucm;
the research was carried out by the Rating Sociology Group in March of 2018. Sample: 2400 respondents aged 18 and more. Link: http://bit.ly/2MakjIF;
the research was carried out by Ilko Kucheriv Democratic Initiatives Foundation together with Razumkov Center sociology service in December of 2017. Sample: 2004 respondents aged 18 and more. Link: http://bit.ly/2AKkpCh

[3] Survey on corruption level perception held among representatives of companies – members of the American Chamber of Commerce in Ukraine in November 2017. 184 respondents participated in the survey. Link: http://bit.ly/2RqXWVj

[4] The research was carried out by Ilko Kucheriv Democratic Initiatives Foundation together with Kyiv International Institute of Sociology from 16 August to 28 August 2018. Sample: 2041 respondents aged 18 and more. Link: http://bit.ly/2CoJa76

in 2019, according to Ministry of Economic Development and Trade. Ukraine's economy is highly dependent on Western partners' support. Ukraine runs a high risk of inflation growth. The population feels poor and thus, the principal issues identified by people pertain to safety and basic vital needs. For instance, the main problems identified by people include the military conflict in the East (54.4%), low wages and pensions (54.1%), high prices for utilities (48.1%), increase in prices for basic goods, inflation (34.9%), unemployment, lack of jobs (26.8%), bribery and corruption in the authorities (25.5%) and lack of access to adequate healthcare (19%)[5].

The risk of insufficient support of the decentralization reform.

The decentralization reform has significantly increased funding for, and powers of, local self-government authorities. On the one hand, this poses a challenge requiring action, new management methods and improved local authority professionalism. On the other hand, this entails the risk of increased corruption at the local level, which creates the need for more transparent and accountable governance as well as for civic oversight and participation. Even though the majority Ukrainians supported decentralization as of summer 2018, their level of awareness of this reform remains low. Ukrainians expect the positive outcomes of the reform to be the opportunity to play a bigger role in decision-making (23%) and an improvement in quality of services (19%). The potential negative outcomes include the emergence of local power brokers (23%) and the depopulation of villages (22%)[6]. The success of the decentralization reform is highly dependent on increased community participation and oversight of the reform process and local governance, as well as regular upgrade of local authorities' qualifications.

Pressure and attacks on activists. The power of the public voice comes from unity. Even though the majority of Ukrainians (60%) believe that civil society organizations are necessary in their cities or villages, the level of engagement remains low: 85% of citizens are not in any way engaged in social activism, and 70% do not know what civil society organizations function in their city or village[7]. People's engagement is further complicated by the escalating physical attacks against, and intimidation of, activists: offices of media have been set on fire, whistleblowers have become victims of beatings, activists had brilliant green and acid thrown in their faces, obligatory electronic declarations have been introduced, which may result in criminal liability for people who participate in anti-corruption activity - among other things. Therefore, the society receives a systematic signal that it is dangerous to take an active soial stance.

Ongoing external aggression against Ukraine. The ongoing military conflict on the territory of Ukraine and existence of temporarily occupied parts of Ukraine poses a constant challenge and one of the most important problems to resolve.

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[5] The research was carried out by the Center Social Monitoring, O. Yaremenko Ukrainian Institute for Social Research, Kyiv International Institute of Sociology, and Rating Sociology Group from 28 September to 16 October 2018. The sample is representative in terms of age, gender, area and type of administrative unit of residence. The sample includes 13684 respondents. Method: face-to-face formal interview. Link: http://bit.ly/2Mcfm1W
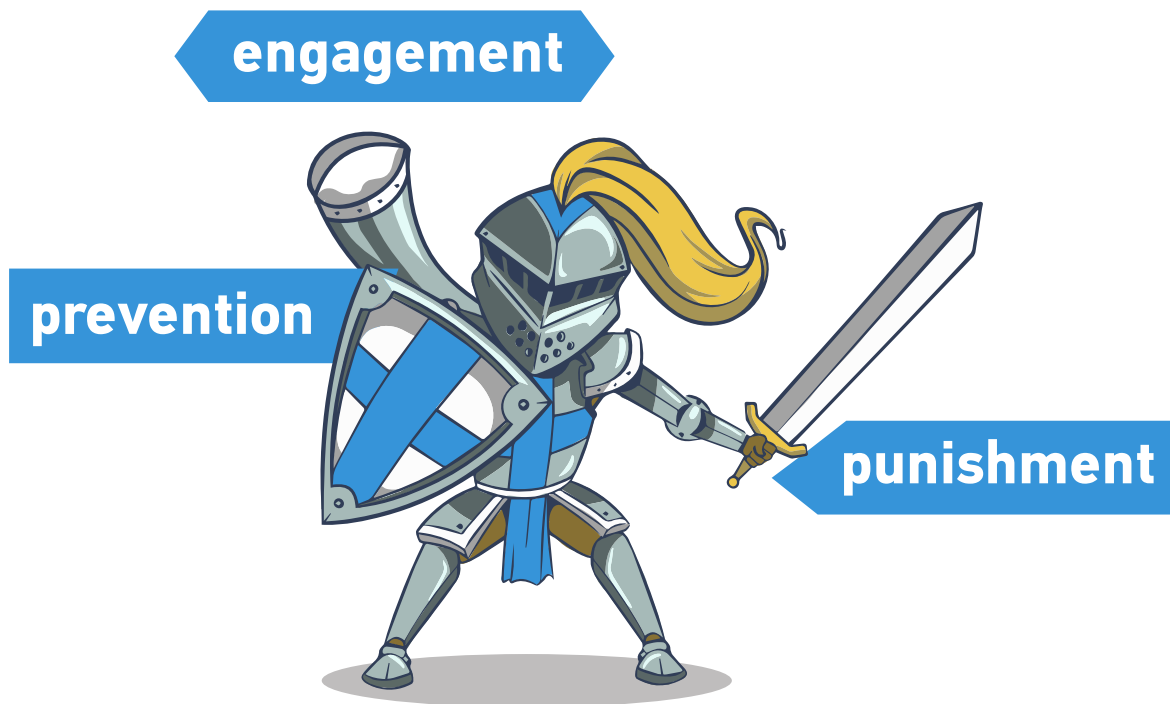
[6] The research was carried out by Ilko Kucheriv Democratic Initiatives Foundation together with Kyiv International Institute of Sociology from 16 August to 28 August 2018. Sample: 2041 respondents aged 18 and more. Link: http://bit.ly/2Ftdstg

[7] The research was carried out by Ilko Kucheriv Democratic Initiatives Foundation together with Razumkov Center sociology service from 19 May to 25 May 2018. Sample: 2019 respondents aged 18 and more. Link: http://bit.ly/2DasbqE

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Therefore, **the key problems** that we have identified **in anti-corruption** are as follows:

- Fragility of the current anti-corruption system
- Insufficient capability to tackle existing challenges in the regions despite the increasingly broad opportunities
- Observance of the rule of law principle has not yet been fully provided
- Adaptability of the corrupt system to changes

Our strategy to reduce the level of corruption in Ukraine:

engagement

prevention

punishment

1. Mitigate corruption risks at the national and the local level by increasing transparency and accountability in authorities' work.

2. Engage the maximum number of participants and create conditions enabling them to unite into effective networks by providing them with regular support.

3. Ensure an effective system of punishment for corruption-related violations.

TO MAKE THE ORGANIZATION CAPABLE OF ACHIEVING ITS GOALS, the organization should operate effectively and be stable in the face of internal and external change.

These are the tasks on which the organization will work in 2019-2021.

We believe that it is important to declare that, taking into account the challenges and risks listed above faced by the entire anti-corruption sector (pressure on the key actors, escalation of the electoral campaigns, incriminating information in anti-corruption journalist investigations etc.) there is an especially urgent need for all the parties to this sector to unite and develop a joint anti-corruption agenda for the following years. Only then can this activity be effective in 2019-2021.

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1 PREVENTION

Objective

Mitigate possible corruption risks at the national and local levels by increasing the transparency and accountability of authorities

Context

Political will has a significant impact on the work of national and regional authorities. Despite the launch of the ProZorro system - which was based on the principle of "everyone can see everything" - the public agencies authorized to oversee compliance with the law and monitor public procurement perform their functions ineffectively.

At the local level, processes are often complicated and the information about them is not public, with no comprehensive, high-quality oversight over decision-making by authorized agencies.

What are the consequences?

Numerous exposés published by investigative journalists, as well as outcomes of civic control over public procurement, demonstrate that unscrupulous parties to procurement have adapted to the new rules of the game, and there are still massive abuses in this sector[8]. According to the 2017 Transparency Ranking of Ukrainian Cities by #TransparentCities, the transparency of local authorities constitutes just 30%[9]. Citizens and business circle representatives do not have full access to information at the local level, which results in high likelihood of corruption risks and additional barriers.

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[8] Investigation materials and results of public procurement monitoring of the Dozorro monitoring community are available at https://dozorro.org/

[9] The transparency ranking of 100 biggest Ukrainian cities #TransparentCities, implemented by Transparency International Ukraine: https://transparentcities.in.ua/rating/

Expected Outcome

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- **Independent and effective oversight of all processes and actions in public procurement** by national and local authorities and state-owned enterprises/institutions;
- **Increase in the amount of open data in cities and UTCs.** Increasing the level of transparency in cities and UTCs, furtherance of correspondence between the levels of accountability and transparency.

Action plan

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Independent and effective oversight of all processes and actions in public procurement by national and local authorities and state-owned enterprises/institutions:

- Providing public authorities with monitoring tools and training on their use (BI, DOZORRO, BIpro, city transparency/accountability ranking);
- Advocacy of strengthening the responsibility for corruption-related offenses through legislative changes (particularly in the sector of public procurement);
- Further transfer of information on public procurement into electronic format; analysis of procurement and the work of the State Audit Service, local decisions etc.

Increase in the amount of open data in cities and UTCs. Increasing the level of transparency in cities and UTCs, furtherance of correspondence between the levels of accountability and transparency:

- Work on increasing transparency in cities and UTCs in the main aspects of local authorities' work, particularly those included in the city transparency ranking #TransparentCities[10], particularly through engagement of the organization members in promotion and advocacy of transparency and accountability tools and principles for cities and UTCs;
- Implementation of effective and user-friendly tools of authorities' transparency and accountability at the local level; exchange of best practices among cities.

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[10] The accountability areas of the transparency ranking of 100 biggest Ukrainian cities implemented by Transparency International Ukraine are as follows: information on the work of local authorities, access and participation, procurement, housing policy, budgeting process, funding and grants, social services, human resources, professional ethics and conflict of interest, land use and construction policy, municipal businesses, municipal property, education, investments.
More: https://transparentcities.in.ua/about/

2 ENGAGEMENT

Objective

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Engage the maximum number of allies, and facilitate their organization into effective networks providing regular support.

Context

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As a result of the decentralization reform, new opportunities emerge locally, municipalities accumulate more power and financial resources. New faces, ready to implement anti-corruption practices and in need of public and expert support, join the local authorities.

The success of the reform depends both on the authorities and the public, on their readiness to take responsibility for change at the local level, to participate in the decision-making process, to study the changes happening in communities, to take a proactive stance. These change agents can be both business representatives who want to defend fair competition and equal rules for every player on the market and regular citizens who would like to ensure comfortable coexistence in communities.

TI Ukraine, for instance, has developed a number of tools for citizen engagement: the monitoring system DOZORRO, BI tools, the city transparency ranking, but these tools are, and will be, effective only if they are actively used by the public. We observe an interest in these tools and positive outcomes of their use, however, the potential of their influence is much higher.

What are the consequences?

The majority of Ukrainians (83%) consider anti-corruption activity in Ukraine unsuccessful, with fewer than 2% of citizens engaged in anti-corruption activity[11]. On the one hand, citizens' motivation and faith in the effectiveness of civic oversight are falling. On the other hand, certain civil society organizations are not ready to upgrade their professionalism, balance, systematicity and unbiased work.

It is difficult to find local partners, while there is an increased need for professional support locally. Local authorities often do not have proper conditions and tools for exchanging experience and sharing the acquired expertise. There are also no platforms for honest and open dialogue between the authorities and the public.

All of this creates a high risk that the decentralization reform will not be completed successfully due to a low level of engagement.

Expected outcome

- Established **partner relations** with **business circle representatives** who support the promotion of integrity;
- An **informal network uniting local authority representatives** working in implementing transparency and accountability practices;
- A network of **civil society organizations and active citizens** working together on **corruption counteraction**.

Action plan

Established **partner relations** with **business circle representatives** who support the promotion of integrity:

- Monitoring and advocacy of legislative changes (including those at the local level) which would mitigate corruption risks in economic activity;
- Promotion of business intelligence tools as well as transparency and accountability tools among business circle representatives.

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[11] The research was carried out by Ilko Kucheriv Democratic Initiatives Foundation together with Razumkov Center sociology service from May 19 to May 25, 2018. Sample: 2019 respondents aged 18 and more.
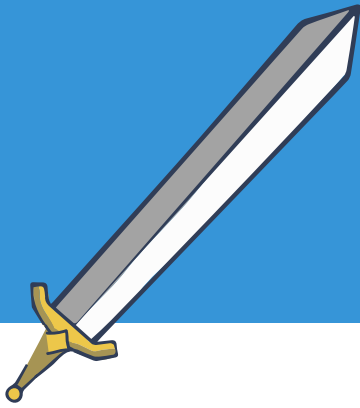Link: http://bit.ly/2HcEh6T

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An **informal network uniting local authority representatives** working in implementing transparency and accountability practices:

- Providing advice on best practices of transparency and accountability;
- Creation of a platform for exchange of experience and interaction of local authority representatives.

A network of **civil society organizations and active citizens** working together on **corruption counteraction**:

- Interaction with other civil society organizations: creation of a single network of partners and active citizens with the aim of sharing information, providing expert support and implementation of joint projects;
- Delivery of educational events and dissemination of educational material among active citizens;
- Engagement of the public in anti-corruption activity, including through communication campaigns;
- Exchange of experience with regional CSOs and organization members through internships and volunteering opportunities with TI Ukraine;
- Engagement of volunteers in the organization's activity.

3 PUNISHMENT

Objective

Provide an effective system of punishment for corruption-related violations

Context

In October 2014, Parliament adopted the Laws of Ukraine "On the National Anti-Corruption Bureau," "On Corruption Prevention" and a few others, setting in motion the creation of a system of anti-corruption institutions in Ukraine, designed to fight effectively against corruption manifestations. On the other hand, there are negative phenomena, such as the low quality of the current law enforcement reform, the unsatisfactory condition of the judiciary, strong resistance from the corrupt elites, the absence of a comprehensive approach to the establishment of anti-corruption agencies and insufficient safeguards of their independence.

What are the consequences?

Today, the constitutional principle of the rule of law is effectively invalidated. An effective and independent system of pre-trial investigation and procedural management, and fair and unbiased justice are yet to be ensured. As a result, there is no systemic irrevocable punishment for corruption-related offenses.
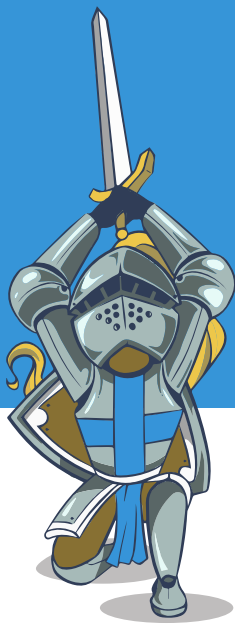
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Expected outcome

Professional anti-corruption infrastructure providing an effective system of punishment for corruption-related offenses, including an independent and professional High Anti-Corruption Court which administers fair justice within a reasonable time.

Action plan

Professional anti-corruption infrastructure providing an effective system of punishment for corruption-related offenses, including an independent and professional 'High Anti-Corruption Court' which administers fair justice within a reasonable time:

- Regular collection of information and systemic analysis of the work of specific agencies of the anti-corruption infrastructure (namely, the NABU, the SAPO, the HACC, the ARMA), and their interaction;
- Control over the newly created High Anti-Corruption Court's establishment and comprehensive analysis of its activity, compilation of necessary recommendations in order to improve the quality of its work;
- Joint investigations of corruption with investigative journalists and representatives of the TI global anti-corruption movement;
- Collection of information on legal peculiarities of criminal liability of economic entities; anti-corruption investigations.

4 INSTITUTIONAL DEVELOPMENT

Objective

Provide effective sustainable functioning of the organization, stable when faced with internal or external change.

Context

During the recent years, TI Ukraine has increased the number of implemented projects and thus the number of people engaged in their implementation. In response to the existing need, the organization has undertaken new functions. The organization devotes attention to the management and development of individuals involved in its projects, fundraising, and its monitoring and evaluation system. Operational and financial planning is also running smoothly. However, the information outreach of our programs and projects is insufficient and, consequently, the engagement level is lower than expected.

What are the consequences?

TI Ukraine has the reputation of a reliable and constructive partner among both donors and representatives of its target groups. But to ensure the organization's sustainability and efficiency, operational processes should be established, and the organizational structure and management must be improved in response to the constant challenges that the organization faces.

Currently, over 90% of the organization's activity is financed by donor organizations. This renders ensuring its long-term financial stability impossible and makes it dependent on partners.

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Expected outcome

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TI Ukraine is an organization with:

- Effective management
- Diverse sources of funding
- A functional organizational structure and workflow
- A developed organizational culture
- Effective methods of informing and engagement of designated target groups

Action plan

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Effective management:
- Establishment of a consistent policy of membership and of the board with mutual commitments recorded; establishment of cooperation among different levels (members, the Board, the Directorate, staff);
- Implementation of a crisis management plan.

Diverse sources of funding:
- Growth of funding obtained from businesses, diaspora, and the general public;
- Ensuring the implementation of long-term projects.

A functional organizational structure and workflow:
- Alignment of the organizational structure with strategic objectives and priorities;
- Formalization of roles and accountability areas within the organization, which are clearly defined and mutually complementary;
- Development and launch of a staff succession program;
- Obtaining ISO 9001 certification for the organization's services (in 2019);
- Certification based on NUPAS (Non-U.S. org. Pre-award Survey) criteria (by 2021).

A developed organizational culture:
- Supporting team members' sense of engagement and identity as part of the organization's team; improve horizontal and vertical communication processes;
- Establishment of communication among team members and project teams, support of organization members' engagement in the implementation of strategy and their sense of belonging in the anti-corruption movement;
- Structuring the system of training, career opportunities and professional development of the team within the organization.

Effective methods of informing and engagement of designated target groups:
- Providing a steady information flow for key partners;
- Proactive communication of the organization's key messages to selected target groups in a comprehensive, user-friendly format;
- Ensuring two-way communication with beneficiaries, partners and allies;
- Increase in the engagement level of citizens and selected target groups in implementation of the organization's projects according to their goals.

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