

**United Nations Development Programme  
Ukraine  
Project Document**

**Project Title** **Enhanced Public Sector Transparency and Integrity, 2015-2018 (ETI)**

**UNDAF Outcome(s):** **Partnership Framework Area 3. Governance**  
**Outcome 2: More effective and accountable public institutions respond to the needs of all persons within the jurisdiction of Ukraine, especially the most vulnerable**

**Expected CP Outcome(s):** **UNDAF / CPD outcome # 7: More effective and accountable public institutions respond to the needs of all persons within the jurisdiction of Ukraine, especially the most vulnerable**  
**ETI project outcome:** Regulatory and institutional arrangements for corruption prevention within Ukraine come closer to international standards for transparency and accountability in the public sector and thus help ensure more responsiveness and efficacy from state bodies at national and subnational levels.

**Expected Output(s):** **CPAP Output 5:** Capacity of national and local authorities and CSOs to promote human rights, access to justice and rule of law and to increase transparency and accountability developed.  
**ETI project output 1:** Assistance rendered to establishment of regulations on issues of conflict of interest, assets declarations, and corruption risk assessment, which spell out mandates and operational procedures for the duty-bearers;  
**ETI project output 2:** Contribution made to duty-bearers' capacity development to operationalize adopted frameworks for conflict of interest management, assets declarations verification and corruption risk assessment in everyday operations at national and sub-national level;  
**ETI project output 3:** Local oversight of anti-corruption reform implementation is stimulated;

**Executing Entity:** United Nations Development Programme in Ukraine  
**Implementing Agency:** United Nations Development Programme in Ukraine

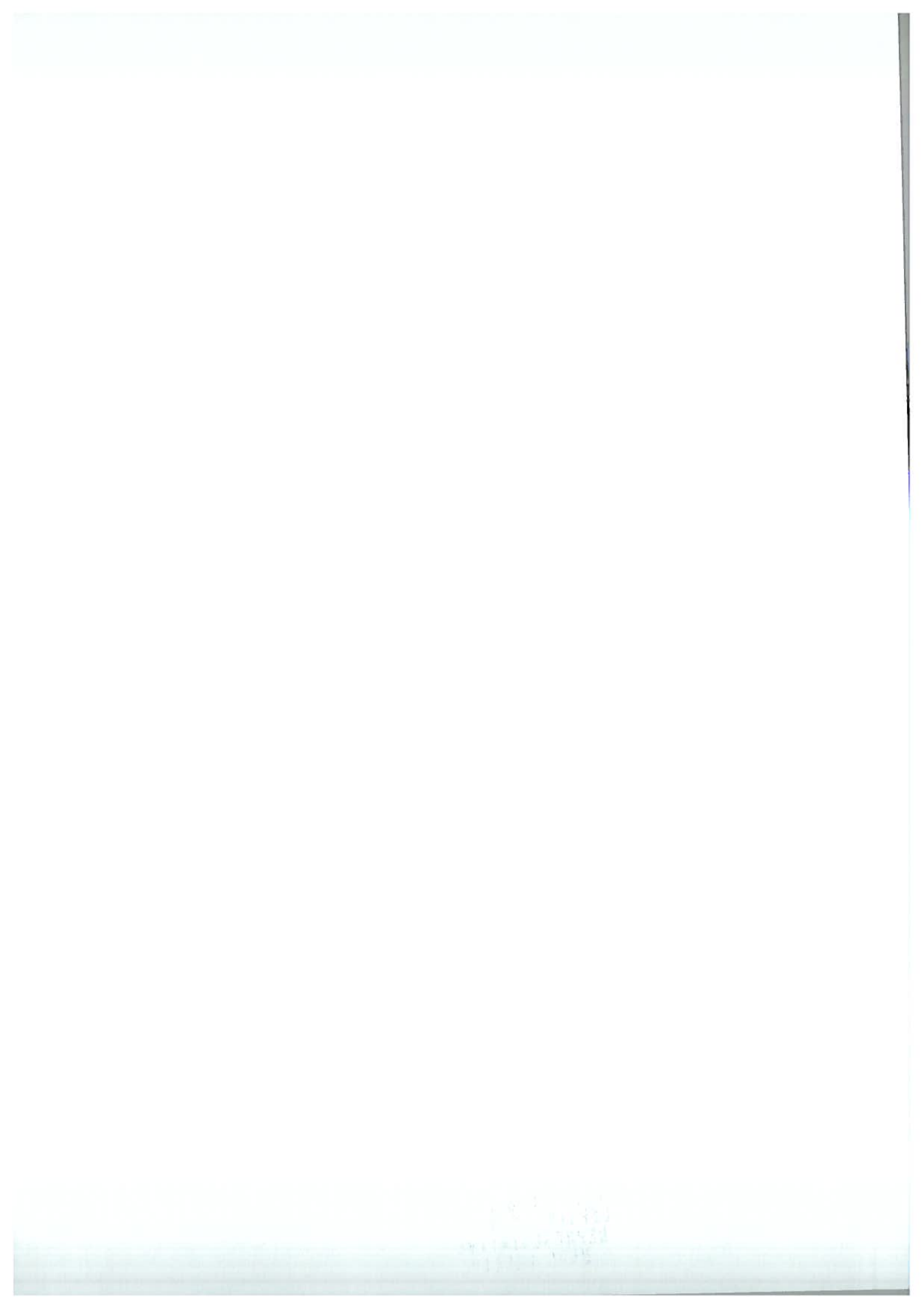
Programme Period:	2015-2018
Key Result Area (Strategic Plan):	
Atlas Award ID:	00090399
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2015-2018 AWP budget:	DKK 21,600,000 (USD
3,254,973 as of 01 Sep 2015)	
Total resources required:	DKK 21,600,000
Total allocated resources:	DKK 21,600,000
o Donor	DMFA
Unfunded budget:	0
In-kind Contributions	0

Agreed by UNDP:

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## I. SITUATION ANALYSIS (CONTEXT, RATIONALE, THEORY OF CHANGE)

### Overview and problem definition

Governance deficiencies in Ukraine are multiple and, in most cases, systemic. Unreformed public service, untrustworthy courts, repressive and ineffective police are only some of the factors characterizing this realm. In many of these cases, underperformance of institutions and systems is linked to high tolerance towards absence of integrity and prevalence of corruption, which bring about popular mistrust and dissatisfaction.

Corruption is a major and systemic problem that has consistently undermined economic and social progress as well as the reform agenda in Ukraine.

- The country has almost consistently declined in the control of corruption since 2005 according to World Bank's World Governance Indicators (2005-2012)<sup>1</sup> and demonstrates poor results on the Transparency International's Corruption Perceptions Index (144<sup>th</sup> out of 177 states ranked in 2013)<sup>2</sup>.
- All traits of full-fledged state capture in Ukraine have continued unabashed until early 2014.<sup>3</sup>
- Despite envisaged sanctions for corruption offences, in 2013 only 3 public servants, as a result of investigations, were deprived of the right to occupy civil service positions<sup>4</sup>.
- Private gain and interest is often found in draft legislation tabled before the Parliament. UNDP-supported civic anti-corruption expert assessments conducted for 140 drafts in 2013 revealed that close to 1/3 of the legislative proposals contained possible corruption risks<sup>5</sup>, some of these traceable to concrete individuals.
- Only 13 out of 25 GRECO recommendations had been implemented by early 2014 following the March 2013 assessment. Similarly, only a few of the EU visa liberalisation related anti-corruptions actions had been implemented by the time of the previous regime's demise in early 2014.<sup>6</sup>
- The State Anticorruption Strategy for 2014-2017 emphasizes that while citizens are becoming much more aware of corruption damage and have actively protested against high-level cases<sup>7</sup>, they also regularly bribe state officials to "accelerate" inefficient public services<sup>8</sup> and rarely see the damaging effect of petty corruption in nurturing an overall culture of bad governance and impunity<sup>9</sup>.
- Stakeholders in Ukraine highlight that the three key corruption prevention mechanisms that need to be entrenched in the new system concern arrangements for managing, assessing and reporting on assets declarations, conflict of interest and corruption risk.

Despite being systemic, complex and intertwined, reasons for proliferation of corruption in Ukraine may be roughly grouped into three categories:

- 1) Imperfect legislation / instruments / institutions that are supposed to operationalize anti-corruption provisions; toothless or declarative norms or formalistic approaches to preventing or countering corruption;
- 2) Low capacities of public servants: both those who are to comply with the rules and regulations and those who are to supervise anti-corruption arrangements, and

<sup>1</sup> Please refer to <http://info.worldbank.org/governance/wqi/index.aspx#reports>

<sup>2</sup> Please refer to <http://cpi.transparency.org/cpi2013/results/>

<sup>3</sup> Please refer to <http://www.brookings.edu/research/opinions/2012/03/26-state-capture-kaufmann>

<sup>4</sup> Material available in Ukrainian only. Please refer to pages 4 and 7 of the report at <http://www.minjust.gov.ua/file/36531>

<sup>5</sup> Please refer to <http://dhrp.org.ua/en/news/326-20140206-en>

<sup>6</sup> Shadow report on Ukraine's progress in fulfilment of recommendations of the third round of the OECD Anti Corruption Action Plan, February 2014

<sup>7</sup> Please refer to <http://econ.st/1mE1u0x> and <http://econ.st/1nlzy9y> as well as the "General Provisions" section of the State Anti-corruption Strategy for 2014-2017

<sup>8</sup> Please refer to <http://bit.ly/1lvK5C9>

<sup>9</sup> Material available in Ukrainian only. Please refer to [http://www.iahr.com.ua/files/works\\_docs/124.pdf](http://www.iahr.com.ua/files/works_docs/124.pdf), p. 7

3) A culture of impunity and disempowerment, especially at sub-national levels (far from the media scrutiny of the capital) where actors, including citizens, allow corruption to happen or nurture it; a lasting legacy of “cultural corruption” and nepotism inherited from the Soviet past.

In response to the described situation, clear and tangible steps to address corruption have become one of the main demands of the 2013-2014 Revolution and its aftermath (please refer to the “*General Provisions*” section of the State Anti-corruption Strategy for 2014-2017, Annex 8). In addition, conditionality set forth by European cooperation (including the 2014 EU Association Agreement) and funds coming from the IMF (requiring establishment of an Anti-Corruption Bureau) and the World Bank (requiring establishment of a preventive anticorruption body) have played a pivotal role.

As a result, state actors have taken a markedly more pro-active stance regarding corruption since spring 2014. Amongst the steps already taken are the following:

- In July 2014, the **Cabinet of Ministers** adopted the decree “On Adopting a Plan of Urgent Steps to Combat Corruption” (commonly known as “Ten steps to combat corruption”). This incorporated such priority areas as more effective anti-corruption policy (including preventive measures comprising conflict of interest and assets declarations management and oversight), transparent public service, judicial reform and criminal justice, easing business operations and de-shadowing of the economy. The Ministry of Justice has been playing one of the lead roles in this respect.
- In September 2014, the **President** submitted a package of anti-corruption laws to the Parliament. The Presidential anti-corruption package was strongly rooted in the documents developed by civic experts throughout spring and summer of 2014 and actively lobbied by the Reanimation Package of Reforms<sup>10</sup> and its anti-corruption thematic group. The group in particular has demonstrated both the ability to demand and advocate change, and the expert capacity to develop and advance required regulatory proposals.
- The President also established the National Council for Anti-Corruption Policy as an advisory body to the President on anti-corruption policy issues. The Council will comprise representatives of the Presidential Administration, Head of the Parliamentary Committee, officials proposed by the Cabinet of Ministers, a representative proposed by the Council of Judges, the Prosecutor General, Head of the Chamber of Accounts, six civil society experts, one representative of local government body associations of Ukraine and two representatives proposed by the business-associations of the country.
- After uneasy negotiations, the **Parliament** adopted the anti-corruption package in the two last sessions in October 2014. As a result, Ukraine currently has 5 key anti-corruption pieces of legislation in place:
  - “On the National Anti-Corruption Bureau of Ukraine” (*adopted*) – establishes the national-level 700-strong corruption-repression investigative body that will tackle high-level cases of corruption (either committed by high-level civil servants or involving significant monetary resources).
  - “On Foundations of Anti-Corruption Policy in Ukraine (Anticorruption Strategy) for 2014-2017” (*adopted and attached as Annex 8*) - provides for a mid-range plan of action for anti-corruption work, including such issues as operationalization of conflict of interest management, assessment of corruption levels, establishing a more integrity-based civil service, preventing political, business, judicial corruption, streamlining public procurement, etc. The National Action Plan to operationalize the Strategy is to be developed by the end of January 2015 by the Ministry of Justice in close coordination with other bodies and entities, as well as the civil society.

<sup>10</sup> Most of the material is available in Ukrainian only: <http://platforma-reform.org/>. For more detailed explanations on the RPR and its activities, please refer to the end of this section of the Programme Document.

- “On Preventing Corruption” (*adopted and attached as Annex 9*) – envisages a comprehensive mechanism for corruption prevention, including launch of the National Agency for Corruption Prevention (a central government body for AC prevention), more thorough regulation of issues of conflict of interest, assets declarations and lifestyle monitoring, civil service ethics, gifts, etc. The National Agency for Corruption Prevention is to be operationalized with assistance of the Ministry of Justice within a 6-month time-span from the date of the law’s adoption, i.e. by April-May 2015.
- “On Identification of Ultimate Beneficiaries of Legal Entities and Public Actors” (*adopted*) – requires disclosure of the ultimate beneficiaries of companies and firms, who hide their identity behind pseudo-owners in offshores.
- “On introducing amendments to Criminal and Criminal-Procedural Code of Ukraine as to inevitability of liability for certain crimes against foundations of national security and corruption offences” (*adopted*) – introduces the notion of “in-absentia” court trial for alleged criminals accused of grave crimes, funding terrorism or money laundering (including the former functionaries of the Yanukovych government).

In short, state actors - the Cabinet of Ministers (and especially the Ministry of Justice), the Presidential Administration and the Parliament - have all so far served as drivers of change. This is a major shift from the previous regime. At the same time, the political will demonstrated so far may be attributed to different motivations, e.g. as an attempt to respond to the immediate anticorruption demands of the Maidan but also as an opportunistic move in the immediate anticipation of elections (the first and second readings of the anticorruption package took place in the pre-last and last parliamentary sessions).

The driving force for change and the push for sustained political will has been undoubtedly with the civil society, notably the Reanimation Package of Reforms (RPR) and its anticorruption group. RPR has been up until now among the most active reform-advocating civic platforms comprising over 40 non-governmental organizations, which have come together after Maidan to build Ukraine’s reform agenda. The topics of concern have ranged from constitutional, decentralization, judicial, taxation, law enforcement to public administration and anti-corruption reforms. The RPR anti-corruption group has united some of the most advanced experts in corruption prevention and response from CSOs and think tanks, many of whom have international experiences in the field. It has also served as the central hub for producing draft regulations and legislation (including the draft laws on the Investigative Anti-corruption Bureau, framework law on corruption prevention, national anti-corruption strategy, amendments to access to public information regulations and more). Again, this is a major shift from the previous regime where civil society influence was more limited.

At the same time, however, civil society actors at the regional level have shown sub-optimal awareness and capacities to tackle the anticorruption agenda at the local level. Additional capacity is required at this level.

### **Anti-Corruption architecture**

After adoption of the new legislation on corruption prevention and investigation, the Ukrainian landscape of actors in the anti-corruption area will see change. From mid-2015 onwards, the architecture will likely look as follows<sup>11</sup>: (for more detail see Annex 2 – Diagram: Anticorruption Architecture).

<sup>11</sup> Information presented in this section and the referred Annex is based on information available at the time of drafting the document (December 2014).

- The **Parliamentary Committee on Combatting Organized Crime and Corruption** will continue to be the legislative focal point and clearing house for anti-corruption risk assessment of draft legislation initiated within Parliament. Its effectiveness will depend on political will of the MPs comprising the Committee.
- The **Ministry of Justice** has so far added value to the anticorruption reform by being an effective driver in almost all initiatives on creating a comprehensive anti-corruption system for Ukraine. The Ministry will retain the function of conducting routine anti-corruption risk assessments of draft legislation initiated by the executive branch and is likely to keep this function until the newly-established body is able to take over this area.
- The **National Anti-Corruption Bureau (NACB)** is to serve as the main investigative and repressive arm (special law enforcement) of the state against corruption. The entity is to be established with no more than 200 higher-level officers and up to 500 investigators, and is to run through 7 regional offices of the country. The objective of the National Bureau is to counter criminal corruption offenses committed by senior officials authorized to perform the functions of the state or local self-government and which threaten national security.
- The **National Agency for Prevention of Corruption (NAPC<sup>12</sup>)**, established as part of the Law on Preventing Corruption is a collegial body (5 high-level independent Commissioners) plus its Secretariat and possible regional branches. It is entrusted with the following functions that make it a corruption prevention watchdog and analytical entity:
  - managing conflict of interest situations and monitoring ethical behaviour of civil servants;
  - verifying assets declarations and running the Unified State Register for Declarations (online, free-access database);
  - assisting government bodies in conducting corruption risk assessments, preparing and implementing anti-corruption programmes;
  - organizing anti-corruption learning and in-service training for civil servants;
  - conducting public outreach and awareness-raising campaigns;
  - analysis of status of corruption, prevention and prosecution in Ukraine, producing the National Report on Anti-corruption;
  - coordinating adherence to international standards;
  - drafting relevant laws and regulations;
  - operationalizing the National Anti-corruption Strategy through the relevant State Programme (National Action Plan – once it is developed by the Ministry of Justice);

As the NAPC is expected to be the key preventative institution for driving the anti-corruption reform process and will develop into an instrumental body for the medium and long term, able to raise the bar of transparency and accountability in the public service. As such, it will be the main institutional partner for the project. To deliver on its core mandates, however, the NAPC will need to be well defined, operationalized and implemented at the central and regional levels. Hence, **the overall rationale**, as well as choice and scope for this project is based on:

- the needs that are expected for the corruption prevention modality to function (first and foremost, proper creation of the mechanisms and establishment of the relevant state bodies, spelling out clear rules and mandates for their functioning, training of the newly-recruited staff, institutionalization of public officials' learning on new rules and regulations etc.),
- the window of opportunity opened up by establishment of the new Prevention Agency (establishment of NAPC "from ground up" and greater propensity for change as the institution begins to grow and develop as opposed to attempts to change existing structures and practices).

<sup>12</sup> Please refer to Annex 3 – Diagram: Timeline for NAPC Establishment.

## Theory of change

The overall theory of change behind the outcome of the ETI project is that *if* financial and technical inputs to building up regulatory and institutional arrangements and capacity for preventing corruption in the public sector are provided and applied, and if civil society is activated at national, regional and local levels and capacitated so that it actively advocates, monitors and assists government stakeholders *then* state bodies at national and sub-national level will become more effective, more observant and compliant with public service ethics and regulations and more trusted *because* the political will for change will be coupled with measures improving transparency and accountability, including state and civil society monitoring.

This overall theory of change is made possible due to the logic and change envisaged under each of the project components.

*If* relevant procedures and regulations for operationalization of 3 key corruption prevention mandates (assets declarations, conflict of interest and corruption risk assessment) are put in place, *then* these instruments will be effectively put into action by the governance machinery at national, regional and local levels *because* civil servants will not have ambiguity as to application of new norms and principles, they will have clear instructions on how to make the machinery operate, there will be adequate transparency, and mechanisms for internal and external monitoring will promote accountability.

The emergence of these rules, guidelines and procedures will not, at the same time, guarantee that they are applied properly and, therefore, become effective anticorruption tools. Therefore, it is necessary to make sure that the tools are "out of the box" and utilized. Hence, *if* the developed regulations / methodologies / guidelines / SOPs are effectively converted into learning tools, *if* a professional pool of ToT trainers is shaped and *if* resources are provided to rolling out capacity-building activities, *then* the elaborated mandates will be fulfilled more effectively and anticorruption regimes will work more smoothly *because* key specialists and higher-level civil servants will be aware of rules & regulations and sanctions for violation.

An additional aspect of the change, to make it stronger is that *if* longer-term arrangements for utilization of the elaborated instruction instruments are put in place with the institutions responsible for this (namely, the National Academy of Public Administration and the National Agency for Civil Service), such as incorporation of the instruments into the regular curricula, *then* the knowledge transfer to civil servants will be more stable and there will be better quality of education on these specific aspects of corruption prevention, *because* internalization of the educational instruments will reach larger audiences on a more regular basis (as opposed to one-off large-scale training effort). In addition, this change will happen *because* incorporation of the learning tools into the curriculum will result in annual delivery of the knowledge and materials to the new groups of civil servants undergoing education or in-service training, which will somewhat offset the effect of staff rotation and attrition (when educated personnel leave the civil service).

Yet, without coupling the top-down efforts with bottom-up work, the situation is not likely to alter. Therefore, the last of the stages of change relies on the following chain. *If* the corruption prevention modalities are effectively brought down to the level below the national one and taken up, *then* improvement in overall Ukraine's record for transparency and accountability in the public sector is made possible *because* wider application of corruption prevention principles at the regional level helps ensure more responsiveness, transparency and efficacy in the whole country. This change is contingent on sufficient openness to change and ability of the local actors to become conduits of information-sharing, knowledge-spreading and advocacy of corruption prevention principles.

The major underlying factor for success of the overall theory of change is presence of enough political will to proceed with the anticorruption reform as a whole and its preventive aspect in particular. At the same time, *if* sustained, consistent and expertise-grounded pressure on behalf of the civil society (including RPR) is kept on the duty-bearers in the anticorruption architecture, *then* they will be more likely to proceed with implementing the anticorruption reform *because* of feeling of accountability and necessity to comply with civic demands and international obligations.

More detailed explanation of logical chains, assumptions, preconditions and dependencies is presented in Annex 4 – Diagram: Theory of Change.

### **UNDP experience and lessons learned**

UNDP Ukraine has consistently worked on corruption prevention as a stand-alone good governance priority. This work can be grouped into three overarching clusters.

- Firstly, UNDP has been a pioneer in and the driver for introduction of civic anticorruption expert assessment of draft legislation at different levels. The methodology for such assessment has been co-produced by a group of anti-corruption civic experts. The civic methodology has been tested and applied at the local and regional level, as well as modified to fit the needs of the Parliamentary Committee for Combatting Organized Crime and Corruption.
- Secondly, UNDP has worked with the Ministry of Justice on capacitating its regional and oblast specialists for corruption prevention. Comprehensive trainings were conducted throughout 2012 to raise awareness and build skills of dedicated MOJ specialists on new regulations of the anticorruption legislation introduced in 2011. Trainings have covered all Ukraine and have, in parallel, allowed for educating local civil society organizations on the basics of anticorruption regulations.
- Thirdly, UNDP has been one of the first development actors to introduce social innovation and principles of collaborative design to work on transparency, integrity and anticorruption at the local level. Such work has included, amongst other initiatives, production of mobile applications to complain on issues related to corruption or to inform citizens of the ways to defend their rights in situations connected to bribe demands. UNDP has also been the pioneer for the approach of “ambient accountability” in delivery of administrative services – equipping the citizens with knowledge of the standard procedures, timeframes and responsible authorities: all to make sure that citizen-clients can defend their rights in interaction with administrative service providers. In addition to this, UNDP worked on popularizing ideas of citizen participation in local-level decision-making through digital platforms for engagement between municipalities and citizenry. Finally, financial accountability and transparency have been nurtured through open budgeting initiatives that allow demonstrating where the funds of the municipal budget are allocated in a transparent and comprehensible way.

Throughout its work in Ukraine on issues of anticorruption, UNDP has accumulated a number of lessons learned that include but are not limited to:

- In the absence of political will, there is little hope for true and sustained change. The project will aim to sustain the political will from three angles. *Firstly*, direct cooperation with the duty-bearer institutions, including, most importantly, NAPC will be the constant contact of the project and its political will be nurtured in day-to-day work. *Secondly*, sustenance of political will is going to be helped by cooperation with the civil society and pressure from central-level and sub-national CSOs. *Thirdly*, the project will stimulate peer-pressure and adherence to standards set out by international guidelines/commitments of Ukraine in the anticorruption realm.



- As already noted, there is necessity to sustain civil society pressure on government actors to maintain reform momentum. At the same time, while the central-level CSOs and think-tanks (as, for instance RPR) are qualified and motivated to engage with duty-bearers to push them to stick to promised reforms, the sub-national level of non-governmental actors is in need of strengthening. The proposed project takes notice of this lesson learned and responds by providing for coaching of local CSO actors to become effective watchdogs for conflict of interest management, assets declarations and corruption risk assessment. The project also aims to collect good practices in monitoring the implementation of the reform at the local level and widely disseminate those.
- In order to ensure better retention of the knowledge and skills on anticorruption with the civil servants, a holistic, well-prepared and longer-term delivery of training / capacity-building is required. Whereas trainings give a positive result initially, attrition rates in staff of government bodies result in decrease of skills and knowledge over time. In order to mitigate this, the project is aiming to engage the National Academy for Public Administration and the National Agency for Civil Service to mainstream developed materials, modules and training instruments into curricula for training incoming new civil servants or for in-service education of the existing civil service staff.
- Ukraine is in a special position regarding anticorruption expertise. On the one hand, it has domestic expertise and skills at the national level within the civic and government sectors. On the other hand, it is evident that peer-learning as well as adaptation of successful experiences are necessary in order not to “invent the wheel” and to avoid pitfalls already tested by other countries with a similar development path. The project will take up a strategy of engaging experts with the experience in countries with a similar development path (including Chief Technical Adviser for the project.)
- Among the recommendations of the 2014 Danish MFA supported UNDP managed civil assessment of Ukraine’s anti-corruption stance, the importance of empowering anti-corruption institutions, basing policy on evidence, linkage between action plans and budgets, and transparency were emphasised. The then Government was also encouraged to cooperate closely with civil society, the business community, and academia in relation to defining, implementing and monitoring anti-corruption performance. It was recommended to enhance the coordination between anti-corruption bodies.<sup>13</sup>

The current project has been designed taking into account these factors. Apart from working at the national, Ukrainian level, UNDP as a global organization has taken a proactive part in shaping lessons learned at the macro-institutional level for anticorruption bodies and agencies. These lessons learned have been further shaped as the so-called Jakarta Statement, which is presented in Annex 10 – Jakarta Principles for Anticorruption Agencies.

<sup>13</sup> Shadow report on Ukraine’s progress in fulfilment of recommendations of the third round of the OECD Anti Corruption Action Plan, February 2014

## II. STRATEGY

The outcome of the project:

*Regulatory and institutional arrangements for corruption prevention within Ukraine come closer to international standards for transparency and accountability in the public sector and thus help ensure more responsiveness and efficacy from state bodies at national and subnational levels.*

The three outputs are:

- **Output 1** – Assistance rendered to establishment of regulations on issues of conflict of interest, assets declarations, and corruption risk assessment, which spell out mandates and operational procedures for the duty-bearers;
- **Output 2** – Contribution made to duty-bearers' capacity development to operationalize adopted frameworks in everyday operations at national level;
- **Output 3** - Local oversight of anti-corruption reform implementation is stimulated.

The project described here is fully anchored with the National Anticorruption Strategy (NAS) for 2014-2017. It is in line with the following goals:

NAS 2014-2017 goals	Response of the project / activities
<p>To develop a system of making decisions on anti-corruption policy on the grounds of <b><i>evidence-based data about the corruption and factors underlying it</i></b>, in particular statistical surveys, monitoring of their implementation and of their impact on corruption by independent specialized body in partnership with civil society, and to shape social support to counter corruption.</p>	<p><b>Output 1</b>  <b>Activity 1.1</b> - Annual crosscutting <b><i>assessment of corruption</i></b> in Ukraine in accordance with UN standards performed</p>
<p>To set up the system of <b><i>fair and professional public service in line with international standards and best international practices</i></b>.</p>	<p><b>Output 1</b>            Activity 1.2 – NAPC exposed to the <b><i>best practices in organizing the work on conflict of interest, assets declarations, corruption risk assessment</i></b> conducted            Activity 1.3 – <b><i>Regulatory frameworks</i></b> (methodologies, guidelines, standard operational procedures) to be elaborated are <b><i>defined, drafted and adopted</i></b>            Activity 1.4 – <b><i>Peer learning, coaching work</i></b> necessary for implementation of conflict of interest, assets declarations, corruption risk assessment mandates is organized  <b>Output 2</b>            Activity 2.3 - <b><i>Cascade trainings for regional civil servants</i></b> regarding the issues of asset declarations, conflict of interest, corruption risk assessment are conducted  <b>Output 3</b>            Activity 3.2 - Local CSOs actors capacitated to become <b><i>effective watchdogs to oversee corruption prevention</i></b></p>

	at the sub-national level Activity 3.4 – <b>Public awareness</b> campaigns at the local level conducted
To introduce functional <b>anti-corruption programmes</b> in central executive authorities and state enterprises, to ensure their transparent activities.	<b>Output 1</b> Activity 1.2 – NAPC exposed to the best practices in organizing the work on conflict of interest, assets declarations, <b>corruption risk assessment</b> conducted
To promote the rights of individuals to access to information, ensure openness of socially- important information that can be used for <b>identification and termination of corruption practices, effective state control over the implementation of respective legislation.</b>	<b>Output 3</b> Activity 3.2 - Local CSOs actors capacitated to become <b>effective watchdogs to oversee the corruption prevention</b> at the sub-national level Activity 3.3 – Local CSOs/community <b>anti-corruption efforts supported</b> Activity 3.4 – <b>Public awareness campaigns</b> at the local level conducted
To shape public idea of <b>zero tolerance to corruption</b>	<b>Output 3</b> Activity 3.4 – <b>Public awareness campaigns</b> at the local level conducted

The overall **strategy** of the project is a response to the new progressive climate in Kyiv and to the legislative frameworks that have been adopted to launch effective anticorruption reform. The project is intervening at the early stage of operationalization of the national corruption prevention architecture and is to assist it in growing in line with best international and regional standards such as the United Nations Convention against Corruption and its accompanying Technical Guide, OECD recommendations on Asset Declarations for Public Officials, OECD Anticorruption Network Istanbul Anti-corruption Action Plan, OECD Convention on Combating Bribery of foreign public officials in International Business Transactions, Council of Europe Civil Law Convention on Corruption, and others.

The project will begin its operations at the moment when the corruption prevention body (NAPC) is just to begin its work, in large part due to the impact of the Euromaidan, the resulting popular demand for change, and the EU Association Agreement with its major emphasis on anticorruption.

As the anti-corruption landscape is rapidly evolving in Ukraine following the legislative and institutional reforms set up in the second half of 2014, it is a **key part of the project strategy to tailor project plans to beneficiaries' policies and plans as these develop and to ensure proper harmonisation with other external actors, notably the EU.** The project will therefore commence with a brief 5-month Inception Phase at the beginning of implementation from middle of 2015.

The following description should therefore be regarded as indicative.

The **inception phase** will commence with establishing an inventory of NAPC needs in terms of production of guidelines, regulations, manuals, standard operating procedures and other tools to operationalize its core prevention mandates: a) verification of asset declarations, b) managing the conflict of interest and c) conducting corruption risk assessments.

The inception phase will also work on adopting *“the draft legal act of Cabinet of Ministers of Ukraine on the national guidelines for evaluation of state of affairs in the area of corruption that would be in line with the UN standards”* (National Anticorruption Strategy Section II, Measure 2). This will enable *“carrying out (in partnership with civil society) annual survey on corruption perception, public trust to the bodies responsible for prevention and countering corruption, people’s willingness to take part into countering corruption, and the incidence and main ways of corrupt behaviour and corruption risks in the*

respective areas" (ibid.) In order to ensure alignment with the above-mentioned international standards from the first days of the project, a Chief Technical Adviser (CTA) with anti-corruption expertise will be part of the implementation team for the first 12 months of the project duration.

A limited number of mapping studies will be undertaken. The first study will be produced to serve as a baseline for both the project and the NAPC to measure its progress against. The assessment will, amongst other things, look deeper into issues of gender and corruption. The inception phase will also map local CSO actors relevant for overseeing the anti-corruption reform implementation at the local level and the assessment of their needs will be conducted.

A detailed project annual working plan will be developed. The Inception phase will close with an inception report (to be discussed and endorsed at the Project Board meeting). This meeting will also approve the working plan and thereby any activity level changes (from those set out in this project document) that might arise. It is not expected that significant changes to project outcomes or outputs will be required.

Starting 2016, the project will unfold along its **three main components** in line with the timeline depicted in Annex 5 – Diagram: Timeline of the ETI Project.

Within its **first component** (*Output 1: Assistance rendered to establishment of regulations on issues of conflict of interest, assets declarations, and corruption risk assessment, which spell out mandates and operational procedures for the duty-bearers*), the overall logic is to render initial support for a launch of NAPC and to continue cooperating with other stakeholders who are going to perform a role in operationalizing the regimes of conflict of interest management, assets declarations verification and assessing corruption risks (e.g. the Ministry of Justice, the Parliamentary Committee for Combatting Organized Crime and Corruption).

Relying on the list produced within the project inception phase (the list of guidelines, standard operational procedures, instructions, manuals, methodologies to operationalize the three mandates of verification of asset declarations, managing the conflict of interest and conducting corruption risk assessments) the required items will be produced in multilateral cooperation between NAPC specialists, UNDP inner expertise, consultancy support and the knowledge existing within the think-tank community (Reanimation Package of Reforms). The list *may* include but will not be limited to, the following:

- incorporation of conflict of interest safeguards into laws and regulations,
- standard operational procedures for running logical control of declarations
- corruption risk identification as part of institutional anti-corruption programmes,
- model rules of ethical behaviour, including issues of conflict of interest model action algorithms,
- standard operational procedures for lifestyle monitoring, etc.

Actions to facilitate adoption of these instruments, tools and guidelines into practice after production will be undertaken with the state bodies. These may include public presentations and round-tables, working meetings with national and international experts, learning activities for the key decision-makers to see these tools implemented elsewhere in the region, arranging where appropriate, peer-learning and coaching from expert-practitioners from UNODC (as convention-holder for UNCAC globally), OECD and peer anti-corruption agencies in the region or fellow-MPs (for the Parliamentary Committee in cooperation with GOPAC). Continuous exposure to international standards (UNCAC, OECD recommendations on Asset Declarations for Public Officials, OECD ACN Istanbul Anti-corruption Action Plan, OECD Convention on Combating Bribery of foreign public officials in International Business Transactions, CoE Civil Law Convention on Corruption, and others) will be guaranteed.

Finally, within the framework of this component, the launch of the national system for retaining digital copies of assets declarations is envisaged. The exact degree of involvement in the launch of the system and extent of contribution of the project to funding the software system will be assessed throughout the initiation phase. At the same time, it may be estimated already now that the project will focus on assisting NAPC in studying practices of similar portals elsewhere and will help elaborate the TOR that would couple Ukrainian needs and international best practices.

The core result of this component is a set of essential instruments put in place within NAPC to kick off effective implementation of conflict of interest, declarations verification (and lifestyle monitoring) and corruption risk assessment. The instruments will undergo gender screening before being adopted.

*Please refer to the Theory of Change diagram for more details on the linkages, assumptions and intended indicative activity results for this component.*

The **second component** (*Output 2 - Contribution made to duty-bearers' capacity development to operationalize adopted frameworks for conflict of interest management, assets declarations verification and corruption risk assessment in everyday operations at national and sub-national level*) will include the development of the training materials and self-guided instruction tools (including digital) for the newly adopted or modified guidelines, standard operational procedures, instructions, manuals and methodologies. This Component will be implemented in close cooperation with the National Academy of Public Administration (NAPA) as well as the National Agency for Civil Service (NACS) to ensure public service's knowledge retention and transfer.

The learning / training materials and self-guided tools for reference will include those that cover the training of trainers (ToT), the rollout stage of cascade training in the regions, as well as self-study interactive package. The learning / training materials may cover but will not be limited to the following fields:

- conflict of interest management in the work-place (real, potential, imaginary), declaration of conflict of interest, management of procurement and staffing policy while avoiding conflict of interest, ethical and legal regulations as to accepting gifts, remunerations and hospitality, prevention of "revolving door", etc.;
- conduct in the framework of the new assets declarations regime – important dates, tools and procedures to comply, algorithms of action in cases of substantial change of one's financial status, novelties of declarations regime when entering and leaving public service, etc.;
- main categories of corruption risks and their definitions, indicators, corruption risk assessment for draft decisions / regulations and institutional corruption risk assessment, methods for identification and apprehension, etc.

Learning materials will include modules on issues of gender & corruption.

Within this component, the selection procedure for potential TOT participants will be finalized. The ultimate amount of certified trainers to be trained within the framework of the TOT stage will be determined in close consultation with specialists of NAPC, NAPA and NACS, but will be made sufficient to cover the sub-national cascade training modality in the next stage.

The TOT stage will include a round of comprehensive "schools" for the trainers. Specific effort will be made to keep the gender balance of certified trainers within the ratio 30:70.

The concluding stage of this component will include the organization of the cascade trainings through cluster seminars throughout the whole territory of the country to engage at least 30% of the higher-level civil servants in upgrading their capacities on issues of assets declarations, conflict of interest and corruption risk assessment. To secure institutionalization of knowledge, the project will aim at inclusion

of the developed curricula into the regular training courses of the National Academy for Public Administration and in-service training done by the National Academy of Civil Service.

*Please refer to the Theory of Change diagram for more details on the linkages, assumptions and intended indicative activity results for this component.*

The **third component** (*Output 3 - Local oversight of anti-corruption reform implementation is stimulated*) will take place at the sub-national level and include 1) capacity-building of local civil society actors to oversee the implementation of the anti-corruption reform, and 2) support to local public awareness initiatives.

Capacity-building initiatives for local CSO actors will be designed in close consultations with the Reanimation Package of Reforms to fill the gap between the nation-level expertise / reform agenda and local actors' capacities.

These capacity-building initiatives will focus on 2 areas: a) bringing the knowledge to the local level and b) enhancing oversight function of the local actors. Such initiatives will:

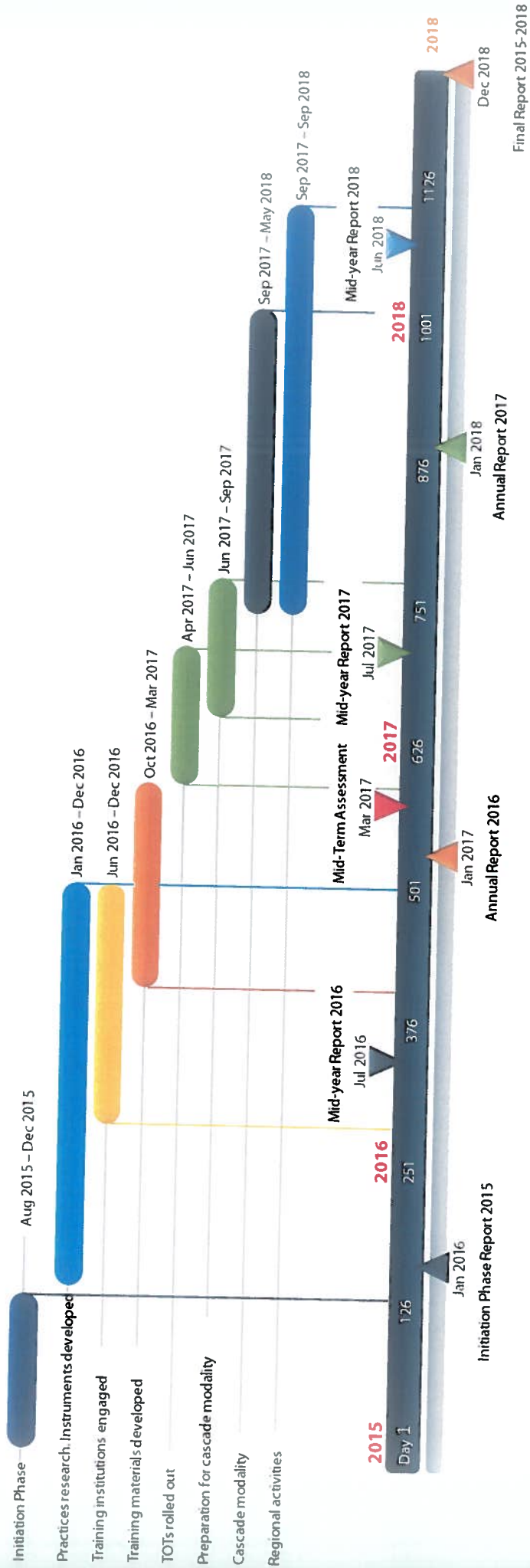
- drive change at the local level because of
  - bottom-up pressure on the sub-national authorities to perform well on issues related to corruption prevention, and
  - more awareness and, subsequently, demands of the society regarding improved transparency and accountability of the public sector
- be strongly anchored in the national anti-corruption reform agenda (including the National Strategy).

All of the initiatives will be required to specify how they address the issue / linkage of gender and corruption.

Capacity-building on CSOs will be coupled with awareness-raising campaigns at the regional level for the public including public outreach (posters, billboard campaigns), digital campaigns (Twitter-storms, Facebook-campaigns), flash-mobs, series of media-campaigns and other means of broad-scaling the messages pertinent to preventive transparency and integrity regimes that are being operationalized in the country. The messages of the campaigns will be elaborated and pre-tested by the local community through creative focus groups with citizens. These messages will take into account the gender dimension and will undergo gender expertise before being launched publicly so as to avoid stereotypes.

*Please refer to the Theory of Change diagram for more details on the linkages, assumptions and intended indicative activity results for this component.*

# Project implementation schedule (Gantt chart)



### **HRBA and gender**

Considerations on the Human-Rights Based Approach and Gender Equality have been made part of the project design. Thus, for instance, gender equality considerations will be incorporated into the national studies on corruption prevention, inclusion into the TOT programme, observance of approximate 70:30 balance throughout the cascade trainings in the regions and gender expert assessment of the messages and accompanying imagery or concepts. Human rights considerations will be incorporated into the project activities by respect to the rights of civil servants: the right to privacy, right to protection of personal data. The project also directly addresses two of the four priorities singled out by the DMFA Human Rights Based Approach principles – namely, the transparency and accountability principles through its operations. For more information, please see the HRBA/Gender Screening note presented in Annex 5.

### **Partnerships**

The partnerships of the project have a three-layered structure - in accordance with intensity of cooperation and the roles of different stakeholders.

- The **primary**, inner circle will include the primary, direct beneficiary and main partner – NAPC, as well as the Reanimation Package of Reforms that is to serve as the main catalyst in keeping NAPC on track with its political will from the side of the civil society / civic experts.
- The **secondary** layer of partnerships is seen as more instrumental to achieve desired corruption prevention results. This layer comprises the Ministry of Justice, the National Academy for Public Administration (NAPA) and National Agency for Civil Service (NACS) that are to serve as engines of knowledge and skills delivery.
- The **tertiary**, outer circle of partnerships includes the other elements of the national anticorruption architecture (Parliamentary Committee for Combatting Organized Crime and Corruption, National Council for Anti-Corruption Policy under the President, National Anti-Corruption Bureau (NACB), Ministries and Agencies within the executive branch, Oblast-level and Local-level governments). This group also includes the external, international players, including the organizations that are holders of international standards in the anticorruption realm (international committees, alliances, groups and corruption prevention architectures (GRECO, OECD ACN, GOPAC, UNDP Regional Bureau and anticorruption networks.) as well as the donor community in Ukraine. The ultimate beneficiary of the project at the outcome and impact levels are the people of Ukraine, the rights-holders, who are put into the third layer due to the fact that the impact on this group, although at the core of the intervention, will be perceived indirectly and, possibly, outside of the project time-span (as changes take time to take hold).

### **Donor coordination**

Donor interaction has intensified in the post-Maidan times and in order to better meet Government priorities, the donor community set up 21 working groups, including one on anticorruption. This group includes the main players in the anticorruption realm and meets on a more or less regular basis with rotational leadership. The intended donor support and plans for the near future and mid-range framework are discussed during meetings. This project, under the auspices of UNDP will be represented at such meetings. Exchange of information and the process of coordination is also done through exchange of reports, e-mail conversations, tele-conferencing and regular newsletter-type mailing list.

At the time of drafting, most donors are still conceptualizing their strategies in the anticorruption area and concrete programmes are not yet available. Once the plans of the donor community take more and more shape, there could come a period that a separate group on corruption prevention could be established to discuss dedicatedly preventive assistance. As noted, the project will be fully harmonised with other donors during the Inception Phase.

As of December 2014, the donor landscape looked as follows:



- OECD project (US-funded) to assist NACB with institutional development, capacity-building of investigators and special prosecutors and connecting those specialists with the international dimension (peer support and sparring with foreign investigative practitioners);
- Overall US support to the prosecutorial / investigative side of anticorruption work and protection of whistle-blowers (in process of crystallization of a bigger initiative, yet to be defined);
- On-going EU project "Support to Justice Reform" (including corruption prevention in the judicial body) which lasts for 3 years, 2013-2015, with € 8.6 million of a budget and focused on anticorruption work in the judiciary;
- EU Security Advisory Mission to be launched on 1 December 2014 (tackling, inter alia corruption issues in the law enforcement bodies).
- Anticipated DMFA-supported UNDP project focusing on prevention corruption part of the reform (i.e this project)
- World Bank support to the establishment of the assets declaration database (USD 250 K for two years) is in the process of coordinating with UNDP;
- Sectorial support rendered by the International Renaissance Foundation, including disclosure of information in rosters, tenders and procurement, lifestyle monitoring, transparency of extractive industries, transparency of political party finance – this being the closest of possible partners in the corruption prevention realm so far. Constant exchange of planning is already organized on a day-to-day level and not much more is necessary to avoid duplication.

While there is general feeling amongst the development institutions that more clarity and coherence may be brought by the donors' conference scheduled for January 2015, overall agreement has been reached to launch practice of rotational leadership in arranging anti-corruption donor coordination meetings to ensure better alignment and partnerships.

### III. RESULTS AND RESOURCES FRAMEWORK

#### Intended Outcome:

Regulatory and institutional arrangements for corruption prevention within Ukraine come closer to international standards for transparency and accountability in the public sector and thus help ensure more responsiveness and efficacy from state bodies at national and subnational levels.

#### Outcome indicators including baseline and targets:

##### Indicators:

- Change in baseline quantitative international indices relating to corruption (WGI, CPI) and improvements as suggested by regular national research (national report on corruption in line with UN standards, as envisaged by Anticorruption Strategy 2014-2017);
- Performance of the national corruption prevention architecture assessed as satisfactory by international review mechanisms of CoE (GRECO) and OECD (ACPN – Istanbul Anti-Corruption Action Plan);
- Existence of an efficient, accessible and transparent national system of assets declarations submission and verification.

##### Baselines:

- Ukraine's current position in indices / public polls regarding corruption is: CPI = 144/177 for 2013 (20<sup>th</sup> percentile); WGI control of corruption index = -1,09; Razumkov Center 2013 corruption data = 82% citizens believe corruption is pervasive or very widespread in public sector;
- No assessments of the updated corruption prevention architecture have yet been produced. First of such assessments that could be used as baseline are to appear in spring 2015 through the OECD (ACPN – Istanbul Anti-Corruption Action Plan);
- Absence of national system for digital submission and verification of assets declarations is in place.

##### Targets:

- Ukraine's target improvements in indices regarding corruption: CPI – improvement of the baseline indicator by shifting to a percentile above the current one (at least 30<sup>th</sup> percentile); improvement of WGI by at least 15% of the baseline – by 2018;
- Aggregated assessment through international review mechanisms of CoE (GRECO) and OECD (ACN – Istanbul Anti-Corruption Action Plan) demonstrated marked improvement from baseline assessments published in 2015;
- National system for digital verification of assets declarations is in place and operational.

Project title and ID (ATLAS Award ID): - 00090399

INTENDED OUTPUTS	INDICATIVE ACTIVITIES	RESPONSIBLE PARTIES	INPUTS
	<ul style="list-style-type: none"> <li>▪ Activity 1.1 - Annual crosscutting assessment of</li> </ul>		

<p><b>Output 1 - Assistance rendered to establishment of regulations on issues of conflict of interest, assets declarations, and corruption risk assessment, which spell out mandates and operational procedures for the duty-bearers</b></p> <p><b>Baseline:</b> No regulations to operationalize the work of the three mandates (conflict of interest, assets declarations, corruption risk assessment) are in place fully in accordance with the new anticorruption legislation;</p> <p><b>Indicators:</b></p> <ul style="list-style-type: none"> <li>• Relevant instruments (regulations, methodologies, guidelines, standard operational procedures) adopted are assessed as satisfactory by national and international experts</li> </ul> <p><b>Targets:</b></p> <ul style="list-style-type: none"> <li>• 2018 - Number of instruments elaborated and adopted – no fewer than 10 (regulations, methodologies, guidelines, standard operational procedures; themes - conflict of interest, assets declarations, and corruption risk assessment)</li> <li>• 2018 – Assessment of instruments as satisfactory by national and international experts – yes / no</li> </ul>	<p>corruption in Ukraine in accordance with UN standards performed</p> <ul style="list-style-type: none"> <li>▪ <b>Activity 1.2</b> – NAPC exposed to the best practices in organizing the work on conflict of interest, assets declarations, corruption risk assessment conducted</li> <li>▪ <b>Activity 1.3</b> – Regulatory frameworks (methodologies, guidelines, standard operational procedures) to be elaborated are defined, drafted and adopted</li> <li>▪ <b>Activity 1.4</b> – Peer learning, coaching work necessary for implementation of conflict of interest, assets declarations, corruption risk assessment mandates is organized</li> </ul>	<p>UNDP, NAPC, Ministry of Justice, Parliamentary Committee, Presidential Council, RPR or other think-tanks, independent researchers and sociological centers</p>	<p><b>Total per Output 1:</b> <b>USD 860,000</b></p>
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<p><b>Output 2 - Contribution made to duty-bearers' capacity development to operationalize adopted frameworks for conflict of interest management, assets declarations verification and corruption risk assessment in everyday operations at national and sub-national level;</b></p> <p><b>Baseline:</b> As of now, no specialists of NAPC, NACS, NAPA or of the think-tank sector have undergone training through TOT methodology with use of newly adopted regulations, methodologies, guidelines, standard operational procedures for conflict of interest management, assets declarations, corruption risk assessment. No public servants have been trained in performing their duties under the new regulations on conflict of interest, assets declarations and corruption risk assessment.</p> <p><b>Indicators:</b></p> <ul style="list-style-type: none"> <li>• Number of certified trainers graduated</li> <li>• Training approaches and materials developed by the project institutionalized / integrated into learning process by NAPC / NAPA / NACS bodies</li> <li>• Number of trainings in the cascade modality delivered</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Activity 2.1</b> - Learning / training materials and self-guided tools are developed</li> <li>▪ <b>Activity 2.2</b> – Pool of certified trainers for conflict of interest management, assets declarations and corruption risk assessment graduates through the TOT modality</li> <li>▪ <b>Activity 2.3</b> - Cascade trainings for regional civil servants regarding the issues of asset declarations, conflict of interest, corruption risk assessment are conducted</li> </ul>	<p>UNDP, NAPC, NAPA, NACS, RPR or other think-tanks, independent national and international experts</p>	<p>Total per Output 2: <b>USD 1,040,000</b></p>
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<ul style="list-style-type: none"> <li>• Proportion of higher-level officials in Ukraine trained in novelities of the corruption prevention architecture</li> <li>• Proportion of the officials of both sexes participating in the trainings</li> </ul> <p><b>Targets:</b></p> <ul style="list-style-type: none"> <li>• 2017 - Exact number of trainers is TBD. Approximate number – 100 persons</li> <li>• 2018 - Training materials become part of regular curricula / learning engagements led by NAPC / NAPA / NACS bodies – yes / no</li> <li>• 2018 – No fewer than 30% of the higher-level officials in Ukraine (including regional level) receive knowledge and skills in managing conflict of interest, assets declarations and assessing corruption risks</li> <li>• 2018 – Gender proportion is as close as possible to the 70:30 ratio</li> </ul>			
<p><b>Output 3 - Local oversight of anti-corruption reform implementation is stimulated;</b></p> <p><b>Baseline: Regional CSOs capacities in the anti-corruption area are weak as assessed in 2012-2013 by UNDP. No systemic</b></p>	<ul style="list-style-type: none"> <li>▪ <b>Activity 3.1 – Mapping and needs assessment of local CSOs actors conducted</b></li> <li>▪ <b>Activity 3.2 - Local CSOs actors capacitated to become effective watchdogs to oversee the corruption prevention at the sub-national level</b></li> <li>▪ <b>Activity 3.3 – Local CSOs/community anti-corruption efforts supported</b></li> </ul>	<p>UNDP, NAPC, NAPA, NACS, RPR or other think-tanks, independent national and international experts, Oblast-</p>	<p>Total per Output 3: USD 474,973</p>

<p>initiatives for public awareness of the population regarding new corruption prevention regulations or massive public oversight campaigns have been undertaken (once exception is the declarations campaign by TI in 2013-2014).</p> <p><b>Indicators:</b></p> <ul style="list-style-type: none"> <li>• Number of local CSOs capacitated on issues of assets declarations, conflict of interests and anti-corruption assessment</li> <li>• Number of locally-rooted anticorruption campaigns conducted</li> </ul> <p><b>Targets:</b></p> <ul style="list-style-type: none"> <li>• 2018 - Exact number of CSOs is to be determined throughout the Inception Phase</li> <li>• 2018 - Exact number of local campaigns is to be determined throughout the Inception Phase and will be linked to the number of local actors involved</li> </ul>	<p>Activity 3.4 – Public awareness campaigns at the local level conducted</p>	<p>level authorities, territorial branches of central government bodies</p>	
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**IV. ANNUAL WORK PLAN**

EXPECTED OUTPUTS And baseline, indicators including annual targets	PLANNED ACTIVITIES List activity results and associated actions	TIMEFRAME / INPUTS				RESPONSIBLE PARTY	PLANNED BUDGET		
		2015	2016	2017	2018		Funding Source	Budget Description	Amount
<p><b>Output 1 - Regulatory frameworks</b> regarding the issues of conflict of interest, assets declarations, and corruption risk assessment are in place and provide clarity of mandates and operational procedures for the duty-bearers</p> <p><b>Baseline:</b> No regulations to operationalize the work of the three mandates (conflict of interest, assets declarations, corruption risk assessment) are in place fully in accordance with the new anticorruption legislation;</p> <p><b>Indicators:</b></p> <ul style="list-style-type: none"> <li>▪ Relevant instruments (regulations, methodologies, guidelines, standard operational procedures) adopted are assessed as satisfactory by national and international experts</li> </ul> <p><b>Targets:</b></p> <ul style="list-style-type: none"> <li>▪ 2018 - Number of instruments elaborated and adopted – no fewer than 10</li> <li>▪ 2018 – Assessment of instruments as satisfactory by national and international experts – yes / no</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Activity 1.1 - Annual</b> crosscutting assessment of corruption in Ukraine in accordance with UN standards is performed</li> </ul>	40,000	30,000	20,000	20,000	<p>UNDP, NAPC, Ministry of Justice, Parliamentary Committee, Presidential Council, RPR or other think-tanks, independent researchers and sociological centers</p>	DMFA		USD 110,000
	<ul style="list-style-type: none"> <li>• <b>Activity 1.2 – NAPC</b> exposed to the best practices in organizing the work on conflict of interest, assets declarations, corruption risk assessment</li> </ul>	40,000	50,000	50,000	30,000		DMFA		USD 170,000
	<ul style="list-style-type: none"> <li>• <b>Activity 1.3 – Regulatory frameworks</b> (methodologies, guidelines, standard operational procedures) to be elaborated are defined, drafted and adopted</li> </ul>	10,000	250,000	150,000	30,000		DMFA		USD 440,000
	<ul style="list-style-type: none"> <li>• <b>Activity 1.4 – Peer learning,</b> coaching work necessary for implementation of conflict of interest, assets declarations, corruption risk assessment mandates is organized</li> </ul>	10,000	50,000	50,000	30,000		DMFA		USD 140,000
<b>Annual programmatic cost Output 1</b>		100,000	380,000	270,000	110,000		Subtotal	USD 860,000	
							<b>Total Output 1</b>	<b>USD 860,000</b>	

<p><b>Output 2 - Contribution made to duty-bearers' capacity development to operationalize adopted frameworks for conflict of interest management, assets declarations verification and corruption risk assessment in everyday operations at national level;</b></p> <p><b>Baseline:</b> As of now, no specialists of NACP, NACS, NAPA or of the think-tank sector have undergone necessary training through TOT methodology with use of newly adopted regulations, methodologies,</p>	<ul style="list-style-type: none"> <li><b>Activity 2.1 - Learning / training materials and self-guided tools are developed</b></li> </ul>	<p>0</p>	<p>100,000</p>	<p>100,000</p>	<p>0</p>	<p>0</p>	<p>UNDP, NACP, NAPA, NACS, RPR or other think-tanks, independent national and international experts</p>	<p>DMFA</p>	<p>USD 200,000</p>
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guidelines, standard operational procedures for conflict of interest management, assets declarations, corruption risk assessment. No public servants have been trained in performing their duties under the new regulations on conflict of interest, assets declarations and corruption risk assessment.

**Indicators:**

- Number of certified trainers graduated
- Training approaches and materials developed by the project institutionalized / integrated into learning process by NACP / NAPA / NACS bodies
- Number of trainings in the cascade modality delivered
- Proportion of higher-level officials in Ukraine trained in novelties of the corruption prevention architecture
- Proportion of the officials of both sexes participating in the trainings

**Targets:**

- 2017 - Exact number of trainers is TBD. Approximate number – 100 persons
- 2018 - Training materials become part of regular curricula / learning engagements led by NACP / NAPA / NACS bodies – yes / no
- 2018 – No fewer than 30% of the higher-level officials in Ukraine (including regional level) receive knowledge and skills in managing conflict of interest assets declarations

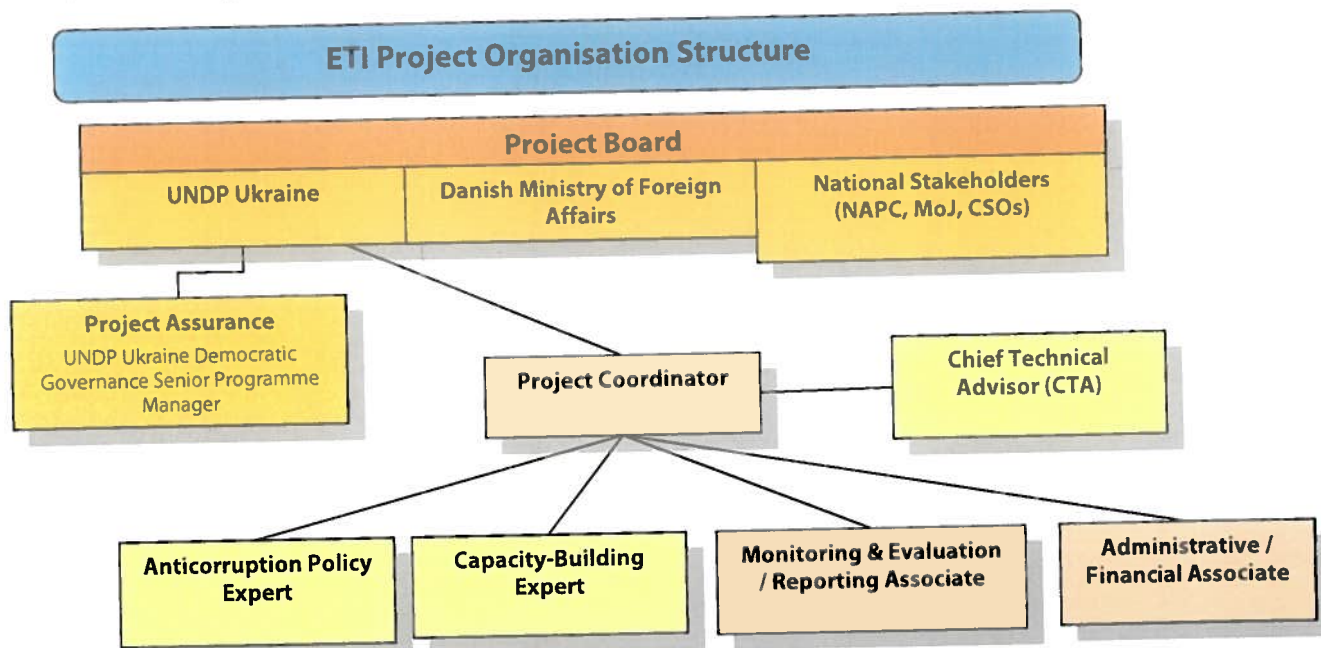
- **Activity 2.2 – Pool of certified trainers for conflict of interest managements, assets declarations and corruption risk assessment graduates through the TOT modality**

0 200,00 0 140,00 0 0 DMFA USD 340,000

	<ul style="list-style-type: none"> <li>• <b>Activity 2.3</b> - Cascade trainings for regional civil servants regarding the issues of asset declarations, conflict of interest, corruption risk assessment are conducted</li> </ul>	-	-	-	400,000	100,000		USD 500,000	
<b>Annual programmatic cost Output 2</b>		-	300,000	640,000	100,000	-		USD 1,040,000	
		<b>Total Output 2</b>							USD 1,040,000
<p><b>Output 3</b> - Local oversight of anti-corruption reform implementation is stimulated</p> <p><b>Baseline:</b> Regional CSOs capacities in the anti-corruption area are weak as assessed in 2012-2013 by UNDP. No systemic initiatives for public awareness of the population regarding new corruption prevention regulations or massive public oversight campaigns have been undertaken</p> <p><b>Indicators:</b></p> <ul style="list-style-type: none"> <li>▪ Number of local CSOs capacitated on issues of assets declarations, conflict of interests and anti-corruption assessment</li> <li>▪ Number of locally-rooted</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Activity 3.1</b> Local CSOs mapping and needs assessment conducted</li> <li>• <b>Activity 3.2</b> - Local CSOs capacitated to oversee effectively the implementation of the anti-corruption reform</li> <li>• <b>Activity 3.3</b>- CSOs/community anti-corruption efforts supported</li> <li>• <b>Activity 3.4</b> - Public awareness campaigns at the local level conducted</li> </ul>	10,000	-	50,000	50,000	50,000	-	USD 10,000	
		10,000	50,000	50,000	50,000	50,000		USD 160,000	
			150,000	50,000	50,000	50,000	DMFA	USD 250,000	
			25,000	25,000	4,973		DMFA	USD 54,973	



## V. MANAGEMENT ARRANGEMENTS



The management of the (ETI project) will be carried out by the UNDP Project team in Kyiv within the overall framework of the UNDP Country Programme Action Plan 2012-2016 in a Direct Implementation Modality. UNDP shall be responsible for the overall management of the project, primarily with regard to the responsibility for the achievement of the outputs and the stated outcome. Similarly, UNDP will be accountable to the project Board for the use of project resources. UNDP will delegate managerial duties for the day-to-day running of the Project to the Project Coordinator, selected by UNDP through a competitive and transparent selection process.

The project stakeholder circle (please also consult Annex 6 – Diagram: Project Partners Overlap) will consist of the following entities:

- National-level entities within the
  - Executive (National Agency for Prevention of Corruption, Ministry of Justice, Presidential Administration, National Council for Anti-Corruption Policy, Secretariat of the Cabinet of Ministers and possibly, National Agency for Civil Service),
  - Legislative (Parliamentary Committee for Combatting Organized Crime and Corruption) and
  - Mixed-type bodies (National Academy for Public Administration)
- Sub-national government bodies and branches of the national entities at the regional level
- National and regional specialized civil society organizations as well as
- UNDP Ukraine
- Danish Ministry of Foreign Affairs and the Royal Danish Embassy in Kyiv
- Donor community in Ukraine.

The project will receive overall guidance and strategic direction from the Project Board (PB). The Board is the group responsible for making consensus-based management decisions for the project when guidance is required by the Project Coordinator, including recommendation for approval of project revisions. Project reviews by this group are made at designated decision points during the running of a project, or as necessary when raised by the Project Coordinator. This group is consulted by the Project Coordinator for decisions when tolerances (i.e. constraints normally in terms of time and budget) have been exceeded. The Project Board will consist of representatives of national stakeholders, UNDP

Ukraine and DMFA, and will be chaired by UNDP. Other stakeholders will have an opportunity to partake in Board meetings as agreed between Board members.

The Board contains three roles:

- Executive (role represented by UNDP);
- Senior Supplier (role represented by the Danish Ministry of Foreign Affairs) that provides guidance regarding the technical feasibility of the project, and use of programme resources;
- Beneficiary (represented by national stakeholders)

The PB will hold meetings on a semi-annual basis, or more frequently if deemed necessary. The Board will monitor programme progress, decide on strategic decisions to ensure continued coherence between implementation and goals and objectives, decide on annual work plans and budgets, revise annual plans and budgets, as well as requests for funds presented by UNDP. Amendments to the budget, including use of contingencies, will be subject to the approval of the Programme Board.

**Project Assurance:** The Project Assurance role supports the Project Board by carrying out objective and independent project oversight and monitoring functions. This role ensures appropriate project management milestones are managed and completed. A UNDP Programme Manager holds the Project Assurance role.

**Project implementation:** The Project Coordinator has the authority to run the project on a day-to-day basis on behalf of the Project Board within the constraints laid down by the Project Board. The Project Coordinator is responsible for day-to-day management and decision-making for the project. The Project Coordinator's prime responsibility is to ensure that the project produces the results specified in the project document, to the required standard of quality and within the specified constraints of time and cost.

The project implementation team will consist of the following staff:

- Project Coordinator (responsible for achieving the overall project outputs and day-to-day management of the project, which includes personnel, subcontracts, training, equipment, administrative support and financial reporting, ensuring co-operation and support from project partners);
- Chief Technical Advisor (crucial for the initiation phase and first year of the project implementation, the CTA is a higher-level practitioner, who preferably has been part of anticorruption preventive bodies in other countries and is able to advise both the direct beneficiaries and the project team on best ways to proceed with shaping and implementing concrete activities)
- Anticorruption Policy Expert (responsible for taking lead in all thematic anticorruption areas of project implementation, assisting the team with quality assessment of the products delivered with project support, maintaining a day-to-day relationship with NAPC specialists)
- Capacity-Building Expert (responsible for all capacity-building and educational areas of project implementation, assisting the team with quality assessment of the products delivered with project support in the aspect of learning, training, didactics, maintaining a day-to-day relationship with NAPA and NAPC specialists)
- Monitoring & Evaluation / Reporting Associate (responsible for project monitoring and reporting, as well as liaison with the stakeholders in terms of information sharing and public presentation of the initiative)
- Administrative / Financial Associate (responsible for providing organizational and logistical support to all activities of the project, providing input into the Project budget planning and preparing payment on contracts and grants; collaborating with the UNDP Ukraine Operations Centre on financial, procurement, administration, IT and human resources issues).

Terms of reference for these positions are at Annex 7.

All due negotiations and effort will be applied to make sure that premises for operational activity of the ETI project be provided in the same building / venue as the core partner, NAPC. In clear absence of ability to accommodate the request, UNDP will seek other adequate premises for the implementation team to operate in which may have impact on the administrative costs of the project implementation.

#### Collaborative arrangements with related projects

The ETI Project will closely coordinate its activities, as appropriate, with the “Strengthening Capacities of the Office of the Ombudsperson, 2015 - 2018” sister-project which is also part of the UNDP-DMFA “Good Governance and Human Rights Programme, 2015-2018” in order to capitalize on synergies and enable coherence within the overarching UNDP-DMFA initiative. It will also collaborate closely with the “Democratization, human rights and civil society in Ukraine” Project also implemented by UNDP. For instance, it will be envisaged that the CSO links and networks established by DHRP will be utilized by this project, especially at the local level.

#### Audit arrangements

The Project is subject to standard UNDP audit arrangements. Being a subsidiary organ of the UN General Assembly and fully a part of the United Nations, UNDP enjoys a special status deriving from the UN Charter, the general legal framework of the UN, including the privileges and immunities enjoyed by the organization pursuant to the Convention on the Privileges and Immunities of the UN adopted by the General Assembly in 1946. In accordance with this status, audits of UNDP are guided by the ‘single audit’ principle. Under that principle, any review by any external authority, including any governmental authority, is precluded under regulation 7.6 of the Financial Regulations and Rules of the United Nations, which provides that “the Board of Auditors shall be completely independent and solely responsible for the conduct of audit.” This principle was reaffirmed by the General Assembly in its resolution 59/272: “The General Assembly [...] 11. Reaffirms the role of the Board of Auditors and the Joint Inspection Unit as external oversight bodies, and, in this regard, affirms that any external review, audit, inspection, monitoring, evaluation or investigation of the Office can be undertaken only by such bodies or those mandated to do so by the General Assembly”.

#### Financial management

Financial management of the project will be conducted under UNDP Financial Regulation and Rules (FRR). FRR are regulations that govern the financial management of the United Nations Development Programme and shall apply to all resources administered by UNDP and to all the Funds and Programmes administered by the Administrator. They ensure acceptable levels of controls, as well as separation of duties. The new FRR are issued effective 1 January 2012, and govern the broad financial management of UNDP and the funds administered by UNDP, including the budgeting and accounting of resources. They have been updated to reflect the adoption of IPSAS and its terminology; and the revised harmonized cost classifications of the Joint report of UNDP, UNFPA and UNICEF on the road map to an integrated budget.

#### Intellectual property rights and use of logo

Project materials, publications, print or digital deliverables will be branded by the relevant UNDP logo and typography (subject to corporate brand-book) and DMFA logo (subject to graphic standards at <http://visualidentity.um.dk/en/ministry/basic-elements/>). All intellectual products produced under the ECOO Project of the UNDP-DMFA “Good Governance and Human Rights Programme, 2015-2018” will be equipped with a standard UNDP intellectual property right disclaimer and, at discretion and agreement with DMFA, may be placed into creative commons.

## VI. MONITORING FRAMEWORK AND EVALUATION

In accordance with the programming policies and procedures outlined in the UNDP User Guide, the project will be monitored through the following:

- An Issue Log shall be activated in Atlas and updated by the Project Coordinator to facilitate tracking and resolution of potential problems or requests for change.
- Based on the initial risk analysis submitted, a risk log shall be activated in Atlas and regularly updated by reviewing the external environment that may affect the project implementation.
- A **Semi-Annual Progress Report (SAPR)** shall be submitted by the Project Coordinator to the Project Board through Project Assurance, using the report format specified by DMFA. Likewise, an **Annual Progress Report (APR)** shall be prepared by the Project Coordinator and shared with the Project Board at the end of each full calendar year of project implementation. The APR shall follow the report format agreed by DMFA.  
On a more general note, the annual progress report will include:
  - ✓ an assessment of the development of the national framework during the past year;
  - ✓ progress as compared to the defined (original and revised) targets for the reporting period, including brief explanations of problems encountered and how these have been handled;
  - ✓ progress to date compared to output targets for the entire programme period;
  - ✓ reporting on expenditure as compared to budgets;
  - ✓ reporting on the linkage between output and expenditure;
  - ✓ risk assessment;
- Based on the Annual Progress Report, an **Annual Project Board** shall be conducted during the fourth quarter of the year or soon after, to assess the performance of the project and elaborate the Annual Work Plan (AWP) for the following year. In the last year, this review will be a final assessment. This review is driven by the Project Board and may involve other stakeholders as required. It shall focus on the extent to which progress is being made towards outputs, and that these remain aligned to appropriate outcomes.
- A project Lesson-learned log shall be activated and regularly updated to ensure on-going learning and adaptation within the organization, and to facilitate the preparation of the Lessons-learned Report at the end of the project
- A Monitoring Schedule Plan shall be activated in Atlas and updated to track key management actions/events
- The project, as part of the larger DMFA-supported “Good Governance and Human Rights Programme 2015-2018” will undergo a **DMFA-led mid-term review in 2017**. The ToR for the mid-term review will be agreed between the DMFA and UNDP mid-2016.

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## **VII. LEGAL CONTEXT**

This document together with the CPAP signed by the Government and UNDP which is incorporated by reference constitute together a Project Document as referred to in the Standard Basic Assistance Agreement (SBAA) [or other appropriate governing agreement] and all CPAP provisions apply to this document.

UNDP as the Implementing Partner shall comply with the policies, procedures and practices of the United Nations safety and security management system.

UNDP will undertake all reasonable efforts to ensure that none of the project funds are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via [http://www.un.org/sc/committees/1267/aq\\_sanctions\\_list.shtml](http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml). This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.

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## **VIII. ANNEXES**

**Annex 1 – Offline Risk Log**

**Annex 2 – Diagram: Anticorruption Architecture of Ukraine**

**Annex 3 – Diagram: Timeline for NAPC Establishment**

**Annex 4 – Diagram: Theory of Change**

**Annex 5 – Table: HRBA and gender screening note**

**Annex 6 – Diagram: ETI Project Partnerships**

**Annex 7 – TOR for key Personnel (to be developed after the CSA signing)**

**Annex 8 – Law of Ukraine: Anticorruption Strategy**

**Annex 9 – Law of Ukraine: On Prevention of Corruption**

**Annex 10 – Jakarta Principles for Anticorruption Agencies**

**Annex 11 – List of abbreviations**