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PROGRESS REPORT

SUPPORT TO ANTI-CORRUPTION CHAMPION INSTITUTIONS (SACCI) PROJECT IN UKRAINE

October 1, 2019 – December 31, 2019

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ACRONYMS AND ABBREVIATIONS

ACCP	Anti-Corruption Council under the President
ACU	Accounting Chamber of Ukraine
AnTAC	Anti-Corruption Action Center
APS	Annual Program Statement
AU	Authorized Unit
AWP	Annual Work Plan
BRDO	Better Regulations Delivery Office
CAP	Committee on Anti-Corruption Policy
CMU	Cabinet of Ministers of Ukraine
COI	Conflict of Interest
CoST	Construction Sector Transparency Initiative
CRA	Corruption Risk Assessment
CSO	Civil Society Organization
ENGAGE	Enhance Non-Governmental Actors and Grassroots Engagement
EUACI	EU Anti-Corruption Initiative
GOU	Government of Ukraine
GRECO	Group of States against Corruption
HACC	Higher Anti-Corruption Court
HICD	Human and Institutional Capacity Development
IACD	International Anti-Corruption Day
IDP	Internally Displaced Person
IG	Inspector General
IIFA	Institutional Integrity Framework Assessment
MDT	Ministry for Digital Transformation
MIU	Ministry of Infrastructure
MOH	Ministry of Health
NABU	National Anti-Corruption Bureau
NAPC	National Agency for Prevention of Corruption
NaUKMA	National University of Kyiv-Mohyla Academy
OCCRP	Organized Crime and Corruption Reporting Project
OPU	Office of the President of Ukraine

OSA	Oblast State Administration
POC	Public Oversight Council
RC	Regional Coordinators
SAIUP	Strengthening Academic Integrity in Ukraine Project
SCMU	Secretariat of the Cabinet of Ministers
SMM	Social Media Marketing
SOE	State-Owned Enterprise
SOSA	Sumy Oblast State Administration
SBI	State Bureau of Investigations
TAC	Together Against Corruption
TAPAS	Transparency and Accountability in Public Administration and Services
TIU	Transparency International Ukraine
TOR	Terms of Reference
UAL	Ukraine Leadership Academy
UCMC	Ukrainian Crisis Media Center
UCU	Ukrainian Catholic University
VRU	Verkhovna Rada of Ukraine
WCH	White Collar Hundred

CONTEXT UPDATE

Over the past six months, Ukraine has embarked on a new political course and has seen rapid domestic governance and legislative reform developments. International political developments—namely, those emanating from the U.S. government executive branch, have also had dramatic political implications for Ukraine. Both domestic and international events have had a significant impact on Ukraine’s governance systems and on the dynamics of anti-corruption work.

In the wake of a dramatic presidential election campaign, Ukraine’s snap parliamentary elections brought a landslide victory for the presidential party, Sluha Narodu (Servant of the People), and—for the first time in Ukraine’s history—gave rise to a single-party majority in the legislature. Shortly thereafter, in August 2019, a new Cabinet of Ministers of Ukraine (CMU) was formed with only two ministers from the previous CMU retaining their offices (Minister of Finance Oksana Markarova and Minister of Internal Affairs Arsen Avakov). The CMU has positioned itself as a force of young reformers—indeed, Ukraine has one of the youngest governments in Europe and has promised a mix of liberal reforms and speedy economic development in the years to come. The new government’s program, for instance, set a goal of increasing GDP by 40 percent under this cabinet as one of its key performance indicators.

The subsequent adoption of the annual state budget has demonstrated, though, that rapid economic growth would be unlikely, given the current volume of national debt, the schedule for its management, and the chilling effect of Ukraine’s GDP warrants on growth. At the same time, positive signals sent by the IMF on a new, three-year, \$5.5 billion conditional arrangement under the Extended Fund Facility are encouraging signs for macrofinancial stability throughout 2020.

July to December 2019 could be characterized as the most intensive honeymoon period in Ukraine’s last seven years in terms of trust and positive attitudes toward the president and his political party in Parliament or Verkhovna Rada of Ukraine (VRU). However, given that Parliament must now make crucial decisions on divisive issues (first and foremost, agricultural land sales) and the illusory unity of the presidential faction, the legislature may see a drop in trust levels as 2020 unfolds.

Further, the “stalemate” aftermath of the Normandy Summit (albeit with positive developments on prisoner exchanges) and the accumulated fatigue of a population that is weary of war, coupled with a lack of palpable results on corruption-related investigations, could bring about the end of this honeymoon as early as spring 2020. The last six months have been rich in public outcry—causing events: alleged bribery in Parliament, leaked personal correspondence of the Deputy Minister of Infrastructure, and a Sluha Narodu MP allegedly giving instructions to local police in Kryvyi Rih. More situations like these are expected in the near future. Against this backdrop, the latest polling has registered a significant decline in perceived popularity/trust in the president (from 73 percent in September to 52 percent at the end of November) that later on rebounded significantly as a result of the Normandy Summit to 67 percent (mid-December) when fears of Government of Ukraine capitulation to Russia proved unfounded.

One of the avenues for bolstering trust and popularity could include a push for long-promised incarcerations and guilty verdicts, in line with presidential electoral promises. The public has long been demanding justice in high-level corruption cases, and it is expected that the first verdicts and sentences by the Higher Anti-Corruption Court (HACC) could be used as a media and public outreach

opportunity to deliver messages of serious anti-corruption work. The current cases of Roman Nasirov (former Head of the State Fiscal Service), Ihor Nasalyk (former Minister of Energy and Coal Industry), or Hennadiy Trukhanov (mayor of Odessa), as well as most of the cases pertaining to the “old guard” under President Poroshenko, are opportune investigations for the team of President Zelenskyy.

Meanwhile, Ukraine’s anti-corruption institutional framework (including both relevant state bodies and the legislative framework) has been successfully completed in the last six months with the HACC’s launch. The Prosecutor General’s Office (PGO) has also brought on new leadership that has started a process of internal reform and key personnel changes. The National Agency for Prevention of Corruption (NAPC) is currently undergoing reform and leadership changes with hopes of internal transformation and a stronger stand on delivering on its corruption prevention mandate. With the advent of the HACC, a revitalized NAPC, and newfound comity between the National Anti-Corruption Bureau (NABU) and the Special Anti-Corruption Prosecutor’s Office (SAPO), there is much hope that the four key anti-corruption institutions in Ukraine will work in concert to meet public demands expressed during the elections for genuine progress in addressing corruption in the country.

Additionally, shortly after President Zelenskyy’s election, he convened the first session of the Anti-Corruption Council under the President (ACCP), an advisory body that was conceived as an overarching policymaking center to guide NAPC, NABU, HACC, and SAPO strategic directions. Thus far, the dynamics surrounding the ACCP mirror its defunct immediate predecessor under President Poroshenko.

On the legislative side, restoration of criminal liability for illicit enrichment, strengthening of NAPC internal controls, granting the NABU and State Bureau of Investigations the right to autonomous wiretapping, removing immunity of MPs, and strengthened protections for anti-corruption whistleblowers are among the notable and positive major developments in the last six months in the anti-corruption sphere.

With the pending appointment of the new NAPC head, the anti-corruption institutional architecture is almost complete. Also, the main regulatory foundations are now in place. From now on, failures may be blamed only on existing institutions for not functioning properly or for ineffectively cooperating (e.g., institutional turf wars) or on improper application of existing laws. Remaining loopholes—for instance, the lack of a law on lobbying or the failure to adopt a new national anti-corruption strategy after the expiration of the 2015–2017 strategy—are important but not critical for effective performance of the system of anti-corruption institutions. Yet there is legislation that is tangential but important for operation of the anti-corruption architecture. For instance, amendments to the foundational law on the Secret Service of Ukraine to prevent it from exercising power over investigating anti-corruption economic crimes have not yet been passed.

In terms of social attitudes and perceptions, it remains to be seen whether the team in power will continue the immediate post-Maidan anti-corruption narrative (“you need to start with yourself; stop your own everyday bribery/corruption”) or move to a potentially more productive one (“here are demonstrated punishments for high-level corrupt officials; here are also corruption-free, efficient, and secure options for you to avoid corruption as a citizen”). If the new team decides to adopt the second approach, it will be easier to meet preferences that Ukrainians voice for anti-corruption developments. This could help dissipate the population’s overall gloomy and cynical view of corruption in Ukraine.

In the national security arena, the immediate aftermath of the Normandy Four talks on December 9, 2019, has brought about no breakthrough in peace talks but has also not demonstrated any more unfavorable trends for Ukraine. The talks have yielded public commitments to prisoner exchanges and additional measures to bring a lasting ceasefire and to incorporate the “Steinmeier Formula” into Ukrainian legislation. The Steinmeier Formula calls for elections to be held in the separatist-held territories under Ukrainian legislation and the supervision of the Organization for Security and Cooperation in Europe (OSCE). If the OSCE judges the balloting to be free and fair, a special self-governing status for the territories will be initiated and Ukraine will be given back control of its easternmost border. Ukraine maintains that the political “section” of the Minsk Agreements may kick in only after the country regains control over the border, while the Russian Federation, as expected, pushed for elections in the separatist-held regions of Donetsk and Luhansk without prior conditionality. The issue of the Autonomous Republic of Crimea has, it seems, fallen out of this round of negotiations.

Windows of opportunity coupled with progress achieved in establishing anti-corruption (preventive and prosecutorial) architectures (institutions and laws), as well as the principles of cross-sectoral anti-corruption work as developed in the USAID Ukraine Country Development Cooperation Strategy (i.e., “DOI: Corruption Reduced in Target Sectors”) seem to call for a review of mostly institution-based approaches and taking a more “whole-of-government/society” approach to anti-corruption activity mainstreaming across USAID’s portfolio of anti-corruption assistance to Ukraine.

EXECUTIVE SUMMARY

KEY NARRATIVE ACHIEVEMENTS

The Support to Anti-Corruption Champion Institutions (SACCI) project in Ukraine, funded by the United States Agency for International Development (USAID) and implemented by Management Systems International (MSI), a Tetra Tech company, aims to reduce corruption and increase accountability and transparency of governance in Ukraine through three primary objectives: 1) key government institutions empowered to fight corruption; 2) public support for and engagement in anti-corruption efforts increased; and 3) public tolerance for corrupt practices reduced. This quarterly progress report covers SACCI's activities from October 1 to December 31, 2019.

SACCI capitalized on many opportunities offered by a post-election legislative “turbo mode” in Parliament and, especially, the window of opportunity opened by the relaunch of the National Agency for Prevention of Corruption (NAPC) leadership. This in turn led to examination of the project's immediate priorities—for instance, initiating a rapid-response mechanism within the grant of Transparency International Ukraine (TIU) to monitor and ensure the transparency of the government's selection process for a new NAPC head while strategically delaying other activities until the process was complete.

SACCI also teamed up with its counterpart project, EU Anti-Corruption Initiative (EUACI), to support a Secretariat that supported the operations of the Cabinet of Ministers of Ukraine (CMU)—appointed Selection Committee for the NAPC head. SACCI and EUACI ensured that U.S. Government (USG) and EU support was used effectively to guarantee the highest possible degree of transparency throughout the selection process and the submission of winning candidates, to be approved by the CMU.

During the reporting period, draft laws that SACCI had contributed to were adopted and signed into law by the president—namely, “On Amendments to the Law ‘On Corruption Prevention’ Regarding Corruption Whistleblowers” and “On Amending Certain Legal Acts of Ukraine on Confiscation of Illegal Assets of Persons Authorized to Perform State or Local Government Functions and Liability for Acquiring such Assets.”

At the regional level, SACCI continued to work with its local champion institutions (cities of Mukacheve, Drohobych, Khmelnytskyi, Pervomayskiy, and Porkov), as well as the Sumy Oblast State Administration [SOSA]) to enhance their internal corruption prevention mechanisms and launch citizen-government dialogue on transparency, integrity, and accountability. Cooperation with the Ministries of Infrastructure (MIU) and Health (MOH) slowed in the reporting period, in part due to change in leadership at both institutions and the need to reestablish working-level connections. Furthermore, attention to the NAPC's relaunch process has remained the project's primary focus and demanded much of the team's attention.

In communications activities, the period was turbulent as leadership changes struck all ministries (including SACCI's champion institutions MIU and MOH), and even some partners—for instance, the Ministry of Information Policy—were liquidated. Prospects for the NAPC's relaunch and, with it, new leadership also halted SACCI's investments in various public outreach initiatives until there is clarity on the renewed agency's priorities. Yet to be well prepared for the advent of the new leadership, and anticipating communications activities in FY 2020 Quarter 2, SACCI commissioned an analytical paper that would examine the NAPC's public image over the last year as well as the quality of reporting on the

new whistleblower protection law (and factors underlying the public’s perception of whistleblowers as “snitches”). This will help better inform the NAPC’s public outreach teams and awareness-raising campaigns throughout 2020.

Concurrently, SACCI civil society organization (CSO) partners Anti-Corruption Action Center (AntAC) and TIU have continued working on two thematic communications campaigns. The first initiative, entitled “Following the Money,” focuses on educating taxpayers on where their taxes are spent and helping them demand more transparency on public expenditures. The second campaign focuses on building a constructive dialogue within schools on the following topics: school budgets, funds gathered from parents as “charitable donations,” and proper procurement transparency mechanisms to help citizens monitor what schools are buying.

SACCI also continued supporting the Ministry for Digital Transformation (MDT) through a large-scale communications support contract with Fedoriv Marketing Agency on promoting a unified brand for e-governance services in Ukraine with anti-corruption messaging. The project also provided embedded consultant assistance to the MDT’s minister on managing public relations and media queries related to the ministry’s anti-corruption and transparency initiatives.

Youth development also remains a focus, and SACCI has been engaged in youth-targeted activities throughout the reporting period—both directly and through its grantees and partners. As the SACCI team developed a package of proposals for the NAPC’s new leadership on engaging youth and improving citizen outreach, it also continued building partnerships beyond the NAPC mandate. At the request of the Educational Ombudsperson, the project convened a Solutions Hub event on school funding transparency and has invested in the nationwide State Builder Youth Internship Program in partnership with the Ministry of Youth and Sports and the Ukraine Leadership Academy (UAL). SACCI also contributed to expert discussions that helped shape national youth policy (including the National Youth Strategy) and continued supporting educational innovators through its partnership with the CSO EdCamp Ukraine.

Civil society involvement with anti-corruption activities and media-related sections of SACCI’s Annual Work Plan (AWP) were temporarily slowed because the project focused primarily on the transparent selection of the NAPC’s new leadership. Throughout FY 2020 Quarter 2, SACCI will better align these activities with the NAPC’s strategic vision and direction so that resources will be allocated prudently and efficiently to support the renewed corruption prevention champion, while correspondingly reducing support to SACCI’s regional city and oblast administration partners. Additionally, SACCI will support the NAPC as it develops and strengthens its envisioned six regional NAPC centers throughout 2020 and beyond.

QUANTITATIVE HIGHLIGHTS

SACCI measures its progress against 21 indicators and reports annually on each indicator. It collects data on a regular basis to routinely measure its ongoing progress. In particular, the following results were achieved during the reporting period:

#	Indicator	Results
4	# of anti-corruption laws, amendments, bylaws, regulations, or policies on the national, regional, or ministerial/institutional levels adopted	Three laws (on whistleblowers # 198-IX, on illicit enrichment # 263-IX, and NAPC relaunch and other amendments to anti-corruption legislation 140-IX) adopted; 10 ministerial and one SOSA regulation drafted and/or updated
5	# of government officials receiving USG-supported anti-corruption training	446 government officials (229 women, 216 men) received training on e-declarations, anti-corruption proofing of legislation, and updated anti-corruption legislation
6	# of mechanisms for external oversight of public resource use supported by USG assistance	Two mechanisms were developed: 1) Cost Portal implemented in nine regions; and 2) two manuals and one online tool on citizen monitoring of road construction and repair
19	# of anti-corruption initiatives implemented by participants of SACCI activities	One new initiative (House of Integrity) launched, agreement made on rolling out of one initiative launched in Y2 (GoVote) from one to multiple universities
21	# of individuals receiving civic education with SACCI support (on anti-corruption)	8,399 individuals (4,248 women/girls, 4,151 men/boys) received anti-corruption civic education through informal and formal education events organized by SACCI and partners

ACTIVITY ADMINISTRATION

With the October 2020 revitalization of the NAPC, codified in Law #1029, which revised Ukraine’s Law on Prevention of Corruption and provided for the onboarding of new NAPC leadership, SACCI can now return to the original primary objective of the project, namely to support Government of Ukraine (GOU) anti-corruption champion institutions. Consequently, SACCI has been reorienting its resources and efforts in this direction during the reporting period. As this reporting period concludes, SACCI has been in discussions with its COR and the USAID/Ukraine Mission to revise its AWP accordingly and re-prioritize activities to support the new GOU leadership in its efforts to implement Ukraine’s anti-corruption agenda.

SUBSEQUENT REPORTING PERIOD

The provisionally approved AWP for October 2019 – September 2020 will be reviewed in Quarter 2 to ensure that new activities with the NAPC are incorporated, once agreed upon with the new leadership of the Agency and approved by USAID. Meanwhile, in general terms and pending amendments to the AWP, SACCI will:

- Provide assistance to the reformed NAPC on a number of issues that could include human and institutional capacity development, legal and regulatory drafting, strengthening oversight and enforcement functions, strengthening analytical capacities, and ensuring that the NAPC has the necessary tools (including potentially IT) to fulfill its core mandates effectively, most notably in ensuring the effective function of the e-asset declaration system.
- Continue assistance to the GOU on strengthening anti-corruption policies and legal frameworks by contributing to drafting or facilitating an informed, expert-driven public discussion on whistleblower protection and a code of conduct for parliamentarians.
- Support both GOU and civil society efforts to publicize anti-corruption reform, including whistleblower protection, in alignment with the NAPC’s mandate.

- Support the MDT’s development of a strategy for incorporating anti-corruption considerations into digitalization reforms, currently prioritized by the GOU and spearheaded by the MDT.
- Design and start implementing an “off-ramp” assistance plan for regional champion institutions to solidify their corruption prevention skills and mechanisms, including but not limited to managing conflicts of interest, strengthening internal controls and internal audit functions, implementing effective complaint management and internal whistleblowing systems, and enhancing public transparency and accountability mechanisms.
- Concurrently, as regional champion institutional support winds down, ramp up support for the NAPC’s six nascent regional representative offices throughout the country.
- Institutionalize the anti-corruption e-training and certification course for civil servants and public officials in cooperation with the National Agency for Civil Servants (NACS).
- Support communications and awareness-raising campaigns implemented by project grantees, including campaigns focused on transparency and integrity issues in school budgeting and tax management of the country implemented by TIU and AntAC.
- Support the new NAPC leadership in rebuilding public trust in the institution and develop a schedule of communications activities to inform the public on the NAPC’s performance in delivering on its core mandates and progress in institutional reforms.
- Engage citizens (youth in particular) in anti-corruption activities to effectively monitor the government (in cooperation with the NAPC) and practice corruption-free behaviors based on a foundation of positive values (e.g., through digital services designed by MDT).

KEY NARRATIVE ACHIEVEMENTS

CROSSCUTTING ACTIVITIES

TASK 0.1 UPDATE POLITICAL ECONOMY ANALYSIS

At the end of the reporting period, the United States Agency for International Development (USAID)/Ukraine Support for Anti-Corruption Champion Institutions (SACCI) project developed an update to its anti-corruption institution political economy analysis (PEA) that captured developments over the past six months, covering the election of a new Ukrainian president and parliament. The PEA reflected on the new administration's initially hopeful anti-corruption agenda and rapid adoption of the legislative initiatives that completed the institutional architecture for corruption prevention and prosecution in the country. At the same time, the PEA and presentation made to USAID/Ukraine leadership in late December expressed a need for a more integrated and mainstream anti-corruption agenda for key thematic sectors and pointed out the need to incorporate elements of corruption prevention into existing (for instance, media-related, health, energy) and upcoming (for instance, youth-related) USAID activities. The discussion ended in a decision to convene subsequent quarterly meetings with Direct Objective (DO) heads and sector-specific projects at USAID/Ukraine to better operationalize approaches for DOI activities.

TASK 0.2 PROVIDE WITH POLICY PAPERS AND OTHER ANALYTICAL DOCUMENTS TO ENABLE INFORMED POLICY DECISIONS

During the reporting period, SACCI produced two documents to inform public policy decisions. First, SACCI produced a concept paper that provided policy options for reforming and strengthening anti-corruption Authorized Units (AUs) within public institutions and discussed the possibility of introducing Inspectors General (IGs) within the most critical national-level agencies. SACCI intends to present these findings and options to the National Agency for Prevention of Corruption's (NAPC's) new leadership and other relevant institutions. Also, as part of a newly established collaboration with the Ministry for Digital Transformation (MDT), SACCI produced an analysis of proposed mechanisms to reduce the risk of corruption within the procurement process of large-scale IT software and equipment in accordance with the National Program for Digitalization. The project also opened a dialogue with the MDT to identify areas for future policy research.

In addition to the policy papers, two media analyses have been conducted: one on issues related to newly adopted laws (whistleblower protection and illicit enrichment) and one to analyze the media coverage related to the NAPC and other anti-corruption institutions. Also, SACCI analyzed the NAPC's media image in 2019 and produced draft recommendations for the NAPC's new leadership on better engaging the public.

TASK 0.3 ACT ON INFORMATION OF THE GENDER/VULNERABLE GROUPS CORRUPTION ASSESSMENT (FOCUS ON IDP ISSUES)

During the reporting period, SACCI and its partner civil society organization (CSO) Studena finalized 12 video stories of women who told about their anti-corruption activities as personal stories. SACCI will launch a social media marketing campaign based on these videos in early calendar year 2020.

TASK 0.4 MAINTAIN SOCIAL MEDIA AND WEBSITE PRESENCE TO ENGAGE THE PUBLIC

On October 30, SACCI launched a Telegram channel called "Young and Uncorrupt." Within two months, the number of followers rose to 979. Content includes a weekly digest of anti-corruption news, links to anti-corruption long-read analytical articles, anti-corruption vocabulary glossaries, and promotional online and offline campaigns. In particular, the SACCI team actively integrated its Telegram channel into advertisements for various youth events (e.g., anti-corruption QR quest at America House Kyiv and SACCI's presentation for students from the Ukrainian Leadership Academy).

During the reporting period, SACCI's Facebook audience grew by 40 percent (from 7,486 followers in October to 10,511 followers in December), and its Instagram audience grew by 28 percent (from 577 followers in October to 741 followers in December).

SACCI also produced leaflets for its Youth Anti-Corruption instruments, which will be placed on the updated SACCI/Ukrainian Crisis Media Center (UCMC) page in the next quarter. UCMC has been rearranging the SACCI webpage to make it more user-friendly.

TASK 0.5 CONDUCT ACTIVITIES TO COMMEMORATE INTERNATIONAL ANTI-CORRUPTION DAY (DECEMBER 9, 2019)

On International Anti-Corruption Day (IACD), SACCI and its partner EdCamp Ukraine organized an anticorruption lesson for 23 high school students from the Kyiv secondary school #66. During the lesson, young people discussed the meaning and nature of corruption as well as its social consequences. Additionally, the participants played "Anti-Corruption Mafia," which helped them understand the importance of cooperation and why it is crucial to monitor the public's budget. In addition, pupils reflected on what they can do to reject corruption. This lesson is among the many anti-corruption sessions provided within SACCI's upgraded Youth Toolkit. Please see document sent separately for a summary of other SACCI-implemented activities on and around IACD.

TASK 0.6 INVEST IN IDEAS FOR COMMON ANTI-CORRUPTION BRANDING

SACCI continued its support of the Government of Ukraine (GOU) and, in particular, MDT's initiative "Diia" (roughly translated as "The State and I"), a unified portal of all e-services provided by the central government. Specifically, SACCI supports the MDT's efforts to more effectively serve and communicate with Ukrainian citizens through Diia (publicized during the presidential campaign of 2019 as "State in a Smartphone"). As the MDT works across GOU agencies/ministries to help citizens better access electronic government services (and encourages citizens to utilize new e-service systems), there is also an opportunity to promote the potential transparency, accountability, and corruption prevention effects that digitalization of state services allows. The project will help the MDT launch a comprehensive, identifiable, and popular branding of state digital services.

During the reporting period, the Fedoriv Marketing Agency (as a contractor hired to assist MDT) collected insights from individual entrepreneurs to inform a communications strategy for the Diia brand and launched the beta-version of the Diia app for Android and iPhone.

With the advent of the NAPC's new leadership, SACCI will also approach the Agency to suggest a "whole-of-government" approach to promoting a one-voice policy that speaks to corruption prevention,

likely with digital instruments as tools, that should help enable corruption-free behaviors at citizen service window and citizen-public servant interactions at face-to-face levels.

TASK 0.7 COORDINATE ACTIVITIES WITH USAID AND OTHER DONOR PROJECTS

During the reporting period, SACCI cooperated most intensively with the EU Anti-Corruption Initiative (EUACI) to support the selection process of the NAPC's new head. The project has also worked closely with the USAID Enhance Non-Governmental Actors and Grassroots Engagement (ENGAGE) program on a "Taxpayer Movement" campaign, as well as co-development of the PEA. Also, strong partnerships were sustained with the Strengthening Academic Integrity in Ukraine Project (SAIUP) and America House in commemoration of IACD and promotion of integrity among university students.

TASK 0.8 CONDUCT SOLUTIONS HUB ACTIVITIES TO GENERATE INNOVATIVE IDEAS TO ADDRESS ANTI-CORRUPTION ISSUES

On December 13, a Solutions Hub session was held on financial transparency and data collection in the education sector. Twenty representatives of relevant organizations discussed the problems and possibilities of harmonizing various databases that house educational data. Experts posed a number of problems with open data in education that require fast solutions. An agreement was reached to create an informal working group to brainstorm on the possibilities of using e-tools and databases to promote the transparency of school funding. The most notable participants were the Educational Ombudsperson as well as the deputy ministers of education and digital transformation.

OBJECTIVE I: KEY GOVERNMENT INSTITUTIONS EMPOWERED TO FIGHT CORRUPTION

ER I.1: COMPREHENSIVE ANTI-CORRUPTION LEGAL AND POLICY FRAMEWORK DEVELOPED AND ADOPTED

TASK I.1.1 SUPPORT DRAFTING AND PROMOTION OF NATIONAL LEGISLATION

Throughout the reporting period, SACCI contributed to several pieces of key national-level anti-corruption legislation, including laws to relaunch the NAPC, improve whistleblower protection, and restore liability for illicit enrichment. All of these regulations were adopted in the reporting period.

LAW AMENDING SEVERAL LAWS TO STRENGTHEN CORRUPTION PREVENTION – Also known as the NAPC relaunch law, Law #1029 was passed by the Verkhovna Rada of Ukraine (VRU) on October 2, 2019, and signed into law by the president of Ukraine as Law #140-IX on October 16.¹ SACCI provided inputs and review opinions of the draft law during its preparation. The law amended several key laws, including the Law on Corruption Prevention, Criminal Code, Criminal Procedure Code, Code on Administrative Offences, Civil Service Law, and several others. The law made significant changes to the structure of the NAPC’s leadership, replacing the five-member collegial model with a single head of the Agency. The law also reaffirmed AUs’ establishment and functions within public institutions and state-owned enterprises (SOEs), granted them more independence, and clarified the NAPC’s role regarding AUs. In addition to providing input to the draft law, SACCI identified a list of regulations and guidelines that will be developed to implement the law.

WHISTLEBLOWER PROTECTION – During the reporting period, SACCI reviewed and provided recommendations to Draft Law #1010, which strengthened whistleblower legislative provisions. The VRU’s Committee on Anti-Corruption Policy (CAP, formerly known as the Committee on Preventing and Countering Corruption) accepted SACCI’s recommendations helping outline the removal of civil and criminal liability for whistleblowers, streamline rules that govern reporting channels, and improve provisions that introduce financial rewards for whistleblowers. The Draft Law was adopted by the VRU on October 17 and signed by the president of Ukraine on November 16 as Law #198-IX “On Amendments to the Law ‘On Corruption Prevention’ Regarding Whistleblowers.” The law will come into effect on January 1, 2020.²

CODE OF CONDUCT AND CONFLICT OF INTEREST FOR THE VRU – SACCI established a dialogue with the new Chairwoman of the CAP. The Chairwoman confirmed a need to develop a code of conduct for MPs, including provisions related to conflicts of interest (COIs) to fulfill Group of States against Corruption’s recommendations for strengthening anti-corruption policies in Ukraine. CAP’s Chairwoman and SACCI preliminarily agreed to collaborate on conducting stakeholder discussions around a code of conduct for MPs; drafting legislation for the code through a participatory approach engaging, among others, the VRU Committee on Rules and Procedures; and conducting public discussions around the draft.

¹ <https://zakon.rada.gov.ua/laws/show/140-20#n2>

² <https://zakon.rada.gov.ua/laws/main/198-IX>

RESTORED CRIMINAL LIABILITY FOR ILLICIT ENRICHMENT – In February 2019, the Constitutional Court of Ukraine ruled Article 368-2 of the Criminal Code on illicit enrichment of public officials unconstitutional. This decision triggered intense discussions on the need to reinstate the article, and several draft laws were later filed with the VRU. SACCI provided technical reviews of the draft legislation in collaboration with other international development programs. This includes input to the latest Draft Law #1031 submitted to the VRU by President Zelenskyy on August 29.³ SACCI also assisted CAP with preparation of the draft for its second reading at the VRU. The Draft Law was adopted by VRU on October 31 and signed by the president of Ukraine as Law #263-IX on November 27.⁴

ESTABLISHING THE INSPECTOR GENERAL FUNCTION – As noted under Task 0.2 above, SACCI developed a concept paper for establishing inspectors general (IGs) within public institutions. The concept paper analyzes international experience and proposes four options. Each option is analyzed against criteria such as independence, jurisdiction, scope, resources, and others. SACCI will discuss the concept paper with relevant governmental decision-making institutions, including, first and foremost, the new leadership of NAPC.

TASK 1.1.2 SUPPORT DRAFTING ANTI-CORRUPTION BYLAWS AND INTERNAL REGULATIONS

SACCI CHAMPION INSTITUTIONS

As part of its 4-D assistance package, SACCI helped the Ministry of Infrastructure of Ukraine (MIU) and the Sumy Oblast State Administration (SOSA) improve regulations on planning and conducting internal audits and align them with the respective standards of the International Organization of Supreme Audit Institutions and the Information Systems Audit and Control Association. SACCI also developed a step-by-step guide on internal auditing for both the MIU and SOSA. The project also helped SOSA improve the transparency of, and standardize regulations for, inspecting and providing oversight of contracts with directors of professional educational institutions.

The numerous changes to the law on corruption prevention also increased the demand for SACCI's expert guidance. In response to this demand, the project assisted the MIU, Ministry of Health (MOH), and SOSA with updating their regulations in accordance with the legislative changes. In particular, SACCI assisted the MIU with drafting and/or updating the following internal procedures and regulations:

- Regulation on corruption prevention related to SOEs and other entities managed by the MIU.
- Regulations on conducting corruption risk assessments, as well as developing and monitoring the implementation of anti-corruption programs, ensuring compliance with COI regulations, and so forth.
- Regulation on monitoring the implementation of programs managed by MIU entities.
- Regulation with sample checklists for applying new provisions of the law on corruption prevention to newly appointed MIU officials and hired SOE employees.

³ Draft Law #1031 “On amendments to specific legal acts of Ukraine related to the confiscation of illegal assets of persons authorized to perform state or local government functions and the punishment for acquiring such assets.”

⁴ <https://zakon.rada.gov.ua/laws/show/263-20>

- Regulation on approving candidates for AU positions within entities managed by the MIU.
- Changes to regulations governing the MIU's document flow system, specifically regarding the anti-corruption review of draft regulations developed by the ministry.
- Regulation governing the MIU's Human Resources Selection Commission, which makes the selection of new staff at the MIU more transparent and allows for more effective public involvement.

SACCI assisted the MOH with drafting the following internal procedures and regulations:

- Regulation regarding COIs for the heads of health care facilities that are MOH subsidiaries.
- Regulation on conducting inspections by the MOH's AU.
- Regulation on coordinating the activities between the MOH's AU (and subsidiary MOH departments), including fact-checking e-declarations and conducting special background checks.

SACCI helped the municipality of Drohobych draft internal policies and procedures related to budgeting process standardization, COIs, complaint mechanisms, and whistleblower protections. SACCI also supported the municipality of Drohobych to publicize and discuss these regulations with citizens before they were adopted by the City Council.

Also, SACCI completed Institutional Integrity Framework Assessments (IIFAs) for four municipalities (Mukacheve, Khmelnytskyi, Pervomayskiy, and Pokrov). The results of the assessments and recommendations were provided to each municipality for review. SACCI initiated the development of assistance plans for each municipality to be implemented in the next several months. SACCI will continue assisting municipalities in drafting and implementing regulations and policies to improve complaint management systems, strengthen public accountability, involve citizens in the decision-making process, and improve citizens' access to public information.

OTHER PUBLIC INSTITUTIONS

During the reporting period, most of SACCI's resources were concentrated on support to the relaunch of the NAPC and preparation for the new NAPC head. One of the key components was the co-design and review of internal regulations that guided the work of the NAPC Head Selection Commission.

TASK 1.1.3 EQUIP GOU WITH TOOLS TO MONITOR EFFECTIVENESS OF ANTI-CORRUPTION POLICY

The latest amendments to the law on corruption prevention strengthened national policy and the NAPC's role. Furthermore, SACCI intends to present its previously developed Methodology (Tool) to Assess the Effectiveness of Anti-Corruption Policies (programs and action plans) to the NAPC's new leadership and is ready to assist with the implementation of the tool throughout Quarter 2.

ER 1.2: GOVERNMENT CAPACITY TO DEVELOP AND IMPLEMENT ANTI-CORRUPTION POLICIES, TOOLS, AND MECHANISMS STRENGTHENED

TASK 1.2.1 SUPPORT TO CHAMPION INSTITUTIONS IN IMPLEMENTING CORRUPTION PREVENTION MEASURES WITHIN THEIR ORGANIZATIONS

SACCI assisted the MIU, MOH, SOSA, and Drohobych municipality with drafting internal policies and regulations to improve corruption control and prevention systems as stipulated in each champion's Integrity Plan. New plans were finalized. Upon their adoption, SACCI will assist with their implementation. SACCI finalized IIFA reports for each new municipality champion, with specific recommendations for strengthening corruption prevention measures within municipalities.

NATIONAL LEVEL

SECRETARIAT OF THE CABINET OF MINISTERS OF UKRAINE (SCMU): Due to changes in the government after the presidential and parliamentary elections, SACCI paused assistance to the SCMU. Also, amendments to the law on corruption prevention revoked the SCMU's authority to oversee AUs within public institutions, transferring this power to the NAPC, effective January 1, 2020. As a result of these changes, SACCI is reorienting its collaboration and assistance with both institutions. For example, as mentioned above, SACCI plans to present previously developed methodology for assessing the effectiveness of anti-corruption programs and the methodology for assessing capacity and effectiveness of AUs to the NAPC's new leadership. SACCI will review its assistance to the SCMU after USAID's formal meeting with the SCMU's new leadership.

MINISTRY OF INFRASTRUCTURE OF UKRAINE: Throughout the reporting period, SACCI continued to help strengthen the MIU's capacity to counter corruption. SACCI consulted the MIU's AU on its compliance with new amendments to the law on corruption prevention and trained AU staff on managing COIs in respect to corporate rights. Also, SACCI helped the MIU conduct a corruption risk assessment in the state's seaports (managed by the MIU) and an anti-corruption screening of the MIU's Railways Statute. The project also trained for AUs of two SOEs (National Nuclear Energy Generating Company [Energoatom] and Zaporizhzhya's Nuclear Power Station) on legislative changes regarding whistleblower protection and e-declarations.

MINISTRY OF HEALTH OF UKRAINE: SACCI continued to strengthen the MOH's AU by helping increase the staff's ability to implement their corruption prevention functions and maintain independence. SACCI also provided ongoing consultations on the application of the newly amended law on corruption prevention and helped draft several new ministerial regulations.

SUB-NATIONAL LEVEL

SUMY OBLAST STATE ADMINISTRATION: SACCI helped SOSA implement its Corruption Risk Mitigation Plan, which was developed following the initial corruption risk assessment. This included improved regulations that govern the inspection and oversight of contracts for directors of professional educational institutions as well as policies and procedures for strengthening internal audits, such as: 1) a step-by-step guide for implementing an internal audit; 2) methodology for assessing risks within an internal audit and how to prioritize auditing objectives; and 3) methodological guidelines for planning, estimating, and evaluating an audit sample. In addition, SACCI delivered a training for staff members who are responsible for information security within SOSA.

CITY OF DROHOBYCH (LVIV OBLAST): At the request of the mayor’s office in Drohobych, SACCI conducted a feasibility assessment on the full-scale implementation of an eHealth system—currently the system operates as a pilot. SACCI brought in experts who have knowledge of similar situations, particularly those with experience dealing with the well-established digital health champions (Vinnytsia and Poltava) and emerging municipal cases (Severodonetsk and Mariupol). The comprehensive assessment was tailored to the situation in Drohobych, including the fact that the city consistently treats patients from other municipalities and does not get reimbursed for these activities. SACCI also paid special attention to the need for selecting properly certified software and designed a detailed step-by-step plan, with recommendations on how to proceed with introducing eHealth in the city.

NEW CHAMPION MUNICIPALITIES: SACCI completed an IIFA in all four new champion municipalities (the cities of Mukacheve, Khmelnytskyi, Pervomayskiy, and Porkov). Although recommendations that came out of the IIFA are customized to each city, similarly needed measures were identified for all four partners. These measures are being included in the package of assistance SACCI will be proposing to each municipality. Among the overarching measures are:

- Develop and implement regulations to enable AUs to implement their functions, such as procedures for conducting corruption risk assessments, auditing the communal enterprises that the city controls, managing whistleblower reports, and conducting an anti-corruption review of draft regulations.
- Conduct a comprehensive corruption risk assessment for executive committees and develop Corruption Risk Mitigation Plans.
- Improve (or develop) a code of ethics for local deputies, executive committees, and communal enterprises.
- Support the development and implementation of a training program for public officials and staff aimed at increasing compliance with new anti-corruption legislation.
- Improve compliance with public access to information.

TASK 1.2.2. SUPPORT THE REBOOTED NATIONAL AGENCY FOR PREVENTION OF CORRUPTION

The biggest priority for SACCI over Quarter I was providing support to the GOU throughout the selection of a new NACP head. This included providing input to documents that regulated the selection process and functions of the Selection Committee. Also, SACCI recommended international experts as candidates to serve on the Selection Committee. Finally, SACCI provided in-kind support, in the form of a Secretariat to the Selection Committee. This included office space and equipment as well as some of the Secretariat’s personnel. SACCI coordinated closely with the GOU and key international donors as well as anti-corruption projects. With SACCI and other donor support, the selection process went very smoothly, in strict compliance with the law. The Committee reviewed 32 applications and interviewed eight top candidates. On December 16, 2019, the Committee formally submitted its recommendation to the Cabinet of Ministers of Ukraine (CMU) for Mr. Oleksandr Novikov, a prosecutor in the Office of the Prosecutor General, to serve as the next NACP head. The CMU is expected to formally appoint Mr. Novikov as NACP head in mid-January 2020.

While the NAPC head was being selected, SACCI developed a list of technical support activities that the project could offer to the NAPC. The list included 12 areas of assistance, including overall institutional development support, strengthening e-declaration systems, establishing an internal control office, strengthening AU oversight and coordination, improving corruption risk assessment methodology, and others. This list will be discussed with the NAPC once the NAPC head is approved and takes office. SACCI will coordinate with other international donors and projects throughout this process to properly plan assistance to the NAPC.

With SACCI support, Transparency International Ukraine (TIU) monitored the selection process of the new NAPC head. Using various public sources of information, TIU evaluated candidates for the position on the grounds of competence, professional ethics, and integrity. TIU also monitored the selection procedure for legal, technical, or integrity violations.

TASK 1.2.3. PROVIDE TARGETED SUPPORT TO THE ACCOUNTING CHAMBER OF UKRAINE TO STRENGTHEN PERFORMANCE AUDIT AND TRACK RECOMMENDATIONS

In the quarter, SACCI developed a draft Memorandum of Cooperation (and subsequent work plan) with the Accounting Chamber of Ukraine (ACU). The memorandum was agreed upon by both parties and is expected to be officially signed in late January or February 2020 upon USAID consent. The memorandum states that SACCI will provide the ACU with limited and targeted technical support aimed at building the staff's capacity to conduct performance audits, collect and analyze data, and write quality audit reports. SACCI will also help the ACU develop a Performance Audit Manual (in partnership with an EU-sponsored project). Finally, SACCI will support the ACU with the development of protocols/regulations governing the ACU's interactions with the VRU and other government bodies agreed to in the action plan.

TASK 1.2.4. PROMOTE AND INSTITUTIONALIZE ANTI-CORRUPTION TRAINING OF PUBLIC OFFICIALS

On October 21, SACCI rolled out a pilot version of the online anti-corruption course for civil servants. The course is intended to assist civil servants in the proper application of the new changes to the law on corruption prevention. The course consists of three modules with 10 topics, ranging from an overview of legislation to asset declarations, whistleblowing, restriction of COI, and liability for violations. Piloting of the online course was completed on December 16, 2019. In total, 239 civil servants participated in and graduated from the course, all of whom are from AUs within ministries, agencies, territorial departments of state agencies, and local state administrations. SACCI will improve and enhance the course based on the feedback collected from participants of the pilot version and in accordance with new changes to anti-corruption legislation made in October and November 2019. In 2020, the Ukrainian School of Governance plans to scale up this program to include participation from the court's newly appointed officials, mid-level management of executive bodies (ministers, state agencies, etc.), and AUs across public institutions (in cooperation with the NAPC).

TASK 1.2.5. SUPPORT SIGNATURE INITIATIVES ASSOCIATED WITH CHAMPION INSTITUTIONS

MIU – COMBATING CORRUPTION IN ROAD CONSTRUCTION AND REPAIR – In the reporting period, SACCI grantee CSO Construction Sector Transparency Initiative (CoST) completed its project to increase transparency and accountability in the road construction sector. The project improved

government oversight and strengthened the participation of civil society monitors. With the support of the project, nine Oblast State Administration (OSAs) and 15 amalgamated communities increased the rate and quality of disclosures on data about road construction and repair as well as citizen complaint procedures thanks to operationalizing CoST's methodology. Also, a network of civic activists (69 activists, five CSOs) was empowered to monitor the road construction industry. The CoST team developed two manuals and an online guide enabling government officials to make road management more transparent and empowering civic activists to monitor the quality of roads and road construction. CoST's trainings and manuals remain in high demand and have been requested repeatedly by both government and civic sector representatives. To satisfy this demand, SACCI plans to continue its support to CoST in 2020.

MOH – COMBATING CORRUPTION IN SICK LEAVE CERTIFICATION – As reported earlier, SACCI suspended activities related to software development until issues related to Ukraine's eHealth system are resolved, including data protection, exchange, and configuration, as well as questions surrounding the procurement process for the module's developer. A December meeting between the MOH and USAID projects demonstrated that Ukrainian counterparts (MOH, SOE eHealth, and the National Health Service of Ukraine) still lack a strategic vision for the system as well as the capacity, skills, and resources for implementing the system. Therefore, SACCI's contribution to the process was limited to the Together Against Corruption (TAC) initiative's operations. TAC supported the MOH with legal drafting to eliminate the discrepancies in the Procedure of Verification of Sick-Leave Issuance. The CSO described the regulatory status quo in the Procedure and developed draft changes with anti-corruption safeguards to the Procedure. In addition, TAC provided coordination and communications support to the eSick Leave Certificate initiative. It conducted monitoring of how sick leave certificates were verified in the Kyiv and Kharkiv regions. Working through social media, TAC raised public awareness of the administrative and criminal responsibility for falsifying sick leaves through a series of subject matter posters and infographics.

ENABLE MOH TO EMPOWER SUBSIDIARY AUs – In the previous reporting period, SACCI drafted the Terms of Reference (TORs) for the development of the MOH's Anti-Corruption Web Portal to serve as a platform for knowledge sharing, a consultation center, and a communication hub for AUs under the MOH's jurisdiction. It was envisioned that this platform would serve as a model to be replicated in other governmental agencies. The amended legislation provided the NAPC with more authority over AUs. As a result, SACCI sees the need to consult with the new NAPC leadership prior to the portal's development to ensure it meets the NAPC's needs and expectations. SACCI will discuss this when the NAPC's new leadership is in place.

TASK 1.2.6. SUPPORT FOR THE MINISTRY FOR DIGITAL TRANSFORMATION

In December, SACCI hired an experienced local consultant to assist the MDT with developing and reviewing strategic policy documents and regulations to determine how anti-corruption objectives can be reinforced or introduced within the country's digitalization strategy. Also, SACCI was in the process of recruiting another consultant to help the MDT build a solid understanding of policies related to cybersecurity, how to protect critical infrastructures, and how to certify large-scale IT systems. In addition, SACCI supported the MDT with developing approaches for managing procurements under the National Program for Informatization. This includes streamlining the procurement process and minimizing corruption risks. Under this approach, government agencies would need to receive clearance from the MDT for any IT-related procurements.

TASK 1.2.7. RAPID RESPONSE ASSISTANCE

In the last quarter of FY 2019, at the request of the Office of the President of Ukraine (OPU) and with USAID's consent, SACCI recruited two experts to support the OPU's Anti-Corruption, Judiciary, and Law Enforcement Taskforce. Both experts stayed at their positions until mid-October, when they were transferred to support the Prosecutor General office, which is outside of SACCI's scope.

OBJECTIVE 2: PUBLIC SUPPORT FOR AND ENGAGEMENT IN ANTI-CORRUPTION EFFORTS INCREASED

ER 2.1: GOVERNMENT OUTREACH ON ANTI-CORRUPTION REFORMS AND SUCCESSES IMPROVED

TASK 2.1.1 BOOST THE CENTRAL GOVERNMENT'S COMMUNICATION CAPABILITIES

BUILD THE SKILLS AND ABILITIES OF TARGETED GOU INSTITUTIONS – The key SACCI counterparts at the national level went through leadership changes as a result of the presidential election. This includes the SCMU, MOH, and MIU. Also, the State Agency for eGovernance was recast as the MDT. The NAPC was undergoing leadership change, and the Ministry for Information Policy was liquidated altogether. These changes resulted in SACCI pausing technical support until new leadership of the agencies could be ready to discuss collaboration. Apart from working with the MDT on positioning e-governance initiatives as anti-corruption interventions, SACCI conducted an analysis of the NAPC's "public image" throughout 2019. This analysis will be presented to the new leadership of the institution with recommendations on how to proceed with restoring public trust, as noted in Task 0.2. Finally, SACCI has continued assisting MDT's anti-corruption communications through its embedded expert, who works for the team of the MDT minister/vice-prime minister. This expert helps to integrate messages of integrity, transparency, and accountability into the public materials produced by the ministry.

IMPLEMENT AN ONLINE ANTI-CORRUPTION COMMUNICATIONS TRAINING COURSE – Throughout the reporting period, SACCI worked with its grantee Prometheus to produce modules for the intended online anti-corruption communications course. At the end of the reporting period, and prior to investing the bulk of costs for production of the actual video footage and course mechanics, SACCI resolved to consider terminating the grant agreement pending discussions with the SACCI COR and return to the idea of an interactive course in spring 2020. The rapidly changing political climate in 2019 has not only brought about a cohort of new political elites but also inaugurated a completely different "corruption" and "anti-corruption" narrative, as well as a different style of communication between the government and its citizens. The previous model of training press officers and line ministry civil servants on talking about corruption/anti-corruption efforts was not fully in line with the new government's team. Probing for champions of the One Voice, or similar initiatives, in mid-November demonstrated that the previous approach (with PMs' communications team being the trendsetters) could be dismantled. Moreover, with SACCI reorienting toward institutional support of the NAPC, it is still uncertain what approaches to communications the new leadership will take in Quarter 2. Although it could be possible to delay the implementation of the project until spring 2020, there would be no guarantee that the course would materialize as intended or that it would be demanded by the NAPC as a new focal point for SACCI. Nonetheless, the products developed by SACCI and its partner at

Prometheus will be used as guidelines for SACCI's local partners, especially its city/oblast administration champions.

TASK 2.1.2 IMPLEMENT AWARENESS, EDUCATIONAL, AND ADVOCACY CAMPAIGNS

SUPPORT REGIONAL CHAMPIONS WITH TARGETED ANTI-CORRUPTION

COMMUNICATION CAMPAIGNS – In Quarter 1, SACCI's partner UCMC completed a communications analysis on how the Drohobych Smart City initiative is perceived by citizens. The analytical report provided feedback on the successes and drawbacks of communicating about the Smart City initiative and explained why, ultimately, the city administration's communications strategy for the initiative was not effective. UCMC presented results of the analysis and facilitated a discussion among experts, Smart City implementers, and Drohobych press service officers on the best strategies for developing a positive perception of the Smart City initiative among its citizens. Throughout Quarter 2, SACCI will work with the city administration's press center to rebuild communications with citizens based on the report generated. In addition, SACCI helped the municipality of Drohobych to publicize and discuss with citizens a set of internal policies and procedures related to budgeting process standardization, COI, complaint mechanisms, and whistleblower protection—all drafted with inputs from SACCI's legal experts.

SUPPORT CAPACITY BUILDING WITHIN REGIONAL SACCI CHAMPIONS – During the reporting period, SACCI worked with the Drohobych press center through a strategic session in November to define new opportunities for the city to communicate with its citizens on initiatives related to e-governance, eHealth, open data, and other initiatives that the city would like to implement.

On municipality champions, SACCI's resources and attention have refocused on the revitalization of the NAPC, as noted above. Also, SACCI worked on a consolidated Year 3 Plan of Cooperation for each of the six regional entities as it continues ongoing dialogue with USAID related to “off-ramping” the regional champions throughout SACCI Year 3 as SACCI's regional focus shifts to strengthening the capacity of the envisioned six NAPC regional offices.

ER 2.2: ENGAGEMENT OF CITIZENS IN THE FIGHT AGAINST CORRUPTION INCREASED

TASK 2.2.1 INCREASE OPPORTUNITIES FOR CITIZEN ENGAGEMENT

HELP CITIZENS ENGAGE WITH OPEN DATA – An element of the communications campaign, co-designed with TIU, to encourage transparency in schools (with a focus on school budgeting and voluntary contributions by parents) includes reliance on DoZorro data. Throughout the campaign, SACCI and TIU will capitalize on the beta-version of the online mapping tool previously supported by USAID Transparency and Accountability in Public Administration and Services (TAPAS) and will build an expanded version for parents to work with open budgeting data related to their local schools (where schools have already registered as autonomous economic entities) or regional education departments (as in unreformed areas). Apart from this, as mentioned under Task 0.8, SACCI hosted a Solutions Hub session in December, dedicated to the use of open data in the education sphere.

With the Anti-Corruption Action Center (AntAC) and USAID ENGAGE, SACCI worked to build a campaign that would encourage citizens in SACCI's champion cities to learn more about the taxes they pay and the ways they can, based on the data they receive, engage with authorities at the national and sub-national levels to defend their rights as taxpayers. The campaign will refer the citizens to already

existing open data budget tools and encourage their use. The campaign is in the design stage and will roll out in Quarter 2.

Through its support to the CSO White Collar Hundred (WCH), SACCI has further improved citizen- and journalist-oriented tools that help people search for information on public officials. The CSO began the creation of regional landing pages for regional activists, with regionally specific information and complete with methodology that links local and Oblast council members with other persons and property. Also, WCH signed a memorandum of cooperation with the Organized Crime and Corruption Reporting Project (OCCRP), the largest and most trusted network of investigative journalists, on data exchange to improve their data access and completed a full translation of the platform declarations.com.ua into English to enable international investigative journalists and activists to contribute to Ukrainian investigative journalism and activist efforts by linking data.

HELP CITIZENS MONITOR UKRAINE'S ROADWAYS – SACCI has been supporting CoST Ukraine as the core partner for disclosing data on road construction and repair, with certain activities done in cooperation with USAID TAPAS. Thus, SACCI helped regional governments upload data about road infrastructure projects to a data-disclose portal in accordance with CoST Infrastructure Data Standards. These trainings were also attended by local CSO representatives. Furthermore, USAID TAPAS provided support for the portal so that any person can access data as it is integrated with the ProZorro system and offers additional data from YouControl as well as other analytical vendors. In the reporting period, CoST trained more than 70 citizens in six regions (Kyiv, Sumy, Lviv, Chernivtsi, Cherkasy, and Vinnytsya) to monitor roadways. CoST also piloted a Road-Bot system that provides programmed responses to frequently asked questions for citizens who wish to submit an appeal for road repairs at the local level.

Meanwhile, throughout the reporting period, the three regional coordinators from CoST delivered monitoring and technical support to CSOs, civic activists, and local governments in six regions. The coordinators delivered on-site monitoring of road quality and helped other civic activists in the regions to do such monitoring. In total, CoST's efforts resulted in eight site visits that resulted in the monitoring of 26 roads and 10 bridges. This led to the renovation of nine roads directly due to the issues raised. One of the regional coordinators also developed a [Road Bot](#) for Facebook, which made it easier for the citizens to appeal to local governments about road defects. The demo version of the Road Bot is actively used by 111 citizens and serves as an effective mechanism of citizen complaints. The citizens' complaints resulted in the official commitment of several regional governments (Sumy, Cherkasy, Kyiv, Zhytomyrska OSAs, Sumy Regional Road Service) to include six roads in their 2020 Road Repair Action Plans.

To increase the quality of citizen/CSO complaints and—as a result—their effectiveness, CoST developed the Road Disease Manual. The e-version of the Manual was widely distributed via the Dozorro network, CoST's partner networks (Association of Hromadas, the DOBRE network, and the Open Cities Association), and the CoST regional coordinators' network. After being published, the manual was downloaded more than 1,040 times, at a rate of 50 downloads per day.

ENHANCE PUBLIC OVERSIGHT COUNCILS (POCs) – In the reporting period, with a political reload of ministries and OSAs, empowering POCs was not a priority. However, according to new additions to the law on prevention of corruption, the NAPC should relaunch its POC. At the same time, the process for rebuilding the NAPC's POC did not start in the reporting period. SACCI intends to discuss this issue with the newly appointed NAPC head, as the relevant SACCI assistance plan takes shape in Quarter 2.

Meanwhile, at the sub-national level, throughout Quarter 2, CSO EIDOS will be developing a manual on creating POCs at the municipal level. Rough topics to be covered in the manual include the creation of a public council; involvement of experts and organization of the public around the formation of public councils; forms/samples of internal documents serving the work of public councils; organization of work; obtaining premises for public council work; instructions for the secretary of the public council; instructions for the members, leaders, and persons working in the executive power body with the public council; and establishing communication with the authorities and the public. The final list of topics will be determined after consultations with members of public councils in SACCI's champion cities.

TASK 2.2.2. MOBILIZE CSOs TO ENGAGE IN SOCIAL ACCOUNTABILITY

PROMOTE CSO ENGAGEMENT THROUGH A SMALL GRANTS PROGRAM – SACCI has kept the doors of its Annual Program Statement (APS) mechanism open to support CSO engagement in anti-corruption activities. In the reporting period, there were no new grant applications recommended for funding. At the same time, it is expected that in Quarter 2, as the work of SACCI's regional coordinators intensifies, new ideas will be submitted for consideration. Throughout Quarter 1, SACCI has been working closely with potential grantees who had previously submitted ideas into the pipeline and expects several of these to take shape early in 2020.

FACILITATE NETWORKING AND EXPERIENCE EXCHANGE – SACCI ensured that the products developed in 2018–2019 were widely disseminated and used to the fullest extent. On December 5, ISAR Ednannia held its annual CSO Capacity Development Forum. The forum devoted an all-day session to playing games, where two of SACCI's grantees—TIU and EIDOS—held sessions highlighting their respective games, Transparent Cities and AC Mafia. These sessions attracted approximately 35 people of different ages and genders. In addition, SACCI's Regional Coordinator in Sumy organized an Anti-Corruption Mafia session for 30 young players (15–17 years old) on December 9. Also, TIU organized a Transparent Cities game in Uzhgorod involving the SACCI Regional Coordinator in Mukacheve on December 12.

SUPPORT AND GUIDE CSOS THROUGH REGIONAL COORDINATORS – In Quarter 1, SACCI established a network of regional coordinators—one in each champion city. Each regional coordinator analyzed their community's local media, civil society, and youth policies and practices. The preliminary findings demonstrated that there were no strong youth organizations capable of delegating representatives to serve as Integrity Awareness Ambassadors. Taking this into account, SACCI developed the following approach to disseminate SACCI anti-corruption instruments and engage citizens:

- Engage regional coordinators in promoting SACCI's anti-corruption instruments for youth engagement in the champion cities.
- Include SACCI's Youth Advisory Board in integrity awareness activities and add the role of Integrity Awareness Ambassadors to their SOW.
- Include the FLEX alumni community in integrity awareness activities, in line with Integrity Awareness Ambassadors.

Apart from this, the regional coordinators actively participated in events organized by local CSOs focused on youth and anti-corruption initiatives. In Sumy, the regional coordinator was involved in a regional call for youth proposals organized by SOSA's Ministry of Youth and Sports. The ideas will be used to organize the joint youth and anti-corruption activities in the first half of 2020. Sumy's regional

coordinator also actively supported the Sumy State Builder program and presented tools for increasing public participation and anti-corruption control.

SCALE UP ANTI-CORRUPTION SCHOOL – Preparations for this activity will begin in Quarter 2 and the school itself is planned for implementation in Quarter 3.

OBJECTIVE 3: PUBLIC TOLERANCE OF CORRUPT PRACTICES REDUCED

Tasks under Objective 3 are targeted toward increasing the public’s understanding of corruption and the young population’s rejection of corrupt acts.

ER 3.1: PUBLIC UNDERSTANDING OF CORRUPTION AND ITS COSTS INCREASED

TASK 3.1.1. IMPLEMENT ANTI-CORRUPTION AWARENESS, EDUCATIONAL, AND ADVOCACY CAMPAIGNS

CAMPAIGN ON TRANSPARENCY OF FUNDS IN EDUCATION – As noted above for Task 2.2.1, throughout Quarter 1, SACCI and TIU actively worked to finalize the TORs for the creative and promotional parts of the campaign that would explain to parents the basics of school budgeting and trigger questions about the legitimacy of voluntary contributions solicited from parents. In Quarter 1, the Ministry of Education was also brought into the equation, providing valuable feedback on the TORs and sharing insights about messages that best describe the current situation in schools. SACCI and TIU will continue cooperating to conduct the campaign by the end of the school year.

ANTI-CORRUPTION LEGISLATION: A MEDIA CASE STUDY

The law on whistleblowers has left a large media imprint and was positioned as a well-fulfilled election promise by the new president. In turn, President Zelenskiy’s political opponents have used this law to actively criticize his team. The majority of media messages were, however, not related to describing pros and cons of the adopted law. Much like the overall media trend in anti-corruption, they merely stated that the law was passed. Such messages were able to reach the largest target audience (more than 8 million). MPs from “Servant of the People,” including Halyna Yanchenko, Anastasia Krasnosilska, David Arakhmia, Fedir Venislavskyi, and Andriy Smyrnov, actively commented on and disseminated the positive aspects of whistleblowing. Political opponents of President Zelenskiy criticized the draft law between two readings in Parliament. Critical voices could be split into two rough groups: Ukrainian political opponents of Zelenskiy (MPs from “Batkivshchyna” quoted mostly on the “Ukrayina” TV channel and MPs from “European Solidarity”—on 5th channel and “Priamyi”) and pro-Russian forces (spreading news mostly through pro-Russian or non-reputable media). The “anti-whistleblowing” messages cited corruption risks within the law; revival of a mass “snitching” era; return of Ukraine to the Soviet Union; equipping the NACP with excessive powers; and discrediting good-faith whistleblowers. Notably, after the president signed the law, opposing voices ceased to produce critical statements in the media. Critics have switched to other topics that could “hurt” the president, and this bill in itself did not interest them any longer.

EDUCATING CITIZENS ABOUT USE OF PUBLIC FUNDS – As noted above for Task 2.2.1, SACCI and ENGAGE began their proactive cooperation with AntAC on the design of a communications campaign to encourage citizens of champion cities to learn about the taxes they pay, public expenditures, and opportunities for citizens to participate in grassroots watchdogging. The campaign is expected to take full shape in Quarter 2 and be completed by the end of Year 3.

CAMPAIGN ON WHISTLEBLOWER PROTECTION – As noted for Task 0.2, SACCI concentrated on tracing the media landscape for an understanding of how media outlets reported on the whistleblower protection issue and what SACCI could expect when starting a communications campaign on the topic. A monitoring report was prepared on the whistleblower legislation topic and on legislation to reinstate illicit enrichment liability.

CAMPAIGN ON MP ETHICS, COI, AND LOBBYING – As noted under Task 1.1.1, progress on developing regulatory documents on MP ethics, COI, and lobbying has been limited, and the initiatives that were indeed proposed by some of the MPs were not seen as fully sustainable or in good faith. Thus, SACCI will continue monitoring this issue and respond when substantial progress is in sight.

TASK 3.1.2 ENGAGE MEDIA IN EXPLAINING ANTI-CORRUPTION EFFORTS

PROMOTE RESPONSIBLE REPORTING AMONG JOURNALISTS – SACCI and UCMC continued to promote a constructive journalism approach and employed it while conducting its regional events. UCMC organized an issue-driven and evidence-based dialogue on the implementation of the Smart City initiative and reports related to the health care sector in Drohobych. The recently renewed UCMC agreement foresees intensification of work on this frontier in Quarter 2.

PROVIDE CAPACITY-BUILDING OPPORTUNITIES FOR JOURNALISTS – In Quarter 1, UCMC and CoST negotiated details of a standalone project, building on the experience gained in Year 2. SACCI supports these negotiations and expects subsequent trainings to be conducted later in the year.

PREPARE INFORMATION MATERIALS FOR JOURNALISTS – It is expected that further into the year, UCMC will develop more materials that will be used by journalists in select sectors. One of these materials that should appear in Quarter 2 is the “Blind Zones of Corruption 2019” study, an annual media monitoring readout that is expected to span 2019 and include an overview of how corruption and anti-corruption efforts are portrayed in the media and how that portrayal impacts citizens’ perceptions.

CONTINUE EDUCATIONAL PROGRAM FOR ANTI-CORRUPTION JOURNALISM – UCMC and the Ukrainian Catholic University (UCU) will conduct an educational program for anti-corruption journalism in the spring semester. During Quarter 1, UCMC and UCU conducted the preparatory work necessary for the educational program.

FACILITATE NETWORKING AND POSITIVE KNOWLEDGE SHARING – In Quarter 1, UCMC continued the maintenance of its constructive journalism Facebook page, announcing events conducted in collaboration with SACCI and other USAID projects. Further into the year, UCMC will conduct more events under the constructive journalism umbrella. The Constructive Journalism/Ukraine Reforms Communications Taskforce Facebook page posts provide regular updates on open events targeted at local and national journalists as well as local communities. It also informs citizens of the key outtakes of the events and shares sectoral infographics. The page is followed by more than 4,000 people and unites several USAID-funded projects under an umbrella brand of constructive journalism. The page can be found at: <https://www.facebook.com/pg/UaReforms/>.

ER 3.2: YOUTH INCREASINGLY REJECT CORRUPTION AS A SOCIAL NORM

TASK 3.2.1 SHAPE NEW VALUES AND ATTITUDES

CONDUCT A ToT TRAINING FOR INTEGRITY AWARENESS AMBASSADORS – As noted above, SACCI’s regional coordinators preliminarily analyzed the local champion city youth environments and confirmed that there were no strong youth organizations capable of delegating representatives to serve as Integrity Awareness Ambassadors. Therefore, SACCI will revise its approach in Quarter 2.

CONDUCT A COMMUNICATIONS CAMPAIGN – In addition to a TIU-led campaign on school funding, SACCI has partnered with the Ministry of Education and Science (MOES) and UCMC to run an awareness-raising campaign around an information tool/publication that would provide high school students with an understanding of lifelike situations that could entail corruption, as well as ways to avoid the wrong choices. The campaign will also include career talks, myth busters, and working with student governments on anti-corruption statutes and competencies. The campaign will be closely coordinated with the ENGAGE/IFES efforts on civic education.

TASK 3.2.2. ENGAGE YOUTH IN ANTI-CORRUPTION ACTIVITIES

LAUNCH THE FIRST ANTI-CORRUPTION MASTER’S PROGRAM – The master’s program in anti-corruption studies, implemented by the Anti-Corruption Research and Education Centre and National University of Kyiv-Mohyla Academy (NaUKMA) under the SACCI grant, was officially launched on September 25. Within the program, SACCI has been supporting design of syllabi, study materials, tests, and home assignments for 14 courses. These courses are developed in addition to basic courses already designed by NaUKMA. The program began on October 1, and throughout the quarter 13 students attended four curricula courses. Two courses have been fully designed and developed: Quantitative and Qualitative Corruption Research Methods and Political Science: Theory and Practice (Political Science Perspective on Corruption). Two additional courses, Anti-Corruption Advocacy Campaigns and Corruption Research Methods, were delivered in a lecture format. The students shared positive feedback about the program’s quality and the module’s implementation, as well as organization of the studying process. For example, they praised the courses’ combination of theory and practice; however, some found it challenging to partake in classes before 6 p.m. on weekdays and prefer weekends.

ANTI-CORRUPTION EDUCATION AND ENGAGEMENT IN SCHOOL – In the lead-up to IACD, SACCI supported this year’s Dignity Day in Ukraine, and its partner EdCamp Ukraine helped teachers implement anti-corruption tools around the country. From November 21 (Global Dignity Day) to December 9 (IACD), teachers in each Ukrainian Oblast conducted lessons that highlighted such topics as dignity, human rights, anti-corruption, and integrity. This year, more than 584 educational institutions, 693 educators, and 91,258 pupils took part in anti-corruption activities, foreshadowing IACD. As part of this initiative, EdCamp Ukraine also produces a Dignity Day Diary that helps teachers facilitate a constructive-classroom dialogue on the various topics related to the celebration. The 2019 Dignity Day Diary focused on three main components: 1) integrity and anti-corruption (SACCI Youth toolkit); 2) UN Sustainable Development Goals; and 3) social skills and emotional intelligence education provided by Emory University and GIZ.

SUPPORT CREATIVE WAYS OF REFLECTION ON ANTI-CORRUPTION AMONG YOUNG PEOPLE – On November 20, SACCI conducted a World Café brainstorming session in Drohobych.

Twelve high school students discussed their views about youth and anti-corruption communications, youth anti-corruption projects, and youth engagement in the Drohobych Smart City project of the mayor's office. Their ideas are summarized in a report that, in addition to the youth assessment in Drohobych, will shape the foundation for Year 3 activities in Drohobych. SACCI is considering similar events for other champion cities in Quarter 2.

EXPAND PARTNERSHIP WITH FLEX ALUMNI – In December 2019, SACCI participated in the Future Leaders Exchange Program (FLEX) Alumni City Representatives and Regional Coordinators Conference at America House Kyiv and shared opportunities of promoting anti-corruption efforts with young leaders. The “FLEXers” were introduced to the basic notions of corruption, integrity, and transparency and were given a chance to learn more about USAID SACCI's youth activities. Through discussions, they discovered ways SACCI can help youth projects to reduce Ukraine's tolerance for corruption. At the conference, SACCI representatives also presented the concept of SACCI's upcoming Youth Advisory Board to the FLEX alumni, who expressed their interest in joining this project. Also, the possibility for cooperation was discussed with the FLEX Alumni Regional Coordinators, including the potential for SACCI to have student ambassadors among FLEX alumni in the next quarters (who will promote SACCI's anti-corruption youth toolkits to the respective audiences). Previously, at the Molodvzh youth conference, USAID SACCI held a joint Anti-Corruption Scenarios game session with FLEX alumni from western Ukraine.

SUPPORT INNOVATIVE IDEAS THAT TARGET YOUTH – The initial youth assessment (ongoing in the champion cities until January 9) demonstrates that in smaller cities—Pokrov, Pervomaiskyi, Mukacheve, and Drohobych—there seem to be no strong CSOs that can be SACCI's partners via its APS, small grants program. Even in Khmelnytskyi and Sumy, finding suitable CSOs proved to be a difficult task. Since Year 3 is expected to be the last year of significant support to champion cities, it is rather likely that most engagements will be implemented by SACCI's regional coordinators and in-kind support (including mentorship) rather than investing in additional oblast- or national-level CSOs.

SCALE-UP INNOVATIVE IDEAS – In Quarter 1, SACCI helped CSO GoVote come up with a plan on how to scale up its transparent voting software to other Ukrainian universities. SACCI's STTA advised on a set of documents that were necessary for the organization to grow its efforts, and consultations will continue into Quarter 2.

SUPPORT SOCIAL INNOVATION – At the end of Year 2, SACCI co-organized the U-Inn Youth Innovation Camp, a social innovations hackathon for young people, where one idea—The House of Integrity—received SACCI's support. The team received substantial consulting for turning their idea into a well-developed project design as well as steps for operationalizing its implementation. Contracts could follow in Quarter 2.

INITIATE A YOUTH ADVISORY BOARD—SACCI will initiate a Youth Advisory Board in Quarter 2 as a pilot project. The Youth Advisory Board will help SACCI more effectively target its youth audience, provide a broad perspective on the ways and means of enhancing youth-centric activities, and help enhance youth engagement in SACCI's activities that aim to lower tolerance to corruption among young people. The board members are expected to dedicate up to three hours per week advising SACCI on developing youth-centric project activities, skill building, and promoting anti-corruption locally through the implementation of small projects and awareness-raising events.

PROGRESS AGAINST TARGETS

Progress against three F-indicators is provided in Table I of Attachment I.

PERFORMANCE MONITORING, EVALUATION, AND LEARNING

SACCI's monitoring, evaluation, and learning plan has 21 indicators, including three Standard Foreign Assistance (F) Indicators. The indicator data come from five streams: 1) project records; 2) a SACCI-sponsored public opinion poll; 3) a civic engagement survey by USAID/ENGAGE; 4) records from grantees; and 5) contextual data collected from global surveys. Progress made on all indicators will be added to SACCI's annual report. Additionally, the project uses an internal tracking tool to monitor all progress. The tool shows every indicators' current status and explains how SACCI contributes to the expected results.

In Quarter I, SACCI's Monitoring and Evaluation Manager helped USAID/ENGAGE construct focus groups to determine triggers and insights of further joint communication campaigns to promote citizen engagement in anti-corruption activities. The focus groups and the subsequent campaign are to be conducted in 2020. In addition, SACCI and TIU developed the scope of work for conducting the focus groups, the findings of which will inform communication campaigns to counter corruption in schools.

SACCI ensures a system of evidence-based decision making by producing and/or analyzing important research pieces and contextual data. This also helps the project stay up to date on key statistics, trends, and values associated with (anti-)corruption, which are significant when providing daily contextual updates to USAID.

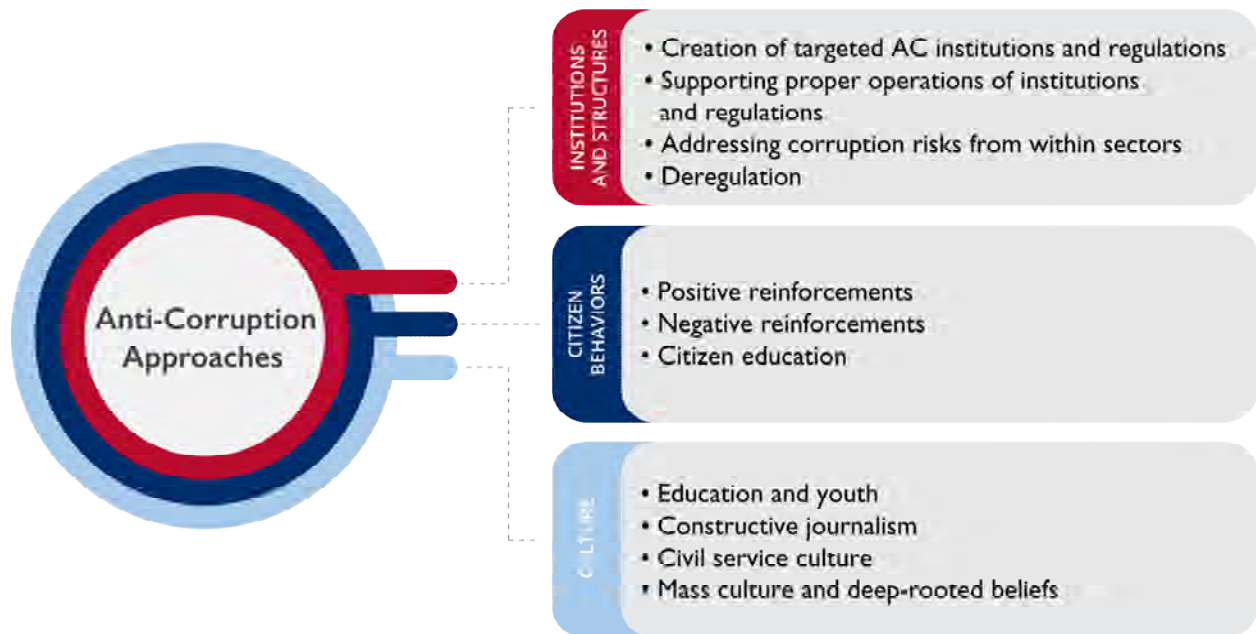
LESSONS LEARNED

Several high-level lessons learned emerged from a review of this quarter's PEA conducted by SACCI—with inputs from the USAID ENGAGE project.

First, a focus on institutional and regulatory support to specific anti-corruption institutions (NABU, SAPO, NAPC, HACC) has seen a significant rise in resource inputs and has become saturated. Second, media work related to constructive journalism or similar wide-scale civic engagement/civic education approaches in anti-corruption are almost nonexistent. Third, long-term investment in cultural approaches to address corruption have seen little investment (i.e., developing a strong ethos within the civil service or a unified government approach to anti-corruption). Ultimately, for high-quality results, more attention should be given to the "orphaned" anti-corruption development approaches. However, as of now, the focus is primarily on increasing corruption-related incarcerations and tracking funds saved through the public procurement system.

Technical assistance has been ongoing since 2014 to establish the necessary and dedicated anti-corruption institutions and to perfect the legislative frameworks that deal specifically with the definition of corruption as well as the mechanics of anti-corruption investigations and prosecutions. However, less attention has been given to targeting, identifying, and eliminating corruption risks in key sectors (and assistance has been, arguably, more disparate and less coordinated). Although deregulation and free market promotion have been on the agenda, they have been interpreted as individual goals—not really

impacting the anti-corruption realm. Systemic work to coerce citizens into behaving honestly through comfortable and “sure-to-deliver” methods (including eGovernance and the deregulation/reduction of paperwork for citizens) have been applied sporadically and outside of the larger theory of change for transforming how Ukrainians perceive corruption. Please see chart below for a summary of anti-corruption approaches from SACCI’s most recent PEA covering July–December 2019.



Culturally oriented initiatives have rarely, if at all, been interpreted as potent anti-corruption interventions. Media initiatives with anti-corruption elements have been interpreted as investigative journalism, which points out individuals involved in corruption activities. Also, there has been no systemic investment into so-called explanatory/constructive journalism, which aims to explain complicated corruption schemes or purported mechanisms for abusing taxpayer money.

ENVIRONMENTAL MONITORING

No activities during this reporting period fall outside of the approved Request for Categorical Exclusion (RCE): DCN: 2014-UKR-010.

PROGRESS ON LINKS TO OTHER ACTIVITIES

In the reporting period, SACCI cooperated most intensively with EUACI for supporting the process of the selection of NAPC head. The project has also worked closely with the USAID ENGAGE program on a “Taxpayer Movement” campaign, as well as co-development of the PEA update. Strong partnerships were sustained with the SAIUP and America House in commemoration of IACD and promotion of integrity among university students.

PROGRESS ON LINKS TO HOST GOVERNMENT

SACCI closely coordinates with the GOU. In the reporting period, SACCI supported the GOU to organize and carry out the process of selecting the new head of NAPC. SACCI also provided input or review of key legislation (relaunching NAPC, restoring criminal liability for illicit enrichment, and whistleblower protection). SACCI also expanded its support to a newly established MDT and continued supporting other national-level and local-level governments in pursuing their goal to reduce corruption.

PROGRESS ON INCLUSIVE DEVELOPMENT

Last year, SACCI published research and conducted a Solutions Hub on IDPs' experiences with corruption, perceptions and awareness of corruption, and their engagement in civic activism to prevent and counter corruption. As a result, in Quarter 1, SACCI analyzed ways to use digitalization tools to reduce corruption relevant to IDPs. Specifically, SACCI brainstormed ways to electronically transfer the e-certificates of IDPs, which would reduce corruption in the procedure of seeking and obtaining such certificates. The digitalization of other processes related to IDPs' interactions with the state authorities were also discussed. In Quarter 2, SACCI will reach out to key stakeholders to translate these preliminary discussions in specific solutions and action.

FINANCIAL INFORMATION

Financial information submitted separately.

SUB-AWARD DETAILS

See Table 2 of Attachment 1.

ADMINISTRATION ACTIVITIES

CONSTRAINTS AND CRITICAL ISSUES

As noted above, the key critical issue during the reporting period was the opportunity created by the new GOU's revitalization of the NAPC. This has allowed SACCI to return to the original goals of the project at the time of its inception. Consequently, SACCI has been engaged with its COR to re-prioritize key aspects of its AWP toward work with the NAPC both at the national level and in the regions.

PERSONNEL

SACCI hired a new Monitoring, Evaluation, and Learning Coordinator who will also oversee work of SACCI regional coordinators in its six city/oblast administration locations.

CONTRACT, AWARD, OR COOPERATIVE AGREEMENT MODIFICATIONS AND AMENDMENTS

No key contract modifications beyond regular incremental funding occurred during the reporting period.

STATUS OF DELIVERABLES/MILESTONES

Key programmatic deliverables completed throughout Quarter I are:

- Updated PEA edition and presentation to USAID Mission leadership (Task 0.1)
- Draft policy memo to NAPC on empowering AUs (Task 0.2)
- Memo for USAID on the mechanism for MDT vetting procurements of IT systems (Task 0.2)
- Notes and summary action items from the Solutions Hub session (Task 0.8)
- Law of Ukraine #198-IX “On Amendments to the Law ‘On Corruption Prevention’ Regarding Corruption Whistleblowers” (Task 1.1.1)
- Law #263-IX “On Amending Certain Legal Acts of Ukraine on Confiscation of Illegal Assets of Persons Authorized to Perform State or Local Government Functions and Liability for Acquiring Such Assets” (Task 1.1.1)
- Law #140-IX “On the Amendments to the Laws to Ensure the Effectiveness of the Institutional Mechanisms for Corruption Prevention” (Task 1.1.1)
- Policy paper on strengthening Corruption Prevention and Control Units (also known as Authorized Units) in light of the updated corruption prevention legislation based on elements of an Inspector General model (Task 1.1.1)
- Step-by-step guideline on internal audit for MIU and SOSA (Task 1.2.1)
- A series of MIU internal regulations that were brought in line with recent legislative changes (Task 1.2.1):
 - Draft regulation on corruption prevention at SOEs and other entities
 - Draft regulation on developing, implementing, and monitoring anti-corruption programs at MIU-subordinated entities
 - Draft regulation for onboarding new employees on corruption prevention regulations
 - Draft regulation on approving candidates for positions at the AUs within the MIU’s subsidiary entities
 - Draft amendments to the regulation on document flow system within the MIU regarding obligation to conduct anti-corruption screening (anti-corruption expertise) of all draft regulations to be adopted by the MIU
 - Draft regulation on the MIU Human Resources Selection Commission to bring more transparency to the selection process
- A series of MOH internal regulations (Task 1.2.1):

- Regulation to unify procedures for managing COI at MOH-subordinate entities
- Draft regulations for conducting inspections by the MOH's AU (sample program of inspection, glossary, methodical recommendations, templates, and checklists)
- Draft regulation for coordination of activities between the MOH's AU and other MOH departments in the process of verifying e-declarations, conducting special background checks, etc.
- IIFA results/recommendations and cooperation plans with four municipalities: Mukacheve, Khmelnytskyi, Pervomayskiy, and Pokorv (Task 1.1.2)
- Online course for civil servants "Preventing Corruption on Civil Service" (Task 1.2.4)
- "Road Disease Manual" – guide for citizen monitoring of road construction and repair (Task 2.2.1)

SACCI also expects a delay or revision in the scope of the following tasks:

- Task 0.6 Research Ideas for Common Branding – Although the brand of electronic communications "Dii" is in place, there needs to be more effort to make sure it can be positioned as an anti-corruption initiative.
- Task 1.2.3 Support the ACU to Strengthen Performance Audits – The activities under this task are under discussion, and a decision on new deadlines or an altered scope of work will be made in Quarter 2.
- Task 1.2.5 Support Portal for MOH AU – The activity was delayed due to internal transformations within the MOH and the need for consultations with the new NAPC leadership, which is granted more responsibilities with AUs.
- Task 2.2.1 Build Skills of the Targeted GOU Institutions – Upon consultations with the new NAPC leadership, an approach to enhancing anti-corruption communications will be designed.
- Task 2.2.1 Enhance POCs – Activities under the EIDOS grant are envisaged for Quarter 2.
- Task 2.2.2 Based on discussions with the new NAPC leadership, the APS will be reviewed and, possibly, a narrower scope will be offered to better cater to the needs of the institution supporting its mandates.
- Task 3.1.1 Conduct Communications Campaigns: Whistleblowers – The activity is to be launched in consultation with new NAPC leadership.
- Conduct Sectoral Campaigns – Progress on this activity depends on the results of discussions with USAID on how to restructure SACCI as a mainstreamed anti-corruption project.
- Task 3.2.1 Conduct ToT for "Integrity Awareness Ambassadors" – A new approach to Integrity Ambassadors will be designed in Quarter 2.
- Task 3.2.2 Deepen Integration of Anti-Corruption Training into the UAL Program – SACCI will revisit its intent to cooperate with UAL, based on real need expressed by the potential partner.

COORDINATION AND PARTNERSHIPS

One of the core areas for cooperation under the revised AWP's priorities for FY 2019–2020 will be the assistance to the new NAPC leadership and to assist in reforming the institution. One of the main players in this effort is the EUACI, who maintained a working relationship with the NAPC even at the most trying of times. SACCI and EUACI are already extensively cooperating to support the process of competitively selecting the new leadership. In parallel, SACCI expects to continue its collaborative efforts carried out throughout Quarter I. Thus, for instance, the project worked closely with USAID/ENGAGE (on a “Taxpayer Movement” campaign and an analysis of progress with the anti-corruption institutional developments), SAIUP (on a youth competition for the best social media advertisements), and America House (Anti-Corruption Week for youth).

GEOGRAPHIC INFORMATION

Information updated on December 31, 2019 (Record Number: 2v4s4).

ATTACHMENTS

PUBLIC OUTREACH DOCUMENTS

See Annex I

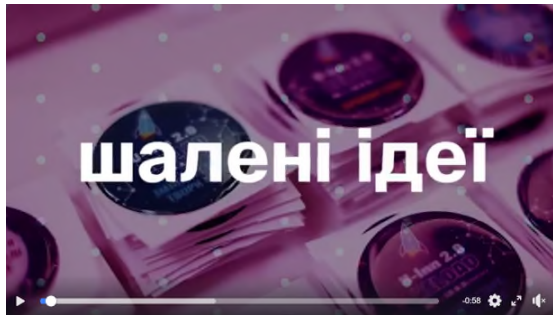
Performance Data Table, Sub-Awards Table, and Future Activities Table

See Attachment I

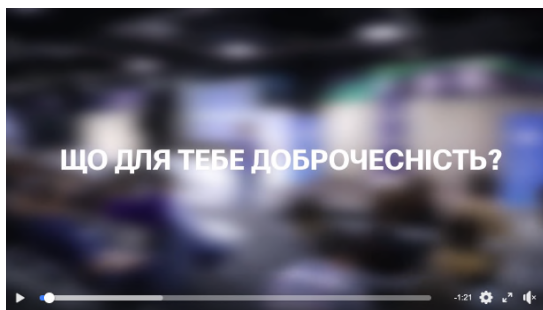
ANNEX I. PUBLIC OUTREACH DOCUMENTS

VIDEOS:

[U-Inn Incubator Contest Video](#)



[“Integrity House” Video about the winners of the U-Inn Incubator Contest](#)



ONLINE GAME:

[Nepidkupnist](#) (from Ukr – incorruptibility)



LEAFLET:

CoST's leaflet with the QR code for its [Road Disease Manual](#) as well as to the TAPAS's Portal of Monitoring the Road Market

