

TO REDUCE CORRUPTION RISKS IN THE DEFENSE SECTOR

2018



NAKO
TI UKRAINE • TI-DS

Independent Defence Anti-Corruption Committee



**TRANSPARENCY
INTERNATIONAL**
Defence & Security



**TRANSPARENCY
INTERNATIONAL**
UKRAINE

NAKO

- Independent non-governmental organization, created to reduce corruption and increase transparency and accountability in Ukraine's defence and security sector.
- A joint initiative of Transparency International Defence & Security (United Kingdom) and Transparency International Ukraine.

Why NAKO?

Problems and our solution

Ukraine's defence budget increases annually and is reaching its unprecedented level. It has grown from 1% of GDP in 2014 to 5% of GDP in 2018. Such a trend will continue: according to the Law on National Security, adopted in June of 2018, the defence expenditures should beat least at the level of 5% of a projected GDP.

However, the additional resources may fail to improve the state of Ukrainian army and the capability of its defence institutions to guarantee both national and individual security. Serious conflicts of interests and corruption practices are common among officials within defence and security sector.

NAKO is a unique civil society watchdog and an expert organization helping Ukraine to change policies in order to reduce corruption and increase the efficiency of defence spending.

NAKO's mission -

Minimize opportunities for corruption through strong research, effective advocacy and increased public awareness.

NAKO's focus

in defence and security sector



- strengthening democratic oversight by parliament and civil society;
- audit and reform of Ukroboronprom;
- corruption-free welfare system for service persons.

- better governance;
- improving defence acquisition, procurement and contracting;
- reducing over-classification;



Committee



Volodymyr OHRYZKO

- Former Minister of Foreign Affairs
- Former First Deputy Secretary of the Defence and Security Council of Ukraine
- Former Ukrainian Ambassador in Austria and Permanent Representative to international organizations in Vienna



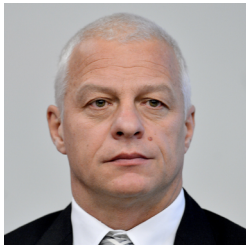
Oleh RYBACHUK

- Chairman of the NGO Center UA
- Co-Initiator of Chesno Campaign
- Former Vice Prime Minister for European Integration
- Former Chief of Staff to the President
- Former Head of the Prime Minister's Service at the Cabinet



Sevgil MUSAIEVA

- Editor in Chief of «Ukrainska Pravda»
- Author of journalist investigation for Reuters, Forbes Ukraine and the Organized Crime and Corruption Reporting Project



Drago KOS

- Chair of the OECD Working Group on Bribery
- Former Anti-Corruption Commissioner in Slovenia
- Former Chair of GRECO



James WASSERSTROM

- Former Head of Oversight of Public Utilities at the UN Mission in Kosovo
- Former Senior Advisor on Anti-Corruption to the US Embassy Kabul
- Former Strategy advisor and lead anti-corruption expert at the Special Inspector General for Afghanistan Reconstruction

Secretariat

Olena Tregub, Secretary General

Dr Lada Roslycky, Head of Policy

Olha Asadcha, Operations and Legal Manager

Dr Dmytro Khutkyy, Senior Researcher

Taras Yemchura, Advocacy Manager

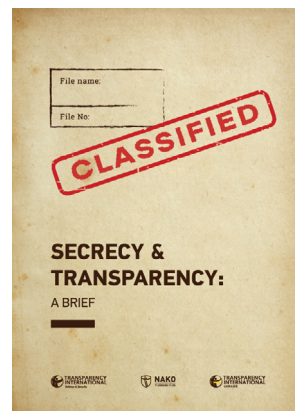
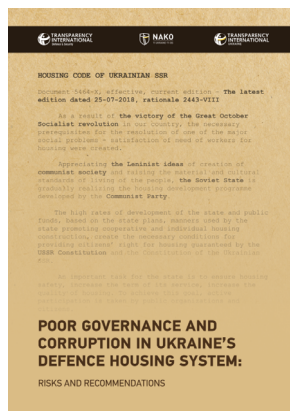
Emiliia Dieniezhna, Communications Manager

Publications in 2018

NAKO's approach is based on strong research that relies on compelling evidence and provides policy recommendations, which we promote as part of a high-level advocacy strategy. NAKO's permanent Secretariat, located in Kyiv, researches a variety of corruption risks, develops policy recommendations and thoroughly monitors its implementation. NAKO's Committee, which includes international members, is meeting once per quarter to advocate for the recommendations developed by the Kyiv-based experts.

In 2018, NAKO team has prepared and presented 3 research publications:

- **Six Red Flags:** The Most Frequent Corruption Risks in Ukraine's Defence Procurement
- **Poor Governance and Corruption inside Ukraine's Defence housing System:** Risks and Recommendations
- **Secrecy and Transparency:** Striking the right balance in the defence sector



Results

- NAKO has contributed to introducing amendments to the Law on National Security of Ukraine aimed at increasing transparency and public oversight over defence and security sector.
- NAKO's recommendations were included into the State Defense Bulletin and Annual National Program of Ukraine-NATO Cooperation
- NAKO was represented in numerous working groups, including: anti-corruption working group at the MoD, National Security Strategy development working group, and others.
- NAKO's research revealed a potential conflict of interest in the MoD's procurement of 100 Bohdan-Motors military ambulances through a classified non-competitive procedure in 2017. As a result of our work, the second part of this procurement has been postponed.
- Due to NAKO's advocacy efforts, the work of the Supervisory Board of Ukroboronprom was relaunched, and the state defence conglomerate committed to start an independent international audit. NAKO together with international partners helped Ukroboronprom prepare the tender documentation for the financial, legal and corporate audit procurement announcement as well as the strategic consult.

- NAKO contributed to changing the regulations for procurement by Ukroboronprom's member companies.



- NAKO's research into corruption in housing led to the MoD cancelling contracts with six construction companies.
- In cooperation with the Building Integrity Center of the Defence University, NAKO delivered lectures for over 300 MoD and General Staff personnel.
- NAKO provided anti-corruption expertise that helped reduce corruption risk and ensure competition in a procurement of tens of thousands of first aid kits bought by the Ukrainian MoD.

12 public events with more than **500** participants

40 materials for Ukrainian and international media

12 articles by NAKO in media

3 analytical reports

more than **100** of advocacy meetings



NAKO in media

The New York Times

Atlantic Council

Frankfurter Allgemeine
ZEITUNG FÜR DEUTSCHLAND

AmnestyPress

громадське радіо
слухайте. думайте.

Тиждень

НАШІ ГРОШІ
з денним вірусом

YOU
CONTROL

LB.ua

DW Deutsche Welle

KyivPost

CARNEGIE
ENDOWMENT FOR
INTERNATIONAL PEACE

Радио Свобода

UA: ПЕРШИЙ

OBGZ TV

УКРАЇНСЬКА ПРАВДА

VOA

BBC

ICTV

журнал | пн.ua
НВ НОВОЕ
ВРЕМЯ

UA TV

1+1

zik

Partners

The main partners of NAKO are Transparency International Defence and Security ("TI DS") and Transparency International Ukraine ("TI Ukraine").



Donors



Contacts

