Ukraine National Agency for Corruption Prevention – Launch of POLIDATA register

Case study submitted by the National Agency on Corruption Prevention (NACP) – Ukraine, 2021

On January 16, 2020, the Law of Ukraine "On Amendments to Certain Laws of Ukraine on Prevention and Counteraction to Political Corruption" that introduced electronic reporting of political parties entered into force.

A few months earlier, on October 18, 2019, the Law of Ukraine "On Amendments to Certain Legislative Acts of Ukraine to Ensure the Effectiveness of the Institutional Mechanism for Prevention of Corruption", initiating the reboot of NACP on Corruption Prevention (NACP), came into force.

In January-February 2020, a new leadership of the NACP was appointed to restore confidence in the anti-corruption institution in Ukraine, including breaking the deadlock in political corruption prevention and turning it into an effective mechanism for building political culture in Ukraine which would meet international standards and the expectations of our international partners on the path to European integration.

The first task was to create an electronic system for submission and publication of reports of political parties on property, income, expenses, and financial liabilities within four months.

In fact, this posed a challenge for the NACP, as a system of this kind was unprecedented in Ukraine, and it would take at least about a year to properly develop it.

The development of such a system was both time-consuming and costly, and no funds were allocated for it in the state budget. However, after its reboot, the NACP established cooperation with a number of international organizations, including the International Foundation for Electoral Systems (IFES), which provided financial support to develop the POLITDATA Register.

Technical specifications for the information content of the system (reporting template) were based on the reports of political parties submitted in hardcopy. This took into account both the pros and cons of the information about assets, income, expenses, and financial liabilities that political parties reflected in such reports.

Due to lack of time, the issues of technical protection of data privacy were initially solved by separate methods and specialized software and hardware, which required users to install additional software, which caused certain difficulties for them. To address this issue, the developer has modified the technical protection solution, which required significant refinement of the system, but in its turn greatly improved the work of users with the Register in the future.

Another issue that needed to be addressed was not only the creation of an electronic account of a political party, but also accounts of local party organizations, as well as ensuring the functionality of the Register,

which would allow the interaction between party central office and local branches to compile a comprehensive report. This was important as, according to the Law of Ukraine "On Political Parties in Ukraine", a political party should report both on property, income, expenses, and financial liabilities of its central office and local organizations. In addition, such information should be displayed separately.

The functionality of the Register is built in such a way that political parties begin with applying to the NACP for their account (user area) to be created, and then enter information about their local organizations in the Register by themselves. Moreover, the generated reports of local organizations are sent for approval to the office of the political party, and the latter can either approve these reports or return them for revision. After approval, reports of local organizations are entered in the Register and attached to the political party report as appendices. Reports of local party organizations cannot be submitted to the NACP as separate documents, but only as a part of a comprehensive party report.

The Register also includes an analytics module that provides automatic comparison of data in a given party financial report with this party's previous reports, as well as cross checking the information from external state registers and databases. Considering that at the time of developing the Register, the NACP already established the exchange channel between its own assets declarations register and other state registers and databases, the time to build an analytics module was minimized, as the existing solution was used.

When developing such a system, it is important to bear in mind that the process of integration with registers and databases requires a significant time frame, both in terms of legal aspects (development and approval of exchange protocols, memorandums of cooperation with register owners, etc.) and technical components. Nevertheless, despite all the difficulties, on July 15, 2020, the NACP managed to ensure the timely development and operation of the information and telecommunication system "Uniform State Register of Political Party Reports on Property, Income, Expenditures, and Financial Liabilities" (POLITDATA Register) and launch it in the test mode. However, this was only the first step towards its full implementation.

The purpose of testing the POLITDATA Register was to check its functionality, including how the system runs under high workloads, as well as to identify gaps to further upgrade the system, without which the launch into production was impossible. For example, testing the Register revealed a number of shortcomings, including technical errors in the generation of PDF reports with a large amount of data (about 20,000 entries), which required additional refinement of the system.

Employees of the NACP as well as representatives of those political parties that sought to gain access to the test mode and expressed willingness to help identify problematic aspects were involved in testing the features of the POLITDATA Register. At the same time, the NACP carried out testing on its own, because due to the above-mentioned information protection issue, which was later resolved, political parties gained access to the Register testing almost at the stage of its completion.

However, the NACP did not have the opportunity to test all the functionality of the Register. For example, it was impossible to verify exchanges with other registers and databases without real information. The absence of real data also became an obstacle when testing the technical requirements to the cells of the POLITDATA Register, because, for example, the land cadaster numbers have different formats.

A few months before launching the POLITDATA Register into production, the NACP rolled out a massive information campaign on the recommended actions of political parties to start working on the Register. In particular, the NACP:

- sent letters to all available addresses of political parties with clarifications on which documents should be provided to the NACP to create a party account in the POLITDATA Register;

- published information messages, educational videos on electronic reporting, and FAQs on the official website of the NACP and on the official social media pages;

- made phone calls to representatives of political parties regarding the transition to electronic reporting (using cold calling approach);

- provided clarification on the introduction of the POLITDATA Register when representatives of political parties visited the NACP to discuss issues within the mandate of the Department for the Prevention of Political Corruption.

Furthermore, the NACP involved non-government actors in this process to inform less active political parties about the launch and operation of the Register and the new reporting procedure. Together with IFES, the NACP held online trainings on the operation of the POLITDATA Register itself, including on access to the register.

The NACP has launched the Register (put into industrial operation) on May 11, 2021, within the shortest possible timeframe for the implementation of such a system and despite the existing challenges. It marked a new stage in political party reporting in Ukraine, bringing it even closer to the international standards in the field of preventing political corruption, as well as laid the foundation for building party democracy in general.

However, even after the launch of the POLITDATA Register, the NACP continues to work systematically to improve its functionality, including after receiving suggestions from political parties, in particular on those settings that could not be made without actual data. Extensive work is ongoing to set up the configurations of individual modules of the Register, including the formation and display of correct information that the system receives from state registers and databases, as well as correct information contained in the public part of the Register and the analyst accounts. In addition, the NACP works to update of rules for identifying risks and configure internal registers of the system and statistics.