



Anti-corruption and economic potential of e-services: 2020-2021

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This report is the result of continued comprehensive work on assessing the results of the implementation of reforms aimed at improving the efficiency of the functioning of public authorities in the digitalization of administrative services. The report presents calculations of economic and anti-corruption effects from the introduction of electronic public services in Ukraine. The aim was to show how much time and money users saved by being able to obtain the service without visiting public authorities and without the involvement of intermediaries, as well as how the online format of service provision has affected the level of corruption. The impact assessment was conducted in 15 areas for 67 services, including subservices.

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INTRODUCTION

The introduction of an electronic format for the provision of administrative services helps to improve the lives of the population, as it saves a lot of resources (time and money) needed to obtain the service. The benefits for business are also obvious: simplifying and speeding up certain procedures, as well as reducing the additional costs that usually accompany the offline procedure. In addition, digitalization in the provision of administrative services helps to increase trust in public authorities and local governments, as automation of processes greatly helps to avoid corruption risks, which are only possible in personal communication offline.

According to Article 1 of the Law of Ukraine "On Administrative Services" from 06.09.2012 #5203-VI, administrative service is the result of the exercise of power by the subject of administrative services at the request of an individual or a legal entity, aimed at acquiring, changing, or terminating rights and / or performing the duties of such a person in accordance with the law. Article 9 of the Law provides for the possibility of receiving administrative services in electronic form using the Single State Web-portal of Electronic Services, in particular through integrated information systems of state bodies and local governments.

In turn, the digitalization of the process of providing administrative services contributes to the implementation of public policy in the relevant field, which is based on such principles as:

- openness and transparency;
- efficiency and timeliness;
- availability of information on the provision of administrative services;
- rational minimization of the number of documents and procedural actions required to obtain administrative services;
- impartiality and fairness;
- accessibility and convenience for the subjects of appeals (Article 4 of the Law "On Administrative Services").

According to the Law of Ukraine "On specifics of providing public (electronic public) services" from 15.07.2021 #1689-IX¹, electronic public service is defined as a service provided by public authorities, local governments, enterprises, institutions, organizations under their management, including administrative services (including automatic), which is provided using information telecommunication systems on the basis of an application (appeal, request) submitted in electronic form with the use of information and telecommunication systems (in particular with

¹ Law of Ukraine "On specifics of providing public (electronic public) services" from 15.07.2021 #1689-IX.
URL: <https://zakon.rada.gov.ua/laws/show/1689-20/ed20210715>

the use of the Single State Web-portal of electronic services) or without such an application (appeal, request).

In 2020, the Better Regulation Delivery Office published a Report² on the results of the first comprehensive attempt to calculate the economic and anti-corruption effects of the introduction of electronic public services in Ukraine. The study showed how the introduction of 7 e-services helped citizens and entrepreneurs save time, money and avoid corruption. As part of a new study, the Office's experts have already evaluated 67 electronic services in 15 areas.

The following areas were evaluated in particular:

1. eMaliatko (combined service 10 in 1):

- 1) state registration of birth;
- 2) determination of the origin of the child;
- 3) registration in the State Register of Individual Taxpayers;
- 4) assigning to a child a unique entry number in the Single State Demographic Register (SSDR);
- 5) determination of the child's belonging to the citizenship of Ukraine;
- 6) registration of the child's place of residence;
- 7) granting aid to multi-child families;
- 8) entering information about the child in the Register of Patients;
- 9) issuance of certificates of parents and children from multi-child families (capacity assessment);
- 10) granting of childbirth aid.

Granting of childbirth aid (assessment of the effect of the introduction of electronic services on the portal e-services.msp.gov).

2. Services of the State Register of Acts of Civil Status (SRACS):

- 1) annulment of civil status records;
- 2) issuance of an extract from the State Register of Acts of Civil Status;
- 3) making amendments to civil status records and updating civil status records;
- 4) state registration of name change;
- 5) state registration of marriage;
- 6) state registration of divorce;
- 7) re-issuance of a certificate of state registration of a civil status act;
- 8) state registration of death.

E-Death (potential assessment)

3. E-sick leave (potential assessment)

4. Declaration with family doctor

5. Subsidy

² Anti-corruption and Economic Potential of e-Services: Better Regulation Delivery Office (BRDO), TAPAS, EGAP, 2020. 106 p. URL: <https://tapas.org.ua/wp-content/uploads/2020/09/Economic-and-anti-corruption-impact-of-eServices-ENG.pdf>

6. Pension

7. Registration of place of residence

8. Registration of an automobile (potential assessment)

9. Replacement of driver's license:

- 1) exchange of driver's license in case of change of personal data;
- 2) replacement of a driver's license issued to a person for the first time after the expiration of its validity;
- 3) obtaining a driver's license instead of lost, stolen or damaged.

10. Construction:

- 1) notice of the beginning of preparatory works;
- 2) notice of the start of construction works on the basis of the construction passport;
- 3) notification of the start of construction works CC1;
- 4) declaration of readiness of the facility for operation on the basis of the construction passport;
- 5) permit for construction works;
- 6) making changes to the construction permit;
- 7) revocation of the construction permit;
- 8) certificate of acceptance of the object into operation.

11. Registration, making amendments to and termination of individual entrepreneur:

- 1) state registration of individual entrepreneur (IE);
- 2) state registration of an individual as an individual entrepreneur in automatic mode;
- 3) state registration of changes to information about an individual entrepreneur in the Single State Register of Legal Entities, Individual Entrepreneurs, and Civil Associations;
- 4) state registration of termination of entrepreneurial activity of an individual entrepreneur by his decision.

12. Services for entrepreneurs:

- 1) state registration of the creation and transfer of a limited liability company on the basis of the model charter;
- 2) submission of a notice of use or refusal to use a single account;
- 3) registration as a single taxpayer;
- 4) registration as a value-added taxpayer;
- 5) issuance of a license for the right to wholesale of alcoholic beverages;
- 6) issuance of a license for retail sale of tobacco products;
- 7) issuance of a license for retail sale of alcoholic beverages;
- 8) issuance of a license for the right to wholesale of tobacco products;
- 9) issuance of a license for wholesale sale of fuel (in the absence of places of wholesale of fuel);
- 10) issuance of a license for fuel storage (exclusively for own consumption or industrial

processing);

- 11) issuance of a license for wholesale of liquids used in electronic cigarettes;
- 12) issuance of a license for retail sale of liquids used in electronic cigarettes;
- 13) issuance of a certificate on entering the place of storage of alcoholic beverages and tobacco products in the Single State Register of Places of Storage;
- 14) registration of the fiscal cash register and the software fiscal cash register, as well as the search for a fiscal check;
- 15) search for a fiscal check;
- 16) notice of hiring an employee (employees);
- 17) registration of the declaration of compliance of the material and technical base of the business entity with the requirements of the legislation on fire safety;
- 18) submission of information on labour demand (vacancies);
- 19) state registration of capacities of food market operators;
- 20) registration of the declaration of conformity of the material and technical base to the requirements of the legislation on labour protection;
- 21) issuance of a permit for the beginning of high-risk works and the beginning of operation (application) of high-risk machines, mechanisms, equipment;
- 22) opening a bank account.

13. Declaration of compliance with the requirements of the legislation on fire safety

14. Licensing of automobile transportation services:

- 1) issuance of a license for passenger and cargo transportation services;
- 2) extension of the license for passenger and cargo transportation services;
- 3) notification of changes in the carrier's data.

15. Permit for special water use:

- 1) obtaining a permit for special water use;
- 2) revocation of a permit for special water use.

1. METHODOLOGY

Intensification of the government's efforts to implement reforms, in particular those related to improving the efficiency of state bodies functioning processes, requires the use of adequate tools and criteria for their evaluation. As monitoring is an important prerequisite for the analysis of progress in achieving the set goals, BRDO experts have developed a methodology for assessing the results of the introduction of electronic administrative services in Ukraine. It is proposed to assess the expected effect of the introduction of electronic services in two main areas – reducing corruption and saving user resources.

1. Economic effect

According to the OECD recommendations, the calculation of the economic effect as a result of reducing administrative pressure was performed using the Standard cost model (SCM) According to the OECD recommendations, the calculation of the economic effect as a result of reducing administrative pressure was performed using the Standard Cost Model (SCM)³. As the SCM methodology was developed to calculate the cost of complying with regulatory requirements, the tools have been adapted to meet the needs of the task in accordance with the evaluation of anti-corruption and economic potential of e-services.

The full methodology distinguishes several types of costs: direct financial costs, long-term structural costs (structural effects) and compliance with the norm's costs.

Direct financial costs are the result of a direct obligation on an entity to pay a specified amount of money to the competent authority. Such costs are mandatory and include administrative fees, taxes, etc. For example, the fee for applying for a permit is direct financial costs. As direct financial costs are mandatory payments, i.e., they must be paid regardless of the application format and the method of obtaining administrative services (online or offline), this type of cost will not be taken into account in the calculations.

Compliance costs cover all regulatory costs, except for direct financial costs and long-term structural costs. In the context of the Standard Cost Model, they are divided into indirect financial costs (significant compliance costs) and administrative costs.

Structural effects are the costs that arise due to the impact of systemic risk, respectively, there are changes in the sectoral structure of the economy and ultimately the overall efficiency of the economic system. This is, for example, a significant change in supply or demand in the market or even the emergence or disappearance of the market in general.

Therefore, since the research does not provide an analysis of the need to receive the relevant administrative service as a whole, it provides only a comparison of ways to provide them. Accordingly, the assessment does not take into account the costs that necessarily unavoidably appear in obtaining administrative services: direct financial costs, significant material costs and long-term structural effects. Instead, the method of assessing the economic and anti-corruption

3 International Standard Cost Model Manual / OECD. URL:
<https://www.oecd.org/regreform/regulatory-policy/34227698.pdf>

effects of the introduction of electronic public services in Ukraine is based on conducting and comparing calculations of additional optional costs (time, money) that service users have separately in two formats – offline and online.

To calculate the economic effect of the introduction of electronic format for the provision of services in the analysis all the associated additional costs should be taken into account, which can be grouped into three main areas:

- staff costs in terms of estimating the time spent to receive the service (for online and offline formats);
- additional material costs, such as transport costs or costs associated with the notarization of powers of attorney to represent interests in state authorities' bodies that may arise in the process of obtaining the service (mostly typical for the offline format);
- the cost of additional external services that arise in the case of the involvement of intermediaries (usually typical for the offline format).

The most up-to-date information on the amount of associated costs can be obtained in a generalized form by directly surveying users of services of both formats, as well as information on the duration of the procedure, so this method was chosen as a priority for the study.

Calculations were performed for two cases: the old (paper) procedure and the new (electronic). The difference between the costs of implementing both procedures represents the economic effect. Two scenarios are taken into account when modelling the economic effect: potential (as if all potential users chose the electronic procedure) and real (only users who currently use the online procedure are taken into account). The economic effect is calculated based on the value of all costs for users of different formats of services, taking into account the frequency of their use.

At the first stage of assessing the economic effect of the introduction of electronic format for administrative services, the difference between all additional costs borne by consumers of online and offline formats is calculated: 1) the difference in the duration of the procedure, expressed in money equivalent; 2) the difference in costs for intermediaries in case of their involvement in the process of obtaining the service; 3) the difference in additional material costs that may arise in the process of obtaining the service (transport costs, the cost of photocopies of certain documents, the cost of notaries, etc.). The next step is to calculate the total potential costs for offline and online service formats, provided that all users use one of the possible formats. Having a money estimate of the differential cost of users of different service formats, the overall savings are calculated – potential, based on the assumption that all users will use the online format, and real, which takes into account the actual number of online services provided. At the last stage, a comparative assessment of the relative savings from the introduction of an electronic format for the provision of administrative services is done – potential, based on potential overall savings, and current, which takes into account the current overall savings.

2. Anti-corruption effect

To study the anti-corruption effect, direct measurement methods were chosen with the involvement of direct users, who can provide the most relevant and valuable information. Conducting a survey is a rather time-consuming, but also more reliable way of measuring the benefits of implementing electronic administrative services. By analogy with the calculation of the economic effect, the savings of users' expenses on bribes during the acquisition of administrative services are calculated. The difference between the costs in different formats will reflect the anti-corruption effect in terms of money.

At the first stage, the amount of average bribe costs for both formats of receiving adminis-

trative services was calculated (on condition that information about the occurrence of a corruption situation was received from respondents). The assessment takes into account the likelihood of a corruption situation, which is calculated as the share of users among the respondents who reported the requirement to pay a bribe. Assessing the anti-corruption effect requires calculating the total potential cost of bribery for both service formats. The overall savings due to the impact of the anti-corruption effect from the introduction of electronic services is calculated as potential (if all users chose the online format of receiving services) and real (which takes into account the actual number of users of the online format). At the last stage, a comparative assessment of the relative savings on bribes from the introduction of an electronic format for the provision of administrative services is done: potential, based on potential overall savings, and current, which takes into account the current overall savings.

The data for the calculations is the results of a survey of users within the general questionnaire, which is also used to assess the economic effect. The questionnaire contains a separate block of questions about the corruption component. In order to disclose the topic more fully, the information on the amount of bribes obtained from the surveys was supplemented by data from open sources.

Therefore, the basic information was obtained as a result of a survey of respondents to determine the following:

- 1) Were specialized intermediary companies involved and what was the size of their commissions?
- 2) How much time was spent on services?
- 3) Did service users have additional material costs, such as transportation costs?
- 4) Was there a corruption component in receiving the service?
- 5) Determination of the amount of informal payments.

3. Data

Data on the number of services provided were obtained from the primary information managers. In some cases, statistics were obtained by processing registers.

During the comprehensive survey, 1817 respondents were interviewed by:

- 1) conducting a telephone survey;
- 2) publication of the questionnaire on the website and social networks;
- 3) sending the questionnaire directly to users' e-mails.

Details of the processed questionnaires are given in the table 1.3.1.

Table 1.3.1. Respondents by services and formats⁴

	ONLINE	OFFLINE	TOTAL
eMaliatko	119	86	205
Granting of childbirth aid (portal e-services.msp.gov)	68	70	138

⁴ The comprehensive survey was conducted in four stages: 1) July-December 2019; 2) March 2020; 3) October-November 2021; 4) January 2022.

Services of SRACS	28		
E-Death (potential evaluation)	0	78	106
E-Sick leave	4	10	14
Declaration with family doctor (potential evaluation)	0	51	51
Subsidy	2	8	10
Pension	2	11	13
Registration of place of residence	10	19	29
Registration of an automobile (secondary) (potential evaluation)	0	9	9
Replacement of driver's license	12	12	24
Construction	206	139	345
Registration, making amendments to and termination of individual entrepreneur	63	60	123
Services for entrepreneurs	74	87	161
Declaration of compliance with the requirements of the legislation on fire safety	66	57	123
Licensing of automobile transportation services	97	126	223
Permit for special water use	40	203	243
TOTAL	791	1026	1817

Some services analysed in this study are aimed at meeting the needs of legal entities, representatives of significant businesses. Surveys of such respondents are mostly complicated by a reluctance to disclose information that could damage their reputation or adversely affect economic activity. Under such conditions, during the preparation of the survey we used the method of expert anonymous interviews to obtain quantitative and qualitative characteristics of additional costs and facts of corruption. In selecting experts, we relied on clear criteria:

- confirmed experience in the field of the subject of research for at least 5 years for the period from 2010 to 2021 and access to information on the subject of research;
- the expert held a managerial position in the company or institution and had to directly take care of and have access to information about the subject of research for at least 3 years since 2015;
- the expert was recommended by representatives of relevant organizations and associations.

Only when of 2 out of the 3 criteria were met, we took the results of the expert survey as a basis for analysis. Expert interviews were also conducted with anonymity guaranteed.

The information on the amount of bribes was supplemented by data from media on reported cases of corruption in the provision of relevant administrative services. At the same time, only reports with reference to law enforcement agencies were taken into account. Also, for additional information, consultations were held with experts from state ministries and agencies that provide research services: in particular, the State Service of Ukraine for Transport Safety (SSTS), the State Emergency Service of Ukraine (SES), the State Agency of Water Resources of Ukraine (SAWR), the State Architectural and Construction Inspection of Ukraine (SACI), the Ministry of Social Policy of Ukraine, and the Ministry of Justice of Ukraine.

ECONOMIC EFFECT OF THE INTRODUCTION OF ELECTRONIC ADMINISTRATIVE SERVICES

1. Economic effect in 2020

The potential economic effect of the introduction of electronic administrative services in Ukraine is over UAH 7.5 billion in 2020. In absolute terms, time savings are estimated at more than 12.4 thousand man-years per year. The percentage of the distribution of the economic effect in 2020 by areas is shown in Fig. 2.1.

E-SERVICES: DISTRIBUTION OF ECONOMIC EFFECT (2020)

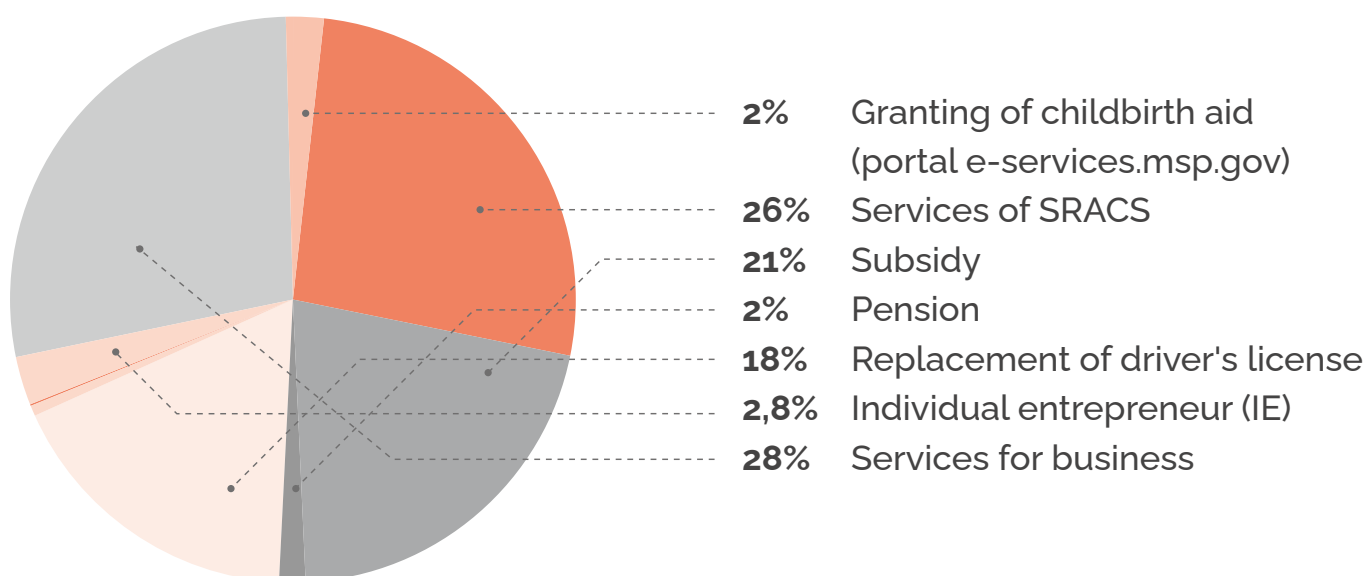


Fig. 2.1. Distribution of potential savings from the introduction of electronic services by areas in 2020

Source: BRDO calculations

In terms of money, the distribution of potential savings from the introduction of electronic services in the studied areas, if all users would use only the online format, is given in the first column of table 2.1. The current level of use of online services does not allow to get most of these savings. Real savings are 6.4 times smaller: UAH 1.2 billion per year. Details of the current economic effect by areas is given in the second column of table 2.1.

Table 2.1

Overall savings from the introduction of electronic services in 2020 (UAH)

	POTENTIAL	CURRENT
eMaliatko	124 657 136	2 532 215
Granting of childbirth aid (portal e-services.msp.gov)	132 884 850	17 829 007
Services of SRACS	1 943 457 798	10 843 480
Subsidy	1 575 394 843	11 056 136
Pension	107 180 005	10 520 407
Replacement of driver's license	1 331 870 170	79 451 858
Construction	21 421 541	3 832 022
IE	208 890 404	84 362 417
Services for entrepreneurs	2 056 816 843	947 229 235
Declaration of compliance with the requirements of the legislation on fire safety	1 812 381	440 194
Licensing of automobile transportation services	7 349 673	3 733 866
Services of the State Agency of Water Resources of Ukraine (SAWR)	19 417 088	944 438
TOTAL	7 531 152 731	1 172 775 274

Source: BRDO expert calculations

Relative savings represent what share of offline costs disappears as a result of the introduction of electronic administrative services (see Figure 2.2). Potential relative savings would arise in the event of a complete abandonment of “paper” services. Instead, practical relative savings represent the proportion of costs consumers have been able to avoid by using electronic services.

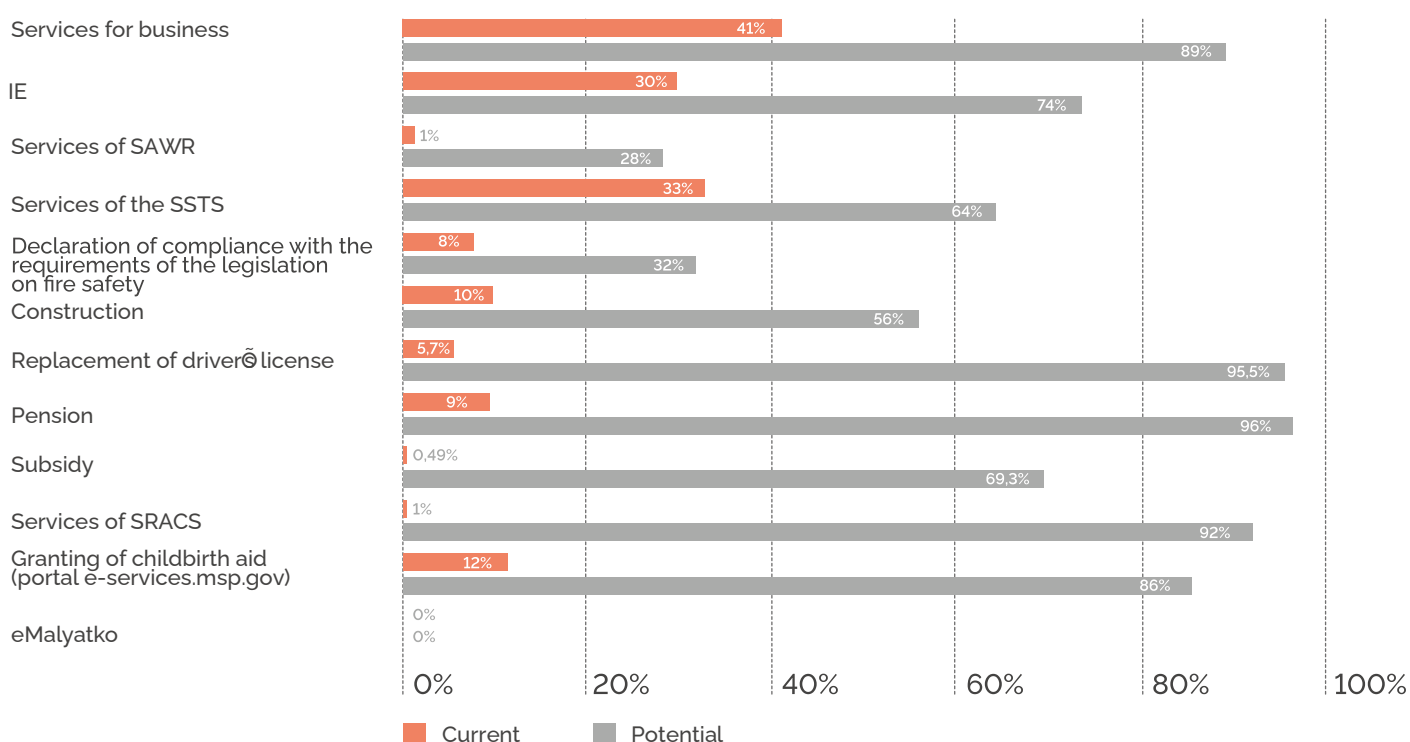
E-SERVICES: RELATIVE SAVINGS (2020)

Fig. 2.2. E-services: relative savings in 2020

Source: BRDO calculations

2. Economic effect in 2021

The results of surveys and further calculations provide an opportunity to observe the significant economic effect of the introduction of electronic administrative services in Ukraine. The potential economic effect of the introduction of such services is over **UAH 34.3 billion per year**. Even assuming that for the most part time savings will not be monetized, time savings are a self-sufficient advantage. In absolute terms, this is a saving of more than **48 thousand man-years per year**. The percentage of the distribution of economic effect by areas is shown in Fig. 2.3.

E-SERVICES: DISTRIBUTION OF ECONOMIC EFFECT (2021)

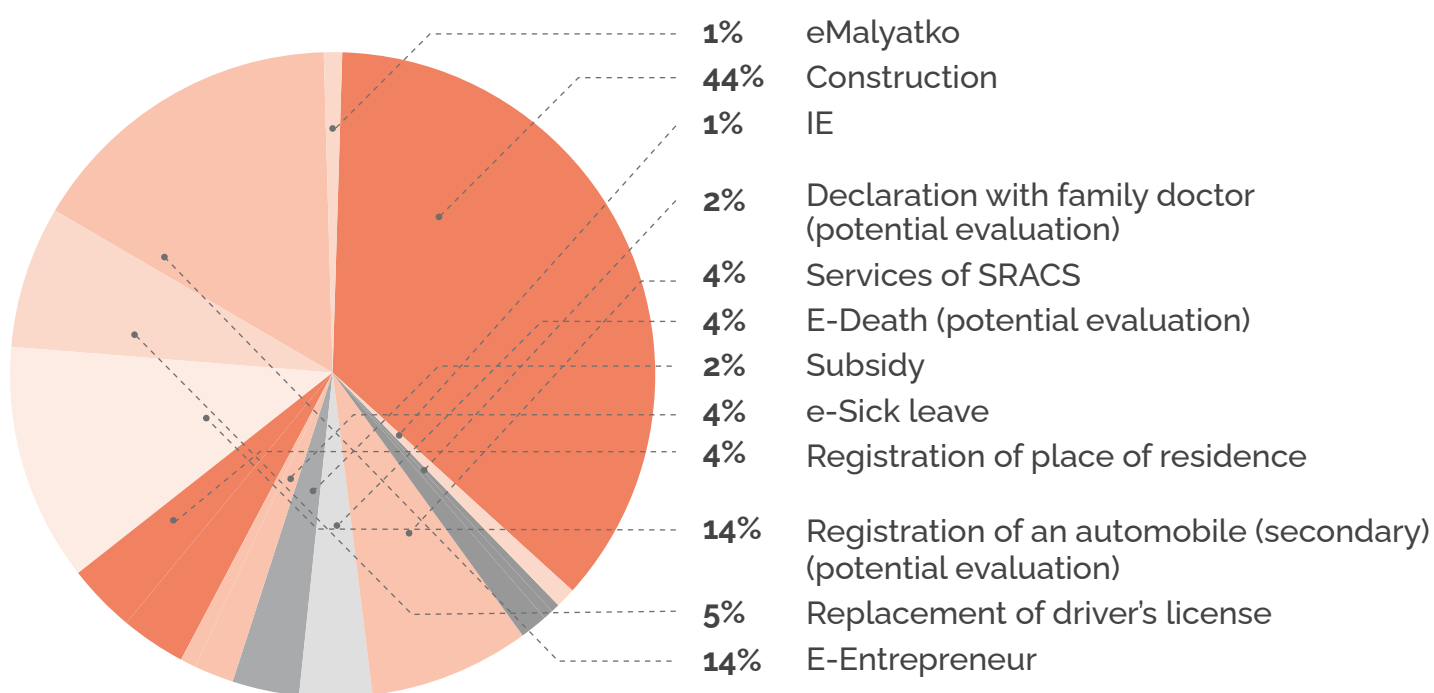


Fig. 2.3. Distribution of potential savings from the introduction of electronic services by areas in 2021

Source: BRDO calculations

In terms of money, the distribution of the potential saving from the introduction of electronic services in researched areas, if all users chose the online format, is shown in the first column of table. 2.2. The current level of use of online services does not allow to get most of these savings. Real savings are 3 times smaller: **UAH 13.5 billion per year**. Details of the current economic effect by areas are shown in the second column of the table 2.2.

Table 2.2.

Overall savings from the introduction of electronic services in 2021 (UAH)

	POTENTIAL	CURRENT
eMaliatko	205 794 210	32 496 675
Granting of childbirth aid (portal e-services.msp.gov)	65 300 312	13 532 954
Services of SRACS ⁵	1 446 383 117	30 021 957
E-Death (potential evaluation)	1 471 201 756	-
E-Sick leave	1 365 126 869	747 262 591
Declaration with family doctor (potential evaluation)	588 699 951	
Subsidy	766 926 849	25 168 425
Pension	134 675 859	29 171 802
Registration of place of residence	1 376 644 414	2 083 444
Registration of an automobile (secondary) (potential evaluation)	4 947 684 397	0
Replacement of driver's license	1 607 290 665	110 975 514
Construction	15 200 740 292	9697414436
IE	302 525 540	169 577 931
Services for entrepreneurs	4 816 961 377	2 591 989 022
Declaration of compliance with the requirements of the legislation on fire safety	2 397 025	458 655
Licensing of automobile transportation services	8 855 180	7 391 622
Services of SAWR	24 881 679	1 126 836
TOTAL	34 332 089 494	13 458 671 863

Source: BRDO expert calculations

Distribution of relative savings from the introduction of e-government services in 2021, which identifies the share of costs that consumers could avoid using the electronic format (current savings), and the share of costs that consumers could avoid by completely abandoning the "paper" format of services, is shown in Fig. 2.4.

⁵ In order to avoid the effect of duplication, the potential savings from the introduction of electronic services of the SRACS are given with the exception of the registration of death, the potential of which is considered separately in the "E-death". Current savings take into account all services actually provided by the SRACS, including registration of death.

E-SERVICES: RELATIVE SAVINGS (2021)

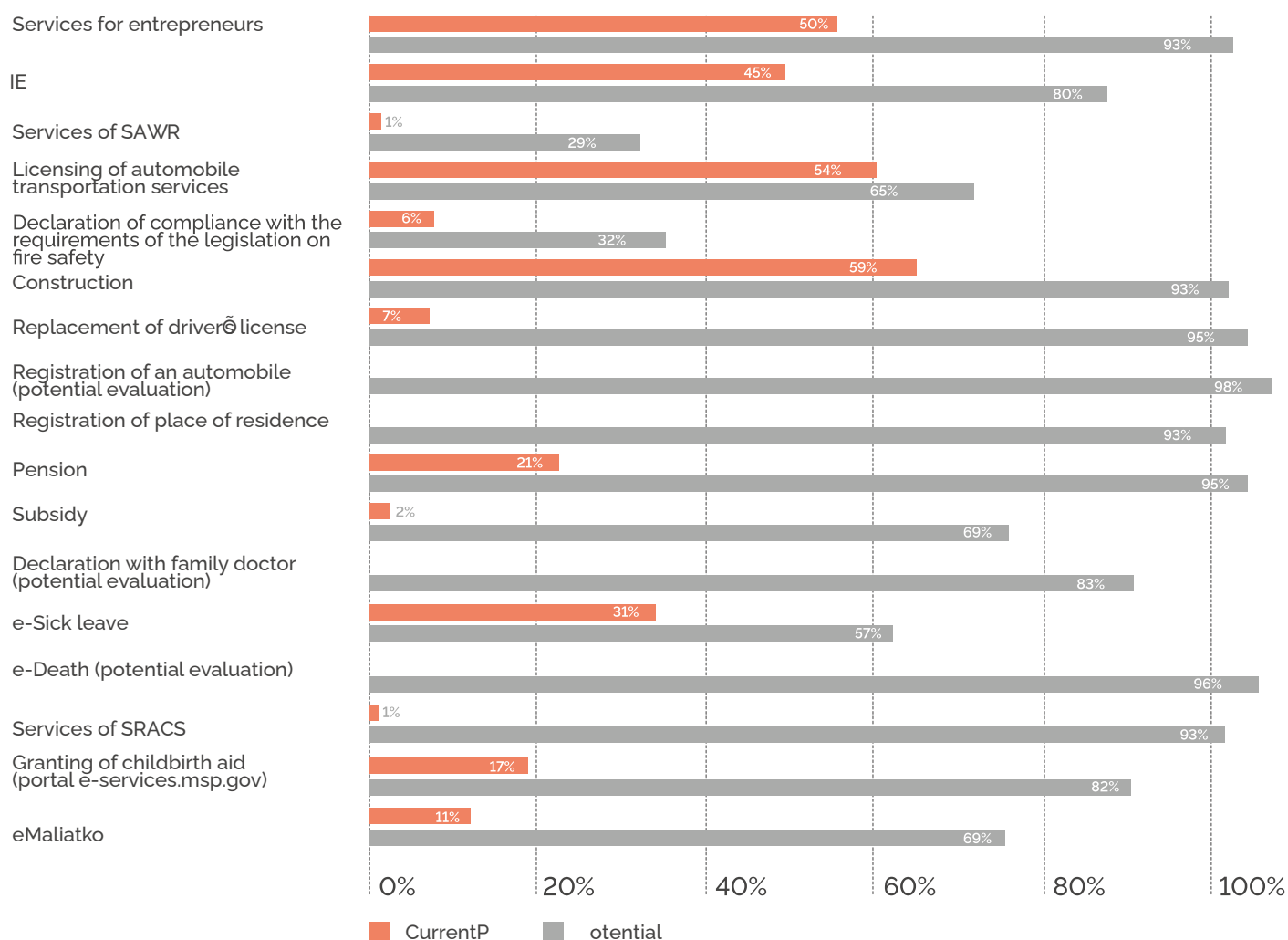


Fig. 2.4. E-services: relative savings in 2021

Source: BRDO calculations

3. Cumulative economic effect for 2020-2021

The potential economic effect of the introduction of electronic administrative services in Ukraine is estimated at almost **UAH 42 billion in 2020-2021**. This would be the case if everyone used only the online format. The current level of use of online services does not allow to get most of these savings. Real savings are almost 3 times smaller: **UAH 14.7 billion in 2020-2021**. In absolute terms, the current time savings are about **58.6 thousand man-years**, while the real are **20.5 thousand** (see Fig. 2.5).

ECONOMIC EFFECT FOR 2020-2021

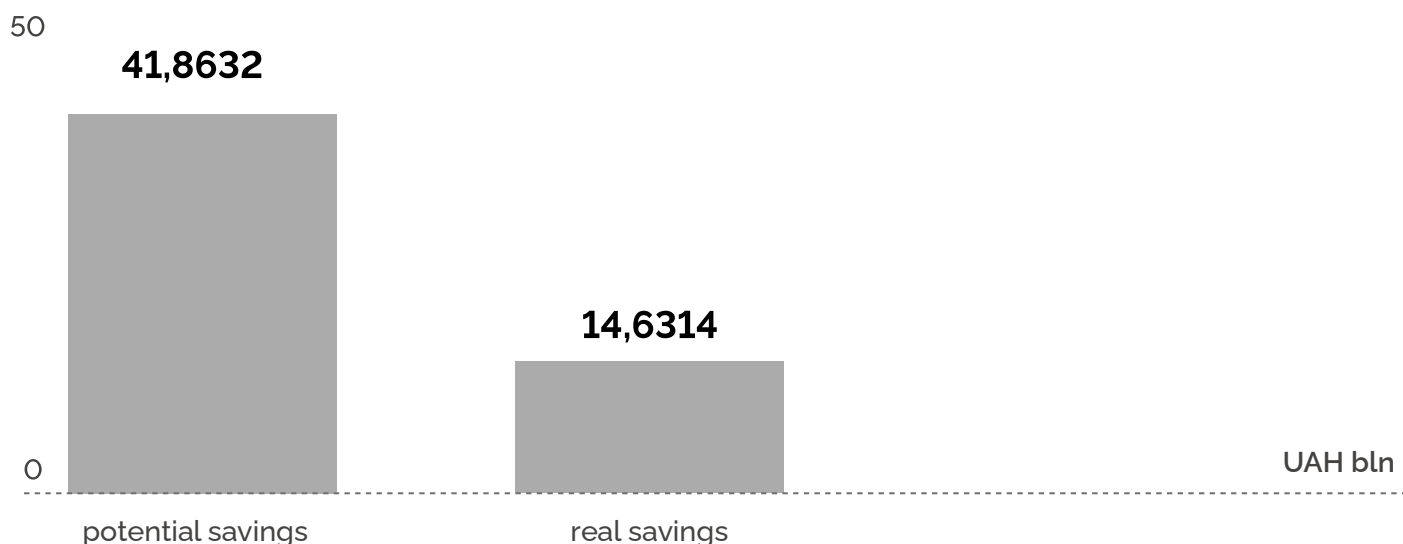


Fig. 2.5. E-services: cumulative economic effect in 2021

Source: BRDO calculations

Along with the active introduction of new electronic services and the growing popularity of the electronic format among users, the economic effect is increasing. Thus, real savings increased from **UAH 1.17 billion in 2020 to UAH 13.5 billion in 2021**, i.e., more than 11 times (see Figure 2.6). The introduction of an electronic format for obtaining construction services for CC2/CC3 objects alone has resulted in additional savings of **UAH 9.6 billion per year**.

REAL SAVINGS FROM ACTUALLY PROVIDED ELECTRONIC ADMINISTRATIVE SERVICES

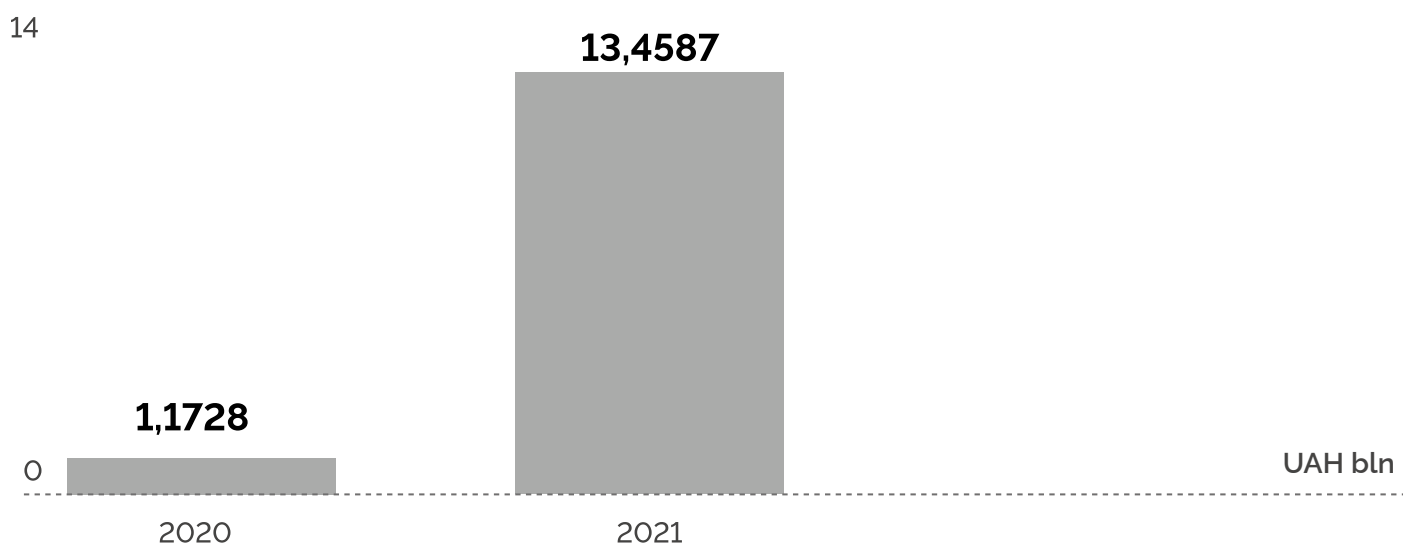


Fig. 2.6. E-services: real savings in 2020-2021

Source: BRDO calculations

The percentage of the distribution of economic effect by areas is shown in Figure 2.7.

E-SERVICES: DISTRIBUTION OF ECONOMIC EFFECT IN 2020-2021

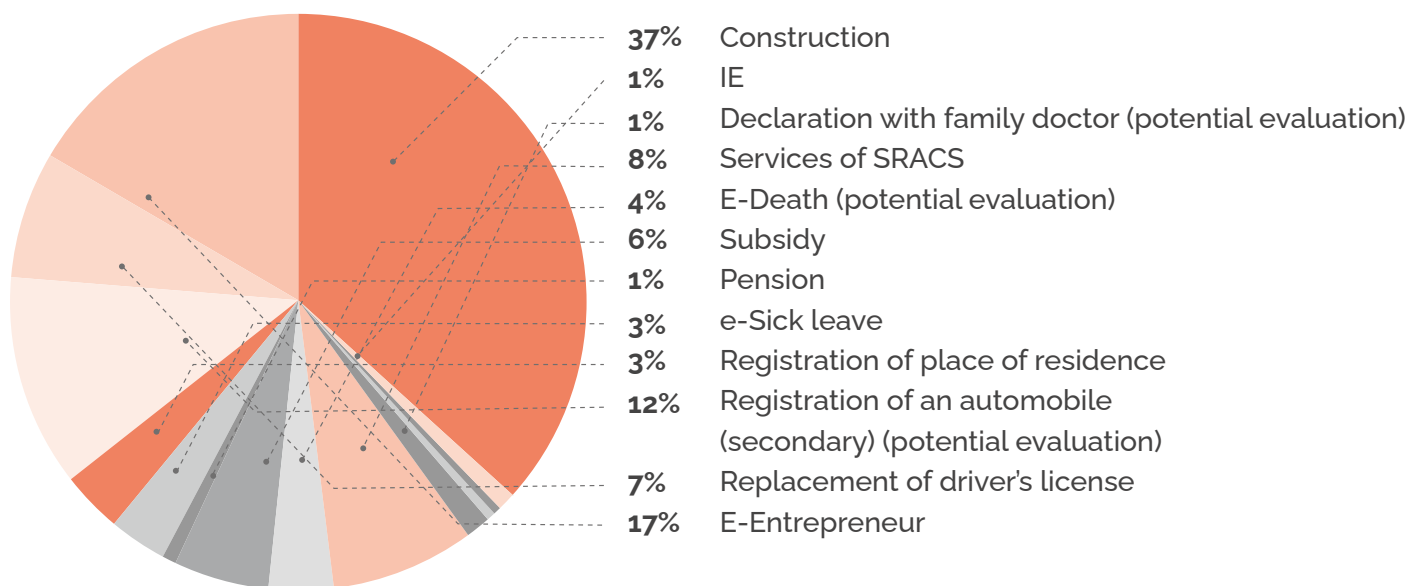


Fig. 2.7. Distribution of potential savings from introduction of electronic services by areas in 2020-2021

Source: BRDO calculations

ANTI-CORRUPTION EFFECT FROM THE INTRODUCTION OF ELECTRONIC ADMINISTRATIVE SERVICES

1. Anti-corruption effect in 2020

With data on the frequency and amount of bribes, we calculated savings on bribes due to the transition to the online format. The total potential savings on all services are **UAH 762 million**, and real is **UAH 113 million** (or 14.7% of the “corruption” costs of the offline format). The percentage ratio of the anti-corruption effect by areas is shown in Figure 3.1.

E-SERVICES: DISTRIBUTION OF ANTI-CORRUPTION EFFECT (2020)

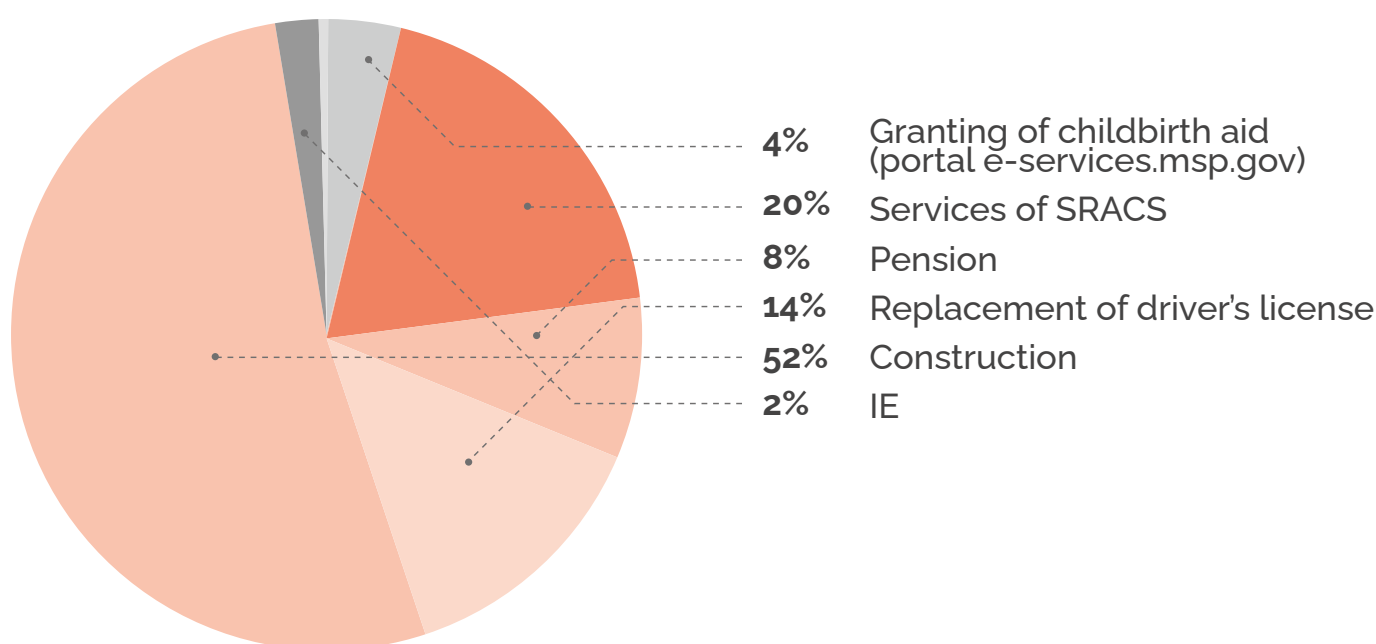


Fig. 3.1. E-services: distribution of anti-corruption effect in 2020)

Source: BRDO calculations

In terms of money, the distribution of the potential anti-corruption effect of the introduction of electronic services in the researched areas, if all users would use only the online format, is shown in the first column of table 3.1. The current level of use of online services does not allow to get most of these savings on bribes. Real savings are 6.7 times less and are about **UAH 113 million** in 2020. Details of the current economic effect by areas is given in the second column of table 3.1.

Table 3.1

Overall savings on bribes from the introduction of electronic services in 2020 (UAH)

	POTENTIAL	CURRENT
Granting of childbirth aid (portal e-services.msp.gov)	27 604 312	3 703 639
Services of SRACS	149 374 790	11 010 210
Pension	60 797 416	5 967 658
Replacement of driver's license ⁶	104 330 520	6 223 770
Construction	400 329 788	80 001 009
IE	15 891 750	5 608 313
Licensing of automobile transportation services	1 495 127	347 057
Services of SAWR	1 950 575	94 875
TOTAL	761 774 278	112 956 530

Source: BRDO expert calculations

2. Anti-corruption effect in 2021

With data on the frequency and amount of bribes, we calculated savings on bribes due to the transition to the online format. The total potential savings on all services is over **UAH 5.3 billion** (or 45% of "corruption" offline costs), and real are **UAH 1.55 billion** (or 13.2% of "corruption" offline costs). The percentage ratio of the anti-corruption effect by areas is shown in Figure 13.2.

E-SERVICES: DISTRIBUTION OF ANTI-CORRUPTION EFFECT (2021)

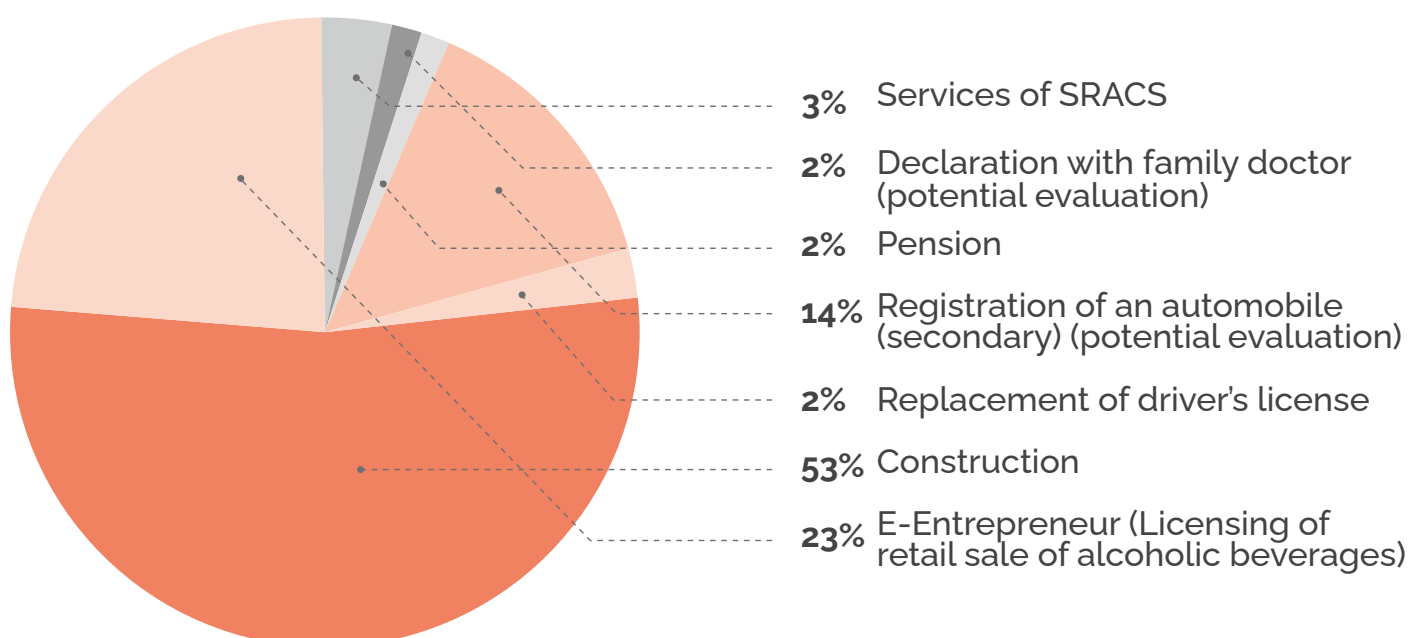


Fig. 3.2. E-services: distribution of anti-corruption effect in 2021

Source: BRDO calculations

⁶ Due to the established system of accredited persons who officially provide mediation services in the field, the level of corruption is insignificant. In our analysis, we have considered only those cases where corruption can be considered minor, arising from the purpose of "circumventing the rules", such as reducing the time of service or acting on behalf of the customer without a formal power of attorney. But corruption usually occurs during illegal operations, which already have direct signs of a crime (replacement of a driver's license when the driver has committed violations, re-registration of cars with fake vehicle numbers, etc.). We have not analyzed such corruption actions.

In terms of money, the distribution of the potential anti-corruption effect of the introduction of electronic services in the researched areas, if all users use only the online format, is shown in the first column of table 3.2. The current level of use of online services does not allow to get most of these savings on bribes. Real savings are 3.4 times smaller: **UAH 1.55 billion**. Details of the current economic effect by areas is given in the second column of table 3.2.

Table 3.2

Overall savings on bribes from the introduction of electronic services in 2021 (UAH)

	POTENTIAL	CURRENT
Granting of childbirth aid (portal e-services.msp.gov)	13 539 751	2 806 002
Services of SRACS	166 277 779	11 187 607
Declaration with family doctor (potential evaluation)	79 634 077	-
Pension	75 834 386	16 426 297
Registration of place of residence	21 140 827	31 995
Registration of an automobile (secondary) (potential evaluation)	740 682 000	-
Replacement of driver's license ⁷	124 688 970	8 609 160
Construction	2 813 397 706	1 506 304 962
IE	18 890 400	8 104 600
Services for entrepreneurs (Licensing retail sale of alcoholic beverages)	1 226 640 525	-
Licensing of automobile transportation services	1 105 603	652 233
Services of SAWR	2 173 875	98 450
TOTAL	5 284 005 899	1 554 221 306

Source: BRDO expert calculations

3. Cumulative anti-corruption effect in 2020-2021

The total potential savings on bribes for 2020-2021 due to the transition to an online format for all services is over **UAH 6 billion**. The real savings, which represent the anti-corruption effect of the actually provided electronic services in the researched areas, are 3.6 times smaller: **UAH 1.67 billion** (see Figure 3.3).

⁷ Due to the established system of accredited persons who officially provide mediation services in the field, the level of corruption is insignificant. In our analysis, we have considered only those cases where corruption can be considered minor, arising from the purpose of "circumventing the rules", such as reducing the time of service or acting on behalf of the customer without a formal power of attorney. But corruption usually occurs during illegal operations, which already have direct signs of a crime (replacement of a driver's license when the driver has committed violations, re-registration of cars with fake vehicle numbers, etc.). We have not analyzed such corruption actions.

ANTI-CORRUPTION EFFECT IN 2020-2021

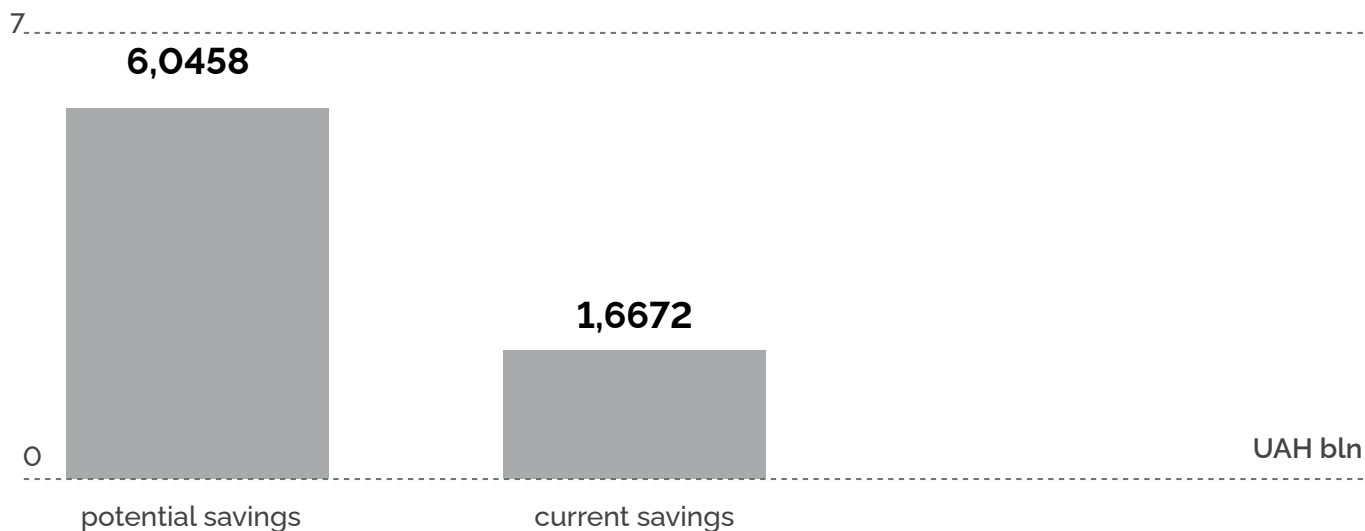


Fig. 3.3. E-services: cumulative anti-corruption effect in 2020-2021

Source: BRDO calculations

Due to the growing popularity of the online format of receiving administrative services, as well as expansion of the list of available services in electronic format, the current real savings on bribes increased from **UAH 113 million** in 2020 to **UAH 1.55 billion** in 2021 (see Figure 3.4).

CURRENT SAVINGS ON BRIBES IN 2020-2021 (REAL ANTI-CORRUPTION EFFECT)

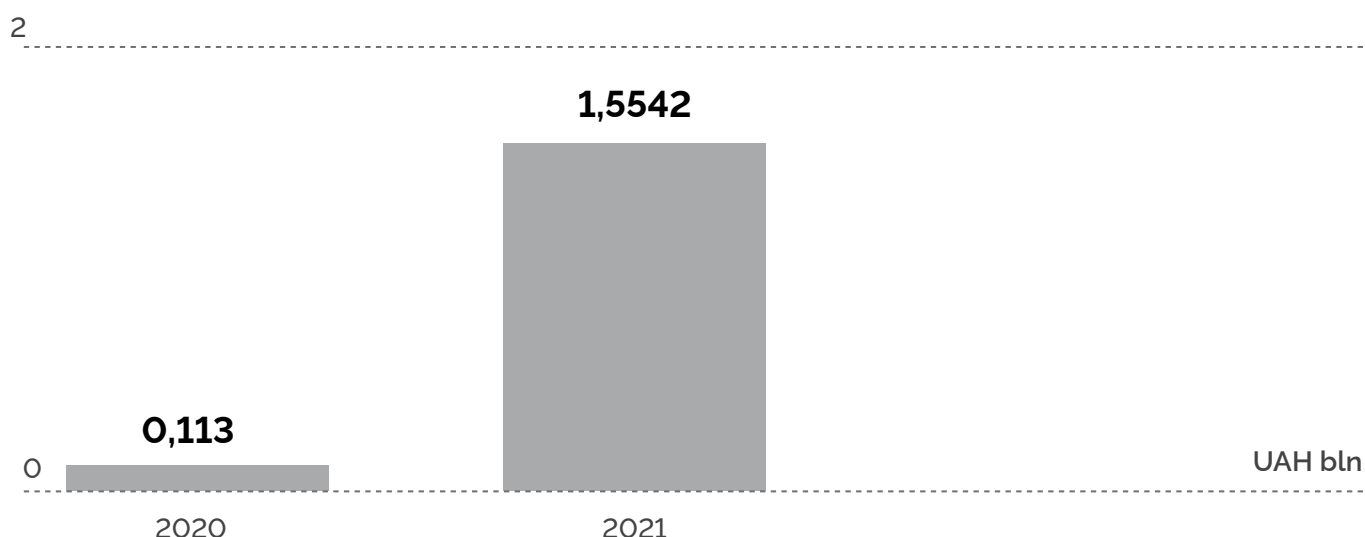


Fig. 3.4. e-Services: current anti-corruption effect in 2020-2021

Source: BRDO calculations

The percentage ratio of the cumulative anti-corruption effect by areas is shown in Figure 3.5.

E-SERVICES: DISTRIBUTION OF ANTI-CORRUPTION EFFECT (2020-2021)

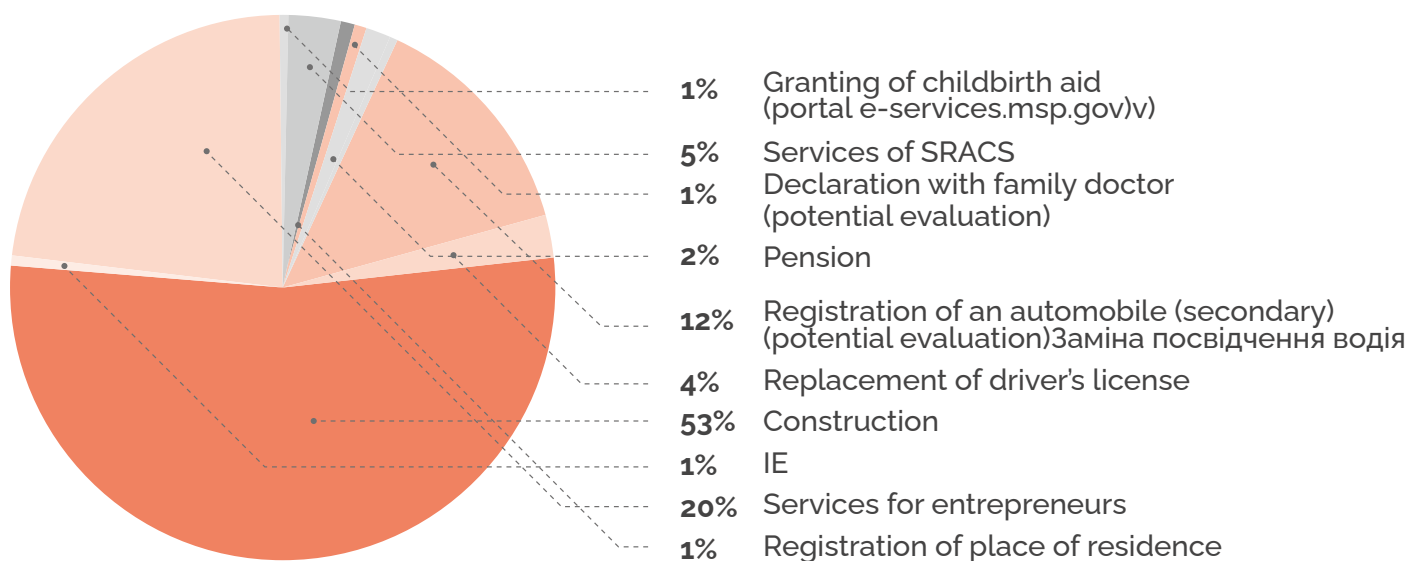


Fig. 3.5. E-services: distribution of anti-corruption effect in 2020-2021

Source: BRDO calculations