

A FIGHT FOR A BETTER TOMORROW: UKRAINE'S PATH OF TRANSFORMATION

### INTRODUCTION

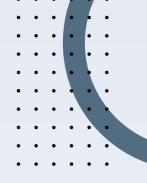
On the canvas of Eastern European geopolitics, Ukraine stands out for its power of resilience and reform. Although the West has largely backed Ukraine against Russian aggression, the country's alignment with Western standards of governance and its capacity for genuine reform are considered questionable by some actors. This document aims to address these doubts by spotlighting the strenuous efforts Ukraine has undertaken to align itself with these standards.

Stepping from the shadows of its tumultuous past marked by the Revolution of Dignity, subsequent political turmoil caused by the flight of President Viktor Yanukovych, and the stark challenges of Russia's aggression, Ukraine is now facing both existential threats and foundational reforms.

Ukraine's post-2014 journey is not merely a tale of conflict and territorial losses; it is also one of economic revival, democratic consolidation, and persistent efforts to align with European standards of governance. As the nation's GDP plummeted, and millions were displaced from their homes, the call for transformation echoed louder than ever. Amidst these daunting challenges, Ukraine embarked on an ambitious path of reform, targeting the very roots of systemic corruption and inefficiency that had plagued its institutions.

In the course of this transformation, Ukraine established key anti-corruption institutions, strengthened oversight mechanisms, and enhanced transparency in governmental operations. Digital transformation, as recognized by the European Union, further solidified Ukraine's commitment to transparent governance. The establishment of digital platforms like ProZorro empowered citizens to play an active role in monitoring public expenditure.







However, beyond these reforms, one of Ukraine's most profound transformations has been the decentralization of power. By transferring authority and resources to local units, Ukraine has not only revitalized local governance but also dealt a significant blow to the corrupt oligarchic structures that once dominated its regional spheres. The European Parliament's commendation of this effort signals its importance not just for Ukraine but as a beacon for other nations navigating their paths to democratic consolidation.

Yet, it's imperative to recognize the backdrop against which these reforms occur. Russia's aggressive actions, coupled with a concerted misinformation campaign, sought to discredit Ukraine's successes. Such attempts to undermine Ukraine's reformative strides make it even more crucial to highlight and understand the progress the nation has made.

This material examines the steps the nation has taken, the challenges it has faced, and the resilience it has shown. For Ukraine, the path to potential EU membership is not merely a matter of policy alignment; it is a testament to its ability to reform, rebuild, and resist. By understanding Ukraine's journey, we gain insights not only into the nation's past and present but also its promising future within the broader European community.

# BACKGROUND OF REFORMS

### Before 2022

Ukraine launched a reformation process while finding itself in a difficult position. Since the Revolution of Dignity and runaway of President Viktor Yanukovych, the country has faced a number of severe challenges:



Ukraine suffered armed aggression with Russia's illegal annexation of Crimea and a proxy-war in Donetsk and Luhansk oblasts.



The war has caused economic crisis. In course of 2014-2015, Ukraine's GDP in dollars **suffered 52% collapse**.



The war turned into a frozen conflict. Up until 2022, Ukraine lost more than 10 000 soldiers protecting its sovereignty. Almost 2 million people became refugees.



In 2014, Ukraine lost control over 7% of its territory.



Ukraine was forced to sign the Minsk Agreements after the invasion of the Russian military in Donetsk and Luhansk oblasts. As a result, the intensity of military actions diminished.



In time of aggression,
Ukraine had to find a way
to stabilize its economy,
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out large-scale anticorruption reforms.

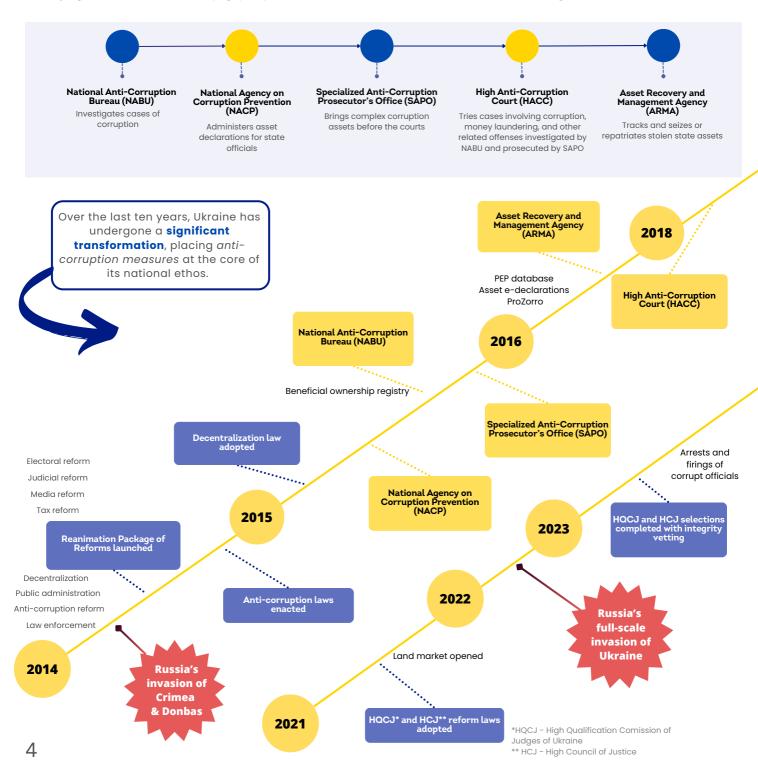
# ANTICORRUPTION EFFORTS

After the Soviet Union's dissolution, countries of the former Soviet bloc prematurely embraced privatization without first establishing a robust legal framework. This rapid shift towards a free market created opportunities for a select few entrepreneurs to acquire state-owned enterprises at bargain prices, often facilitated by corrupt ties with government officials.

These entrepreneurs, who later became known as oligarchs, gained undue influence over fragile governments. They employed various tactics, such as acquiring media outlets, funding political parties, and sustaining networks of patronage that included bureaucrats and judges, to maintain their corrupt grip on power.

However, the 2014 Revolution of Dignity, fueled by a resilient Ukrainian civil society, marked a turning point. It ousted the pro-Russian president Viktor Yanukovych, who had been backed by Kremlin-aligned banks and oligarchs, and set Ukraine on a path toward becoming a modern European democracy founded on the rule of law and civic engagement.

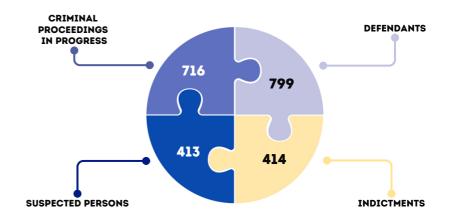
**Since 2014**, Ukraine has made significant progress in strengthening its oversight and accountability mechanisms and enhancing the transparency of government operations prone to corruption. The country has set up **five key anti-corruption institutions** to facilitate meaningful reforms.



Ukraine has made remarkable advancements in its anti-corruption efforts and consolidation since 2014, setting a unique example of political transformation. Unlike other nations that underwent successful transition, Ukraine has had to confront the aggressive, neo-imperial tactics of Russia, which has invested heavily in undermining Ukrainian reforms. Despite such obstacles, Ukraine managed to remain open for reforms for nearly a decade.

Even in the midst of ongoing war, Ukraine's bodies specialized anti-corruption demonstrated remarkable efficacy. They continued to perform their commitments and, in 2022 alone, initiated 456 investigations, identified 187 individuals under suspicion, and named 129 defendants. Additionally, they also issued 54 formal indictments, 9 of which were against legislators. Notably, the latter half of 2022 saw a surge in anti-corruption activities, surpassing the total enforcement actions taken in either 2020 or 2021.

### Total NABU's Pre-Trial Investigations 2015-2022



As of 2022, in total 716 criminal proceedings were in progress, 799 defendants and 413 suspected were identified, as well as 414 indictments were issued.

Source: nabu.gov.ua

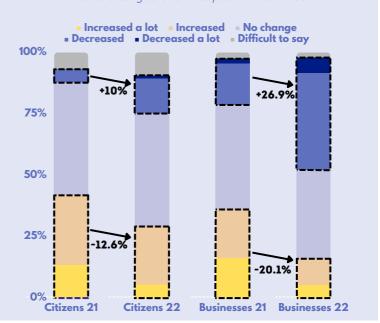
### NACP survey 2021 vs 2022

To assess perceptions of corruption among Ukrainian citizens and businesses orchestrated annual surveys in 2021 and 2022.

#### The data revealed a significant shift in attitudes:

in 2022, compared to the previous year, an additional 10% of the populace asserted that corruption had diminished, while the proportion asserting an increase contracted by 12.5%. The sentiment was even more pronounced within the business community; nearly 27% more enterprises indicated a reduction in corruption, and over 20% fewer reported an increase

"In your opinion, how has the level of corruption in Ukraine changed over the past 12 months?"



### Corruption Perceptions Index

Although the country still scores low on the Corruption Perception Index, Transparency International notes that Ukraine is one of the few significant improvers on the ranking, having gained eight points since 2013.



While showing consistent improvements in the corruption situation, the slow pace may be due to consecutive efforts to undermine anti-corruption institutions by interested parties. However, it is expected that ensuring the allocation of muchneeded capital for Ukraine's recovery will become a crucial task for the Ukrainian government that will leave no other option but to further incentivize anti-corruption efforts. Even while fighting back the invasion, in June 2022 the Ukrainian parliament adopted a National Anti-Corruption Strategy and appointed a new head of SAPO.



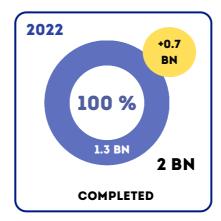
# ANTICORRUPTION EFFORTS

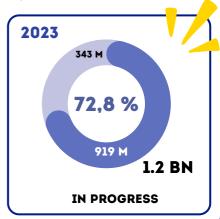
NABU made progress in reimbursing money to Ukraine's budget.

In 2022, the National Anti-Corruption Bureau of Ukraine (NABU) was apportioned a budgetary allocation of ₹1.3 billion. Remarkably, the institution not only succeeded in recouping the entire allocated sum but also secured an additional ₹0.7 billion, culminating in a total reimbursement of ₹2 billion to the national treasury.

In 2023, NABU received a financial allocation of ₹1.2 billion. As of June of the same year, the bureau has already exhibited commendable efficiency by recuperating approximately 72.8% of the allocated funds.

Money Reimbursed by NABU to Ukraine's Budget
(June 2023)





Over the entire period of its operation, NABU managed to reimburse ₹6.7 bn to Ukrainian budget



Source: nabu.gov.ua



### Main anti-corruption cases of 2023

In 2023, the National Anti-Corruption Bureau of Ukraine (NABU) and the Specialized Anti-Corruption Prosecutor's Office (SAPO) maintained their rigid stance against corruption in the country. Within the initial six months, they managed to bring 137 individuals before the law, leading to 147 formal charges and nearly a thousand awaiting their day in court.

Among the most dramatic moments of the year was the arrest of the Deputy Minister of Community Development, Territories and Infrastructure. He was caught red-handed, accepting a staggering bribe of \$400,000.



High-profile revelations continued in the fall. On September 2, the Security Service of Ukraine, the Bureau of Economic Security, and the Prosecutor General's Office announced the suspicion of embezzlement of PrivatBank funds worth more than UAH 9.2 billion to well-

known oligarch Ihor Kolomoisky. Five other people are involved in the case. As part of the proceedings, assets totaling UAH 3 billion were confiscated. When the court arrested Kolomoisky, in his traditional evening address, President Volodymyr Zelenskyy said that there would be no life "as usual" in Ukraine for those who "robbed Ukraine and put themselves above the law."

All of this was made possible by gradual reforms that gave more power and autonomy to anti-corruption agencies. However, the fight against corruption is far from over.



### What else to improve?

Strengthen the independence of NABU, SAPO, High Anti-Corruption Court and expand the authority of its leadership

Reinstate the requirement for public officials to declare assets and reopen the public register of the declarations



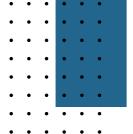
Select the head of the Asset Recovery and Management Agency and address urgent operational and legislative challenges

Fully implement recommendations of the Venice Commission in the legislative framework concerning the selection of the Constitutional Court of Ukraine judges.

Implemented in the time of material preparation



Heads of NACP, NABU, SAPO and HACC



# DIGITALIZATION

Ukraine's digital sector has long been a source of pride for the country, as it includes over 4,000 local companies and more than 100 global ones. Before the war, major companies such as Samsung, Microsoft, Boeing, Google, and Ericsson established subsidiaries in Ukraine. Ukrainian entrepreneurs launched start-ups with global reach, including Grammarly and GitLab. Ukraine ranks sixth in Europe for open data and is among the first countries to roll out digital COVID-19 certificates recognized by the European Union. In 2022 Ukraine ranked fourth worldwide in the number of certified IT professionals.



### Online platforms as guarantors of transparency

Diia is an award-winning e-governance platform from Ukraine that aims to revolutionize the way government services are accessed and offered. Officially launched in 2020, the app was designed not only to provide easier access to government services for citizens but also to bring greater efficiency to Ukraine's government operations. Its **potential for reducing corruption** is one of the most significant advantages of the app. By digitizing services and cutting out redundant layers of bureaucracy, the platform makes the government's activity more transparent.

Moreover, the platform has proved invaluable for real-time crisis response. During the full-scale Russian invasion, Diia has enabled citizens to acquire real-time evacuation documents and report property damage. Features like the e-enemy function for reporting enemy troop movements have been vital for national security. It also provided access to essential Radio and TV functions, especially useful for those cut off from traditional media channels due to infrastructure damage. Currently, the platform serves more than half of Ukraine's adult population. Diia stands as a pioneering example of how technology can make governments more efficient, transparent, and responsive to their citizens.



Source: Ministry of Digital Transformation of Ukraine

### On Guard Against Corruption

#### proz=rro

ProZorro, an online procurement platform developed by a collaboration between civil society, businesses, and government authorities, now offers free and public access to an online portal to track the spending of public funds. In ProZorro's first two years, the platform saved the Ukrainian government over \$1.9 billion in budget funds. Because government authorities were not able to keep up with the number of contracts that needed scrutiny in 2017 Dozorro was established.

### DÔŽÔRRO

It was created as an extension of the ProZorro platform to enable already existing networks of civil society watchdog groups to monitor public procurement processes. The platform allows citizens to submit feedback and report violations in procurement processes and sets the foundation for the involvement of citizens in watchdog roles. Between 2017 and 2020, 30,000 illegal tenders, a total of \$4 billion, were reported on the platform, highlighting the potential of civic monitoring.

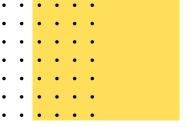
In March 2022 President Zelensky signed a law to provide government entities with cloud-based IT infrastructure and services.

The law reduces corruption risks and budget expenses by streamlining processes.



European Union has already recognized Ukraine's digital transformation as a facilitator of a more transparent government. In July 2022, the European Union published an annual report on the implementation of the Association Agreement in Ukraine. According to it, the digital transformation of Ukraine contributes to more efficient and transparent governance and the fight against corruption.

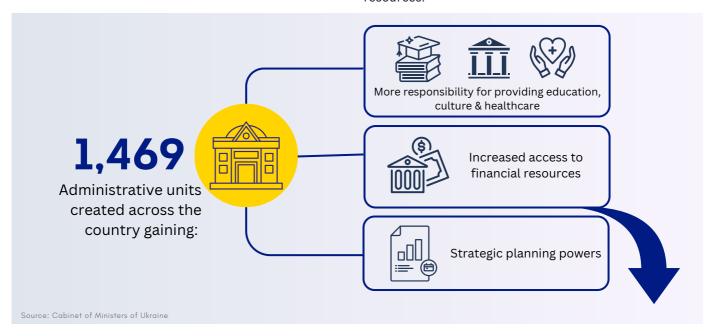
The European Union agreed to sign Ukraine into the Digital Europe Program, which will move Ukraine's digital infrastructure closer to EU standards while reinforcing digital capacities that can prevent Russian cyber disruptions.



# **DECENTRALIZATION**

Decentralization in Ukraine, a pivotal governance reform initiated in 2014, significantly transformed the country's governance landscape and strengthened the nation's resilience during the full-scale Russian invasion.

This comprehensive reform began with the voluntary amalgamation of hromadas (or amalgamated territorial communities (ATCs)), resulting in formation of 1,469 new administrative units across the country, each gaining expanded competencies and access to financial resources.



Notably, the share of personal income tax allocated to these communities increased significantly (rising from 25% to 64% in 2022), providing crucial financial support. This financial boost later allowed communities to better fund and manage public services crucial during the invasion.

### New social contract emerged

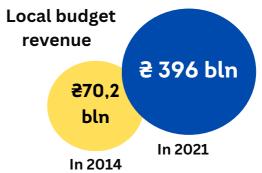
This transformation also fostered a new social contract between citizens and local administrations, enabling residents and businesses to demand quality public services in exchange for tax contributions, thereby strengthening citizen engagement and trust.



Decentralization shifted the focus from stateoriented planning to local stakeholder involvement. Approximately 43% of hromadas had designed their own development strategies by January 2022.

**63%** of Ukrainians support decentralization stated that they had noticed positive

73% stated that they had noticed positive changes in their locality after amalgamation



Source: voxukraine

# Anti-corruption component of the reform



In addition to these gains, decentralization also played a pivotal role in the fight against corruption. The reform shifted power away from oligarchs and mobsters who had long dominated regional governmental bodies, replacing them with more transparent and accountable local units. This shift towards greater transparency and accountability at the local level was a crucial step in Ukraine's broader anti-corruption efforts.

### DECENTRALIZATION

### Strengthening of country's security

Moreover, decentralization facilitated the rapid mobilization of Territorial Defense Forces (TDF), often formed on the basis of bromadas

These locally recruited and organized units, comprised of volunteers intimately familiar with their regions, played a crucial role in Ukraine's defense strategy. They engaged in tasks such as gathering, intelligence securing infrastructure, and supporting the regular armed forces, ultimately enhancing Ukraine's ability to respond effectively to external threats during the Russian invasion

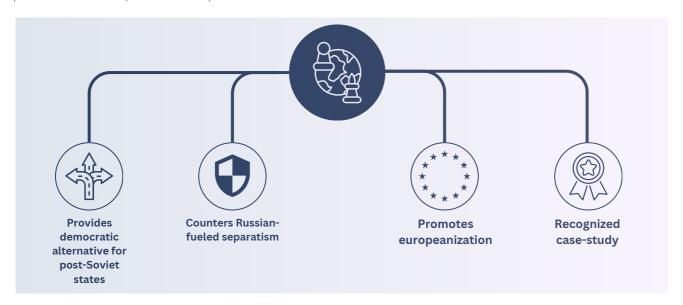


battalions of the TDF are now engaged **50** in defense on three directions of the front.

### **Geopolitical consequences**

The ongoing decentralization reform in Ukraine has led to numerous improvements for its citizens. Public administration has become more rational, flexible, visible, and interactive, strengthening state-society relations and increasing democratic accountability. As transparency in resource allocation has improved, opportunities for corrupt practices have been gradually reduced. Economic activity and cross-regional competition among local communities have been facilitated.

In the context of Ukraine's geopolitical significance as one of Europe's largest nations and a crucial post-Soviet republic, these positive effects of decentralization have broader implications. The fate of Ukraine's transformation, including local governance reform, deeply affects European security and stability, socio-economic development in post-socialist states, and East European liberalization and democratization.



Firstly, by enhancing efficiency and resilience, decentralization presents Ukraine as a democratic alternative to Russia's autocratic model, particularly for regions facing autonomy or separatism threats.

Secondly, it counters Russian-fueled autonomism and secessionism by strengthening local self-government. Thirdly, it aligns Ukraine more closely with European norms by reducing the concentration of power, supporting its Europeanization process.



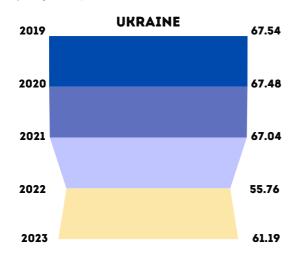
Importantly, decentralization in Ukraine is recognized by both domestic and international partners as a remarkable reform. The European Parliament even commended Ukraine's decentralization efforts and encouraged the European Commission to study this model for potential application in other countries. This reform is a valuable case study for nations seeking to strengthen local governance and enhance resilience in the face of external pressures.

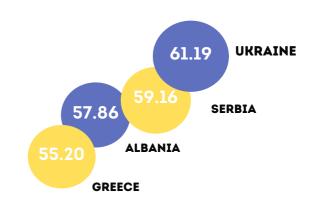
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# SOCIAL PROGRESS

# Democratization of Ukraine The World Press Freedom Index

The Index is based on a score ranging from 0 to 100 that is assigned to each country or territory, with 100 being the best score (the highest possible level of press freedom) and 0 the worst.





The upheavals caused by the war led to a temporary setback in Ukraine's rankings in 2022. However, in 2023, the country began to regain its position, although it was not able to reach its pre-invasion levels.

Notably, as of 2023, Ukraine **continues to outperform** two other EU candidate countries and one EU member state in key indicators, underscoring its commitment to democratic values and progress.

Even with martial law in effect, Ukraine is still steadfastly devoted to the principles and ideals of democracy, and it will work hard in the future to make up for any ground lost.

# Gender composition of the Verkhovna Rada of Ukraine 1990-2021

The growing presence of women in Ukraine's political landscape only underscores the country's commitment to promoting social development even in times of hardship.



Source: Central Election Commission of Ukraine

The promotion of gender equality at the national level necessitates the visibility of women in politics and the acknowledgment of their active contributions to the realm of everyday politics.

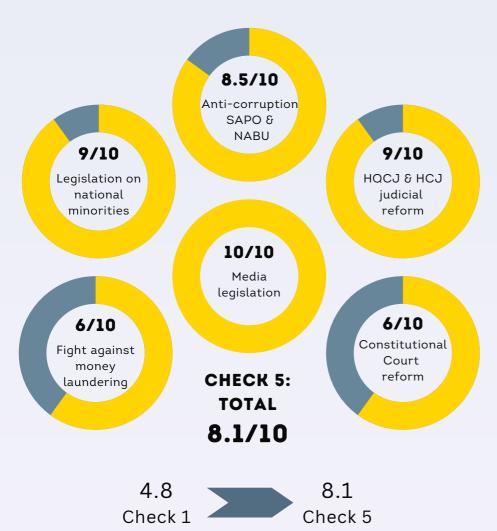
2007 68% 2023 71%

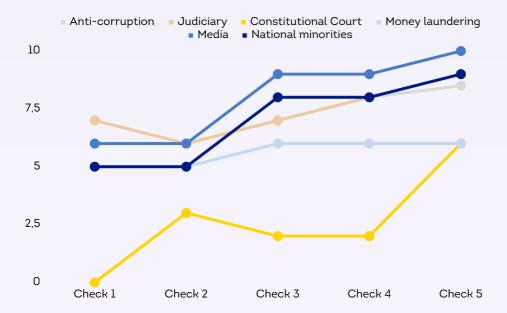
Remarkably, in 2022, Ukraine showed notable progress, surpassing the global average in the Global Gender Gap Index (GGGI) with a score of 70%, as compared to the 68% global average. This upward trajectory continued into 2023, with Ukraine achieving a GGGI score of 71%.

Over the course of these years, Ukraine's Global Gender Gap Index demonstrated consistent growth, rising from an index of 68% in 2007 to 71% in 2023, marking an average annual increase of 0.32%.

### PROGRESS TOWARDS EU

Ukraine received the status of a candidate for EU membership on June 23, 2022. The "New Europe" Center in partnership with the Anti-Corruption Center (ACC), the National Interests Advocacy Network (ANTS), and the DEJURE Foundation have already carried out 5 Candidate-checks, that is 5 independent researches on Ukraine's implementation of 7 EU recommendations for further promotion to membership. The first Candidate-check was conducted in August 2022 and so far, the last was done in September 2023.





Over the last year, Ukraine has demonstrated significant progress in its quest for European Union membership. Alongside the war, the country is confronting another challenge: systemic corruption.

The European Union has developed a comprehensive set of recommendations aimed at facilitating Ukraine's governmental overhaul. These encompass a wide range of requirements, from judicial reform — including the establishment of a specialized High Court — to the transparent and impartial appointment of jurists for the Ukrainian Constitutional Court.

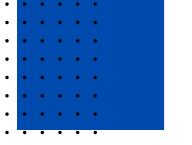
Ukraine has been continuously working to reform its judicial architecture. This year alone, the country has enacted legislative measures that align with the recommendations, including appointment of new incumbents to Ukraine's High Council of Justice. At the President same Volodymyr Zelenskyi has taken decisive action by terminating the tenure of several senior officials involved in corruption scandals. These initiatives underscore Ukraine's commitment to judicial reform and the fight against corruption - a commitment that has not gone unnoticed by the European Union.

In relation to anti-money laundering, law enforcement, and anti-oligarchic statutes, Ukrainian authorities have recently executed an extensive series of nationwide searches. These operations resulted in the confiscation of luxury items and substantial sums of money, signaling a concerted effort to enhance governmental transparency.

The Ukrainian legislature has also enacted a law prohibiting oligarchs from financially supporting political entities, advertisements, or public demonstrations.

Regarding the issue of national minorities residing in Ukraine, the Ukrainian government actively developing legislation aimed at protecting these communities. Recent regulations demonstrate Ukraine's commitment to protecting the rights, freedoms, and of groups, encompassing linguistic rights, selfidentification, and participation in various aspects of public life.

Overall, recent developments indicate that Kyiv is resolute in its ambition to align with the European Union—a commitment it maintains even in the face of armed conflict.



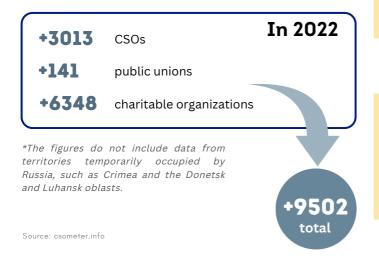


The invincible resistance displayed by Ukraine against the Russian invasion has shattered the anticipations of those Ukraine's capitulation. rapid predicted extraordinary unity of Ukrainian society from the first days of the invasion echoes the guiding principles of Ukraine's 2013-2014 Euromaidan protests: "I am a drop in the ocean," meaning that while individual contributions may seem minor, they are indispensable for the realization of collective objectives. After the Maidan, the focus of this volunteer movement was already centered on supporting Ukraine's military and volunteer battalions, as well as aiding in the resettlement of internally displaced persons (IDPs) from Crimea and Donbas. As of April 2022, the existential threat posed by the ongoing war has motivated about 80% of Ukrainians to engage in civil resistance.

Volunteer organizations have been instrumental in equipping the military with a variety of supplies, ranging from ballistic vests and monoculars to vehicles and unmanned aerial vehicles. Notably, Come Back Alive, one of Ukraine's most reputable volunteer organizations, has successfully fundraised and acquired over 600 armored vehicles, over 6,000 thermal imaging cameras, and over 5,500 drones. At the same time, countless other informal and unregistered groups are making similar efforts. Following Russia's bombardment of forty Ukrainian cities on October 10, 2022, volunteer foundations swiftly raised \$5.6 million in just twelve hours through public donations. Each Russian offensive appears to catalyze resistance within Ukrainian society.

### Civil Society Organizations' increase

Despite the imposition of martial law, the registration of Civil Society Organizations (CSOs) in Ukraine have not been hindered. In 2022 alone, 3013 CSOs, 141 public unions and 6348 charitable organization were established.



### World Giving Index

Volunteering has not been a popular activity in Ukrainian society. As of 2011, Ukraine came in at 105th out of 145 countries, according to the World Giving Index (WGI). A mere 5% of the population claimed to have engaged in volunteer work.

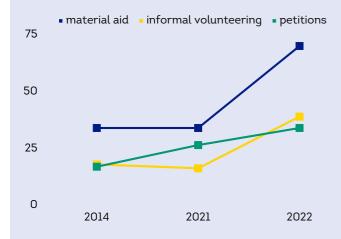


In 2021, Ukraine listed in top 20 list, and in 2022 has climbed into the top 10 of the most charitable nations (WGI) In 2022

**75%** of Ukrainians indicated a willingness to assist strangers

**47%** expressed readiness to contribute financially **24%** were open to volunteering.

### TOP civic activities %



The landscape of civic engagement in Ukraine is characterized by a preference for informal activities over formal organizational membership. Public unions, CSOs and charitable organizations remain the most popular formal organizations, while Ukrainians are still more actively involved in other forms of civic actions.

During key periods such as the Euromaidan and the early years of Russian aggression in 2014, material donations, informal volunteering, protests and petition signing were the most prevalent activities. In 2021, the same activities remained popular but saw shifts in engagement levels. Notably, electronic petitions gained traction, contributing to a higher rate of petition signing. Post-February 24, 2022, these activities saw a significant surge, with material donations reaching 70%, informal volunteering at 39%, and petition signing at 34%.

Source: Bucknell Digital Commons

### **MILITARY MODERNIZATION**

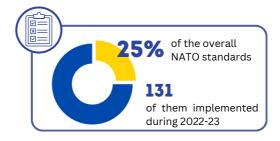
Ukraine has demonstrated significant achievements in its military domain. Following a period of intense warfare, Ukraine has positioned itself as a powerful military force in Europe, making a strong case for its potential inclusion in NATO. This military prowess is a result of the acquired combat experience, which underscores Ukraine's potential to fortify NATO's strength as a new member.

However, doubts linger regarding Ukraine's readiness for NATO membership, primarily because of concerns about military compatibility. Ukraine has been actively building its interoperability with NATO for many years, even prior to the Russian invasion. This has encompassed collaborative

military drills, such as those under the Partnership for Peace (PfP) program and various other initiatives that promote intelligence sharing and operational planning with NATO.

Ukraine's dedication to aligning with NATO standards is evident in its adoption of these guidelines in its legislation. While complete implementation is neither possible nor essential for any member state, Ukraine has made substantial progress, especially in operational and administrative areas. The country has also shifted towards Western military philosophies, emphasizing precision, agility, and a more human-centric approach, contrasting with older, more manpower-intensive methods.





Notably, the Ukrainian military leadership has garnered Western admiration from counterparts for professionalism, adaptability, forward-thinking and approach. For instance, figures like Valerii Zaluzhnyi, Commander in Chief of the Ukrainian Armed Forces, stand as representatives of this new wave of Ukrainian officers, proficient in English and embodying a Western management style.

Following the onset of Russian aggression, there has been a significant surge in the training scale and scope, with Ukrainian personnel learning from the best practices of the West, including mastering Western weaponry and combat techniques in various terrains. Ukraine has partaken in joint military exercises with NATO, such as Rapid Trident, Trident Juncture, and Sea Breeze, among others.

According to some Western officers, by 2020 Ukrainian commandos already "looked, smelled and tasted like Western Special Operations Forces"

Ukraine has showcased its formidable military capabilities and its commitment to aligning with Western practices and standards. While challenges persist, the nation's progress in the military sphere and its potential contribution to NATO are undeniable.



### **TRAINED BY NATO:**

since the beginning of the Russian aggression against Ukraine in 2014

22,000

Ukrainian soldiers were trained by British instructors in Operation ORBITAL

10.000

within the UK-led Operation INTERFLEX (by Fab 2023)

18,000

by Canadian instructors in

Operation UNIFIER



16.000

by the EU MAM (by Apr 2023)

over **27,000** 

by the U.S in Joint Multinational Training Group-Ukraine (JMTG-U)



11.000

in combined-arms manoeuvre and staff training (by June 2023)

Western partners are often positively impressed by the ability of Ukrainian soldiers to rapidly master Western weapons systems and acquire new skills during trainings







### **BEST AT RESILIENCE**

As the war continues, strengthening Ukraine's resilience is paramount. The war dynamics have changed, and as Putin shifts tactics, Ukraine's military needs evolve. While traditional armaments such as tanks, artillery, and armored personnel carriers are crucial, there is now a pressing need to counter Russian aerial tactics. By equipping Ukraine with advanced surface-to-air missile systems, portable air defense systems, and self-propelled anti-aircraft gun systems, Western partners can provide Ukraine with the shield it needs against aerial threats.

Ukraine's resilience is as much about its people as its territory. In the past months, Western efforts have been predominantly reactive, aiming to address immediate humanitarian needs, restore damaged infrastructure, and back Ukrainian government operations and emergency services. President Zelenskyi aptly highlighted the importance of the "financial frontline," equating its significance to that of the battlefield.

Sustainability is the key. Ad hoc financial assistance must transition to structured and enduring support mechanisms. The establishment of dedicated Ukraine support funds, or replenishing the existing ones, is crucial.

It's imperative to note that financial aid should be accompanied by stringent anti-corruption measures. Given Ukraine's previous challenges with corruption, ensuring transparency and accountability in the allocation and use of funds is a top priority.

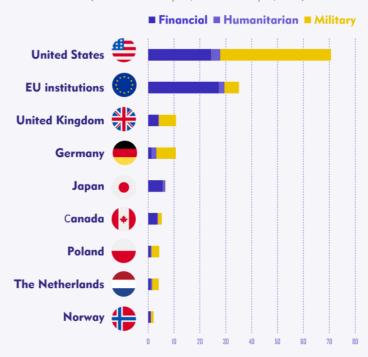


Ukraine has reclaimed **54%** of the land Russia has captured since the beginning of the war, according to the Institute for the Study of War (ISW)

In spite of the devastation caused by Russia's military invasion, Ukraine has managed to sustain an exemplary level of public services throughout the conflict. This outstanding resilience is explained by a series of substantial investments and reforms undertaken over the past three decades. Key factors contributing to this resilience include strengthening institutional capabilities, the digital transformation of public services, active civic engagement, and a deeply ingrained culture of volunteerism. By centering its reconstruction initiatives around the principles of resilience, sustainability, and inclusivity, Ukraine possesses the potential to emerge from the current crisis more robust and strong than ever before.

### Total bilateral aid commitments to Ukraine, bn EUR

(between January 24, 2022 and May 31, 2023)

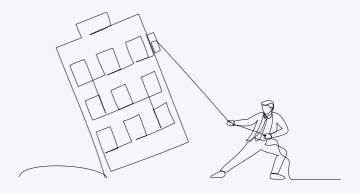


Sources: Statista, Kiel Institute for the World Economy

To meet this goal, Ukraine has launched its **Anti-Corruption Programme** for the period **2023-2025**. It comprises 1,700 actions spread across 15 sectors. One of the standout features of the program is the **introduction of 63 digital tools** designed to significantly diminish avenues for corrupt practices. The pressing need for this anti-corruption strategy is underscored in the context of Ukraine's rebuilding efforts.

The government's vision of a revitalized and modern Ukraine embodies the principles set out by President Volodymyr Zelenskyi and Prime Minister Denys Shmyhal: a transparent, accountable, and corruption-resistant rebuild. Such an approach bolsters trust among international allies, potential investors, and the Ukrainian citizenry.

The anti-corruption program is viewed as a pivotal roadmap to augment transparency and responsibility. Highlighting the magnitude of the challenge, the World Bank's estimate puts Ukraine's reconstruction needs at a colossal \$411 billion, underscoring the imperative of judiciously managing all resources.



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# Transatlantic Dialogue Center

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