



# Ukraine Reform Monitor No. 7

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**Related Categories:** Democracy and Governance; Economic Sanctions; Europe Military; Human Rights and Humanitarian Issues; Warfare; NATO; Corruption

## ONE STEP CLOSER TO MEMBERSHIP IN EUROPE...

The European Union came to a historic decision in early December when the bloc agreed to formally open membership talks with Ukraine. The move is largely symbolic, as more in-depth negotiations will not take place until next March at the earliest – the deadline for Ukraine to make necessary reforms regarding corruption and minorities in the country. The EU has demanded that four laws in particular be passed by March, dealing with countering corruption and protection of national minorities. Of those four, three have been signed and the fourth is expected to be in the near future. Ukrainian Foreign Minister Dmytro Kuleba emphasized the significance of the European move, terming "the mother of all decisions." Officials in Kyiv note, however, that a long process remains; it could take as much as another decade before Ukraine's formal accession to the bloc takes place. (Bloomberg, December 14, 2023)

## ...AMID REMAINING HURDLES

Wartime government powers have proven to be a boon to the government of President Volodymyr Zelenskyy, allowing him to launch a significant crackdown on oligarchs that have long plagued Ukrainian society. But the progress made so far, including the recent detention of the country's most prominent power broker, Igor Kolomoisky, isn't irreversible, officials in Kyiv warn. In fact, concerns are growing that a new age of oligarchs could soon take shape. Anti-corruption fighters want to see the country pursue a more methodical, long-range strategy to fight corruption and prevent the emergence of a new crop of oligarchs by investing more in independent regulators and reforming the judiciary.

Another concern among anti-corruption watchdogs is the amount of power currently being wielded by Zelenskyy and his team of advisors. To boot, experts have raised concerns over current, lax rules on lobbying and a lack of oversight over moneys earned by members of the country's parliament – conditions they say are ripe for exploitation. Notably, solving some of these outstanding issues has been highlighted by the European Commission as a prerequisite for EU membership. (*Financial Times*, November 29, 2023)

## WHAT UKRAINIANS WORRY ABOUT

For nearly two years, Russia's war of aggression has dominated the lives – and imaginations – of Ukraine's population. But as the country gears up for elections next year, other issues are rising in importance for Ukrainian citizens. A recent poll commissioned by Transparency International Ukraine and carried out via more than 1,000 interviews has found that corruption ranks second only to the war in terms of gravity for Ukrainian respondents. Moreover, worries over the country's endemic corruption are rising. A full 88% of those polled expressed major concerns over corruption in the country – a rise of 11% from an earlier, March 2023 poll. "As back in spring, the population sees corruption as the greatest risk in the restoration of Ukraine under two parameters at once: the lack of control resulting in embezzlement of funds (79%) [and] the resumption of corruption schemes (75%)," the study notes. (Transparency International Ukraine, December 7, 2023)

## CORRUPTION CONTINUES TO PLAGUE UKRAINE'S MILITARY

According to Ukrainian authorities, the government in Kyiv has uncovered a large-scale embezzlement scheme in the country's armed forces. Ukrainian police recently arrested a senior official from the country's Defense Ministry on suspicion that he had embezzled nearly \$40 million as a result of artificially inflating prices for artillery shells used by the military, via an intermediary. The revelation is an inconvenient one for President Zelenskyy, who has made rooting out corruption in the country's military a major priority – and who spurred the resignation of the country's former defense minister, Oleksii Reznikov, back in September as part of this process. (*New York Times*, December 23, 2023)

## THE KEY TO SUCCESSFUL RECONSTRUCTION

Although the war with Russia continues to rage, more and more people in Kyiv – as well as in the West – are thinking about what might come next. The question of reconstruction has steadily risen in importance, both because of the likely scope of the task and because of the distinct possibility that donor funds could be diverted. As the *BBC* notes, "the task of reconstruction [of Ukraine] is expected to be the biggest of its kind since World War Two," with "at least 245,000 buildings" damaged or destroyed as a result of Russia's offensive. According to World Bank estimates issued earlier this year, reconstruction will cost some \$411 billion. The size of that projected expenditure has raised worries among prospective donors "about whether funds will be properly accounted for," given Ukraine's long-running corruption problems; in a Transparency International survey of "corruption perceptions" last year, Ukraine ranked 116th out of 180 nations. (*BBC*, December 20, 2023)