



Ukraine Reform Monitor No. 10

April 3, 2024 **Ilan I. Berman, Matt Cesare**

Related Categories: Democracy and Governance; Europe Military; Corruption; Ukraine

THE PROMISE OF EUROPEAN AID PROMPTS NEW REFORM PROPOSALS

Amid mounting uncertainty surrounding future American aid, the government of President Volodymyr Zelenskyy in Kyiv is doubling down on support from Europe – and putting plans in motion to unlock the full breadth of promised European financial assistance. Back in February, even as U.S. supplemental aid stalled in Congress, the European Commission committed to a €50 billion (\$54.6 billion) package designed to provide Ukraine with sufficient aid for government functioning (as well as some measure of military assistance) through 2027. However, delivery of the aid necessitates that Kyiv make an extensive series of meaningful proposals regarding reforms and investment.

The Zelenskyy government is beginning to do so. Last month, it put together a new plan on governmental reform – entailing "steps on public finances, anti-corruption and business development" – in order to activate the initial tranche of €6 billion in EU financing. Thereafter, the Ukrainian government and officials in Brussels will meet on a quarterly basis for regular progress checks in order to keep the European aid flowing. (*Bloomberg*, March 12, 2024)

CUTTING THE UKRAINIAN BUREAUCRACY DOWN TO SIZE

On March 4th, Ukrainian Prime Minister Denis Shmyhal announced his government's intention to reduce the number of the country's existing ministries by one-third. Shmyhal remarked, "We are working on changing the format of the government. In particular, we are reducing the number of ministries. We want to reduce the number of ministries by a third, and reduce the number of civil servants." The goal of the reform is to consolidate government operations and centralize them into what will be known as a Government Centre, in order to provide greater efficiency for state operations. According to other Ukrainian officials, the Government Centre is expected to be operational by 2025. (*Ukrainska Pravda*, March 4, 2024)

THE WAGES OF UKRAINE'S JUDICIAL REFORM

Four months into the Ukrainian government's plan to overhaul key judicial functions, such as the vetting of judges, the results are decidedly mixed, the *Kyiv Independent* reports. According to the paper, roughly half of the sitting judges deemed deficient by the government's Public Integrity Council have been approved for termination. However, not one has yet been fired, because the High Court of Justice, which makes "final decisions on judicial appointments and dismissals," has failed to weigh in on their suitability for office. That shortfall has rendered Ukraine's judicial reforms largely stillborn, since a "key pillar of Ukraine's judicial reform is the qualification assessment, or vetting, of judges," the paper notes. "As of now, the High Council of Justice has not met expectations," says legal expert Nika Kreidenkova, who co-chairs the Public Integrity Council. Other problems also abound, the paper details. They include things like a failure by the High Qualification Commission, a top judicial body, "to fire judges who helped drunk drivers escape punishment." (*Kyiv Independent*, March 14, 2024)

PROCUREMENT SCHEMES AND HIGH POLITICS...

Ukraine's national anti-corruption agency has nabbed one of its biggest political fish to date. On April 2nd, Ukraine's National Anti-Corruption Bureau (NABU) announced on its Telegram channel that it had uncovered a criminal group that had embezzled some \$2.5 million from the country's national rail line, Ukrailynyztsia. Among the four group members now detained is Artem Shylo, a former freelance advisor to Ukrainian President Volodymyr Zelenskyy. He and his co-conspirators are being charged in a procurement rigging scheme in which Shylo, using his privileged office, manipulated the procurement process for the railway. Roughly \$1.4 million of the embezzled funds have so far been recovered by Ukrainian authorities. (*Kyiv Post*, April 2, 2024)

...AND PRODUCT MANIPULATION TO BOOT

Another Ukrainian agency tasked with rooting out corruption, meanwhile, has found a different target: local food inspectors. *The New Voice of Ukraine* reports that Ukraine's State Bureau of Investigation has caught a number of food safety officials in the country's Odesa and Zaporizhzhia oblasts who were "exploiting their positions to extort money in exchange for essential phytosanitary certificates and export documents for barley and corn." Those apprehended allegedly belonged to a criminal group of at least eleven members, consisting of inspectors and "regional service heads," who used their positions of authority to extort agricultural exporters. (*The New Voice of Ukraine*, April 2, 2024)

