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Series editor

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# Advancing anti-corruption capacity in Ukraine's local self- government

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Corruption erodes sustainable and inclusive development. It is both a political and technical challenge. The U4 Anti-Corruption Resource Centre (U4) works to understand and counter corruption worldwide.

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**The recovery of Ukraine depends on empowering local self-government authorities (LSGs) to counter corruption and ensure transparent reconstruction efforts. These decentralised bodies, strengthened through reforms, play a pivotal role in managing resources and rebuilding communities. Streamlined legal frameworks, public engagement, and targeted capacity-building are essential to enhance their efficiency. Collaboration among Ukraine's government, civil society, and international partners will help LSGs lead fair, sustainable recovery initiatives that foster trust and social cohesion.**

## **Main points**

- Ukraine's future depends on just and sustainable peace and must include efficient and fair recovery for all citizens. Since the full-scale Russian invasion caused significant damage in the housing, energy and social sectors, most reconstruction efforts will occur in local communities (or hromadas). Corruption can distort the quality and speed of local reconstruction.
- Local self-government authorities (LSGs) will play a central role: they are important for their accountability to local communities; they already contributed to Ukraine's wartime resilience through the continued delivery of local public services; and they are crucial for dealing with the local corruption that can emerge during a country's reconstruction.
- While centralised recovery may appear more efficient, this must be weighed against the long-term goal of investing in LSG capacity as a democratic state-building measure. Decentralisation reforms have created a more balanced governance system in Ukraine. Reforms have reduced executive influence on local communities and fostered public trust in local authorities.
- The quality of local anti-corruption tools varies across Ukraine, with significant differences between urban and rural communities. Rural areas, especially those experiencing ongoing hostilities, suffer most from a lack of relevant expertise within LSGs. However, once LSGs develop anti-corruption capacity, harsh conditions do not undermine it, highlighting the sustainability of LSG-led anti-corruption efforts.
- Economic and societal factors encourage LSGs to take outward anti-corruption action, especially for transparency. Despite initial setbacks after the full-scale Russian invasion, LSGs have improved transparency in municipal assets, procurement and informing. Further practices include the use of e-governance platforms, opening up to innovative public engagement and collective action initiatives.
- With capacity support, LSGs can also implement inward anti-corruption action, such as institutional redesign, audit and corruption risk assessments (CRA), and drive organisational and social innovations. Therefore, the Ukrainian government, civil society, and international partners should empower LSGs as organisations to handle recovery and reconstruction.
- War-related uncertainty, increased secrecy, and confusing recovery legislation undermine local anti-corruption capacity. To ease public monitoring of reconstruction, clarity is needed on government policies for

open data, transparency and public consultations. Overcoming duplication and reducing mismatches across regional policy, urban planning, and recovery policy is needed to decrease the administrative burden on already stretched LSGs.

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# Abbreviations

ACO • Anti-Corruption Office\*

Col • conflict of interest

CRA • corruption risk assessment

DREAM • Digital Restoration Ecosystem for Accountable Management

EUACI • EU Anti-Corruption Initiative

GIS • Geo-Information System

IT • information technology

LSG • local self-government

LSGA • local self-government association

MCTI • Ministry for Communities, Territories and Infrastructure Development of Ukraine

NACP • National Agency for Corruption Prevention

NGO • non-governmental organisation

OMA • *Oblast* Military Administration

PMO • Project Management Office

SASU • State Audit Service of Ukraine

UNDP • United Nations Development Programme

\* Official term: Authorized Units or Persons for Prevention and Detection of Corruption (Art. 13-1 of the Law of Ukraine on Corruption Prevention).

\*\* In accordance with Cabinet of Ministers of Ukraine Resolution No. [1028](#), 6 September 2024, MCTI was renamed the Ministry for Communities and Territories Development of Ukraine (MCT). This report refers to the MCTI to show the ministry's policies before the renaming.

# Building Ukraine's recovery

Ukraine's future depends on a just and sustainable peace, which requires timely military support and effective security guarantees. Efficient and fair reconstruction is also critical to ensure that the recovery needs are met, and to give the people of Ukraine a dignified life in the country they are fighting for.

Since the full-scale Russian invasion caused significant damage in the housing, energy and social sectors, most reconstruction efforts will occur in local communities (or *hromadas*). Therefore, Ukrainian and international stakeholders emphasise the central role of local self-government (LSG) authorities in Ukraine's recovery.<sup>1</sup> LSGs have already contributed to ongoing reconstruction efforts<sup>2</sup> and aided Ukraine's wartime resilience with the continued delivery of local public services.<sup>3</sup>

Corruption can distort the quality and speed of local reconstruction, as indicated by several widely publicised cases of potential embezzlement in procurement contracts by Ukrainian local and subnational authorities.<sup>4</sup> As with all public authorities, local and subnational authorities are not immune to corruption. Decentralisation of authority can enable local embezzlement and capture of services by the political elite.<sup>5</sup> However, some progress has been made, including significantly fewer residents in Ukrainian regional centres reporting corruption in local public services in 2024 compared to before the full-scale Russian invasion.<sup>6</sup>

There is an increasing tendency in central government to respond to perceived local corruption by re-centralisation. This is often justified by capacity arguments: because of administrative cohesion,<sup>7</sup> central levels of government can enact stricter controls and processes. For example, a recent draft law no. 5655 attempted to transfer territorial planning municipal rights to a centralised body under the premise of fighting corruption; it received pushback from the **European Parliament** and Ukrainian civil society. Yet, considering a history of misusing anti-corruption to consolidate power in Ukraine,<sup>8</sup> centralisation could strengthen authoritarian tendencies that are more difficult to tackle during war. Moreover, past cases of

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1. **OECD**; the **EU Ukraine Facility** emphasises 20% of grants within Pillar I (EUR 1.054 billion) for the 'recovery, reconstruction and modernisation needs of Ukraine's sub-national authorities, in particular local self-government'; the **Ukraine Plan**, designed by the Government of Ukraine for the EU Ukraine Facility, commits to 'advancing decentralisation'.

2. Yashchuk and Nesterenko 2024.

3. Keudel and Huss 2023; Rabinovych et al. 2023.

4. For example, at the LSG level: **Dnipro**, **Kyiv**; at the OMA level: **Kyivska**, **Dnipropetrovska**.

5. Bader 2020; Véron et al. 2006.

6. IRI 2024, p. 86.

7. Nasuti 2016.

8. Carothers 2022; Huss 2020.

donor-driven reconstruction, which undermined local accountability by disempowering local authorities, show that centralisation in the name of efficiency has negative unintended consequences for state-building.<sup>9</sup>

This U4 Issue argues efforts must support Ukraine's democratic state-building and, thus, recognise LSGs as critical actors due to their accountability to local communities. Decentralisation reforms have created a more balanced governance system in Ukraine. For example, reforms reduced executive influence on local communities through independent revenue sources and political self-government rights.<sup>10</sup> Decentralisation reforms also fostered public trust in local authorities and social cohesion in local communities, which are important for a democracy.<sup>11</sup> Therefore, anti-corruption efforts must be decentralised, while accounting for the opportunities and limitations of LSG anti-corruption capacity. Such efforts must be weighed against their impact on the balance of powers in the system of multi-level governance in Ukraine.

The U4 Issue makes three contributions:

1. It shows that efficiency in recovery must be weighed against the long-term goal of investing in LSG capacity as a democratic state-building measure. LSGs do have capacity gaps, but many address them – regardless of community size or frontline proximity – which shows consistency in anti-corruption and integrity efforts, even during wartime. LSGs also develop innovative, context-sensitive solutions that foster local cooperation and accountability, which are fundamental democratic values.
2. It clarifies the scope and nature of anti-corruption at the local level, which is often misunderstood and underappreciated: many local communities have strengthened their anti-corruption capacities since the Revolution of Dignity in 2013-2014.<sup>12</sup> This U4 Issue maps the patchwork of legal requirements and local anti-corruption tools. These are possible entry points for further investment and reform.
3. Based on an analysis of existing incentives, it proposes strategic choices and practical suggestions to improve conditions for local anti-corruption capacity. Economic and societal factors encourage LSGs to take outward anti-corruption action, especially to enhance transparency, because it can be evaluated from the outside of LSGs. Inward anti-corruption action – institutional redesign and corruption risk assessments (CRAs) – cannot be easily assessed from the outside.

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9. Murtazashvili 2019; Myerson 2022.

10. OECD 2018; Romanova and Umland 2023.

11. Aasland et al. 2021; Arends et al. 2023.

12. Huss et al. 2020; Keudel et al. 2023.



Therefore, these actions are rarely prioritised by LSGs due to resource constraints and the costliness of institutional change. While outward anti-corruption should continue to receive attention, resources and expertise are needed to support LSG institution-building on principles of integrity.

## Methodology

This U4 Issue is based on interviews with 20 experts and practitioners in local governance, anti-corruption and development, a focus group with six representatives of five municipalities collected in April–May 2024, and secondary research results. Mayors and deputy mayors invited to participate in interviews and the focus group represent small and medium-sized communities (between 8,000 and 400,000 residents), rural and urban ones and varying by security conditions (Annex 1). Interviewed experts represent anti-corruption non-governmental organisations (NGOs), capacity-building initiatives, international technical cooperation, and a state agency. This qualitative methodology offers valuable insights into LSG anti-corruption practices but cannot assess the variation or effectiveness of the reviewed tools.

The Issue is structured as follows. Section 1 reviews the outcomes of decentralisation reforms for LSG powers and their state under martial law. It then outlines the most relevant elements of the national recovery and anti-corruption policies. Section 2 reviews LSG anti-corruption capacity as a patchwork of four dimensions and their constituent tools: institutions; the ability to scrutinise one's institutional weak points; transparency; and public engagement. The conclusion (Section 3) reflects on the economic and societal incentives for LSG anti-corruption action. The recommendations in Section 4 propose practical steps to support LSG capacity for Ukraine's government, civil society, international donors, and LSGs.

# 1 Institutional and policy frameworks

Local self-government (LSG) authorities are important actors for local anti-corruption action. This is due to the semi-autonomous competencies gained in local public service and development planning after the 2014 decentralisation reforms. Yet, LSG actions can be constrained by national institutional and policy frameworks.

## Decentralisation reforms and martial law

The 2014 decentralisation reforms created a system of LSG authorities with relative autonomy and resources for public service provision in municipalities (*hromadas*). Around 12,000 small administrative units were amalgamated into 1,470 more capable *hromadas*, creating incentives for using economies of scale to improve the efficiency of municipal territory and property governance. *Hromadas* have directly elected mayors and councils that jointly appoint accountable executive bodies. This gives them relative autonomy in designing local economic and social development according to local needs.<sup>13</sup> LSGs receive a guaranteed share of national taxes and incentives to increase their own revenues so that, even during wartime, state transfers constituted only about a quarter of local budget revenues.

The introduction of martial law due to the Russian invasion impacted LSG operations but did not fully remove their autonomy. The war effort led to fiscal and administrative consolidation. Local state administrations gained overlapping competencies in occupied *hromadas* or those on the territories of hostilities, and *oblast* military administrations increased their control over municipalities, which depend on state transfers.<sup>14</sup> Also, the government reduced LSG tax revenue share by withholding personal income tax for military personnel directly into the state budget. By 2024, more LSGs were feeling a limited influence on strategic decisions and a lack of central authority responsiveness.<sup>15</sup> Despite these challenges, LSGs continue to provide public services, even during the war.

## National recovery and anti-corruption policies

National recovery and anti-corruption policies feature conflicting developments. On the one hand, there is an advanced anti-corruption legislation and NACP supports LSGs with training and mentoring. On the other hand, recovery planning

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13. Congress of Local and Regional Authorities 2016, pp. 95–102.

14. Darkovich and Hnyda 2024.

15. Congress of Local and Regional Authorities, 2023b, p. 35. Comparative data for 2024 is available to the author, pending publication.

architecture features unnecessary overlaps that stretch LSG capacity and complicate public recovery monitoring.

The legal framework for recovery and reconstruction remains in flux due to the war, complicating LSG operations and public monitoring. Overlapping planning documents, such as the mandatory recovery and development plan for recovery territories<sup>16</sup> and the optional 'complex programme for recovery of the territorial *hromada* territory',<sup>17</sup> create confusion for LSGs.<sup>18</sup> While the 'complex programme' offers benefits such as data-driven design and public engagement, it duplicates efforts for highly damaged municipalities that are also required to prepare a recovery plan. These documents lack alignment with national (the State Strategy for Regional Development and National Revenue Strategy), regional, and local sectoral (eg spatial development, education, healthcare) strategies, potentially hindering effective recovery.<sup>19</sup> Although the responsible Ministry for Communities, Territories and Infrastructure Development of Ukraine (MCTI) has updated the State Strategy for Regional Development, its impact remains uncertain while its adoption is pending, and until an action plan is developed.<sup>20</sup>

The introduction of the Urban Planning Cadastre at the state level is a positive development because it enhances transparency and accountability in decision-making over territorial planning.<sup>21</sup> The cadastre will collate information from local registers on urban planning documentation, buildings, addresses, and damaged property. This aims to address the risk of corruption when a lack of information about territorial development plans prevents public monitoring of construction projects.<sup>22</sup> LSGs must now upload urban planning documents to a unified electronic state register. The new regulation also recommends making existing documents publicly available.

Anti-corruption legislation, including the National Anti-Corruption Strategy and Programme, outlines LSG obligations. These include handling corruption reports, preventing and resolving conflict of interest (CoI), and supervising asset declarations.<sup>23</sup> However, as one Anti-corruption Office (ACO) has experienced, laws

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16. 'Recovery territory' describes frontline or liberated communities, but also those hosting internally displaced persons in less physically damaged western *oblasts* of Ukraine, according to the Cabinet of Ministers Resolution No. 731, 18 July 2023.

17. This plan is recommended for the most damaged *hromadas* and is expected to feed into urban planning documentation and align with any recovery and development plans.

18. Yashchuk and Nesterenko 2024, p. 48.

19. Executive Director, Association of Ukrainian Cities, Interview, 22 April 2024. Lack of inter-ministerial coordination undermines reconstruction effectiveness. For example, a reconstructed school may lack equipment because it is funded from a different state programme than a works, and these programmes are uncoordinated.

20. Funded by EUACI, pilot version presented in April 2024.

21. Cabinet of Ministers Resolution No. 909, 9 August 2024 introduces a pilot of the Urban Planning Cadastre at the state level. This report uses the general term 'construction permits' to refer to 'urban planning conditions and limitations' (*Mistobudivni umovy ta obmezhenia*).

22. NACP 2021a, pp. 11–13.

23. Onyshchuk 2024, pp. 44–45.

governing public service in LSGs are not fully aligned with the newest anti-corruption legislation. For example, contradictions in CoI policies create confusion about which LSG employees they apply to. This affects policy implementation in areas such as schools and municipal enterprises where working dynasties are firmly part of the professional culture.<sup>24</sup> Legislation for councillors only requires them to declare CoI during voting and then abstain, but declaration and abstaining does not necessarily solve the problems of misuse of land or property.<sup>25</sup>

LSGs receive support from the National Agency for Corruption Prevention (NACP), which offers tools for local corruption risk assessments (CRAs), training on whistleblower protection, asset declaration, and CoI policies. The NACP acts as a partner and coordinator, allocating resources to build the capacity of Authorised Units or Persons for Prevention and Detection of Corruption – ACOs – and providing guidelines and templates for anti-corruption programmes.<sup>26</sup> It also fosters collective action and a community of practice among LSGs. One LSG representative reported that working with the NACP helped shield their *hromada* from undue influence attempts.<sup>27</sup>

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24. Kharkiv City Council ACO Lead, Interview, 1 May 2024.

25. Voloshyn et al. 2018.

26. Art. 13-1 and Art. 62 of the Law of Ukraine on Corruption Prevention.

27. Suvorove town territorial *hromada* LSG representative, Odesa *oblast*, focus group, 11 April 2024.

## 2 LSG anti-corruption capacity: institutions and tools

This section details the patchwork of institutions and tools that provide local self-government (LSG) anti-corruption capacity. The subsections outline the four dimensions in Table 1, and summarise institutions or tools, their functioning state, advantages and challenges (see Annex 2 for a more detailed overview).

**Table 1: Opportunities for LSG anti-corruption capacity: institutions and tools**

Institutions/tools	Opportunity for anti-corruption
<b>1. Institutions that support LSG anti-corruption capacity</b>	
Anti-Corruption Office(r)	Coordination of direct anti-corruption policy in LSG: asset and interest declarations, whistleblower and conflict of interest policies, corruption risk assessments, and anti-corruption programmes
Project Management Office	Improving internal coordination, data-based policy and financial reporting due to donor conditionality
Council	Opportunity for democratic oversight of the executive; councillors can be partners of anti-corruption non-governmental organisations
LSG Associations and collective action platforms	Horizontal diffusion of good practices and sustaining collective anti-corruption commitment
<b>2. The ability to scrutinise and address institutional weak points</b>	
Corruption risk assessments and anti-corruption programmes	Data-based analysis of process bottlenecks, followed by a programme for mitigation
Audit and risk management	Internal control of budget discipline and procurement integrity (supplier checks, preventing collusion with LSG staff, market research for price estimates)
Territorial planning and development	Ongoing digitalisation of construction documentation should improve public monitoring and legality of projects
Redesign of LSG administration and processes	Streamlining processes to minimise bottlenecks that could be misused for private gain

Institutions/tools	Opportunity for anti-corruption
<b>3. Transparency, open data and e-governance</b>	
Municipal assets	Reduces information asymmetry between citizens, business operators and the LSG that could be misused for private gain; eases public monitoring of municipal assets' use
Decision-making	Pre-decision informing enables public claim-making, investigation of legality and possible rollback of an unlawful/illegitimate decision before damage is done; post-decision informing allows accountability through scrutiny, but is often too late to prevent damage in case of an unlawful decision
Procurement (Prozorro online procurement portal)	Reduces supplier entry barriers and prices; allows the public to compare offers and assess price competitiveness and adequacy of purchase
E-governance	Eliminating unnecessary human discretion in administrative and social service provision
<b>4. Public engagement in LSG anti-corruption action and integrity recovery</b>	
Citizen engagement and collaborative innovation	Timely citizen engagement allows for constructive corruption prevention by setting priorities and establishing public co-ownership that facilitates social accountability
Cross-sectoral coalitions	Articulating shared interest between local influential actors (LSG, businesses and civil society) can help create new social norms where corruption is unnecessary and is socially penalised.

## 2.1 Institutions that support LSG anti-corruption capacity

LSGs have several institutions, which directly or indirectly contribute to their anti-corruption capacity. These are the Anti-Corruption Office(r) (ACO), Project Management Office (PMO), local councils and LSG associations (LSGAs). Most of these institutions need support to help LSGs' anti-corruption capacity. Due to their coordinating functions, ACOs and PMOs have the potential to push for improvements in organisational processes. Yet, their current analytical and communication capacity is limited. Also, the institutional design of ACOs needs revision – their many analytical and coordinating tasks and lack of autonomy mean they are rarely compatible with the practical realities of small *hromadas*. Anti-corruption interventions need to capitalise on the potential of councils and LSGAs.

## Anti-Corruption Office(r) (ACO)

Under current legislation, *Oblast* and city council administrations must institute an 'authorised anti-corruption unit (officer)' – the ACO – to handle corruption prevention and detection.<sup>28</sup> While rural council administrations are not required to create ACOs, some appoint an officer to coordinate anti-corruption policy action. Even without a formal ACO, an LSG official, often a legal expert, monitors asset declarations and conflict of interest (CoI). According to the National Agency for Corruption Prevention (NACP) model [provision](#), ACOs must:

- coordinate corruption risk assessments and anti-corruption programme development
- ensure the implementation of CoI and whistleblowing policies
- report non-submission or late submission of asset declarations
- provide methodological and consultative support for compliance with anti-corruption legislation.

The ACO functions often conflict with practical realities. ACO positions demand a mix of coordination and analytical skills, legal expertise and an insight in LSG operations that is difficult to find, especially in small municipalities. Consequently, most LSGs have one officer who juggles their ACO role with other duties. Only a quarter of officers are full-time, and just 7% have dedicated offices, which leads to functional gaps.<sup>29</sup> Specialised structures are limited to *oblast* centres, such as Kharkiv<sup>30</sup> and [Mykolayiv](#), which have multiple officers for managing CoI, whistleblower policies, and asset declarations. Another issue is that ACOs report to the mayor. While a supportive mayor can ensure proper working conditions, lack of mayoral support can lead to ACOs being sidelined.

The NACP recognises the institutional weakness of an ACO function in the National Anti-Corruption Program (p. 3) and its [action plan](#) (p. 21-26). As a countermeasure, NACP emphasises: (i) building a community of practice and training; (ii) public engagement for corruption risk analyses and elaboration of solutions; and (iii) authorising ACO appointments or dismissals in municipal enterprises.

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28. Art. 13-1 of the [Law of Ukraine on Corruption Prevention](#).

29. Council secretary, Zelenodolsk urban territorial *hromada*, Dnipropetrovska *oblast*, focus group, 11 April 2024, Mayor, Trostyanets urban territorial *hromada*, Sumy *oblast*, Interview, 29 April 2024; Data: Survey of 170 urban municipalities (42% of the nominal count of urban municipalities in Ukraine) by MDCTI and UNDP (Onyshchuk 2024, pp. 9, 44–45).

30. Kharkiv City Council ACO Lead, Interview, 1 May 2024.

## City institutes and other PMOs

PMOs at LSGs play an indirect role in anti-corruption. These offices, established as municipal enterprises (eg City Institute in Lviv, Drohobych, Mykolayiv) or as officers within smaller municipalities (eg Horodenka), handle fundraising, project management, and internal coordination for *hromadas'* international cooperation. They bolster local anti-corruption efforts indirectly by liaising with community groups, integrating stakeholder input into municipal projects, and ensuring accurate reporting to partners. Over the past 15 years, these entities have driven social innovation in transparent, participatory local governance. Despite this, many LSGs have trouble defining the value of PMOs, and integrating them into LSG structures.<sup>31</sup>

## Councils

Councils were important spaces for bargaining and negotiating anti-corruption policies before the Russian full-scale invasion. Also, opposition councillors often introduced checks on mayors and executive bodies. In some areas, anti-corruption activists were elected to councils and advanced transparency policies.<sup>32</sup> Some councils used their powers to impeach mayors perceived as corrupt and launched new elections that put reform-minded teams in office.<sup>33</sup>

During the Russian full-scale invasion, councils' role in policymaking, including anti-corruption, diminished due to increased executive power under emergency. Since decentralisation has made local councils more representative,<sup>34</sup> councillors should be targeted to build local anti-corruption capacity.

## LSGAs and collective action

LSGAs promote bottom-up corruption prevention by facilitating peer learning and sharing good governance practice. For example, the Association of Ukrainian Cities, in collaboration with the Congress of Local and Regional Authorities of the Council of Europe, advances open government principles among Ukrainian municipalities. Their National-Local Dialogue platform on open government has accelerated the adoption of e-governance and open data practices. The Association of Ukrainian Cities and the Congress also helped Ukrainian municipalities participate in global peer exchange and gain recognition for citizen participation innovations.<sup>35</sup>

Throughout the full-scale Russian invasion, collective action initiatives continued to help prevent corruption and build trust. LSGs value such networks, because they are

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31. Savisko and Hatsko 2023.

32. Keudel 2022.

33. Council Secretary, Opishnya town territorial *hromada*, Poltava *oblast*, focus group, 11 April 2024.

34. Vlasenko 2022, pp. 5–28.

35. Congress of Local and Regional Authorities 2023a.



a way to demonstrate trustworthiness, and to exchange knowledge on anti-corruption practices. For example, the Coalition of Virtuous *Hromadas*, established by the non-governmental organisation (NGO) Cegrin, aimed to demonstrate transparency and build trust with partners. The coalition promoted voluntary reporting on the use of humanitarian aid via the Prozorro online procurement portal.<sup>36</sup> The Coalition grew from ten to 17 LSG participants in 2022-2024, which indicates LSG interest in transparency, and the peer learning to achieve it. Yet, this case also shows how critical facilitators are: the NGO stopped engaging with the project, and the latest report was in [January 2024](#).

As a facilitator, the NACP sustains communication and keeps mutual commitments on participants' agendas. Its two integrity-promoting initiatives (Box 1) could solve the sustainability problem that plagues bottom-up anti-corruption initiatives.

### Box 1: NACP: Promoting local integrity through collective action

The [Territory of Integrity](#) pilot project trains and mentors selected LSGs in implementing anti-corruption mechanisms and horizontal communication within municipalities. The project localises the Organisation for Economic Co-operation and Development's whole-of-society approach by enabling small-group communication between LSG officials, civil society, and businesses to develop a shared *hromada* identity. This sense of community aims to make corruption less likely, as members are less inclined to cheat within their community. The community is mutually accountable and self-regulates behaviour based on local social norms. LSGs who participate in this initiative report an emerging shift in their perception of their roles towards norm-setters and coordinators of community communication.\*

The NACP's [Declaration for Building Local Government Integrity](#) seeks to foster public commitment to integrity and supports inter-municipal knowledge-sharing at the annual Forum of Virtuous *Hromadas*. The 2024 Forum, supported by U-LEAD with Europe's [House of Integrity](#), showcased positive integrity practices from LSGs to national authorities and international partners, enhancing visibility of local anti-corruption efforts.

\* *Focus group, 11 April 2024.*

36. Mayor, Trostyanets urban territorial *hromada*, Sumy oblast, Interview, 29 April 2024. The Coalition was facilitated by an [NGO Cegrin](#).

## 2.2 The ability to scrutinise and address institutional weak points

Some LSGs progressed in inward-oriented anti-corruption measures that address gaps in internal systems: corruption risk assessments (CRAs) and anti-corruption programmes; audit and risk management; territorial planning and development; and redesigning LSG administration and processes. Many others will need external support since LSGs often have a complex system of departments and municipal enterprises, where some leaders (such as mayor and deputies) may be committed to anti-corruption, while others lack dedication, and may even oppose regulations that go beyond the legal requirements.<sup>37</sup>

### Corruption risk assessments and anti-corruption programmes

Only *oblast* councils must adopt an anti-corruption programme. Some municipal enterprises and legal entities must also have one, depending on their size and volume of procurement.<sup>38</sup> Ideally, this programme should follow a CRA.

The NACP envisages CRA as an internal collaborative effort, coordinated by an ACO, and supports it with guidelines, mentorship, and, in some cases, expert assistance. Good practices like those in Suvorove town *hromada* (Odesa *oblast*), illustrate the intended approach to preventing corruption. The LSG analysed corruption risks using participatory working groups with LSG employees and public perception measurements. These actions ensured that LSG officials understood the logic of anti-corruption measures and contributed to LSG accountability for implementing the programme. This case is an exception because it has ongoing support from NACP.<sup>39</sup>

CRAs can burden already overwhelmed staff, who may lack necessary skills, and could view the CRA as a personal accusation of corruption, further discouraging their cooperation. This results in CRAs being often superficial.<sup>40</sup> It might be more practical to outsource CRAs and anti-corruption programmes to technical experts. An internal coordinator could provide resources, facilitate stakeholder participation, and follow up outcomes.

### Audit and risk management

Under the Ministry of Finance, the State Audit Service of Ukraine (SASU)\* is responsible for auditing local budgets, including use of Ukraine Facility funds. SASU

37. Transparency International Ukraine finds that LSGs tend to have better performance on indicators that only reflect specific legal provisions or those combined with 'good practices' (Onyshchenko et al. 2024, p. 9).

38. Art. 19 and part. 2 Art. 62 of the Law of Ukraine on Corruption Prevention, Law of Ukraine on Public Procurement.

39. Suvorove town territorial *hromada* LSG representative, Odesa *oblast*, focus group, 11 April 2024.

40. Khutor et al. 2024, p. 21.

can halt public procurement if irregularities are found, and criminal liability was recently introduced for obstructing or misleading SASU.<sup>41</sup> However, SASU struggles with a lack of qualified personnel and high employee turnover. While it lacks independence from the executive,<sup>42</sup> SASU also acts on tips from watchdogs, showing its openness to public input. However, local officials sometimes ignore SASU's legal demands. For example, an anti-corruption NGO MEZHA requested that SASU check a possible overpricing in the procurement of restoration works for a residential building in Zaporizhzhia. However, 'due to obstruction by its management' (a municipal enterprise), SASU's auditors were unable to start work.<sup>43</sup>

Besides being subject to SASU scrutiny, LSGs also conduct internal audits to review municipal enterprises and procurement processes. The interviewees cited that this was for self-regulation or to avoid legal penalties (Box 2). Evidence shows that LSG leaders are responsive to internal audits and have changed procedures or dismissed staff accordingly.<sup>44</sup> LSG leaders seem to appreciate the internal audit function, making it a promising area for anti-corruption capacity improvement. The lack of systematic data about LSG internal audit practice and its strengths and weaknesses warrant a separate study.

### Box 2: Internal audit and ACO: Integrity in procurement

In Kharkiv, the ACO cooperated with the Department of Municipal Management Development's auditing unit to review procurement information from one of the executive departments of the Kharkiv City Council. The procurement did not align with the department's functions and authority; nor did it meet priority needs during martial law. The inspection documents were submitted to law enforcement. The City Council dismissed the department head, and the court is deciding whether to hold the person accountable for the alleged misuse of funds. The city council has terminated the employment of this individual.\*

\* *Kharkiv City Council ACO Lead, Interview, 1 May 2024.*

Risk management is crucial in procurement. There are no formal criteria, but interviewed municipalities stressed the need to review technical and financial tender documentation before publication, assess procurement needs, compare estimated

41. Transparency International Ukraine and Basel Institute 2023, p. 13.

42. Anti-corruption NGO, Interview, 3 April 2024.

43. NGO MEZHA, written comment, 26 September 2024.

44. Mayor, Trostyanets urban territorial *hromada*, Sumy *oblast*, Interview, 29 April 2024; Mayor, Mykolayiv, Interview, 26 April 2024.

prices with market rates, and conduct due diligence on contractors. This role may fall to an ACO, (as in Mykolayiv and Stryi),<sup>45</sup> or another employee. These criteria reflect common violations noted by SASU and watchdog complaints, which shows that LSGs respond to feedback.

### Territorial planning and development

LSGs are responsible for local territorial planning. They issue 'urban planning conditions and limitations for new construction' (i.e. construction permits). The NACP has identified serious corruption risks due to local institutional weaknesses and complex national regulations.<sup>46</sup> Often, LSGs issue permits without updating general or zoning plans,<sup>47</sup> resulting in chaotic construction. Legally required public meetings and specialised advisory councils are vulnerable to manipulation by private interests, which could mean favouring developers over the public.<sup>48</sup> These issues may stem from vested interests, or a lack of legal and technical capacity within LSGs to scrutinise permit applications, or to litigate against illegal construction. With proper capacity, LSGs can enforce permits and work with state oversight to curb illegal construction.<sup>49</sup>

Recovery planning offers a chance to address these problems using the 'complex programme for the recovery of territorial *hromada* territory', requiring LSGs to revise territorial plans and hold public consultation according to pre-set rules.<sup>50</sup> This type of planning document also receives international technical assistance that can partially help with resources. But unnecessary duplication in recovery planning documentation must be avoided. Further actions include enhancing technical capacity, supervising construction, and training new urban managers.

### Redesigning LSG administration and processes

LSGs sometimes promote integrity by streamlining internal administration and standardising processes. This is often in cooperation with external actors, such as international development donors, because of the technical and costly expertise needed (Box 3). Some LSGs cooperate with NGOs, such as Lviv Regulatory Hub or

45. Deputy Mayor, Stryi urban territorial *hromada*, Lviv *oblast*, focus group, 11 April 2024; Mayor, Mykolayiv, Interview, 26 April 2024. The Accounting Chamber, an auditing body at the Parliament of Ukraine, only scrutinises state budgets.

46. NACP (2021a) finds that territorial planning and construction issues in national legislation are fragmented, with conflicting provisions, and are geared towards the developer interest. Even in grave violations of construction legislation, it is often impossible to remove illegal buildings, because by the time courts make relevant decisions, private investors (citizens) will have moved in; authorities typically hesitate to create public scandals, so they look for ways to 'legalise' such construction.

47. In 2021: Kyiv and Chernihiv had outdated general plans (until 2020); nine further *oblast* centres had general plans without indicated revising date; and others had such long validity periods that journalists questioned their utility. In 2019: most rural and settlement plans, and about 40% of cities' plans of district significance were outdated (NACP 2021a, p. 6).

48. For example, advisory councils that review construction permits may consist of industry representatives, with heads appointed by an LSG; and some LSGs use legal loopholes to reduce inclusivity of public participation (NACP 2021b, pp. 16–17; 2021a).

49. For example, two illegal buildings in Lviv that violated construction documentation and norms were removed 2019 and 2023.

50. Cabinet of Ministers Resolution No. 1159, 14 October 2022.

MEZHA, which help review individual processes. Another approach is to create municipal procurement organisations to handle specific procurement items – such as the one in Kharkiv, which coordinates procurement for various departments under the public procurement legislation.<sup>51</sup>

### Box 3: Redesigning administration and procurement processes

Mykolayiv's case shows that profound change in administration and internal processes is possible, but requires external financial and technical support, and constant monitoring of implementation.\*

From 2023, Mykolayiv began transforming city administration and internal organisational processes, particularly for the municipally owned enterprise in water supply. With the support of the EU Anti-Corruption Initiative (EUACI) and following a functional assessment of city administration conducted by EY in 2024, the mayor's team plans to restructure departments, separating control and audit functions from the management of service provision. The key departments responsible for reconstruction (Capital Building and Housing) updated internal procurement procedures and introduced price monitoring for construction materials to minimise corruption risks in construction.

For the Mykolayiv Water Supply municipally owned enterprise, the EUACI and a team of external consultants with technical expertise in water and municipal management conducted an Integrity Assessment with 87 indicators in nine spheres (including strategic planning, procurement, service quality, and communication with users). Based on the results, the city and EUACI prepared a risk minimisation plan and a roadmap for corporate governance. The city also updated procurement procedures in this municipally owned enterprise and is introducing a supervisory board according to Organisation for Economic Co-operation and Development standards. The board should consist of two members nominated by the city administration and three by an external nomination committee.

\* Mayor, Mykolayiv, Interview, 26 April 2024; Team Lead of Component Integrity Cities, European Anti-Corruption Initiative (EUACI), Interview, 12 April 2024.

51. Kharkiv City Council ACO Lead, Interview, 1 May 2024.

## 2.3 Transparency, open data and e-governance

Transparency is an outward anti-corruption measure that allows stakeholders to evaluate LSG trustworthiness and is one of the better-developed components of LSG anti-corruption capacity. At the same time, further efforts must address the lack of upfront transparency of LSGs' decisions, information on housing options and procurement to ensure willing citizens can intervene before LSGs make policy choices.

Ukraine excels in legislation and technology for open data and access to information, ranking among Europe's top countries in 2024, despite the war. However, there have been some setbacks in open data and related services following the Russian invasion.<sup>52</sup> Essential services such as the Unified State Register of Legal Entities and the public cadastre map are partially or wholly inaccessible to the public due to conflicting regulations and arbitrary closures by data holders. In early 2024, the Ministry of Digital Transformation proposed a plan to address these issues, balancing secrecy and public interest, while restoring access to critical registers.

National legislation requires local-level transparency. Since 2015,<sup>53</sup> LSGs must publish draft and adopted council decision and datasets on education, healthcare, social housing lists, land privatisation, greenery, contracts, advertising. They must also publicise council and commission meetings, publish their recordings, and make asset lists available in machine-readable formats. These requirements were reiterated in 2024. To enhance transparency in recovery efforts, the Ministry for Communities, Territories and Infrastructure Development of Ukraine (MCTI) introduced the Digital Restoration Ecosystem for Accountable Management (DREAM), which was developed with the RISE Coalition and international donors. DREAM is not mandatory; still, 944 out of 2,325 projects were initiated by LSGs.<sup>54</sup>

According to Transparency International Ukraine, LSGs improved transparency between 2017 and 2021.<sup>55</sup> After setbacks due to wartime uncertainty and technical issues in 2022, there was slow improvement in 2023, and 12 cities improved from 'untransparent' in 2022 to 'partially transparent' in 2023. By the end of 2022, 18 municipalities had updated their datasets on the national open data portal. Municipalities with pre-existing open data portals, (such as Dnipro, Drohobych,

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52. Onyshchenko et al. 2024, p. 48ff.

53. Art. 10-1 of the Law of Ukraine on Access to Public Information obliges public data owners, including LSGs, to provide public information on request as open data, to publish it, and to regularly update it on the state portal for open data and on their own websites. The Cabinet of Ministers Resolution No. 835, 21 October 2015 specifies contents of open data.

54. A specialised law is being designed in a working group under MCTI, which involved civil society representatives. It is not clear when and if it will be adopted.

55. Baliuk et al. 2022. Between 2017 and 2021, out of 100 largest cities, mainly 'non-transparent' cities' share reduced from 72% to 34%, the share of 'mainly transparent' cities grew from 1% to 19%, and 5% became fully transparent.

Vinnitsia, and Lviv, maintained them), and others (such as Mukachevo) introduced new portals during the war.<sup>56</sup>

Challenges are mainly caused by lack of access to local open data about LSGs and their subordinated entities' operations. In 2023, LSGs did not publish all the required datasets and limited access to others, citing Ministry of Digital Transformation recommendations for the period of martial law including closing the national open data portal for frontline municipalities.<sup>57</sup>

## Transparent municipal asset management

**Transparency in municipal property and land management** among 80 cities was around 35% in 2023.<sup>58</sup> The cities published lists of immovable municipal property (30 out of 80) and land or land use rights subject to land auctions (25 out of 80). Out of 80 cities in the Transparency International Ukraine assessment, 43 have functioning Geo-Information Systems (GIS), which offer geolocated information on property and land use.<sup>59</sup> Depending on the technical solution, GIS integrates property registers with digital maps, allowing businesses to bid on property through *Prozorro.Sale* (stylised with a full stop) – the government-owned auction site; to monitor urban development and verifies public authorities' decisions on property management (Box 4).

### Box 4: Solutions for municipal asset management: online register and open data geoportal

Rivne created a universal online municipal property register, where users can filter properties by type of building, its use (eg leased), and status (eg not subject to privatisation). Users can export the selection in machine-readable format.

Lviv has a user-friendly open data geoportal with relevant data that is intuitively sorted and regularly updated. The portal links to a collection of open data and a resident's portal (with authorised access).

GIS in Khmelnytskyi features a rich set of geolocated urban planning data, such as address register, topographic map, master plans, detailed plans for areas, land use zoning, construction passports for land plots, and urban planning conditions and restrictions (i.e. permits) for construction projects.

56. Ohorodnik and Bailuk 2023; Onyshchenko et al. 2024, pp. 34–35, 48.

57. Ohorodnik and Bailuk 2023; Onyshchenko et al. 2024, pp. 34–35, 48.

58. Onyshchenko et al. 2024, p. 15ff.

59. Sysoyeva 2023.

Since 2017, Prozorro.Sale has boosted profits and reduced corruption in privatisation and lease of state and municipal properties. More than half of sellers (523) were LSGs in 2019.<sup>60</sup> In 2023, 334 LSGs conducted about 7,300 auctions through the platform, up from 4,500 auctions by 304 LSGs in 2022. However, around 40% of surveyed cities do not list properties on Prozorro.Sale.<sup>61</sup> Issues include the misuse of a 'buy-out' [loophole](#) for selling leased properties at below-market prices.

### **Several gaps in transparent asset management need to be addressed.**

Many cities fail to publish lists of land for privatisation or use, particularly for construction, and the auditing of municipal housing registers is weak. This lack of transparency is also a problem for housing allocation, especially for those people who are internally displaced or whose homes have been destroyed. For a fair recovery process, it will be necessary to prevent misuse in allocating social housing built at donor or municipal cost.<sup>62</sup> GIS technology is costly and mainly used by larger cities. Small municipalities often lack the funds and expertise for effective data maintenance and cybersecurity. For example, the City Center for Information Technology in Lviv, a [municipal enterprise](#) that manages geoportal, employs 47 professionals, whereas smaller municipalities struggle to allocate competitive salaries for information technology (IT) support.

### **Transparency in decision-making**

While Ukrainian LSGs have improved transparency in decision-making, reports are mainly published *after* a decision is taken. Most LSGs publish decisions, regulatory acts, and budget reports and, in 2023, improved their performance in broadcasting of council meetings compared to 2022.<sup>63</sup> This helps public monitoring, but these measures do not allow for intervention, and can only prevent corruption if decision makers are sensitive to public concerns, or if law enforcement acts on those concerns.

The availability of upfront information before decisions are taken needs to improve, especially information in digital format, given the scale of internal displacement.<sup>64</sup> Detailed scrutiny of draft council decisions on land management or lists of objects for construction/reconstruction and maintenance<sup>65</sup> could enhance anti-corruption

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60. Brown 2019.

61. Onyshchenko et al. 2024, p. 35.

62. Onyshchenko et al. 2024, pp. 16, 50.

63. Onyshchenko et al. 2024, pp. 13, 34.

64. Transparent Cities Programme Analyst, Transparency International Ukraine, Interview, 2 April 2024.

65. Onyshchenko et al. 2024, p. 13. These are important for residents because they show whether their house or area is included in the public financing programme for building and repair works.



measures and promote social accountability. However, many LSGs do not publish this information on their websites.<sup>66</sup>

## Procurement transparency

**Ukraine has institutionalised transparency in public procurement through the e-procurement system, Prozorro.** Despite a brief shift to directly awarding contracts during the war, most procurement is via Prozorro, and 77% of procurement expenses were competitive in 2023. Since 2022, organisations must publish justifications for direct awards, and the State Audit Service's oversight has expanded to include these contracts.<sup>67</sup>

However, procurement regulations were relaxed to allow faster completion<sup>68</sup> and to address criticisms of Prozorro's delays in emergency recovery efforts. These changes allowed single-bidder tenders, understanding that contractors may have limited capacity and reconstruction needs are high. Also, the new Draft Law on Public Procurement (Reg. No. 11520) allows for procurement without Prozorro, which means no report is needed if the value of goods or services is less than 50,000 Ukrainian hryvnias, or works are valued at less than 200,000 Ukrainian hryvnias. Watchdogs are concerned that this could lead to contract splitting and misuse of funds, (especially in smaller *hromadas*), and the lack of reporting will prevent public monitoring.<sup>69</sup>

While acknowledging its limitations, LSGs routinely use Prozorro for public procurement with state and local funds as the portal helps avoid external pressure from vested interests, especially for costly construction projects.<sup>70</sup> For purchasing pre-approved food and medicine from vetted suppliers, LSGs can use Prozorro.Market.

However, many tendering organisations do not publish value estimations for construction works, making it difficult to monitor prices.<sup>71</sup> Overpricing is a known corruption risk, which public monitoring can address if data is available. The new legislation aims to improve this, but it could strain LSG resources if it duplicates existing reporting systems.

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66. Mayor, Mykolayiv, Interview, 26 April 2024.

67. Transparency International Ukraine and Basel Institute 2023, p. 11.

68. 'Bidding with peculiarities' was introduced: open tenders, where one bid is sufficient, no auction is required and tender announcement time was reduced to seven days for goods and services, and 14 days for works; appeal time was reduced to seven days.

69. NGO MEZHA, written comment, 26 September 2024.

70. Mayor, Mykolayiv, Interview, 26 April 2024.

71. Anti-corruption NGO, Interview, 3 April 2024.

## Electronic governance

Ukraine has been using e-services such as the Diia app to reduce human discretion in public service and resource allocation. The Association of Ukrainian Cities, with the Congress of Local and Regional Authorities of the Council of Europe, created a [Road Map for Open Government and E-governance](#), emphasising digital complaints and citizen inquiries, access to e-services, national and local data compatibility and electronic document systems.

Local governments have started implementing e-service platforms, which help reduce petty corruption and increase inclusivity (Box 5). However, adoption is limited due to lack of resources and skills. For instance, only about 13% of 80 surveyed cities have e-applications for social housing. Given the extent of housing damage, this access needs to improve.<sup>72</sup>

### Box 5: E-governance for integrity in local public service

The [Smart City](#) catalogue of e-services in Drohobych, Lviv *oblast*\* allows digital access to 36 services clustered around target audiences: residents, activists and businesses. Services include resources, such as an interactive map of investment objects, greening plans and reporting, steps to open a business in the city, budget reporting, or signing up for a kindergarten.

\* *Transparent Cities Programme Analyst, Transparency International Ukraine, Interview, 2 April 2024.*

## 2.4 Public engagement in LSG anti-corruption action and integrity in recovery

LSGs have been at the forefront of citizen and stakeholder engagement in Ukraine since 2014. LSGs have well-developed tools that inform citizens after events and enable public monitoring. They have experimented with innovative tools such as participatory budgets, multi-stakeholder platforms and standard consultation mechanisms.<sup>73</sup> Sustainable anti-corruption capacity in Ukrainian LSGs often emerges from cross-sectoral coalitions, which develop organically over time. At the same time, more work is needed to allow for pre-decision public input.

72. Onyshchenko et al., 2024, p. 27.

73. Aasland et al. 2021; Congress of Local and Regional Authorities 2023a; Schmäing 2023.

## Citizen engagement and collaborative innovation

During the Russian invasion, LSGs engaged the public in crisis response but limited citizen involvement in day-to-day decision-making and recovery planning. Digital tools such as Google Forms and the *SVOI* chatbot were introduced or adapted to allow people to report large-scale damage.<sup>74</sup> However, NGOs struggled to use formal participation with unresponsive LSGs and OMAs, and only 14 out of 80 cities included civil society representatives in damage compensation commissions.<sup>75</sup>

Some LSGs embraced innovative, bottom-up approaches (Box 6). Such LSGs consulted with street and neighbourhood committees to set project priorities.<sup>76</sup> Informal communication with community groups and co-production initiatives with NGOs and urban planners were also beneficial in decreasing misinformation and corruption rumours.<sup>77</sup>

There are also cases where LSGs partner with non-state stakeholders to co-create policy. This has reshaped service systems, resolved problems, and allowed stakeholders to become self-sufficient – for example, youth-initiated youth spaces and youth councils in Ratniv, Volynska *oblast*, and Fastiv, Kyiv *oblast*.<sup>78</sup> Such initiatives improve recovery by incorporating early citizen input into planning, enhancing public trust, and increasing LSG accountability.

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74. Onyshchenko et al. 2024, p. 26.

75. Onyshchenko et al. 2024, p. 21.

76. So-called 'population self-organisation bodies'; Mayor, Trostyanets urban territorial *hromada*, Sumy *oblast*, Interview, 29 April 2024.

77. Council secretary, Zelenodolsk urban territorial *hromada*, Dnipropetrovska *oblast*, focus group, 11 April 2024.

78. These initiatives were presented at the open government events by the Congress of Local and Regional Authorities of the Council of Europe and the Association of Ukrainian Cities in 2021 and 2023, which the author attended.

### Box 6: LSGs, citizens and private business working together on recovery

Vinnitsia, Chernivtsi and Makariv settlement *hromada* (Kyivska oblast) cooperated with a professional facilitator from an urban planners' NGO to set priorities with residents for the recovery or development of selected areas in their *hromada*. The initiative originated with private actors (an architecture bureau and a construction firm). LSGs responded positively and provided organisational resources (spaces and staff). They also invited affected community members to urban design workshops. In each case, top LSG officials participated in the meetings and showed openness to public critique (which was often harsh). Makariv took an innovative approach, allowing the participatory process to stretch over one year. It included on-site workshops, and cleaning activities at riverbanks and parks in prospective development areas. Extra effort was taken to accommodate the veteran community's needs. The professional facilitator helped formulate collectively agreed recovery priorities. The experience of facilitated co-production in Makariv convinced the LSG of the value of public engagement.\*

*\* Yurii Granovskyi, Agents of Change facilitator, Interview, 1 July 2024; Presentation by the Makarivska settlement hromada deputy mayor, Anatolii Karbovskyi, at Kyiv School of Economics, 1 August 2024. Note from the author: The project in Makarivska territorial hromada is a part of the pilot, initiated by the RDS group of companies: RDS, formerly, Rostdorstroy, is one of the largest road construction contractors of the state road agency Ukravtodor. This case illustrates a 'corporate resilience with a human face', when business conglomerates respond to the public demands for justice and integrity, supporting innovative and socially progressive initiatives. Whether this trend extends to their business practices or increases demand for good governance, is an empirical question beyond this U4 Issue.*

Despite promising cases of public engagement for recovery, LSGs hesitate to engage NGOs in elaborating direct anti-corruption measures because the latter are associated with punishment. Another challenge in cooperation between LSGs and NGOs arises in conceptualisation of what the effective joint efforts could look like, according to Kharkiv City Council ACO Lead:

'While NGOs run numerous anti-corruption awareness campaigns, they often do not provide methodological guidance to specific LSGs in addressing issues related to applying anti-corruption legislation, such as conducting corruption risk assessments and identifying effective mitigation measures.'<sup>79</sup>

Also, NGOs and ACOs may prioritise different types of corruption, which can lead to mutual frustration, and missed opportunities for designing compliance systems and building public trust.<sup>80</sup>

### Cross-sectoral LSG, civil society and business coalitions

In Ukraine, cross-sectoral coalitions of business, LSG, and civil society representatives have been central to solving local development problems. Through collaboration, representation, and social accountability,<sup>81</sup> stakeholders in such coalitions also tackle local corruption as an obstacle to reform. Their organic and unstructured communication produces reform commitments or 'political will' (Box 7).

#### Box 7: Business and local authorities cooperating to improve local governance

In Lviv, the Council on Competitiveness advised the City Council on local economic development from 2009 to 2016. This unique body, where business leaders set the agenda and LSGs listened, identified administrative blockages. Although corruption was not addressed as a separate issue, the Council promoted the use of the electronic asset management tool, Prozorro.Sale, before it became mandatory.\*

In Suvorove town territorial *hromada* (Odesa *oblast*), LSG and local agricultural firms co-created an initiative to sustain the irrigation system. In 2023, the LSG and the Ukraine government transferred the municipal and state irrigation systems to collective ownership by water users, reducing corruption risks from communal or state control. The LSG also consulted water users when developing its anti-corruption programme in a pilot National Agency for Corruption Prevention programme, the Territory of Integrity.\*\*

\* Keudel, Grimes, and Huss 2023.

\*\* Suvorove town territorial *hromada* LSG representative, Odesa *oblast*, focus group, 11 April 2024.

Under martial law, informal cross-sector communication supported positive local governance practices that had existed before the Russian invasion. For instance, in

79. Kharkiv City Council ACO Lead, Interview, 1 May 2024.

80. Onyshchenko et al. 2024, pp. 53–71.

81. Lee and Ospina 2022.

the Hoshcha town *hromada* (Rivne *oblast*), leaders established trust with major agricultural players, ensuring fair treatment and avoiding preferential land allocation.<sup>82</sup> More research is needed to fully understand the impact of informal cross-sector communication during the war. However, interviewed LSG representatives suggest that it could play a positive role in governance integrity.

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82. Mayor, Hoshcha town territorial *hromada*, Rivne *oblast*, focus group, 11 April 2024.

# 3 What drives LSG anti-corruption capacity?

LSGs have economic and societal incentives to introduce anti-corruption tools. We can better support LSGs by understanding what incentives improve anti-corruption capacity.

Due to their unique position as a locally accountable self-government authority, LSGs prioritise outward-oriented anti-corruption tool – those that external observers can evaluate, such as transparency, citizen engagement and project management offices. This creates economic and societal incentives for improving governance that stakeholders – residents, NGOs, and business and international partners – can evaluate. At the same time, inward-oriented anti-corruption tools and measures that target the internal organisational processes and that external observers usually lack insider information to evaluate, need additional incentives.

## Economic incentives

Self-governed units – such as Ukrainian *hromadas* after the decentralisation reforms – need resources.<sup>83</sup> Economic considerations incentivise transparency and accountability:

‘The primary task of municipal leadership and people who work with funds is to be transparent and accountable to show that clearly, yes, we are ready to work; we are reliable partners.’ (Council secretary, Zelenodolsk urban territorial hromada, Dnipropetrovska oblast)<sup>84</sup>

Competition for external financial and material resources drives LSGs to adopt anti-corruption tools as evidence of trustworthiness to attract potential partners, by:

- Increasing transparency in reporting for received aid to showcase reliability to international development programmes and foreign municipalities.
- Responding to public evaluations (such as Transparency International Ukraine's Transparent Cities assessment) to avoid negative reports from local watchdogs.<sup>85</sup>

83. Aligica and Tarko 2012.

84. Focus group, 11 April 2024. To avoid confusion, the text uses ‘Dnipropetrovska’ to denote the *oblast*, because the regional centre's name, Dnipro, does not correspond to the oblast name.

85. Interview, Transparency International Ukraine experts, 2 April 2024; Mayor, Trostyanets urban territorial *hromada*, Sumy *oblast*, Interview, 29 April 2024; Mayor, Mykolayiv, Interview, 26 April 2024.

For example, with increased humanitarian aid needs and occasional misuse reports, Ukrainian municipalities began voluntarily reporting aid their websites and social media to demonstrate credibility. Some use [Prozorro](#), or develop their own [systems](#) to report disaggregated data in machine-readable formats.<sup>86</sup>

The relationship with business is more complicated. LSGs may improve governance for local business while pursuing tax revenues and business donations. With the full-scale Russian invasion, businesses became crisis management partners, leading local governments to improve communication and involve enterprises in anti-corruption programmes.<sup>87</sup> There are also risks of institutional capture: Business owners with councillor mandates could misuse their positions to prioritise their own interests.<sup>88</sup> However, businesses can also support fairness by requesting streamlined procedures, and creative industries can transform governance to be more transparent and cooperative.<sup>89</sup>

### Societal drivers

Societal accountability can also drive LSG anti-corruption policies. Decentralisation reforms empowered LSGs and made them points of public accountability. LSG representatives cited responsiveness to residents' concerns as a critical factor. The full-scale Russian invasion increased public intolerance of corruption, which many Ukrainians view as a major issue.<sup>90</sup> Citizens frequently voice their concerns and demand accountability from LSGs. For instance, reports of overpriced purchases by Kyiv LSG inspired the [Money for the AFU](#) campaign to lobby for increased local defence spending.

National and local NGOs impact local integrity as watchdogs,<sup>91</sup> facilitators (creating dialogue opportunities),<sup>92</sup> partners (enhancing capacity, sharing knowledge and

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86. Mayor, Mykolayiv, Interview, 26 April 2024; Team Lead of Component Integrity Cities, European Anti-Corruption Initiative (EUACI), Interview, 12 April 2024.

87. Council secretary, Zelenodolsk urban territorial *hromada*, Dnipropetrovska *oblast*, focus group, 11 April 2024; Suvorove town territorial *hromada* LSG representative, Odesa *oblast*, focus group, 11 April 2024.

88. Keudel 2022; Mazepus et al. 2020.

89. Keudel 2023.

90. NACP & InfoSapiens, 2023.

91. For example, [Big Recovery Portal \(BRP\)](#), an online platform that visualises recovery project data and analyses relevant public expenditure based on government open data. It also coordinates a community of civil recovery monitors (NGOs and residents); [Anticor School](#), a learning community of recovery watchdogs; regional and local watchdogs, such as [Kharkiv Anti-Corruption Center](#), [Hromadskyi Control](#) (Dnipro), [Institute for the Sustainable Development of Communities](#) (Kyiv *oblast*).

92. For example, NGO [Agency for Recovery and Development](#), Centre 'Dobrochyn' or [Agents of Change](#) that use special techniques to enable meaningful public engagement in design and implementation of recovery projects, or Germany-based NGO [Mykolayiv Water Hub](#) who liaises between the Mykolayiv Water Utility, City Council, the Government of Germany and German investors to ensure reliable, trustworthy investment and development aid for restoring water supply.



training).<sup>93</sup> Sometimes, anti-corruption activists may join LSG executive bodies to implement reforms.<sup>94</sup>

LSG officials are integrated in their communities. As community members, many LSG employees are committed to the community's prosperity.<sup>95</sup> In smaller communities, officials are sensitive to public perception due to short social distance and may address integrity breaches to protect their reputation in response to formal complaints and corruption rumours.<sup>96</sup>

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93. For example, **RISE Ukraine**, a coalition of 50 Ukrainian and international civil society organizations that promote transparent, participatory and accountable reconstruction by introducing open data-based project reporting (DREAM), advocating meaningful participation of civil society and LSGs in recovery planning and drafting relevant legislation by cooperating with reform-oriented public officials and institutions; **Anti-Corruption Centre** of the Institute for Legislative Ideas (now, NGO *Mezha*) who has been conducting anti-corruption expertise of LSG regulations in partner municipalities, followed by practical recommendations and training for their officials since 2020.

94. The author is familiar with such cases in Vinnytsia, Chernivtsi and Lviv, and a small municipality in Rivne *oblast*. Research is needed to fully quantify the scale and effects of this 'revolving door' phenomenon, but it is likely widespread.

95. This is an author's conclusion from the interview and focus groups for this and other related studies since 2022 as well as observation during capacity development events for Ukrainian LSGs since 2021.

96. Council Secretary, Opishnya town territorial *hromada*, Poltava *oblast*, focus group, 11 April 2024; Deputy Mayor, Stryi urban territorial *hromada*, Lviv *oblast*, focus group, 11 April 2024.

# 4 How to support LSG anti-corruption capacity

The first and most urgent need for Ukraine is military support to ensure it can fend off Russian aggression. Next, Ukraine's recovery will need a large volume of international aid. The rush for the efficient use of such assistance had previously undermined local capacity with negative consequences for democratic stability.<sup>97</sup> Therefore, international partners and the government of Ukraine should elaborate on ways to incentivise local ownership and appropriate local anti-corruption policies. LSGs are central to local ownership of recovery planning and anti-corruption capacity: their enhanced competencies for local development after decentralisation reforms created economic incentives and included societal drivers for accountability.

With capacity support, LSGs can implement effective anti-corruption measures and drive organisational and social innovations. Therefore, the Ukrainian government, civil society, and international partners should empower LSGs to handle recovery and reconstruction.

Recommendations to enhance LSG anti-corruption capacity include:

**Maintaining the critical role of LSG autonomy and clear legal frameworks for local anti-corruption action. Ukraine government support should include:**

- Maintaining decentralisation achievements by ensuring that state agencies' oversight and coordination does not replace LSG autonomy in urban planning and reconstruction. Unified data registers such as the Digital Restoration Ecosystem for Accountable Management (DREAM) and Urban Planning Cadastre can be used to coordinate information.
- Streamlining state sectoral funding for local recovery by reducing implementation gaps and simplifying project monitoring. Eliminate duplicated documents on recovery territories. Establish clear communication with ministries through the Ministry for Communities and Territories Development of Ukraine (formerly the Ministry for Communities, Territories and Infrastructure Development of Ukraine).
- Implementing the learnings from the Fund for Elimination of the Consequences

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97. Brick Murtazashvili and Shapoval 2022; Murtazashvili 2019; Myerson 2022.

of Armed Aggression in terms of direct LSG application for funding, transparent evaluation and selection methods for any similar initiatives. The fund's participatory component warrants replication, but it should be extended to include representatives of LSGs and civil society organisations in the interagency working group.

- Implementing a unified open data policy under martial law, with clear secrecy criteria, including machine-readable tender value estimations for construction.
- Recognising and supporting the National Agency for Corruption Prevention's (NACP's) role in promoting bottom-up integrity measures in LSGs alongside direct anti-corruption efforts.

**Support from international partners and Ukrainian civil society should include measures to overcome lack of staff and gaps in analytical, communication and data management skills, such as:**

- Overcoming operational weaknesses in Anti-Corruption Office(r)s (ACOs) as coordinators for direct anti-corruption measures and organisational process improvements. This may include changing their function to analyse process quality and coordinate improvements within LSG and with stakeholders. International Organization for Standardization (ISO) quality management standards could also help to prioritise organisational efficiency over legalism.<sup>98</sup>
- Training LSG integrity champions, including anti-corruption officers, to counter the influence of entrenched experts in procurement and urban planning. Expert teams of auditors, architects, and urban managers could help reformers deal with more technically savvy, experienced staff who may not be committed to reforms.<sup>99</sup>
- Supporting LSGs to have honest discussions about recovery priorities with residents, including the displaced. Facilitate virtual or in-person meetings, design workshops, and enhance digital communication tools for LSG staff. Support people and organisations that facilitate communication, including NGOs and municipal enterprises.
- Analysing, showcasing and spreading good practices through horizontal communication to boost constructive corruption prevention.<sup>100</sup> Existing examples of such activities include the [Forum of Virtuous Hromadas](#), [Open Government Weeks](#) and Transparency International Ukraine's ['Transparent Cities' Program](#).

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98. [ISO 9001:2015](#). At least one city in Ukraine, Vinnytsia, was using this standard at the time of interview in 2019. It had a dedicated unit whose duties were to analyse and improve organisational processes. The ACO was only responsible for asset declarations and CoI policies.

99. The European Anti-Corruption Initiative (EUACI)'s [Integrity Cities](#) follows this approach, when it brings teams of sectoral experts to scrutinise and address institutional weaknesses in participating LSGs.

100. Jackson et al. 2024.

- Nurturing communities of practice for anti-corruption innovation within LSGs. Support NGOs and NACP to maintain these communities because communities need facilitators before they can self-organise to spread effective solutions.
- Encouraging inter-municipal cooperation to overcome capacity gaps in small municipalities. Pool expertise and use economies of scale to reduce costs for project management, research and analysis, baseline asset auditing, data gathering, software maintenance, and specialised citizen engagement formats. This can be achieved through co-funded municipal enterprises or dedicated NGOs, which development cooperation partners could also incentivise with grants.
- When inter-municipal cooperation does not cover capacity gaps, establishing *oblast*-level coordination platforms to address deficiencies in data production, software acquisition, project design, and international communication. These platforms can be created by *oblast* authorities (councils and administrations) or as separate entities.<sup>101</sup> A challenge here is overcoming the administrative culture that understands coordination between *oblast* and local authorities as top-down steering by *oblast* authorities.<sup>102</sup> Yet, coordination is a service, requires mutual agreement and allows all participants to shape interactions.<sup>103</sup> One positive step is efforts by the United Nations Development Programme's (UNDP) to boost Oblast Military Administration coordination capacity with municipalities (among other stakeholders).<sup>104</sup> Alternatively, *oblast* elected authorities, such as the Rivne *Oblast* Council, which facilitated assistance for internally displaced persons through an informal platform with LSG heads, demonstrate the potential of *oblast* councils. However, international donors and civil society often overlook *oblast* councils as coordination platforms.

### **LSGs can support their capacities by participating in dedicated training programmes and novel solutions, including:**

- Prioritising the development of core managerial skills in municipal governance through targeted LSG training programmes and certified education, including project management and data handling skills. Address the public demand for

101. The UNDP elaborated a helpful overview of institutional options. The Congress of Local and Regional Authorities at the President of Ukraine recently started building up Regional Offices for International Cooperation at OMAs, a coordination platform for *oblast*-level stakeholders and donors, which, in principle, could upscale aspects of LSG internationalisation – such as collecting needs and requesting aid, providing reporting tools, organising visits. Their capacity and mode of governance need further examination.

102. Head of the Analytical Center of the All-Ukrainian Association of ATCs, Interview, 12 April 2024.

103. Landwehr 2010, pp. 108–109.

104. UNDP in Ukraine with financial support from the European Union and the Governments of Sweden and Denmark accompanied methodologically and provided equipment for Recovery and Development Offices at four *Oblast* Military Administrations (OMAs) (Donetska, Luhanska, Kharkivska and Mykolayivska). The offices are physical spaces for OMAs to coordinate recovery policies and implementation internally and with recovery stakeholders, among them LSGs. The UNDP team reflects that the four participating OMAs requested capacity building in collective leadership and communication, which indicates an interest in alternatives to hierarchical steering. UNDP Team, Interview, 8 April 2024.

integrity by preparing certified practitioners in urban development.

- Establishing regular, simple, and direct communication with *hromada* stakeholders, including active groups, supporters, and critics. Tailor channels to audience preferences, using digital tools and physical community meetings (where security allows). Communication solutions should not be complicated or expensive. They should also be context-specific, for example, prayer breakfasts or 'coffee with the mayor'.<sup>105</sup>
- Engaging anti-corruption activists, NGOs, and local businesses in assessing corruption risks, developing anti-corruption programmes, and supporting ACO activities. Effective communication helps these actors understand LSG capabilities and reduces suspicion.<sup>106</sup> Communication with the proactive public can also help integrity champions within an LSG to create anti-corruption coalitions to exert public pressure, especially where LSG leadership is unresponsive.
- Investigating creative ways to boost LSG capacity by organising youth and practitioner internships and cooperating with universities for research-related tasks or professional training.
- Involving active groups such as youth councils, NGOs, seniors' councils, and organisations of internally displaced persons in co-creating public services. These groups can take on coordination and communication roles and liaise between LSGs and their communities.<sup>107</sup>

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105. Tools reported by participants of workshop on public engagement at Kyiv School of Economics, 1 August 2024 and focus group participants, 11 April 2024.

106. Schmäing 2023.

107. For example, Dobrochyn Center NGO cooperates with education departments of several LSGs in Chernihivska *oblast* to facilitate dialogue with parents on the construction/reconstruction of bomb shelters in schools. While the LSG provides works, the NGO uses foreign grants to buy equipment needed for longer stays in the shelter, which it selects together with parent groups in the schools. This lends school ownership to bomb shelters and makes them more comfortable for long stays, while also mobilising parental engagement and control in school matters. Dobrochyn Center NGO chairwoman, Interview, 21 May 2024.

# Annex 1. Respondent list

## Respondent list

N	Name		Role at the time of interview/ focus group	Date
1-2	Anonymous		Anti-corruption NGO, two legal analysts	3 April 2024
3	Anonymous		Suvorove town territorial <i>hromada</i> LSG representative, Odesa <i>oblast</i> (12,000 residents)	11 April 2024 (focus group)
4	Ulf	Bojö	Vice President, Green Transition Eastern Europe, NEFCO (Nordic Environment Finance Corporation)	4 April 2024
5	Yuriy	Bova	Mayor, Trostyanets urban territorial <i>hromada</i> , Sumy <i>oblast</i> (28,000 residents)	23 April 2024
6	Nataliya	Drozd	Dobrochyn Center NGO, chairwoman	21 May 2024
7	Iurii	Granovskyi	Agents of Change NGO, facilitator	1 July 2024
8	Valeriya	Ivanova	Deputy Head of the State Agency for Recovery and Development of Infrastructure	11 April 2024
9	Pavlo	Kuzmenko	Mayor, Okhlyrka urban territorial <i>hromada</i> , Sumy <i>oblast</i> (47,600 residents)	5 April 2024
10	Yuliya	Masiuk	Council Secretary, Opishnya town territorial <i>hromada</i> , Poltava <i>oblast</i> (6,500 residents)	11 April 2024
11	Anastasiia	Mazurok	Deputy Executive of Operations, Transparency International Ukraine	2 April 2024
12	Anatolii	Melnychuk	Head of the Analytical Center of the All-Ukrainian Association of Local Governments 'Association of Amalgamated Territorial Communities'	12 April 2024

N	Name		Role at the time of interview/ focus group	Date
13		MEZHA	Anti-corruption NGO, written comment	26 September 2024
14	Viktoriia	Onyshchenko	Transparent Cities Programme Analyst, Transparency International Ukraine	2 April 2024
15	Olena	Pavlova	Authorized Unit for Prevention and Detection of Corruption of the Kharkiv City Council (Kharkiv City Council ACO) Lead	1 May 2024
16	Mykola	Panchuk	Mayor, Hoshcha town territorial <i>hromada</i> , Rivne <i>oblast</i> (23,000 residents)	11 April 2024 (focus group)
17	Oleksandr	Syenkevych	Mayor, Mykolayiv urban territorial <i>hromada</i> , Mykolayiv <i>oblast</i> (470, 000 residents)	26 April 2024
18	Hanna	Slobodyanyuk-Montavon	Mykolayiv Water Hub, CEO & Founder	1 April 2024
19	Oleksandr	Slobozhan	Executive Director, Association of Ukrainian Cities	22 April 2024
20	Taras	Sluchykh	Team Lead of the Component "Integrity Cities", European Anti-Corruption Initiative (EUACI)	12 April 2024
21	Andriy	Stasiv	Deputy Mayor, Stryi urban territorial <i>hromada</i> , Lviv <i>oblast</i> (100,000 residents)	11 April 2024 (focus group)
22	Olha	Tsytsiura	Council secretary, Zelenodolsk urban territorial <i>hromada</i> , Dnipropetrovska <i>oblast</i> (20,000 residents)	11 April 2024 (focus group)
23-26	UNDP Team: Olena Rudych, Programme Coordinator Dmytro Kurochka, Recovery Strategies and Development Analyst Natalya Belyukina, Social Services Development Analyst Hanna Biliavska, Programme Analyst – Good Governance			8 April 2024

Note: Interviews and a focus group were held online. Job titles are valid as at time of interview or focus group. Population numbers for *hromadas* are valid as of 1 February 2022.

# Annex 2. Anti-corruption capacity overview for local self-government (LSG) authorities

## Anti-corruption capacity overview for local self-government (LSG) authorities

Components/tools	Opportunity for anti-corruption action	State of component/tool	Main challenges	How to support
<b>1. Institutions that support LSG anti-corruption capacity</b>				
Anti-Corruption Office (ACO)	Coordination of direct anti-corruption policy in LSG: asset and interest declarations, whistleblower and conflict of interest (Col) policies, corruption risk assessment (CRA), anti-corruption programme	Concentrates on asset declaration and Col policies CRA and anti-corruption programme elaboration lacks analytical rigour and stakeholder engagement	Weak institutionalisation: Most anti-corruption officers combine functions with other duties; their careers and authority depends on the mayor's support. Intended combination of legal expertise, analytical and coordination skills is difficult to find outside <i>oblast</i> centres. Top-down anti-corruption: While there is no opposition, there are also little economic or social incentives for LSG.	Facilitate ACO-anti-corruption NGO cooperation on CRA and anti-corruption programme Invest in ACO community of practice (National Agency for Corruption Prevention (NACP) initiatives) Prioritise ACO training in analytical and coordination skills Support ACOs with a communication campaign, constructively highlighting their contribution to integrity
Project Management Office (PMO)	Improving internal coordination, data-based policy and financial reporting due to donor conditionality LSG-driven innovation resulting from economic incentive, which provides potential for PMO sustainability	Existing strong PMOs in most <i>oblast</i> centres Ongoing PMO diffusion into smaller municipalities	Project design skills, using data and public engagement methods on the input side of project design Lack of PMO capacity to coordinate LSG officials for implementation internally	Prioritise training in data-based and participatory project design and coordination capacity, aligned to <i>hromada</i> strategic documents Encourage the creation of joint PMOs for smaller <i>hromadas</i> (instead



Components/tools	Opportunity for anti-corruption action	State of component/tool	Main challenges	How to support
				of each having own PMO) Provide funds for equipment
Council	Opportunity for democratic oversight over the executive Councillors can be partners of anti-corruption NGOs	Nearly fully operational. Even where military administrations were introduced (13% of <i>hromadas</i> )*, councils can still operate.	With minor exceptions, NGOs and donors approach councils as subjects of transparency demands only; their agency is less visible in anti-corruption activities	Recognise councillors as participants in anti-corruption collective action, and as stakeholders in participatory recovery initiatives by donors and NGOs
LSG associations (LSGAs) and collective action platforms	LSGA: Advocacy for streamlined recovery legislation LSGA and platforms: Horizontal diffusion of good practices NACP-initiated platforms have the potential for sustainability	Cases of LSGA cooperation for anti-corruption with international actors are present but rare Once present, collective action leads to innovation	Lack of systematic dialogue with the central government on recovery priorities with LSGAs Collective action impeded by a lack of facilitators of inter-LSG communication and coordinators of participation in LSG	Donors can facilitate dialogue for LSGAs and central government when the latter is not proactive Specified funding for NGO or LSGAs for collective anti-corruption projects to hire experienced community facilitators
<b>2. The ability to scrutinise and address institutional weak points</b>				
CRA and anti-corruption programme	Data-based analysis of process bottlenecks, followed by a programme for mitigation	Both are often a formality, with some exceptions	Weak institutionalisation of responsible units (ACOs) Intended combination of legal expertise, analytical and coordination skills, and data-gathering and analysis techniques difficult to find outside <i>oblast</i> centres Little internal cooperation of LSG staff due to fears of being perceived to be corrupt	Prioritise ACO training in analytical and coordination skills Fund external expert teams to analyse technical areas While maintaining an analytical focus, a more constructive framing of efficiency can be used to reduce fears of corruption accusation

Components/tools	Opportunity for anti-corruption action	State of component/tool	Main challenges	How to support
Audit and risk management	Internal control of budget discipline and procurement integrity (supplier checks, preventing collusion with LSG staff, market research for price estimates) Strong external incentive for audit due to concerns about State Audit Service of Ukraine sanctions	Internal audit is common, but quality needs further research Preventive procurement scrutiny is emergent	Auditors and procurement controllers' authority depends on mayors' authorisation Tendency to take a legalistic approach to audit and procurement checks	Develop professional communities of practice to improve the culture of audit and procurement scrutiny, and support integrity champions among auditors
Territorial planning and development	Ongoing digitalisation of construction documentation should improve public monitoring and legality of construction	High risks of illegal land appropriation and construction	Confusing national legislation and fragmented information, lack of public access to state land cadastre Lacking LSG capacity to oppose unlawful construction	Support LSGs in providing required data for the new State Cadastre of Construction Documentation Raise public awareness about the cadastre and how to use it
Functional redesign of LSG and process standardisation	Streamlining processes to minimise bottlenecks that could be misused for private gain	Hard to assess due to lack of systematic data Mykolayiv started process updates with EU Anti-Corruption Initiative (EUACI) support	Lacking internal LSG capacity to reorganise processes Potential opposition from vested interest within an LSG	Use professional teams for process mapping and change management communication Process upscaling by creating specialised process-focused units as inter-municipal cooperation (procurement office)
<b>3. Transparency, open data and e-governance</b>				
Municipal assets	Reduces information asymmetry between citizens and business operators and the LSG that could be misused for private gain Eases public monitoring of municipal assets' use	Existing practice needs broader diffusion: lists of immovable municipal property and land or land use rights subject to land auctions, Prozorro.Sale, online asset registers, Geo-Information Systems (GIS)	Lack of proper assets (especially housing) audit Timely update of information and maintenance of IT solutions Sustainable software management	Scaling up of software management services and assets audit (via municipal cooperation on relevant services, co-funding via LSGAs) Consider subscription-free software-as-a-service solutions for LSGs without IT capabilities (same principle as e-

Components/tools	Opportunity for anti-corruption action	State of component/tool	Main challenges	How to support
		Social housing lists are rarely accessible		democracy toolbox <u>e-dem</u> , funded by the Swiss government)
Decision-making	Pre-decision informing enables public claim-making, investigation of legality and possible rollback of an unlawful/illegitimate decision before damage is done Post-decision informing allows accountability through scrutiny, but is often too late to prevent damage in case of an unlawful decision	Most LSGs publish decisions, regulatory acts and budget reports Many LSGs do not publish detailed draft council decisions on land management or items for construction or reconstruction and maintenance Broadcasting of council meetings decreased	Small <i>hromadas</i> lack broadcasting equipment and staff to handle routine publishing work Some LSGs justified non-transparency with martial law or security conditions, profiting from lack of clarity in legislation until 2023	Changes to Law mandate LSGs to publish recordings of council and commission meetings to reduce security risks of broadcasting; draft council decisions on land must be published with detailed information on plots LSGs will need technical support for publishing machine-readable draft decisions on websites and other digital channels
Procurement (Prozorro)	Reduces supplier entry barriers and prices Allows the public to compare offers and assess price competitiveness and adequacy of purchase	LSGs use Prozorro routinely, but gaps in price transparency and competitiveness of tenders persist	Price criterion potentially creates quality compromises Prozorro does not solve the problem of supplier collusion Practices such as publishing unreadable scans of construction project estimates instead of machine-readable versions undermine the effectiveness of transparency	Support LSG technical capability to publish machine-readable value estimates when announcing tenders Support State Enterprise Prozorro in developing new components and raising awareness about them within LSGs
E-governance	Eliminating unnecessary human discretion in administrative and social service provision	Strong LSG demand but weak implementation for municipal services (unlike those via the government app <i>Diia</i> )	Lack of skills for software acquisition and management, and appropriate process redesign for e-services Lacking LSG access to some state databases and interfaces between different LSG systems	Include e-service component in programmes for LSG capacity in sectors (education, health) Consider subscription-free software-as-a-service solutions for LSGs that don't have IT capabilities

Components/tools	Opportunity for anti-corruption action	State of component/tool	Main challenges	How to support
				(same principle as e-democracy toolbox e-dem, funded by the Swiss government)
<b>4. Public engagement in LSG anti-corruption action and integrity recovery</b>				
Citizen engagement and collaborative innovation	Timely citizen engagement allows constructive corruption prevention by setting priorities and establishing public co-ownership that facilitates social accountability	Formal engagement mechanisms underused Emergent semi-formal, interactive formats that shift the logic of governance towards collaboration with citizens	Formal mechanisms come too late in the policy cycle and provide little influence opportunities, but can be misused for tokenism Establishing inclusive dialogue that feeds into policy design requires external facilitators	Support less formalistic public engagement formats and facilitators to structure them Let willing but underrepresented groups, such as internally displaced persons and youth, co-design a participatory process In recovery projects, connect consultations to the space where construction and reconstruction takes place
Cross-sectoral coalitions	Articulating shared interest between local influential actors (LSG, businesses and civil society) can help create new social norms where corruption is unnecessary and is socially penalised	Sustainable anti-corruption progress often resulted from cross-sector communication in known cases in Ukraine (but more systematic research is needed to understand the extent and nature of this link)	Overcoming isolated separate workstreams and interpersonal distrust Formulating tangible value for stakeholders to sustain communication over time because it does not always yield quick results	Create pragmatic interest opportunities for cross-sector communication (revitalisation of damaged multi-functional territory in a <i>hromada</i> ) Support training of facilitators and coordinators of long-term communication (these can be PMOs, communications departments or local NGOs)

\* Darkovich and Hnyda 2024, p. 24.

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