

Progress in Ukraine's Anti-Corruption Efforts

March 2025 update

Summary



Steady progress: Ukraine has maintained a strong commitment to anti-corruption efforts. Our report highlights key developments that have driven steady progress towards combating corruption, despite some challenges.



Geopolitical context: Turbulent geopolitics continue to test Ukraine's resilience, including that of its anti-corruption bodies. The drastic reduction of US government assistance to anti-corruption efforts, in particular, are a defining characteristic in an already difficult environment.



Corruption perceptions: Ukraine scored 35 out of 100 points on Transparency International's 2024 Corruption Perceptions Index (CPI). The decrease of one point since 2023 remains within the margin of error, yet this result should serve as a signal to the authorities that merely focusing on the formalistic updates and programmatic implementation of Ukraine's commitments alone is insufficient. Significant reforms need to be conducted to unleash the power of Ukraine's formidable anti-corruption community.



Enforcement achievements: Anti-corruption institutions continue to make impressive progress in progressing cases, both in terms of total numbers and in cases against numerous high-level officials.



Planning ahead: The National Agency on Corruption Prevention (NACP) has commenced a major effort to develop Ukraine's new Anti-Corruption Strategy. The strategy will take effect at the end of the year and guide the next phase of systemic reforms.



Effective state control of public finances: Progress in delineating the functions of the Accounting Chamber and the State Audit Service remain incomplete, creating significant inefficiency.



Boosting tools to access assets of corrupt officials and Russian war supporters: We highlight legally sound tools that could be utilised more fully to raise resources for the state, including special confiscation mechanisms, corporate criminal liability and adopting the criminalisation of sanctions evasion.



Outstanding reform homework: Both Ukraine's Asset Recovery and Management Agency (ARMA) and its sanctions enforcement mechanisms have seen the introduction of promising reform legislation drafts. These should be prioritised by the Verkhovna Rada (Parliament).

Background

This document is a joint publication of Transparency International Ukraine (TI-Ukraine) and the Basel Institute on Governance. It takes stock of recent progress (June 2024 to February 2025) in strengthening Ukraine's anti-corruption ecosystem. It provides an update to a [previous report](#) and is published ahead of the Global Anti-Corruption and Integrity Forum, hosted by the OECD in Paris in March 2025.

Enforcement achievements

Despite working in very challenging conditions, the anti-corruption enforcement system continued to deliver impressive results, including numerous high-level convictions and indictments.

This comes at the time when the National Anti-Corruption Bureau of Ukraine (NABU), Specialized Anti-Corruption Prosecutor's Office (SAPO) and High Anti-Corruption Court (HACC) continue to recruit significant additional capacity to handle what is expected to be an increase in restoration-related corruption cases.

All three institutions received significant US support, either in funds or through technical advisory and in-kind. Having continuously proven their value, it is important for other donors to step in and offer a lifeline while Ukraine's economy remains challenged by the war.

During the last year, the HACC [delivered 77 guilty verdicts against 112 persons](#). The most high-profile verdicts include:

- MP Andrii Odarchenko was sentenced on 14 November 2024 to eight years in prison for attempting to bribe former State Agency for Restoration head Mustafa Nayyem with bitcoin valued at the equivalent of EUR 46,000. This marked Ukraine's first cryptocurrency bribe case in anti-corruption proceedings. It is also the highest-profile reconstruction-related corruption case to date.
- The Appeals Chamber of the HACC sentenced former MP Ruslan Solvar to three years in prison on 26 August 2024, overturning an earlier acquittal. Solvar was found guilty of illegally obtaining over UAH 360,000 (approximately EUR 8,000) in compensation from the Verkhovna Rada for hotel accommodation in 2017–2018.
- The HACC sentenced Oleh Halchenko-Avilov, a former department head at the Prosecutor General's Office, and Ihor Osypovych to six and a half and six years in prison respectively for their roles in a EUR 135,000 bribery scheme to unfreeze luxury vehicles.

During 2024, NABU and SAPO sent 113 indictments to the court, an increase from 100 in 2023 and 54 in 2022. The most high-profile cases initiated at HACC since June 2024 include:

- A case against a former Minister of Defence during the Yanukovich era and a former head of the Ukrspecexport state-owned enterprise, charging them with embezzling nearly EUR 22 million. The case involves falsified documents claiming intermediary services for arms exports to Kazakhstan through a UAE-registered company. Investigators determined all negotiations were conducted directly between Ukrainian officials and the customer, while the funds intended for the intermediary were misappropriated.
- A case against a prosecutor from the Prosecutor General's Office who was caught in July 2024 receiving UAH 7 million (EUR 153,000) in bribes for closing a criminal case and lifting an asset freeze.

¹All exchange rates were taken from Oanda as of March 20.

- A case against a criminal organisation of Odesa City Council officials, including the mayor, heads of various departments and council members, for illegally appropriating municipal land worth over UAH 680 million (EUR 15 million). The scheme, which operated during 2016–2019, involved bypassing competitive procedures to transfer land plots to developers selected in advance. These then paid bribes or transferred property to the conspirators. The case also includes charges of money laundering. The alleged leader of the criminal organisation is currently hiding abroad.

Remaining reform homework for Ukraine's anti-corruption institutions

Despite these significant achievements, procedural obstacles, capacity limitations and independence challenges continue to impede the full potential of NABU, SAPO and the HACC. Critical reforms include:

Strengthening NABU's Institutional Effectiveness

The external audit of NABU's effectiveness, due by May 2025, will provide crucial insights for improvement. At the same time, its current annual frequency is too short to show notable progress and places an excessive burden on all parties. We recommend reconsidering this approach and conducting the audit at least once every two years.

Last year saw several information leaks about pre-trial investigations of corruption cases, which might have contributed to suspects evading justice. To address such leaks, NABU has developed targeted guidelines. Greater access to independent forensic examination services would further help secure sensitive case information. The Bureau should also have the legal authority for autonomous wiretapping in corruption investigations, reducing dependencies on other agencies that can delay or compromise sensitive operations. Finally, NABU should develop a clear communication strategy regarding measures taken to address information leaks to maintain public trust in the investigation process.

Enhance SAPO powers

To ensure independence from political interference, the SAPO head requires expanded powers for prosecuting MPs, engaging in international cooperation and establishing joint investigations. Draft law No. 12367 addresses many of these issues, but [some short-falls](#) need to be addressed, such as the non-judicial extension of pre-trial detention.

So-called "[Lozovyi's amendments](#)" continue to be an option for forcing case closures upon the expiration of investigation terms, undermining prosecutorial efforts. Cancelling mandatory case closures while maintaining judicial oversight would balance procedural rights with effective prosecution.

Increase HACC efficiency

Only [2 of 140 candidates](#) advanced to the final interview with the High Qualification Commission of Justice (HQCJ) in the HACC judicial selection. This does not sufficiently remedy the shortfall of judges in an already overburdened court. The statistics show a steady accumulation of pending HACC proceedings: from 149 in 2019 to 287 in 2024.

To address this:

- Recruitment processes ought to be streamlined ahead of future competitions.
- Establishing liability for procedural abuses in criminal cases is essential to prevent intentional delays.
- Allowing trials to continue when judges are replaced would prevent unnecessary case restarts.

Streamline NACP's internal procedures for financial controls

On the prevention side, the number of officials convicted of committing administrative or criminal offences related to asset declarations remains low. A review by TI-Ukraine of 200 declaration checks conducted during the first half of 2024 found that all but one contained significant grounds for improvement. Too frequently, NACP's checks focus on minor discrepancies and do not sufficiently investigate the value of assets. There are also remaining challenges on receiving information from other national and foreign bodies.

Introducing and applying modifications to internal procedures for monitoring and analysing asset declarations (including a lifestyle monitoring mechanism) has potential to improve their efficiency, while ensuring alignment with financial control measures established by law.

There would also be value in strengthening internal analyses by NACP to detect unjustified assets (a civil matter) and signs of illicit enrichment (a criminal offence) by civil servants.

Develop the new state Anti-Corruption Strategy

The period of current state anti-corruption policy documents expires in 2025. NACP is expected to transparently prepare and submit to the Parliament the draft of the new anti-corruption strategy by August 2025, in accordance with the law.

NACP has already invested significant efforts, together with different stakeholders, to study key corruption risks in a range of sectors. For example, on [forests](#) with the Basel Institute on Governance, Specialized Environmental Prosecutor's Office of the Prosecutor General's Office and WWF Ukraine, and on [public procurement](#) with TI-Ukraine. In addition to thorough and dedicated analytics for the Strategy itself, these reports' findings should be incorporated into the new Strategy document. Both TI-Ukraine and the Basel Institute are closely engaged with NACP in this process, so we will not be providing assessments of these preparatory processes going forward.

Ensure effective and efficient management of public finances

In 2024, the expenditures of the state and local budgets of Ukraine amounted to UAH 4.9 trillion, which is equivalent to EUR 113.8 billion. In the electronic public procurement system Prozorro, contracts worth UAH 1.5 trillion (EUR 33 billion) were concluded.

To ensure the transparent and effective use of these funds, TI-Ukraine is focusing on strengthening the public procurement sector, as well as the two key financial control bodies:

- **The Accounting Chamber** is a supreme audit institution that monitors public funds on behalf of the Verkhovna Rada of Ukraine. It is an independent and impartial body that conducts three types of audits: financial, performance and compliance.
- **The State Audit Service** is a decentralised body authorised by the government to exercise state financial control.

In our report of a year ago, we raised concerns about the insufficient delineation between these two institutions.

Public procurement and financial control are components of the so-called [Fundamentals cluster](#), one of six thematic clusters within the EU accession process. Accordingly, changes in these areas over the past year have been significantly influenced by Ukraine's European integration efforts and international obligations.

In September 2024, the Verkhovna Rada supported in the first reading a draft of a new law on public procurement, which should bring Ukrainian rules closer to EU Directives. In October 2024, the first step in the reform of the Accounting Chamber was taken: the parliament adopted a law that strengthened its independence, updated the competitive selection procedure for new members (as we had recommended in our previous report), and expanded the body's mandate to monitor all public funds.

The State Audit Service approved and began using risk indicators to monitor procurement. However, the current impact of monitoring efforts appears to be weak in practice, particularly in terms of fines levied, court reversals and inconsistent standards. Critical reforms include:

Harmonise public procurement legislation with EU standards, taking into account Ukrainian specifics and procurement experience, including preserving the level of digitalisation of procurement.

The Ministry of Economy is currently preparing a draft of the new Public Procurement Law No. 11520 for the second reading in Parliament, in particular coordinating its text with the European Commission. They should be carefully introduced into national legislation, taking into account Ukrainian experience and practice. In particular, European approaches offer greater discretion to procuring entities, so hard-fought Ukrainian safeguards against abuse must be retained during the transition.

Additionally, legislative changes will require updates to the electronic procurement system, specifically incorporating new procurement procedures into Prozorro. Known for its advanced approaches to digitalization, Ukraine has valuable expertise to share with its partners, enabling more precise analysis, better forecasting, and effective testing of reforms.

Strengthen the capacity of the State Audit Service, in particular by increasing the effectiveness of public procurement monitoring

The State Audit Service is the main controlling body in public procurement. Among other functions, it conducts procurement monitoring, which is supposed to be a preventive control action. However, in practice it does not perform this function. More than 80 percent of procurement monitoring launched by the State Audit Service was initiated after the contract was published, on average almost two months later.

It is necessary to shift the focus from post-control to prevention in order to detect violations earlier. This would help to prevent losses and other negative consequences. It is also necessary to prioritize identifying significant violations and on high-value procurement.

The approaches and methodology of other control measures of the SAS, such as audits, inspections and procurement checks, should be reviewed, especially with a view towards greater transparency.

Select members of the Accounting Chamber

Six out of 11 seats in the Accounting Chamber are currently vacant. A competitive selection of candidates to fill these vacancies should be conducted as soon as possible. This should be done in a transparent and accountable way in line with the new procedure set out in the abovementioned October 2024 legislative amendments.

Streamline functions of the Accounting Chamber and State Audit Service

As we mentioned a year ago, it remains necessary to coordinate the functions of the

Accounting Chamber and the State Audit Service so that the state does not finance the activities of two bodies with duplicate powers, especially during exceptionally tight budget times.

This streamlining should take place with the participation of all stakeholders – Parliament, Government and representatives of supervisory bodies.

Effectively use the assets of corrupt officials and Russian aggression supporters for Ukraine's needs

As we had previously noted, the Asset Recovery and Management Agency (ARMA) continues to be in need of reform. On 12 March 2024, the Anti-Corruption Committee recommended draft Law No. 12374-d on ARMA reform for adoption in full. This marked a significant step toward addressing systemic issues in asset management and recovery.

Following the full-scale invasion, most of Ukraine's international partners have strengthened their sanctions policies by criminalising violations and circumvention. However, Ukraine still lacks an effective mechanism to hold Kremlin supporters accountable, including the confiscation and forfeiture of their assets. The recently registered draft Law No. 12406 proposes the addition of a new article to the section "Crimes against the Foundations of National Security of Ukraine" in the Criminal Code. This finally addresses the violation of sanctions or their deliberate circumvention.

To further enhance Ukraine's ability to effectively confiscate and recover assets, we recommend adopting draft law 12374-d as proposed by the Anti-Corruption Committee of the Parliament as a whole. It provides for:

New selection procedure for ARMA's head

Draft Law 12374-d proposes a substantial improvement to the selection process for the ARMA. It establishes a six-member selection commission entirely appointed by the Government, with three members based on nominations from international partners who have provided anti-corruption assistance to Ukraine. The legislation also introduces integrity and professional criteria for candidates for the position of the ARMA head. It establishes clear guarantees of the ARMA's independence and specific grounds for dismissal of the head – an important safeguard against politically motivated removals.

Independent external audit of ARMA effectiveness

The draft Law also introduces provisions for the first independent audit of the ARMA's operational effectiveness. This long overdue mechanism would strengthen accountability and provide an objective assessment of the Agency's performance, similar to audits conducted of other anti-corruption institutions. The audit would help identify systemic issues and support evidence-based reforms to improve the ARMA's capacity to manage seized assets effectively.

Effective and transparent procedure for managing seized assets

The draft Law on the ARMA establishes differentiated approaches to managing simple and complex assets through electronic procurement systems with appropriate safeguards. Additionally, it proposes improvements to the seized assets register content, enhances the ARMA's reporting requirements and strengthens oversight of asset managers. The Public Control Council will be granted expanded powers, including participation in the ARMA staff selection, and monitoring of the effective management of seized assets.

Improve Asset Recovery Effectiveness and Cooperation

To deprive corrupt officials of their primary motivation – financial gain – special

confiscation procedures should be strengthened and non-conviction based confiscation mechanisms developed. Special confiscation under Ukraine's Criminal Code allows for the forfeiture following conviction of the proceeds of crime or items used in the commission of the crime, or the equivalent value of assets where the original proceeds are unavailable or have been converted into other property.

Existing non-conviction based confiscation mechanisms are limited to cases where public officials cannot explain the sources of their wealth. This restriction leaves a significant gap in addressing illicit assets accumulated through organized crime activities, which is often closely linked with corruption. This requires:

- amending the Criminal Procedure Code of Ukraine to enable pre-trial asset seizure for extended confiscation. Extended confiscation, as provided in Ukraine's Criminal Procedure Code, allows for the confiscation of property of a convicted person for corruption or money laundering offenses and connected persons if they cannot prove the lawful acquisition of such assets in court;
- improving asset tracing with evidence gathering that establishes a clear link between criminal activities and assets;
- enhancing cooperation with foreign jurisdictions to recover assets hidden abroad through effective use of formal and informal cooperation channels.

Additionally, the transparency of the State Executive Service of Ukraine and its divisions should be increased to ensure robust implementation of confiscation orders. The State Executive Service is the government agency responsible for enforcing court decisions including confiscation orders, but it currently lacks sufficient public reporting mechanisms on the enforcement status of asset recovery decisions, which causes accountability gaps in the final stage of the confiscation process.

Only as a final measure should we consider the proportionate confiscation of property, which does not relate to the criminal activities, as a criminal punishment, ensuring it complies with international human rights standards and taking into account the inherent difficulties in enforcing such orders against assets located abroad.

Introducing measures to strengthen the effective confiscation of criminal property will significantly reduce the financial incentives that drive corruption.

Adopt law on the criminalisation of circumvention and violation of sanctions

On 14 January 2025, President Zelenskyy submitted an urgent draft Law ([No. 12406](#)) to Parliament, criminalising the circumvention and violation of sanctions in Ukraine. If adopted, it finally enables the punishment of individuals who attempt to violate or circumvent sanctions against Russia. In particular, punishment for committing these crimes can be a fine, confiscation of property or imprisonment with the deprivation of the right to hold certain positions or engage in specific activities.

This law was drafted on the basis of the [EU Directive](#) on the definition of criminal offences and penalties for the violation of Union restrictive measures, which was adopted in April 2024. The draft Law recreates the main provisions of the Directive, but it could be brought into line with best European practices even further. For instance, a mechanism for granting temporary licences to utilize the sanctioned assets for limited purposes could be added.

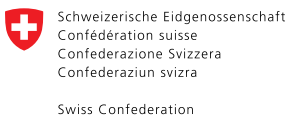
Ensure implementation of the mechanism on criminal liability of legal entities

On 26 December 2024, [Law No. 4111-IX](#) became effective, strengthening regulations on the criminal liability of legal entities involved in foreign corrupt practices. In particular, criminal sanctions can now be imposed on legal entities that benefit from corruption, regardless of whether the involved company officers have been identified. This law is part of Ukraine's requirements for joining the OECD and the participation in the OECD

Working Group on Bribery in International Business Transactions as an integral part, aimed at criminalising the bribery of foreign public officials in international business transactions. It also provides a range of related measures to ensure its effectiveness.

This law provides for additional sanctions that can be imposed on legal entities. These include prohibition from participating in state tenders, ineligibility to use licences, prohibition from renting state property, and others.

It is expected that this law will play a positive role in preventing foreign corrupt practices by legal entities registered in Ukraine, which is particularly important for post-war reconstruction, as it might prevent Ukrainian businesses from engaging in such practices. However, this law should be improved to become a more effective tool in combating not only foreign, but also national corrupt practices involving legal entities.



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