NCBJ

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NCBJ Luncheon Program: An Insider's Perspective on Ukraine

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Ukraine's Judicial Reform

National Conference of Bankruptcy Judges

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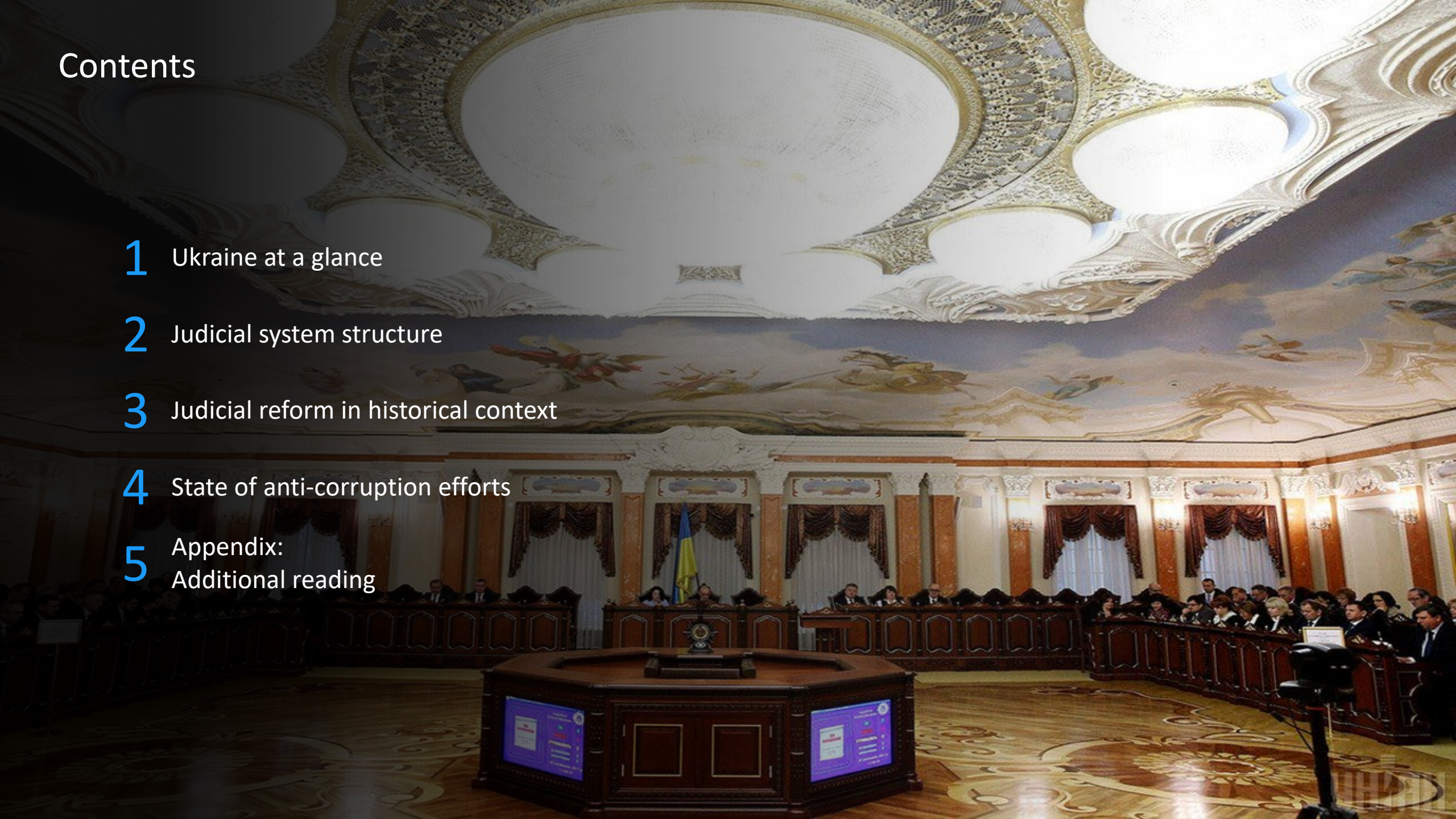


1 Ukraine at a glance

Ukraine at a glance

About Ukraine

Independence: Aug 24, 1991

Territory: Second largest country in Europe (233,000 square miles)

Population: 43.3m (70% urban, 30% rural)

Spoken languages: Ukrainian; Russian widely spoken in eastern and southern parts of the country

Capital city: Kyiv

Largest cities: Kyiv, Kharkiv, Odessa, Dnipro, Zaporizhshia, Lviv

Flag of Ukraine

State Emblem

Ukrainian political structure

Type: Parliamentary republic

President: Volodymyr Zelensky

Prime Minister: Denys Shmyhal

Legal system: Civil law

Administrative divisions: 24 provinces, 1 autonomous republic, 2 municipalities

2022 state budget: ~$73b

Government Structure

Executive		Legislative	Judiciary	
Prime Minister and Cabinet of Ministers	President	Verkhovna Rada (Parliament)	Constitutional Court	Supreme Court

Ukrainian economy

System: Mix of free market & state controlled[1]

Category: Emerging, lower middle

Main industries: IT, mining, iron/steel, agriculture

Largest trade partners: China, EU

Exports: Corn, wheat, iron ore

Real GDP (in 2015 USD)

State of the war

- **Russia's illegal invasion and annexation of Crimea and Eastern Ukraine:** 2014
- **Russian full-scale invasion:** Feb 24, 2022
- **Known impact to date:**[2]
  - 8,600+ civilian deaths; 14,500 injured
  - 8.2m+ refugees estimated, including 3,000 to the US; 4m internally displaced
- **Ongoing:** Ukrainian soldiers continue to stall Russian army beyond Eastern Ukraine. President Zelensky has demanded war's end and restoration of Ukraine 1991 borders in 10-point peace plan
- **Reconstruction:** Ukraine is continuing to restore critical infrastructure

1. Some of Ukraine's state-owned enterprises include energy, railways, seaport authority, aerospace and defense, and Ukrainian television and radio
2. Data for civilian casualties and forced displacements in Russian-held territories including Crimea and Eastern Ukraine are inaccessible and therefore unknown

Sources: World Bank; CIA world factbook; Statista; Encyclopaedia Britannica

To end the war in Ukraine, President Zelensky has proposed a peace plan that calls for the withdrawal of Russian troops and restoration of Ukraine's land and critical resources

Since Nov 2022, President Zelensky has called on global leaders to support his 10-point peace plan which calls for an end to the Russian invasion and restoration of security in the region, including restoring nuclear power plant safety and environmental protection

President Zelensky's 10-point peace plan

Radiation and nuclear safety

Restore safety around Zaporizhzhia, Ukraine and Europe's largest nuclear power plant, now controlled by Russia

Food security

Protect and ensure Ukraine's grain exports to the world's poorest nations

Energy security

Restrict prices on Russian energy sources; restore Ukraine's power infrastructure, which has been damaged by Russia

Release of all prisoners & deportees

Release prisoners and deportees, including war prisoners and children deported to Russia

Restoration of Ukraine's territorial integrity

Russia must reaffirm Ukraine's integrity according to the UN Charter. "Not negotiable"

Withdrawal of Russian troops

Cessation of hostilities and restoration of Ukraine's borders with Russia

Justice

Establish a special tribunal to prosecute Russian war crimes

Prevention of genocide

Protect the environment, with a focus on demining and restoring water treatment facilities

Prevention of escalation of conflict

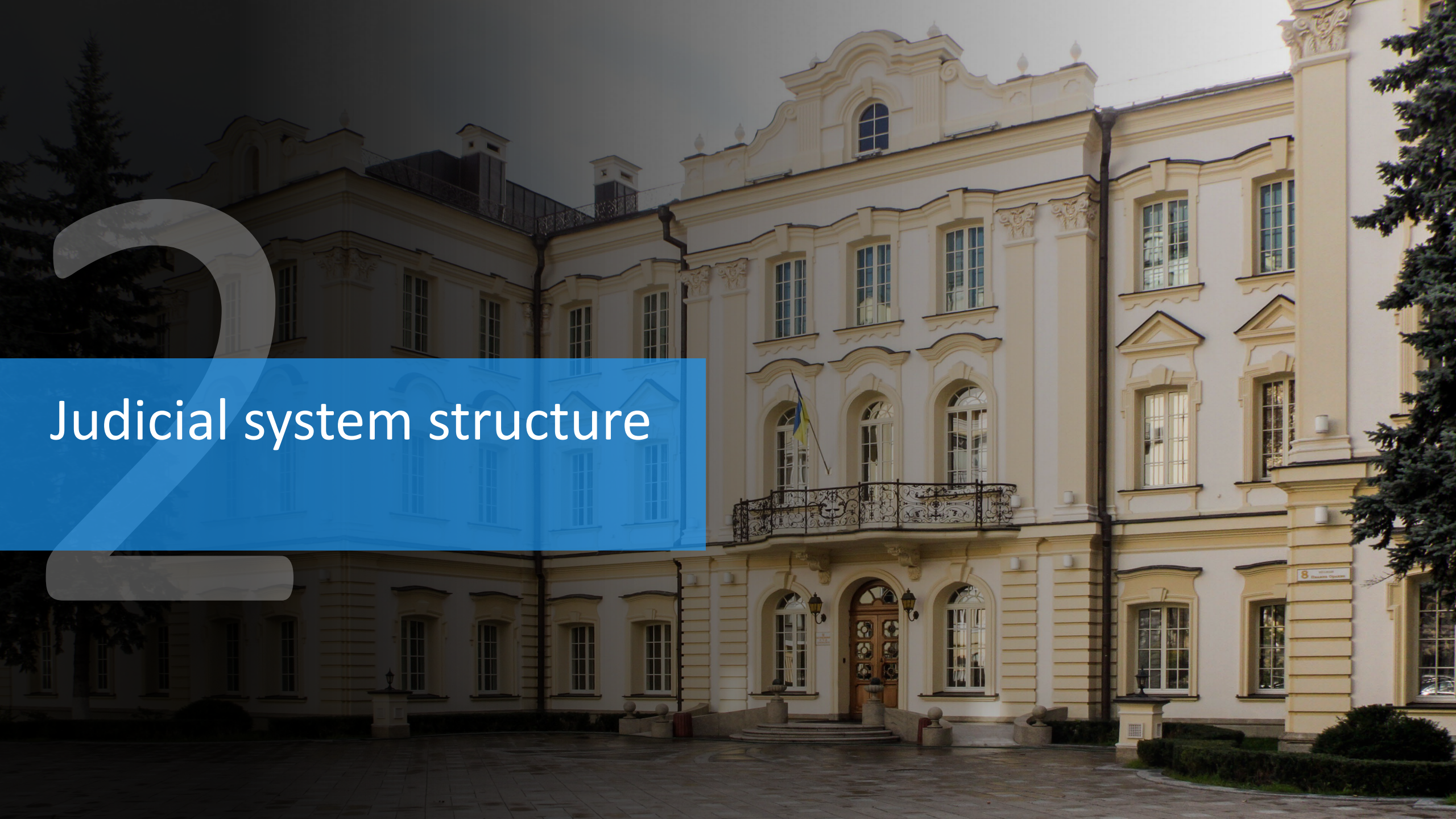
Build security architecture in the Europe-Atlantic space, including guarantees for Ukraine

Confirmation of the war's end

Declaration of the war's end signed by all involved parties

- Ukraine presented an earlier version of President Zelensky's peace plan in the UN General Assembly on Sep 21, 2022, which was received positively by a majority of UN member states
- In the UN General Assembly on Feb 23, 2023, the UN adopted a resolution calling for an immediate end to war in Ukraine, "following the logic of the President's peace plan"
- On Feb 24, 2023, China also outlined its own 12-point peace plan; President Zelensky has said he is open to parts of it

Sources: President of Ukraine; The UN; People's Republic of China

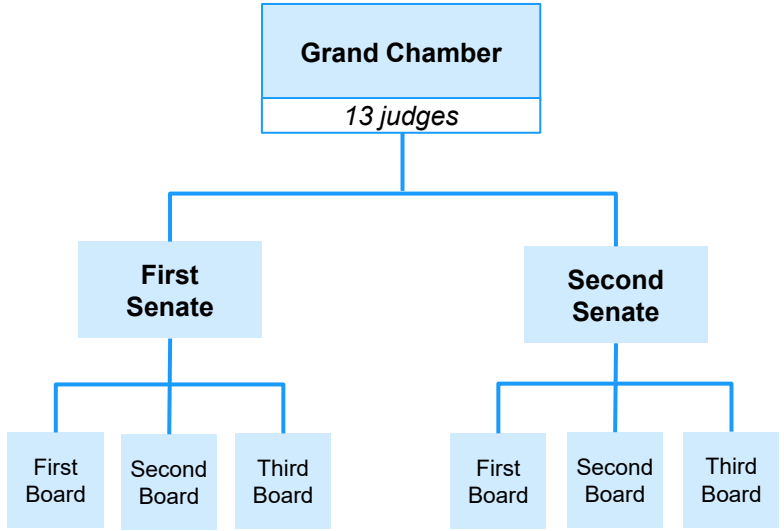


2 Judicial system structure

The Ukrainian judiciary is a large, matrixed institution with a Constitutional Court and a Supreme Court at the top

Constitutional Court (CC)

Interprets the Constitution and ensures constitutionality of laws / acts passed by Rada and the President

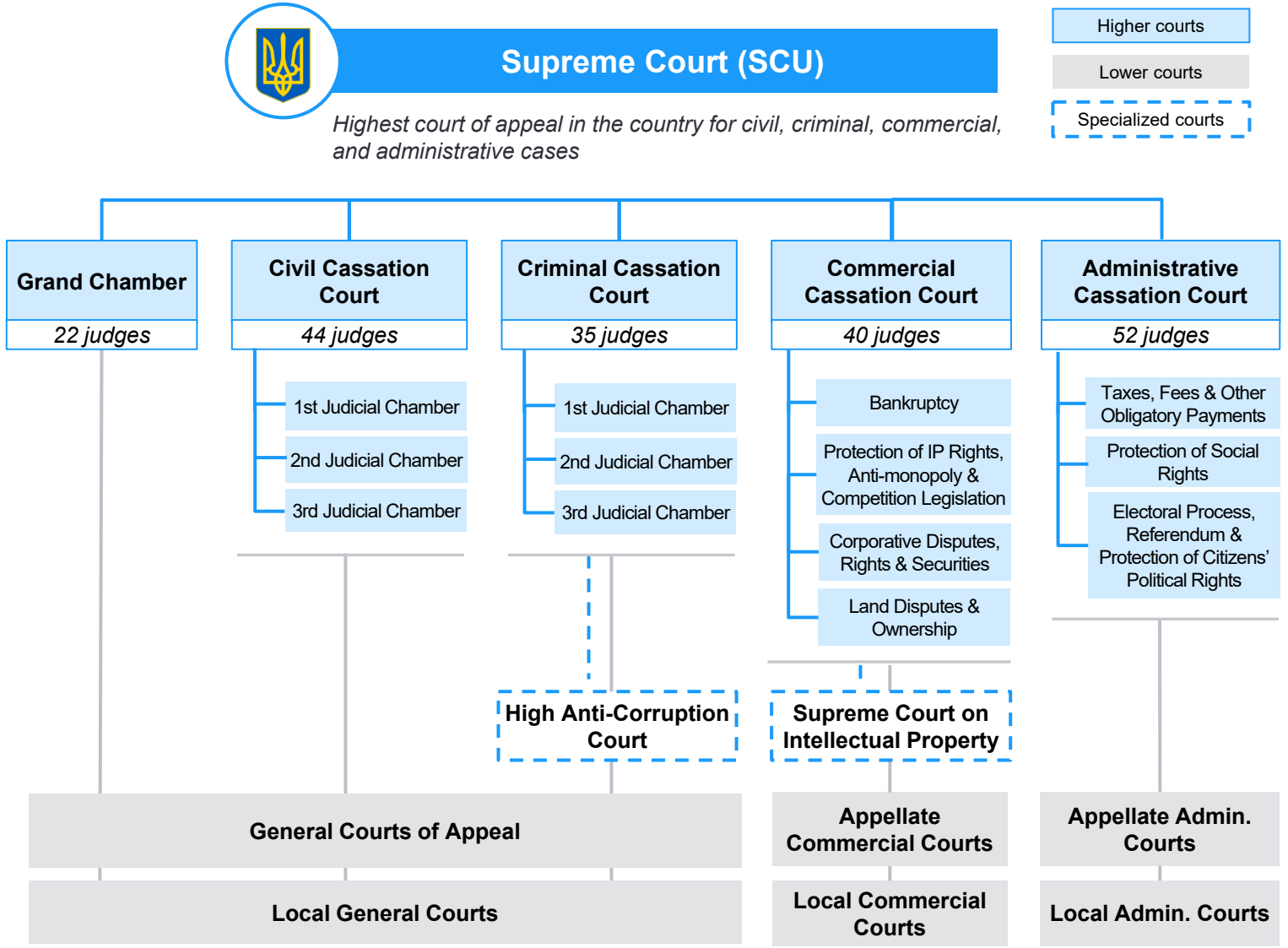


Standing Commissions of the Court

- Standing Commission on Regulations & Ethics
- Standing Commission on Budget & Personnel
- Standing Commission on Scientific Support
- Standing Commission on International Relations
- Standing Commission on Legal Terminology

Supreme Court (SCU)

Highest court of appeal in the country for civil, criminal, commercial, and administrative cases



Sources: Judiciary of Ukraine; Constitutional Court of Ukraine

Other stakeholders in the Ukraine Judiciary include the Venice Commission, advisory groups comprised of international experts, and judiciary governance bodies

Venice Commission

Council of Europe's advisory body on constitutional matters

- Has **61 member states**, including **46 in the Council of Europe** and 15 other countries[1]
- Provides legal advice to member states to **help bring their legal and institutional structures in line with European standards** and international experience in the fields of democracy, human rights, and the rule of law
- Has been the **main international body overseeing Ukraine's judiciary reform** and offering advice and recommendations, including the establishment of the following review agencies for judiciary reform

Commissions that select members of judiciary governance bodies

Ukrainian and international experts assigned to vet candidates for the HCJ, HQCJ, and CC

Ethics Council

- **Date established**: Nov 2021
- **Duty:** Assists with selection of members of the HCJ by checking compliance of candidates and sitting HCJ members with professional ethics and integrity criteria
- **Structure:** 3 Ukrainian and 3 international experts

Selection Commission

- **Date established:** Sep 2021
- **Duty:** Selects candidates for the HQCJ based on integrity and professional competence and recommends qualified candidates to the HCJ
- **Structure:** 3 Ukrainian and 3 international experts

Advisory Group of Experts (AGE)

- **Date established:** Pending approval
- **Duty:** Assists the 3 appointing bodies (Rada, the President, and Congress of Judges) with assessing the moral qualities and legal competence of CC candidates
- **Structure:** 3 Ukrainian and 3 international experts[2]

Judiciary governance bodies

Responsible for the vetting, nomination, and appointment of judges to Ukraine's judiciary

High Council of Justice (HCJ)

- Nominates judges to be appointed by the President of Ukraine
- Advises on the release of judges
- Examines cases of infringements
- Executes disciplinary proceedings involving judges of the Supreme Court and other high specialized courts

High Qualification Commission of Judges (HQCJ)

- Assesses candidates for judicial positions, including administering assessments and candidate interviews
- Narrows down candidate lists for the HCJ

Not established yet

Supreme Court and Other Specialized Courts

Constitutional Court

Foreign body Ukrainian body

1. Other countries include Algeria, Brazil, Canada, Chile, Costa Rica, Israel, Kazakhstan, The Republic of Korea, Kosovo, Kyrgyzstan, Morocco, Mexico, Peru, Tunisia, and the USA
2. It is proposed that one of the members be nominated by the Venice Commission

Sources: Council of Europe; Ethics Council; High Council of Justice; Venice Commission

Constitutional Court and Supreme Court judges are organized into chambers and supported by recently established specialized courts focused on anti-corruption and IP

Overview of Ukrainian High Courts

	Constitutional Court (CC)	Supreme Court (SCU)	High Anti-Corruption Court (HACC)	The Supreme Court on Intellectual Property (IP)
Jurisdiction	• Interprets the Ukrainian Constitution • Ensures the constitutionality of laws and acts passed by Rada and the President of Ukraine	• Highest court of appeal in the country for administrative, commercial, criminal, and civil cases	• Specialized court established in 2018 to handle high-profile corruption cases • Administers justice as a court of first instance and appellate instance in criminal proceedings for criminal corruption offenses	• Specialized court established in 2017 to handle cases related to intellectual property rights • Administers justice and interprets law as a court of first instance and appellate instance in proceedings regarding IP
Court composition	• 13 judges • Headed by the Chief Justice • Organized into 1 of 2 senates and 1 of 6 boards	• 171 judges • Headed by the President of the SCU; judges organized into 1 of 4 core chambers • Judges from each core chamber are elected to serve in the Grand Chamber	• 38 judges • Headed by the President of the HACC • 27 judges serve in the trial chamber and 11 in the appellate chamber	• 30 judges • Headed by the President of the Supreme Court on IP • Judges are posted to either the trial or appellate chamber
Court cadence	• In 2022, the court decided 13 cases	• The SCU heard 93,500 cases in 2020	• 72 verdicts have been issued by the HACC since 2019	• N/A – no comprehensive data
Appointment process and term limits	• Appointments are allocated to several government bodies: – President of Ukraine (6 judges) – Congress of Judges (6 judges) – Rada (6 judges) • Constitutional Court judges serve 9-year, nonrenewable terms	• Judges are recommended by the High Qualification Commission of Judges (HQCJ) • The High Council of Justice (HCJ) reviews and approves the nominations • Approved HCJ judges are officially appointed by the President • Supreme Court judges may serve until they reach the mandatory retirement age of 65	• Same process as the SCU with one addition for initial nomination: – Majority of the HQCJ and Public Council of International Experts (PCIE)[1] must vote in favor of potential judges to secure nominations to the HCJ – Must include at least 3 (of 6) members of the PCIE	• Follows the same appointment process as the SCU

1. The six members of the PCIE are foreigners recommended by international organizations (the EU and the IMF) with which Ukraine has agreements concerning anti-corruption initiatives. The PCIE's main role is to screen HACC candidates for integrity and ethics

Sources: Central Intelligence Agency; Judiciary of Ukraine; Constitutional Court of Ukraine; Legislation of Ukraine

Below the Supreme Court, Ukraine's judiciary is further broken down into a large system of appellate and district courts

Overview of Ukrainian Appellate and District Courts

	General Courts of Appeal	Appellate Commercial Courts	Appellate Administrative Courts	Local General Courts	Local Commercial Courts	Local Administrative Courts
Jurisdiction	• Courts that hear appeals of judgments made by local (district) courts • Oversee matters on cases that do not pertain to commercial or administrative law	• Specialized courts that handle appeals related to commercial disputes (disputes between businesses or commercial entities and bankruptcy cases)	• Specialized courts that handle appeals related to administrative disputes	• First instance courts that hear and decide civil and criminal cases at the local level	• Specialized first instance courts that hear and decide commercial disputes at the local level	• Specialized first instance courts that hear and decide administrative disputes at the local level
Court composition	• 23 General Courts of Appeal, each with 30 to 70 judges	• 8 Appellate Commercial Courts, each with 30 to 70 judges	• 7 Appellate Administrative Courts, each with 30 to 70 judges	• 74 district courts, each with 3 to 50 judges	• 27 local commercial courts, each with 5 to 20 judges	• 27 local administrative courts, each with 3 to 20 judges
Appointment process and term limits	• Follows the same appointment process as the Supreme Court of Ukraine • Appellate court judges are appointed for 5-year terms, which can be extended for subsequent 5-year terms • Appellate and district court judges are subject to a mandatory retirement age of 65			• Judges are recommended by the HQCJ • The President of Ukraine makes the final decision on the appointment of judges to local district courts • Unlike judges on the Supreme Court and the appellate courts, district court judges do not need the approval of the HCJ		

Sources: Central Intelligence Agency; Judiciary of Ukraine; Legislation of Ukraine

Lack of trust in the judiciary and corruption continue to be long-standing concerns voiced by Ukrainians and foreign investors alike

State of the judiciary

28% Vacancy rate in judicial positions as of 2021 (5,300 positions filled vs. 7,300 authorized)

20% Of judgments are carried out according to the Ministry of Justice (2015)

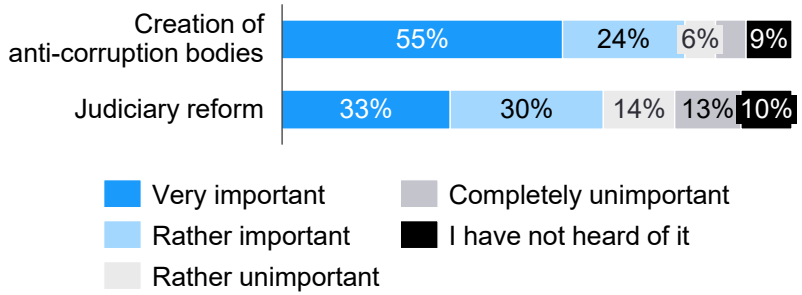
25% Of Ukrainians trust the courts as of 2022 (up from 12% in 2018)

1 in 5 Ukrainians from 2019 to 2021 had to or knew someone who had to do a favor or bribe a local official (nearly 1 in 10 say 3+ times)

Ukrainian sentiment on reform efforts, Oct 2022

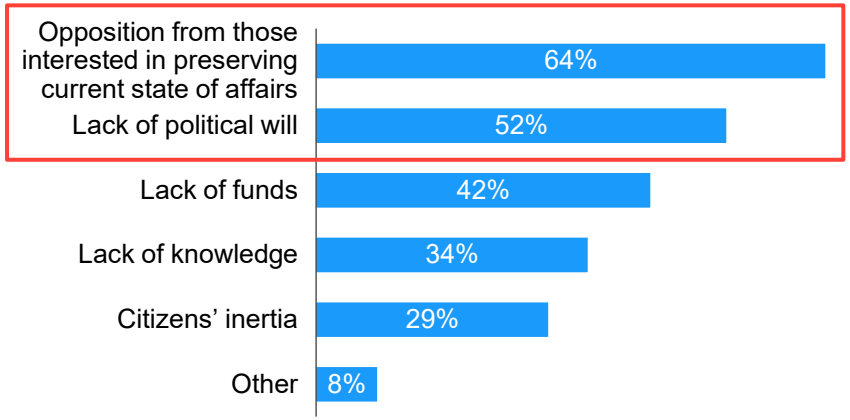
Nearly 60% to 80% of Ukrainians say anti-corruption and judiciary reform are priorities

Q: Importance of reforms for Ukrainians



Ukrainians rank political inertia and vested interests of those in power as the top barriers to reform

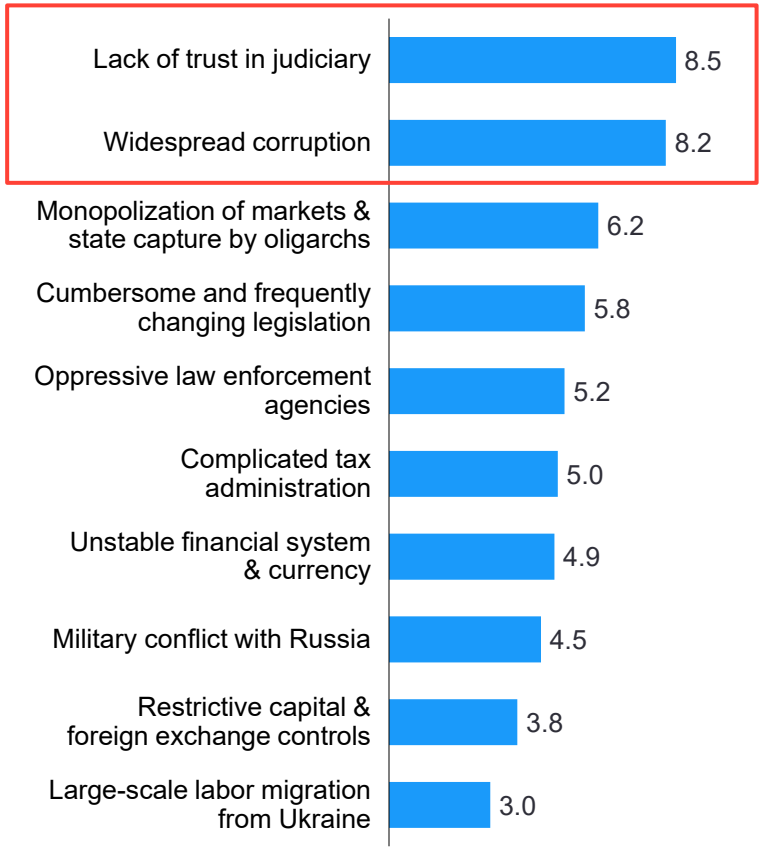
Q: Name the main obstacles to reforming Ukraine (choose up to 3)



Foreign investor perception, Nov 2020

Lack of trust in judicial systems and widespread corruption are the largest barriers to foreign investment

Q: Which of the following obstacles to investment in Ukrainian assets are the most important? (10=Most Important)

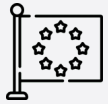


Sources: KIIS Dynamics of Trust in Social Institutions Survey Dec 2022; ILAC Rule of Law Report: Ukraine Status Report on Justice System Jul 2022; International Center of Reforms; Vox Ukraine Survey Oct 2022; IRI Public Opinion Survey of Residents of Ukraine Nov 2021; EBA Foreign Investor Survey Nov 2022; International Center of Reforms

3 Judicial reform in historical context

There are four key components underpinning Ukraine's judicial reform, driven by a desire for international integration and domestic pressures for reform

Foreign pressures



Aspirations for EU membership

Renewed urgency due to Ukraine War

Concerns about Russian interference

Key tenets of Ukraine's judicial reform

Fighting corruption

The Ukraine judiciary has suffered from endemic corruption at all levels. Poor compensation and a legacy USSR judiciary have contributed to a widespread culture of bribery

Establishing political independence

Until 2016, judges were appointed and dismissed by Rada, which made the system and process very political. Ongoing reforms call for measures that limit the dependence of judges on other government bodies

Preventing abuse of judiciary power

Judges have benefited from a culture of impunity, which is perpetuated by coalitions of judges who frequently take actions to block reforms that aim to prevent appointments of the same corrupt judges to new judicial positions

Improving judiciary oversight

Judiciary governance bodies and court oversight commissions have had limited impact on ensuring that corrupt judges are blocked from being appointed mainly because such institutions themselves suffer from a lack of impartiality

Domestic pressures

Public demands for anti-corruption

Improving public trust in the judiciary

Increasing competence and capacity

Sources: Atlantic Council; government websites; VOX Ukraine

Since gaining independence from the USSR in 1991, Ukraine has rigorously sought to reform its judiciary, but the journey has had a series of starts and stops

Timeline of Ukraine's judicial reform

Ukraine beginnings

Aug 1991
Independence from USSR; Ukraine inherits Soviet-era court system and judges

Jun 1996
Rada approves new constitution outlining legislative, executive, and judicial branches

Revolution of dignity and calls for anti-corruption

Nov 2013
Ukrainians protest in Euromaidan, demanding nationwide anti-corruption reform and the resignation of President Yanukovych

1st phase of reform: establishing judicial independence

Jun 2016
President Poroshenko re-establishes the High Council of Justice (HCJ) to take over the task of appointing judges from Rada and remove political influence from the process

Jul 2016
Rada adopts law "On the Judiciary and the Status of Judges" to depoliticize the judiciary and make it independent, trustworthy, and publicly accountable

Jun 2018
Rada establishes the High Anti-Corruption Court (HACC) to prosecute corrupt politicians

Reforms stall due to internal resistance from the judiciary

Nov 2019
Both the HCJ and the CC work to block new law requiring the presence of international experts in judicial governance bodies (the CC rules unconstitutional)

Oct 2020
The CC closes public register of asset declarations and removes penalties for failing to declare. Mass protests ensue. President Zelensky unconstitutionally dismisses the head of the CC

2nd phase of reform: increasing judicial appointment oversight

Jun 2021
The Venice Commission calls for a competitive selection process for CC judges. Rada originally supports amendment but later reverses decision

Sep 2021 / Nov 2021
Rada establishes the Selection Commission and the Ethics Council to oversee the HQCJ and the HCJ. International experts are appointed in both bodies

Russia launches full scale invasion in Ukraine

Feb 2022
Reform is interrupted by war but viewed as key to limit Russian influence. Days after war breaks out, Ukraine formally requests to join the EU

Judicial reform regains momentum

Aug 2022
Rada registers new law to establish the Advisory Group of Experts (AGE) for checking the integrity of CC judges. The law has not been approved yet

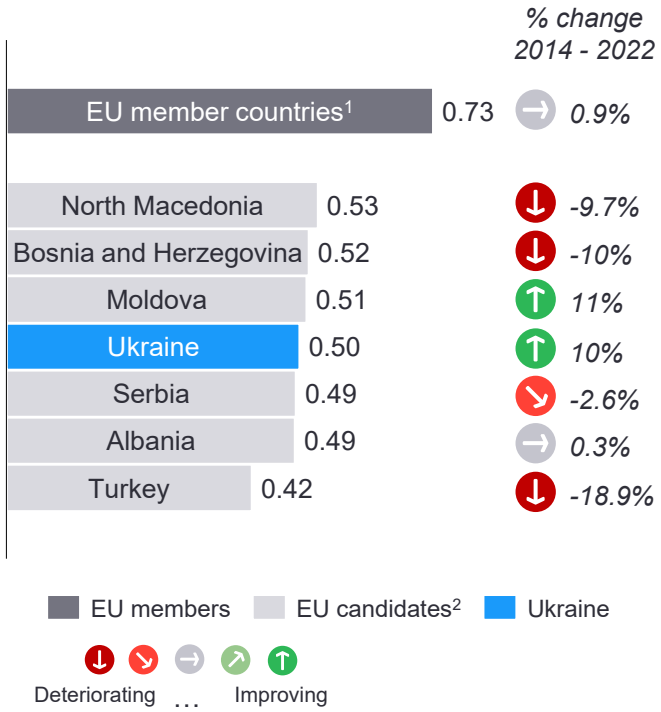
Dec 2022
Rada liquidates the District Administrative Court of Kyiv (DACK) after judges are found to be involved in massive corruption and an attempt to seize power

Feb 2023
Congress of Judges appoints 8 new members to the HCJ, making it fully operational. The HCJ must fill 2,000+ vacant judge positions

Sources: Dejure Foundation; European Commission

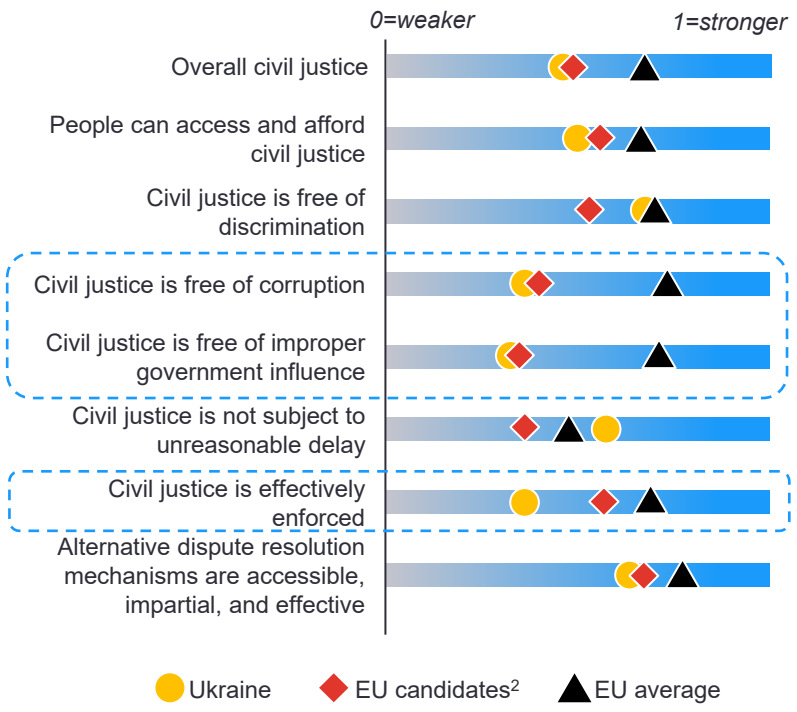
Ukraine's rule of law has made meaningful improvements in the past decade, but there are still significant gaps to reach acceptable judiciary norms of the EU

Rule of law index, 2022



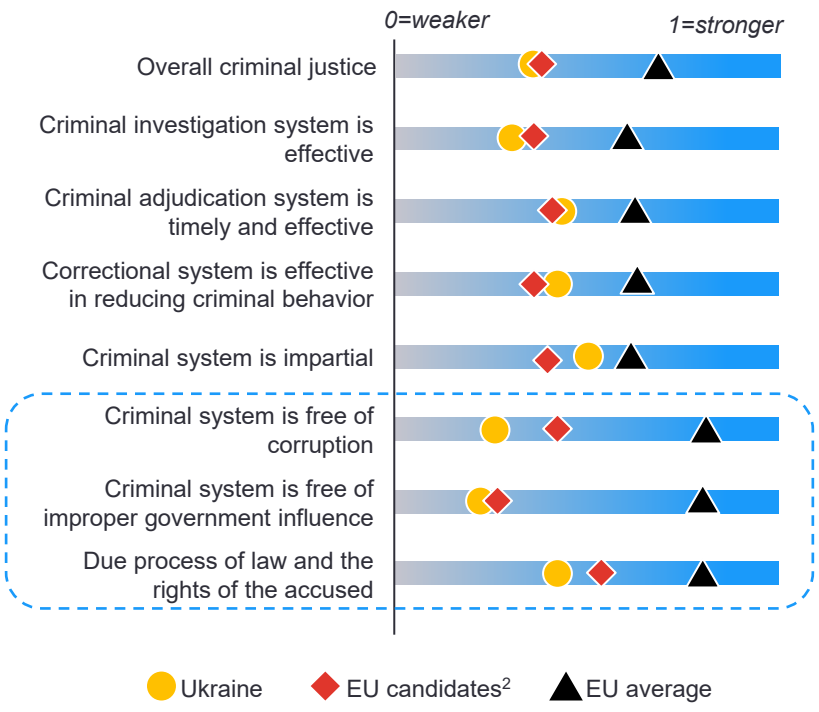
- **Ukraine's rule of law index is on par with peers** (EU candidates) but far from the EU average
- While there is still significant room for improvement, Ukraine has shown a **marked increase in rule of law ratings since 2014**

Civil justice status, 2022



- The largest gaps in Ukraine's civil justice (relative to EU members and candidate peers) revolve around **corruption, improper government influence, and lack of effective enforcement**

Criminal justice status, 2022



- Criminal justice in **Ukraine significantly trails EU** member averages across all dimensions
- **Corruption, improper government influence, and lack of due process for the accused** represent the largest areas of opportunity

1. Includes all EU members
2. Includes Albania, Bosnia & Herzegovina, Moldova, North Macedonia, Serbia, and Turkey. Ukraine was granted EU candidate status in 2022 and is shown separately

Source: World Justice Project

Significant financial and Western support hinge on Ukraine's ability to address judicial reform as laid out by the EU and IMF

EU membership requirements

- In **Feb 2022,** 5 days after the Russian invasion, **Ukraine applied to the EU**
- In **Jun 2022,** Ukraine was awarded EU member candidate status. In addition to the Copenhagen criteria, Brussels outlined **7 key recommendations**

Copenhagen criteria

★ 1. Institutional stability guaranteeing democracy, rule of law, human rights, and protection of minorities

2. Functioning market economy and capacity to cope with competitive pressure and market forces in the EU

3. The ability to take on and implement effectively the obligations of membership, including adherence to the aims of political, economic, and monetary union

Progress toward Brussels recommendations (out of 10), Jan 2023

★ 1	**Constitutional Court reform** *Implement evaluation-based judge selections (integrity, skills)*	2
★ 2	**Continuation of judiciary reform (HCJ and HQCJ)** *Finalize integrity vetting of candidate judges*	7
★ 3	**Anti-corruption (SAPO and NABU)** *Enable credible anti-corruption investigations, prosecutions, convictions*	7
★ 4	**Combating money laundering** *Enact AML legislation and adopt law enforcement / security reform*	6
5	**Anti-oligarch reform** *Limit excessive influence of oligarchs in economic, political, public life*	2
6	**Media legislation** *Tackle vested interests and empower independent media regulator*	9
7	**Alteration of legislation on national minorities** *Finalize reform of legal framework for national minorities*	8

IMF financial assistance

- In **Mar 2023**, the **IMF authorized a rule change** that allows the approval of new loan programs to countries facing "exceptionally high uncertainty"
- In **Apr 2023**, the IMF **approved $15.6b to Ukraine** to stabilize its economy

Financing requirements

★ 1. Restoring and strengthening the anti-corruption framework and judicial reform
   - **Funds from the IMF allow Ukraine to finance many reforms** (including judiciary reform) that it desperately needs in order to join the EU
   - **Backsliding on judicial reform progress** in the past has caused the IMF to temporarily suspend Ukraine's funding
   - To help Ukraine fight corruption, the IMF has demanded **public electronic register of asset declarations** for high profile officials

2. Strengthening governance and independence of Ukraine's central bank, the National Bank of Ukraine (NBU)

3. Improvements to the legislative and regulatory framework for bank supervision and resolution

4. Policies to reduce the medium-term fiscal deficit

★ Criteria impacting judiciary

Sources: European Union; IMF; Atlantic Council

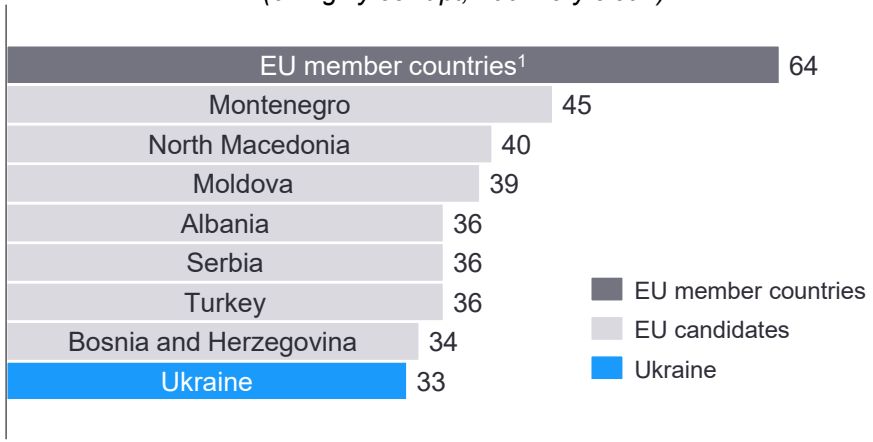
State of anti-corruption efforts

Ukraine's corruption score is the worst among EU candidates, with nearly 80% of Ukrainians saying corruption levels have stayed the same or worsened since 2019

Corruption perceptions index, 2022

Ukraine's corruption score is worse than the average score of EU members and those of its EU candidate peers

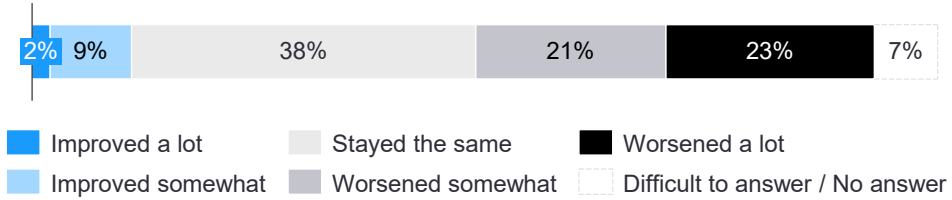
(0=highly corrupt, 100=very clean)



Sentiment on anti-corruption progress, Nov 2021

Only 11% of Ukrainians believe progress has been made on corruption

Q: In your opinion, has the level of corruption improved or gotten worse since 2019?



Corruption sub-factor scores, 2022

In addition to the scores shown previously on corruption in Ukraine's civil and criminal justice systems, low scores on the following elements have contributed to a culture of judicial corruption

(0=weak adherence to the law, 1=strongest adherence to the law)

	Ukraine	EU candidates	EU members	Gap to peer candidates	Gap to EU
Judiciary oversight on gov't power *Gov't powers are effectively limited by the judiciary*	0.31	0.35	0.64	-0.04	-0.33
Sanctions on misconduct *Gov't officials are sanctioned for misconduct*	0.28	0.31	0.63	-0.03	-0.35
Avoidance of private gain *Gov't officials in the judicial branch do not use public office for private gain*	0.49	0.47	0.85	+0.02	-0.36
Judicial due process *Due process of the law and rights of the accused*	0.44	0.51	0.73	-0.07	-0.29
No improper influence *Gov't regulations are applied and enforced without improper influence*	0.41	0.50	0.81	-0.09	-0.40

- Relative to other EU candidates, Ukraine's ratings on key corruption factors are slightly worse
- When it comes to sanctions on misconduct, avoidance of private gain, and avoidance of improper influence, Ukraine significantly trails EU standards
- Ukraine's sanctions on misconduct score is particularly low relative to other categories of corruption

1. Average of ratings for all EU member countries
Source: World Justice Project; IRI Public Opinion Survey of Residents of Ukraine Nov 2021; Transparency International

In response, Ukraine has accelerated its focus on anti-corruption efforts with 6 specialized institutions coming together to reduce corruption within the country

	Watchdog agencies		Enforcement / recovery agencies			Policymaking agency
	National Anti-Corruption Bureau of Ukraine (NABU) ★	State Audit Service of Ukraine (SAS)	Specialized Anti-Corruption Prosecutor's Office (SAPO) ★	Asset Recovery and Management Agency (ARMA)	High Anti-Corruption Court (HACC) ★	National Agency on Corruption Prevention (NACP) ★
Mission	• Eradicating top corruption for the sake of a successful society and an effective state	• Ensuring the economic well-being of the country through implementation of state policy in the field of public financial control	• Independent structural unit of the General Prosecutor of Ukraine established to prosecute corruption-related cases	• Finding, tracing, and managing assets derived from corruption and other crimes	• N/A	• Developing anti-corruption policy and preventing corruption
Key activities	• Investigates corruption in Ukraine and prepares cases for prosecution (but cannot indict suspects) • Passes findings to SAPO	• Detects misuses in the financial sphere	• Supports and prosecutes criminal investigations launched by NABU	• Special gov't body authorized to formulate and implement state policy related to assets subject to seizure • Manages and auctions seized assets in criminal proceedings	• Specialized court of first instance and appeals which hears corruption-related cases	• Central executive body tasked with developing anti-corruption policy • Established in accordance with the law of Ukraine on the prevention of corruption
Organization	• Headed by the Chairman of NABU • Operates under the jurisdiction of Rada	• Headed by the Chairman of SAS • Sits within the Ministry of Finance	• Led by the Head of SAPO	• Headed by the Chairman of ARMA • Operates under the Ministry of Justice	• Headed by the President of the HACC • Operates within Ukraine's judiciary	• Governed by a board of 7 members appointed by the President • Operates under Rada

Sources: NABU; SAS; SAPO; ARMA; HACC; NACP

★ Highly influential anti-corruption institution

Within the past year, 5 of the 6 anti-corruption institutions have been featured on Ukrainian news outlets for actions they have taken to reduce corruption

Notable actions taken by anti-corruption agencies within the last year

National Anti-Corruption Bureau of Ukraine (NABU)

- NABU has been active in the anti-corruption battle and has announced several high-profile investigations
- In January 2023, NABU announced it is investigating alleged abuse in the **procurement of food for the military**
- In March 2023, NABU announced it is investigating a criminal organization led by the **former Chairman of the State Property Fund of Ukraine**

National Agency on Corruption Prevention (NACP)

- In March 2023, the Ukrainian government approved the NACP-authored **State Anti-Corruption Program for 2023-2025**
- The State Anti-Corruption Program is a document that establishes a **system of specific measures** that are mandatory and aimed at implementing the Anti-Corruption Strategy for 2021-2025

High Anti-Corruption Court (HACC)

- In April 2023, Poltava mayor Oleksandr Mamai was **dismissed from his post** in execution of the verdict of the High Anti-Corruption Court
- In March 2023, the HACC sentenced Yevhen Dykhne, the **former Head of the State Enterprise Boryspil International Airport,** to five years in prison

Specialized Anti-Corruption Prosecutor's Office (SAPO)

- The newly-**appointed chief prosecutor** has quickly reopened stalled cases and launched new investigations (appointed July 2022)
- In October 2022, SAPO charged the **Head of National Bank of Ukraine** with the embezzlement of ukrgasbank funds

Asset Recovery and Management Agency (ARMA)

- To improve the efficiency of the search for illicit assets, as of April 2023, ARMA has established **information sharing with 69 banking institutions**
- ARMA will organize the **auction of a $200m superyacht** owned by Viktor Medvedchuk, a pro-Kremlin Ukrainian politician

State Audit Service of Ukraine (SAS)

- The SAS has not taken any notable actions that have been shared with news outlets within the past year

Sources: Interfax-Ukraine; Ukrinform; The Guardian; National Agency on Corruption Prevention; Freedom House

Although Ukraine has made noteworthy progress toward judiciary reform, much work is needed to tamp down corruption and ensure progress is sustainable

Path forward on judicial reform in Ukraine

	Judicial reform priorities	Implications for Ukraine	Tactical steps suggested by legal community (illustrative)
1	**Renewed Constitutional Court**	• A truly independent and professional CC is needed to guarantee that judicial reform cannot be arbitrarily ruled unconstitutional and reversed	• Raise the number of votes required to adopt CC decisions • Change the composition of the court through a competitive and transparent selection process subject to outside scrutiny • Strengthen disciplinary procedures and ethical requirements for CC judges (with potential for sanctions, international asset freezes, or other legal consequences)
2	**New quality of administrative courts**	• An independent administrative court is needed to ensure the integrity of the HCJ and HQCJ and to prevent dubious judges from being reinstated	• Conduct a comprehensive assessment of the current state of Ukraine's administrative courts • Dissolve corrupt regional administrative courts and replace them with new independent and impartial courts
3	**Renewed HCJ and HQCJ governance bodies**	• An independent judiciary is possible only if the relevant governance bodies are also independent and of high integrity	• Enforce / protect international oversight in judicial governance bodies • Conduct evaluations required to identify and dismiss corrupt judges and hire replacements with the necessary credentials
4	**Screening and renewal of courts**	• Public trust in the judiciary can be repaired only if dubious judges at all levels are dismissed and new judges of high integrity are appointed	• Address backlog of judge candidates and fill vacant judicial benches so that there is adequate capacity to deliver justice

Sources: Dejure Foundation; Atlantic Council; Interfax-Ukraine

Appendix: Additional reading

Additional sources that address Ukraine's post-war reconstruction and economy

Ukraine's post-war reconstruction

International Centre for Policy Studies
Rebuilding Ukraine: Initiatives, Approaches, Recommendations
https://www.icps.com.ua/assets/uploads/images/files/rebuilding_ukraine.pdf

Adelphi
Rebuilding Ukraine – Principles for a Green Post-War Reconstruction
https://adelphi.de/de/system/files/mediathek/bilder/Rebuilding%20Ukraine_adelphi_January_2023_final.pdf

Centre for Economic Policy Research
Rebuilding Ukraine: Principles and Policies
https://cepr.org/system/files/publication-files/178114-paris_report_1_rebuilding_ukraine_principles_and_policies.pdf

Brookings Institute
Financing and governing the recovery, reconstruction, and modernization of Ukraine
https://www.brookings.edu/blog/up-front/2022/11/03/financing-and-governing-the-recovery-reconstruction-and-modernization-of-ukraine/

The World Bank
Estimated Cost of Ukraine Recovery and Reconstruction
World Bank Document

Baltic Journal of Economic Studies
The Economy of War and Postwar Economic Development: World and Ukrainian Realities
http://baltijapublishing.lv/index.php/issue/article/view/1752/1770

The Guardian
Concerns of reconstruction funding transparency and corruption
As well as fighting Russia, Ukrainians are battling corruption at home | Ukraine | The Guardian

The German Marshall Fund of the United States (GMF)
Towards a Marshall Plan for Ukraine. The Marshall Plan was an audacious, innovative strategy to tackle the most pressing challenges of its time. Breaking Western Europe's cycle of conflict and rebuilding economies devastated by World War II were immense tasks, and the Marshall Plan is a concrete example of the scale of change made possible by imagination, pragmatism, and generosity.
Ukraine-New ideas and recommendations_digital_May22.pdf (gmfus.org)

Designing Ukraine's Recovery in the Spirit of the Marshall Plan_0.pdf (gmfus.org)

Ukraine's economy

Montenegrin Journal of Economics
Economic Security Management of Ukraine in Conditions of European Integration
https://mnje.com/sites/mnje.com/files/137_-_153-__kozlovski_et_al.pdf

Bezpieczny Bank
How is the Post Pandemic Economy Transforming into a Post-War Economy in Ukraine: Challenges for Economic Policy and Society?
https://ojs.bfg.pl/index.php/bb/article/view/81/94

Advances in Social Sciences Research Journal – Vol. 9, No. 3
Russian-Ukraine 2022 War: A Review of the Economic Impact of Russian-Ukraine Crisis on the USA, UK, Canada, and Europe
Microsoft Word - ASSRJ-12005.docx (researchgate.net)