

Ministry of Foreign Affairs – Department for European Neighbourhood (EUN)

Meeting in the Council for Development Policy on 26 October, 2023


















Agenda Item No. 4

- 1. Overall purpose:** For discussion and recommendation to the Minister
- 2. Title:** EU Anti-Corruption Initiative in Ukraine, 2024-2027
- 3. Amount:** DKK 59.7 million
- 4. Presentation for Programme Committee:** 15 August 2023
- 5. Previous Danish support presented to UPR:** 26 October 2017

The EU Anti-Corruption Initiative (EUACI) in Ukraine Phase III

Programme Document

European Union Anti-Corruption Initiative III 2023 – 2027

<p>Key results:</p> <ul style="list-style-type: none"> - Anti-corruption institutions perform according to their mandate with enhanced effectiveness and improved track record. - Improved anti-corruption framework for integrity of reconstruction process in Ukraine. - Enhanced level of integrity and transparency in the Integrity Cities. - Ukraine's civil society and media enhancing their efforts to promote a culture of integrity at national and local level. <p>Justification for support:</p> <ul style="list-style-type: none"> - Builds on the continued Ukrainian anti-corruption reform process in alignment with the State Anti-Corruption Programme (SACP) expressing the vision and priorities of the government of Ukraine. - Anti-corruption reform is an important element in the Ukrainian EU accession process and represents a corner stone in the policy cooperation between Denmark, EU, and Ukraine. - The initiative is complementary to and will support other EU and Danish initiatives in Ukraine aimed at improving democratic governance, rule of law, and public administration at central and local level. - The programme contributes to enhanced transparency in the reconstruction process and will enable Ukraine to improve existing practices. <p>Major risks and challenges:</p> <ul style="list-style-type: none"> - The continued war in Ukraine may limit or prevent EUACI from operating effectively. - The Ukrainian Government lacks political commitment to continued anti-corruption reform in a time of war. Actors within the state apparatus, as well as powerful businesses, may try to obstruct anti-corruption efforts. - Increased inflow of resources in Ukraine for reconstruction increasing the risk for corruption. - There is a considerable reputational risk of engaging in anti-corruption efforts in Ukraine. Partners or individuals may be caught in corrupt practices which could potentially fall back on the programme and eventually the EU and Denmark. 	File No.	2023 – 17714						
	Country	Ukraine						
	Responsible Unit	EUN						
	Sector	Anti-Corruption						
		<i>DKK million</i>	2023	2024	2025	2026	2027	Total
	Commitment	59.7						59.7
	Projected Disbursement	0	14.2	22.8	20.4	2.3		59.7
	Duration	1 January 2024-30 April 2027						
	Finance Act code.	06.32.11.10						
	Head of unit	Henrik Winther						
	Desk officer	Dorrit Skaarup Jensen						
	Reviewed by CFO	Tine Lunn						
	Relevant SDGs [<i>Maximum 5 – highlight with grey</i>]							
	 No Poverty	 No Hunger	 Good Health, Wellbeing	 Quality Education	 Gender Equality	 Clean Water, Sanitation		
 Affordable Clean Energy	 Decent Jobs, Econ. Growth	 Industry, Innovation, Infrastructure	 Reduced Inequalities	 Sustainable Cities, Communities	 Responsible Consumption & Production			
 Climate Action	 Life below Water	 Life on Land	 Peace & Justice, strong Inst.	 Partnerships for Goals				

Objective: To achieve significant progress in preventing and countering corruption, ensuring the coherence and systemic anti-corruption activities of all state and local self-government bodies, as well as the proper process of Ukraine's post-war recovery. **Strategic objectives:**

- 1) Corruption in Ukraine is reduced.
- 2) Ukraine advances with anti-corruption reform
- 3) Reconstruction in war-affected areas of Ukraine is implemented within a framework that incorporates transparency, accountability and integrity.

Engagement	Partner	Total outcome budget DKK ¹ :
Activites		101.966,975
- Outcome 1	<i>Anti-corruption institutions</i>	36,686,975
- Outcome 2	<i>Reconstruction efforts</i>	15,740,000
- Outcome 3	<i>Integrity Cities</i>	15,740,000
- Outcome 4	<i>Civil Society and media</i>	18,500,000
- Unallocated funds (15% of activity budget)		15,300,000
EUACI office		19,800,000
Reviews, audits and MEAL		2,900,000
Contingencies (1%)		1,246,670
EU administrative fee to Denmark (7% of EU contr.)		4,636,355
Total		130,550,000

¹ Of which 70.9 mill. DKK are delegated funds (EU). The budget reflects the total sum of the engagement without distinguishing between sources of funds

Abbreviations

ARMA – Asset Recovery and Management Agency

CAP – Committee on Anti-Corruption Policy

CO₂ – Carbon dioxide

CRA – Corruption Risk Assessments

CSO – Civil Society Organisation

DAC – Development Assistance Committee

DDD – Doing Development Differently

DhoP – Deputy Head of Programme

EU – European Union

EUACI – European Union Anti-Corruption Initiative

EUN – Department for European Neighbourhood (Danish MFA)

FATF – Financial Action Task Force

GoU – Government of Ukraine

HACC – High Anti-Corruption Court of Ukraine

HoA – Head of Administration

HoP – Head of Programme

HR – Human Resources

IDLO – International Development Law Organization

INL – Bureau of International Narcotics and Law Enforcement Affairs

ISG – Integrity Support Group

IT – Information Technology

LNOB – Leaving No One Behind

M&E – Monitoring and Evaluation

MEAL – Monitoring, Evaluation, Accountability, and Learning

MFA – Ministry of Foreign Affairs

N/A – Not Applicable

NABU – National Anti-Corruption Bureau

NACP – National Agency for Corruption Prevention

NGO – Non-Governmental Organisation

OECD – Organisation for Economic Co-operation and Development

PGO – Prosecutor General Office

SACCI – Support to Anti-Corruption Champion Institutions

SACP – State Anti-Corruption Programme

SAPO – Specialised Anti-Corruption Prosecutor’s Office

SDG – Sustainable Development Goal

SFMS – State Financial Monitoring Service of Ukraine

SO – Strategic Objective

TBD – To Be Decided

UA – Ukraine

US – United States

USAID – United States Agency for International Development

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1. Introduction

EU and Denmark have made a collaborative effort to prevent and combat corruption in Ukraine through the EU Anti-Corruption Initiative (EUACI) through two different phases of the programme (Phase I: 2017-2019 and Phase II: 2020-2024) and are preparing for a next phase which will enhance the programme focus on the significant funds channelled through reconstruction in the current context of war.

Ukraine has made extensive efforts to combat corruption since the 2014 Revolution of Dignity (Euromaidan). It has implemented anti-corruption reforms, established new institutions, created awareness and achieved significant progress in investigations and adjudication of top corruption cases.

Through EUACI, Denmark and EU have played a pivotal role in establishing a network of anti-corruption institutions in Ukraine and enhancing their capabilities. EUACI has strengthened the involvement of civil society organisations and investigative journalists in the fight against corruption. Additionally, EUACI has introduced and implemented the concept of Integrity Cities, to promote transparency and integrity at the local level.

In 2022, EUACI provided emergency assistance following Russia's invasion and suspended all anti-corruption activities. EUACI resumed its anti-corruption efforts during the summer of that year but with a reduced budget. Since then, EUACI has been actively engaged in reconstruction aid and anti-corruption, and in bolstering the resilience of the anti-corruption infrastructure.

The third phase of EUACI will build upon the successful aspects of the existing support while identifying new priority areas to prevent and combat corruption. Continuing support will contribute to the fight against corruption and, at the same time, serve as an important signal to civil society, politicians, and the Ukrainian public at large, demonstrating that EU and its member states remain committed to supporting genuine reforms in this domain. Improved anti-corruption track record will also help facilitate Ukraine's ambition of EU accession.

For this phase, Denmark and EU have allocated EUR 17.5 million, covering the period from 1 January 2024 to April 2027. Similarly to Phase I and II, Denmark will implement the programme on behalf of EU, following Danish guidelines. Denmark will contribute EUR 8 million to the programme and EU will contribute EUR 9.5 million.

This programme document serves as the Description of the Action. The design of the programme is the result of extensive dialogue with Ukrainian institutions in Kyiv in June 2023 as well as online meetings.

In the subsequent sections, the document presents the strategic considerations, lessons learned, and policy context for the programme, followed by an overview of the programme theory of change and objectives. In Section 4, a detailed description of the programme is presented, summarising the individual intervention areas. Then a summary of the results framework at strategic objective and outcome level is presented, followed by a budget overview and information about the organisational setup, with a specific focus on the implementing unit in Ukraine. Section 8 presents the financial managements aspects and reporting. This is followed by the programme's approach to risk management and closure. Further details regarding the context, risk management, communication, budgets, and a consolidated results framework can be found in the annexes to this document.

2. Context, strategic considerations, rationale and justification

Corruption in Ukraine

Corruption has been a longstanding issue in Ukraine, affecting society and hindering the country's development. It has infiltrated political, economic, and social spheres, eroding public trust and impeding progress in governance and economic prosperity.

Historically, Ukraine has faced challenges in combating corruption due to factors such as weak institutions, lack of transparency, and insufficient accountability mechanisms. The transition from a planned economy to a market-based economy has also created structures less conducive to fighting corruption with a political economy based on vested interests from powerful stakeholders and unequal access to resources and services.

Following the Revolution of Dignity in 2014, the country embarked on an ambitious pathway of anti-corruption reforms. These efforts included the establishment of new institutions, legislative reforms, and increased cooperation with international partners. It created the National Anti-Corruption Bureau (NABU), the Specialized Anti-Corruption Prosecutor's Office (SAPO) to investigate and prosecute in particular high-level corruption cases, and the establishment of the High Anti-Corruption Court of Ukraine (HACC) in 2019. The National Agency for Corruption Prevention (NACP) was created to take the lead on anti-corruption policy and strategy and to develop and be in charge of a number of preventive measures. Furthermore, civil society organisations and the media have played a central role in exposing corruption cases and advocating for change. They have helped raise awareness, hold authorities accountable, and push for reforms.

However, challenges remain in the fight against corruption and progress has often been uneven and met with resistance from vested interests. Despite the establishment of anti-corruption institutions, their capacity is still limited, and the effectiveness and independence have been challenged, and some high-profile corruption cases have yet to result in convictions. The judiciary's susceptibility to political influence is among the challenges.

International support has been instrumental in Ukraine's anti-corruption efforts and addressing corruption in Ukraine requires sustained commitment, comprehensive reforms, and the collective efforts of government, civil society, and international partners.

Short historical perspective of EUACI

The EU Anti-Corruption Initiative (EUACI) was launched by EU and Denmark as a collaborative effort to combat corruption in Ukraine. It began in 2017 as a response to the urgent need for anti-corruption reforms in the country, which continued to be a fundamental challenge for Ukraine.

The initiative aimed to strengthen the capacity of anti-corruption institutions, promote transparency, and support the rule of law in Ukraine. EU and Denmark jointly provided financial support for the initiative, with an initial funding of 15.9 million EUR for the first phase (2017-2019). During this period, EUACI played a significant role in establishing a network of anti-corruption institutions. It worked to empower civil society organisations, investigative journalists, and other stakeholders in their fight against corruption. The initiative introduced tools and mechanisms to promote integrity and transparency, such as the Integrity Cities concept. EUACI's efforts also focused on raising awareness about the detrimental effects of corruption and advocating for a culture of integrity, which was achieved through supporting independent media and CSOs.

Recognising the progress made in the first phase, EU and Denmark agreed to continue their support for EUACI with a second phase, allocating 22.9 million EUR from 2020 to 2024. The second phase aimed to sustain and expand the achievements of the initiative, further strengthening anti-corruption institutions and promoting transparency in Ukraine. The second phase also introduced the ambition to enhance integrity in the private sector.

The War

In 2014, Russia's annexation of Crimea escalated into a larger armed conflict in eastern Ukraine. The Russian full-scale invasion on 24 February 2022 increased the conflict significantly and has had profound implications for the country and the wider region. The full-scale invasion put the programme's activities temporarily on hold as the Ukrainian Government and Ukrainian partners had other immediate priorities and challenges to attend to. The programme was still able to support its partners with emergency needs and resumed anti-corruption work during the summer. In November 2022 the programme design was updated to reflect the new situation and priorities.

The war brings a significant number of challenges but also opportunities to the programme that will be addressed in this next phase. Most importantly, the anti-corruption institutions are pressed in terms of finances as the state has reduced their budget; public access to many registers used in anti-corruption work has been closed; asset declaration of public officials as well as reporting on political party financing have been suspended; inflow of foreign financial support increases corruption risks and workload of anticorruption institutions; the institutions are losing staff to the war efforts and migration out of the country. On the positive side, tolerance in society is falling and the EU accession process is further motivating the reform process.

The war continues to impact the current phase and it is expected that the war or the aftermath of the war will also impact the third phase of the project. To that effect, the redesign of the programme has put specific emphasis on transparency, accountability, and integrity in the reconstruction process, which is prone to corruption.

The opportunities: reconstruction aid, EU integration, and enhanced attention to anti-corruption

The ongoing challenges in Ukraine have also presented opportunities for various areas of focus and support. These opportunities include:

1. **Reconstruction aid:** The war in Ukraine has resulted in significant damage to infrastructure, housing, and public facilities in the affected regions. Reconstruction aid provides an opportunity to rebuild and restore the affected areas, promoting stability and improving living conditions for the local population. International partners, including EU and Denmark, contribute to this process by providing financial support and technical expertise. However, more needs to be done to support the policy and regulatory environment and ensure that the necessary integrity safeguards are in place at the national and local level.
2. **EU integration:** Ukraine has expressed aspirations for closer integration with the European Union, both politically and economically. This integration process offers opportunities for reforms, modernisation, and alignment with EU standards and values. It can lead to increased trade, investment, and cooperation with EU member states, promoting economic growth and development in Ukraine. The next phase will seek to capitalize on this motivator of reform by further advocating for and supporting the anti-corruption reforms and legislation processes.
3. **Enhanced attention to anti-corruption efforts:** The fight against corruption has been a priority for Ukraine, and international support and civil society have played a crucial role in this regard. Surveys show that the tolerance for corruption is declining significantly. The attention and support for anti-corruption efforts provide an opportunity to strengthen institutions, promote transparency, and improve governance practices in the country. These efforts are also closely linked to closer EU integration. Working with civil society and media, the programme can further harness these changes in the next phase.

Relevant Ukraine policies and legal framework

Ukraine has implemented a range of policies across various sectors directly or indirectly related to anti-corruption to address its challenges and pursue its national priorities. Key policy areas the programme aligns to are:

1. **Anti-Corruption Reforms:** Ukraine has prioritised anti-corruption efforts to combat systemic corruption within its institutions. It has established anti-corruption bodies, such as NABU, SAPO, and HACC, to investigate and prosecute corruption cases. Additionally, measures such as the introduction of an electronic asset declaration system for public officials and enhanced transparency in public procurement have been implemented (i.e. through Prozorro).
2. **Economic Reforms:** Ukraine has undertaken economic reforms to promote economic growth, attract investment, and improve the business climate. This includes initiatives to streamline regulations, improve the rule of law, enhance tax administration, and promote privatization. The goal has been to create a more favourable environment for businesses, stimulate entrepreneurship, and foster economic development.
3. **Judicial Reforms:** Ukraine has been working on judicial reforms to strengthen the independence, efficiency, and accountability of its judiciary. This includes measures to enhance the selection and evaluation processes for judges (e.g. in HACC), improve court administration, and promote transparency in the judicial system. The objective is to ensure a fair and impartial judiciary that upholds the rule of law.
4. **Decentralization:** Ukraine has pursued decentralization reforms to empower local authorities, promote local governance, and enhance public service delivery at the regional and local levels. This includes delegating more decision-making powers and financial resources to local communities, improving local infrastructure, and fostering citizen participation in decision-making processes.
5. **European Integration:** Ukraine has placed a strong emphasis on its European integration aspirations. It has implemented reforms aligned with European standards and values, such as adopting EU regulations and harmonising legislation in various sectors. The goal is to move Ukraine towards EU accession.

The anti-corruption efforts are guided by the anti-corruption strategy for 2021-2025, which was adopted by the Parliament of Ukraine (Verkhovna Rada) on 20 June 2022. The development and coordination of the implementation of the Strategy is the responsibility of NACP. The Strategy is based on 5 key principles:

1. Optimisation of functions of the state and local government. In particular, it is envisaged to eliminate excessive powers of the state bodies as well as the duplication of their functions.
2. Reduction of the “human factor” and increase in transparency and efficiency of the state’s relations with people and organizations. This will be achieved through the introduction of rules of general administrative procedure and digitalization of most processes and services;
3. Creation of convenient and legal alternatives to corrupt practices;
4. Ensuring effective state control over the observance by public servants of the rules of ethical conduct and requirements of anti-corruption legislation;
5. Ensuring the inevitability of liability for corruption and corruption-related offenses.

The State Anti-Corruption Programme (SACP) was approved in March 2023 and provides more than 1,700 measures in 17 policy areas to reduce the level of corruption and ensure integrity. In particular in the judiciary, defence, law enforcement, state regulation of the economy, customs and taxation, urban planning and land management, corporate management of state enterprises, education, health care, social protection, etc. Also, among the priorities is ensuring the inevitability of responsibility for corruption and increasing the effectiveness of the system for combating it. The SACP is closely linked to the strategy and one of the key elements of the programme is a system of indicators that will allow monitoring and evaluation of progress.

EU policies

On 28 February 2022, four days after Russia’s full-scale invasion, Ukraine presented its application for membership of the European Union. Ukraine was given a European perspective and granted candidate status on 23 June 2022 by the leaders of all EU Member States. Candidate status was granted on the understanding that Ukraine takes the following steps:

1. Enact and implement legislation on a selection procedure for judges of the Constitutional Court of Ukraine, including a pre-selection process based on evaluation of their integrity and professional skills, in line with Venice Commission recommendations;
2. Finalise the integrity vetting of the candidates for the High Council of Justice members by the Ethics Council and the selection of candidate to establish the High Qualification Commission of Judges;
3. Further strengthen the fight against corruption, in particular at high level, through proactive and efficient investigations, and a credible track record of prosecutions and convictions; complete the appointment of a new head of SAPO through certifying the identified winner of the competition and launch and complete the selection process and appointment for a new Director of the NABU;
4. Ensure that anti-money laundering legislation is in compliance with the standards of the Financial Action Task Force (FATF); adopt an overarching strategic plan for the reform of the entire law enforcement sector as part of Ukraine’s security environment;
5. Implement the Anti-Oligarch law to limit the excessive influence of oligarchs in economic, political, and public life; this should be done in a legally sound manner, taking into account the forthcoming opinion of the Venice Commission on the relevant legislation;
6. Tackle the influence of vested interests by adopting a media law that aligns Ukraine’s legislation with the EU audio-visual media services directive and empowers the independent media regulator;
7. Finalise the reform of the legal framework for national minorities currently under preparation as recommended by the Venice Commission and adopt immediate and effective implementation mechanisms.

On the 23 June 2023, the EU Commissioner Várhelyi in his Oral Update confirmed that of the seven steps of priorities, Ukraine has completed two and progress in the implementation of the other five is on track. Anti-corruption is one of the seven steps that is not yet fully completed. He asks Ukraine to take further systemic measures, in particular by restoring the e-declaration system and implementing the adopted SACP.

As part of the EU-accession, Ukraine will need to adhere to the *acquis* in the anti-corruption related area. A new draft EU Directive for combatting corruption by criminal law is expected to become part of EU’s *acquis*.

Launching the enlargement negotiations will further strengthen EU’s scrutiny and demands as to progress in the field of preventing and combatting corruption and intensify EU member states’ attention to this key element of

EU integration. EUACI's support to anti-corruption reform will de facto help facilitate Ukraine's ambition of EU integration, as the anti-corruption institutions become capacitated in countering corruption and integrity at the national and local level. EU Council President Charles Michel has further stated that he believes Ukraine can become a member by 2030.

Danish policies

Denmark has actively pursued policies to support Ukraine in its development, reforms, through multifaceted and long-term support provided bilaterally and in concert with partners and allies. Since the outbreak of the war, Danish support to Ukraine has amounted to approximately EUR 2.2 billion in military support and EUR 336 million in civilian contributions. The civilian contributions include support to reconstruction, humanitarian aid, macro financial support and reform programmes. The majority of the military and civilian support to Ukraine is funded by the Danish Ukraine Fund which was established March 2023.

Denmark has donated three packages of a total of approximately EUR 105 mil. for acute reconstruction. Of this support, approx. EUR 75 million has been supporting reconstruction in the city and oblast of Mykolaiv. Ukraine and Denmark have agreed that Denmark will take on a special role in the reconstruction of Mykolaiv. It has been agreed with the authorities in Ukraine and Mykolaiv that the Danish long-term cooperation will focus on Danish strongholds, such as green transition, water supply, shipping, transportation, infrastructure, good governance, and business development. Mykolaiv has become an Integrity City of EUACI with the aim of developing best practices in the field of reconstruction with respect to transparency, integrity, and accountability. Denmark has also been a significant contributor to broader development cooperation efforts in Ukraine. It has provided financial assistance to support governance, human rights, civil society, and sustainable development. By supporting EUACI, Denmark will contribute to combat corruption and enable enhanced transparency and accountability in the reconstruction aid to which Denmark is a major contributor.

EUACI phase I and II lessons learned

Coming out of its second phase in a country now at war, EUACI has covered multiple lessons learned, which have been used to adjust the programme over time. The most important lessons learned is that the context within anti-corruption is in constant flux, with new opportunities emerging as well as unforeseen setbacks even before the war. This has further exacerbated uncertainties in the sector marred by less state resources and human resource constraints from staff engaged in the war or leaving the country. The political economy in Ukraine also means that not all key partners are always functioning well in the chain of anti-corruption institutions. At times, EUACI has had to pause funding to partners when these were not performing or compliant the mandate while others were performing well. There has thus been a regular need to scale support according to these partner changes over time.

The major lesson learned is the need for a flexible programme which can adapt to these changes as also envisaged in Doing Development Differently (DDD). EUACI has been able to adapt by having flexible programming, unallocated funds, as well as an Executive Committee that meets regularly to take executive funding decisions. The need for flexibility is further exacerbated by the planning modus operandi of major state partners in Ukraine. EUACI has, in the last two phases, worked extensively to try and establish strategic plans against which the programme can plan its support. While some strategic plans have been developed, these are not followed closely, and rather, the institutions operate more flexibly according to the changing political economy and anti-corruption context, and late the context of war. This means that EUACI needs to be able to match this required flexibility to stay relevant to the institutions. This flexibility is one of the reasons why EUACI remains a preferred partner compared to many other donors despite its more limited budget.

There are also project specific lessons learned that has informed this next phase of the programme:

1. EUACI supported numerous selection processes for leadership and expert positions in anticorruption institutions. The number of candidates and their qualifications have seen a reduction over the time. The level of women candidates remains low. EUACI will seek to address this gender imbalance in phase III.
2. Calls for proposals are the best avenue to ensure an anti-corruption focus for civil society and media. Partners are easily identified, and the support process allows for a policy dialogue with civil society to motivate work towards the EUACI objectives. The core funding provided to civil society limited the policy dialogue options and caused a heavy management burden to the programme.

3. The anti-corruption institutions have very short planning cycles and lack long-term strategic institutional plans with clear goals and indicators that donors can align to. In the past, this has required EUACI to stay flexible and responsive to emerging requests from the institutions. To enhance the long-term sustainability of capacity development to the institutions, EUACI will work with them to enhance their institutional planning and develop capacity development plans that enables EUACI to apply a more holistic approach to sustainable capacity development.
4. EUACI has over the years increased the internal resources on drafting and commenting on policies and laws. This work has become still more relevant as the reform process in anti-corruption accelerates.
5. The anti-corruption institutions experience an outflow of the staff, reducing capacity developed in the past. To increase the efficiency and sustainability of the investment made in capacity development, EUACI will in the next phase assist with the improvement of Human Resource (HR) policies within institutions to retain staff, promote gender equality, and enhance the attractiveness of working in the institutions.
6. EUACI has in the past provided support to small NGOs in the Integrity Cities. However, this project support has suffered from local partners with little capacity to report and do proper accounting. While support to local NGOs is needed and serves an important purpose, including in cities that will undergo reconstruction, EUACI should build on previous experience and seek to support local NGOs through national civil society partners with sufficient capacity.
7. EUACI has in the past undertaken most of the monitoring and evaluation at the same time as implementing ninety percent of the activities (note that EU and Denmark have conducted independent evaluations in Phase I and Phase II). In the past, one M&E officer has overseen the MEAL process with inputs from EUACI officers implementing or facilitating activities. To enhance monitoring oversight and separate implementers from the results capture processes, as well as to improve the learning aspect of MEAL, there is a need to strengthen the independent MEAL processes.
8. EUACI has implemented several complex IT systems requested by its partners that require specialised IT knowledge and cumbersome procurement processes. The programme has had to contract on *ad hoc* basis external IT specialists to prepare documentation and monitor IT projects on behalf of EUACI. It will be an advantage for the programme to have a framework long-term contract with one or several external specialised IT experts that can provide the detailed expertise needed.
9. The programme has around 25 partners with varying degree of inputs and activities. This is a consequence of the context and the nature of the programme. In the past phases, this has resulted in more than 200 indicators. To reduce the complexity of the programme, outputs have been simplified, as well as indicators reduced to allow the programme to focus its engagement.

The way the programme has been designed in Phase I and Phase II, the EUACI has only to a limited extent addressed the practical corruption challenges ordinary people are experiencing in their daily lives. The work in the Integrity Cities is the only dimension of the EUACI work that, to some extent, is tangible at the local level. It can be problematic if ordinary citizens do not see the benefits of EU-supported reforms, and it might reduce the societal support base for such reforms. This means that the EUACI needs to be more visible at the local level and engage on sectorial issues that have a tangible impact locally, for instance, corruption in schools.

Synergies with EU and Danish engagements in Ukraine

EUACI is designed to complement other Danish and EU engagements in Ukraine to optimise inherent synergies in the support.

- At the national level: The integrity and anti-corruption support to the Ministry and Agency of Restoration will improve the level of transparency, accountability, and integrity of the reconstruction process and thus facilitate the proper use of reconstruction support funded by EU and Denmark. This support will complement other technical EU programmes that are engaged in the reconstruction process. The support to the anti-corruption institutions is complementary to other Danish and EU support. This includes EU's justice support through PRAVO Justice, where EUACI support to HACC, SAPO, and NABU is closely aligned with the overall support to the justice sector, and EUAM that is working with other law enforcement bodies. EU also supports public finance, custom reforms, decentralisation, corporate governance, and digital governance, which is linked to EUACI. Further synergies are expected with the launch of the EU Ukraine Facility. The support complements and is coordinated with the Danish support

to UNDP's governance and civil society work on transparency and accountability; and is complementing media work by the Danish NGO Strategic Partner IMS. The EUACI will continue to engage with partners in Ukraine that are supported through the Danish MFA anti-corruption program, including TI, U4, UNODC and MACN. EUACI is expected to explore synergies with the new programme for joined support to international anticorruption efforts and domestic resource mobilisation, especially where partners are envisaged to have activities in Ukraine.

- At the regional and local level: EUACI support to the integrity cities complements U-LEAD's (the EU programme implemented by GIZ and co-funded by Denmark) support to the hromadas. EUACI engagement in Mykolaiv, in particular, will complement the Danish reconstruction efforts in the city by enhancing the integrity and transparency of the reconstruction processes managed and coordinated by Mykolaiv City. The support to the Agency of Restoration will enhance the accountability and transparency of the reconstruction efforts in Ukraine at local level through the Agency's regional divisions and thus contribute to limiting the risk of corruption of the significant development interventions supported by Denmark and EU.

Donor coordination and synergies with other initiatives

EUACI is closely coordinating its engagement with other donors, in particular US funded programmes such as SACCI, IDLO, and INL. Selection processes, audits and technical assessment of anti-corruption institutions are conducted as joint exercises between EUACI and US programmes. For some institutions, detailed support plans are developed. With the EU and the US being the largest donors to the anti-corruption institutions, the support has been well coordinated between the two in the past and is expected to continue in the same way in the next phase. There are regular coordination meetings and consultations with other engagements in the sector as well, including UNDP, OECD and UNODC.

The multi-donor coordination in the field of reconstruction aid is more scattered. EUACI has been approached by the Ministry of Restoration to assist with coordination as part of its support to the Ministry. Enhancing the Ministry's capacity to coordinate the anti-corruption efforts in the field of reconstruction is therefore a priority under EUACI's intervention area 2. EUACI is also assisting the city of Mykolaiv in its work with its many international donors in the field of humanitarian aid and reconstruction, including through establishing a one-stop-shop for international aid.

EUACI phase III OECD-DAC criteria assessment

Relevance: EUACI works with the core institutions that are identified in the SACP and whose well-functioning performance is a prerequisite for the integrity of the delivery of reconstruction aid. As corruption is a challenge at local level and the bulk of the reconstruction aid is channelled to the local level, the support will also include assistance to selected cities that receive significant aid, including Mykolaiv. To further enhance citizens' involvement and secure the perspective of the rights holders, support is also provided to civil society and the media. The support to institutions at all levels is linked with existing institutional policies and priorities identified by the institutional partners to ensure the relevance of the support provided.

Coherence: The programme works to ensure internal coherence by having mutually reinforcing intervention areas. Effectiveness in Area 1 (anti-corruption institutions) will assist with combatting corruption related to reconstruction in Area 2 (Reconstruction) and 3 (Cities integrity in reconstruction). And Area 4 (civil society and media) will ensure pressure on the remaining areas to deliver accordingly. Finally, Area 2 (Reconstruction) will provide policies, procedures and oversight of reconstruction efforts at the local level, supporting Area 3 (Cities integrity in reconstruction). In terms of external coherence, the programme is, for now, well in sync with the other major programme in the sector mainly USAID funded programmes with a clear division of labour. However, there is a lack of proper sector coordination in the field of reconstruction and EUACI will contribute to ensuring this.

Effectiveness: The programme builds on the approach refined over the last two phases. Effectiveness is sought by prioritising activities identified by partners to ensure ownership and alignment as well as having a flexible setup, which allows EUACI to prioritise resources where these are most needed and have the highest probability of being effective. Effectiveness is motivated in particular by the policy reform process, which again is motivated by the

EU accession process. Effectiveness of capacity development will further increase with the introduction of long-term holistic partner capacity development plans.

Efficiency: Efficiency of the programme is first and foremost sought through management arrangement setup of EUACI. Short decision-making processes and flexibility allows for a fast response to partner requests. The autonomy granted to the programme within the mandates given by the Executive Committee is furthermore conducive to ensuring fast decision-making processes. Annual work plans give direction but do not become an obstacle to adapt to new needs and opportunities and are therefore up for revision by the Executive Committee on a regular basis that contributes to the efficiency of the program.

Impact: EUACI has contributed to impact in terms of enhanced capacity of key corruption institutions, which again has increased the number of corruption cases and eventually convictions. EUACI has also helped change legislation and created integrity awareness at the national and local level. Aligned with the past results, EUACI III will apply the same methods with enhanced focus and flexibility, which is expected to further deliver results at an impact level in the third phase of the programme.

Sustainability: For the national and local state institutions in Area 1, 2, and 3, EUACI is providing advisory support and IT support to existing institutions on the Ukraine government finance bill. The institutions are operational irrespective of EUACI. EUACI is thus focusing on improving the performance of institutions that will last beyond the programme period. The support is aligned with institutional priorities to ensure ownership and thus that the institutions will take on board the advice, capacity development, and IT provided in the future. Note that current legislation makes it impractical for Ukrainian state institutions at any level to receive funding from foreign governments. In practice, no donor therefore provides direct funding to Ukrainian institutions. For Area 4, civil society, EUACI works with institutions that are already capacitated and will exist beyond EUACI. For the weaker CSO institutions, a capacity grant is being introduced to help improve their capacity and thus long-term sustainability.

Cross-cutting priorities

The human rights-based approach constitutes a core element in the programme. While Ukraine has come far, there is a need to ensure that the duty bearers are held to account and that the voice of the rights holders is heard. The programme will continue to focus on ensuring that there is outreach at the local level as well as an enhanced focus on political participation, and access to justice and services at the decentralised level for all, with special emphasis on women, youth, and minorities. As part of the 2030 Agenda for Sustainable Development and the SDGs, the principle of Leaving No One Behind (LNOB) is also an important element for EUACI. The LNOB builds on equality (moving towards equal opportunities for all groups), non-discrimination (prohibition of discrimination based on HR treaties), and equity (fairness in the distribution of costs, benefits, and opportunities).

The programme will continuously assess whether any individuals or organisations are left behind in the project implementation. Key questions would be:

- 1) Do the key anti-corruption institutions all have the ability to exercise their mandate properly?
- 2) Are the Integrity Cities involving all citizens in anti-corruption work?
- 3) Is the project supporting the appropriate CSOs and media with a broad mandate to raise the awareness of integrity issues?

The anti-corruption institutions have a predominantly young workforce and strive for a balanced gender distribution among their staff, although more could be done. By supporting these anti-corruption institutions, the programme also contributes to fostering a young and gender-equal leadership in Ukraine.

However, it is important to note that gender and youth considerations are not always explicitly prioritised by the institutions themselves. To address this, EUACI will continue to support youth engagement with the institutions through youth forums, internship facilitation and youth dialogue processes, as well as continue the dialogue on gender equality with the targeted institutions at the national and local levels. Specific emphasis will be on ensuring gender equality in the institutions' HR processes. This includes the continued work for introducing gender balancing in recruitment and promotion. The EUACI office is also emphasising a gender balance in its staffing

and seeks to engage young Ukrainians as interns to foster coming champions of anti-corruption. Youth will also be targeted through the risk assessment and support countering corruption in the education sector.

The support to anti-corruption will also have an influence on climate change. The fight against corruption will improve the rule of law and limit the ability of rogue industrial businesses' efforts to circumvent legislation reducing CO2 emissions.

3. Programme objective

The development objective of the development cooperation among the parties is aligned with the Ukraine State Anti-Corruption Programme (SACP) objective, and enhanced to encompass the different actors that EUACI work with in support of anti-corruption: *'to achieve significant progress in preventing and countering corruption, ensuring the coherence and systemic anti-corruption activities of all state and local self-government bodies, and to empower civil society and citizens to contribute to the combatting of corruption, as well as the proper process of Ukraine's post-war recovery.'*

The overall objective of EUACI is supported by three strategic objectives. These strategic objectives are aligned with the SACP. The three strategic objectives of EUACI III are as follows:

- Corruption in Ukraine is reduced (SO1)
- Ukraine advances with anti-corruption reforms (SO2)
- Reconstruction in war-affected areas of Ukraine is implemented within a framework that incorporates transparency, accountability and integrity (SO3)

All intervention areas of EUACI III will contribute to the three strategic objectives as described in the theory of change presented below.

Theory of change and key assumptions

In the challenging context of implementation in Ukraine EUACI will use the leverage it has received from its modus operandi evolved since 2016, and the trust developed, to gather stakeholders from the independent state institutions, civil society and media, and national and local government to jointly support the anti-corruption reform and implementation processes at the national and local level.

EUACI is a programme undertaking direct implementation building on partnerships. It facilitates partners' anti-corruption work through a holistic capacity development approach. The approach builds on the partner strategies and a capacity development package that comprises advisory work, IT support, and coalition building. The programme is responsible for the outputs but rely on partners' performance and cooperation to ensure that they contribute to the defined strategic objectives. A schematic theory of change is outlined in the table below:

	Area 1: Institutions	Area 2: Reconstruction	Area 3: Integrity in cities	Area 4: Civil society
Input	<ul style="list-style-type: none"> - Funding, administration and procurement experience and capacity - Operational (service delivery) capacity (EUACI can undertake actions itself or it can sub-contract) - Human resource, recruitment and vetting experience and capacity - EUACI voice, reputation/legitimacy, convening power and communication capacities - Flexible and agile, adaptive management <p>The above translates into activities such as:</p> <ul style="list-style-type: none"> - Advice on capacity development planning - Legislative advice and drafting - Capacity development of staff - Institutional strategy development - IT equipment and software procurement - Forum for dialogue across institutions and partners 			Grants for: <ul style="list-style-type: none"> - Watchdog functions - Awareness raising - Corruption investigation
Assumptions	<ul style="list-style-type: none"> - Partners articulate capacity gaps and needs to EUACI so that it can match and leverage its inputs in a timely and efficient manner. - Key partners are committed to upholding anti-corruptions principles and practices as they partner with EUACI 			

	- Key partners have a minimum indispensable (baseline) capacity to be able to absorb and benefit from EUACI support			
Output	- Enhanced capacity of anti-corruption institutions allowing partners to maintain as well as enhance performance according to mandate - Improved legal framework to counter corruption	- Enhanced national regulatory framework for reconstruction allows partners to implement procurement with enhanced integrity - Improved capacity at regional level to perform with enhanced integrity	- Enhanced transparency and accountability framework and capacities in cities provides basis for risk reduction in city reconstruction work	Media and civil society actors with enhanced resources and capacities enabling them to monitor corruption, enhance awareness and support dialogue processes
Assumptions	- Facilitated access to expertise, staffing and infrastructure help ensure business continuity which allows staff to dedicate time and energy to leveraging learning and networking opportunities that will help them better fulfil their tasks and mandates - Enhanced capacity leads to improved performance in accordance with the institutional mandate - Institutions at national and local level pass improved legislation			Civil society and media have space to operate and are heard
Outcome	Institutions perform according to their mandate leading to: 1) Increased number of corruption convictions 2) Improved anti-corruption legislation applied	Institutions perform according to their mandate leading to: 1) National anti-corruption reconstruction framework in place 2) Reduced number of corruption cases at the regional level	1) Enhanced transparency and accountability of reconstruction work at integrity city level 2) Increased citizen access to transparent and accountable services	1) Improved citizen awareness of integrity needs and rights 2) CSO and media reports influence institutions
Assumptions and link to strategic objectives	Improved legislation and anti-corruption institutions' effectiveness increase the fight against corruption and reduces corrupt incentives leading to a reduction in corruption contributing to SO1. Improved effectiveness of institutions enhances the SACP implementation and reform process contributing to SO2, and the improve the rule of law in the fight against corruption in the reconstruction process contributing to SO3	Improved reconstruction framework and capacity at regional level is used to reduce corruption in the reconstruction process contributing to SO3. Improved transparency and accountability of reconstruction efforts enhances corruption reform implementation contributing to SO2. Fighting corruption at local level leads to reduced overall corruption contributing to SO1	Improved integrity in city management and reconstruction processes will lead to reduced corruption at city level contributing to a reduction in the overall level of corruption and SO1, reduced corruption in the cities will have specific attention to reducing corruption in reconstruction contributing to SO3. Improved transparency and accountability of reconstruction efforts at the city level enhances reform implementation contributing to SO2	Citizens are receptive to CSOs and media and increase their negative perception of corruption. Institutions are receptive to CSO and media pressure motivating improved legislation and performance. This enhances fight against corruption leading to a reduction and contributing to SO1; as well as a reduction corruption in reconstruction contributing to SO3. The pressure from civil society and media will further motivate reform implementation contributing to SO2

The support builds the following overall assumptions:

- That the Government of Ukraine and the independent state institutions continue to have a minimum of commitment to anti-corruption reform and to the implementation of the SACP. And, that the EU accession process continues to be a motivator for reform in the anti-corruption sector as it has in the past.

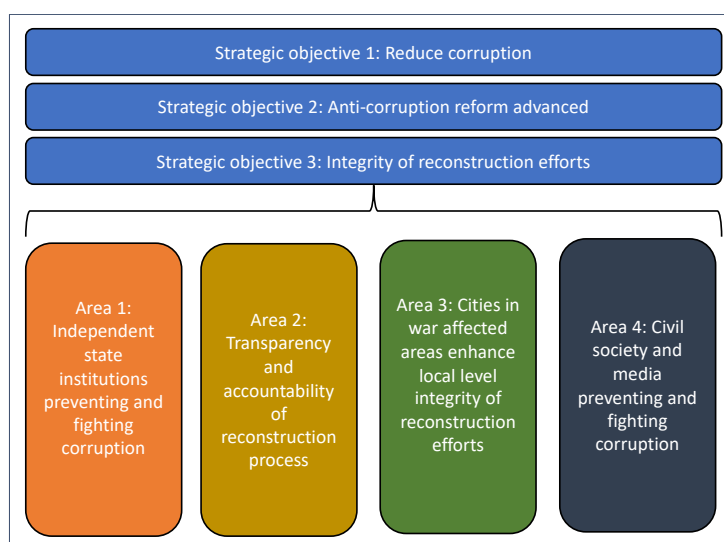
- That EUACI continues to have the trust of the partners from the government, state institutions, and civil society to enable it to influence policy and laws together with all stakeholders in favour of anti-corruption reform. And, that EUACI continues to be a preferred partner on the anti-corruption stakeholders' scene.
- That the war does not limit or prevent EUACI from operating.

The EUACI III programme is designed to be implemented in a context where anti-corruption reform progress is implemented in the difficult context of an ongoing war economy (assessed to be the current and most probable medium-term scenario). A full assessment of the most probable scenario as well as alternative scenarios and adaptation to these are presented in Annex 2.

The combined support under EUACI III will also contribute to Ukraine's EU accession by improving legislation and combatting corruption in line with the EU requirements, even if this is not the main objective of the support.

4. Programme description

To prevent and fight corruption at the national and local level in Ukraine, the programme will work across four mutually supportive intervention areas. All four intervention areas will contribute to the three overarching strategic objectives of EUACI. The programme is illustrated in the figure below.



Intervention area 1: The first intervention area will focus on supporting existing anti-corruption reform and infrastructure in Ukraine. Well-functioning and independent anti-corruption institutions with a strong track record, updated and improved legislation that is being implemented and that will strengthen the anti-corruption work and the implementation of the SACP and will be key in reducing corruption in Ukraine. The support will also have the additional benefit of contributing to Ukraine's ambition of meeting the EU accession requirements within anti-corruption. A well-functioning intervention area 1 will also strengthen the transparency and accountability of the reconstruction efforts as systems are in place to prevent, detect and fight corruption.

The support is aimed at the key anti-corruption institutions such as NACP, NABU, SAPO, and HACC but may occasionally include support to institutions such as SFMS and ARMA if this is assessed as relevant to achieve the programme's strategic objectives.

EUACI applies a holistic capacity development approach, which is aimed at strengthening the targeted institutions where their needs are greatest and in parallel help create lasting institutional changes aligned with the institutions' mandate and aspirations. A major challenge for the institutions is the limited use of strategic plans as well as capacity development needs assessments and plans. In the past, the institutional planning process combined with the more recent challenges emerging from the Russian aggression has meant that EUACI has only been able to

undertake 6-12 months capacity planning. However, EUACI will work to change this approach in the coming phase to enhance the sustainability and ensure long term institutional capacity enhancement effects.

EUACI will engage with the partners to assist with the development of institutional strategies with clear indicators for progress. Based on these strategies, the institutions' capacities will be mapped, and capacity development needs identified. EUACI will then together with the partners develop long-term institutional capacity development plans. These will be clearly linked with the institutions' strategic plans, and EUACI will focus on supporting areas that enhance institutional growth and independence from external support. Part of the capacity development plans will be to outline a process for a gradual takeover of the processes undertaken by EUACI to the institutions during the course of the third phase of the programme to increase the sustainability of the institutions.

However, the institutions in Intervention Area 1 will for the next years remain understaffed and under-resourced, and needs will emerge on a day-to-day basis, where *ad hoc* support of EUACI is still required to uphold the existing effectiveness of the institutions. All support is identified by the partner and EUACI has the flexibility to respond at short notice. This flexibility means that EUACI is a preferred partner and ensures a high degree of ownership of the partner. The combined strategic as well as the more *ad hoc* support will include capacity enhancement of staff, human resource management support, communication support, as well as IT software and hardware that improve institutional performance. Support to human resources and recruitment processes will include specific attention to gender equality.

EUACI also plays an important role in safeguarding the institutions' independence and countering fake media and legislative work aimed at undermining the institutions' mandate. To do this EUACI will continue to provide advisory support, input to legislation, advocacy, and communication support. A key element of the support will also be assistance to the selection process of key staff of the institutions to ensure integrity and proficiency of candidates, followed by additional training and support of audits/independent assessments.

Capacity development support will also be made available to the anti-corruption committee in Parliament (the CAP). Intervention area 1 institutions will also receive support to communication when relevant to help them counter the pressure from external sources trying to undermine the institutions and legislation in Ukraine.

EUACI will assist institutions with screening policies and legislation to ensure emphasis on anti-corruption and weed out efforts to dilute existing anti-corruption legislation. EUACI can play an important role in building knowledge and capacity of Ukrainian stakeholders in screening legislation and increasing cooperation with relevant EU institutions.

To stimulate cooperation, EUACI will serve as a platform for interaction between the anti-corruption institutions to discuss reform and apply joint approaches to improve legislation and support of the Government to the institutions. EUACI will also assist with joint conferences and venues where this will further the progress towards the strategic objectives.

The support to the institutions will differ according to needs and priorities as well as the performance of the institutions. Past performance varies according to the capacity and leadership of the institutions, which will require EUACI to adapt within the intervention area to this changing context.

Intervention area 2: The significant amount of reconstruction funds channelled to national and local levels need to be regulated, monitored, and applied according to needs and regulations. At the national level, EUACI will assist the Ministry of Restoration with legislation and regulation drafting and screening to minimise corruption risks. The work is undertaken by the EUACI established, and now legally institutionalised, Integrity Support Group (ISG) in the Ministry. The experts in the ISG report directly to the Deputy Minister and provide advice on legislation and the operationalisation of legislation, regulations, and procedures to enhance transparency and accountability of the reconstruction funds in Ukraine. Over the course of the third phase, ISG funding will gradually be transferred to the Ministry of Restoration as part of the capacity development process. EUACI will continue supporting digital products aimed at creating transparency and accountability in the reconstruction process.

The Ministry has also asked EUACI to assist with coordinating the excessive anti-corruption support from multiple donors and NGOs within reconstruction.

To support the Government of Ukraine with the integrity of reconstruction at the local level, EUACI will assist the Agency of Restoration with capacitating selected regional restoration units responsible for reconstruction in Ukraine. The capacity development will ensure an even involvement of men and women. These regional units are independent entities that yet report to the Agency. All the 23 units will have an anti-corruption officer and implement reconstruction in line with the Ministry and Agency guidelines and regulations. EUACI will pilot capacity development to one or more units. Based on the lessons learned, capacity development may be scaled up to cover additional units. The support under this intervention area will provide the policy basis for the integrity around reconstruction implemented in Intervention Area 3 (the integrity of reconstruction in cities).

Intervention area 3: The third intervention area is building on the concept of Integrity Cities in Ukraine but adapted to the new context and with a focus on the reconstruction efforts. The Area is thus closely linked to the policy and regional work under Intervention Area 2 (Reconstruction). Hence, the programme intends to increase its attention to cities where the reconstruction needs are greatest.

Key efforts of the intervention area will be aimed at: i) ensuring the sustainability of existing integrity tools in Integrity Cities, ii) implementing different integrity tools in cities for reconstruction based on best practices from Mykolaiv, and iii) scaling up integrity tools at the national level for broader replication.

The programme has an ambition to contribute to enhance the integrity of the reconstruction process in war affected cities. EUACI will therefore adopt a strategy for phasing out of existing cities and for selecting and phasing into new cities. The situation in Ukraine changes constantly and EUACI will need to respond to the needs in the cities as well.

The programme will launch an annual process where existing and potential new cities are carefully reviewed to determine whether the cooperation can be reduced, enhanced, or introduced (in a new city). For existing cities, this review process should be based on the latest corruption risk assessment and the Municipal Integrity Plan (MIP) to assess whether the city has come sufficiently far to be phased out or whether further efforts are needed. Cities that are phased out will still be in contact with the programme and EUACI will develop a network of integrity cities where lessons learned are shared with existing and new cities but without specific support from the programme (e.g. in terms of embedded advisors etc.).

In terms of potential new cities, the review process should also include, if available, corruption risk assessments, MIP or equivalent documentation. Additionally, the selection process will factor in the level of digitalisation in the potential city, its governance structure (e.g. dependence on Municipal Owned Enterprises), integrity rating, size, and a specific needs assessment to reflect whether the needs match the comparative strengths in the Integrity Cities approach. An important element of this needs assessment will be the reconstruction efforts required, which is a strategic priority for the programme, and which is also closely aligned with intervention area 2.

Special attention will be given to the city of Mykolaiv, where the Mayor's vision is to become the most transparent city in Ukraine. Cooperation with Mykolaiv allows to develop and implement innovative integrity tools for reconstruction in practice that will be extended to new partner cities and the national level as a new standard.

An appropriate package of integrity tools can be implemented in the existing Integrity Cities in need of reconstruction – Nikopol and Mariupol. However, the list of tools and the speed of their implementation will depend on the situation in the city and the capacity of the city administration.

Intervention area 4: The final intervention area is the demand-side or rights holders' perspective on anti-corruption in Ukraine. Through open and limited calls for proposals, the programme will fund civil society and media to act as watchdogs and awareness raising institutions to also foster a wider participation in the reform processes. Funding will go to areas that support the strategic objectives of EUACI III from a rights holder's perspective. The main activities will focus on awareness raising and watchdog functions.

The media support will focus funding to investigative journalists to undertake corruption investigations to be presented in relevant media. This includes national as well as local level investigations. To support the media, EUACI will fund civil society organisations that can provide legal protection to journalists targeted by individuals and organisations under investigation.

Civil society's watchdog function funded under the programme include monitoring the performance of the anti-corruption institutions as well as the performance of the Government of Ukraine at national and at integrity city level. This includes an assessment of Ukraine's implementation of international obligations in the field of anticorruption, participation in policy development, and advocacy processes.

Civil society will also monitor corruption risks at integrity city level and feed information to media in case of misuse of office or other corrupt practices. Specific attention is expected to be given to monitoring the implementation of anti-corruption activities in education sector, promoting integrity through education and awareness raising in schools. Finally, to strengthen civil society at a national and local level in specific sub-sectors, capacity development grants will be provided to smaller anti-corruption civil society organisations.

The topics for calls of proposals will be guided by their contribution to the achievement of EUACI's objective and complement its work with anticorruption intuitions and reconstruction. The final decision on which calls for proposals will be launched will be decided by the Executive Committee and may be adjusted over the programme period. The programme will limit the number of calls to ensure that the programme remains lean in its operations.

Building on the experience of using EUACI as a platform for dialogue and community of practice, EUACI will also provide a platform for linking civil society and media with anti-corruption institutions and parliamentarians to improve the dialogue on legislation and implementation. EUACI will also invest in the capacity development of CSOs as important players in promoting and moving forward the anti-corruption agenda.

Unallocated funds: 15 percent of the activities budget line are set aside as unallocated funds. These are included to enable the programme to adjust and adapt to the very fluid context of war and reform changes. In line with Doing Development Different (DDD), the funds will be used to support existing initiatives in EUACI or fund new initiatives as they provide possible opportunities to contribute effectively to meet the strategic objectives.

A strategy for the use of the unallocated funds will be developed during the inception phase of the programme. The unallocated funds may be distributed to any of the four outcome areas in accordance with rising opportunities and needs, as well as opportunities for improving anti-corruption in any of the four outcome areas. Part of the unallocated funds is expected to be used for mainstreaming anti-corruption efforts in the education sector across all four intervention areas. A strategy for this process will be developed in the first half of 2024.

Other examples for the use of unallocated funds may include new initiatives on integrity in Mykolaiv or assisting NABU with additional capacity development following the launch of new legislation expanding the office or assisting SAPO with institutional development if it becomes an autonomous institution from the prosecutor general's office. Use of unallocated funds will be designed by EUACI and approved by the Executive Committee.

5. Summary of the results framework

For results based management, learning and reporting purposes Denmark and the EU will base the actual support on progress attained in implementing the programme as described in the documentation. Progress will be measured through EUACI's own monitoring framework focusing on a limited number of key outcome(s) and corresponding outputs and their associated indicators. Below the strategic objectives and outcomes are presented. The full results framework is outlined in Annex 2. The results framework has been designed to ensure the highest level of alignment with the State Anti-Corruption Programme (SACP) where this is feasible and relevant.

Given the special nature of the EUACI being a direct implementer, the results presented are defined as follows (in line with OECD-DAC's definitions): outputs are the full responsibility of EUACI; EUACI contribute to outcomes,

but are not solely responsible for achieving these; the EUACI contributes to strategic objectives but their achievements rest on the actions of multiple of actors beyond the control and influence of EUACI.

Result framework for the EU Anti-Corruption Initiative in Ukraine phase three (EUACI III) at strategic objective and outcome level:

Project/Programme	The EU Anti-Corruption Programme phase III (EUACI III)
Strategic Objective 1	Corruption in Ukraine is reduced
Impact Indicator	<ol style="list-style-type: none"> 1. Ukraine's score/rank in Transparency International's Corruption Perception Index 2. Ukraine's score/rank in the Public Integrity Index 3. Proportion of persons who had at least one contact with a public official and who paid a bribe to a public official or were asked for a bribe by those public officials during the previous 12 months (SDG 16.5 indicator) (Survey by NACP).
Baseline 2023	<ol style="list-style-type: none"> 1. 33/100, 116/180 (2022 score) 2. 6.68 (2022 score) 3. 17.7%
Target 2027	<ol style="list-style-type: none"> 1. 45/100, 100/180 2. 7.5 3. 15.7% (2% reduction from baseline)

Strategic Objective 2	Ukraine advances with anti-corruption reforms
Impact Indicator	<ol style="list-style-type: none"> 1. Status of implementation of SACP's Chapter related to increasing the efficiency of the system for preventing and combatting corruption (subchapters 1.1.-1.4, 1.6.) 2. Status of regulatory framework for NABU, SAPO, HACC, NACP and ARMA
Baseline 2023	<ol style="list-style-type: none"> 1. Status of implementation of subchapters 1.1 – 1.4, 1.6 of Chapter 1 of the SACP: 1.1. -5,3%, 1.2 – 5,9%, 1.3 – 4,3%, 1.4 – 20%, 1.6 -0%. 2. Regulatory framework for NABU, SAPO, HACC, NACP and ARMA is in place but is not yet fully sufficient as outlined in the EU Commission's annual enlargement report and GRECO reports. In particular, there is a need to improve Criminal Procedural Code and Law on SAPO.
Target 2027	<ol style="list-style-type: none"> 1. Subchapters 1.1.-1.4, 1.6. of Chapter 1 of the SACP fully implemented 2. Legislative framework improved and implemented in line with the EU Commission's annual enlargement report and GRECO reports.

Strategic Objective 3	Reconstruction in war-affected areas of Ukraine is implemented within a framework that incorporates transparency, accountability, and integrity
Impact Indicator	<ol style="list-style-type: none"> 1. Status of regulatory framework for ensuring transparency, accountability and integrity 2. Survey showing government administrations use of regulatory framework
Baseline 2023	<ol style="list-style-type: none"> 1. Framework not in place 2. N/A
Target 2027	<ol style="list-style-type: none"> 1. Framework in place based on an independent assessment 2. Survey shows 70% of government entities surveyed at national and local level apply regulatory framework

Outcome 1.0	Anti-corruption institutions perform according to their mandate with enhanced effectiveness and improved track record
Outcome indicator	<ol style="list-style-type: none"> 1. Percentage of draft laws on which CAP adopted conclusions on anti-corruption proofing before 1st reading out of the total number of draft laws registered in the Verkhovna Rada 2. NACP's compliance with the criteria of the External assessment of the Effectiveness of NACP (audit) 3. Number of cases handed over to SAPO 4. Number of cases SAPO refer to HACC 5. Number of verdicts by HACC in criminal cases as a court of first instance 6. Public perception of the efficiency of anti-corruption institutions on 5 grade scale (NACP survey) 7. Status on the implementation of the institutional capacity development plans

Baseline	End-2023	<ol style="list-style-type: none"> 1. 14% (2022) 2. 72% 3. 54 (2022) 4. 77 5. 32 (first half of 2023) 6. 2,3/5 for NABU, 2,25/5 for SAPO, 2,19/5 for HACC, 2,23/5 for the NACP (2022) 7. No capacity development plans in place
Target	2027	<ol style="list-style-type: none"> 1. 14% 2. 85% (for the period of 2024-2025, report should be published in 2026) 3. 95 4. 85 5. 80 6. 2,5/5 for NABU, 2,5/5 for SAPO, 2,5/5 for HACC, 2,5/5 for the NACP (2026) 7. Capacity development plans implemented

Improved legislation and anti-corruption institutions' effectiveness increase the fight against corruption and reduces corrupt incentives leading to a reduction in corruption contributing to SO1. Improved legislation and effectiveness of institutions is a major objective of the SACP and contributes to meeting SO2. Improved effectiveness of anti-corruption institutions improves rule of law in the fight against corruption in the reconstruction process contributing to SO3.

Outcome 2.0		Improved legal framework promoting the integrity of the reconstruction process of Ukraine
Outcome indicator 2.0		<ol style="list-style-type: none"> 1. Status of regulatory framework promoting integrity of the reconstruction process 2. Status of implementation of anti-corruption programmes and policies by the Regional offices for Restoration
Baseline	End-2023	<ol style="list-style-type: none"> 1. Basic legal framework for the integrity of restoration process in place 2. N/A
Target	2027	<ol style="list-style-type: none"> 1. Comprehensive legal framework for integrity of reconstruction process adopted and implemented 2. Anti-corruption programmes are implemented by 70% (Accumulated) at 2/3 of the Regional offices for Restoration

Improved reconstruction framework and capacity at regional level is used to reduce corruption in the reconstruction process contributing to SO3. Transparency and accountability of the reconstruction process is part of the anti-corruption reform process and contributes to SO2. Fighting corruption at local level leads to reduced overall corruption contributing to SO1.

Outcome 3.0		Enhanced level of integrity and transparency in the Integrity Cities.
Outcome indicator 3.0		<ol style="list-style-type: none"> 1. Score/rank in the 1) Transparent Cities Rating/ 2) Index of digital transformation of Ukrainian cities 2. Status of implementation of Municipal Integrity Plans in Integrity Cities
Baseline	2023	<ol style="list-style-type: none"> 1.a Mykolaiv – N/A 1.b Nikopol – N/A 1.c Zhytomyr – Partially transparent city category in TC Assessment. The level of indicator implementation by the city council ranges from 50% to 74% 1.d Chervonohrad – Partially transparent city category in TC Assessment. The level of indicator implementation by the city council ranges from 50% to 74% 1.e Chernivtsi – Partially transparent city category in TC Assessment. The level of indicator implementation by the city council ranges from 50% to 74% <p>Baselines for new cities to be added once identified.</p> <ol style="list-style-type: none"> 2. Integrity Cities developed, approved, and implemented Municipal Integrity Plans (Except Mykolaiv and Mariupol)

Target	2027	<p>1.a Mykolaiv – prospective digital maturity level or higher in Index of digital transformation of Ukrainian cities/ transparent city category in TC Assessment.</p> <p>1.b Nikopol – prospective digital maturity level or higher in Index of digital transformation of Ukrainian cities/transparent city category in TC Assessment.</p> <p>1.c Zhytomyr – transparent city category or 15% improvement in scores. In TC Assessment/prospective digital maturity level or higher in Index of digital transformation of Ukrainian cities</p> <p>1.d Chervonohrad – transparent city category or 15% improvement in scores in TC Assessment/ prospective digital maturity level or higher in Index of digital transformation of Ukrainian cities</p> <p>1.e Chernivtsi – transparent city category or 15% improvement in scores in TC Assessment/ prospective digital maturity level or higher in Index of digital transformation of Ukrainian cities</p> <p>Baselines for new cities to be added once identified.</p> <p>2. Integrity Cities have passed 2 new full cycles of MIP updating, approving and implementation for at least 90%</p>
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Improved integrity in city management and reconstruction processes will lead to reduced corruption at city level contributing to a reduction in the overall level of corruption and SO1. Enhanced transparency and integrity at the local level is part of the anti-corruption reform and the support therefore contributed to SO2. Finally, reduced corruption in the cities will have specific attention to reducing corruption in reconstruction, contributing to SO3.

Outcome 4.0	Ukraine’s civil society, and media enhancing their efforts to raise awareness and promote a culture of integrity at national and local level	
Outcome indicator 4.0	Annual coverage of awareness-raising and advocacy campaigns, publications and other awareness-raising activities by CSO projects in the areas of strengthening the role of investigative media, and civil society in addressing corruption, accountability and transparency due to the support from EUACI.	
Baseline	2023	N/A
Target	2027	2,000,000

Citizens are receptive to CSOs and media and increase their negative perception of corruption. Institutions are receptive to CSO and media pressure motivating improved legislation and performance. Combined, these effects enhance the fight against corruption leading to a reduction and contributing to SO1; as well as a reduction corruption in reconstruction contributing to SO3. The pressure on the authorities is expected to enhance the motivation to implement anti-corruption reform and thus contribute to SO2.

6. Inputs/budget

EUACI will have a 3 years and four months implementation period with a total budget of EUR 17.5 million / DKK 130 mill. 8 million from Denmark and 9.5 million from EU. The period for EUACI III is thus half a year shorted than EUACI II, and the budget has been reduced by EUR 5.8 million or roughly a 18% reduction in budget relative to the period of implementation. Funding has been allocated across outcomes according to the assessed current needs by outcome as well as the last seven years of experience of partner capacity. 15% have been assigned as unallocated to allow for enhanced flexibility of the programme implementation in the given context (see below). An additional 1% has been set aside for contingencies.

The main budget line for activities, which constitutes the budget reporting to the EU is a total of DKK 101,966,975. The activities budget line has sub-headings divided by outcome. A further division into outputs can be found in Annex 4. The budget is presented in DKK. Outcome sub-budget headings are indicative and allocated after fund allocations for the sub-heading for unallocated funds, funds to the EUACI office, reviews and MEAL, EU administrative fee to Denmark (7% of EUR 9.5 million less the administrative fee), and contingencies. The indicative sub-allocations by outcome reflects the need for partners relative to their needs in terms of contributing to achieving the strategic objectives. The approximate distribution by outcome is as follows: outcome 1: 42%, outcome 2: 18%, outcome 3: 18%, and outcome 4: 22%.

Technical staff attached to institutions and organisations or only engaged in technical related work are included in the relevant outcomes and outputs even though they work in the EUACI Office to align with the requirements of an output-based budget.² The remaining administrative staff and management of EUACI are included in the EUACI Office expenditures assessed to comprise 16% of the budget. The EUACI Office also include expenditures for communication and cross-component activities.

The EUACI III budget

	2024	2025	2026	2027	Total DKK
Activities total:	23530000	33760000	33760000	10916975	101966975
- Outcome 1: Anti-corruption institutions (total)	7650000	11000000	11000000	7036975	36686975
- Outcome 2: Reconstruction (total)	3540000	5500000	5500000	1200000	15740000
- Outcome 3: City level integrity in reocnstruction (total)	3540000	5500000	5500000	1200000	15740000
- Outcome 4: Civil society and media (total)	3700000	6660000	6660000	1480000	18500000
- Unallocated (15% of activities budget)	5100000	5100000	5100000	0	15300000
EUACI Office*	4400000	6600000	6600000	2200000	19800000
Reviews, audits and MEAL	700000	1100000	700000	400000	2900000
Contingencies (1%)	286300	414600	410600	135170	1246670
EU administrative fee to Denmark (7% of EU contr.)	1398266	1398266	1398266	441558	4636355
Total	30314566	43272866	42868866	14093702	130550000

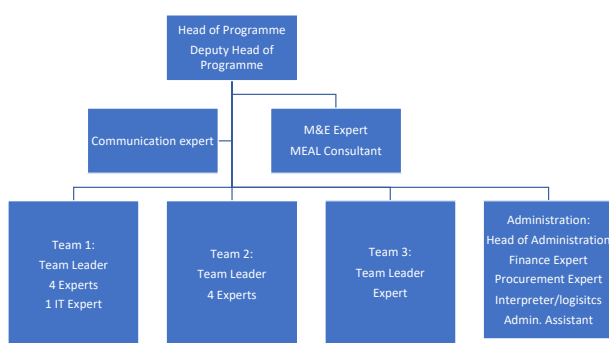
Note: 2027 has four months of implementation

* Reduced budget 2024 due to phase II funds. Funds for EUACI technical experts and team leaders are included in the individual outputs

To ensure a smooth transfer between phases and retain qualified EUACI staff, there will be six months' overlap between EUACI II and III. The main reason for the overlap is to ensure a sustainable transfer of portfolio between projects and to be able to retain qualified staff. The budget is therefore reduced for the first six months of EUACI III. The final decision of phasing in of the EUACI III will be taken by the Executive Committee based on a 'phasing in plan' developed by EUACI and presented to the Committee early-2024. This may also result in an update of the budget presented above.

7. Institutional and management arrangements

EUACI will be implemented by the EUACI office. As it is unfeasible to transfer funds to the Ukrainian government at any level, the programme will apply a direct implementation approach through the project office. An organigram of the EUACI project office is presented below.



The day-to-day management of the programme will be undertaken by the EUACI office. The EUACI office and staff are an integral part of the Ministry of Foreign Affairs of Denmark. The Department for European Neighbourhood (EUN) in the MFA is overall responsible towards the EU for the programme with support from

² This includes a team leader and four experts for outcome 1, a team leader and four experts covering outcome 2 and 3, and a team leader and an expert covering outcome 4.

other functions of the Ministry and in coordination with the Embassy of Denmark in Ukraine. EUN is thus overall responsible for the programme implementation. EUN has the final authority on EUACI III programme decisions based on the mandate from the Executive Committee and the Steering Committee. EUN and the Embassy of Denmark in Ukraine are represented in the Steering Committee and Executive Committee meetings.

The programme management is designed to cater to the programme design with thematic specific leads and experts covering the different intervention areas. The distribution of experts is aligned with the needs and the number of partners serviced in the different intervention areas. In addition, the programme has an administrative arm to oversee the financial, procurement, and management processes.

The following staff and staff functions are foreseen: The Head of Programme (HoP) recruited from within the MFA with overall responsibility for the EUACI III day-to-day implementation in Ukraine. The HoP has the overall responsibility for the implementation of the programme and management of the EUACI office. This includes the responsibility for ensuring that the programme is implemented in accordance with the principles and guidelines of the Ministry of Foreign Affairs (MFA), including adherence to guidelines for financial management and procurement. The HoP reports directly to EUN at the MFA and is responsible for the overall team management, staff development, and programme delivery. The HoP is assisted by a Deputy Head of Programme (DHoP), a Ukrainian National.

Under the leadership of the HoP and DHoP, EUACI will conduct regular strategic dialogue with EUACI partners; do advocacy work and networking at all relevant levels; provide inputs to policy dialogues in the form of analyses and advice; ensure visibility of the program; and give advice to the Executive Committee and the Steering Committee on adaptation needs of programme strategies, results framework, and activities. HoP is chairing the Executive Committee meetings.

Administrative and financial issues will be led by an MFA recruited Head of Administration (HoA). The HoA will oversee the financial, procurement and administrative work as well as undertake capacity assessments of possible grant receivers (intervention area 4 – civil society and media). All three teams and the communication expert will have a Ukrainian intern attached for learning in anti-corruption and contribute to the resource base in Ukraine.

To implement the programme, including the contribution to EUACI outputs, the programme will have three thematic teams:

- 1) Team 1: Anti-corruption institutions (Intervention Area 1): Expert hub and project management: The team will be headed by an experienced Ukrainian team leader who will oversee the implementation of Intervention Area 1 activities. The team leader will be supported by four specialised mainly legal experts and project managers, each assigned to one of the main institutions as well as an IT expert overseeing and assisting in the design of IT support to the institutions. In addition to the four main institutions (NABU, NACP, SAPO and HACC), the team will also support other relevant anti-corruption institutions and initiatives. Furthermore, the team will engage in the commenting, analysing and drafting of policies and laws on corruption in Ukraine. For team competencies, see Annex 8.
- 2) Team 2: Reconstruction at national and local level (Intervention Area 2 and 3): The team will be headed by an experienced Ukrainian team leader who will oversee the implementation of Intervention Area 2 and 3 activities. The team leader will be supported by four integrity and good governance experts. The experts will be linked to the Ministry of Restoration, the Agency of Restoration and to local level city support. The team will also directly engage in the commenting and drafting of policies and laws on integrity of the reconstruction process in Ukraine. For team competencies, see Annex 8.
- 3) Team 3: Civil society and media (Intervention Area 4): The team will be headed by an experienced Ukrainian team leader who will oversee the implementation of Intervention Area 4 activities. The team leader will be supported by a media and civil society expert. The two experts will undertake the request for proposal processes and advice civil society and media on the implementation. They will facilitate dialogue between civil society, media, state institutions and EUACI's regional partners, and develop anti-corruption capacity-building initiatives for civil society partners. For team competencies, see Annex 8.

The Executive Committee may decide to include an international expert as part of the EUACI staff. An internationally recognised high-level anti-corruption expert with a thorough knowledge of relevant EU acquis and international anti-corruption frameworks and recommendations combined with insights into the Ukrainian context could add value to the programme and be an important advisor to the anti-corruption institutions and government. However, in the current situation, during times of war, it is less likely that the programme will be able to attract an international profile to be part of the Kyiv team. It could also raise questions as to insurance and duty of care. For now, the programme will draw on external long-term expert(s) with the mentioned profile who can work from abroad. When the situation in Kyiv improves, the programme may consider having an international expert attached as part of the EUACI staff.

The EUACI office will be assisted with external monitoring and learning through a MEAL consultant. The MEAL consultant is expected to comprise a team of one internal expert and two Ukrainian experts. The international consultant will be responsible for drafting the MEAL methodology, overseeing the data collection and facilitate the double loop learning event. The Ukrainian experts will undertake the data collection and assist with the learning cycle processes. The team should have substantial MEAL experience and thorough knowledge of the anti-corruption institutions and context in Ukraine.

As in the present phase several additional long-term external experts will be seconded to key partners to build capacity and facilitate the implementation within intervention areas 1, 2 and 3. This includes at least one advisor to each of the integrity cities, at least three experts for the ISG in the Ministry of Restoration and a group of national and international legal experts to support work in the intervention area 1. Furthermore, a number of short-term experts will be contracted on an *ad hoc* basis.

The programme will have a Steering Committee, which comprises key Ukrainian partners, the EU, the Danish Embassy and EUN. The Steering Committee is co-chaired by Ukraine and Denmark. The Steering Committee is tasked with assessing progress and discussing the annual report. Each Steering Committee meeting will include a presentation by NACP on the progress of the anti-corruption reform agenda in Ukraine.

The Executive Committee comprises EU, the Danish Embassy and EUN. The Committee meets at least bi-monthly or when needed to discuss programme progress and make decisions on programme adaptations. EUACI functions as a secretariat for the Executive Committee. The Committee is chaired by HoP.

Intervention area management processes

From a management perspective, EUACI differs from most other Danish engagements funded by the Danish development budget. Denmark is the implementing agent of EUACI phase III for the EU. Denmark is thus undertaking the implementation without financial intermediaries. The implementation is outlined in a Delegated Cooperation Agreement. For all intervention Area 1-3 partners, no funds are channelled directly to the partner, and no written progress reporting is received from the partner specifically related to EUACI support. Instead, EUACI implements with the partners and is responsible for all financial transactions as well as monitoring and reporting on progress. Partners are involved in the procurement processes to highlight ownership and engagement, including in tender committees, but the ultimate management and financial responsibility rest with EUACI. The exception to this is the civil society and media organisations receiving support through requests for proposals under intervention area 4.

Outputs are delivered by supporting partners with advice, training, and related capacity development activities or through direct delivery by EUACI, such as drafting laws or holding joint cross-partner events and conferences. As there is no transfer of funds and reporting, the partnerships are formally nested in the Memorandum of Understandings and jointly agreed workplans rather than project documents. Denmark as well as the EU have overall agreements with the Government of Ukraine, which is the formal basis for the cooperation.

EUACI keeps track of progress and reports to the Steering Committee where major partners to EUACI are represented. The exception to this process are funds to civil society and media received through calls for proposals. Legal agreements are made with these CSOs and media organisations when funds are to be transferred.

Programme implementation process under intervention Area 1 (anti-corruption institutions and legislation): Area 1 funds will be reassessed and prioritised to partners aligned with their institutional strategic plans and the institutional capacity development plans. This will be revised on an annual basis based on MEAL data. Each year, EUACI will hold consultations with partners to re-assess their capacity development needs in accordance with their strategic plans and align this with overall Ukraine anti-corruption needs as expressed in policies and strategies as well as EUACI's assessment.

Once agreed, EUACI will draft a budget allocation formula separating support level by partner based on the institutional capacity development plans and needs for the coming year to be approved by the Executive Committee no later than February. Once approved, EUACI will detail a workplan together with the individual partners. The partner workplan will be used as a basis for the procurement of services to partners as well as the allocation of EUACI's own human resources to support individual partners. Workplans might be adjusted between the annual exercises when need arises or new opportunities emerge after consultations with the partners and approval by the Executive Committee. This will also ensure the necessary flexibility. EUACI will draft needed terms of reference, consult the content of these with partners, and start a procurement process in accordance with MFA procurement regulations. Over the period of implementation of the third phase of EUACI, the programme will assess options for further transferring authority of the implementation of the programme to the partner institutions where this is feasible according to Ukraine law and practices.

The data from the MEAL process will inform EUACI about the effects of the capacity development work under Intervention Area 1. A summary of these findings will be presented to the Steering Committee and inform the next year's capacity development plans and included in the double loop learning process.

Programme implementation process under component 2 (Reconstruction): Area 2 funds will be reassessed and allocated to the use for capacity development and support to the Ministry as well as the Agency of Restoration on an annual basis based on MEAL data. Each year, EUACI will hold consultations with the Ministry and the Agency to assess their capacity development needs in accordance with their strategic plans and align this with overall Ukraine anti-corruption needs as expressed in policies and strategies as well as EUACI's assessment.

Once agreed, EUACI will draft a budget formula to be approved by the Executive Committee no later than November. Once approved, EUACI will detail a workplan together with the individual partners. The partner workplan will be used as a basis for the procurement of services to partners as well as the allocation of EUACI own human resources to support individual partners. Workplans might be adjusted between the annual exercises when need arises or new opportunities emerge after consultations with the partners and approval by the Executive Committee. This will also ensure the necessary flexibility. EUACI will draft needed terms of references, consult the content of these with partners, and start a procurement process in accordance with Danish MFA procurement regulations.

The data from the MEAL process will inform EUACI about the effects of the capacity development work under Intervention Area 2. A summary of these findings will be presented to the Steering Committee and inform the next year's capacity development plans and included in the double loop learning process.

Programme implementation process under intervention Area 3 (Cities integrity in reconstruction): EUACI and the local city consultants will, together with the city mayors, identify elements of the capacity development that can be sourced from the Integrity City toolbox. Depending on city needs and capacity toolbox elements will be selected for implementation. For each city, the EUACI plan for the application of the Integrity City toolbox will be approved by the EUACI Executive Committee. Initially, the support will be provided to three of the existing cities and new cities will be added as the war situation allows. As in Area 1, the MEAL system will be used to gather information of what works and feed into annual adjustments and included in the double loop learning process. Workplans might be adjusted between the annual exercises when need arises or new opportunities emerge after consultations with the partners and approval by the Executive Committee. This will also ensure the necessary flexibility.

Programme implementation process under intervention area 4 (civil society and media): Area 4 will rely on request for proposals. Civil society and media organisations that qualify/win the call will be subject to a capacity assess of financial management and internal governance capacity by EUACI Head of Administration prior to receive

funding. EUACI will transfer the grants based on the Danish MFA standard grant agreement. The receiving partner will report on progress and financial report half-yearly. EUACI will use the reporting to document progress and lessons learned and the findings will be included in the double loop learning process.

Monitoring, Evaluation, Accountability, and Learning

EUACI III implementation is aligned with the principles of Doing Development Differently (DDD). DDD prioritises systematic use of adaptive management based on structured, short-cycle learning mechanisms and local problem-driven analysis, as well as ensuring a comprehensive approach to the use of the full range of Danish instruments. EUACI is subject to the challenging context of war and difficult evolving political conditions. EUACI, therefore, needs to be adaptive and flexible, responding strategically to emerging opportunities and challenges in the context. The programme is based on the assumption that the relatively stable progression of the existing situation (the most likely scenario, see Annex 2 for other scenarios and suggested adaptations).

Adaptation will be feasible in terms of reallocation between outputs, changes to indicators and targets, or changes to outputs and outcomes. EUACI may suggest adaptation based on changes to context and MEAL information. Any adaptation of more than 10% between outcomes needs to be formally endorsed by the Executive Committee and finally approved by EUN in accordance with the Danish Aid Management Guidelines. Any changes of more than 25% requires an addendum approved by EU and Denmark.

EUACI is formally responsible for all monitoring and reporting for the programme. For intervention Area 4 (civil society and media) EUACI can rely on partner reporting and seek to verify this through different means. For the remaining three intervention areas, EUACI will have to capture results through partner accessed data, dialogue with partners, and assessing institutional annual or bi-annual reports and communication documentation from partners. The partners in Area 1-3 do not report on EUACI specific support.

EUACI will develop a comprehensive MEAL plan during the first four months of phase III describing MEAL processes, data sources, responsibilities, outputs and double loop learning processes.

Based on the data collected, EUACI will produce bi-annual reports and present to the Steering Committee for discussion. In terms of progress against indicators, these will be based on the half-yearly MEAL reports. The monitoring reports are then approved by the Executive Committee. In addition, EUACI will produce quarterly progress briefs for the information of the Executive Committee.

The reports will be produced by an external MEAL team under the auspices of the deputy head of office. Overall, the progress reporting will refer to the results framework in the programme document (refer Annex 2). Progress reporting will also relate to the EUACI communication and visibility plan, as well as changes to risks and risk management strategies and financial updates. The financial updates will be based on outputs and indicators. Finally, the progress reports will – if required - include recommendations for adaptations and reallocations of funds between intervention areas, which need Executive Committee approval.

Given the fact that EUACI III is implementing the bulk of the budget directly and using implementing officers of EUACI to document and report on results, EUACI III will hire an external MEAL consultant to undertake the main data collection, validation of results, and seek triangulation of these. The MEAL consultant will also assist with ensuring that double loop learning is undertaken. In practice, the MEAL consultant will use the data collected to validate programme assumptions and provide inputs to the learning and adaptation process. The MEAL consultant terms of reference will be drafted by EUACI based on the past experience of the Danish MFA. Lessons learned from the past underscore the importance of engagement with and shared responsibility between MFA staff and MEAL consultant.

The MEAL consultant will hold annual learning workshops with EUACI and partners by intervention area to assess results, validate assumptions, and identify learning that can influence programming and implementation. Key MEAL activities:

MEAL activity	Timing	Responsible	Output
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Activity monitoring	Constant	EUACI	Internal monthly reporting and ad-hoc meetings
Output monitoring	Quarterly	EUACI	Quarterly progress briefs
Output monitoring	Bi-annual	EUACI and MEAL consultant	Bi-annual reports
Outcome monitoring	Yearly	EUACI and MEAL consultant	Annual reports
Double loop learning workshop	Annually	MEAL consultant	Annual learning notes
Danish performance review (for adaptation)	Annually	Managed by EUN with EUACI	Review report
Joint EU-Danish Mid Term Review	2025 (Q2)	MFA (EUN) and EU	Mid-term review report
Executive Committee meetings	Bi-monthly	EUACI (with EUN and EU)	Meeting minutes
Steering Committee	Bi-annually	EUACI	Meeting minutes

A joint EU-Danish mid-term review is foreseen 1.5 years into the programme (by mid-2025). In addition to its mandate as per the Danish Aid Management Guidelines, the review will:

1. Provide recommendations on allocation of funding between the partners based on the performance of these. The EUACI office will provide a note of recommendation on this to the mid-term review in advance of the mission.
2. Assess progress in terms of replication of integrity cities concepts and provide recommendations on possible additional work towards replication.
3. Assess the organisational structure and programme implementation arrangements of EUACI Phase III and provide recommendations for improvement.
4. Assess the quality of the capacity development plans in Intervention Area 1 and the application of a holistic capacity development approach.
5. Assess the plans for transferring authority of elements of the programme from EUACI to the Ukrainian institutions.

Finally, an end of programme review end-2026 is planned to document lessons learned and provide recommendations for a possible follow-up work to EUACI and, depending on the outlook by then, possibly an exit strategy.

The Danish MFA shall have the right to carry out any technical or financial supervision mission that is considered necessary to monitor the implementation of the project/programme and carry out evaluations in accordance with this article.

Anti-corruption measures in programme management

Denmark has a zero-tolerance policy towards corruption. No corruption in any form or shape is tolerated and the EUACI office and eventually the EUN and the MFA, respond to all substantiated suspicions of irregularities or mismanagement of Danish and EU development funds.

The EUACI office will provide information and guidelines on anti-corruption to EUACI grant receivers as part of the capacity development of these institutions. The support is provided to help partners develop anti-corruption policies for their organisations based on internationally accepted anti-corruption standards. All possible measures to mitigate or minimise the corruption risk in activities are taken. Main activities in this regard, are:

1. Implementation of Danish anti-corruption policies outlined in a Five-point Plan and guidelines <http://um.dk/en/danida-en/about-danida/danida-transparency/>
2. Mapping of all EUACI grant receivers' fiduciary control and anti-corruption in measures.

Communication

Effective communication remains crucial in the ongoing battle against corruption in Ukraine. The programme will continue to adopt a comprehensive communication approach, focusing on sharing outcomes at various levels within Denmark, the rest of EU, and Ukraine. Dedicated resources have been allocated to develop a detailed plan that outlines communication and public diplomacy opportunities, responsibilities, target groups, and timelines.

The communication strategy is closely aligned with joint EU initiatives and will be compliant with the EU communication guidelines. Similar to other communication activities, the aim is to inform decision-makers in Ukraine, Ukrainian citizens, and an international audience about the progress of the initiative and raise awareness as to the anti-corruption agenda and the work of EUACI's partners. Additionally, partners will be requested to acknowledge the Danish-EU support when communicating their own results. Implementing partners will be required to provide a detailed outline of a communication strategy. To ensure effective communication and visibility, the following measures will be implemented:

1. Capacity development on communication will be offered to all Intervention Area 1 institutions. EUACI will assist these institutions in establishing updated communication strategies with specific goals for communicating their institutional mandates and results. The plan will also address the capacity and implementation plans required for these strategies.
2. Advice will be provided to integrity cities on effectively communicating results to their citizens. This includes conveying results ensuring that the local population comprehends the city's actions.
3. Support to communication to other partners will also be considered included in Intervention Area 2.

The programme will continue to enhance visibility and build upon the lessons learned from the extensive outreach of previous EUACI phases and continue advocacy activities. This will include, but not be limited to:

1. Continued active engagement on social media platforms as well as television and radio.
2. Use of infographics on media platforms to demonstrate the programme's mandate, activities, and impact.
3. Continued support for events aimed at raising awareness about anti-corruption efforts and EUACI.
4. Participation in selected international events, particularly within an EU context, to promote EUACI's activities and accomplishments.
5. Highlighting how EUACI contributes to the reconstruction process by strengthening integrity measures at the national and local levels, including documenting damaged infrastructure.

8. Financial management, planning and reporting

For intervention area 1-3, the EUACI will perform financial management in line with the financial guidelines and procurement procedures of the MFA. Financial reporting will be part of the half-yearly reporting to the Executive Committee. Financial delivery will be planned half-yearly based on regularly updated the annual workplans for the different intervention areas as well as for the Office. The EUACI may be subject to audits by the National Audit Office of Denmark ("Rigsrevisionen") and may also be subject to an audit by the EU in accordance with EU's financial management regulations. For intervention area 4 partners (civil society and media), funds will be distributed according to the financial agreement following the financial capacity assessment of the partner by EUACI. The grant recipients will provide half-yearly financial reporting and yearly audit for EUACI's approval. If there are multiple disbursements under a grant, these will depend on the utilisation of the previous disbursement, acceptable financial reporting and audit. EUACI will have the right to undertake financial visits of any intervention area 4 partners.

In the third phase of the programme the EUACI's financial management and reporting will be based in the MFAs various systems for management of development assistance (FMI, PMI, GRAM etc). This will improve the MFA management of the development assistance. EUACI will be subject to monitoring and oversight by EUN.

9. Risk management

EUACI is exposed to an extensive number of risks. These may be categorized into two major areas: (1) political economy risk and the strive to undermine the current anti-corruption reform process, and then (2) risk emanating from the ongoing war instigated by Russia.

The Government of Ukraine is formally committed to reform and is motivated by the outlook of EU accession. However, within Ukraine, there are actors that counter the current efforts and influence policy as well as the public opinion, to seek to stall or reverse the ongoing reform efforts. Efforts include the introduction of legislation that undermines existing pro-anti-corruption legislation or the launch of media campaigns to undermine the existing anti-corruption institutions. In the past, some of the anti-corruption institutions supported have in periods been

defunct due to changes to legislation or poor leadership often linked to poor selection process of the head of the institution. When just one of the institutions in the chain of anti-corruption justice is defunct, the whole system suffers, and the performance is reduced. The institutional challenges are exacerbated by the significant increase in media campaigns trying to undermine the institutions and the anti-corruption reform process. This is typically instigated by persons or corporations being investigated and indicted for corruption. Successful fake media campaigns undermine the work of the institutions and the trust from the people in the anti-corruption reform process.

To counter these political-economic challenges, the programme is working at three levels: (i) improving anti-corruption legislation and policies and doing advocacy work as well as strengthening and monitoring selection processes; (ii) strengthening the anti-corruption institutions' communication capacity to counter fake media campaigns; and, (iii) supporting civil society to enhance awareness, comment on legislation and monitor the performance of all anti-corruption institutions.

The ongoing war is also an impediment to the effectiveness of preventing and fighting corruption. An escalation of the war in a negative direction may further impact the work of the anti-corruption institutions and other anti-corruption partners. As in the past, this may include a sudden lack of access to electricity and water; staff being recruited for the army, leaving the institutions with less capacity; or a further reduction of state budget funds for the institutions. The developments of the war are unpredictable, and EUACI will counter this with the significant flexibility in-built into the programme.

The programme theory of change is based on EUACI *modus operandi*, which ensure a close relationship to partners. This frequent engagement and joint approach allow for early warning on potential deviations in mandate and performance. The programme emphasis on serving as a platform for dialogue across the institutions and intervention areas also serves as a means of keeping the partners on track and using the intervention areas to be mutually supportive. For a detailed overview of risks and risk management, see Annex 3.

10. Sustainability and Closure

The programme will design an exit strategy during the course of implementation to ensure a possible exit by the end of phase III. EUACI III is designed so that no funds are transferred directly to partners in Intervention Area 1-3 (this is a consequence of legislation, which complicates foreign government's financial contributions to the Government of Ukraine state institutions at any level). The partners are therefore not reliant on EUACI for day-to-day operations. Instead, EUACI is enhancing partner capacities for them to improve performance after EUACI is no longer operational. Similarly, the policy and regulatory work of EUACI will remain sustainable by default.

For the national and local state institutions in Area 1, 2, and 3, EUACI is providing advisory support and IT support to existing institutions on the Ukraine government finance bill. The institutions are operational irrespective of EUACI. EUACI is thus focusing on improving the performance of institutions that will last beyond the programme period. The support is aligned with institutional priorities to ensure ownership and thus that the institutions will take on board the advice, capacity development, and IT provided in the future. Capacity development plans will be developed for all major institutions receiving support, designed to ensure sustainability of the capacity development provided.

For intervention area 4, civil society, EUACI works with institutions that are already capacitated and will exist beyond EUACI. For the weaker CSO institutions, a capacity grant is being introduced to help improve their capacity and thus long-term sustainability. EUACI is funding civil society partners and media that are already receiving funds from other partners. The termination of funding will thus not prevent these organisations from continuing to operate beyond EUACI. In addition, EUACI will introduce a capacity development grant to support the weakest civil society organisations and enhance their ability to operate and undertake resource mobilisation.

EUACI will prepare the closure of the programme by developing an exit plan, which should be approved by the Executive Committee no later than 12 months before the planned closure in April 2027. At the end of the exit phase EUACI will produce an end of programme report for Denmark and the EU. Closure of accounts, audits etc. will be undertaken in line with the rules and regulations of the Ministry of Foreign Affairs of Denmark.

Annexes

Annex 1: Context Analysis

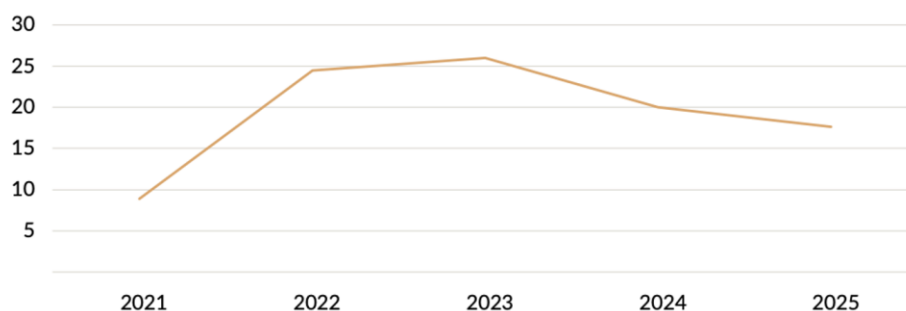
1. Poverty and inequality analysis

Status regarding multidimensional poverty.

Ukraine is populated by 43.2 million people with a median age of 41 years old³. Ukraine has experienced two wars in the past ten years and as a result, poverty is growing. The UNDP's global Multidimensional Poverty Index (MPI) projections in 2021 considered that 0.2% of Ukraine's population (107 000 people in 2019) is multidimensionally poor, while a further 0.4% (184 000 people in 2019) is considered vulnerable to multidimensional poverty⁴. The average deprivation score among those who experience multidimensional poverty in Ukraine was of 34.4 percent, which is known as the intensity of deprivations.

In 2022, the Russian full-scale invasion has worsened these poverty figures. UNDP was projecting that nine out of ten Ukrainians could face poverty and extreme economic vulnerability due to the Russian invasion⁵. The demographic and economic growth of Ukraine have been indeed significantly impacted by Russia's invasion. Millions of people have been denied access to water, health care, education, and heating because of attacks on civilian targets and infrastructures⁶. In 2023, approximately 18 million Ukrainians are in demand for humanitarian aid⁷. According to the World Bank, Ukraine's GDP has shrunk 30% in 2022 and 7.1 million additional Ukrainians have been affected by poverty⁸. In 2022, 2.4 million people lost their jobs due to displacement or the negative economic effects of conflict. The unemployment rate in Ukraine, which spiked in 2022, is anticipated to remain high for several years whereas it was only reaching 10% in 2021 before the war and projected at over 25% in 2023⁹ (figure 1).

Figure 1: Ukraine Unemployment rate 2021-2025 (projected for 2023-2025)¹⁰:



The ongoing war has severely impacted the Ukrainian economy. Major losses and damage have occurred in most of economic sectors such as culture, tourism, sports, and entertainment have lost \$15.1 billion in revenues in 2022¹¹. The impact on the agriculture industry, which contributed up to 10% of the GDP and employed 14% of the labor force, has also been significant. It is anticipated that \$40 billion will be

³ Ukraine's Economics. World Economics. 2023.

⁴ Multidimensional Poverty Index 2021 Ukraine. UNDP. 2022.

⁵ Ninety percent of Ukrainian population could face poverty in protracted war – UNDP. Reuters. 2022.

⁶ 1 year on - the global impact of the war in Ukraine. World Economic Forum. 2023.

⁷ Ukraine: 18 million need support as war enters second year. UN News. 2023.

⁸ Overview Ukraine. The World Bank. 2023.

⁹ The vulnerable millions: Organized crime risks in Ukraine's mass displacement report. The Global Initiative Against Transnational Organized Crime. 2023.

¹⁰ The vulnerable millions: Organized crime risks in Ukraine's mass displacement report. The Global Initiative Against Transnational Organized Crime. 2023.

¹¹ Ukraine's Economics. World Economics. 2023.

lost or damaged, and the 2022 grain and oilseed harvests will be 37% lower than they were¹². In addition, there were increased global commodity prices (28%) and transport prices (34%) as well as greater production costs due to logistical and energy cuts¹³. This poor economic activity and high inflation are driving increased levels of poverty in Ukraine.

Status and progress in relation to SDGs 1 End poverty- disaggregated by age, sex, poverty thresholds (World Poverty Clock).

The war has compromised the progress of the SDG 1 – ending poverty in Ukraine. As lastly reported by the World Bank, Ukraine's GDP is estimated to grow by 0,5% in 2023 whereas the International Monetary fund is projecting a real GDP of -3% and an inflation of 21.1% for the same year. In 2022, Ukraine GDP declined of 30%¹⁴ adding 7,1million of Ukrainians to live in poverty which setbacks the poverty reduction goals 15 years¹⁵. The prospects for Ukraine's economy are still quite uncertain and is reliant on how long the war lasts¹⁶. The latest data available on the status and progress in relations to SDGs 1 disaggregated by age, sex, poverty thresholds dates back from a SDG's monitoring report from 2020. In 2019, the youth, the elderly and the household with children were the most touched groups by poverty in Ukraine¹⁷. In 2022, only 2,8% of the SDGs fund in Ukraine have been allocated to the SDG 1 with several projects focusing mainly on Capacity Development/Technical Assistance; Convening/Partnerships/Knowledge Sharing; Direct Support/ Service Delivery and Policy Advice and Thought Leadership¹⁸.

Status and progress in relation to SDGs 10 (Reduce inequality). Income share per poorest 40% (Human Development Reports).

In 2022, The SDG 10 (Reduce inequality) represented 15.15% of total SDG's funding in Ukraine for several programs on capacity development/technical assistance as well as data collection and analysis¹⁹. However, despite these efforts the Human Development Index has been decreasing lately in Ukraine²⁰. In 2021, the HDI reached a score of 0.773 making Ukraine the 77th in the ranking over 191 countries. Within this indicator, Ukraine has a Gender Inequality Index value of 0.200, ranking the country 49th out of 170 countries in 2021²¹. Regarding the income inequality, Ukraine had an income share per poorest 40% of 14,7% and an income share ratio of 0.439 in the same year²². Already in 2020, the income or consumption of the poorest 40% in Ukraine grew of 4,13%²³. However, these figures must be put in perspective of the ongoing war which has led to a humanitarian crisis with the huge numbers of besieged and displaced people²⁴. The war disrupted access to education for 5 million children²⁵ and has led to an economic shock notably impacting commodity prices touched by an inflation rate²⁶ which reached more than 26,6% in October 2022²⁷. However, this inflation rate is lower than in the 2014 's Maidan Revolution where it reached more than 60% in 2015²⁸. The Consumer Price Index (CPI) in Ukraine continues to significantly increase to 431.50 points in May 2023, whereas it was only at 325 points in January 2022 and 110 points in 2014.

¹² Ukraine's Economics. World Economics. 2023.

¹³ Ukraine's Economics. World Economics. 2023.

¹⁴ Overview Ukraine. The World Bank. 2023

¹⁵ Overview Ukraine. The World Bank. 2023

¹⁶ Overview Ukraine. The World Bank. 2023

¹⁷ Sustainable Development Goals Ukraine Monitoring Report. Unicef. 2020.

¹⁸ SDGs Ukraine. United Nations. 2022.

¹⁹ SDGs Ukraine. United Nations. 2022.

²⁰ Human Development Index Ukraine. UNDP. 2022.

²¹ Human Development Index Ukraine. UNDP. 2022.

²² Mapping income inequality: the bottom 40 and top 10 percent. UNDP. 2022.

²³ Annual Growth of the incomes or consumption of the poorest 40%. Our World in Data. 2021.

²⁴ Economic and Social Impacts and Policy Implications of the War in Ukraine. OECD. 2023.

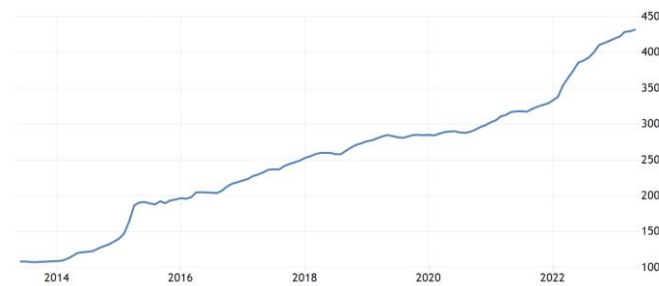
²⁵ Ukraine war disrupts education for more than five million children: UNICEF. UN News. 2023.

²⁶ Economic and Social Impacts and Policy Implications of the War in Ukraine. OECD. 2023.

²⁷ Ukraine Inflation Rate. Trading Economics. 2023.

²⁸ Ukraine Inflation Rate. Trading Economics. 2023.

Figure 2: Ukraine Consumer Price Index (CPI)²⁹



The most vulnerable groups (Leaving No One Behind)

(See also section 4 on HRBA).

Are there any risks that the project/programme may cause harm to poor and vulnerable groups?

The programme is not considered to constitute specific risks to poor and vulnerable groups.

Drivers of poverty and inequality.

Conflict remains one of the most common drivers of poverty as it likely to destroys civil infrastructures and force the displacement of populations³⁰. The latter can have an impact on other poverty and inequality drivers such as poor healthcare systems, inequality and marginalization, hunger, **little or no access to clean water, sanitation, and hygiene and lack of access to education**³¹. Since the beginning of the conflict, poverty in Ukraine has climbed from 5.5% to 24.2% in 2022, with rural areas seeing the harshest effects³². Ukraine's poverty has undoubtedly worsened as a result of the war's devastation to the country's infrastructure and economy. The unemployment rate has risen to 35%, and some workers have seen their salaries decline by as much as 50% during the past few months³³. Already, before the invasion the country's healthcare system was struggling to handle the covid 19 pandemic³⁴. Moreover, the war has caused heavy infrastructures damages and struck 40% of Ukraine's energy infrastructure resulting in blackouts across the country as well as 80% of Kyiv residents been deprived of water and 350,000 homes losing power³⁵.

Corruption is also a fundamental problem and driver of inequality increasing costs and limiting access to necessities like health, education, social services, and justice³⁶. The vulnerable groups are the most affected by these negative impacts enhancing inequalities and poverty in Ukraine as it affects markets, employment opportunities, and economies³⁷. A high level of corruption also impacts a country ability to respond to a crisis and corrode trust of populations in public institutions potentially leading to situations of fragility, social unrest, and conflict³⁸.

²⁹ Ukraine Consumer Price Index (CPI). Trading Economics. 2023.

³⁰ 11 Top Causes of Global Poverty. Concern. 2020.

³¹ 11 Top Causes of Global Poverty. Concern. 2020.

³² Pawn shops and bread queues: poverty grips Ukraine as war drags on. The Guardian. 2023

³³ Everything to Know about Poverty in Ukraine. The Borgen Project. 2023.

³⁴ Everything to Know about Poverty in Ukraine. The Borgen Project. 2023.

³⁵ Everything to Know about Poverty in Ukraine. The Borgen Project. 2023.

³⁶ Corruption is a Global Problem for Development. To Fight It, We All Have a Role to Play. The World Bank. 2023.

³⁷ Corruption is a Global Problem for Development. To Fight It, We All Have a Role to Play. The World Bank. 2023

³⁸ Corruption is a Global Problem for Development. To Fight It, We All Have a Role to Play. The World Bank. 2023.

2. Political Economy and Stakeholders Analysis

State of democracy.

According to the last 2023's report from Varieties of Democracy (V-Dem)³⁹, Ukraine is ranked 114 out of 179 in the index of Liberal Democracies. The same report categorized Ukraine as a “closed autocracy” and considers the Eastern Europe region overall as “back to levels last seen around the end of the Cold War”⁴⁰. Another study conducted by Freedom House considers that Ukraine has reached a democracy percentage of 3,36/7 in 2022 which categorize it as “Transitional or Hybrid Regime”⁴¹. This rating emphasizes how the country's media freedom has declined because of the imposition of sanctions against several domestic journalists and outlets for reasons of national security, which led to the deactivation of three TV channels⁴². Nonetheless, due to the effectiveness of administrative-territorial decentralization measures, which have increased local self-government units' credibility, openness, and inclusivity, the score of local democratic governance has increased from 3.25 in 2021 to 3.50 in 2022.

Overall, these scores underline that Ukraine is not yet at the stage to be called a democracy, however, the country is showing dynamism to ensure a democratic development⁴³. In 2021, the Ukrainian parliament has also passed a law to limit oligarchs' influence on politics⁴⁴. However, the rule of law is still undermined in Ukraine as their influence remains strong.

Despite the diversity of the media landscape, the biggest national media are controlled by rival oligarchs who advance their political agendas. Although the civil society is active and dedicated to democratic changes, it struggles as their viability is heavily dependent on donor funding.

The 2021 decentralization reform is giving local self-governments the autonomy, resources, and public support they need as they show a strong desire for long-term, democratic development.

Social, political and economic and institutional factors affecting the dynamics and possibilities for change.

Ukraine has a background of vulnerability due to their frequent constitutional changes and experimentations since their independence in 1991 from the Soviet Union⁴⁵. Several political crises have occurred in 1994, 2004, and 2014 due to political power structures distribution struggles⁴⁶. The political and economic systems of Ukraine used to be described "neo-patrimonial". The foundation of this structure is a mix of formal and informal rivalry between different patron-client party networks for control of key roles in generating rents in the state administration and important areas of the economy⁴⁷. However, after the 2014's Maidan movement, Ukraine tried to implement several reforms to get rid of this political and institutional instability mainly fueled by a high level of corruption in the country.

³⁹ Democracy Report 2023 Defiance in the Face of Autocratization. V-Dem. 2023.

⁴⁰ Democracy Report 2023 Defiance in the Face of Autocratization. V-Dem. 2023.

⁴¹ Nations in Transit 2022, Ukraine. Freedom House. 2023

⁴² Nations in Transit 2022, Ukraine. Freedom House. 2023

⁴³ Nations in Transit 2022, Ukraine. Freedom House. 2023.

⁴⁴ Ukraine's parliament passes law to limit oligarchs' influence on politics. Euronews. 2021.

⁴⁵ Ukrainian Constitutional Politics: Neopatrimonialism, Rent-seeking, and Regime Change,” in Beyond the Euromaidan: Comparative Perspectives on Advancing Reform in Ukraine. Fisun, O. 2016: 105-123

⁴⁶ Ukrainian Constitutional Politics: Neopatrimonialism, Rent-seeking, and Regime Change,” in Beyond the Euromaidan: Comparative Perspectives on Advancing Reform in Ukraine. Fisun, O. 2016: 105-123

⁴⁷ Ukrainian Constitutional Politics: Neopatrimonialism, Rent-seeking, and Regime Change,” in Beyond the Euromaidan: Comparative Perspectives on Advancing Reform in Ukraine. Fisun, O. 2016: 105-123

The war has heavily affected the country's economy, politics, and citizens. As a result of heavy shelling and fighting, an estimated 6 million people have been driven from their homes and are internally displaced and more than 8 million people have crossed into neighboring countries in the region including Poland, Hungary, Moldova, and other countries across Europe. This war has caused widespread death, destruction of homes and businesses and severely damaged energy infrastructures across Ukraine. As the war continues, humanitarian needs are multiplying and spreading. An estimated 18 million people in Ukraine will need humanitarian assistance in 2023⁴⁸. Notably the eastern and southern parts of the country are heavily impacted by the conflict. The conflict has also deepened the fragility of the country as came as a result an important economic shock marked by a high inflation of 26,6% in 2022, a 30% drop of the GDP in 2022, and a consumer Price Index which reached 431.50 points in May 2023.

The conflict has also led to the introduction of a martial law which includes the implementation curfews, the suspension of civil law, and the application or extension of military law and justice to civilians and full mobilization⁴⁹. The latter have been extended by the Ukrainian Verkhovna Rada until August 18, 2023⁵⁰. According to the Ukrainian Constitution, the martial in force forbids to hold any elections during its application⁵¹. Therefore, the legislative elections in October 2023 and for the coming Presidential election scheduled in March 2024 are likely to be postponed as the marital law might be renewed as long as the conflict is going on.

Ukraine has become an official candidate for EU membership. The condition of success is that Ukraine not only has to preserve its democratic institutions but also reform and strengthen them⁵². The EU accession process is a driving force for several important reforms built on European principles⁵³. Since 2017, an association agreement between the EU and Ukraine has been in force aimed at further deepening Ukraine's political association and economic integration with the EU.

On the 23 June 2023, the EU Commissioner Várhelyi in his Oral Update confirmed that of the seven steps of priorities, Ukraine has completed two and progress in the implementation of the other five is on track. Anti-corruption is one of the seven steps that is not yet fully completed. He asks Ukraine to take further systemic measures, in particular by restoring the e-declaration system and implementing the adopted SACP.

As part of the EU-accession, Ukraine will need to adhere to the *acquis* in the anti-corruption related area. A new draft EU Directive for combatting corruption by criminal law is expected to become part of EU's *acquis*.

EU European Council President Charles Michel 4 October 2023 stated that he believes Ukraine will be able to join the EU in 2030.

Rent seeking.

Corruption is one of the biggest challenges for the economic development of Ukraine. The level of corruption peaked during the administration of Viktor Yanukovich, who fled to Russia in the wake of the 2014 Revolution of Dignity⁵⁴. After this revolution, Ukraine has inked an association agreement with

⁴⁸ Ukraine Emergency. UNHCR. 2023.

⁴⁹ Russia-Ukraine crisis: What is martial law?. Al Jazeera. 2022.

⁵⁰ Verkhovna Rada prolongs martial law and mobilisation in Ukraine. Ukrainska Pravda. 2023.

⁵¹ No elections can be held in Ukraine while martial law in effect – National Security and Defence Council. Ukrainska Pravda. 2023.

⁵² Resist and reform: Ukraine's democracy after a year of war. European Council of Foreign Relations. 2023.

⁵³ EU Commission's Recommendations for Ukraine's EU candidate status. European Commission. 2022.

⁵⁴ Anti-corruption policies in the reconstructing of Ukraine. VOX EU/CEPR. 2023.

the EU, and begun ambitious reforms⁵⁵. These reforms also led to the implementation of a system of new anti-corruption bodies⁵⁶.

Rent seeking is a factor in Ukraine's overall corruption landscape. The informal relationships between business and power have the biggest influence on the political landscape of the nation⁵⁷. The influence of businesses who profit from unofficial connections with the powerful, as well as the presence of a sizable stratum of corrupt politicians and government officials, hinder the development of the legal economy in Ukraine. These powerful forces are interested in sustaining the status quo as the primary source of revenue for corrupt politicians and government personnel is rent seeking⁵⁸. Only a drastic reduction in rent-seeking will create the prerequisites for the growth of Ukraine's legal economy⁵⁹.

However, anti-corruption studies have underlined that war tends to increase corruption risks as this area is sometimes given lower priority than preserving national security. Moreover, in times of war, new opportunities for corruption are created by the urgency and secrecy of defence procurements, the influx of foreign aid, and lower investigation of criminal activities⁶⁰. This context of increased corruption risks might affect the future reconstruction and recovery efforts in Ukraine⁶¹.

The legitimacy of the political process.

Ukrainian legislative and executive bodies can be seen as legitimate as they have been formed through the process of democratic elections since the post 2014's reforms. However, this legitimacy has been challenged by the endemic corruption affecting the country, especially through the political power struggles among oligarchs as well as the new martial law introduced in the context of the Russian invasion. Since the beginning of the war, a significant deterioration in the political rights and civil liberties enjoyed by Ukrainians occurred⁶².

Despite impressive steps forward in the fight of corruption, concerns about the Constitutional Court, are also becoming more and more prevalent. Recent reforms pose the risk of allowing political meddling in the selection process for the Constitutional courts' judges⁶³.

Barriers for women and minority groups to entering and participating in the political arena and in influencing decisions and address inequity and the distribution of power and social and economic resources.

Women and minorities are facing several obstacles in Ukraine, especially during the ongoing war context. Ukrainian women are increasingly becoming heads of households and leaders in their communities as men are conscripted, yet they remain largely excluded from formal decision-making processes related to humanitarian efforts, peace-making, and other areas that directly impact their lives⁶⁴. With 23 Members of the Cabinet of Ministers, including 3 Deputy Prime Ministers, and 21% female representation in the Verkhovna Rada (April 2022), Ukraine has relatively low levels of women's participation in decision-making. This is lower than the global average of 24,5% and significantly lower than the average of 29,6%

⁵⁵ Anti-corruption policies in the reconstructing of Ukraine. VOX EU/CEPR. 2023.

⁵⁶ Anti-corruption policies in the reconstructing of Ukraine. VOX EU/CEPR. 2023.

⁵⁷ Rent seeking as an obstacle to development of the legal economy in Ukraine. Hubin, K.H. 2016.

⁵⁸ Rent seeking as an obstacle to development of the legal economy in Ukraine. Hubin, K.H. 2016.

⁵⁹ Rent seeking as an obstacle to development of the legal economy in Ukraine. Hubin, K.H. 2016.

⁶⁰ Corruption and Private Sector Investment in Ukraine's Reconstruction. Center for Strategic and International Studies. 2022.

⁶¹ Anti-corruption policies in the reconstructing of Ukraine. VOX EU/CEPR. 2023.

⁶² Country: Ukraine Political Rights and Civil Liberties. Freedom House. 2023.

⁶³ Ukraine takes two steps forward, one step back in anti-corruption fight. Politico. 2022.

⁶⁴ Ukraine: New UN Women and CARE report highlights disproportionate impact of the war on women and minorities. UN Women. 2022.

in Europe⁶⁵. Even though women traditionally made up more than 75% of all civil servants in Ukraine, just 33% of women held the highest civil service positions in 2020⁶⁶.

Moreover, the Roma minority, considered as the country's most vulnerable minority group, also face a high level of discrimination and a lack of representation⁶⁷. Discriminations towards this minority have been increasing since the start of the conflict especially during their journey to flee the war. 10–20% of the estimated 400 000 Roma people in Ukraine lack of the necessary documentation to get or confirm their Ukrainian citizenship as well as to demonstrate their status as residents. Concerns have been raised by civil society organizations that this may make it harder for Roma refugees to escape the conflict. The foregoing problem is confirmed by media reports, which claim that Roma is frequently denied entry into neighbouring nations because they lack the documentation proving their residency status⁶⁸.

Stakeholder analysis:

The key stakeholders and partners will be analysed further in the relevant intervention area documents. However, this section includes a brief overview of the main institutional stakeholders involved in the fight against corruption at the national level:

- 1) Committee on Anti-Corruption Policy (CAP): Seeks to facilitate the work of the Parliament in terms of its legislative-, oversight-and representation functions.
- 2) The National Agency for Corruption Prevention (NACP): the agency responsible for the development and implementation of anti-corruption policies, monitoring the lifestyle of public officials, and verifying declarations of assets and conflicts of interest of public officials.
- 3) The National Anti-Corruption Bureau (NABU): law enforcement bureau tasked with investigating corruption involving large-scale bribes, embezzlement, and corruption crimes committed by high-ranking public or local government officials as well as managers of large state-owned companies and foreign officials.
- 4) The Specialized Anti-Corruption Prosecutor's Office (SAPO): the agency responsible for supervising the operational, investigative activities and pre-trial investigation conducted by NABU and for bringing the case to the court.
- 5) The High Anti-Corruption Court (HACC): the specific court that will adjudicate all high-level corruption cases falling under the jurisdiction of NABU and SAPO, as well as some other serious crime cases.
- 6) The National Asset Recovery and Management Agency (ARMA): the agency responsible for identifying, tracking and managing assets derived from corruption and other crimes.
- 7) The State Financial Monitoring Service of Ukraine (SFMS): the agency responsible for collecting, analysing and disseminating information regarding potential money laundering and suspected proceeds of crime.
- 8) USAID is also heavily engaged in the fight against corruption in Ukraine with its SACCI programme and other relevant Rule of Law interventions. The overall ambitions of USAID are shared by the EU and the programme.
- 9) GIZ (U-LEAD) is focused on the decentralisation process in Ukraine, which includes enhanced efforts towards strengthening the integrity at the local level. The U-LEAD intervention is focusing on hromadas in Ukraine and for the time being not the bigger cities, which are supported by the programme. The overall ambitions of enhanced democratic governance, integrity, transparency and accountability are shared by the two programmes.
- 10) Integrity Cities have been and will be carefully selected by the programme to include local governments that share the agenda of the programme and with a proven desire to enhance the integrity at the local level.
- 11) The Civil Society Organisations supported by the programme will balance the equitation in the fight against corruption by stimulating the demand side and serve as checks and balances to the supply side.

⁶⁵ Ukraine: New UN Women and CARE report highlights disproportionate impact of the war on women and minorities. UN Women. 2022.

⁶⁶ Women's leadership and participation in decision-making. UN Women Ukraine. 2022.

⁶⁷ Russia's war on Ukraine: The situation of Roma people fleeing Ukraine. European Parliament. 2022.

⁶⁸ Russia's war on Ukraine: The situation of Roma people fleeing Ukraine. European Parliament. 2022.

3. Fragility, Conflict and Resilience

Situation with regards to peace and fragility based on the Fragility, Risk and Resilience Analysis Tool (FRAAT).

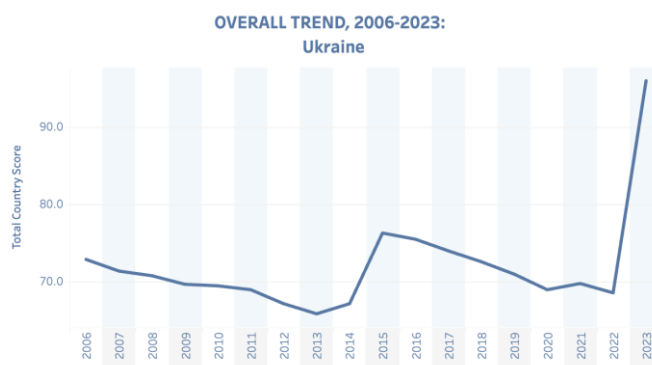
After being heavily impacted as the rest of the world by the Covid 19 pandemic and eight years of conflict in east of the country, on February 24, 2022, Russian Federation's invaded the country leading the country to a full-scale war. As a result of heavy shelling and fighting, an estimated 6 million people have been driven from their homes Europe. This war has caused high amounts of death, destruction of homes and businesses and severely damaged civilian infrastructures across Ukraine. This war has led to a humanitarian crisis with an estimated 17.6 million people in Ukraine in need humanitarian assistance in 2023 whereas they were 3 million at the beginning of the conflict⁶⁹⁷⁰.

In 2023, the war is still escalating with intense fights in the East and South of Ukraine affecting civilians living in these zones⁷¹. The humanitarian assistance is still needed as the war continues, despite the aid received and the presence of hundreds of aid organizations, local groups, and volunteers, fundings are still lacking to response to the humanitarian challenges in the country⁷². Additionally, the conflict has enhanced a global fragile context by worsening poverty, hunger and exacerbating political instability and crisis⁷³. In the Fragility index 2023, Ukraine reached a score of 95.9 over 120 whereas the previous this score was of 27.3 which made the country by far the top country that had the most worsened situation of instability this year⁷⁴.

Key drivers of conflict and fragility, protection and resilience, organised transnational crime and illicit money flows.

According to the State Resilience Index 2022, Ukraine has a score of 5.9 over 10 which place the country at the 51st position over 154 countries regarding its resilience. This index underlines that its highest pillar of resilience is the individuals' capabilities whereas the lowest one is its social cohesion⁷⁵. Hence, Ukraine is more resilient than back in 2014 as the population was divided among the country's corruption and abuse of power, the rise of poverty, the conflict in the Donbass and a difficult economy. Nonetheless, Ukraine became highly fragile as highlighted by its score of 95.9/120 ranking it 18th among 179 countries in the Fragile State index in 2023.

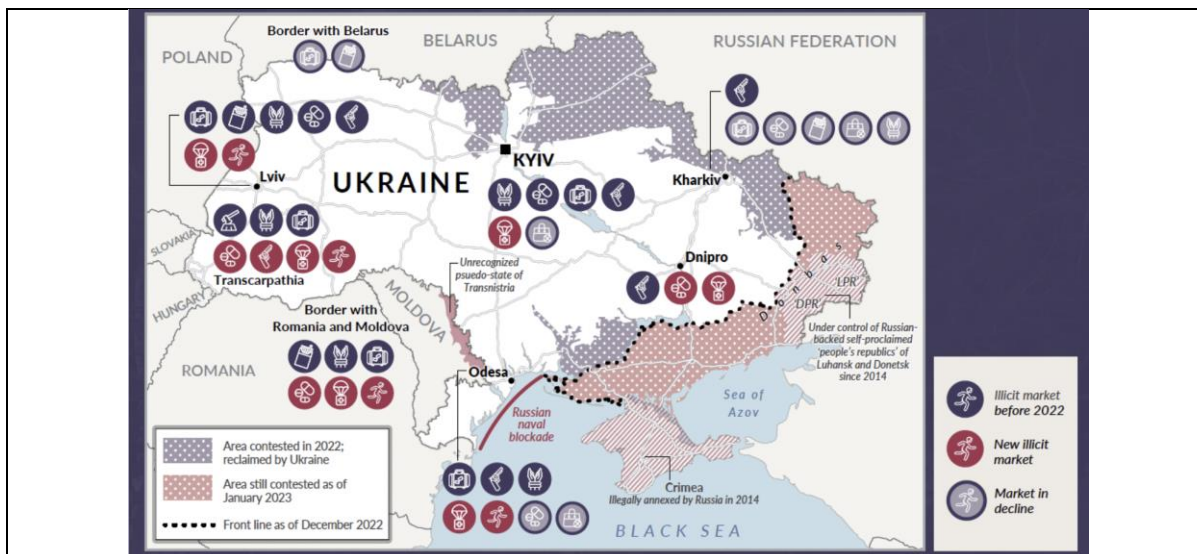
Figure 3: Evolution Ukraine Fragility Index (2006-2023)⁷⁶



Before the war, gold, timber, tobacco, coal, counterfeit products, untaxed items, people, and drugs were all trafficked between Russia and Western Europe via a lucrative transnational smuggling highway that was controlled by Russian and Ukrainian criminal groups and networks. However, the war has reshaped this dynamic that has been constrained due to the political situation but also as most of the Russian and Ukrainians head of crimes and oligarchs fled their countries⁷⁷.

Figure 4: Mapping of Ukraine's illicit markets in December 2022 ⁷⁸

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Illegal Financial Flows (IFF) are another factor of fragility of Ukrainian economy. A report of the international NGO Tax Justice Network estimates that between 1991 and 2010 there were unlawful exports of USD 167 billion⁷⁹. According to a survey by Global Financial Integrity (GFI), Ukraine produced IFFs at an average yearly pace of about USD 11.6 billion from 2004 to 2013, placing it 14th out of 148 developing nations⁸⁰. The war has likely increased illegal financial flows in the country.

Highlight how conflict and fragility affect inclusive private sector development and women and youth.

Conflict and fragility negatively impact inclusive private sector development, women, and youth. This has been the case in Ukraine as the war has provoked an economic and energy crisis marked by an important increased of inflation, a collapse of the Ukrainian GDP, the destruction of civilian’s infrastructures reducing to their access to healthcare, sanitation and education and led to an instable situation with more than 6 million IDPs and 8 million people leaving the country, mostly women and children. Moreover, most of the male workforces have been enrolled in the army to defend the country which affects the development of the private sector as for now the country is turned towards a “war economy”⁸¹.

Relevant issues for pursuing the Women Peace and Security (WPS) agenda (the ‘1325’ agenda).

In conflicts situation, women and girls suffers disproportionately and constitute actors in terms of military protection, volunteers, in emergency response as well as in peacebuilding, mediation but also as targets of the war as they are more likely to be exposed to poverty, sex trafficking, and sexual violence⁸². Ukraine is engaged in the implementation of the Women Peace and Security (WPS) agenda. Ukraine's first National Action Plan (NAP) for Women, Peace, and Security was adopted in 2016 and followed in 2020 by the adoption of a second-generation of NAP with an emphasis on strengthening the position of

⁷⁵ State Resilience Index Annual Report 2022. The Fund for Peace. 2023.

⁷⁶ Country Dashboard Ukraine. Fragility States Index. 2023.

⁷⁷ New Frontlines Organized criminal economies in Ukraine in 2022. Global Initiative. 2023.

⁷⁸ New Frontlines Organized criminal economies in Ukraine in 2022. Global Initiative. 2023.

⁷⁹ Illicit Financial Flows And Asset Recovery In Ukraine. UNICRI. 2021.

⁸⁰ Illicit Financial Flows And Asset Recovery In Ukraine. UNICRI. 2021.

⁸¹ How Ukraine is Managing a War Economy. International Monetary Fund. 2022.

⁸² Launch of the updated Ukraine National Action Plan for Women Peace and Security. Trusteeship Council Chamber. 2022.

women in decision-making⁸³. The Ukrainian government opted to revise the strategy after the full-scale Russian invasion in 2022. The revised NAP acknowledges that women must play active roles in both the ongoing conflict and the nation's reconstruction⁸⁴. This new plan underlines notably the crucial role and participation of civil society organizations (CSOs), including activists, in the implementation of the WPS agenda to support and promote a culture of peace, peacebuilding, post-conflict recovery and assistance to victims of conflict⁸⁵. The Ukrainian Ministry of Social Policy is responsible for the evaluation of the implementation of the new Action Plan⁸⁶. In the 2021 WPS index, Ukraine was at the 66th position over 170 countries⁸⁷. Additionally, the EU Advisory Mission for Civilian Security Sector Reform (EUAM Ukraine) is working in ensuring the implementation of the Women, Peace, and Security (WPS) in Ukraine⁸⁸.

Identify on-going stabilisation/development and resilience efforts and entry points and the potential for establishing partnerships and alliances with national, regional and other international partners in order to maximise effects of the engagements.

Question addressed in other sections.

Relevant issues and considerations related to radicalisation and violent extremism.

The invasion of Ukraine by Russia in 2022 has an important impact on the social structure of Ukraine and in Europe as a whole. Not only did it cause problems like inflation and an energy crisis, but it also led to the spread of extremist narratives about the conflict which increased polarization in society and threatened stability⁸⁹.

The Russian aggression against Ukraine also carries the risk of repercussions for extremism, notably regarding violent extremist individuals, particularly those on the right-wing spectrum. Although, there are many foreign combatants on the field of battle, around 20,000⁹⁰, any ties to terrorism or extremism are yet hazy⁹¹. The Russian invasion, propaganda and disinformation have also exploded, largely in the right-wing extremist milieu, notably online, giving rise to a variety of conspiracy theories and several right-wing extremist affiliates travelling to join the battlefield⁹².

Issues and concerns of relevance to Danish interest in the area of security and migration.

The Ukrainian war affects Danish interest in terms of economic stability, energy, and food security⁹³. This conflict has led to a food and energy crisis impacting Europe including Denmark with inflation impacting cost-of-living crisis⁹⁴. In terms of security, Denmark has witnessed a rise of its level of cyberattacks as well as a risk of power shortage due to the energy crisis⁹⁵.

The war has also led to a significant impact on prices of supplies and products, hence diminishing Danish citizens' purchasing power⁹⁶. Russia's continued aggression has also threatened democracy, violated human rights, and challenged the rule of law that must be protected in accordance with the Danish

⁸³ Launch of the updated Ukraine National Action Plan for Women Peace and Security. Trusteeship Council Chamber. 2022.

⁸⁴ Launch of the updated Ukraine National Action Plan for Women Peace and Security. Trusteeship Council Chamber. 2022.

⁸⁵ Ukraine. 123 NAPS Peace Women. 2023.

⁸⁶ Ukraine. 123 NAPS Peace Women. 2023.

⁸⁷ Women Peace and Security Index 2021/2022. Georgetown Institute for Women, Peace and Security. 2021.

⁸⁸ In the avant-garde for Women, Peace and Security: the EU Advisory Mission in Ukraine. European Union External Action. 2020.

⁸⁹ Research and Strategies to Prevent Radicalisation and Violent Extremism. European Commission/ CORDIS. 2023.

⁹⁰ Foreign nationals flock to join war in Ukraine. DW. 2022.

⁹¹ European Union Terrorism Situation And Trend Report 2023. Europol. 2023.

⁹² European Union Terrorism Situation And Trend Report 2023. Europol. 2023.

⁹³ Nordic Solidarity with Ukraine: One Year On. Statsministeriet. 2023

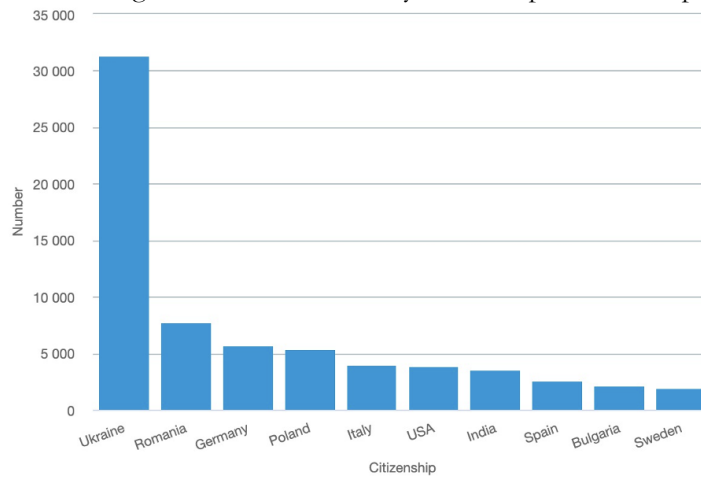
⁹⁴ The Global Risks Report 2023 18th Edition. World Economic Forum. 2023.

⁹⁵ The war affects Denmark. Kriseinformation/ Danish Authority Information. 2023.

⁹⁶ One year since Russia's invasion of Ukraine – the effects on euro area inflation. European Central Bank. 2023.

values⁹⁷. Moreover, Denmark has welcomed Ukrainian refugees following the war (31 381 Ukrainians have been welcomed in 2022). During that same year, the number of foreign migrations in Denmark has almost doubled from 57 922 in 2021 to 103 042 people in 2022⁹⁸.

Figure 5: Immigration into Denmark by citizenship in 2022. Top 10:



Denmark, alongside other countries, has helped Ukraine through the provision of military, humanitarian, and financial support.⁹⁹ In 2022, Denmark has provided more than DKK 10,9 billion DKK for both military (DKK 9500 million) and non-military purposes (DKK 1400 million)¹⁰⁰.

Considerations regarding the humanitarian situation, migration, refugee and displacement issues, including the need to integrate humanitarian-development linkages and long-term strategies.

This aspect is addressed in other sections.

4. Human Rights, Gender, Youth and applying a Human Rights Based Approach

Human Right Standards (international, regional and national legislation).

Ukraine has ratified several international human rights conventions such as the European Convention on Human Rights in 1997. Ukraine has entered a clear reform track and tried to improve its rule of law through structural reforms implemented since 2014. However, the ongoing war with Russia has led to the infringement of several human rights for both civilians and soldiers. These violations include arbitrary deprivation of life, arbitrary detention and enforced disappearance, torture and ill-treatment, and conflict-related sexual violence (CRSV)¹⁰¹. According to a report from OHCHR from September 2022, the conflict has provoked 12,649 civilian casualties, with 5,385 persons killed and 7,264 persons injured¹⁰². However, these figures are likely to be higher. Additionally, Ukraine’s candidacy to the EU should uphold and improve Human Right Standards in the country to conform with the Article 2 of the 2007’s Lisbon Treaty which states that the EU is built “on values of respect for human dignity, freedom, democracy, equality, the rule of law and respect for human rights, including the rights of persons belonging to minorities”¹⁰³.

Universal Periodic Review.

⁹⁷ Nordic Solidarity with Ukraine: One Year On. Statsministeriet. 2023

⁹⁸ Immigration and emigration. Statistics Denmark. 2023.

⁹⁹ The war affects Denmark. Kriseinformation/ Danish Authority Information. 2023.

¹⁰⁰ Denmark's contribution to support for Ukraine. Kriseinformation/ Danish Authority Information. 2023.

¹⁰¹ Report on the Human Rights situation in Ukraine. UN OHCHR. 2022.

¹⁰² Report on the Human Rights situation in Ukraine. UN OHCHR. 2022.

¹⁰³ Consolidated version of the Treaty on European Union - TITLE I COMMON PROVISIONS - Article 2. European Union. 2007.

The UPR in Ukraine was constituted of three cycles of engagement: in 2008, 2012 and 2017. In 2023, a review phase is currently undertaken with an UPR Working Group as well as the Adoption outcome report in June 2023¹⁰⁴. A follow up, national consultations and drafting and advocacy phases are programmed until 2028. Among others, a Report of the Working Group on the Universal Periodic Review in 2018 was recommending Ukraine to ratify numerous human rights related international conventions and to strengthen its national human rights legislative framework¹⁰⁵.

Human Rights Based Approach (HRBA) Principles.

Denmark's development cooperation is based on the principles of non-discrimination, participation and inclusion, transparency and accountability as highlighted in the "The World We Share".

Participation.

Protecting those who participate in anti-corruption efforts is an important aspect of ensuring human rights. On a conceptual level, it is a key element of the "participation" dimension of the HRBA: people must have a voice and space to speak up without fear of retaliation. On a practical level, there are challenges related to this matter. Human rights institutions and advocacy groups increasingly sound the alarm on reducing civic spaces that make, among others, anti-corruption activists and advocacy groups vulnerable. The protection of whistle-blowers is a particular area that is under threat. The Martial Law in Ukraine is also restricting the civic space, which is a potential threat to human rights and participation.

Accountability

Investigative journalism, as supported under this programme, is critical in bringing allegations of corruption to light, as it is an element of the "accountability" dimension of the HRBA. Government should also be held accountable for how they exercise their mandate and anti-corruption institutions supported by the programme is working towards enhancing accountability in Ukraine. At the local level, the local self-government supported by the programme will also be held accountable and specific measures are being taken in relation to the reconstruction efforts.

Non-discrimination

Corruption as demonstrated in various reports and studies prohibits equal access to social services which disproportionately affects the poor for example in the health and education sectors. Poor people do also not have the same access to justice when they experience corruption in the judiciary - bribe-taking by police and the officials in judicial systems, political influence over and lack of independence of judges and prosecutors – and corruption in places of detention. The programme will focus more on specific sectors like the above as a way of ensuring that there is no discrimination in accessing services.

Transparency

Access to information and transparency in both the public and private sector, beneficial ownership disclosure, e-governance, Open Data, etc. can be vital in curbing corruption. In particular, e-governance and the level of transparency it implies hold strong promise in terms of corruption prevention including all phases in the budget cycle (preparation, approval, execution and audit/evaluation). There is progress in e-governance in Ukraine, which continuously will be supported by the programme both at the central and the local level through enhanced digitalisation.

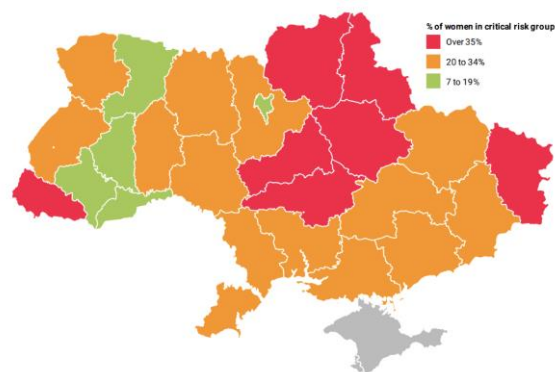
¹⁰⁴ Timeline for UPR engagement in the current cycle. UPR info. 2023.

¹⁰⁵ Report of the Working Group on the Universal Periodic Review Ukraine. UN General Assembly. 2017.

Gender

In Ukraine, women constitute 72.2% of social assistance recipients, and make up for 92.2% of single parents, and with a 22% gender pay gap in 2020¹⁰⁶. Like in many nations, employment and economic activity among working-aged women in Ukraine is significantly lower than for men¹⁰⁷. In 2021, Female labour forces was representing 47.8% of the total workforce¹⁰⁸. However, around 4.8 million jobs have been lost since the beginning of the war according to the UN Labour Agency in May 2022, especially due to the many women who had to flee the country with their children¹⁰⁹.

Figure 6: Categorization of the oblasts of Ukraine based on the percentage of women per oblast that fall into the critical risk of economic fragility category. Grey indicated that no data was collected.



Regarding Gender Equality, Ukraine has made several improvements in the past years. The country has ratified the majority of important international and regional treaties on human rights, gender equality, and women's empowerment (GEWE), and has incorporated these commitments into numerous national laws and policies¹¹⁰. The 2023 Global Gender Gap Index 2023 is ranking Ukraine at 66th position over 146 countries, which means that the country has gained 15 positions compared to the previous year. In fact, women represent an important percentage of the Ukrainian army especially in combat roles. In summer 2022, it was estimated that 50,000 women, with about 38,000 of them serving in uniform were enrolled in the Ukrainian army¹¹¹. In one year, the number of women present in the Ukrainian forces was 15,6% in 2020 and by March 2021 was reaching 22,5%¹¹². However, the Ukrainian society is still marked by traditional values and patriarchal viewpoints that support discrimination and violence against women and girls) alongside longstanding feminist tradition in the country¹¹³.

Youth

In Ukraine, there were roughly 10.2 million young people between the ages of 14 and 35 at the beginning of 2022. According to the Ukrainian Ministry of Youth, more than 4 million young people have been forced to leave their homes on account of Russia's second invasion of Ukraine¹¹⁴. As a result, 2,5 million children have been displaced inside the country in 2023¹¹⁵. By May 2023, a total of 3290 education institutions have suffered bombing and shelling and 262 of them have been destroyed completely¹¹⁶.

¹⁰⁶ Women flee and show solidarity as a war ravages Ukraine. UN Women. 2022.

¹⁰⁷ Women flee and show solidarity as a war ravages Ukraine. UN Women. 2022.

¹⁰⁸ Labor force, female (% of total labor force) – Ukraine. The World Bank. 2022.

¹⁰⁹ Ukraine: UN labour agency update shows 4.8 million jobs lost to war. UN News. 2022.

¹¹⁰ Ukraine. UN Women. 2022.

¹¹¹ Ukraine war: attitudes to women in the military are changing as thousands serve on front lines. The Conversation. 2023.

¹¹² Gender stereotypes in the media: Are Ukrainian women really only helpless victims?. King's College London. 2022.

¹¹³ Ukraine war: attitudes to women in the military are changing as thousands serve on front lines. The Conversation. 2023.

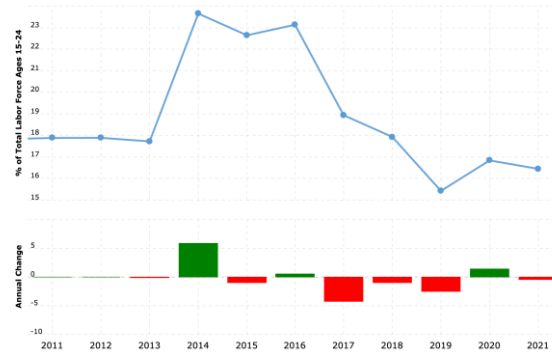
¹¹⁴ The Ukraine crisis and the key role of youth. ActionAid. 2022.

¹¹⁵ Ukraine. Action Against Hunger.

¹¹⁶ Ukraine. Save Schools. 2023.

Youth in Ukraine are also facing multiples challenges enhanced by the ongoing conflict. They are struggling with the high rise of the cost of living and low salaries as well as the lack of safety, housing and education or employment opportunities. Especially, the young Ukrainian who fled abroad, these key factors are influencing their decisions and those of their families to return in Ukraine¹¹⁷. In 2021, a year before the war, the youth Unemployment Rate was of 16,45, however, the war has most likely heavily altered these figures as it was the case in the following years after the previous conflict in 2014¹¹⁸. Moreover, the incoming of war has led many youth/late teenagers to be engaged in conflict through the army¹¹⁹.

Figure 7: Youth Unemployment rate Ukraine 2011-2021:



However, in terms of their representation in decision- making processes, the latter remains low. Even though, youth made up 63.36% of the MPs (youth considered as MPs under 45) in the Verkhovna Rada Parliament in 2023, their involvement in decision making still needs to be improve. The main areas of cooperation with the youth advisory bodies in Ukraine are joint youth events, the development of targeted programs, discussion of youth projects, proposals for regulatory documents, joint solution of current youth problems, support for youth initiatives and competition of NGO projects.

1) Migration

Can the context be characterized as a country of origin, transit, or destination and/or with a significant displacement/migration situation?

The incoming war with Russia has affected many Ukrainians who have been displaced internally but also fled to neighbouring countries or even across Europe. By May 2023, the country was counting 3,634,850 registered IDPs. 61% of these IDPs were female and 39% male¹²⁰. However, the number is likely to be higher as only registered IDPs are present in these figures. The UN Refugee Agency estimates around 5,9 million the number of IDPs in Ukraine.

Figure 8: Registered IDP presence per raion, as of 31 May 2023¹²¹

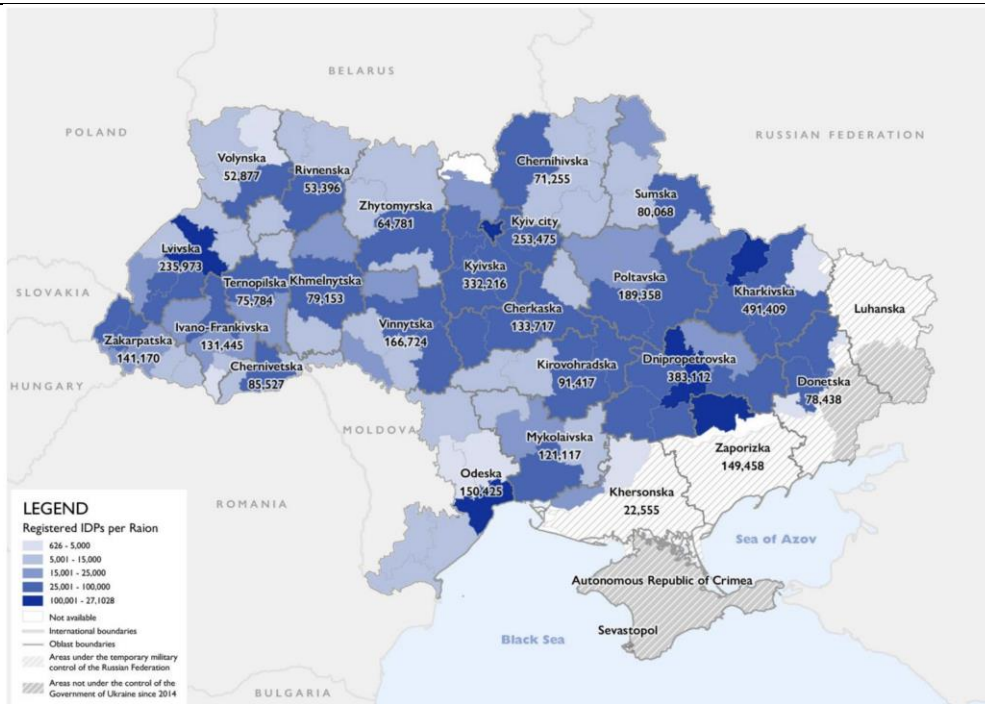
¹¹⁷ Young People on the War in Ukraine. Plan International. 2023.

¹¹⁸ Ukraine Youth Unemployment Rate 1991-2023. MacroTrends. 2023.

¹¹⁹ War in Ukraine: Uni to uniform - Ukraine's new teenage army recruits. BBC. 2022.

¹²⁰ Registered Idp Area Baseline Assessment Ukraine - Round 24 May 2023. IOM. 2023.

¹²¹ Registered Idp Area Baseline Assessment Ukraine - Round 24 May 2023. IOM. 2023.



Additionally, an estimation of 8 million Ukrainians have fled to neighbouring countries since the beginning of the conflict. By June 2023, Poland (994 775), Czech Republic (345 880) and Bulgaria (162 935) represented the three neighbouring countries that welcomed the most refugees. In Europe, Germany (1 072705), United Kingdom (205 700), Spain (183 980) and Italy (183 685) were the countries that welcomed most of the Ukrainian refugees.

In fact, the number of registered IDPs has dropped 2 million people from January 2023 (5,352,000) to May 2023 (3,634,850)¹²².

How does the migration/displacement situation influence the development of the country, the public debate and policy decisions related to migration?

The migration situation has a heavy influence on Ukraine. Due to displacement or the detrimental economic repercussions of fighting, 2.4 million people lost their jobs in 2022, and the country's national income decreased by 35% to 45% and the GDP dropped 30% in 2022. The unemployment rate in Ukraine has risen to 25% in 2022 and is expected to stay high for several years. The population who fled abroad also represents a loss in workforce for the country.

Does the migration/displacement situation affect the national communities? How do displaced persons and host communities interact?

Overall, Ukrainian refugees have been receiving important support and solidarity from national communities in Europe, notably in their neighbouring countries such as Poland. Among others, the European Union has introduced a project to finance aid for those escaping Ukraine at the beginning of the war. This Cohesion Action for Refugees in Europe, which includes emergency assistance, was agreed by the Commission in March 2022.

Is migration (including communities affected by migration) considered in the national development strategy (or equivalent)?

¹²² Registered Idp Area Baseline Assessment Ukraine - Round 24 May 2023. IOM. 2023.

Migration is not considered, for the moment, in the National Development Strategy. However, during the war, the government is trying to influence the migration dynamics within the country. For instance, flood victims in temporarily occupied areas of Kherson region can only receive one-off financial assistance if they move to government-controlled territories¹²³. Moreover, due to their current lack of capacity, the Ukrainian Ministry of Social Policy has published a report to request support from international organisations regarding Ukrainian IDPs in terms of housing, cash assistance programs, and to support the organizational capacity of the Ministry of Social Policy of Ukraine itself¹²⁴.

Is institutional capacity building in the target countries or migration policy/cooperation envisaged (national/regional/local levels)? Does the country have a migration/asylum/border management/reintegration strategy and does the action contribute to its implementation?

Ukraine does not have a strategy regarding migration/asylum/border management, however, this matter is part of its agenda, especially with regards to the post conflict recovery processes and Ukraine's EU's candidacy that will shape this approach to comply with EU's standards and duties.

Do migrants face barriers and challenges in accessing services (social, healthcare, education, financial etc.) and to jobs?

Migrants are most likely to face barriers and challenges in accessing services and jobs. One of the most common difficulties is the barrier of language that is essential to enter successfully in the local labour market but also to participate and being integrated in the host society¹²⁵. However, Ukrainian refugees are less likely to face these challenges as many policy responses have been implemented, especially in Europe, to overcome these challenges. Owing to the Temporary Protection Directive, displaced Ukrainians are granted temporary refugee status, entitling them to several rights such as the right to abode, social protection, employment, education, and healthcare¹²⁶. Moreover, a recommendation on the academic and professional recognition of credentials for people escaping Russia's invasion of Ukraine was endorsed by the EU Commission in the beginning of the conflict. It gave authorities in Member States direction and useful advice to guarantee a speedy, impartial, and adaptable recognition process¹²⁷.

Moreover, by providing language classes and other forms of training, the EU helped immigrants from Ukraine in gaining the skills required to compete on the labour market in the EU¹²⁸. Similar policy responses to welcome Ukrainian refugees have also been taken in OECD countries, notably to ensure a successful labour market matching. For instance, Canada, Estonia, Poland, Portugal and Germany among others have set up online portals to better connect refugees with potential employers and available jobs¹²⁹.

Are there sectors, regions or areas in which migrants are especially vulnerable to human trafficking, exploitation or abuse?

For the displaced people of Ukraine, the refugee crisis is increasing the risk of trafficking. As a precedent, the number of Ukrainian casualties found in Western Europe in 2016 increased fourfold as a result of the conflict in Ukraine in 2014¹³⁰. Indeed, the conflict has led millions of people, mainly women and

¹²³ Flood victims in temporarily occupied areas of Kherson region can receive one-off financial assistance if they move to government-controlled territory. Ministry of Reintegration of the Temporarily Occupied Territories of Ukraine. 2023.

¹²⁴ Social Protection of Vulnerable Groups: Request for Support from International Organizations. Ukrainian Government. 2023.

¹²⁵ The potential contribution of Ukrainian refugees to the labour force in European host countries. OECD. 2022.

¹²⁶ Policies to support refugees from Ukraine. Eurofund. 2022.

¹²⁷ Ukraine: Commission helps professionally qualified refugees access jobs in the EU. EU Commission. 2022.

¹²⁸ What are the main obstacles to finding work for Ukrainian refugees?. Euronews. 2022.

¹²⁹ What we know about the skills and early labour market outcomes of refugees from Ukraine. OECD. 2023.

¹³⁰ Global Report On Trafficking In Persons 2022. UNODC. 2023.

<p>children to leave the country which increases their risks to be targeted by criminal networks¹³¹. There have already been reports of sexual assault, and there have been signs of possible exploitation among those offering transportation or other services¹³².</p>
<p>Does the country have visa facilitation agreements with the EU and/or with European countries?</p> <p>In reaction to the conflict in Ukraine, numerous countries have acted quickly and agreed to accept Ukrainian war refugees under various immigration policies and guidelines. For instance, in March 2022, the Member States have pledged to respond immediately and without laborious formalities to the needs of Ukrainian refugees¹³³. As a result, all Ukrainian refugees have been given immediate protection within the EU for a maximum of three years under the Temporary Protection Directive which grant them temporary refugee status with several rights.</p>
<p>Are there high levels of unemployment and underemployment of migrants?</p> <p>Refugees generally experience difficulties integrating into the labour market. Compared to other immigrant groups, Ukrainian refugees have entered the labour market more quickly. Many factors explain this employability of Ukrainian refugees such as their high proportion of education beyond the high school level, the Eastern European labour markets where many Ukrainians were already a source of labour, and finally the fact that EU Member States have adopted policy responses to facilitate Ukrainian refugees' entry, residence, and employability¹³⁴.</p>
<p>Are environmental degradation or climate impacts influencing migration and mobility?</p> <p>In the current context, migration and mobility is the result of the war rather than environmental degradation or climate impacts.</p>
<p>Have conflict, natural disasters, and other emergencies impacted migration/forced displacement in the country?</p> <p>The ongoing migration flows in Ukraine are essentially the result of the war. Notably the eastern and southern parts of the country are heavily affected by the war due to constant bombing, cuts of electricity and water, and risks of being the fighting ground or victims of Russian soldiers' violence. Moreover, some destruction such as with the Kakhovka Dam in the southern part of the country has provoked huge migration flows with more 40,000 of people needed¹³⁵ to be evacuated as 80 towns and villages were under threat of floodings notably the city of Kherson¹³⁶.</p>
<p>Are there opportunities for migrants and diaspora to transfer their knowledge and skills?</p> <p>N/A.</p>
<p>Are remittances an important percentage of the GDP? Are the costs of sending remittances above the SDG 10 target?</p>

¹³¹ Targeted by Traffickers - Ukrainian Refugees at High Risk of Exploitation. UNOCD. 2022.

¹³² IOM Warns of Increased Risk of Trafficking in Persons for People Fleeing Ukraine. IOM. 2022.

¹³³ Policy responses. Migration Data Portal. 2023.

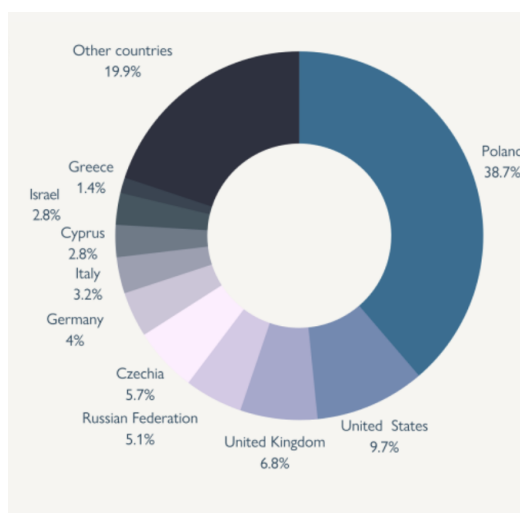
¹³⁴ The potential contribution of Ukrainian refugees to the labour force in European host countries. OECD. 2022.

¹³⁵ Ukraine dam: Maps and before and after images reveal scale of disaster. BBC News. 2023

¹³⁶ Ukraine dam: Thousands flee floods after dam collapse near Nova Kakhovka. BBC News. 2023

For a very long time, remittances have been crucial for Ukraine. The country constitutes the largest recipient in Europe and Central Asia¹³⁷. In 2021, remittances to Ukraine exceeded \$14 billion, accounting for almost 7% of the country's GDP and being 2.1 times larger than foreign direct investment¹³⁸. The World Bank has recently predicted that in 2022, remittances to Ukraine will rise by 20%¹³⁹. However, The National Bank of Ukraine (2023) reported that current estimates show a decline in remittance flows to Ukraine, which fell from 14 billion USD in 2021 to 13 billion USD in 2022¹⁴⁰.

Figure 9: Remittance inflows to Ukraine, 2021¹⁴¹



2) Inclusive sustainable growth, climate change and environment

Impact of climate change and environmental degradation on development

Ukraine is not spared from climate change and environmental degradation. Due to seasonal flooding and droughts, Ukraine is susceptible to natural disasters, which primarily have an impact on the agricultural and human health sectors. Riverine, urban, and wildfire threats are all rated as being very high in country. Ukraine is becoming more susceptible to droughts, high temperatures, heat waves, heavy rains, mudflows, and floods as a result of climate change effects. Moreover, natural disasters are more frequent and regularly resulting in human and financial losses¹⁴².

Figure 10: Key Natural Hazards Statistics 1980 - 2020

¹³⁷ Remittances to Reach \$630 billion in 2022 with Record Flows into Ukraine. The World Bank. 2022.

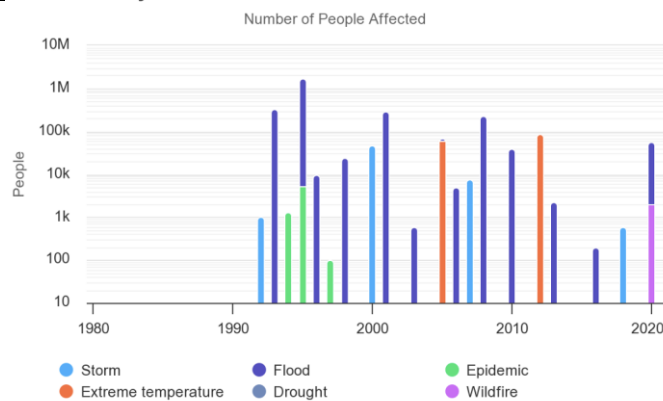
¹³⁸ Joint Statement Remittance and related technical service providers in Ukraine. EU and Ukrainian Government. 2022.

¹³⁹ Remittances to Reach \$630 billion in 2022 with Record Flows into Ukraine. The World Bank. 2022.

¹⁴⁰ Ukraine. Migration Data Portal. 2023

¹⁴¹ Ukraine. Migration Data Portal. 2023

¹⁴² Historical Hazards Ukraine. The World Bank.



In the past year, the government of Ukraine has taken important steps in the fight against climate change. In December 2019, the Monitoring, Reporting and Verification (MRV) law was adopted by the Ukrainian Parliament and signed by the President. The latter has laid the ground for the MRV system launched by the Ministry of Ecology and Natural Resources¹⁴³.

However, the war has caused negative effects in tackling climate change. The war has led to a crisis of gas supplies in Europe which were to a large extent provided by Russia. This shortage has increased coal imports and production, notably in Germany. Hence, the war has fostered the release of some 100 million tons of carbon into the atmosphere within the first seven months of fighting¹⁴⁴. Additionally, the war has led to massive deforestation, fires and has damaged Ukraine’s renewable energy systems¹⁴⁵. Water supply infrastructures have also been damaged by the conflict an estimated 1.4 million people in Ukraine currently have no access to safe water, and a further 4.6 million people have only limited access¹⁴⁶.

Effective and inclusive green transformation

In 2021, Ukraine adopted “The Environmental Security and Climate Change Adaptation Strategy of Ukraine until 2030” that focuses on crucial measures for determining how climate change would affect Ukraine's people, economy, and environment through the adoption of sectoral and local policies and making better use of climate data¹⁴⁷. Incorporating climate adaptation into municipal economic and social development objectives, as well as creating an environmental assessment and environmental impact assessment procedure, are just a few examples of the legislative measures outlined in the Strategy's Action Plan.

Following the war in 2022 and discussion with the European Commission, Ukraine has joined the LIFE programme that aims at contributing to the shift towards a sustainable economy, to protect the environment, to halt and reverse biodiversity loss¹⁴⁸.

Screening for climate and environment risks and opportunities of the project / programme intervention (in particular interventions that are not climate / environment specific).

The achievement of the EUACI in Ukraine could result in saving public assets that could be invested in sustainable projects, notably for the future “green” reconstruction of the country. Moreover, this program has the goal to improve the transparency of public budgeting as well as the integrity of public institutions which could ensure the efficient implementation of public oriented strategies, also regarding climate matters.

¹⁴³ Climate Change – Challenges for Ukraine. The World Bank. 2021.

¹⁴⁴ The War in Ukraine and Impact on Environmental Degradation and Climate Change. Editorials. 2023.

¹⁴⁵ The War in Ukraine and Impact on Environmental Degradation and Climate Change. Editorials. 2023.

¹⁴⁶ Environmental impacts of the war in Ukraine and prospects for a green reconstruction. OECD. 2022.

¹⁴⁷ Government adopts new strategy to make Ukraine more resilient to climate crisis. UNDP. 2021.

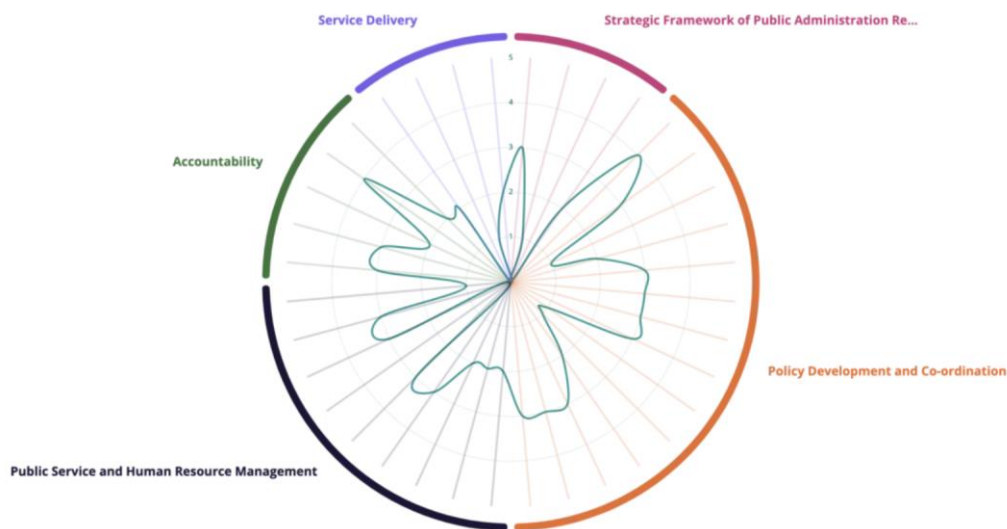
¹⁴⁸ Commission to open negotiations for Ukraine's participation in LIFE programme for climate and environment. European Commission. 2022.

3) Capacity of public sector, public financial management and corruption

Capacity of the public sector for policy making, implementation of policies, enforcement of regulations and effective service delivery.

Ukraine's public sector capacity for policy making, implementation of policies, enforcement of regulations and effective service delivery has been improved since the Maidan 2014's revolution through the implementation of various reforms of the public sector notably focusing on fighting corruption. Russia's aggression has prevented Ukraine from implementing some of these reforms in public governance and has fragilized its public sector and economy¹⁴⁹. Indeed, the Ukraine's GDP has dropped of 30% in 2022 resulting from the limited economic activity¹⁵⁰ accompanied by destruction and damage of productive capacity, insecurity, and reduced labour supply and resource. However, during the post-recovery efforts, Ukraine will have the opportunity to reform its political system to adhere to international standards and best practices¹⁵¹. Yet, the 2018's SIGMA figures on Ukraine performance regarding Principles of Public Administration was demonstrating encouraging results in terms policy development and coordination, public service and human resources management and accountability. However, some improvements still needed to be undertaken regarding their service delivery and their strategic framework of Public Administration (figure 8).

Figure 11: Ukraine's performance in 2018 against the Principles of Public Administration (From 0 (lowest) to 5 (highest))¹⁵²



The anti-corruption organizations have mostly continued their functions throughout the war. However, the pace of efforts to purge judicial corruption has slowed. Lately, despite of the war, Ukraine has adopted in June 2022 a National Anti-Corruption Strategy (until 2025) to strengthen the independence of its anti-corruption institutions and fight corruption in the judiciary and prosecution service¹⁵³. Under this strategy NACP will produce a yearly National Report on execution of the Anti-

¹⁴⁹ Public governance in Ukraine. OECD. 2022.

¹⁵⁰ Ukraine. World Economics.

¹⁵¹ Public governance in Ukraine. OECD. 2022.

¹⁵² Public governance in Ukraine. OECD. 2022.

¹⁵³ Public governance in Ukraine. OECD. 2022.

Corruption Policy¹⁵⁴. Additionally, this strategy is planning to enlarge the functions of the state and local government, reduce the human factor and increase transparency and efficiency through the introduction of rules of general administrative procedure and digitalization¹⁵⁵.

Quality and capacity of PFM in general and at sector level, including budget credibility comprehensiveness and transparency as well as control and external scrutiny/audit in all phases of the budget process.

In the past years, the Ukrainian Ministry of Finance has implemented several reforms of the public financial systems. A 2019's report has addressed Ukraine's PFM improvement in terms of implementation of medium-term budget planning, implementation of international accounting standards in the public sector, improvement of macroeconomic and budget forecasting tools, enhancement of transparency in public finance management by creating the Open Budget Portal, fiscal risk management and gradual introduction of gender-based approach in budgeting. However, this report pointed also that work is still needed regarding public strategic planning, public investment management, liquidity management and public finance management at the local level¹⁵⁶.

In response, Ukraine has adopted a Public Finance Management Strategy (PFMS) reform 2022-2025¹⁵⁷. This strategy aims to improve the compliance with general fiscal discipline in the medium-term perspective; improve the efficiency of resource allocation at the level of formation of the state policy; ensure effective execution of the state and local budgets; enhance transparency and accountability in public finance management; · develop human resource management in public finance¹⁵⁸. Moreover, this initiative is planning to strengthen the institutional and professional capacity through the implementation of IT projects in line with the PFM digitalization strategy and defining the concept for improving professional competence of financial system staff¹⁵⁹.

Participation of citizens/CSOs in monitoring public budgets and corruption.

Citizens and CSOs play a key role in monitoring public budgets and corruption in Ukraine. They are involved through processes of complaints mechanisms, open policy making, public consultation, participatory budgeting, and public petitions¹⁶⁰. Ukrainians local administrations and government are making significant progress toward more transparent and inclusive decision-making. Transparency and civic engagement can assist offer effective public services, fight and prevent corruption, and increase citizens' faith in government, in addition to being crucial components of local democracy¹⁶¹. This development is supported by the EUACI programme.

Additionally, the "Civil Society for Enhanced Democracy and Human Rights in Ukraine" project was carried out by the UNDP from April 2017 to April 2022 with the financial assistance of the Danish MFA to assist Ukrainian CSOs in building their institutional capabilities. These accomplishments, in turn, improved young people's civic engagement and citizen participation in decision-making, which in turn had a positive impact on the success of democracy and human rights reforms¹⁶².

The corruption situation and relevant anti-corruption measures and reforms.

¹⁵⁴ Anti-corruption Strategy. NACP.

¹⁵⁵ Anti-corruption Strategy. NACP.

¹⁵⁶ Strategy For Public Finance Management System Reform In 2022–2025. Ministry of Finance of Ukraine. 2021.

¹⁵⁷ Strategy For Public Finance Management System Reform In 2022–2025. Ministry of Finance of Ukraine. 2021.

¹⁵⁸ Strategy For Public Finance Management System Reform In 2022–2025. Ministry of Finance of Ukraine. 2021.

¹⁵⁹ Public Finance Management Strategy (PFMS). Ministry of Finance of Ukraine. 2023.

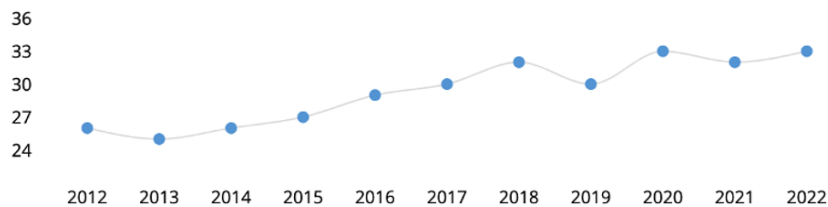
¹⁶⁰ Ukraine Handbook on Transparency and Citizen Participation. Council of Europe and the European Union. 2017.

¹⁶¹ Ukraine Handbook on Transparency and Citizen Participation. Council of Europe and the European Union. 2017.

¹⁶² Success stories and key achievements of civil society organisations in Ukraine, 2017-2022. UNDP. 2022.

Ukraine's score in the Corruption Perception index has improved significantly since 2012 (Figure 9). In 2022, the country has reached a score of 33/100 being the 116th over 180 countries¹⁶³. The major drivers of this endemic corruption in Ukraine are the oligarchic influence, the capture of the judicial; the undermining of anti-corruption bodies; strategic corruption and a high degree of public awareness about the problem¹⁶⁴.

Figure 12: Ukraine score in the Corruption perception index, 2012-2022¹⁶⁵:



Since 2014, Ukraine has undertaken significant reforms to fight corruption. For instance, the country has established several anti-corruption infrastructures and enhanced the involvement of several civil society organizations¹⁶⁶. These structural reforms have also targeted the banking system, procurement, the management of state-owned enterprises and the legal systems¹⁶⁷. In 2021, a new law was approved with the intention of reducing the impact of oligarchs on national politics through their involvement in political party finance and the privatization of important firms and state-owned assets¹⁶⁸. However, the incoming of the war has creating opportunities for a rise of corruption in these times of fragility and post recovery efforts due to growth of foreign aid flows as well as the incoming of new priorities which could lead to a lack of vigilance of institutions¹⁶⁹.

Considerations on gender responsive and/or transformative budgeting and financing.

In its last years reforms, Ukraine has considered a gender responsive public financial management (GRPFM). In the beginning of 2014, the Ukrainian government started experimenting with and implementing gender-oriented measures, particularly by encouraging ex-ante gender analysis of budget projects at the state and municipal levels (oblasts, rayons, cities, merged territorial units). In 2017, this gender approach was enlarged to all the Ukrainians oblasts and selected rayons, cities, and amalgamated territorial communities (ATCs). In 2018 and 2019, this approach was expended to all the Ukrainians ministries and 38 Key Spending Units (KSU) at the state level.

In sum, since 2014, more than 200 budgetary initiatives at the state and local levels have been examined from a gender perspective¹⁷⁰. Recommendations have also been assessed for the collecting of statistics that account for gender (including gender indicators in programs) as well as the development of activities and program goals that advance gender equality.

4) Matching with Danish strengths and interests, engaging Danish actors and seeking synergies

¹⁶³Anti-corruption policies in the reconstructing of Ukraine. VOX EU/CEPR. 2023.

¹⁶⁴ Anti-corruption policies in the reconstructing of Ukraine. VOX EU/CEPR. 2023.

¹⁶⁵ Anti-corruption policies in the reconstructing of Ukraine. VOX EU/CEPR. 2023.

¹⁶⁶ Anti-corruption policies in the reconstructing of Ukraine. VOX EU/CEPR. 2023.

¹⁶⁷ Anti-corruption policies in the reconstructing of Ukraine. VOX EU/CEPR. 2023.

¹⁶⁸ Ukraine's parliament passes law to limit oligarchs' influence on politics. EuroNews. 2021.

¹⁶⁹ Anti-corruption policies in the reconstructing of Ukraine. VOX EU/CEPR. 2023.

¹⁷⁰ PEFA Assessment Of Gender Responsive Public Financial Management Ukraine. The World Bank. 2021.

Denmark is an attractive partner when it comes to promoting good governance and anti-corruption. We are strategically in a good position in relation to the anti-corruption agenda due to our high performance in this area. Denmark is a reliable implementing partner for the EU in this joint programme with common ambitions and interests.

Brief mapping of areas where there is potential - for increased commercial engagement, trade relations and investment as well as involvement of Danish local and central authorities, civil society organisations and academia.

The Ukrainian market has considerable potential for enhanced Danish commercial engagement in the future and formal cooperation between Danish and Ukrainian organisations such as Dansk Industri and the Ukrainian Federation of Employers have already been established.

Assessment of the donor landscape and coordination, and opportunities for Denmark to deliver results through partners including through multilaterals and EU.

This aspect has been covered previously as part of this annex.

Annex 2: Theory of Change, Scenario, and Result Framework

EUACI is implemented in a context of war where the major institutions supported are constrained by limited financial resources because of the war economy, staffing limitations as staff members join the army or leave the country, and a political economy that does not always favour anti-corruption reforms. It is, however, also a time of change and opportunities. Never before have the key anti-corruption institutions functioned this well, and there is a drive to fight corruption among the government and people of Ukraine, which is further motivated by the outlook of joining the European Union (EU).

New risks have also emerged with the significant inflow of resources to the reconstruction of Ukraine. The reconstruction efforts take place at the local level, where the systems of fighting corruption have not yet matured and where staffing resource constraints are further exacerbated by the migrations away from war-affected cities and towns to safer urban areas or to the EU.

In this challenging context, EUACI will use the leverage it has received from its modus operandi evolved since 2016, to gather stakeholders from the independent state institutions, civil society and media, and national and local government to jointly support the anti-corruption reform and implementation processes at the national and local level. Through this process, EUACI will seek to contribute to the programme strategic objectives of:

1. Corruption in Ukraine is reduced
2. Ukraine completes its State Anti-Corruption Programme (SACP) reform process
3. Reconstruction in war-affected areas of Ukraine is implemented within a framework that incorporates transparency, accountability and integrity

EUACI is a programme undertaking direct implementation building on partnerships. It facilitates partners' anti-corruption work through advisory work, IT support, and coalition building. The programme is directly responsible for the implementation of the bulk of the outputs delivered but rely on partners' performance and cooperation to ensure that it truly contributes to the defined immediate objectives.

EUACI's contribution to anti-corruption reform builds on the following steps:

1. Direct support to anti-corruption institutions in the form of advice such as inputs to policies, laws and regulations, short-term embedded experts, IT equipment, and support to conferences as well as training of key staff.
2. Support to the law drafting and screening process in Parliament to ensure that these promote anti-corruption efforts and do not counter existing progressive legislation.
3. Support to civil society and media as watchdog institutions that oversee the legislation process; investigate potential corruption cases; watch the performance of the anti-corruption institutions; and participate and/or monitor the selection process of appointment of leadership of key anti-corruption institutions.
4. EUACI also serves as a platform bringing these stakeholders together to motivate the reform processes through formal and informal meetings, conferences and directly engaging in inputs to the reform process through the assessment and drafting of inputs to laws, policies and regulations.
5. The same approach that works at the national level is also applied at the local level where reconstruction is taking place. EUACI is supporting cities with tools that enable these to implement reconstruction and provide services to the women, children, and men of Ukraine in a transparent, accountable, and participatory manner. As at the national level, civil society and media play a role in monitoring the reconstruction process at the local level, countering the risk of misuse of office. The process at the local level also emphasises community involvement in monitoring of the reconstruction efforts.
6. To provide the needed anti-corruption framework to allow for the integrity of the reconstruction efforts, EUACI is supporting the Ministry and the Agency of Restoration to design and apply policies, laws and regulations that promote transparency, accountability as well as participation in the reconstruction process. This includes capacitating regional Oblast restoration offices to perform their duties with needed integrity.

The improved performance of the anti-corruption institutions as well as the countering of corruption in the reconstruction process will also indirectly contribute to Ukraine meeting the criteria for EU accession.

A schematic theory of change is outlined in the table below:

	Area 1: Institutions	Area 2: Reconstruction	Area 3: Integrity in cities	Area 4: Civil society
Input	<ul style="list-style-type: none"> - Funding, administration and procurement experience and capacity - Operational (service delivery) capacity (EUACI can undertake actions itself or it can sub-contract) - Human resource, recruitment and vetting experience and capacity - EUACI voice, reputation/legitimacy, convening power and communication capacities - Flexible and agile, adaptive management <p>The above translates into activities such as:</p> <ul style="list-style-type: none"> - Advice on capacity development planning - Legislative advice and drafting - Capacity development of staff - Institutional strategy development - IT equipment and software procurement - Forum for dialogue across institutions and partners 			<p>Grants for:</p> <ul style="list-style-type: none"> - Watchdog functions - Awareness raising - Corruption investigation
Assumptions	<ul style="list-style-type: none"> - Partners articulate capacity gaps and needs to EUACI so that it can match and leverage its inputs in a timely and efficient manner. - Key partners are committed to upholding anti-corruptions principles and practices as they partner with EUACI - Key partners have a minimum indispensable (baseline) capacity to be able to absorb and benefit from EUACI support 			
Output	<ul style="list-style-type: none"> - Enhanced capacity of anti-corruption institutions allowing partners to maintain as well as enhance performance according to mandate - Improved legal framework to counter corruption 	<ul style="list-style-type: none"> - Enhanced national regulatory framework for reconstruction allows partners to implement procurement with enhanced integrity - Improved capacity at regional level to perform with enhanced integrity 	<ul style="list-style-type: none"> - Enhanced transparency and accountability framework and capacities in cities provides basis for risk reduction in city reconstruction work 	<p>Media and civil society actors with enhanced resources and capacities enabling them to monitor corruption, enhance awareness and support dialogue processes</p>
Assumptions	<ul style="list-style-type: none"> - Facilitated access to expertise, staffing and infrastructure help ensure business continuity which allows staff to dedicate time and energy to leveraging learning and networking opportunities that will help them better fulfil their tasks and mandates - Enhanced capacity leads to improved performance in accordance with the institutional mandate - Institutions at national and local level pass improved legislation 			<p>Civil society and media have space to operate and are heard</p>
Outcome	<p>Institutions perform according to their mandate leading to:</p> <ol style="list-style-type: none"> 1) Increased number of corruption convictions 2) Improved anti-corruption legislation applied 	<p>Institutions perform according to their mandate leading to:</p> <ol style="list-style-type: none"> 1) National anti-corruption reconstruction framework in place 2) Reduced number of corruption cases at the regional level 	<ol style="list-style-type: none"> 1) Enhanced transparency and accountability of reconstruction work at integrity city level 2) Increased citizen access to transparent and accountable services 	<ol style="list-style-type: none"> 1) Improved citizen awareness of integrity needs and rights 2) CSO and media reports influence institutions
Assumptions and link to strategic objectives	<p>Improved legislation and anti-corruption institutions' effectiveness increase the fight against corruption and</p>	<p>Improved reconstruction framework and capacity at regional level is used to reduce corruption in the</p>	<p>Improved integrity in city management and reconstruction processes will lead to reduced corruption at city level contributing to</p>	<p>Citizens are receptive to CSOs and media and increase their negative perception of corruption. Institutions are</p>

	reduces corrupt incentives leading to a reduction in corruption contributing to SO1. Improved effectiveness of institutions enhances the SACP implementation and reform process contributing to SO2, and the improve the rule of law in the fight against corruption in the reconstruction process contributing to SO3	reconstruction process contributing to SO3. Improved transparency and accountability of reconstruction efforts enhances corruption reform implementation contributing to SO2. Fighting corruption at local level leads to reduced overall corruption contributing to SO1	a reduction in the overall level of corruption and SO1, reduced corruption in the cities will have specific attention to reducing corruption in reconstruction contributing to SO3. Improved transparency and accountability of reconstruction efforts at the city level enhances reform implementation contributing to SO2	receptive to CSO and media pressure motivating improved legislation and performance. This enhances fight against corruption leading to a reduction and contributing to SO1; as well as a reduction corruption in reconstruction contributing to SO3. The pressure from civil society and media will further motivate reform implementation contributing to SO2
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The experience of EUACI since 2016 shows that the support comes with considerable risk of setbacks. Most significant are changes in the political economy, which slows the commitment to anti-corruption reform. In the past, often one or two of the major anti-corruption institutions has been dysfunctional or laws have been passed that counter reforms and efforts are needed to repeal such backward legislation. In these instances, EUACI has had to reallocate resources between institutions and assist civil society and media in their efforts to seek improved legislation. Often this includes significant support to institutions' communication efforts as well. To succeed, EUACI will need a high level of flexibility in its operation to allow for a shift in response to meet political economic and contextual changes and proactive reactions to emerging opportunities. This need for flexibility is further exacerbated by the constant changes that the ongoing war imposes on the programme.

The support builds on a number of assumptions:

1. That the Government of Ukraine and the independent state institutions continue to have a minimum of commitment to anti-corruption reform and to the implementation of the State Anti-Corruption Programme (SACP). And, that the EU accession process continues to be a motivator for reform in the anti-corruption sector.
2. That the programme continues to have the trust of the partners from the government, state institutions and civil society to enable it to influence policy and laws together with all stakeholders in favour of anti-corruption reform. And, that EUACI continues to be the preferred partner among the anti-corruption stakeholders in a context where programmes and projects with larger budgets enter the anti-corruption scene.
3. That the programme is able to continue to identify the most relevant civil society and media organisations to support the reform process and investigate corruption cases.
4. That the war does not limit or prevent EUACI from operating in integrity cities as well as in Kyiv.

Scenarios

War and corruption setbacks (declining scenario)

The war escalates with significant Ukrainian setbacks. This has consequences in terms of access to integrity cities as well as significant reduction in activity implementation as a result of reduced working hours and options for meetings. It might entail partners relocating to other parts of Ukraine or abroad. Additional partner staff join the armed forces or migrate out of the country and government financing to state institutions is further reduced.

From a reform perspective, the war allows spoilers of anti-corruption reform to counter the progress achieved in the last years through negative fake news communication, the introduction of legislation that dilutes anti-

corruption reform, and the malpractice of key anti-corruption institutions. Corruption related to reconstruction efforts is widespread.

Suggested programme adaptation: reallocation of resources towards civil society and media to reemphasise the need for anti-corruption reform and expose corrupt practices. Reallocation of resources in intervention area 1 (anti-corruption institutions) from poor or non-performing institutions towards well performing institutions. Providing emergency assistance to ensure the continued functioning of the partners still performing.

Ukraine victory and EU accession (improved scenario)

Ukraine is winning the war, access to all areas is improved, and staff are turning to work. Ukraine is moving faster than anticipated on the corruption reform agenda. High-level corruption cases are investigated, and perpetrators are convicted. All public information required at national as well as local level is available for investigators, media, and civil society, and cases are identified and pursued in integrity cities. Reconstruction efforts are well underway and international aid is incoming to cities in need of reconstruction. The EU-integration is picking up speed.

Suggested programme adaptation: further focus resources on intervention area 1 (anti-corruption institutions) where progress is feasible and on area 2 and 3 to enhance transparency and accountability of the reconstruction process. EUACI will work to transfer authority of implementation to Ukrainian institutions in Intervention Area 1.

Anti-corruption progress in a difficult war economy (current and most probable scenario)

The intervention area 1 institutions (anti-corruption institutions) are progressing steadily in implementing their mandate and remain receptive to EUACI capacity development work. Laws and passed which further move Ukraine towards EU accession when it comes to anti-corruption. There are occasional setbacks in terms of laws and performance of institutions, which need attention and countering through advocacy and support to intervention area 4 partners (civil society and media).

At the local level, reconstruction efforts take place with enhanced transparency and accountability. There will be instances of misuse of funds and corrupt practices. This will be caught by media, and NABU will investigate these cases.

Suggested programme adaptation: only minor adaptation is required reallocating resources between intervention area 1 institutions when some fail to perform according to their mandate.

Results Framework for EUACI III

The development objective of the development cooperation among the parties is aligned with the Ukraine State Anti-Corruption Programme (SACP) objective, and enhanced to encompass the different actors that EUACI work with in support of anti-corruption: *‘to achieve significant progress in preventing and countering corruption, ensuring the coherence and systemic anti-corruption activities of all state and local self-government bodies, and to empower civil society and citizens to contribute to the combatting of corruption, as well as the proper process of Ukraine’s post-war recovery.’*

The development objective is supported by the following results framework:

Project/Programme	The EU Anti-Corruption Programme phase III (EUACI III)
Strategic Objective 1	Corruption in Ukraine is reduced
Impact Indicator	<ol style="list-style-type: none"> 1. Ukraine’s score/rank in Transparency International’s Corruption Perception Index 2. Ukraine’s score/rank in the Public Integrity Index 3. Proportion of persons who had at least one contact with a public official and who paid a bribe to a public official or were asked for a bribe by those public officials during the previous 12 months (SDG 16.5 indicator) (Survey by NACP).
Baseline 2023	<ol style="list-style-type: none"> 1. 33/100, 116/180 (2022 score) 2. 6.68 (2022 score)

	3. 17.7%
Target 2027	1. 45/100, 100/180 2. 7.5 3. 15.7% (2% reduction from baseline)

Strategic Objective 2	Ukraine advances with anti-corruption reforms
Impact Indicator	1. Status of implementation of SACP's Chapter related to increasing the efficiency of the system for preventing and combatting corruption (subchapters 1.1.-1.4, 1.6.) 2. Status of regulatory framework for NABU, SAPO, HACC, NACP and ARMA
Baseline 2023	1. Status of implementation of subchapters 1.1 – 1.4, 1.6 of Chapter 1 of the SACP: 1.1. - 5,3%, 1.2 – 5,9%, 1.3 – 4,3%, 1.4 – 20%, 1.6 -0%. 2. Regulatory framework for NABU, SAPO, HACC, NACP and ARMA is in place but is not yet fully sufficient as outlined in the EU Commission's annual enlargement report and GRECO reports. In particular, there is a need to improve Criminal Procedural Code and Law on SAPO.
Target 2027	1. Subchapters 1.1.-1.4, 1.6. of Chapter 1 of the SACP fully implemented 2. Legislative framework improved and implemented in line with the EU Commission's annual enlargement report and GRECO reports.

Strategic Objective 3	Reconstruction in war-affected areas of Ukraine is implemented within a framework that incorporates transparency, accountability, and integrity
Impact Indicator	1. Status of regulatory framework for ensuring transparency, accountability and integrity 2. Survey showing government administrations use of regulatory framework
Baseline 2023	1. Framework not in place 2. N/A
Target 2027	1. Framework in place based on an independent assessment 2. Survey shows 70% of government entities surveyed at national and local level apply regulatory framework

Outcome 1.0	Anti-corruption institutions perform according to their mandate with enhanced effectiveness and improved track record	
Outcome indicator	1. Percentage of draft laws on which CAP adopted conclusions on anti-corruption proofing before 1 st reading out of the total number of draft laws registered in the Verkhovna Rada 2. NACP's compliance with the criteria of the External assessment of the Effectiveness of NACP (audit) 3. Number of cases handed over to SAPO 4. Number of cases SAPO refer to HACC 5. Number of verdicts by HACC in criminal cases as a court of first instance in a year 6. Public perception of the efficiency of anti-corruption institutions on 5 grade scale (NACP survey) 7. Status on the implementation of the institutional capacity development plans	
Baseline	End-2023	1. 14% (2022) 2. 72% 3. 54 (2022) 4. 77 5. 32 (first half of 2023) 6. 2,3/5 for NABU, 2,25/5 for SAPO, 2,19/5 for HACC, 2,23/5 for the NACP (2022) 7. No capacity development plans in place
Target	2027	1. 14% 2. 85% (for the period of 2024-2025, report should be published in 2026) 3. 95 4. 85 5. 80 6. 2,5/5 for NABU, 2,5/5 for SAPO, 2,5/5 for HACC, 2,5/5 for the NACP (2026) 7. Capacity development plans implemented

Output 1.1	Institutional capacity development plans developed	
Indicator 1.1	Status of Institutional capacity development plans	
Baseline	2023	No plans in place
Target	2027	Plans in place and implemented

Output 1.2	Capacity of staff of anti-corruption institution enhanced	
Output 1.2a	Capacity of NACP staff enhanced	
Indicator 1.2a	No. of NACP staff capacity enhanced with the areas of policy development; e-declarations/financial control; corruption risk assessment	
Output 1.2b	NABU detectives with enhanced capacity	
Indicator 1.2b	No. of NABU detectives with enhanced capacity to undertake their functions	
Output 1.2c	SAPO prosecutors and administrative staff with enhanced capacity	
Indicator 1.2c	No. of SAPO prosecutors and administrative staff with enhanced capacity to undertake their functions**	
Output 1.2d	HACC judges and support staff with enhanced capacities to undertake functions in accordance with mandate	
Indicator 1.2d	No. of HACC judges and support staff with enhanced capacity to undertake their functions	
Output 1.2e	Other anti-corruption institutions staff with relevant enhanced capacity	
Indicator 1.2e	No. and category of staff capacitated	
Baseline	2023	N/A
Target	2027	1.2a 40* 1.2b1 200 detectives* 1.2c 15* 1.2d 28 judges, 30 support staff* 1.2e Other institutions deemed relevant by EUACI Executive Committee such as SFMS or ARMA

Output 1.3	IT capacity of key anti-corruption institutions enhanced	
Output 1.3a	NACP IT capacity of data warehouse enhanced	
Indicator 1.3a	Status of IT capacity	
Output 1.3b	NABU IT capacity in e-case management and data warehousing enhanced	
Indicator 1.3b	Status of IT capacity	
Output 1.3c	SAPO IT capacity in relation to e-case management enhanced	
Indicator 1.3c	Status of IT capacity	
Output 1.3d	HACC IT capacity in relation to e-case management	
Indicator 1.3d	Status of IT capacity	
Output 1.3e	Other anti-corruption institutions with enhanced IT capacity	
Indicator 1.3e	Status of IT capacity	
Baseline	2023	1.3a NACP data warehousing still to be established 1.3b NABU e-case management system operational and expansion of data warehouse still to be implemented 1.3c SAPO e-case management partly operational 1.3d HACC e-case management partly operational 1.3e Other institutions deemed relevant by EUACI Executive Committee such as SFMS or ARMA
Target	2027	1.3a NACP data warehousing fully complete and operational 1.3b NABU e-case management system finalised and expanded data warehouse implemented 1.3c SAPO e-case management system finalised 1.3d HACC e-case management system finalised 1.3e Other institutions deemed relevant by EUACI Executive Committee such as SFMS or ARMA

Output 1.4	Accountable and transparent management of anti-corruption institutions	
Output indicator 1.4	Institutions receiving support to ensure a transparent and accountable selection process of heads of institutions and key staff and to external assessment of their efficiency (audits)	
Baseline	2023	N/A

Target	2027	4 (as per tenure cycle and unexpected changes)
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Output 1.5	Legislation screened for corruption risk by CAP and NACP	
Output indicator 1.5	No. of laws screened	
Baseline	2023	N/A
Target	2027	500

Output 1.6	Communication capacity of key anti-corruption institutions enhanced	
Output indicator 1.6	No. of communication campaigns and events undertaken by key anti-corruption institutions with EUACI support	
Baseline	2023	N/A
Target	2027	18*

Output 1.7	EUACI direct input to legislation and policy work	
Output indicator 1.7	No. of legal or policy memos drafted by EUACI	
Baseline	2023	N/A
Target	2027	18*

* *Accumulated*

** *May increase if new legislation is passed expanding SAPO staff base*

Outcome 2.0	Improved legal framework promoting the integrity of the reconstruction process of Ukraine	
Outcome indicator 2.0	<ol style="list-style-type: none"> Status of regulatory framework promoting integrity of the reconstruction process Status of implementation of anti-corruption programmes and policies by the Regional Offices for Restoration 	
Baseline	End-2023	<ol style="list-style-type: none"> Basic legal framework for the integrity of restoration process in place N/A
Target	2027	<ol style="list-style-type: none"> Comprehensive legal framework for integrity of reconstruction process adopted and implemented Anti-corruption programmes are implemented by 70% (Accumulated) at 2/3 of the Regional offices for Restoration

Output 2.1	Empowering the Ministry of Restoration to develop and implement legal and regulatory framework for the integrity of the reconstruction process and donor coordination in support of Ukraine's recovery	
Output indicator	<ol style="list-style-type: none"> No. of documents (draft laws, bylaws, policy documents) processed by the EUACI Integrity Support Group Status of donor coordination in the field of corruption prevention 	
Baseline	2023	<ol style="list-style-type: none"> 2 There is no donor coordination mechanism in the field of corruption prevention
Target	2027	<ol style="list-style-type: none"> 20 (Accumulated) Well-functioning donor coordination mechanism in place

Output 2.2	IT products are developed and implemented to promote accountability and transparency of the reconstruction process	
Output indicator	<ol style="list-style-type: none"> Status of the legal framework for the functioning of the relevant IT products needed for the reconstruction process Status of development and implementation of IT products ensuring accountability and transparency of planning / prioritisation of objects / management of reconstruction process 	
Baseline	2023	<ol style="list-style-type: none"> No or outdated legal framework for IT products No IT products ensuring accountability and transparency of planning / prioritization of objects / management of reconstruction process

Target	2027	<ol style="list-style-type: none"> 1. Legal framework for relevant IT products developed 2. The IT products are fully operational
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Output 2.3	Strengthened procurement capacity of the Regional Offices for Restoration	
Output indicator	Status on policies on procurement for regional offices developed	
Baseline	2023	None
Target	2027	Policies on procurement for regional offices are developed

Output 2.4	Pilot implementation of anti-corruption and integrity policies of regional restoration offices (branches)	
Output indicator	No. of regional branches piloted	
Baseline	2023	N/A
Target	2027	No less than 2

* *Accumulated*

Outcome 3.0	Enhanced level of integrity and transparency in the Integrity Cities.	
Outcome indicator 3.0	<ol style="list-style-type: none"> 1. Score/rank in the 1) Transparent Cities Rating/ 2) Index of digital transformation of Ukrainian cities 2. Status of implementation of Municipal Integrity Plans in Integrity Cities 	
Baseline	2023	<ol style="list-style-type: none"> 1.1. Mykolaiv – N/A 1.2. Nikopol – N/A 1.3. Zhytomyr - Partially transparent city category in TC Assessment . The level of indicator implementation by the city council ranges from 50% to 74% 1.4. Chervonohrad - Partially transparent city category in TC Assessment. The level of indicator implementation by the city council ranges from 50% to 74% 1.5. Chernivtsi - Partially transparent city category in TC Assessment. The level of indicator implementation by the city council ranges from 50% to 74% <p>Baselines for new cities to be added once identified.</p> <p>2. Integrity Cities developed, approved and implemented Municipal Integrity Plans (Except Mykolaiv and Mariupol)</p>
Target	2027	<ol style="list-style-type: none"> 1.1. Mykolaiv – prospective digital maturity level or higher in Index of digital transformation of Ukrainian cities/ transparent city category in TC Assessment. 1.2. Nikopol - prospective digital maturity level or higher in Index of digital transformation of Ukrainian cities/transparent city category in TC Assessment. 1.3. Zhytomyr - transparent city category or 15% improvement in scores. in TC Assessment/prospective digital maturity level or higher in Index of digital transformation of Ukrainian cities 1.4. Chervonohrad - transparent city category or 15% improvement in scores in TC Assessment/ prospective digital maturity level or higher in Index of digital transformation of Ukrainian cities

		<p>1.5. Chernivtsi – transparent city category or 15% improvement in scores in TC Assessment/prospective digital maturity level or higher in Index of digital transformation of Ukrainian cities</p> <p>Baselines for new cities to be added once identified.</p> <p>2. Integrity Cities have passed 2 new full cycles of MIP updating, approving and implementation for at least 90%</p>
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Output 3.1		Increased transparency and improved access to digital services
Indicator		<ol style="list-style-type: none"> 1) No. of citizens accessing services through the e-reception hall 2) City administration capacity to work and display the geospatial data in the Geographic Information System (GIS) without EUACI support
Baseline	2023	<ol style="list-style-type: none"> 1) N/A. 2) Limited capacity to update and use the geospatial data in the GIS.
Target	2027	<ol style="list-style-type: none"> 1) 25% increase from 2024 2) 5 Integrity Cities have the capacity to update and use geospatial data

Output 3.2		Minimization of corruption risks in Communal Enterprises of critical infrastructure
Indicator		<ol style="list-style-type: none"> 1. Number of integrity assessments and risk minimization plans carried out in Integrity Cities 2. Status of public analytical modules and dashboards about functioning communal enterprises
Baseline	2023	<ol style="list-style-type: none"> 1) 6 integrity assessments conducted and risk minimization plans developed in Integrity Cities 2) Public analytical modules and dashboards about functioning communal enterprises are not developed and implemented
Target	2027	<ol style="list-style-type: none"> 1) at least 12 integrity assessments conducted and risk minimization plans developed in Integrity Cities 2) 12 public analytical modules and dashboard about functioning communal enterprises are fully developed and implemented

Output 3.3		Improved monitoring and supervision of reconstruction projects.
Indicator		Status of monitoring system for independent technical supervision at communal construction objects.
Baseline	2023	Independent technical supervision at communal construction objects and monitoring system does not function on appropriate level
Target	2027	Independent technical supervision for communal construction objects and monitoring system implemented and function on appropriate level, verified through technical assessment

Output 3.4		Enhanced capacities for strategic planning and monitoring related to integrity as expressed in the MIPs.
Indicator		<ol style="list-style-type: none"> 1. Status of conducting CRA in Integrity Cities 2. Status of implementation of MIP

Baseline	2023	1. One circle of conducting CRA in 4 Integrity Cities 2. Integrity Cities developed, approved and implemented Municipal Integrity Plans (Except Mykolaiv and Mariupol)
Target	2027	1. Two cycles of conducting updating CRA in Integrity Cities 2. Integrity Cities have passed 2 new full cycles of MIP updating, approving and implementation for at least 90%

Output 3.5	Establishment of internal audit and control departments.	
Indicator	Status of internal audit and control department in Integrity Cities	
Baseline	2023	The functioning of internal audit and control does not meet international standards
Target	2027	The functioning of internal audit and control meets international standards

Output 3.6	Developing and replication of the best practices for integrity reconstruction based on Mykolaiv experience.	
Indicator	Status of best practices.	
Baseline	2023	2 best practices developed
Target	2027	10 best practices developed and 4 replicated in 4 cities.

Outcome 4.0	Ukraine's civil society, and media enhancing their efforts to raise awareness and promote a culture of integrity at national and local level	
Outcome indicator	Annual coverage of awareness-raising and advocacy campaigns, publications and other awareness-raising activities by CSO projects in the areas of strengthening the role of investigative media, and civil society in addressing corruption, accountability and transparency due to the support from EUACI.	
Baseline	2023	N/A
Target	2027	2,000,000

Output 4.1	Corruption cases investigated by media and civil society	
Indicator 4.1	No. of cases investigated through EUACI funding	
Baseline	2023	N/A
Target	2027	40

Output 4.2	Awareness raising campaigns undertaken to fight corruption	
Indicator 4.2	No of campaigns funded by EUACI	
Baseline	2023	N/A
Target	2027	10*

Output 4.3	Advocacy and legislative initiatives	
Indicator 4.3	No. of initiatives	
Baseline	2023	N/A
Target	2027	10*

Output 4.4	Civil society integrity assessments of candidates for heads of AC institutions and other key staff, including HACC judges	
Indicator 4.4	No. of selection processes assessed by civil society	
Baseline	2023	N/A
Target	2027	3

Output 4.5	EUACI civil society partners involved in recovery efforts	
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Indicator 4.5		No. of partners
Baseline	2023	N/A
Target	2027	5*

Output 4.6		EUACI civil society partners strengthened their capacities for anti-corruption efforts
Indicator 4.6		No. of people who participated in capacity building events
Baseline	2023	N/A
Target	2027	200

* Accumulated

Note: Outcomes and outputs are defined in accordance with OECD-DAC and as outlined in the Danida Aid Management guidelines:

Output is defined as short-term result in the form of goods and services resulting from a project activity. Outputs are achieved immediately after implementing an activity and is thus what is created at the end of a process. It is within control of the project. It is linked to the activity but it is for example not just the number of people trained. The output is also that they have actually required new skills or knowledge (e.g. 200 traditional midwives are trained and are able to use a mobile app to guide them in their work by XX).

Outcome is defined as the short-term and medium term effects on the target group. Outcomes can only be influenced by the project/programme and are thus not within direct control of the program/program managers (e.g. % increase in safer birth deliveries for the women in the area by XX).

Annex 3: Risk Management

Contextual risks

Risk Factor	Likelihood	Impact	Risk response	Residual risk	Background to assessment
War in Ukraine limit or prevent EUACI from operating	Unlikely	Significant	Programme activities to be limited to safe areas where feasible. Building on lessons learned from EUACI II, the programme will be highly flexible in its operation to allow for a shift in response to meet political economic and contextual changes.	Risk reduced, but security risks remain – can be acted upon by close monitoring.	The war in Ukraine can cause security risks for the programme to operate, but also staffing and resources constraints for the programme to carry-on.
State budget's is war focused and a declining GDP can limit funding for anti-corruption	Likely	Major	Investing in anti-corruption for Ukraine will benefit its accession to the EU, and be an advantage in the context of the war. EUACI will continue to rally partners and do advocacy around the need for Government of Ukraine financial commitment to anti-corruption reform. EUACI will show flexibility and be able to support emergency assistance in order to keep the EUACI partner functioning.	Long-term risk reduced. There is still a short-term risk if the war is intensifying and/or Ukraine losing territory which will require a bigger answer from Ukraine, therefore more spendings from military budget.	Ukraine's military budget reached USD 44 billion in 2022 (an increase of 640% from 2021), and war has caused a declined in GDP. Other than military, Ukraine will need to invest considerably in the reconstruction of war-affected areas.
Strong trust in government due to war (i.e., rallying behind the flag) means more difficulties to criticize the government on corruption.	Less likely	Major	Investing in communication capacity development of partners, media and civil society will allow for enhance awareness on corruption.	Risk reduced over time as people of Ukraine have an increased interest in countering corruption.	Ukrainian president has seen his popularity soar since Russia's invasion in the country. However, Ukrainians could react negatively to corruption scandals as they lack justice, especially if corruption scandals concern the military, supported by many Ukrainians.

					However, the reduction in tolerance of corruption point in another direction.
The Ukrainian Government lacks political commitment to anti-corruption reform and to the implementation of the SACP.	Less likely	Major	Considering the situation, Ukraine joining the EU could be an advantage. Having anti-corruption as a priority for the country could highly enhance/facilitate their entry into the EU. EUACI will put this forward when working with partners from the government. However, budget difficulties and vested interest can still have an impact on the progress that can be achieved.	Risk reduced. The country has been moving forward in increasing anti-corruption reforms even before the war.	Considering the war in the country and associated pressing and urgent issues, the Ukrainian Government can be less committed to anti-corruption reform and implementation of the SCAP.
Inflow of resources in Ukraine for reconstruction increasing the risk for corruption	Likely	Major	EUACI is supporting the Ministry and the Agency of Reconstruction to design and apply policies, laws and regulations that promote transparency, accountability as well as participation in the reconstruction process.	Risk reduced, but residual risk.	With weak anti-corruption system in place at local level, and several donors considering supporting reconstruction efforts in the in the country, corruption could proliferate.
Lack of trust in anti-corruption reform process	Unlikely	Major	The support to institutions' capacity in communication is aimed at countering the negative media campaigns by resourceful persons subject to corruption investigations.	Risk reduced, but is dependent on the institutions willingness to invest in communication to counter negative media campaigns.	There has been a significant increase in media campaigns trying to undermine institutions and the anti-corruption reform process.

Programmatic risks

Risk Factor	Likelihood	Impact	Risk response	Residual risk	Background assessment to
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Regional level reconstruction institutions not receptive to A/C efforts	Unlikely	Major	Ensure that regional level support is designed together with the recipient partners to enhance ownership	Risk reduced	Regional level not accustomed to capacity development within anti-corruption
Few CSOs to work with in integrity cities and limited space available to CSOs' activism and advocacy	Likely	Minor	Continuous pro-activeness to identify national CSOs with a local level network. Strengthened collaboration among donors and increased collective efforts to exert pressure on authorities for the protection of civil society's rights.	Risk reduced	Certain cities do not have a strong history of CSOs, and the stronger ones are located in central cities due to competition for attention and resources. The space of CSOs' activism and advocacy is reduced due to the war. The narrowing of civil society organization (CSO) space would significantly diminish the potential for meaningful impact. The constrained opportunity for donors to shape development outcomes would be self-defeating if support for CSOs is diminished.
Poor performance of institutions supported, not fully compliant with the mandate and/or not performing	Unlikely	Significant	EUACI works in close relations with partners, allowing for early warning on potential deviations in mandate and performance. The programme emphasis on serving as a platform for dialogue across the institutions supported will also serve as a means of keeping the institutions on track with the support of the other anti-corruption institutions	Risk reduced due to close relationships and dialogue. However residual risk if institutions are closed to collaboration. The programme may at times consider pausing collaboration.	Some institutions supported in the past have been defunct due to changes in legislation or poor leadership often linked to the political economy situation in the country.
Inadequate staffing for the programme	Likely	Major	Overlapping phase II and III to retain staff. Reassess salary levels of staff. Be	Risk reduced	Salaries offered by EUACI are not competitive enough

			competitive as to the job market conditions. Maintain EUACI as an attractive work place.		compared to other programmes.
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Institutional risks

Risk Factor	Likelihood	Impact	Risk response	Residual risk	Background to assessment
Loss of trust from partners from the government, state institutions and civil society to enable it to influence policy and laws together with all stakeholders in favour of anti-corruption reform	Unlikely	Major	EUACI needs to be able to match the required flexibility to stay relevant to the institutions. Flexibility allows EUACI to remain a preferred partner compared to many other donors in spite of its more limited budget. EUACI must maintain its objectivity, autonomy and full integrity in its work to continue to be a trusted partner.	Risk lowered if EUACI continues applying flexibility and be seen as objective.	While, EUACI continues to be the preferred partner among the anti-corruption stakeholders in a context where programmes and projects with larger budgets enter the anti-corruption scene, there is still a risk for a faux-pas.
Inadequate capacity of staff in institutions supported	Unlikely	Major	EUACI providing capacity building to institutions and designated focal points for the projects.	Risk reduced	Assessments of lessons learned from previous phases have demonstrated a capacity gap concerning anti-corruption at institutional level.
Denmark gets associated with major corruption scandal	Likely	Minor	Suspension of funding during investigation; explanation to DK constituency of importance of working with national system; possibly introduction of further controls.	Reputational risks substantially reduced as plans are in place for prompt reaction and for information activities; should corruption occur.	The bulk of our support is close to fully integrated in the national systems, known to be imperfect. Impact may be more or less serious depending on duration of suspension and need for extra control measures.

Annex 4: Budget Details

The budget has been developed based on the following details:

1. 3 years and four months' implementation from 1 January 2024 – 30 April 2027.
2. Total budget of EUR 17.5 million / DKK 130 mill. 8 million from Denmark and 9.5 million from EU.
3. The funding has been allocated across outcomes according to the assessed current needs by outcome as well as the last seven years of experience of partner capacity.
4. 15% have been assigned as unallocated of the activity budget line funds.
5. 1% has been set aside for contingencies.
6. The sub-allocations under activities are indicative and reflect the need for partners relative to their needs in terms of contributing to achieving the strategic objectives. The approximate distribution by outcome is as follows: outcome 1: 42%, outcome 2: 18%, outcome 3: 18%, and outcome 4: 22%.
7. The sub-budget line headings pertaining to outputs are indicative and assessed to cover relative needs to enable partners and EUACI to meet the stated outputs.
8. Review, audits, and MEAL are included in one budget line. Of these 80% are set aside for the MEAL consultant.

Technical staff attached to institutions and organisations or staff primarily engaged in technical related work are included in the relevant outcomes and outputs sub-budget line headings even though they work in the EUACI Office to align with the requirements of an output-based budget.¹⁷¹ The remaining administrative staff and management of EUACI are included in the EUACI Office expenditures assessed to comprise 16% of the budget (this is lower than the assessed need of 18% as phase II funds will cover part of the needs for the first 8 months). The EUACI Office also includes expenditures for communication and cross-component activities.

There will be six month's overlap between EUACI II and III. The budget is therefore reduced for the six months of EUACI III. The final decision of phasing in of the EUACI III will be taken by the Executive Committee based on a 'phasing in plan' developed by EUACI and presented to the Committee end-2023. This may also result in an update of the budget presented above.

The detailed budget is presented overleaf:

¹⁷¹ This includes a team leader and four experts for outcome 1, a team leader and four experts covering outcome 2 and 3, and a team leader and an expert covering outcome 4.

	2024	2025	2026	2027	Total DKK
Activities total:	23530000	33760000	33760000	10916975	101966975
- Outcome 1: Anti-corruption institutions (total)	7650000	11000000	11000000	7036975	36686975
Output 1.1 Capacity of staff of anti-corruption institutions enhanced	2295000	3300000	3300000	2111093	11006093
Output 1.2 IT capacity of key anti-corruption institutions enhanced	3060000	4400000	4400000	2814790	14674790
Output 1.3 Accountable and transparent selection of heads and key staff of anti-corruption institutions supported	535500	770000	770000	492588	2568088
Output 1.4 Legislation screened for corruption risk and EU accession requirements by CAP and NACP	382500	550000	550000	351849	1834349
Output 1.5 Communication capacity of key anti-corruption institutions enhanced	459000	660000	660000	422219	2201219
Output 1.6 EUACI direct input to legislation	382500	550000	550000	351849	1834349
Output 1.7 Cross-institutional activities completed	535500	770000	770000	492588	2568088
- Outcome 2: Reconstruction (total)	3540000	5500000	5500000	1200000	15740000
Output 2.1: Empowering the Ministry of Reconstruction to develop and implement legal and regulatory framework for the integrity of the reconstruction process and donor coordination in support of Ukraine's recovery	955800	1485000	1485000	324000	4249800
Output 2.2: IT products are developed and implemented to promote accountability and transparency of the reconstruction process	1416000	2200000	2200000	480000	6296000
Output 2.3: Strengthened procurement capacity of the Regional Offices for Restoration	460200	715000	715000	156000	2046200
Output 2.4: Pilot implementation of anti-corruption and integrity policies of regional restoration offices (branches)	708000	1100000	1100000	240000	3148000
- Outcome 3: City level integrity in reconstruction (total)	3540000	5500000	5500000	1200000	15740000
Output 3.1: Increased transparency and improved access to digital services.	1062000	1650000	1650000	360000	4722000
Output 3.2: Minimization of corruption risks in Communal Enterprises of critical infrastructure	708000	1100000	1100000	240000	3148000
Output 3.3: Improved monitoring and supervision of reconstruction projects	354000	550000	550000	120000	1574000
Output 3.4: Enhanced capacities for strategic planning and monitoring related to integrity as expressed in the MIPs	531000	825000	825000	180000	2361000
Output 3.5: Establishment of internal audit and control departments	531000	825000	825000	180000	2361000
Output 3.6: Developing and replication of the best practices for integrity reconstruction based on Mykolaiv experience	354000	550000	550000	120000	1574000
- Outcome 4: Civil society and media (total)	3700000	6660000	6660000	1480000	18500000
Output 4.1: Corruption cases investigated by media and civil society	1110000	1998000	1998000	444000	5550000
Output 4.2: Awareness raising and advocacy campaigns undertaken to fight corruption	740000	1332000	1332000	296000	3700000
Output 4.3: Advocacy and legislative initiatives	370000	666000	666000	148000	1850000
Output 4.4: Civil society integrity assessments of candidates for heads of AC institutions and other key staff, including HACC judges	740000	1332000	1332000	296000	3700000
Output 4.5: EUACI civil society partners involved in recovery efforts	370000	666000	666000	148000	1850000
Output 4.6: EUACI civil society partners strengthened their capacities for anti-corruption efforts	370000	666000	666000	148000	1850000
- Unallocated (15% of activities budget)	5100000	5100000	5100000	0	15300000
EUACI Office*	4400000	6600000	6600000	2200000	19800000
Reviews, audits and MEAL	700000	1100000	700000	400000	2900000
Contingencies (1%)	286300	414600	410600	135170	1246670
EU administrative fee to Denmark (7% of EU contr.)	1398266	1398266	1398266	441558	4636355
Total	30314566	43272866	42868866	14093702	130550000
Note: 2027 has four months of implementation					
* Reduced budget 2024 due to phase II funds. Funds for EUACI technical experts and team leaders are included in the individual outputs					

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Annex 6: Plan for Communication of Results

Communication is key in the fight against corruption in Ukraine. There is a need to enhance the awareness of corruption and integrity in the population, including an understanding of the need to eradicate issues of conflict of interest and misuse of office. There are examples of good practices, which need to be communicated to the population to show that there is progress in combatting corruption and that the reforms are having an effect. Finally, communication and visibility are important to demonstrate the strong engagement of the EU and Denmark and the benefit thereof for the people of Ukraine. Results achieved should therefore be communicated actively.

Communication objectives

EUACI's communication strategy has the following objectives:

1. Enhancing the awareness of corruption and integrity in the population, including an understanding of the need to eradicate issues of conflict of interest and misuse of office.
2. High visibility of EUACI's activities and its success stories.
3. Promoting success stories of the agencies/institutions/organisations/cities EUACI supports (EUACI's beneficiaries), as well as overall corruption fight success stories.
4. Promoting activities and results of the programme towards government, CSOs, donor community in Ukraine (by means of meetings, own and joint events, media interaction).
5. Raising awareness about the results achieved by EUACI and its beneficiaries within the EU and Denmark.
6. Supporting communication strategies and capabilities of EUACI beneficiaries.
7. Enhancing gender equality in the anti-corruption landscape by communicating achievements both internally at the EUACI and within the anti-corruption institutions.

Positioning

Target audience:

1. Ukrainian Government and AC institutions.
2. General public in Ukraine, with particular emphasis on communities of "integrity cities".
3. Donor community in Ukraine.
4. Ukrainian CSOs.
5. Ukrainian and international media.
6. EU and Danish constituency.

Target messages:

1. **Ukrainian Government** - we're here to assist and equip you to effectively fight corruption as you have requested; effective corruption fight should happen on every level of the Government.
2. **General public in Ukraine** – corruption is major impediment to economic growth and improvement of investment climate. We are helping Ukraine to overcome that and support its journey towards EU membership.
3. **Donor community in Ukraine** - we're providing instruments to strengthen capacity to effectively fight corruption. We are aligning our efforts and we are ready to share experiences.
4. **Ukrainian CSOs** - helping create the synergy between government and CSOs in an effort to effectively fight corruption; CSOs should play active role in advancing anti-corruption policy and reforms.
5. **EU and Danish constituency** - we help Ukraine to effectively fight corruption. We help Ukraine to become (i) stronger and more stable democracy and (ii) an attractive, reliable business and trade partner.

Communication policy

1. Communication by the EUACI Office shall be based on the principle of information and resources sharing.
2. The EUACI Office shall notify EU, DMFA (EUN) and the Danish Embassy in Kyiv about its upcoming events on a weekly basis.

3. Detailed information on the upcoming events shall be provided by each member of the EUACI Office to the communication(s) expert. 'Events' shall include, but be not limited to, public meetings with any third party, participation in/organizing of trainings, seminars, round-table discussions, other public events, etc.
4. Where feasible, the EUACI Office shall notify EU, EUN and the Danish Embassy of any upcoming events EUACI and/or EUACI beneficiary is organizing (with the support from the EUACI Office) at least one week in advance, unless these are last minute events.
5. Should EU, EUN or the Danish Embassy wish to participate/contribute to any of the Events, the EUACI Office should be notified within 24 hours after the EUACI Office sent a notification to EUD, EUN or the Embassy.
6. In case an EUACI Office expert is being invited to speak at a third-party Event, such invitation shall be made not later than 24 hours prior to the event with indication of the organizing institution, topic, audience, venue, etc. Any information about an event, where EUACI expert is invited to give a speech shall comply with EUACI Visibility Rules.
7. EUN/Danish Embassy in Kyiv/EU Delegation may ask for background information as input to their policy dialogue with Ukrainian counterparts. These requests should go through the Head of the EUACI Programme.
8. Other *ad hoc* request regarding the EUACI programme from media shall be notified to EUN and EU.
9. To reach the Danish constituency EUACI may involve the communication resources of EUN and the Danish Embassy in Kyiv.
10. All media requests from media representatives for comments and/or interviews or any other on-the-record communication with media representative should go through the EUACI Office communication expert.
11. Any third-party expert hired by EUACI shall comply with the present Communication Strategy, as well as with any other applicable communication rules and procedures.

Third party communication

Visibility Rules

1. To create and maintain its distinct identity EUACI shall have its own logo. The EUACI logo shall be used in all digital and offline communication as primary identifier of EUACI.
2. As a rule, where EUACI logo is used, the following disclaimer shall accompany it in the applicable language: EUACI is financed by the European Union and co-financed and implemented by the Danish Ministry of Foreign Affairs. Such disclaimer, where possible, shall also contain EU flag.
3. All communication by EUACI beneficiaries of any EUACI-related or supported activity shall mention EUACI and, where applicable, contain EUACI logo. Format and contents shall be approved by EUACI prior to making it public.
4. The EUACI Office staff will use and comply with the EUACI Brand Book for the rules of communication.
5. For proper use of EUACI corporate style, the EUACI Office staff shall send EUACI beneficiaries, EUACI contractors and any other relevant third parties the EUACI Brand Book.

Channels of communication

EUACI will use several types of communication channels: (i) controlled channels; (ii) partially controlled channels and (iii) independent channels.

Controlled channels: Facebook, Twitter, website, mailing list. All major and second-tier politicians, as well as most government officials maintain their Facebook pages to deliver their messages. EU-related organisations and programs, as well as donor organisations have significant presence in Facebook. Hence, EUACI will focus on Facebook as its main communication channel. Key elements of information to appear on Facebook:

1. news about EUACI and all components-partners (AC bodies, parliamentary committee, integrity cities, etc.).
2. re-posts of policy related posts by EU, Danish Embassy, other EU-related bodies and organisations.

3. re-posts of media mentions of EUACI, EU officials.
4. announcement of EUACI-organized and EUACI-supported events.
5. posts mainly in Ukrainian.
6. photo-content – pictures from EUACI events and events with EUACI's experts' participation; generic pictures to draw attention to a post (EUACI needs to create AC-related photo database); graphics.
7. video-content – short interviews of EUACI Office experts on EUACI activities.

Twitter's main audience for EUACI are: (i) donor community in Ukraine; (ii) Ukrainian CSOs; (iii) Ukrainian and international media; (iv) EU bodies/officials/citizens. Tweets shall be mainly in English and reflect key posts made on Facebook. Twitter will be primarily used during the events to quote the speaker.

EUACI's website shall be bilingual – English-Ukrainian and to large extent duplicate Facebook with extended version of information on news and events (past and upcoming). Website shall serve two purposes: (i) be a representative tool (with information about the programme, sources of its financing, the team, etc.); and (ii) serve as source for information by means of:

1. news about EUACI and all component partners (AC bodies, parliamentary committee, integrity cities, CSOs, investigative media, business associations etc.).
2. information on upcoming and past events.
3. publications, including articles of journalists supported by EUACI.
4. separate sub-sites on 4 intervention areas.

Website shall contain 'subscribe' function. All those, who will have subscribed, shall receive (i) weekly digest with news and upcoming events of EUACI and all-components-partners in English and Ukrainian; and (ii) press releases and press invites for EUACI-organized/co-organized/sponsored events in English and Ukrainian.

Partially controlled channels of communication shall be communication channels of partner-organisations, such as (i) EU; (ii) CSOs; (iii) partners (AC bodies, parliamentary committee, integrity cities, etc.). The EUACI Office will use EU's communication channels to spread the most essential information about EUACI's events and activities (in forms of press-invites and press releases). The EUACI Office will continue coordinating the most important communication messages with the EU, the Danish Embassy in Kyiv and DMFA in Copenhagen and provide weekly announcements of upcoming events.

The EUACI Office will use EUACI's beneficiaries' communication channels, as well as CSOs as an additional tool to its own communication channels. This will show tight cooperation between the EUACI Office and the relevant partner and provide greater outreach of information to be delivered. Communication via beneficiaries' communication channels shall be done in compliance with this Communication Strategy and the EUACI brand book.

EUACI's primary independent communication channel shall be media (online media, TV, news agencies, bloggers, investigative journalists, and foreign media). To build sustainable and lasting relations with media representatives, EUACI needs to utilize its main strength – close cooperation with AC bodies, as well as international expertise elements. The EUACI Office will strive to become a platform for arranging background briefings for journalist and media, which will have the following benefits:

- for EUACI: creating visibility regarding the activities, results of the programme and best practise to fight corruption within media community; building an image of a leading AC programme in Ukraine.
- for journalists: proving important information regarding the activities, results of the programme and best practise to fight corruption.
- for journalists: getting better understanding of the recent developments surrounding AC agencies.
- for AC agencies: providing an opportunity to background information about a particular event or series of events to media without being on record.

Other interactions with media shall include:

1. press invites for EUACI organized/co-organized/supported events.
2. interviews to on-line, print media and TV from EUACI staff, as well as from high-profile experts EUACI brings to Ukraine related to the activities and results of the programme.
3. programme-related expert comments to online, print media and TV.
4. press breakfasts briefings with EUACI staff based on the activities and results of the programme.
5. working with AC bloggers to promote EUACI and gain recognisability.

Overview of key messages as part of the EUACI communication strategy:

What? (the message)	When? (the timing)	How? (the mechanism)	Audience(s)	Responsible
Ukraine's ability to reduce corruption. Promoting success stories from the supported institutions and the EUACI.	Ongoing	Explain that the programme supports all key AC institutions in Ukraine and works both at the national level and at the local level and through CSOs and media.	EU MS, Denmark	EUACI and partners
Enhancing the awareness of corruption and integrity in the population.	Ongoing	Awareness campaigns and events carried out together with the partners.	The people of Ukraine	Partner institutions at national and local level. CSOs and Media.
Promote specific activities and results of the programme.	Ongoing	Joint meetings, events, media campaigns.	Ukrainian Government, CSOs, Donors	EUACI
Supporting communication strategies and capabilities of EUACI beneficiaries.	Throughout	Consultancy services, capacity building activities.	EUACI partners	EUACI
Enhancing gender equality at the EUACI and with the partners by sharing success stories.	Throughout	Explain how the programme and the partners support and promote women in their activities.	EU MS, Denmark, EUACI partners, the People of Ukraine	EUACI

Annex 7: Process Action Plan for Implementation

Date	Activity / output	Responsible	Status
31 August 2023	Revised documents submitted to MFA, including remaining annexes	Tana	
6 October 2023	Appraisal report	MFA	
10 October 2023	Revised documents based on appraisal report	Tana	
26 October 2023	Meeting in Council for Development Policy	MFA	
November 2023	Approval by Minister	MFA	
December 2023	Agreement signed by Denmark and the EU for EUACI III implementation		
1 January 2024	Launch of EUACI III	EUACI	
January 2024	Plan for phasing in EUACI III and phasing out EUACI II presented to Executive Committee for approval	EUACI	
Regular	MEAL monitoring	MFA	
Yearly	EUN monitoring visits (possibly monitoring by Rigsrevisionen as well)	MFA	
Mid-2025	Joint EU-Danish Mid-term review EUACI III	MFA	
April 2026	Exit plan for EUACI III presented to Executive Committee	EUACI	

Annex 8 – EUACI thematic team competencies

Team 1 competencies: The team competencies must closely align with the needs of the institutions and knowledge of the issues that are addressed in Intervention Area 1. Key qualifications within the team should include:

1. Master degree in law or other relevant field
2. Experience of working with Ukrainian anti-corruption institutions and/or criminal processes
3. Knowledge and understanding of anti-corruption legislation
4. Demonstrated strong skills in drafting analytical reports and memos, including drafting and commenting on legislation and analysing anti-corruption reforms and EU aspects.
5. Knowledge of the anti-corruption linked to the EU accession process
6. Project management skills
7. Management of highly qualified external consultants
8. Ability to facilitate dialogue between partners which are on occasion uncooperative
9. Fluency in Ukrainian and English

Team 2 competencies: The team competencies must closely align with the needs of the institutions and knowledge of the issues that are addressed in Intervention Area 2 and 3. Key qualifications within the team should include:

1. Master degree in law, political science, public administration or similar
2. Experience from working with Ukrainian national and local authorities and extensive knowledge of administrative practices in Ukraine.
3. Experience from working with anti-corruption or integrity and good governance at city level in Ukraine
4. Experience in identifying corruption risks and planning mitigation measures.
5. Knowledge and understanding of reconstruction processes at national and local level, including issues such as construction, planning and procurement.
6. Management of highly qualified external consultants.
7. Experience working with digital planning tools, including GIS.
8. Knowledge and understanding of anti-corruption legislation
9. Project management skills
10. Demonstrated skills in drafting analytical reports
11. Fluency in Ukrainian and English

Team 3: The team competencies must closely align with the needs in the sector that are addressed in Intervention Area 4. Key qualifications within the team should include:

1. Master degree in political science, sociology, or similar
2. Experience from working with Ukrainian civil society and media
3. Experience from tender processes aimed at civil society in Ukraine
4. Experience from working with anti-corruption at national and local level in Ukraine an advantage
5. Monitoring, reporting and evaluation skills
6. Project management skills
7. Fluency in Ukrainian and English

EUACI III Intervention Area 1 project document: Anti-Corruption Institutions

1. Introduction

This document describes theory of change, support provided, and management of this support by EUACI for Intervention Area 1 under EUACI III. As there are no grant agreements in Intervention Area 1, there are no individual project documents. Instead, this joint project document describes the support provided to the institutions as a guide to EUACI III in the implementation of the support. The document is developed based on consultations with the key institutions under Intervention Area 1.

2. Documentation

The following documents are used as background for this project document:

- The National Anti-Corruption Strategy for Ukraine 2021-2025
- The State Anti-Corruption Programme 2023-2025
- Legal mandate as well as existing institutional level plans of NACP, NABU, SAPO and HACC
- The EU mid-term review of the EUACI, November 2022
- The European Court of Auditors Report special report on grand corruption in Ukraine, November 2021.

3. Context, strategic considerations, rationale, and justification

Intervention Area 1 partners were established as part of the anti-corruption reforms following the Revolution of Dignity in 2014. The core institutions supported under Intervention Area 1 are the key partners needed to support prevention, and the application of rule of law within anti-corruption in Ukraine. The core institutions concern:

- The National Agency for Corruption Prevention (NACP). NACP has multiple mandates, including anticorruption policy development, control function over asset declarations of public officials and political party finances reporting; it is responsible for overall monitoring of the implementation of the State Anti-Corruption Program (SACP). Capacity enhancement is needed across the board but should be aligned with the recommendations of the upcoming report of the independent assessment of the effectiveness of the NACP (audit), the SACP, and the needs stemming from EU integration. It should focus on institutional stability, development of the middle management, and other capacity development important for the mandate of NACP, including concerning the e-declaration system that the EUACI has helped establish. For example, support of the data warehouse (DwH project), but also the implementation of the SACP, including engagement at the sectorial level with emphasis on the education sector. It should be noted, that NACP also plays an important role in the coordination of the legal EU approximation process in the field of anti-corruption, in particular in whistle-blower protection, where NACP has a leading role. NACP is also lead in sector risks assessment and a cooperation on risk assessment and corruption prevention in the education sector is foreseen.
- The National Anti-Corruption Bureau (NABU) is the law enforcement body mandated to investigate corruption involving high-level officials or other officials if the damage is above a threshold defined by the Law. NABU also investigates cases of declaring false information in asset declarations under NACP. NABU requires improved IT such as an expansion of its data warehousing and other IT projects to ensure that NABU is technologically ahead of the corruption networks it is combatting and also training of existing as well as an expected addition of 300 new staff including detectives joining the force during the course of the EUACI III. The training modality and ways of supporting recruitment processes can be addressed by the EUACI Phase III. NABU has mentioned the idea of establishing an Anti-Corruption Training Center.

- The Specialised Anti-Corruption Prosecutors Office (SAPO) is responsible for prosecuting corruption suspects. SAPO assesses the cases and is responsible for the prosecution in HACC. Capacity requirements primarily relate to the improvement of existing IT and staff capacity enhancement.
- The High Anti-Corruption Court (HACC) is the independent court responsible for adjudicating the corruption cases processed by NABU and SAPO. The court is the last of the anti-corruption institutions established and requires continuous capacity development as the list of cases forwarded to the court is increasing. HACC is also advocating that an additional 24 judges and 120 support staff need to join the court to be able to process all the cases that court is considering. If a decision of increase of the judges and staff is made, there will be a need for specific capacity development attention.

During the Phase II, EUACI invested significant resources in selection processes, development of strategies and supporting capacity development of staff of these institutions. With the war context, it will have to play a role also in filling in budget gaps and maintaining investments made in the past. With the significant outflow of staff in the NACP and the need to increase the number of NABU, SAPO, and HACC staff, EUACI can assist all institutions with developing efficient HR systems and policies helping to attract qualified staff and ensure their development.

A major challenge for the institutions is the limited use of strategic plans as well as capacity development needs assessments and plans. In the past, the institutional planning process combined with the more recent challenges emerging from the Russian aggression has meant that EUACI has only been able to undertake 6-12 months capacity planning. However, EUACI will work to change this approach in the coming phase to enhance the sustainability and ensure long term institutional capacity enhancement effects.

EUACI will engage with the intervention area 1 partners to assist with the development of institutional strategies with clear indicators for progress. Based on these strategies, the institutions' capacities will be mapped, and capacity development needs will be identified. EUACI will then, together with the partners, develop long-term institutional capacity development plans. These will be clearly linked with the institutions' strategic plans, and EUACI will focus on supporting areas that enhance institutional growth and independence from external support. Part of the capacity development plans will be to outline a process for a gradual takeover of the processes undertaken by EUACI to the institutions during the course of the third phase of the programme to increase the sustainability of the institutions.

However, the institutions in Intervention Area 1 will for the next years remain understaffed and under-resourced, and needs will emerge on a day-to-day basis, where *ad hoc* support of EUACI is still required to uphold the existing effectiveness of the institutions. All support is identified by the partner and EUACI has the flexibility to respond at short notice. This flexibility means that EUACI is a preferred partner and ensures a high degree of ownership of the partner. The combined strategic as well as the more *ad hoc* support will include capacity enhancement of staff, human resource management support, communication support, as well as IT software and hardware that improve institutional performance. Support to human resources and recruitment processes will include specific attention to gender equality.

EUACI also plays an important role in safeguarding the institutions' independence and countering fake media and legislative work aimed at undermining the institutions' mandate. To do this EUACI will continue to provide advisory support, input to legislation, advocacy, and communication support. A key element of the support will also be assistance to the selection process of key staff of the institutions to

ensure integrity and proficiency of candidates, followed by additional training and support of audits/independent assessments.

Linked to the reform process is the Verkhovna Rada's Committee on Anti-corruption Policy (CAP). CAP shapes anticorruption policy in the Verkhovna Rada, conducts anti-corruption screening of the legislation, and conducts parliamentary oversight over anticorruption institutions. CAP, therefore also plays a key role in ensuring that the legal foundation is in place and protected for the four key anti-corruption institutions to function in accordance with their mandate. Providing communication support to CAP in Phase II proved to be effective and should be maintained in Phase III in light of growing disinformation campaigns against anticorruption reform and scepticism towards reform success. CAP secretariat lacks capacity and CAP needs support for the legislation screening process, legal expertise, and communication support. In the case of new election within the timeframe of Phase III, there will be a need to support the capacity development of newly elected MPs.

There are other institutions that support the anti-corruption process such as the State Financial Monitoring Service (SFMS) that provides financial reports to NABU that the detective agency can use in its investigations. Institutions such as the set-up of the Deputy Prime Minister for EU and Transatlantic Integration, and the Reform Delivery Office of the Prime Minister's Office will be key stakeholders in anti-corruption reform, which will have the side benefit of preparing Ukraine for the EU-integration. In addition, regular new initiatives emerge from the Government's side to further enhance the anti-corruption agenda. So, while the focus of the EUACI III support is on the five core institutions, it is envisaged that some engagements with other partners facilitating the effectiveness of the five core institutions will also be part of Intervention Area 1.

The cooperation between NABU, SAPO, and HACC has never been as effective as it is currently, including due to facilitation of discussion and cooperation by EUACI, by hosting dedicated discussion and training on different levels of management and executive/administration side. Testament to this success is the number of cases that has passed through HACC. HACC has as of June 2023 processed as many cases as HACC was able to in 2022. Cases include high-level officials ending up behind bars, including judges, prosecutors, and heads of state-owned enterprises. The effectiveness of the system is thus increasing despite the current difficult circumstances.

Intervention Area 1 will be key for meeting the EUACI III strategic objective concerned with improved combatting of corruption, which falls within the partners' mandate, including improving anti-corruption efforts in the reconstruction process.

The institutions face a range of financial, political, and war-related challenges, which EUACI will also address to help the institutions stay resilient in a still more challenging context. The institutions have always been underfunded from the state budget compared to their mandate. This has been further exacerbated by the war budget of the Government of Ukraine, which has meant a cutback of 20% of the budget to the state institutions, for some even more.

The challenges are also political. The institutions are often undermined through negative and false media campaigns often orchestrated by resourceful individuals who are currently facing corruption investigations or are at risk of the same. Such campaigns risk undermining the integrity of the institutions and their work, underscoring the need for expanded support in this area. This also seems an area where there is potential for joint or coordinated activities between the institutions where EUACI could be a facilitator.

The political challenges may, however, also come from within or through other political means. An example is the efforts of trying to limit the autonomy of the institutions through the introduction of new legislation or by influencing the selection processes for the heads of the anti-corruption institutions. These efforts need countering by a continued support to the integrity of the legislative process as well as the selection processes.

In terms of lessons learned, a major lesson from the past is that EUACI can help mitigate these challenges by supporting the legislative process as well as the selection process of heads of agencies, independent audits and internal control policies. EUACI also serves as a platform to join the forces of the Intervention Area 1 institutions in such efforts. Lately illustrated by the joint support of new legislation to enhance the SAPO independence, which was drafted for CAP by experts contracted by EUACI in close coordination with other technical assistance projects and SAPO. EUACI also serves as a platform for other stakeholders bringing in civil society and media from Intervention Area 4 or from other Areas to enhance joint advocacy efforts.

EUACI produces an extensive number of outputs themselves, from law inputs, analytical, and policy work, awareness raising, and advocacy events like conferences and panel discussions, which support the institutions in meeting their objectives. It has also taken the initiative to increase the role of youth by arranging internships across institutions, and its own organisation.

Further lessons learned is the need to have a flexible and responsive approach. The context within anti-corruption is in constant flux, with new opportunities emerging as well as unforeseen setbacks even before the war. At times, EUACI has had to pause funding to some of the partners when these were not performing or not fully compliant with their mandate, while others were performing well. There has thus been a regular need to scale support according to these partner changes over time.

The major lesson learned is, thus, there is a need for a flexible programme, which can adapt to these changes, as also envisaged in Doing Development Differently (DDD). EUACI has been able to adapt by having flexible programming, unallocated funds as well as an Executive Committee that meets regularly to make executive funding decisions.

In terms of cross-cutting priorities, the institutions work to ensure equal access to rule of law in the anti-corruption sphere. The systems and procedures developed by NACP and NABU allow for all individuals, women and men, in Ukraine to access data and to submit whistle-blower information. The institutions themselves work to enhance equal gender participation in training, courses, and merit-based promotion. All institutions have both women and men in leadership positions. NACP works explicitly to also reach out to young women and men in its awareness-raising work and all institutions offer internships to young people to enhance their involvement in the anti-corruption agenda.

4. Theory of change and key assumptions

The theory of change is based on the overall assumption that the partners will support reform processes and that the EU accession process will continue to be a motivator for change. EUACI has a unique position in Ukraine to serve as a platform that brings partners from anticorruption institutions, parliamentarians, civil society, and media together to motivate policy changes and cooperate on fighting corruption. EUACI will provide multiple inputs and produce its own outputs, which will motivate change in the anti-corruption institutions.

First and foremost, support will be provided to capacitate the key anti-corruption institutions. By aligning with partner needs, developing long-term capacity development plans, and being able to respond fast and

deliver against these needs, it is assumed that partners will own the capacity development support and use this to increase performance. Secondly, by assisting Parliament and partner institutions with the screening of laws, policies, and regulations for anti-corruption risk, it is assumed that partners and parliament are better placed to recommend improvement of legislation. Using EUACI as a joint platform for the institutions and Parliament as well as civil society, EUACI is also able to seek joint advocacy for improved legislation.

The integrity of the Intervention Area 1 institutions are further improved by supporting the transparency and accountability process of selecting the heads of the institutions and audits process to ensure their accountability and efficient management over the institutions. EUACI will provide technical advice and support to the screening of candidates to the institutions and also facilitate that civil society plays a role in the screening process. It is assumed that this will enhance the integrity of the selection process and help identify appropriate heads of institutions.

Finally, to counter the fake news media targeting the reform process and the anti-corruption institution, it is assumed that the capacity development support and expert advice on communication as well as the joint activities that EUACI hold with the partners, will be effective in communicating their mandate, work and need for reform in a transparent and participatory manner.

The outputs under Intervention Area 1 are expected to improve the effectiveness of the anti-corruption institutions to investigate and adjudicate an enhanced number of corruption cases and improve legislation to counter corruption and align to international laws and policies, including EU. Enhanced effectiveness of the fight against corruption will also contribute to combatting corruption in the reconstruction process. For a schematic overview, see the table below:

Input	<ul style="list-style-type: none"> - Funding, administration and procurement experience and capacity - Operational (service delivery) capacity (EUACI can undertake actions itself or it can sub-contract) - Human resource, recruitment and vetting experience and capacity - EUACI voice, reputation/legitimacy, convening power and communication capacities - Flexible and agile, adaptive management <p>The above translates into activities such as:</p> <ul style="list-style-type: none"> - Advice on capacity development planning - Legislative advice and drafting - Capacity development of staff - Institutional strategy development - IT equipment and software procurement - Forum for dialogue across institutions and partners
Assumptions	<ul style="list-style-type: none"> - Partners articulate capacity gaps and needs to EUACI so that it can match and leverage its inputs in a timely and efficient manner. - Key partners are committed to upholding anti-corruptions principles and practices as they partner with EUACI - Key partners have a minimum indispensable (baseline) capacity to be able to absorb and benefit from EUACI support
Output	<ul style="list-style-type: none"> - Enhanced capacity of anti-corruption institutions allowing partners to maintain as well as enhance performance according to mandate - Improved legal framework to counter corruption
Assumptions	<ul style="list-style-type: none"> - Facilitated access to expertise, staffing and infrastructure help ensure business continuity which allows staff to dedicate time and energy to leveraging learning and networking opportunities that will help them better fulfil their tasks and mandates - Enhanced capacity leads to improved performance in accordance with the institutional mandate - Institutions at national and local level pass improved legislation
Outcome	<p>Institutions perform according to their mandate leading to:</p> <ol style="list-style-type: none"> 1) Increased number of corruption convictions 2) Improved anti-corruption legislation applied

Assumptions and link to strategic objectives	Improved legislation and anti-corruption institutions' effectiveness increase the fight against corruption and reduces corrupt incentives leading to a reduction in corruption contributing to SO1. Improved effectiveness of institutions enhances the SACP implementation and reform process contributing to SO2, and the improve the rule of law in the fight against corruption in the reconstruction process contributing to SO3
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The Intervention Area 1 design builds on the following overall assumptions:

- The EU accession process continues to be a motivator for reform.
- The Government of Ukraine retains a minimum of commitment to anti-corruption reform.
- Anti-corruption institutions remain committed to performing according to their mandate.
- EUACI continues to have the trust of the partners who will continue to participate in joint activities and advocacy work.
- EUACI continues to be the preferred partner due to its collaborative and flexible approach in a context where larger programmes enter the anti-corruption scene.

5. Intervention area key activities

The Intervention Area 1 focus on ensuring that the reform process is moving forward and that the anti-corruption institutions have the capacity to perform their tasks in accordance with their mandate. Seven interlinked outputs will be produced in support of this (see next section).

The support to capacity development concerns current capacity needs as well as the needs emerging from new legislation, which will enhance the scope and mandate of some of the institutions. None of the institutions supported can *de facto* receive funding from EUACI (or any other entity beyond the Government of Ukraine). Instead, EUACI has designed a package of capacity support that can be applied to the partner according to needs and priorities and the level of contribution to the programme's strategic objectives. In the first half year of the programme, EUACI will together with the partners development long-term holistic capacity development plans, which will guide the capacity development process for the third phase. The support is provided based on identified needs of the institutions through needs assessments, the capacity development plans, as well as unexpected emerging needs emerging from the war situation or sudden changes in the political economy. Types of support provided include:

- Assessment of institutional setups, policies, and regulations to ensure compliance international standards, including the EU, limit corruption risk, and support the reform process.
- Support to institutional development, including development of strategies and audits.
- Technical assessment of capacities and needs. Including IT needs.
- Supporting secretariats of the selection commissions and independent evaluations commissions (audits).
- Supporting effective HR systems, including recruitment processes, training of administrative and professional staff, development of middle management, compliance and internal control departments and policies.
- Participation in conferences and study tours.
- Upgrading and provision of new IT software and hardware and related licenses.
- Specific technical advice and implementation support to institution-specific mandates, such as e.g. sector risk assessment support to NACP.
- Support to the selection process of heads of institutions.
- Support to communication to enhance awareness about the institutional mandate and counter fake media campaigns.

Capacity development activities will be sought delivered in joint setups across institutions when relevant, but much of it will also be institution specific. When the situation allows, EUACI will look into transferring authority of the implementation to the intervention area 1 institutions aimed at enhancing sustainability of the capacity development efforts. This process will be outlined in the capacity development plans.

To support the work of the institutions and further the anti-corruption reform agenda, EUACI will assist institutions with screening of policies and legislation to ensure emphasis on anti-corruption and weed out efforts to dilute existing anti-corruption legislation. A key part of this support will be targeted at CAP. EUACI will make available technical expertise and fund support to assist with the screening of legislation.

EUACI is also delivering its own outputs under this intervention area. This includes inputs to the drafting of laws; joint conferences, and meetings between all partners supported in this Intervention Area.

To stimulate cooperation, EUACI will serve as a platform for interaction between the anti-corruption institutions to discuss reform and apply joint approaches to improve legislation and support of the Government to the institutions. EUACI will also assist with joint conferences and venues where this will further the progress towards the strategic objectives.

Core partners receiving support will be the five key actors within the anti-corruption reform process: NACP, NABU, SAPO, HACC as well as CAP. But some support might be provided to SFMS, and ARMA as well as other relevant entities as opportunities and needs arise. Similarly, EUACI will investigate opportunities of supporting specific sectors, where education will be a focus area. More outputs may be added as new opportunities emerge.

6. Results framework EUACI III Intervention Area 1: Anti-corruption institutions

Result framework for Intervention Area 1: Anti-Corruption Institutions under EUACI III. The results framework has been developed based on the State Anti-Corruption Programme priorities; partner strategies and workplans; and priorities presented to Denmark and the EU by the partners as part of the EUACI III formulation.

The outputs presented below are guiding outputs, and do not capture all results delivered by EUACI in the programme period under Intervention Area 1. Considering the fluid context, the war situation and the regularly emerging opportunities, additional outputs are expected to be developed and implemented during the course of the programme.

Given the special nature of the EUACI being a direct implementer, the results presented are defined as follows (in line with OECD-DAC's definitions): outputs are the full responsibility of EUACI; EUACI contributes to outcomes, but are not solely responsible for achieving these; the EUACI contributes to strategic objectives, but their achievements rest on the actions of multiple of actors beyond the control and influence of EUACI.

Outcome 1.0	Anti-corruption institutions perform according to their mandate with enhanced effectiveness and improved track record
Outcome indicator	<ol style="list-style-type: none"> 1. Percentage of draft laws on which CAP adopted conclusions on anti-corruption proofing before 1st reading out of the total number of draft laws registered in the Verkhovna Rada 2. NACP's compliance with the criteria of the External assessment of the Effectiveness of NACP (audit)

		<ol style="list-style-type: none"> 3. Number of cases handed over to SAPO 4. Number of cases SAPO refer to HACC 5. Number of verdicts by HACC in criminal cases as a court of first instance in a year 6. Public perception of the efficiency of anti-corruption institutions on 5 grade scale (NACP survey) 7. Status on the implementation of the institutional capacity development plans
Baseline	End-2023	<ol style="list-style-type: none"> 1. 14% (2022) 2. 72% 3. 54 (2022) 4. 77 5. 32 (first half of 2023) 6. 2,3/5 for NABU, 2,25/5 for SAPO, 2,19/5 for HACC, 2,23/5 for the NACP (2022) 7. No capacity development plans in place
Target	2027	<ol style="list-style-type: none"> 1. 14% 2. 85% (for the period of 2024-2025, report should be published in 2026) 3. 95 4. 85 5. 80 6. 2,5/5 for NABU, 2,5/5 for SAPO, 2,5/5 for HACC, 2,5/5 for the NACP (2026) 7. Capacity development plans implemented

Output 1.1	Institutional capacity development plans developed	
Indicator 1.1	Status of Institutional capacity development plans	
Baseline	2023	No plans in place
Target	2027	Plans in place and implemented

Output 1.2	Capacity of staff of anti-corruption institution enhanced	
Output 1.2a	Capacity of NACP staff enhanced	
Indicator 1.2a	No. of NACP staff capacity enhanced with the areas of policy development; e-declarations/financial control; corruption risk assessment	
Output 1.2b	NABU detectives with enhanced capacity	
Indicator 1.2b	No. of NABU detectives with enhanced capacity to undertake their functions	
Output 1.2c	SAPO prosecutors and administrative staff with enhanced capacity	
Indicator 1.2c	No. of SAPO prosecutors and administrative staff with enhanced capacity to undertake their functions**	
Output 1.2d	HACC judges and support staff with enhanced capacities to undertake functions in accordance with mandate	
Indicator 1.2d	No. of HACC judges and support staff with enhanced capacity to undertake their functions	
Output 1.2e	Other anti-corruption institutions staff with relevant enhanced capacity	
Indicator 1.2e	No. and category of staff capacitated	
Baseline	2023	N/A
Target	2027	<ol style="list-style-type: none"> 1.2a 40* 1.2b1 200 detectives* 1.2c 15* 1.2d 28 judges, 30 support staff* 1.2e Other institutions deemed relevant by EUACI Executive Committee such as SFMS or ARMA

Output 1.3		IT capacity of key anti-corruption institutions enhanced
Output 1.3a		NACP IT capacity of data warehouse enhanced
Indicator 1.3a		Status of IT capacity
Output 1.3b		NABU IT capacity in e-case management and data warehousing enhanced
Indicator 1.3b		Status of IT capacity
Output 1.3c		SAPO IT capacity in relation to e-case management enhanced
Indicator 1.3c		Status of IT capacity
Output 1.3d		HACC IT capacity in relation to e-case management
Indicator 1.3d		Status of IT capacity
Output 1.3e		Other anti-corruption institutions with enhanced IT capacity
Indicator 1.3e		Status of IT capacity
Baseline	2023	1.3a NACP data warehousing still to be established 1.3b NABU e-case management system operational and expansion of data warehouse still to be implemented 1.3c SAPO e-case management partly operational 1.3d HACC e-case management partly operational 1.3e Other institutions deemed relevant by EUACI Executive Committee such as SFMS or ARMA
Target	2027	1.3a NACP data warehousing fully complete and operational 1.3b NABU e-case management system finalised and expanded data warehouse implemented 1.3c SAPO e-case management system finalised 1.3d HACC e-case management system finalised 1.3e Other institutions deemed relevant by EUACI Executive Committee such as SFMS or ARMA

Output 1.4		Accountable and transparent management of anti-corruption institutions
Output indicator 1.4		Institutions receiving support to ensure a transparent and accountable selection process of heads of institutions and key staff and to external assessment of their efficiency (audits)
Baseline	2023	N/A
Target	2027	4 (as per tenure cycle and unexpected changes)

Output 1.5		Legislation screened for corruption risk by CAP and NACP
Output indicator 1.5		No. of laws screened
Baseline	2023	N/A
Target	2027	500

Output 1.6		Communication capacity of key anti-corruption institutions enhanced
Output indicator 1.6		No. of communication campaigns and events undertaken by key anti-corruption institutions with EUACI support
Baseline	2023	N/A
Target	2027	18*

Output 1.7		EUACI direct input to legislation and policy work
Output indicator 1.7		No. of legal or policy memos drafted by EUACI
Baseline	2023	N/A
Target	2027	18*

* Accumulated

** May increase if new legislation is passed expanding SAPO staff base

7. Indicative budget for outcome 1

The budget presented below is indicative for outcome 1. The budget comprises sub-headings to the overall activities budget in the main programme document. The indicative budget is aligned with the major output areas under Intervention Area 1. Partner needs differ according to the scope of the mandate, existing capacity, and needs identified. EUACI will allocate support across partners accordingly under each output area.

Intervention Area 1 indicative budget for EUACI in DKK

	2024	2025	2026	2027	Total DKK
- Outcome 1: Anti-corruption institutions (total)	7650000	11000000	11000000	7036975	36686975
<i>Output 1.1 Capacity of staff of anti-corruption institutions enhanced</i>	2295000	3300000	3300000	2111093	11006093
<i>Output 1.2 IT capacity of key anti-corruption institutions enhanced</i>	3060000	4400000	4400000	2814790	14674790
<i>Output 1.3 Accountable and transparent selection of heads and key staff of anti-corruption institutions supported</i>	535500	770000	770000	492588	2568088
<i>Output 1.4 Legislation screened for corruption risk and EU accession requirements by CAP and NACP</i>	382500	550000	550000	351849	1834349
<i>Output 1.5 Communication capacity of key anti-corruption institutions enhanced</i>	459000	660000	660000	422219	2201219
<i>Output 1.6 EUACI direct input to legislation</i>	382500	550000	550000	351849	1834349
<i>Output 1.7 Cross-institutional activities completed</i>	535500	770000	770000	492588	2568088

In addition to the indicative budget outlined above, the overall EUACI III programme have a pool of unallocated funds where a significant amount is expected to be used under this Intervention Area (see the main programme document).

8. Institutional and Management arrangement

Intervention Area 1 will be implemented as described in the main programme document. Decisions on funding and reallocation of funds are suggested by EUACI and endorsed by the Executive Committee. Each year, EUACI will hold consultations with partners to assess their capacity development needs in accordance with their strategic plans and align this with overall Ukraine anti-corruption needs as expressed in policies and strategies as well as EUACI’s assessment. Once agreed, EUACI will draft a budget allocation formula separating support level by partner based on institutional capacity and needs for the coming year to be approved by the Executive Committee no later than February. This formula will also include allocations for support to relevant institutions that are not among the core five partners.

Other opportunities and needs may emerge during the year, and EUACI will respond to these based on a needs assessment by EUACI experts and presented to the Executive Committee for approval if the allocation exceeds EUR 30,000.

Area 1 funds will be reassessed and allocated to partners annually based on MEAL data (see main programme document on MEAL details).

Once an annual workplan has been approved, EUACI will detail a workplan together with the individual partners. The workplan may be revised on a regular basis after consultations with partners, and substantial changes and major new activities will need to be approved by the Executive Committee. The partner workplan will be used as a basis for the procurement of services to partners as well as the allocation of EUACI own human resources to support individual partners. EUACI will draft needed terms of references, consult the content of these with partners, and start a procurement process in accordance with MFA procurement regulations.

The data from the MEAL process will inform EUACI about the effects of the capacity development work under Area 1. A summary of these findings will be presented to the steering committee and inform

the next year's capacity development plans and included in the double loop learning process. Partners will thus be invited to participate in joint workshops and learning events by the MEAL team.

EUACI will use data provided by the Intervention Area 1 partners and the MEAL team data and reports to produce bi-annual reports on progress for the Intervention Area to be presented to the Executive Committee and the Steering Committee. This data will also be used for internal reporting in the MFA FMI system.

EUACI III will be subject to a mid-term review in 2025, which will also assess progress and options for further improvement in the Intervention Area.

9. Financial management, planning, and reporting

The support provided in Intervention Area 1 is primarily advisory support and IT support. No funds are channeled to any of the institutions as this is impractical with the current Ukrainian law. There are, therefore, no grant agreements with partners. Instead, the outputs have been defined with the partners in the formulation process and the Intervention Area 1 document presented to the major partners. The support is then outlined in an annual workplan with the partners.

With no grant agreement, EUACI is responsible for all financial management and subject to internal MFA audits. To support this, EUACI will also rely on the MEAL data to ensure transparency and accountability of the support provided.

As Intervention Area 1 is direct implementation by EUACI, all procurement undertaken will be in line with MFA guidelines and regulations and follow Danish and Ukrainian law. Annual financial reports of EUACI will be compiled by the Head of Administration and presented to the Executive Committee. This will include a separate section on Intervention Area 1.

10. Risk Management

The risks relevant to Intervention Area 1 are closely aligned with the overall risks of the programme. The risks may be divided into three areas:

- Some of the institutions supported have in the past been defunct due to changes in legislation or poor leadership often linked to the political economy situation in the country. Currently, the independence of SAPO is not guaranteed due to the legal dependence of the GPO, and in the past NACP has been incapacitated in periods due to internal leadership challenges. The Constitutional Crisis of 2021 further challenged the existence of the institutions. Poor performance in just one of the institutions will influence the corruption justice process as the institutions work in the same chain of combatting corruption.
- There has been a significant increase in media campaigns trying to undermine the Intervention Area 1 institutions and the anti-corruption reform process. This is typically instigated by persons or corporations being investigated and indicted for corruption. Successful fake media campaign will undermine the work of the institutions and the trust from the people in the anti-corruption reform process.
- The ongoing war has multiple effects on the operations of the anti-corruption institutions. An escalation of the war in a negative direction may further impact the work of the anti-corruption institutions. This may include sudden lack of access to electricity and water; staff being recruited for the army leaving the institutions with less capacity; or a further reduction of state budget funds for the institutions. In some scenarios, it might imply relocation of the institutions and temporary suspension of certain activities.

The programme has been designed to address all three major risks. First, the programme theory of change is based on EUACI close relations to partners, which allows for early warning on potential deviations in mandate and performance. The programme emphasis on serving as a platform for dialogue across the institutions supported will also serve as a means of keeping the institutions on track with the support of the other anti-corruption institutions.

Second, the support to institutions' capacity in communication is aimed at countering the negative media campaigns by resourceful persons subject to corruption investigations. The support to civil society and media in Intervention Area 4 will further enhanced awareness and transparency around the anti-corruption reform and mitigate the reputational communicating related risk.

The context of war is unpredictable and will influence the programme in the next years as well. The programme has been designed so that partners can be supported to mitigate immediate needs stemming from the war. However, the major impact of the war is beyond the control of the programme.

Annexes:

Annex 1: Partner Assessments

Annex 2: Theory of Change, Scenario and Result Framework

Annex 3: Risk Management

Annex 4: Budget Details

Annex 1: Partner Assessments

As no partners receive grants from EUACI, a capacity assessment is not required. However, to give an overview of the type of partners supported, partner assessments of the four major anti-corruption institutions are included in this annex.

1. Brief presentation of partners

The EUACI programme aims to enhance the capacity of the Ukrainian public sector through notably through a cooperation with key Ukrainian institutions and structures in the front line to undermine corruption. The EUACI phase III includes four type of partners: the national anti-corruption institutions, institutions responsible for restoration and reconstruction, the Integrity Cities, and Civil Society Organisations (CSOs). In order to select the right partners that are most likely to achieve the programme's goals, the programme evaluated them against a number of key criteria:

- ***Partner effectiveness.*** The extent to which the implementing partner has a high probability of meeting programme objectives. This is based on: (a) an assessment of past results and ability to adapt to the changing environment and learn from the lessons of the past.
- ***Development effectiveness.*** Partner arrangements, which comply with the development effectiveness criteria aimed at enhancing ownership and alignment, improve donor coordination and limit transaction costs for the recipient and for EUACI.
- ***Risk management.*** Partners that have a strong risk management system in place, which ensure monitoring, management and mitigation of fiduciary as well as programmatic risks.
- ***Danish comparative advantage and influence.*** Partners and programmes where Denmark can make a difference in the form of technical support, policy dialogue and finance.
- ***Attention to Danish priority areas including a human rights-based approach, gender equality and women's empowerment and youth.*** Priority is on partners that have strong attention to these key Danish priority areas, not only in the programme description, but equally so in indicators and targets against which the programme will be measured, as well as in the capacity of the partner organisations themselves. The partners selected all have an adequate gender and youth balance.

Key partners for Intervention Area 1:

High Anti-Corruption Court (HACC): The function of the HACC is to adjudicate cases investigated by the National Anti-Corruption Bureau of Ukraine (NABU) and prosecuted by the Specialised Anti-Corruption Prosecutors Office (SAPO). The Architecture of HACC is complex and diverse from other judicial institutions and is made up of judges with diverse professional backgrounds. The key areas of support based on HACC's strategy are IT solutions, e-Case management, international cooperation, capacity development, strategic communication, court security and securing permanent premises. This will enhance independence, effectiveness and resilience of HACC as a fundamental institution in the anti-corruption ecosystem.

National Agency for Corruption Prevention (NACP): The NACP is responsible for the development and implementation of AC policies in Ukraine, monitoring the possibly excessive lifestyle of public officials and verifying declarations of assets and conflicts of interest of public officials. The Agency is also in charge of controlling political party funding and protection of whistleblowers. NACP's reputation has been damaged following the whistleblowing scandal in November 2017 when senior NACP officials accused top management of political dependence and abuse of power. However, NACP has been rebooted and a new head of the organisation was selected in December 2019 and appointed in 2020.

Besides restoring the NACP's trust and cooperation with other relevant AC institutions, NACP will have a high demand for improved technical solutions, e.g. establishment of a datacentre and an e-case management system, as well as continued capacity building for its relatively young and inexperienced staff in all core areas, including corruption risk assessment, conflict of interest management, verification processes and communication.

National Anti-Corruption Bureau (NABU): Established in 2015, NABU is a law enforcement body mandated to investigate corruption allegedly involving high-level officials. As the lead investigative anti-corruption agency in Ukraine, support to NABU is fully aligned with the overall objective of the EUACI and its theory of changes focusing on enabling the state of Ukraine to prevent and combat corrupt practices in the country. NABU has already shown its ability to fulfil its mandate and in this process it has gained considerable backing from the population of Ukraine in general and civil society in particular. NABU requires substantial support to allow the institution to operate fully in accordance with its mandate. While NABU is being provided support from other donors, this is insufficient to meet its substantial needs. EUACI is thus likely to be able to play a leading role in the support to the provision of both long-term and short-term assistance on a demand basis.

Specialised Anti-Corruption Prosecutors Office (SAPO): SAPO operates as an independent unit of the Prosecutors General Office in Ukraine. It was set up in 2015 to combat corruption in Ukraine – activities of SAPO are aimed at preventing, detecting, eliminating, investigating and disclosing corruption offenses committed by senior officials authorized to perform functions in state authorities. In pursuing the effective performance of these functions, anti-corruption agencies may need assistance from international organisations to strengthen their institutional capacities. In turn, working with SAPO could contribute to enhance the efficiency of supervision (in the form of procedural management) of the compliance with laws by NABU during pre-trial investigation and search operations.

2. Summary of partner capacity assessment

Since the beginning of the war with Russia, the political and economic situation has been heavily impacted by the conflict (see Annex 1 in main programme document). The Ukrainian economy has suffered from a high inflation rate reaching more than 26% and a 30% decline in its GDP in 2022. Ukraine is facing a major humanitarian crisis with more than 5,9 million people displaced internally and 8 million of Ukrainian refugees who fled to neighbouring countries. Currently, 18 million of Ukrainians are in need of humanitarian assistance. Since 24 February 2022, the country is ruled under the martial law and the capacities of public institutions has been restricted both in terms of personal and state funding, currently turned towards a war economy.

The majority of the Ukrainian anti-corruption institutions were created as part of the anti-corruption measures that were implemented in the wake of the 2014 Revolution for Dignity. The EUACI programme assists these organisations, among others, in their efforts to combat corruption in Ukraine and to uphold the rule of law. This mission has been carried through the first two phases of the programme, however, the incoming of the war has led to a reassessment and adaption for the third phase of the programme, which has exacerbated a short time horizon of planning.

Indeed, anti-corruption institutions are not spared from these wartime consequences as they have experienced an average cutback of 20% of their already restricted budgets and a loss of staff, working from abroad or being enrolled in the army. This lack of financial and personal capacity is

likely to affect the achievement of their mandates. Therefore, the main challenge posed by this new versatile context is a need of constant adaptation and flexibility alongside reduced funding, campaigns of disinformation in the media, and the incoming of new donors. However, some opportunities have emerged from the previous phases implemented by EUACI. In fact, the cooperation between NABU, SAPO, and HACC has never been as effective as it is now, in part because EUACI facilitated discussion and cooperation by hosting specific events and training on various management and executive/administration levels. Moreover, recently the number of corruption cases has significantly increased including some high profile cases such as the Head of the Ukrainian Supreme Court, several senior official, Ukraine’s deputy defence minister, deputy prosecutor general, deputy ministers of regional development and the deputy minister of social policy. The collaboration among civil society and anti-corruption institutions has been strengthened as an outcome of the EUACI programme’s implementation. The ongoing war has also heavily affected the Integrity Cities of the programme as they are concerned by the reconstruction process which is also enhancing corruption risks. Hence, the programme needs to adapt, develop and refine its existing measures and its selection of integrity tools. Among others, considering the Mayor’s vision to fight corruption, Mykolaiv will constitute the main city testing these tools in order to replicate them in others cities over times.

Even though, the reconstruction process will represent an overwhelming challenge for Ukrainian public institutions, they seem to benefit from the necessary leverage of partners to respond efficiently to this task. However, EUACI needs to support the coordination and management of donors through the implementation of an Integrity Support Group (ISG) Secretariat. Moreover, following the Russian invasion, Ukraine has officially submitted its candidacy to European Union after years of rapprochement following the Maidan Revolution in 2014. This potential EU membership became an additional motivation of change as the country has to follow a set of specifications to succeed in their application. These specifications include the incorporation of certain anti-corruption standards.

3. Summary of key partner features

Name of Partner	Core business <i>What is the main business, interest and goal of the partner?</i>	Importance <i>How important is the project/programme for the partner’s activity-level (Low, medium high)?</i>	Influence <i>How much influence does the partner have over the project/programme (low, medium, high)?</i>	Contribution <i>What will be the partner’s main contribution?</i>	Capacity <i>What are the main issues emerging from the assessment of the partner’s capacity?</i>	Exit strategy <i>What is the strategy for exiting the partnership?</i>
The National Agency for Corruption	Responsible for the development and implementation of anti-corruption policies, monitoring the lifestyle of public officials, and verifying declarations of assets	High. Enhance NACP IT capacity for data warehouse and sector risk assessments.	High. NACP can play an important role in the coordination of anti-corruption efforts in the country and oversee the	Development of policies and monitoring functions to prevent and reduce Corruption in Ukraine.	Strengths: Increased effectivity and performance. Good cooperation between all of NACP, NABU, SAPO, and HACC.	No special requirements after end of contract. State funding remains.

<p>Prevention (NACP)</p>	<p>and conflicts of interest of public officials.</p> <p>Interest: Capacity enhancement is needed across the board but should be aligned with the SACP and the needs stemming from EU integration.</p> <p>Goal: Fight and reduce corruption in Ukraine through efficient prevention measures, policies and monitoring.</p>	<p>Enhanced NACP staff capacity within the areas of policy development; e-declarations; political party financing; education sector risk assessments.</p> <p>To complete and operationalize NACP e-declaration and data warehousing.</p> <p>Improve NACP's selection screening, communication, legislation drafting, cross-institutional activities.</p>	<p>implementation of the SACP</p>		<p>Opportunities:</p> <p>57% have negative perception of corruption in Ukraine (2022).</p> <p>Improving trust in Anti- Corruption Institutions.</p> <p>Weakness:</p> <p>Undermined State Funding.</p> <p>Lack of Staff due to the war.</p> <p>Institutional stability, development of the middle management, and other capacity development important for the mandate of NACP, including the e-declaration system that the EUACI has helped establish.</p> <p>Threats:</p> <p>Range of financial, political, and war-related challenges including lack of access to electricity and water.</p> <p>Risk of discrediting of expertise/reputational risk.</p> <p>Dwindling willingness or undermining of the anti-corruption reform processes.</p> <p>Rise of fake media campaigns.</p>	<p>However, EUACI is focusing on improving the performance of institutions that will last beyond the programme period.</p>
<p>National Anti-Corruption Bureau of Ukraine (NABU)</p>	<p>Law enforcement tasked with investigating corruption involving large-scale bribes, embezzlement, and corruption crimes committed by high-ranking public or local government officials as well as managers of large state-owned companies and foreign officials. NABU also investigates cases of declaring false information in asset declarations under NACP.</p> <p>Interest: Improve their IT capacity and training capabilities.</p>	<p>High.</p> <p>The level of importance is high and the program is providing core services in terms of advisory support and IT support.</p> <p>EUACI has contributed to impact in terms of enhanced capacity of key anti-corruption institutions, which again has increased the number of corruption cases and eventually convictions.</p>	<p>High.</p> <p>NABU is the lead investigative anti-corruption agency in Ukraine.</p> <p>NABU will lead the engagement and ensure that planned and implemented activities contribute as effectively as possible to the programme outcomes.</p>	<p>Prosecution of corrupt officials and returning of stolen assets to the people of Ukraine.</p>	<p>Strengths:</p> <p>NABU is the lead investigative anti-corruption agency in Ukraine.</p> <p>Opportunity</p> <p>Higher effectivity due to training on different levels of management and executive/administration side.</p> <p>Training of existing as well as an expected addition of new staff including detectives joining the force during the course of the EUACI III.</p> <p>Good cooperation between NABU and NACP, NABU, SAPO, and HACC.</p>	<p>No special requirements after end of contract. State funding remains.</p> <p>However, EUACI is focusing on improving the performance of institutions that will last beyond the programme period.</p>

	<p>Improve anti-corruption performance for Ukraine EU's candidacy.</p> <p>Goal:</p> <p>Fight and restrain corruption in Ukraine through the improvement of the capacity and efficiency of the anti-corruption investigative services.</p>	<p>EUACI has invested significant resources in NABU selection processes, development of strategies and supporting capacity development of staff of NABU.</p> <p>NABU still requires substantial support to allow the institution to operate fully in accordance with its mandate.</p>	<p>NABU and the EUACI are jointly responsible for ensuring that work plans, budgets and progress reports are prepared and presented in a timely manner to the Denmark and EU for its information/approval and possible action, if required.</p>		<p>Weakness:</p> <p>Undermined State Funding.</p> <p>Lack of staff due to the war.</p> <p>Suffers from bottlenecks in the system of getting cases to court.</p> <p>Remaining need to improve its technologically to effectively target corruption networks.</p> <p>Threats:</p> <p>Range of financial, political, and war-related challenges including lack of access to electricity and water.</p> <p>Risk of discrediting of NABU expertise/reputational risk.</p> <p>Dwindling willingness or undermining of the anti-corruption reform processes.</p> <p>Changes in legislation and poor leadership .</p> <p>Rise of fake media campaigns.</p>	
<p>Specialised Anti-Corruption Prosecutors Office (SAPO)</p>	<p>Responsible for supervising the operational, investigative activities and pre-trial investigation conducted by NABU and for bringing the case to the court.</p> <p>Interest:</p> <p>Improve their IT capacity, investigative, and training capabilities.</p> <p>Improve anti corruption performance for Ukraine EU's candidacy.</p> <p>Goal:</p> <p>Restrain and fight corruption in Ukraine through efficient prosecution.</p>	<p>High.</p> <p>Enhanced ability to protect individuals, society and the state against crimes, protect the rights, freedoms and legitimate interests of participants in criminal proceedings and ensure a prompt, full and impartial investigation and trial of criminal cases.</p> <p>Improve SAPO's head of agency selections, selection screening, communication, and cross-institutional activities.</p>	<p>High.</p> <p>SAPO will lead the engagement and ensure that planned and implemented activities contribute as effectively as possible to the development engagement outcomes.</p> <p>SAPO and the EUACI are jointly responsible for ensuring that work plans, budgets and progress reports are prepared and presented in a timely manner to Denmark and EU for its</p>	<p>Help to enhance the efficiency of supervision (in the form of procedural management) of the compliance with laws during pre-trial investigation search operations.</p> <p>Ensure effective procedural management by SAPO prosecutors and pre-trial investigation by NABU detectives of cases.</p>	<p>Strengths:</p> <p>SAPO is independent from other entities specially authorized to combat corruption.</p> <p>Opportunities:</p> <p>Higher effectivity: SAPO has processed 77 cases to the HACC in 2023.</p> <p>Good cooperation between all of NACP, NABU, SAPO, and HACC.</p> <p>Weakness:</p> <p>Capacity requirements primarily relate to the improvement of existing IT and staff capacity enhancement.</p> <p>Undermined State Funding.</p> <p>Lack of Staff due to the war.</p>	<p>No special requirements after end of contract. State funding remains.</p> <p>However, EUACI is focusing on improving the performance of institutions that will last beyond the programme period.</p>

	Need to extend their cooperation with relevant institutions in the EU.		information/approval and possible action, if required.		<p>Threats:</p> <p>Range of financial, political, and war-related challenges including lack of access to electricity and water.</p> <p>Dwindling willingness or undermining of the anti-corruption reform processes.</p> <p>Lack of independence from GPO.</p> <p>Risk of discrediting of SAPO expertise/reputational risk.</p> <p>Rise of fake media campaigns.</p>	
High Anti-Corruption Court (HACC)	<p>Specific independent court that adjudicate all high-level corruption cases falling under the jurisdiction of NABU and SAPO, as well as some other serious crime cases.</p> <p>Interest:</p> <p>Improve their jurisdiction capacity.</p> <p>Improve anti corruption performance for Ukraine EU's candidacy.</p> <p>Goal:</p> <p>Fight and restrain corruption in Ukraine through the enhancement of its an independant Anti-corruption jurisdiction.</p>	<p>High.</p> <p>Enhance partners independence, effectiveness and resilience of anti-corruption institutions functioning with a sound strategic environment.</p> <p>Considerable organisational support is needed.</p> <p>Contribute to judiciary's access and transparency, increase functionality, develop professional capacity, enhance security and provide support to the establishment of permanent premises for the full HACC's function.</p>	<p>High.</p> <p>HACC will lead the engagement and ensure that planned and implemented activities contribute as effectively as possible to the development engagement outcomes.</p> <p>HACC and the EUACI are jointly responsible for ensuring that work plans, budgets and progress reports are prepared and presented in a timely manner to Denmark and the EU for its information/approval and possible action, if required.</p>	<p>Enhance independence, effectiveness and resilience of the anti-corruption institutions functioning within a sound strategic environment.</p>	<p>Strengths:</p> <p>Complex and diverse architecture different from other judicial institutions.</p> <p>Opportunities</p> <p>Increase level of trust by society in HACC.</p> <p>Higher effectivity.</p> <p>By mid 2023: HACC has given 32 verdicts.</p> <p>By June 2023 the HACC had processed as many cases as HACC was able to in all of 2022. Cases include high-level officials ending up behind bars, including judges, prosecutors, and heads of state-owned enterprises. The effectiveness of the system is thus increasing despite the current difficult circumstances.</p> <p>Good cooperation between all of NACP, NABU, SAPO, and HACC.</p> <p>Weaknesses:</p> <p>Requires continuous capacity development as the list of cases forwarded to the court is increasing. Additional 24 judges and 120 support staff need to join the court to be able to process all the cases that court is considering.</p> <p>Undermined State Funding.</p>	<p>No special requirements after end of contract. State funding remains.</p> <p>However, EUACI is focusing on improving the performance of institutions that will last beyond the programme period.</p>

					<p>Lack of Staff due to the war.</p> <p>Threats:</p> <p>Range of financial, political, and war-related challenges including lack of access to electricity and water.</p> <p>Dwindling willingness or undermining of the anti-corruption reform processes.</p> <p>Rise of fake media campaigns.</p> <p>Risk of discrediting of HACC expertise/reputational risk.</p>	
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Annex 2: Theory of Change and Result Framework

Theory of change

The theory of change is building on the assumption that the partners will support reform processes and be motivated by the EU accession process. EUACI has a unique position in Ukraine to serve as a platform that brings partners from anticorruption institutions, parliamentarians, civil society and media together to motivate policy changes and cooperate on fighting corruption. EUACI will provide multiple inputs and produce its own outputs, which will motivate change in the anti-corruption institutions.

First and foremost, support will be provided to capacitate the key anti-corruption institutions. By aligning with partner needs, developing partner specific long-term holistic capacity development plans and being able to respond fast and deliver against these needs, it is assumed that partners will own the capacity development support and use this to increase performance. Secondly, by assisting Parliament and partner institutions with the screening of laws, policies, and regulations for anti-corruption risk, it is assumed that partners and parliament are better placed to recommend improvement of legislation. Using EUACI as a joint platform for the institutions and Parliament as well as civil society, EUACI is also able to seek joint advocacy for improved legislation.

The integrity of the Intervention Area 1 institutions are further improved by supporting the transparency and accountability process of selecting the heads of the institutions and audits process to ensure their accountability and efficient management over the institutions. EUACI will provide technical advice and support to the screening of candidates to the institutions and also facilitate that civil society plays a role in the screening process. It is assumed that this will enhance the integrity of the selection process and help identify appropriate heads of institutions.

Finally, to counter the fake news media targeting the reform process and the anti-corruption institution, it is assumed that the capacity development support and expert advice on communication as well as the joint activities that EUACI hold with the partners, will be effective in communicating their mandate, work and need for reform in a transparent and participatory manner.

The outputs under Intervention Area 1 are expected to improve the effectiveness of the anti-corruption institutions to investigate and adjudicate an enhanced number of corruption cases and improve legislation to counter corruption and align with international laws and policies including the EU. Enhanced effectiveness of the fight against corruption will also contribute to combatting corruption in the reconstruction process. For a schematic overview, see the table below:

Input	<ul style="list-style-type: none"> - Funding, administration and procurement experience and capacity - Operational (service delivery) capacity (EUACI can undertake actions itself or it can sub-contract) - Human resource, recruitment and vetting experience and capacity - EUACI voice, reputation/legitimacy, convening power and communication capacities - Flexible and agile, adaptive management <p>The above translates into activities such as:</p> <ul style="list-style-type: none"> - Advice on capacity development planning - Legislative advice and drafting - Capacity development of staff - Institutional strategy development - IT equipment and software procurement - Forum for dialogue across institutions and partners
Assumptions	<ul style="list-style-type: none"> - Partners articulate capacity gaps and needs to EUACI so that it can match and leverage its inputs in a timely and efficient manner.

	<ul style="list-style-type: none"> - Key partners are committed to upholding anti-corruptions principles and practices as they partner with EUACI - Key partners have a minimum indispensable (baseline) capacity to be able to absorb and benefit from EUACI support
Output	<ul style="list-style-type: none"> - Enhanced capacity of anti-corruption institutions allowing partners to maintain as well as enhance performance according to mandate - Improved legal framework to counter corruption
Assumptions	<ul style="list-style-type: none"> - Facilitated access to expertise, staffing and infrastructure help ensure business continuity which allows staff to dedicate time and energy to leveraging learning and networking opportunities that will help them better fulfil their tasks and mandates - Enhanced capacity leads to improved performance in accordance with the institutional mandate - Institutions at national and local level pass improved legislation
Outcome	<p>Institutions perform according to their mandate leading to:</p> <ol style="list-style-type: none"> 1) Increased number of corruption convictions 2) Improved anti-corruption legislation applied
Assumptions and link to strategic objectives	<p>Improved legislation and anti-corruption institutions' effectiveness increase the fight against corruption and reduces corrupt incentives leading to a reduction in corruption contributing to SO1. Improved effectiveness of institutions enhances the SACP implementation and reform process contributing to SO2, and the improve the rule of law in the fight against corruption in the reconstruction process contributing to SO3</p>

The Intervention Area 1 design builds on the following overall assumptions:

- The EU accession process continues to be a motivator for reform.
- The Government of Ukraine retains a minimum of commitment to anti-corruption reform.
- Anti-corruption institutions remain committed to performing according to their mandate.
- EUACI continues to have the trust of the partners who will continue to participate in joint activities and advocacy work.
- EUACI continues to be the preferred partner due to its collaborative and flexible approach in a context where larger programmes enter the anti-corruption scene.

Results framework EUACI III Intervention Area 1: Anti-corruption institutions

Result framework for Intervention Area 1: Anti-Corruption Institutions under EUACI III. The results framework has been developed based on the State Anti-Corruption Programme priorities; partner strategies and workplans; and priorities presented to Denmark by the partners as part of the EUACI III formulation.

The outputs presented below are guiding outputs, and do not capture all results delivered by EUACI in the programme period under Intervention Area 1. Considering the fluid context, the war situation and the regularly emerging opportunities, additional outputs are expected to be developed and implemented during the course of the programme.

Outcome 1.0	Anti-corruption institutions perform according to their mandate with enhanced effectiveness and improved track record
Outcome indicator	<ol style="list-style-type: none"> 1. Percentage of draft laws on which CAP adopted conclusions on anti-corruption proofing before 1st reading out of the total number of draft laws registered in the Verkhovna Rada 2. NACP's compliance with the criteria of the External assessment of the Effectiveness of NACP (audit) 3. Number of cases handed over to SAPO 4. Number of cases SAPO refer to HACC 5. Number of verdicts by HACC in criminal cases as a court of first instance

		<p>in a year</p> <p>6. Public perception of the efficiency of anti-corruption institutions on 5 grade scale (NACP survey)</p> <p>7. Status on the implementation of the institutional capacity development plans</p>
Baseline	End-2023	<p>1. 14% (2022)</p> <p>2. 72%</p> <p>3. 54 (2022)</p> <p>4. 77</p> <p>5. 32 (first half of 2023)</p> <p>6. 2,3/5 for NABU, 2,25/5 for SAPO, 2,19/5 for HACC, 2,23/5 for the NACP (2022)</p> <p>7. No capacity development plans in place</p>
Target	2027	<p>1. 14%</p> <p>2. 85% (for the period of 2024-2025, report should be published in 2026)</p> <p>3. 95</p> <p>4. 85</p> <p>5. 80</p> <p>6. 2,5/5 for NABU, 2,5/5 for SAPO, 2,5/5 for HACC, 2,5/5 for the NACP (2026)</p> <p>7. Capacity development plans implemented</p>

Output 1.1	Institutional capacity development plans developed	
Indicator 1.1	Status of Institutional capacity development plans	
Baseline	2023	No plans in place
Target	2027	Plans in place and implemented

Output 1.2	Capacity of staff of anti-corruption institution enhanced	
Output 1.2a	Capacity of NACP staff enhanced	
Indicator 1.2a	No. of NACP staff capacity enhanced with the areas of policy development; e-declarations/financial control; corruption risk assessment	
Output 1.2b	NABU detectives with enhanced capacity	
Indicator 1.2b	No. of NABU detectives with enhanced capacity to undertake their functions	
Output 1.2c	SAPO prosecutors and administrative staff with enhanced capacity	
Indicator 1.2c	No. of SAPO prosecutors and administrative staff with enhanced capacity to undertake their functions**	
Output 1.2d	HACC judges and support staff with enhanced capacities to undertake functions in accordance with mandate	
Indicator 1.2d	No. of HACC judges and support staff with enhanced capacity to undertake their functions	
Output 1.2e	Other anti-corruption institutions staff with relevant enhanced capacity	
Indicator 1.2e	No. and category of staff capacitated	
Baseline	2023	N/A
Target	2027	<p>1.2a 40*</p> <p>1.2b1 200 detectives*</p> <p>1.2c 15*</p> <p>1.2d 28 judges, 30 support staff*</p> <p>1.2e Other institutions deemed relevant by EUACI Executive Committee such as SFMS or ARMA</p>

Output 1.3	IT capacity of key anti-corruption institutions enhanced	
Output 1.3a	NACP IT capacity of data warehouse enhanced	
Indicator 1.3a	Status of IT capacity	

Output 1.3b	NABU IT capacity in e-case management and data warehousing enhanced	
Indicator 1.3b	Status of IT capacity	
Output 1.3c	SAPO IT capacity in relation to e-case management enhanced	
Indicator 1.3c	Status of IT capacity	
Output 1.3d	HACC IT capacity in relation to e-case management	
Indicator 1.3d	Status of IT capacity	
Output 1.3e	Other anti-corruption institutions with enhanced IT capacity	
Indicator 1.3e	Status of IT capacity	
Baseline	2023	1.3a NACP data warehousing still to be established 1.3b NABU e-case management system operational and expansion of data warehouse still to be implemented 1.3c SAPO e-case management partly operational 1.3d HACC e-case management partly operational 1.3e Other institutions deemed relevant by EUACI Executive Committee such as SFMS or ARMA
Target	2027	1.3a NACP data warehousing fully complete and operational 1.3b NABU e-case management system finalised and expanded data warehouse implemented 1.3c SAPO e-case management system finalised 1.3d HACC e-case management system finalised 1.3e Other institutions deemed relevant by EUACI Executive Committee such as SFMS or ARMA

Output 1.4	Accountable and transparent management of anti-corruption institutions	
Output indicator 1.4	Institutions receiving support to ensure a transparent and accountable selection process of heads of institutions and key staff and to external assessment of their efficiency (audits)	
Baseline	2023	N/A
Target	2027	4 (as per tenure cycle and unexpected changes)

Output 1.5	Legislation screened for corruption risk by CAP and NACP	
Output indicator 1.5	No. of laws screened	
Baseline	2023	N/A
Target	2027	500

Output 1.6	Communication capacity of key anti-corruption institutions enhanced	
Output indicator 1.6	No. of communication campaigns and events undertaken by key anti-corruption institutions with EUACI support	
Baseline	2023	N/A
Target	2027	18*

Output 1.7	EUACI direct input to legislation and policy work	
Output indicator 1.7	No. of legal or policy memos drafted by EUACI	
Baseline	2023	N/A
Target	2027	18*

* Accumulated

** May increase if new legislation is passed expanding SAPO staff base

For scenarios, see the main programme document.

Annex 3: Risk Management

Risk Factor	Likelihood	Impact	Risk response	Residual risk	Background to assessment
State reduce budget for anti-corruption institutions due to war economy	Likely	Major	EUACI will continue to rally partners and do advocacy around the need for the Government of Ukraine financial commitment to anti-corruption reform (with Denmark and EU). EUACI will show flexibility and be able to support emergency assistance in order to keep the EUACI partners operational.	Long-term risk reduced. There is still a short-term risk if the war is intensifying and/or Ukraine losing territory which will require a bigger answer from Ukraine, therefore more spendings from military budget.	The war budget has already resulted in a 20% reduction in state contribution to anti-corruption institutions
The Ukrainian Government lacks political commitment to anti-corruption reform and to the implementation of the SACP.	Less likely	Major	Considering the situation, Ukraine joining the EU could be an advantage. Anti-corruption is a priority for the country could highly enhance/facilitate their entry into the EU. EUACI will put this forward when working with partners from the government. However, budget difficulties and vested interest can still have an impact on the progress that can be achieved.	Risk reduced. The country has been forward moving in increasing anti-corruption reforms even before the war.	Considering the war in the country and associated pressing and urgent issues, the Ukrainian Government can be less committed to anti-corruption reform and implementation of the SCAP.
Poor performance of institutions supported, not fully compliant with the mandate and/or not performing	Unlikely	Significant	EUACI works in close relations with partners, allowing for early warning on potential deviations in mandate and performance. The programme emphasis on serving as a platform for dialogue across the	Risk reduced due to close relationships and dialogue. However residual risk if institutions are closed to collaboration. The programme may at times consider pausing collaboration.	Some institutions supported in the past have been defunct due to changes in legislation or poor leadership often linked to the political economy situation in the country.

			institutions supported will also serve as a means of keeping the institutions on track with the support of the other anti-corruption institutions		
Inadequate capacity of staff in institutions supported	Unlikely (for most, likely for CAP)	Major	EUACI providing capacity building to institutions and designated focal points for the projects. Additional short-term consultancy and CSO support may be provided to CAP to reduce risks	Risk reduced	Assessments of lessons learned from previous phases have demonstrated a capacity gap concerning anti-corruption at institutional level.

Annex 4: Budget Details

This indicative budget for outcome 1 has been developed based on partner needs as identified through past experience and consultations with partners. The budget is a sub-budget heading derived from the overall budget heading ‘activities’ in the main programme document. The percentage distribution between outputs mirrors the expected inputs. Consequently, the item related to direct capacity engagement will include the bulk of the funds under Intervention area 1. Note that the funds for outputs also include EUACI staff directly engaged in project delivery. For Intervention Area 1, this includes one team leader, four institutional specialists, and an IT specialist.

	2024	2025	2026	2027	Total DKK
<i>- Outcome 1: Anti-corruption institutions (total)</i>	7650000	11000000	11000000	7036975	36686975
<i>Output 1.1 Capacity of staff of anti-corruption institutions enhanced</i>	2295000	3300000	3300000	2111093	11006093
<i>Output 1.2 IT capacity of key anti-corruption institutions enhanced</i>	3060000	4400000	4400000	2814790	14674790
<i>Output 1.3 Accountable and transparent selection of heads and key staff of anti-corruption institutions supported</i>	535500	770000	770000	492588	2568088
<i>Output 1.4 Legislation screened for corruption risk and EU accession requirements by CAP and NACP</i>	382500	550000	550000	351849	1834349
<i>Output 1.5 Communication capacity of key anti-corruption institutions enhanced</i>	459000	660000	660000	422219	2201219
<i>Output 1.6 EUACI direct input to legislation</i>	382500	550000	550000	351849	1834349
<i>Output 1.7 Cross-institutional activities completed</i>	535500	770000	770000	492588	2568088

There will be four months of implementation in 2027. From 1 January to 30 June 2024, the institutions will also be supported through EUACI phase II. A transition plan will be developed by EUACI early-2024.

EUACI III Intervention Area 2 project document: Reconstruction

1. Introduction

This document describes theory of change, support provided, and management of this support by EUACI for Intervention Area 2 under EUACI III. As there are no grant agreements in Intervention Area 2, there are no individual project documents. Instead, this joint project document describes the support provided to the institutions as a guide to EUACI III in the implementation of the support. The document is developed based on consultations with the key institutions under Intervention Area 2.

2. Documentation

The following documents are used as background for this project document:

- EU-Ukraine Association Agreement (2014)
- The National Anti-Corruption Strategy for Ukraine 2021-2025
- The State Anti-Corruption Programme 2023-2025
- Legal mandate as well as anti-corruption programmes (upcoming) of the Ministry for Communities, Territories and Infrastructure Development of Ukraine (Ministry for Restoration) and the State Agency of Restoration and Infrastructure Development of Ukraine (Agency for Restoration)

3. Context, strategic considerations, rationale, and justification

Russian full-scale invasion and continued systematic missile and drone strikes have been inflicting massive damages and destruction of civilian areas, critical and other infrastructure across Ukraine. The World Bank estimated direct damages for 12 months of invasion at USD 135 billion, the cost of reconstruction and recovery in Ukraine exceeding USD 411 billion¹, and these figures continue to grow. Given the vast destruction, bilateral and international donors' support and private investments will be crucial for Ukraine's recovery.

However, foreign investors are cautious as well as Ukrainians. According to a recent sociological survey², 73% of Ukrainians and 80% of business representatives are most concerned about the resumption of corruption schemes in the country's recovery processes. This can be explained by continuous corruption scandals; perception of infrastructure construction projects as particularly prone to corruption; the fact that reconstruction is carried out at the time of war, and also that Ukraine doesn't have proven mechanisms for transparent and effective distribution of funds of this scale.

Local self-government and Agency for Restoration are expected to play a key role in restoration. According to the vice-prime minister for restoration, most communities do not have sufficient experience/expertise and institutional capacity to work with donors on restoration, however, with training, about 80% of self-governments are expected to lead the recovery process. Management of reconstruction projects will be carried out with the support of international financial institutions through the Reform Support Offices under the ministries and the Community Support Offices of the Ministry for Restoration. In other cases, like Kherson region, small communities, which currently don't have people on the ground, the Ministry for Restoration will use the capacities of the Agency for Restoration. However, these capacities are limited, especially after the explosion of the Kakhovka dam.

¹ [Ukraine Rapid Damage and Needs Assessment \(February 2022-February 2023\). Second Report. World Bank, Government of Ukraine, European Union, United Nations. March 2023. 142 p.](#)

² [How to rebuild Ukraine — sociological survey of citizens and business representatives, Transparency International Ukraine. March-April 2023.](#)

The significant amount of reconstruction funds channelled to national and local levels needs to be regulated and monitored. This highlights the importance of the development of a framework and digital tools to simplify the task for communities and ensure integrity, transparency, and accountability of the reconstruction process across Ukraine.

The Ministry of Development of Communities, Territories and Infrastructure of Ukraine (Ministry for Restoration) headed by a vice-prime minister and the State Agency for Restoration and Development of Infrastructure (Agency for Restoration) are major institutions responsible for reconstruction. Recovery architecture also includes reconstruction deputies – positions to be introduced in 8 ministries and 12 regional administrations. There is also the National Council for the Recovery of Ukraine from the Consequences of the War, a consultative and advisory body under the President of Ukraine.

Apart from reconstruction, the Ministry for Restoration is responsible for the policy development in the area of transport, provision of postal services, local self-government, construction, urban planning and housing, architectural and construction control and supervision, control of housing and communal services, and energy efficiency of buildings. Its priorities in integrity and anti-corruption area include:

- Embedding rules, procedures, and proper legislation
- Development and support of interconnected digital tools (DREAM, eRestoration, GIS for monitoring regional policy and recovery)
- Building anti-corruption capacity on the local level – capacity development of the Agency at the regional offices for reconstruction
- Development of sectoral IT products for the Agency for Restoration in areas and directions that will ensure accountability of the reconstruction process
- Amending the Law "On Public Procurement" to harmonize it with the procurement rules of the World Bank and allow easier implementation of export-finance projects
- Implementing international forms of contracts for construction and related services along with establishing international standards for pricing systems, supervision, a transparent legal protection mechanism

The Agency for Restoration is responsible for the implementation of the country's reconstruction projects. It was formed via the merger of the State Agency for Infrastructure Projects with experience in implementing large-scale projects and the State Agency for Highways (Ukravtodor). Though road infrastructure was its major focus, Ukravtodor had a good track of successfully completed projects over the past three years and 24 regional representative offices with higher salaries and a flexible motivation system linked to successfully implemented projects. However, the offices are separate legal entities with certain autonomy from the Agency; therefore, the level of their commitment and ownership to the capacity building in anti-corruption compliance is unclear and may vary depending on a region. The Agency sees major corruption risks at the local level and needs capacity development for compliance officers, possibly pilot project at 1-2 regions with subsequent replication for other regional offices.

The Ministry for Restoration and the Agency for Restoration were established in December 2022 – January 2023 as a result of a merger of other state bodies and agencies and currently lack capacity. Both have already drafted anti-corruption programmes and are committed to foster a culture of integrity within and outside the institutions.

Currently, EUACI has a Memorandum of Understanding with the Ministry for Restoration and provides support through the established and institutionalised Integrity Support Group (ISG), a group of consultants providing ad-hoc expertise and advisory functions to the Ministry and facilitate cooperation:

- Legal support with improvement of the eRestoration procedure (compensation for damaged housing)
- Assistance with implementation of the internationally accepted standard contracts in building (FIDIC, JTC, NEC)
- Analysis of the reform in urban development and architecture
- Development and implementation of the national geographic information system (GIS) “Monitoring regional development and recovery” for visualisation, monitoring and provision of basic analysis related to the recovery and reconstruction process as scaling up of municipal GIS implemented in Integrity Cities

For the Agency for Restoration, the ISG delegates some short- and long-term experts to the Agency’s Capacity Building Office, a group of over 50 consultants covering capacity gap for the Agency, to assist in:

- Development of an anti-corruption programme for the Agency and its regional offices for restoration and its implementation at the regional restoration offices
- Corruption risk assessment/policies for the Agency and its regional restoration offices
- Risk assessment of construction project and cost documents for Agency approval
- Monitoring the implementation of the anti-corruption programmes and the prevention/mitigation activities at the regional offices of the Agency

Recovery is an area crowded with donors at different stages of interventions’ development and implementation. Some of them have launched pilot projects pertaining to anti-corruption at the local level (for example, Canadian SURGe and UNDP initiative funded by GIZ and Japan). However, there has been limited donor coordination in anti-corruption related to reconstruction in the past. The Ministry lacks the capacity to coordinate the anti-corruption efforts within recovery and suggested that EUACI assist the Ministry in facilitating the dialogue with donors on integrity. EUACI is well placed for the role with ISG being attached to the Ministry.

4. Theory of change and key assumptions

Intervention area 2 is aligned with the State Anti-corruption Programme’s objective “to achieve significant progress in preventing and countering corruption, ensuring the coherence and systemic anti-corruption activities of all state and local self-government bodies, as well as the proper process of Ukraine’s post-war recovery” as well as with the EU-Ukraine Association Agreement which implies extensive regulatory approximation and states that bilateral “cooperation shall address [...] corruption in the private and public sector” (article 22).

The ToC for the third phase in schematic format:

Input	<ul style="list-style-type: none"> - Funding, administration and procurement experience and capacity - Operational (service delivery) capacity (EUACI can undertake actions itself or it can sub-contract) - Human resource, recruitment and vetting experience and capacity - EUACI voice, reputation/legitimacy, convening power and communication capacities - Flexible and agile, adaptive management <p>The above translates into activities such as:</p> <ul style="list-style-type: none"> - Advice on capacity development planning
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	<ul style="list-style-type: none"> - Legislative advice and drafting - Capacity development of staff - Institutional strategy development - IT equipment and software procurement - Forum for dialogue across institutions and partners
Assumptions	<ul style="list-style-type: none"> - Partners articulate capacity gaps and needs to EUACI so that it can match and leverage its inputs in a timely and efficient manner. - Key partners are committed to upholding anti-corruptions principles and practices as they partner with EUACI - Key partners have a minimum indispensable (baseline) capacity to be able to absorb and benefit from EUACI support
Output	<ul style="list-style-type: none"> - Enhanced national regulatory framework for reconstruction allows partners to implement procurement with enhanced integrity - Improved capacity at regional level to perform with enhanced integrity
Assumptions	<ul style="list-style-type: none"> - Facilitated access to expertise, staffing and infrastructure help ensure business continuity which allows staff to dedicate time and energy to leveraging learning and networking opportunities that will help them better fulfil their tasks and mandates - Enhanced capacity leads to improved performance in accordance with the institutional mandate - Institutions at national and local level pass improved legislation
Outcome	<p>Institutions perform according to their mandate leading to:</p> <ol style="list-style-type: none"> 1) National anti-corruption reconstruction framework in place 2) Reduced number of corruption cases at the regional level
Assumptions and link to strategic objectives	<p>Improved reconstruction framework and capacity at regional level is used to reduce corruption in the reconstruction process contributing to SO3. Improved transparency and accountability of reconstruction efforts enhances corruption reform implementation contributing to SO2. Fighting corruption at local level leads to reduced overall corruption contributing to SO1</p>

EUACI will provide support to strengthen the capacity of the Ministry for Restoration to implement the best practices of accountability, transparency, integrity and good governance regarding the process of recovery and reconstruction and ensure integrity in legislation and regulations in the field of recovery and reconstruction. Also, it will assist the Agency for Restoration with strengthening the capacity of the regional restoration offices (piloting in 1-2 regions)

The theory of change builds on the understanding that the Ministry for Restoration by setting and implementing a legal and regulatory framework for the integrity of the reconstruction process aligned with international and EU laws and regulations, as well as the Agency for Restoration with its regional branches by implementing anti-corruption programmes and regional anti-corruption commissioners (officers) by applying their improved knowledge of anti-corruption compliance will influence the behaviour of both public and private sector representatives participating in the reconstruction process on national and local level motivating their greater integrity and accountability and leading to reduced corruption.

EUACI's facilitation of international cooperation dialogue in the integrity of the reconstruction process is expected to harmonise what best practices are in integrity and accountability, leading to the enhancement of anti-corruption efforts in the reconstruction process.

The Intervention Area 2 design builds on the following overall assumptions:

- Partners are committed to promoting transparency and accountability in the field of reconstruction and own the results achieved.
- Partners remain committed to performing according to their mandate.
- EU accession process continues to be a motivator for reform.
- EUACI continues to have the trust of the partners who will continue to participate in joint activities and advocacy work.
- EUACI continues to be the preferred partner in a context where larger programmes enter the anti-corruption scene.

5. Intervention area key activities

Intervention Area 2 focus on ensuring the integrity of the reconstruction process and that the reconstruction institutions have the capacity to perform their tasks in accordance with their mandate.

The support for capacity development concerns current capacity needs and the needs emerging from new legislation, including international ones. None of the institutions supported can receive funding from EUACI (or any other entity beyond the Government of Ukraine). Instead, EUACI has designed a package of capacity support that can be applied to the partner according to needs and priorities and the contribution level to the programme's strategic objectives. The support is provided based on identified needs of the institutions through needs assessments as well as unexpected emerging needs emerging from the war situation or sudden changes in the political economy.

Types of support provided include:

- Assessment of institutional setups, policies, and regulations to ensure compliance with the EU accession, international standards of transparency and accountability, limit corruption risk, and support the reconstruction process.
- Development and implementation of IT products
- Training and consultancy for the Agency for Restoration and the Ministry for Restoration
- Development and implementation of an independent mechanism for assessing the accountability and transparency of reconstruction

The activities for the regional offices of the Agency for Restoration will be focused on capacitating them for the development of procurement policies and implementation of the anti-corruption and integrity policies in selected (no less than two pilot) regional restoration offices.

To harmonise what best practices are in integrity and accountability, EUACI will also provide donor coordination which infers bilateral consultations as well as donor meetings co-chaired with the Ministry for Restoration with possible occasional invitation of mayor(s) for experience/best practice sharing.

6. Results framework EUACI III Intervention Area 2: Reconstruction

The results framework has been developed based on the State Anti-Corruption Programme priorities; partner strategies and workplans; and priorities presented to Denmark by the partners as part of the EUACI III formulation.

The outputs presented below are guiding outputs, and do not capture all results delivered by EUACI in the programme period under Intervention Area 2. Considering the fluid context, the war situation and the regularly emerging opportunities, additional outputs are expected to be developed and implemented during the course of the programme.

Given the special nature of the EUACI being a direct implementer, the results presented are defined as follows (in line with OECD-DAC's definitions): outputs are the full responsibility of EUACI; EUACI contributes to outcomes, but are not solely responsible for achieving these; the EUACI contributes to strategic objectives, but their achievements rest on the actions of multiple of actors beyond the control and influence of EUACI.

Outcome 2.0		Improved legal framework promoting the integrity of the reconstruction process of Ukraine
Outcome indicator 2.0		<ol style="list-style-type: none"> Status of regulatory framework promoting integrity of the reconstruction process Status of implementation of anti-corruption programmes and policies by the Regional Offices for Restoration
Baseline	End-2023	<ol style="list-style-type: none"> Basic legal framework for the integrity of restoration process in place N/A
Target	2027	<ol style="list-style-type: none"> Comprehensive legal framework for integrity of reconstruction process adopted and implemented Anti-corruption programmes are implemented by 70% (Accumulated) at 2/3 of the Regional offices for Restoration

Output 2.1		Empowering the Ministry of Restoration to develop and implement legal and regulatory framework for the integrity of the reconstruction process and donor coordination in support of Ukraine's recovery
Output indicator		<ol style="list-style-type: none"> No. of documents (draft laws, bylaws, policy documents) processed by the EUACI Integrity Support Group Status of donor coordination in the field of corruption prevention
Baseline	2023	<ol style="list-style-type: none"> 2 There is no donor coordination mechanism in the field of corruption prevention
Target	2027	<ol style="list-style-type: none"> 20 (Accumulated) Well-functioning donor coordination mechanism in place

Output 2.2		IT products are developed and implemented to promote accountability and transparency of the reconstruction process
Output indicator		<ol style="list-style-type: none"> Status of the legal framework for the functioning of the relevant IT products needed for the reconstruction process Status of development and implementation of IT products ensuring accountability and transparency of planning / prioritisation of objects / management of reconstruction process
Baseline	2023	<ol style="list-style-type: none"> No or outdated legal framework for IT products No IT products ensuring accountability and transparency of planning / prioritization of objects / management of reconstruction process
Target	2027	<ol style="list-style-type: none"> Legal framework for relevant IT products developed The IT products are fully operational

Output 2.3		Strengthened procurement capacity of the Regional Offices for Restoration
Output indicator		Status on policies on procurement for regional offices developed
Baseline	2023	None
Target	2027	Policies on procurement for regional offices are developed

Output 2.4		Pilot implementation of anti-corruption and integrity policies of regional restoration offices (branches)
Output indicator		No. of regional branches piloted
Baseline	2023	N/A
Target	2027	No less than 2

* *Accumulated*

7. Indicative budget for outcome 2

The budget presented below is indicative for outcome 2. The budget comprises sub-headings to the overall activities budget in the main programme document. The indicative budget is aligned with the major output areas under Intervention Area 2. Partner needs differ according to the scope of the mandate, existing capacity, and needs identified. EUACI will allocate support across partners according under each output area.

Intervention Area 2 indicative budget for EUACI in DKK

	2024	2025	2026	2027	Total DKK
- Outcome 2: Reconstruction (total)	3540000	5500000	5500000	1200000	15740000
<i>Output 2.1: Empowering the Ministry of Reconstruction to develop and implement legal and regulatory framework for the integrity of the reconstruction process and donor coordination in support of Ukraine's recovery</i>	955800	1485000	1485000	324000	4249800
<i>Output 2.2: IT products are developed and implemented to promote accountability and transparency of the reconstruction process</i>	1416000	2200000	2200000	480000	6296000
<i>Output 2.3: Strengthened procurement capacity of the Regional Offices for Restoration</i>	460200	715000	715000	156000	2046200
<i>Output 2.4: Pilot implementation of anti-corruption and integrity policies of regional restoration offices (branches)</i>	708000	1100000	1100000	240000	3148000

In addition to the indicative budget outlined above, the overall EUACI III programme have a pool of unallocated funds where a significant amount is expected used under this intervention area (see main programme document).

8. Institutional and Management arrangement

Intervention Area 2 will be implemented as described in the main programme document. Decision on funding and reallocation of funds are suggested by EUACI and endorsed by the Executive Committee. Each year, EUACI will hold consultations with the Ministry and the Agency to assess their capacity development needs in accordance with their strategic plans and align this with overall Ukraine anti-corruption needs as expressed in policies and strategies as well as EUACI's assessment.

Once agreed, EUACI will draft a budget formula to be approved by the Executive Committee no later than November. Once approved, EUACI will detail a workplan together with the individual partners.

Other opportunities and needs may emerge during the year and EUACI will respond to these based on a needs assessment by EUACI experts and presented to the Executive Committee for approval if the allocation exceed EUR 30,000.

Area 2 funds will be reassessed and allocated to the use for capacity development and support to the Ministry as well as the Agency on an annual basis based on MEAL data.

Once an annual workplan has been approved, EUACI will detail a workplan together with the individual partners. The partner workplan will be used as a basis for the procurement of services to partners as well as the allocation of EUACI own human resources to support individual partners. EUACI will draft needed terms of references, consult the content of these with partners, and start a procurement process in accordance with Danish MFA procurement regulations.

The data from the MEAL process will inform EUACI about the effects of the capacity development work under Intervention Area 2. A summary of these findings will be presented to the steering committee

and inform the next year's capacity development plans and included in the double loop learning process. Partners will thus be invited to participate in joint workshops and learning events by the MEAL team.

The data from the MEAL process will inform EUACI about the effects of the capacity development work under Intervention Area 2. A summary of these findings will be presented to the steering committee and inform the next year's capacity development plans and included in the double loop learning process.

EUACI III will be subject to a mid-term review in 2025, which will also assess progress and options for further improvement in the Intervention Area.

9. Financial Management, planning, and reporting

The support provided in Intervention Area 2 is primarily advisory support and IT support. No funds are channelled to any of the institutions as this is impractical as per Ukrainian law. There are, therefore, no grant agreements with partners. Instead, the outputs have been defined with the partners in the formulation process and the Intervention Area 2 document presented to the major partners. The support is then outlined in an annual workplan with the partners.

With no grant agreement, EUACI is responsible for all financial management and subject to internal MFA audits. To support this, EUACI will also rely on the MEAL data to ensure transparency and accountability of the support provided.

As Intervention Area 2 is direct implementation by EUACI, all procurement undertaken will be in line with MFA guidelines and regulations and follow Danish and Ukrainian law. Annual financial reports of EUACI will be compiled by the Head of Administration and presented to the Executive Committee. This will include a separate section on Intervention Area 2.

10. Risk Management

The risks relevant to Intervention Area 2 are closely aligned with the overall risks of the programme. The risks may be divided into three areas:

- The risks associated with the war – a source of major instability in the next few years. The war escalation may cause relocation of staff.
- Political risks - change in political commitment to promote integrity, accountability, and transparency, also as the result of elections when the war ends. The most likely risk in this group of risks seems to be the inflow of resources in Ukraine for reconstruction increasing the risk for corruption, though with minor impact in case of proper risk response.
- There are some other external risks. Selected regional restoration offices being separate legal entities might be not receptive to anti-corruption efforts which would potentially weaken a link between Intervention Area 2 and 3 and therefore impact of fostering integrity in reconstruction process on the local level.
- Among institutional risks, the most likely is the reputational one, potentially casing shadow on EU or Denmark with any corruption scandal within the supported institutions. There is also a minor risk that the Ministry for Restoration could be split back if persisting in non-prioritising regional policy development in its mandate.

The programme has been designed to address all major risks. First, the programme theory of change is based on EUACI long-term relationship partners and the flexible response mechanisms of the programme, which allows for early warning on potential deviations in mandate and performance.

Reputational risks substantially reduced as plans are in place for prompt reaction and for information activities; should corruption occur. Some other risks can be reduced in the design process.

The context of war is unpredictable and will influence the programme in the next years as well. The programme has been designed so that partners can be supported to mitigate immediate needs stemming from the war. However, the major impacts of the war is beyond the control of the programme.

Annexes:

Annex 1: Partner Assessments

Annex 2: Theory of Change, Scenario and Result Framework

Annex 3: Risk Management

Annex 4: Budget Details

Annex 1: Partner Assessments

As no partners receive grants from EUACI, a capacity assessment is unnecessary. However, to give an overview of the type of partners supported, partner assessments of the two main partners in this intervention area are included in this annex.

Brief presentation of partners

The Ministry of Development of Communities, Territories and Infrastructure of Ukraine (Ministry for Restoration) was established in December 2022 as a result of a merger of the ministries of communities and territories development (Minregion) and infrastructure (Mininfrastructure) and is headed by a vice-prime minister-minister for reconstruction. It is responsible for policy formulation in the area of reconstruction, transport, provision of postal services, local self-government, construction, urban planning and housing, architectural/construction control and supervision, control of housing and communal services, and energy efficiency of buildings. It aims to set the legal framework and maximise digitalisation to simplify the tasks for projects' implementation in restoration for the Agency for Restoration and local authorities. Needs support in assessment of institutional setups, policies, and regulations to set legal and regulatory framework in reconstruction to ensure its compliance with the EU accession and international standards of transparency and accountability.

The State Agency for Restoration and Infrastructure Development (Agency for Restoration) is responsible for the implementation of the country's reconstruction projects. Key areas of responsibility are critical infrastructure, transportation, utility energy, and housing and social infrastructure. The Agency was formed in January 2023 via the merger of two other agencies with good track of successfully completed projects and 24 regional representative offices operating as separate legal entities. The Agency sees major corruption risks at the local level. Key areas of support are sectoral IT products and capacity development of the Agency and its regional restoration offices which will enhance accountability and transparency of planning, prioritization of objects for reconstruction and management of development projects.

Both Ministry and Agency drafted anti-corruption programmes and are committed to foster a culture of integrity within and outside the institutions.

Name of Partner	Core business	Importance	Influence	Contribution	Capacity	Exit strategy
<i>What is the name of the partner?</i>	<i>What is the main business, interest and goal of the partner?</i>	<i>How important is the project/programme for the partner's activity-level (Low, medium high)?</i>	<i>How much influence does the partner have over the project/programme (low, medium, high)?</i>	<i>What will be the partner's main contribution?</i>	<i>What are the main issues emerging from the assessment of the partner's capacity?</i>	<i>What is the strategy for exiting the partnership?</i>
Ministry for Restoration	Policy development in reconstruction, self-government, infrastructure areas Wants to ensure that there is anti-corruption regulatory framework and proper digital tools in place to ensure integrity,	High Ministry is highly interested in improving laws, regulations and policies with international and EU standards of integrity Ministry needs support in coordinating anti-corruption	Medium The capacity strengthening support is provided through the Integrity Support Group. EUACI provides expertise and advisory functions, Ministry – the access and exchange of the information and documents, jointly review the progress of	Enhanced legal and regulatory framework for integrity and transparency of the reconstruction process on national and local level.	Strength: The Ministry is a key policy developing institution in the reconstruction process. Weaknesses: Increased scope of responsibilities with limited capacity to	No special requirements after end of contract.

	<p>transparency and accountability of reconstruction to simplify tasks for the Agency and local authorities</p>	<p>efforts within recovery and suggested EUACI to facilitate the dialogue with donors on integrity</p> <p>In digitalisation, EUACI is one of the partners contributing IT products to the interconnected system of digital tools.</p>	<p>activities being carried out.</p>		<p>perform them effectively, including in translating best practices of integrity and accountability into reconstruction process.</p> <p>Opportunities: Can make a significant impact if results fully materialize.</p> <p>Threats: Vested interests and possible splitting if not performing effectively to its current mandate.</p>	
<p>Agency for Restoration</p>	<p>Implementation of the reconstruction projects</p> <p>Wants to enhance internal control and anti-corruption compliance as well as ensure overall integrity and accountability and transparency of the implementation of the reconstruction process</p>	<p>Low to medium</p> <p>EUACI contributes few experts to the Agency's Capacity Building Office, a group of over 50 consultants covering capacity gap for the Agency.</p> <p>Agency needs capacity building in anti-corruption compliance at the regional offices (piloting in 1-2 offices for possible further replication)</p> <p>Digital products to be developed will be a part in overall system of interconnected IT tools</p>	<p>Medium</p> <p>Agency and EUACI are jointly responsible for ensuring that work plans, budgets and progress reports are prepared and presented in a timely manner to Denmark and EU for its information/approval and possible action, if required.</p>	<p>Improved anti-corruption compliance and usage of digital tools by the Agency and its regional offices ensure greater integrity and accountability of both public and private sector representatives participating in the reconstruction process on national and local level.</p>	<p>Strength: Agency is a key state institution responsible for implementation of the reconstruction projects. Have experience with big projects.</p> <p>Weaknesses: Increased scope of responsibilities with limited capacity to perform them.</p> <p>Opportunities: Can make significant impact by ensuring of integrity of restoration process. Synergy of efforts on local level with integrity cities</p> <p>Threats: Newly established organization</p>	<p>No special requirements after end of contract.</p>

Annex 2: Theory of Change, Scenario and Result Framework

Intervention area 2 is aligned with the State Anti-corruption Programme’s objective “to achieve significant progress in preventing and countering corruption, ensuring the coherence and systemic anti-corruption activities of all state and local self-government bodies, as well as the proper process of Ukraine’s post-war recovery” as well as with the EU-Ukraine Association Agreement which implies extensive regulatory approximation and states that bilateral “cooperation shall address [...] corruption in the private and public sector” (article 22).

The ToC for the third phase in schematic format:

Input	<ul style="list-style-type: none"> - Funding, administration and procurement experience and capacity - Operational (service delivery) capacity (EUACI can undertake actions itself or it can sub-contract) - Human resource, recruitment and vetting experience and capacity - EUACI voice, reputation/legitimacy, convening power and communication capacities - Flexible and agile, adaptive management <p>The above translates into activities such as:</p> <ul style="list-style-type: none"> - Advice on capacity development planning - Legislative advice and drafting - Capacity development of staff - Institutional strategy development - IT equipment and software procurement - Forum for dialogue across institutions and partners
Assumptions	<ul style="list-style-type: none"> - Partners articulate capacity gaps and needs to EUACI so that it can match and leverage its inputs in a timely and efficient manner. - Key partners are committed to upholding anti-corruptions principles and practices as they partner with EUACI - Key partners have a minimum indispensable (baseline) capacity to be able to absorb and benefit from EUACI support
Output	<ul style="list-style-type: none"> - Enhanced national regulatory framework for reconstruction allows partners to implement procurement with enhanced integrity - Improved capacity at regional level to perform with enhanced integrity
Assumptions	<ul style="list-style-type: none"> - Facilitated access to expertise, staffing and infrastructure help ensure business continuity which allows staff to dedicate time and energy to leveraging learning and networking opportunities that will help them better fulfil their tasks and mandates - Enhanced capacity leads to improved performance in accordance with the institutional mandate - Institutions at national and local level pass improved legislation
Outcome	<p>Institutions perform according to their mandate leading to:</p> <ol style="list-style-type: none"> 1) National anti-corruption reconstruction framework in place 2) Reduced number of corruption cases at the regional level
Assumptions and link to strategic objectives	<p>Improved reconstruction framework and capacity at regional level is used to reduce corruption in the reconstruction process contributing to SO3. Improved transparency and accountability of reconstruction efforts enhances corruption reform implementation contributing to SO2. Fighting corruption at local level leads to reduced overall corruption contributing to SO1</p>

EUACI will provide support to strengthen the capacity of the Ministry for Restoration to implement the best practices of accountability, transparency, integrity and good governance regarding the process of recovery and reconstruction and ensure integrity in legislation and regulations in the field of recovery and

reconstruction. Also, it will assist the Agency for Restoration with strengthening the capacity of the regional restoration offices (piloting in 1-2 regions)

The theory of change builds on the understanding that the Ministry for Restoration by setting and implementing a legal and regulatory framework for the integrity of the reconstruction process, as well as the Agency for Restoration with its regional branches by implementing anti-corruption programmes and regional anti-corruption commissioners (officers) by applying their improved knowledge of anti-corruption compliance will influence the behaviour of both public and private sector representatives participating in the reconstruction process on national and local level motivating their greater integrity and accountability and leading to reduced corruption.

EUACI's facilitation of international cooperation dialogue in the integrity of the reconstruction process is expected to harmonise what best practices are in integrity and accountability, leading to the enhancement of anti-corruption efforts in the reconstruction process.

The Intervention Area 2 design builds on the following overall assumptions:

- Partners are committed to promoting transparency and accountability in the field of reconstruction and own the results achieved.
- Partners remain committed to performing according to their mandate.
- EU accession process continues to be a motivator for reform.
- EUACI continues to have the trust of the partners who will continue to participate in joint activities and advocacy work.
- EUACI continues to be the preferred partner in a context where larger programmes enter the anti-corruption scene.

Results framework

The results framework has been developed based on the State Anti-Corruption Programme priorities; partner strategies and workplans; and priorities presented to Denmark by the partners as part of the EUACI III formulation.

The outputs presented below are guiding outputs, and do not capture all results delivered by EUACI in the programme period under Intervention Area 2. Considering the fluid context, the war situation and the regularly emerging opportunities, additional outputs are expected to be developed and implemented during the course of the programme.

Given the special nature of the EUACI being a direct implementer, the results presented are defined as follows (in line with OECD-DAC's definitions): outputs are the full responsibility of EUACI; EUACI contribute to outcomes, but are not solely responsible for achieving these; the EUACI contributes to strategic objectives but their achievements rest on the actions of multiple of actors beyond the control and influence of EUACI.

Results framework for Intervention Area 2:

Outcome 2.0		Improved legal framework promoting the integrity of the reconstruction process of Ukraine
Outcome indicator 2.0		3. Status of regulatory framework promoting integrity of the reconstruction process 4. Status of implementation of anti-corruption programmes and policies by the Regional Offices for Restoration
Baseline	End-2023	3. Basic legal framework for the integrity of restoration process in place 4. N/A

Target	2027	<ul style="list-style-type: none"> 3. Comprehensive legal framework for integrity of reconstruction process adopted and implemented 4. Anti-corruption programmes are implemented by 70% (Accumulated) at 2/3 of the Regional offices for Restoration
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Output 2.1	Empowering the Ministry of Restoration to develop and implement legal and regulatory framework for the integrity of the reconstruction process and donor coordination in support of Ukraine's recovery	
Output indicator	<ul style="list-style-type: none"> 3. No. of documents (draft laws, bylaws, policy documents) processed by the EUACI Integrity Support Group 4. Status of donor coordination in the field of corruption prevention 	
Baseline	2023	<ul style="list-style-type: none"> 3. 2 4. There is no donor coordination mechanism in the field of corruption prevention
Target	2027	<ul style="list-style-type: none"> 3. 20 (Accumulated) 4. Well-functioning donor coordination mechanism in place

Output 2.2	IT products are developed and implemented to promote accountability and transparency of the reconstruction process	
Output indicator	<ul style="list-style-type: none"> 3. Status of the legal framework for the functioning of the relevant IT products needed for the reconstruction process 4. Status of development and implementation of IT products ensuring accountability and transparency of planning / prioritisation of objects / management of reconstruction process 	
Baseline	2023	<ul style="list-style-type: none"> 3. No or outdated legal framework for IT products 4. No IT products ensuring accountability and transparency of planning / prioritization of objects / management of reconstruction process
Target	2027	<ul style="list-style-type: none"> 3. Legal framework for relevant IT products developed 4. The IT products are fully operational

Output 2.3	Strengthened procurement capacity of the Regional Offices for Restoration	
Output indicator	Status on policies on procurement for regional offices developed	
Baseline	2023	None
Target	2027	Policies on procurement for regional offices are developed

Output 2.4	Pilot implementation of anti-corruption and integrity policies of regional restoration offices (branches)	
Output indicator	No. of regional branches piloted	
Baseline	2023	N/A
Target	2027	No less than 2

* *Accumulated*

Annex 3: Risk Management

Risk Factor	Likelihood	Impact	Risk response	Residual risk	Background to assessment
War in Ukraine will limit or prevent institutions from operating effectively on central and regional level	Likely	Significant	The EUACI will be highly flexible in its activities to meet political, economic and contextual changes, building on lessons learned from EUACI II.	Risk reduced, but security risks remain – can be acted upon by close monitoring.	The war in Ukraine can cause a number of risks and constraints for the state institutions and its regional branches, from power outages and lack of water supply to reduced funding and staff shortages due to evacuation or mobilisation to the army.
Inflow of resources in Ukraine for reconstruction increasing the risk for corruption	Likely	Major	EUACI is supporting the Ministry for Restoration and the Agency for Restoration to design and apply policies, laws and regulations that promote transparency, accountability as well as participation in the reconstruction process.	Risk reduced, but residual risk remain.	With weak anti-corruption system in place at local level, and several donors considering supporting reconstruction efforts in the in the country, corruption could proliferate.
The Ministry for Restoration and the Agency for Restoration lack political commitment to foster integrity into policy formation and projects' implementation in reconstruction	Less likely	Major	Having integrity in reconstruction process a priority for the country could facilitate the EU accession and inflow of much needed donor funds and private investments. EUACI will put this forward when working with partners from the government. However, budget difficulties and vested interest can still have an impact on the progress that can be achieved.	Risk reduced. The country has been forward moving in increasing anti-corruption reforms even before the war.	Considering the war in the country and associated pressing and urgent issues, the government bodies can be less committed to anti-corruption reform and implementation of the SACP.
Regional level reconstruction institutions not receptive to A/C efforts	Unlikely	Major	Ensure that regional level support is designed together with the recipient partners to enhance ownership	Risk reduced	Regional level not accustomed to capacity development within anti-corruption
Poor performance of institutions supported, not fully compliant with the mandate and/or not performing	Unlikely	Significant	EUACI works in close relations with partners, allowing for early warning on potential deviations in mandate and performance. In case of Restoration Ministry's organisational transformation as a result of political decision, the programme will communicate the	Risk reduced due to close relationships and dialogue. However residual risk remains. The programme may at times consider pausing collaboration.	Some institutions supported in the past have been defunct due to changes in legislation or poor leadership often linked to the political economy situation in the country. The Ministry for Restoration has been criticised for non-prioritising regional

			importance of results ownership and commitment for fostering integrity in reconstruction with relevant body/bodies		policy track for quite long time which may create the risk of splitting.
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Annex 4: Indicative budget details

The budget is a sub-budget heading derived from the overall budget heading ‘activities’ in the main programme document. The distribution between outputs is based on assessed and interviews with the two partners.

Budget in DKK

	2024	2025	2026	2027	Total DKK
<i>- Outcome 2: Reconstruction (total)</i>	3540000	5500000	5500000	1200000	15740000
<i>Output 2.1: Empowering the Ministry of Reconstruction to develop and implement legal and regulatory framework for the integrity of the reconstruction process and donor coordination in support of Ukraine’s recovery</i>	955800	1485000	1485000	324000	4249800
<i>Output 2.2: IT products are developed and implemented to promote accountability and transparency of the reconstruction process</i>	1416000	2200000	2200000	480000	6296000
<i>Output 2.3: Strengthened procurement capacity of the Regional Offices for Restoration</i>	460200	715000	715000	156000	2046200
<i>Output 2.4: Pilot implementation of anti-corruption and integrity policies of regional restoration offices (branches)</i>	708000	1100000	1100000	240000	3148000

There will be four months of implementation in 2027. From 1 January to 30 June 2024, the institutions will also be supported through EUACI phase II. A transition plan will be developed by EUACI early-2024.

EUACI III Intervention Area 3 project document: Integrity of Reconstruction in Cities

1. Introduction

This document describes the theory of change, the support provided, and management of this support by EUACI for Intervention Area 3 under EUACI III. As there are no grant agreements in Intervention Area 3, there are no individual project documents. Instead, this joint project document describes the support provided to the cities as a guide to EUACI III in the implementation of the support. The document is developed based on consultations with the existing cities and EUACI staff.

2. Documentation

The following documents are used as background for this project document:

- The National Anti-Corruption Strategy for Ukraine 2021-2025
- The State Anti-Corruption Programme 2023-2025
- Development Engagement Documents, EUACI Phase II
- EUACI progress reports
- Municipal Integrity Plans
- The European Commission's Opinion on Ukraine's application for membership, June 2022
- The EU mid-term review of the EUACI, November 2022

3. Context, strategic considerations, rationale, and justification

The EUACI introduced the concept of Integrity Cities (ICs) as part of the first phase of the programme in 2017. The area concerns selected city administrations that prioritise and actively work towards promoting integrity, transparency, and anti-corruption measures within their jurisdictions. The concept aims to create model cities that serve as examples for other regions in combating corruption and promoting good governance.

Initially, there were five ICs (Zhytomyr, Mariupol, Chernivtsi, Chervonohrad, and Nikipol). After the war the five cities were accompanied by Mykolaiv. The ICs were also given a prominent role in the reconstruction efforts after the Russian invasion with special attention paid to Mykolaiv where Denmark has been requested to take a leading role supporting the rebuilding of the city and the humanitarian aspects related to these efforts.

ICs receive support and guidance from the programme to implement a wide range of anti-corruption initiatives and strategies. This includes assistance in developing and implementing comprehensive Municipal Integrity Plans (MIP), establishing effective governance structures, enhancing transparency in public administration and promoting citizen engagement in decision-making processes.

After the Russian invasion the programme has been updated and the reconstruction efforts now have a decisive role in contributing the programme's objectives. This will also be the case in the next phase where the reconstruction efforts will be the litmus test as to the integrity measures in the cities (and at the national level). The reconstruction has to be successful in terms of the challenges Ukraine is facing and as a way of legitimising the considerable support to Ukraine. To that effect, the ICs will be a key arena for demonstrating best practices in the reconstruction efforts. The efforts should be closely aligned to intervention area 2 and coordinated with the Ministry of Restoration and the Agency of Restoration to ensure synergies and avoid overlap.

In phase II, the IC concept included both a supply- and demand side. The supply-side evolved around the city administrations to introduce and work with some of the above-mentioned interventions to enhance integrity. The demand side focused on supporting CSOs, independent media and private sector

initiatives. The supply- and demand side have worked in parallel and not as complementary towards the same objective as originally envisioned. At the same time, it is recognised that the demand side capacity is limited in many of the existing integrity cities and consequently the focus could be more specifically on the supply side in the next phase. To that effect, local CSOs and media will be supported under intervention area 4.

The programme will continue to roll-out the support in selected integrity cities across Ukraine to introduce and further grow existing interventions that enhance integrity at the local level. At this stage the final list of cities has not been completed. However, the programme has an ambition to contribute more to the war affected cities and will therefore adopt a strategy for phasing out of existing cities and for selecting and phasing into new cities. The situation in Ukraine changes constantly, and it is important to ensure that the project is able to respond to the changing needs.

The programme will introduce an annual process where existing and potential new cities are carefully reviewed in order to determine whether the cooperation can be phased out, reduced, enhanced or introduced (in a new city). For existing cities, this review process will be based on the latest corruption risk assessment and the MIP to assess whether the city has come sufficiently far to be phased out or whether further efforts are needed.

In terms of potential new cities, the review process will also include, if available, any corruption risk assessments, MIP or equivalent documentation. Additionally, the selection process will factor in the level of digitalisation in the potential city, its governance structure (e.g. dependence on Municipal Owned Enterprises), integrity rating, size, synergies with other EU programmes, and a specific needs assessment to reflect whether the needs match the comparative strengths in the IC approach. An important element of this needs assessment will be the reconstruction efforts required, which is a strategic priority for the programme, and which is also closely aligned with intervention area 2.

It is expected that the cities that could be phased out would be Chernivtsi, Chervonohrad and Zhytomyr as they did not suffer as serious destruction compared to the other cities. The revised selection of cities will be suggested by the EUACI programme and approved by the Steering Committee. It is expected that this process will start during the first year of programme implementation.

The so-called integrity city toolbox was originally developed as part of the first phase and has been revised and updated since. It is also worth noting that not all tools apply to all cities and that some cities have advanced further than others.

The ICs have conducted Corruption Risk Assessments (CRA), and each city has developed a MIP. The MIP has outlined key activities for each city to prioritise and highlights areas where the programme could help. The MIPs are still considered relevant as guiding documents for the cities and the support from the programme during the third phase. There may be a need to update existing MIPs.

In connection with previous efforts key outputs for the third phase may include two overall categories of interventions, and also specific efforts for Mykolaiv, which could be duplicated in other war-affected cities, if relevant:

IT projects for accountability at the municipal level:

- Further development of an E-reception hall for Nikopol and eventually for Mariupol and Mykolaiv. This activity is being developed as part of phase II where citizens can communicate with the city authorities in an efficient and timesaving form without being physically present at

the mayor's office. City authorities are equipped with a tool for effective response to citizen appeals and maintaining regular communication channels with the local community.

- Capacity building for city administration in working with the geospatial data in Geographic Information System (GIS) in each city. The GIS is operational at varying degrees in all ICs. The GIS aims to capture, store, analyse, manage, and present all types of spatial or geographical data.
- Development and implementation of public analytical modules and dashboards regarding the functioning of communal enterprises. This will ensure accountability and transparency in the work of communal enterprises that provide critical services for citizens and are key objects for fast recovery and reconstruction.
- Development and implementation of a monitoring system for independent technical supervision at communal construction objects.

Capacity building projects to minimise corruption risks:

- Enhanced capacities for strategic planning and monitoring related to integrity as expressed in the MIPs.
- Development and implementation of an internal audit and control mechanism, monitoring of international aid in each city administration. There is a need to strengthen the monitoring function locally to track public spending in particular in relation to reconstruction projects, and public procurement and to ensure aid efficiency.
- Integrity assessments and implementation of elements of corporate governance of public utility companies/Municipal Owned Enterprises. Some of the city administrations have already conducted assessments in the water supply sector, medical institutions to enhance the control mechanism of public expenditure in Municipal Owned Enterprises. These integrity assessments will be continued in all cities and in more sectors with the implementation of corporate governance elements for minimizing corruption risks and supplemented by other relevant sources and intelligence on Municipal Owned Enterprises.
- Establishment and development of Integrity Support Offices at city administrations in the three cities and potential new cities. The offices should consist of long-term and short-term consultants and provide support for project implementation, monitoring and coordination of international assistance, and communication with residents.
- Communication. The programme will continue and enhance support to communication efforts in the city administration as a way of communicating key achievements to the citizens and key partners.
- Thematic visits. The programme will facilitate relevant thematic visits (i.e. to Denmark and potentially other EU countries) for the mayor and key staff from the cities to enhance their planning capabilities in alignment with other suitable programmes.

Special efforts and attention are provided for cooperation with the Mykolaiv City Council and its administration to strengthen the partnership between Mykolaiv and Denmark and minimize corruption risks in reconstruction. The key outputs for Mykolaiv are expected to be:

- Expansion of the Integrity Support Office attached to the city administration.
- Development and implementation of the training course for public servants "Integrity reconstruction at the municipal level".
- Strengthening the mechanism of internal audit and control, monitoring of international aid.
- Implementation of the mechanism of independent technical supervision of communal construction objects.
- Providing integrity assessments, development of risk minimization plan and implementation of elements of corporate governance of MoE (central heating and public transport).

- Development and digitization of the internal system of budgeting, asset accounting and contracting with the development of a public dashboard. This process started with the support of EUACI but covers only some of the departments of the city administration.
- Development and implementation of the “Mykolaiv Digital” application to ensure convenient accountability and communication of the city administration to residents.
- Strengthening the capacity of the city administration to work with geospatial data.
- Conducting a sectoral assessment of corruption risks with a focus on infrastructure and reconstruction.
- Further development and implementation of the Municipal Integrity Plan.

Also, special efforts should be made to disseminate the best practices of integrity reconstruction and integrity tools at the national level. To this end, it is planned to hold separate events with the participation of representatives of the Ukrainian government, develop and disseminate successful cases based on the example of Mykolaiv, and advocate for changes in the legislative framework or the introduction of new standards.

While the above outputs are distinctively linked to each IC, intervention area 3 is also in itself a platform facilitated by EUACI for all the ICs. Interaction and sharing of experiences between the cities are already taking place to some extent, but it is also expected that new cities will be supported by the programme and that others will be phased out. The new cities have not been identified yet, but it is expected that the new cities will be close to the frontline and that the cities could have synergies with other EU programmes (such as U-LEAD), if relevant.

In order not to leave former ICs behind and to ensure that the lessons learned are transferred to the next generation of ICs, a more formal network of ICs will be established going forward.

The war in Ukraine has brought challenges to the decentralisation process. The Martial Law is seen as a necessity in the current situation, but it does put limitations on the local mandate and available resources. At the same time the local self-government is expected to deliver services to the citizens in need and to an increasing number of IDP. The effectiveness of the city administration is therefore seen as crucial both in terms of immediate needs but also in relation to the reconstruction efforts, which need a distinct anti-corruption focus.

The local self-government faces a range of financial, political, and war-related challenges, which EUACI will also address to help them stay resilient in a still more challenging context.

All the intervention areas will need to have a flexible and responsive approach as also envisaged in Doing Development Differently (DDD) and the Aid Management Guidelines (AMG). The context within anti-corruption is in constant flux, with new opportunities emerging as well as unforeseen setbacks as a result.

The intervention area is guided by a gender conscious approach and the programme will strive towards a gender balanced team of advisors to the city mayors. Likewise, the programme will consider the gender balance in the training activities offered and discuss the selection process with the city administration. These efforts will also receive special attention in EUACI’s communication strategy.

The intervention area also rests on the principle of “Leave No One Behind” (LNOB). The Integrity Cities approach rests on identifying the cities in need for further integrity support and the city selection will aim at supporting more war affected cities as part of the third phase. In practice, the programme will consider how the implementation of the integrity city toolbox can ensure a democratic approach where

all citizens can be involved and informed about new services. This applies for electronic services where certain citizens may have difficulties in accessing these.

4. Theory of change and key assumptions

The theory of change (ToC) is based on the importance of supporting integrity efforts at the local level. This applies to both the overall governance at the city administration and in relation to the reconstruction efforts that are being implemented locally.

EUACI has clearly defined the Integrity City concept and the implementation and results have already come far in the existing cities. EUACI has supported the cities in many aspects ranging from facilitating the process for conducting CRAs and subsequent MIP to contributing to an enhanced digitalisation in the services provided by the cities in relation to e-reception hall and the geoportals, as well as enhancing the capacity of the administration overall.

Some of the main results from the second phase of the programme are the following:

- The project has supported the implementation of the Municipal Integrity Plan in all ICs.
- The project has supported the launch and development of Geo-Portals with different modules in all cities.
- The project has implemented and is developing the E-Reception Hall concept in four cities (Chernivtsi, Chervonohrad, Zhytomyr and Nikopol).
- The project has supported Integrity Assessments and development, implementation of Risk Minimization Plan in communal water supply companies, hospitals, communal public transport company and communal road management company
- The project has developed and supported the implementation of the special mechanism of monitoring international aid by the Department of internal audit and Control of Mykolaiv city administration
- Establishment of the Integrity Support Office in Mykolaiv City administration

As a result of the war the assumption is that these efforts can be replicated to other cities and further address the needs of cities in more war affected areas (e.g. ensuring integrity in their reconstruction efforts).

The ToC for the third phase in schematic format:

Input	<ul style="list-style-type: none"> - Funding, administration and procurement experience and capacity - Operational (service delivery) capacity (EUACI can undertake actions itself or it can sub-contract) - Human resource, recruitment and vetting experience and capacity - EUACI voice, reputation/legitimacy, convening power and communication capacities - Flexible and agile, adaptive management <p>The above translates into activities such as:</p> <ul style="list-style-type: none"> - Advice on capacity development planning - Legislative advice and drafting - Capacity development of staff - Institutional strategy development - IT equipment and software procurement - Forum for dialogue across institutions and partners
Assumptions	<ul style="list-style-type: none"> - Partners articulate capacity gaps and needs to EUACI so that it can match and leverage its inputs in a timely and efficient manner.

	<ul style="list-style-type: none"> - Key partners are committed to upholding anti-corruptions principles and practices as they partner with EUACI - Key partners have a minimum indispensable (baseline) capacity to be able to absorb and benefit from EUACI support
Output	- Enhanced transparency and accountability framework and capacities in cities provides basis for risk reduction in city reconstruction work
Assumptions	<ul style="list-style-type: none"> - Facilitated access to expertise, staffing and infrastructure help ensure business continuity which allows staff to dedicate time and energy to leveraging learning and networking opportunities that will help them better fulfil their tasks and mandates - Enhanced capacity leads to improved performance in accordance with the institutional mandate - Institutions at national and local level pass improved legislation
Outcome	<ol style="list-style-type: none"> 1) Enhanced transparency and accountability of reconstruction work at integrity city level 2) Increased citizen access to transparent and accountable services
Assumptions and link to strategic objectives	Improved integrity in city management and reconstruction processes will lead to reduced corruption at city level contributing to a reduction in the overall level of corruption and SO1, reduced corruption in the cities will have specific attention to reducing corruption in reconstruction contributing to SO3. Improved transparency and accountability of reconstruction efforts at the city level enhances reform implementation contributing to SO2.

The support will be provided to capacitate key functions in the city administrations in close dialogue with the mayor and the administration to understand their needs and being able to respond fast and in a flexible manner. It is assumed that this will enhance the integrity of the local self-government overall and in the reconstruction process specifically.

The third phase will also pay more attention to how the activities and results are communicated internally and externally through capacity development and consultancy advice on communication efforts aligned with the activities within the integrity cities network and with other partners at the national level (e.g. the Agency of Restoration).

The Intervention Area 3 design builds on the following overall assumptions:

- The local self-government of the ICs remains committed to measures enhancing integrity and transparency.
- There is a willingness at both the central and local level to ensure transparency and supervision of the reconstruction process.
- EUACI continues to participate in joint activities with other cities and at national level.
- Capacity development allows for needed long-term structure as well as flexibility to emerging opportunities without administratively overburdening the administration and the EUACI Office.
- Good practices from the ICs will be replicated to other cities and ultimately to the national level. It is expected that the available budget for this intervention area will allow for approximately the same number of cities after the phasing out/in have been carried out.
- EUACI continues to be the key partner for the selected cities in a context where more donors are entering the scene.
- Donors continue to coordinate their efforts at the local level (e.g. U-LEAD).

5. Intervention area key activities

Intervention Area 3 focuses on capacity building activities and the further implementation of the integrity cities toolbox in existing and in new cities that have not yet been selected. Additionally, the existing toolbox is supplemented with new concepts and priority areas, which should be considered in the support for the coming phase.

Intervention Area 3 is closely linked to Intervention Area 2 and the reconstructions efforts provided at the national level, and all four intervention areas respond to the same strategic objectives for the programme as a whole. Six interlinked outputs will be produced in support of this (see next section).

The support to capacity development concerns current capacity needs as well as the needs emerging from the continued implementation of the IC tools (e.g. geoportal, E-Reception Hall etc.).

None of the cities supported will receive funding directly from EUACI (or any other entity beyond the Government of Ukraine). Instead, EUACI has designed a package of capacity support that can be applied to the partner according to needs and priorities and the level of contribution to the programme's strategic objectives.

The support is provided based on identified needs of the institutions through needs assessments as well as unexpected emerging needs from the war situation or sudden changes in the political economy. Types of support provided include:

- Training of administrative and professional staff.
- Development and implementation of complex IT solutions
- Integrity City toolbox (GeoPortal, CRA, E-Reception Hall)
- Implementation of Municipal Integrity Plans
- Strengthening internal audit and control mechanisms
- Integrity assessments of Municipal Owned Enterprises and implementation of corporate governance elements
- Establishment and development of Integrity Support Offices in war-affected cities
- Advocacy of best practices for integrity reconstruction
- Participation in conferences and study tours
- Support to communication
- Promoting awareness and citizen engagement

To stimulate cooperation, EUACI will serve as a platform for interaction between the cities to support a network of ICs. However, it should be considered how this network can be sustainable and owned by the cities themselves.

6. Results framework EUACI III Intervention Area 3: Integrity Cities

The results framework has been developed based on consultations with the existing ICs (Mykolaiv, Nikopol, Chernivtsi and Mariupol) and the relevant EUACI staff.

The outputs presented below are guiding outputs, and do not capture all results delivered by EUACI in the programme period under Intervention Area 3. Considering the fluid context, the war situation and the regularly emerging opportunities, additional outputs are expected to be developed and implemented during the course of the programme.

Given the special nature of the EUACI being a direct implementer, the results presented are defined as follows (in line with OECD-DAC's definitions): outputs are the full responsibility of EUACI; EUACI contribute to outcomes but are not solely responsible for achieving these; the EUACI contributes to strategic objectives but their achievements rest on the actions of multiple actors beyond the control and influence of EUACI.

Programme Title		EUACI III – Intervention Area 3: Integrity Cities.
Outcome 3.0		Enhanced level of integrity and transparency in the Integrity Cities.
Outcome indicator 3.0		1. Score/rank in the 1) Transparent Cities Rating/ 2) Index of digital transformation of Ukrainian cities. 2. Status of implementation of Municipal Integrity Plans in Integrity Cities.
Baseline	2021	1.1. Mykolaiv – N/A. 1.2. Nikopol – N/A. 1.3. Zhytomyr - Partially transparent city category in TC Assessment. The level of indicator implementation by the city council ranges from 50% to 74%. 1.4. Chervonohrad - Partially transparent city category in TC Assessment. The level of indicator implementation by the city council ranges from 50% to 74%. 1.5. Chernivtsi - Partially transparent city category in TC Assessment. The level of indicator implementation by the city council ranges from 50% to 74%. Baselines for new cities to be added once identified. 2. Integrity Cities developed, approved and implemented Municipal Integrity Plans (except Mykolaiv and Mariupol).
Target	2027	1.1. Mykolaiv – prospective digital maturity level or higher in Index of digital transformation of Ukrainian cities/ transparent city category in TC Assessment. 1.2. Nikopol - prospective digital maturity level or higher in Index of digital transformation of Ukrainian cities/transparent city category in TC Assessment. 1.3. Zhytomyr - transparent city category or 15% improvement in scores. in TC Assessment/prospective digital maturity level or higher in Index of digital transformation of Ukrainian cities. 1.4. Chervonohrad - transparent city category or 15% improvement in scores in TC Assessment/ prospective digital maturity level or higher in Index of digital transformation of Ukrainian cities. 1.5. Chernivtsi – transparent city category or 15% improvement in scores in TC Assessment/ prospective digital maturity level or higher in Index of digital transformation of Ukrainian cities. Baselines for new cities to be added once identified. 2. Integrity Cities have passed 2 new full cycles of MIP updating, approving and implementation for at least 90%.

Output 3.1		Increased transparency and improved access to digital services.
Indicator		1) No. of citizens accessing services through e-reception hall. 2) City administration capacity to work and display the geospatial data in the Geographic Information System (GIS) without EUACI support.
Baseline	2023	1) N/A. 2) Limited capacity to update and utilise the data in the GIS.
Target	2027	1) 25% increase from 2024. 2) 5 Integrity Cities have the capacity to update and use geospatial data.

Output 3.2		Minimization of corruption risks in Communal Enterprises of critical infrastructure.
Indicator		1. Number of integrity assessments and risk minimization plans carried out in Integrity Cities. 2. Status of public analytical modules and dashboards about functioning communal enterprises.

Baseline	2023	1) 6 integrity assessments conducted and risk minimization plans developed in Integrity Cities. 2) Public analytical modules and dashboards about functioning communal enterprises are not developed and implemented.
Target	2027	1) at least 12 integrity assessments conducted and risk minimization plans developed in Integrity Cities. 2) 12 public analytical modules and dashboard about functioning communal enterprises are fully developed and implemented.

Output 3.3	Improved monitoring and supervision of reconstruction projects.	
Indicator	Status of monitoring system for independent technical supervision at communal construction objects.	
Baseline	2023	Independent technical supervision at communal construction objects and monitoring system does not function on appropriate level.
Target	2027	Independent technical supervision for communal construction objects and monitoring system implemented and function on appropriate level, verified through technical assessment.

Output 3.4	Enhanced capacities for strategic planning and monitoring related to integrity as expressed in the MIPs.	
Indicator	1. Status of conducting CRA in Integrity Cities. 2. Status of implementation of MIP.	
Baseline	2023	1. One circle of conducting CRA in 4 Integrity Cities. 2. Integrity Cities developed, approved and implemented Municipal Integrity Plans (Except Mykolaiv and Mariupol).
Target	2027	1. Two cycles of conducting updating CRA in Integrity Cities. 2. Integrity Cities have passed 2 new full cycles of MIP updating, approving and implementation for at least 90%.

Output 3.5	Establishment of internal audit and control departments.	
Indicator	Status of internal audit and control department in Integrity Cities.	
Baseline	2023	The functioning of internal audit and control does not meet international standards.
Target	2027	The functioning of internal audit and control meets international standards.

Output 3.6	Developing and replication of the best practices for integrity reconstruction based on Mykolaiv experience.	
Indicator	Status of best practices.	
Baseline	2023	2 best practices developed.

Target	2027	10 best practices developed and 4 replicated in 4 cities.
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7. Indicative budget for outcome 3

The budget presented below is indicative for outcome 3. The budget comprises sub-headings to the overall activities budget line in the main programme document. The indicative budget is aligned with the major output areas under Intervention Area 3. City needs differ according to the scope of the mandate, existing capacity, and needs identified. EUACI will allocate support across cities according under each output area as agreed with the specific cities.

Intervention Area 3 indicative budget for EUACI in DKK

	2024	2025	2026	2027	Total DKK
<i>- Outcome 3: City level integrity in reconstruction (total)</i>	3540000	5500000	5500000	1200000	15740000
<i>Output 3.1: Increased transparency and improved access to digital services.</i>	1062000	1650000	1650000	360000	4722000
<i>Output 3.2: Minimization of corruption risks in Communal Enterprises of critical infrastructure</i>	708000	1100000	1100000	240000	3148000
<i>Output 3.3: Improved monitoring and supervision of reconstruction projects</i>	354000	550000	550000	120000	1574000
<i>Output 3.4: Enhanced capacities for strategic planning and monitoring related to integrity as expressed in the MIPs</i>	531000	825000	825000	180000	2361000
<i>Output 3.5: Establishment of internal audit and control departments</i>	531000	825000	825000	180000	2361000
<i>Output 3.6: Developing and replication of the best practices for integrity reconstruction based on Mykolaiv experience</i>	354000	550000	550000	120000	1574000

In addition to the budget outlined above, the overall EUACI III programme have a pool of unallocated funds which could also be utilised for this intervention area (see main programme document).

8. Institutional and Management arrangement

Intervention Area 3 will be implemented as described in the main programme document. Decision on funding and reallocation of funds are suggested by EUACI and endorsed by the Executive Committee. This includes decisions on new cities prioritised under Intervention Area 3.

The implementation of Intervention Area 3 is guided by a EUACI Team Leader, who will also manage Intervention Area 2. Each city will have special advisors to the major to ensure a smooth daily implementation of the agreed plans and to take stock of the needs in each city and how these change over time.

Each year, EUACI will hold consultations with partners to assess their capacity development needs in accordance with their strategic plans and align this with overall Ukraine anti-corruption needs as expressed in policies and strategies as well as EUACI's assessment. Once agreed, EUACI will draft a budget allocation formula separating support level by partner based on institutional capacity and needs for the coming year to be approved by the Executive Committee no later than February.

Other opportunities and needs may emerge during the year and EUACI will respond to these based on a needs assessment by EUACI experts and presented to the Executive Committee for approval if the allocation exceed EUR 30,000.

Area 3 funds will be reassessed and prioritised to cities on an annual basis based on MEAL data.

Once an annual workplan has been approved, EUACI will detail a workplan together with the individual city. The city workplan will be used as a basis for the procurement of services to cities as well as the allocation of EUACI own human resources to support individual cities. EUACI will draft needed terms of references, consult the content of these with partners, and start a procurement process in accordance with MFA procurement regulations.

The data from the MEAL process will inform EUACI about the effects of the capacity development work under Intervention Area 3. A summary of these findings will be presented to the Steering Committee and inform the next year's capacity development plans and included in the double loop learning process. Cities will thus be invited to participate in joint workshops and learning events by the MEAL team.

EUACI will use data provided by the Intervention Area 3 cities and the MEAL team data and reports to produce bi-annual reports on progress for the Intervention Area to be presented to the Executive Committee and the Steering Committee. This data will also be used for internal reporting in the MFA FMI system.

EUACI III will be subject to a mid-term review in 2025, which will also assess progress and options for further improvement in the Intervention Area.

9. Financial Management, planning, and reporting

The support provided in Intervention Area 3 is primarily capacity building, advisory support to the city and IT support. No funds are channelled to any of the institutions. There are therefore no grant agreements with partners. Instead, the outputs have been defined with the partners in the formulation process. The support is then outlined in an annual workplan with the partners.

With no grant agreement, EUACI is responsible for all financial management and subject to internal MFA audits. To support this, EUACI will also rely on the MEAL data to ensure transparency and accountability of the support provided.

As Intervention Area 3 is directly implemented by EUACI, all procurement undertaken will be in line with MFA guidelines and regulations and follow Danish and Ukrainian law. Annual financial reports of EUACI will be compiled by the Head of Administration and presented to the Executive Committee. This will include a separate section on Intervention Area 3.

10. Risk Management

The risks relevant to Intervention Area 3 are closely aligned with the overall risks of the programme. The risks may be divided into three main areas:

- Political risks. The cities depend on a positive working environment where the Mayor and the city council are aligned towards the same priorities. They also depend on a political willingness to continue the transparency track with increased digital solutions and open communication. Part of this is also that the citizens remain interested and that they embrace the new digital solutions.
- Reputational risks. The increased funding and attention Ukraine is receiving particularly after the war is also a challenge and there is a risk of duplication of efforts from the international partners and mismanagement of funds as a result of emergency needs and more risk willingness.
- The ongoing war has multiple effects on the operations of the integrity measures in the cities. An escalation of the war in a negative direction may further impact the work of the local administration. This may include sudden lack of access to electricity and water; staff being

recruited for the army leaving the institutions with less capacity; or a further reduction of state budget funds for the institutions.

The programme has been designed to address all three major risks. First, the programme theory of change is based on EUACI close relations to partners, which allows for early warning on potential deviations in mandate and performance. The programme emphasis on serving as a platform for dialogue across the institutions and cities supported will also serve as a means of keeping the institutions on track with the support to the Integrity Cities.

Second, the suggested intervention does entail more control measures at the local level to handle the increased funding and supervision of reconstruction projects. The programme also needs to take stock of new donors entering or existing donors enhancing their efforts (e.g. increased focus on integrity measures by U-LEAD).

The context of war is unpredictable and will influence the programme in the next years as well. The programme has been designed so that partners can be supported to mitigate immediate needs stemming from the war. However, the major impact of the war is beyond the control of the programme.

Annexes:

Annex 1: Partner Assessments

Annex 2: Theory of Change, Scenario and Result Framework

Annex 3: Risk Management

Annex 4: Budget Details

Annex 1: Partner Assessments

As no partners receive grants from EUACI, a capacity assessment is not required. However, to give an overview of the type of partners supported, partner assessments of selected integrity cities are included in this annex.

1. Brief presentation of partners

Integrity cities: Five integrity cities (Zhytomyr, Mariupol, Chernivtsi, Chervonohrad and Nikopol) have been supported since the first two phases of the EUACI programme and these five cities were accompanied by Mykolaiv during the second phase. The cities were originally selected from a long-list of cities based on geographic, demographic, programmatic and existing capacity criteria, gathered from the EUACI. The final selection was based on the cities' performance in four different rankings:

1. The Third Annual Ukrainian Municipal Survey conducted upon request of International Republican Institute
2. Transparency International Ukraine - Transparent Cities
3. Hromadskyi Kontrol (Civic Oversight, based on the data from an analytical module of Prozorro in order to identify the most 'attractive' cities in terms of conducting business with authorities)
4. Ukrainian Center for Independent Political Research (UCIPR). The rating was prepared based on the analysis of the legislation of the local city councils (bylaws, statutes, regulations, etc.) - to what extent it complies with the requirements of anti-corruption laws.

The city of Mykolaiv was added after the Russian invasion as Denmark was granted a specific role and mandate to support the rehabilitation of Mykolaiv.

2. Summary of partner capacity assessment

Since the beginning of the war with Russia, the political and economic situation has been heavily impacted by the conflict (see Annex 1). The Ukrainian economy has suffered from a high inflation rate reaching more than 26% and a 30% decline in its GDP in 2022. Ukraine is facing a major humanitarian crisis with more than 5,9 million people displaced internally and 8 million Ukrainian refugees who fled to neighbouring countries. Currently, 18 million Ukrainians are in need of humanitarian assistance. Since 24 February 2022, the country is ruled under the martial law and the capacities of public institutions at the national and local level has been restricted both in terms of personal and state funding, currently turned towards a war economy.

The ongoing war has heavily affected the Integrity Cities of the programme as they are deeply involved in the reconstruction process which is also enhancing corruption risks. Hence, the programme needs to adapt, develop and refine its existing measures and its selection of integrity tools.

Among others, considering the mayor's vision to fight corruption, Mykolaiv will constitute the main city testing these tools in order to replicate them in other cities over times.

3. Summary of key partner features

Name of Partner	Core business	Importance	Influence	Contribution	Capacity	Exit strategy
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<p>Integrity Cities (Mariupol, Nikopol and Mykolaiv)</p>	<p>The programme engages with six integrity cities through the city administration. All city administrations have expressed a genuine interest in enhancing the integrity agenda in the cities.</p> <p>Interest: Enhancing the integrity and transparency of the city administrative operations (e.g. digitalisation).</p> <p>Goal: Restrain and fight corruption at the local level.</p>	<p>High.</p> <p>The engagement is important for the city administrations and can be utilised to improve the image of the cities and deliver more value for money for the citizens.</p> <p>Improve cities' integrity tools, donor coordination and reconstruction as a result of the war.</p>	<p>High.</p> <p>The city administrations will lead the engagement and ensure that planned implemented activities will contribute as effectively as possible to the development engagement outcomes.</p> <p>The city administrations and the EUACI are jointly responsible for ensuring that work plans, budgets and progress reports are prepared and presented in a timely manner to the EC for its information/approval and possible action, if required.</p>	<p>Enhanced integrity and transparency at the local level to inspire and replicate in other cities.</p>	<p>Strength: The city administrations are key and an integrated part of Ukraine's response to corruption.</p> <p>Weaknesses: Relatively inexperienced in working strategically with integrity issues. Limits to its capacity to manage communal enterprises.</p> <p>Opportunities: Can make a significant impact if reforms and results fully materialize.</p> <p>Mykolaiv will lead to the test of integrity tools in order to replicated them in other cities.</p> <p>Threats: Interference from oligarchs and conflicts of interests between mayors and deputy mayors.</p> <p>Range of financial, political, and war-related challenges including lack of access to electricity and water.</p>	<p>EUACI is focusing on improving the performance of institutions that will last beyond the programme period.</p> <p>No special requirements after end of contract. State funding remains.</p>
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Annex 2: Theory of Change and Result Framework

The theory of change (ToC) is based on the importance of supporting integrity efforts at the local level. This applies to both the overall governance at the city administration and in relation to the reconstruction efforts that are being implemented locally.

EUACI has clearly defined the Integrity City concept and the implementation and results have already come far in the existing cities. EUACI has supported the cities in many aspects ranging from facilitating the process for conducting CRAs and subsequent MIP to contributing to an enhanced digitalisation in the services provided by the cities in relation to e-reception hall and the geoportals, as well as enhancing the capacity of the administration overall.

Some of the main results from the second phase of the programme are the following:

- The project has supported the implementation of the Municipal Integrity Plan in all ICs.
- The project has supported the launch and development of Geo-Portals with different modules in all cities.
- The project has implemented and is developing the E-Reception Hall concept in four cities (Chernivtsi, Chervonohrad, Zhytomyr and Nikopol).
- The project has supported Integrity Assessments and development, implementation of Risk Minimization Plan in communal water supply companies, hospitals, communal public transport company and communal road management company
- The project has developed and supported the implementation of the special mechanism of monitoring international aid by the Department of internal audit and Control of Mykolaiv city administration
- Establishment of the Integrity Support Office in Mykolaiv City administration

As a result of the war the assumption is that these efforts can be replicated to other cities and further address the needs of cities in more war affected areas (e.g. ensuring integrity in their reconstruction efforts).

The ToC for the third phase in schematic format:

Input	<ul style="list-style-type: none"> - Funding, administration and procurement experience and capacity - Operational (service delivery) capacity (EUACI can undertake actions itself or it can sub-contract) - Human resource, recruitment and vetting experience and capacity - EUACI voice, reputation/legitimacy, convening power and communication capacities - Flexible and agile, adaptive management <p>The above translates into activities such as:</p> <ul style="list-style-type: none"> - Advice on capacity development planning - Legislative advice and drafting - Capacity development of staff - Institutional strategy development - IT equipment and software procurement - Forum for dialogue across institutions and partners
Assumptions	<ul style="list-style-type: none"> - Partners articulate capacity gaps and needs to EUACI so that it can match and leverage its inputs in a timely and efficient manner. - Key partners are committed to upholding anti-corruptions principles and practices as they partner with EUACI - Key partners have a minimum indispensable (baseline) capacity to be able to absorb and benefit from EUACI support
Output	<ul style="list-style-type: none"> - Enhanced transparency and accountability framework and capacities in cities provides basis for risk reduction in city reconstruction work

Assumptions	- Facilitated access to expertise, staffing and infrastructure help ensure business continuity which allows staff to dedicate time and energy to leveraging learning and networking opportunities that will help them better fulfil their tasks and mandates - Enhanced capacity leads to improved performance in accordance with the institutional mandate - Institutions at national and local level pass improved legislation
Outcome	1) Enhanced transparency and accountability of reconstruction work at integrity city level 2) Increased citizen access to transparent and accountable services
Assumptions and link to strategic objectives	Improved integrity in city management and reconstruction processes will lead to reduced corruption at city level contributing to a reduction in the overall level of corruption and SO1, reduced corruption in the cities will have specific attention to reducing corruption in reconstruction contributing to SO3. Improved transparency and accountability of reconstruction efforts at the city level enhances reform implementation contributing to SO2.

The support will be provided to capacitate key functions in the city administrations in close dialogue with the mayor and the administration to understand their needs and being able to respond fast and in a flexible manner. It is assumed that this will enhance the integrity of the local self-government overall and in the reconstruction process specifically.

The third phase will also pay more attention to how the activities and results are communicated internally and externally through capacity development and consultancy advice on communication efforts aligned with the activities within the integrity cities network and with other partners at the national level (e.g. the Agency of Restoration).

The Intervention Area 3 design builds on the following overall assumptions:

- The local self-government of the ICs remains committed to measures enhancing integrity and transparency.
- There is a willingness at both the central and local level to ensure transparency and supervision of the reconstruction process.
- EUACI continues to participate in joint activities with other cities and at national level.
- Capacity development allows for needed long-term structure as well as flexibility to emerging opportunities without administratively overburdening the administration and the EUACI Office.
- Good practices from the ICs will be replicated to other cities and ultimately to the national level. It is expected that the available budget for this intervention area will allow for approximately the same number of cities after the phasing out/in have been carried out.
- EUACI continues to be the key partner for the selected cities in a context where more donors are entering the scene.
- Donors continue to coordinate their efforts at the local level (e.g. U-LEAD).

Results framework

Given the special nature of the EUACI being a direct implementer, the results presented are defined as follows (in line with OECD-DAC's definitions): outputs are the full responsibility of EUACI; EUACI contribute to outcomes but are not solely responsible for achieving these; the EUACI contributes to strategic objectives but their achievements rest on the actions of multiple actors beyond the control and influence of EUACI.

Programme Title	EUACI III – Intervention Area 3: Integrity Cities.
Outcome 3.0	Enhanced level of integrity and transparency in the Integrity Cities.
Outcome indicator 3.0	1. Score/rank in the 1) Transparent Cities Rating/ 2) Index of digital transformation of Ukrainian cities.

		2. Status of implementation of Municipal Integrity Plans in Integrity Cities.
Baseline	2021	<p>1.1. Mykolaiv – N/A.</p> <p>1.2. Nikopol – N/A.</p> <p>1.3. Zhytomyr - Partially transparent city category in TC Assessment. The level of indicator implementation by the city council ranges from 50% to 74%.</p> <p>1.4. Chervonohrad - Partially transparent city category in TC Assessment. The level of indicator implementation by the city council ranges from 50% to 74%.</p> <p>1.5. Chernivtsi - Partially transparent city category in TC Assessment. The level of indicator implementation by the city council ranges from 50% to 74%.</p> <p>Baselines for new cities to be added once identified.</p> <p>2. Integrity Cities developed, approved and implemented Municipal Integrity Plans (except Mykolaiv and Mariupol).</p>
Target	2027	<p>1.1. Mykolaiv – prospective digital maturity level or higher in Index of digital transformation of Ukrainian cities/ transparent city category in TC Assessment.</p> <p>1.2. Nikopol - prospective digital maturity level or higher in Index of digital transformation of Ukrainian cities/transparent city category in TC Assessment.</p> <p>1.3. Zhytomyr - transparent city category or 15% improvement in scores. in TC Assessment/prospective digital maturity level or higher in Index of digital transformation of Ukrainian cities.</p> <p>1.4. Chervonohrad - transparent city category or 15% improvement in scores in TC Assessment/ prospective digital maturity level or higher in Index of digital transformation of Ukrainian cities.</p> <p>1.5. Chernivtsi – transparent city category or 15% improvement in scores in TC Assessment/ prospective digital maturity level or higher in Index of digital transformation of Ukrainian cities.</p> <p>Baselines for new cities to be added once identified.</p> <p>2. Integrity Cities have passed 2 new full cycles of MIP updating, approving and implementation for at least 90%.</p>

Output 3.1		Increased transparency and improved access to digital services.
Indicator		<p>1) No. of citizens accessing services through e-reception hall.</p> <p>2) City administration capacity to work and display the geospatial data in the Geographic Information System (GIS) without EUACI support.</p>
Baseline	2023	<p>1) N/A.</p> <p>2) Limited capacity to update and utilise the data in the GIS.</p>
Target	2027	<p>1) 25% increase from 2024.</p> <p>2) 5 Integrity Cities have the capacity to update and use geospatial data.</p>

Output 3.2		Minimization of corruption risks in Communal Enterprises of critical infrastructure.
Indicator		<p>1. Number of integrity assessments and risk minimization plans carried out in Integrity Cities.</p> <p>2. Status of public analytical modules and dashboards about functioning communal enterprises.</p>
Baseline	2023	<p>1) 6 integrity assessments conducted and risk minimization plans developed in Integrity Cities.</p> <p>2) Public analytical modules and dashboards about functioning communal enterprises are not developed and implemented.</p>

Target	2027	1) at least 12 integrity assessments conducted and risk minimization plans developed in Integrity Cities. 2) 12 public analytical modules and dashboard about functioning communal enterprises are fully developed and implemented.
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Output 3.3	Improved monitoring and supervision of reconstruction projects.	
Indicator	Status of monitoring system for independent technical supervision at communal construction objects.	
Baseline	2023	Independent technical supervision at communal construction objects and monitoring system does not function on appropriate level.
Target	2027	Independent technical supervision for communal construction objects and monitoring system implemented and function on appropriate level, verified through technical assessment.

Output 3.4	Enhanced capacities for strategic planning and monitoring related to integrity as expressed in the MIPs.	
Indicator	1. Status of conducting CRA in Integrity Cities. 2. Status of implementation of MIP.	
Baseline	2023	1. One circle of conducting CRA in 4 Integrity Cities. 2. Integrity Cities developed, approved and implemented Municipal Integrity Plans (Except Mykolaiv and Mariupol).
Target	2027	1. Two cycles of conducting updating CRA in Integrity Cities. 2. Integrity Cities have passed 2 new full cycles of MIP updating, approving and implementation for at least 90%.

Output 3.5	Establishment of internal audit and control departments.	
Indicator	Status of internal audit and control department in Integrity Cities.	
Baseline	2023	The functioning of internal audit and control does not meet international standards.
Target	2027	The functioning of internal audit and control meets international standards.

Output 3.6	Developing and replication of the best practices for integrity reconstruction based on Mykolaiv experience.	
Indicator	Status of best practices.	
Baseline	2023	2 best practices developed.
Target	2027	10 best practices developed and 4 replicated in 4 cities.

Annex 3: Risk Management

Risk Factor	Likelihood	Impact	Risk response	Residual risk	Background to assessment
War in Ukraine limit or prevent the cities from operating effectively.	- Likely	- Significant	Building on lessons learned from EUCAI II, the programme will be highly flexible in its operation to allow for a shift in response to meet political economic and contextual changes.	Risk reduced, but security risks remain – can be acted upon by close monitoring.	The war in Ukraine can cause security risks for the programme to operate. This may include sudden lack of access to electricity and water; staff being recruited for the army leaving the institutions with less capacity; or a further reduction of state budget funds for the institutions.
Inflow of resources in Ukraine for reconstruction increasing the risk for corruption	- Likely	- Significant	EUACI is supporting the Ministry and the Agency of Restoration to design and apply policies, laws and regulations that promote transparency, accountability as well as participation in the reconstruction process in close collaboration with the Integrity Cities.	Risk reduced, but residual risk.	With no anti-corruption system in place, and several donors considering supporting reconstruction efforts in the country, corruption could proliferate. This can be exacerbated by low staffing in war-affected zones due to migration.
Internal political conflict in the city administration between the mayor and the city council.	- Unlikely	- Significant	EUACI has special advisor(s) to the mayor and city administration to take stock of the political climate and to find pragmatic solutions where all parties are involved.	Risk reduced.	The programme rests on political willingness to continue the transparency track with increased digital solutions and open communication.

Annex 4: Indicative Budget Details

The indicative distribution between outputs is based on assessed needs from past experience and interviews with existing integrity cities.

Budget in DKK

	2024	2025	2026	2027	Total DKK
- Outcome 3: City level integrity in reconstruction (total)	3540000	5500000	5500000	1200000	15740000
<i>Output 3.1: Increased transparency and improved access to digital services.</i>	1062000	1650000	1650000	360000	4722000
<i>Output 3.2: Minimization of corruption risks in Communal Enterprises of critical infrastructure</i>	708000	1100000	1100000	240000	3148000
<i>Output 3.3: Improved monitoring and supervision of reconstruction projects</i>	354000	550000	550000	120000	1574000
<i>Output 3.4: Enhanced capacities for strategic planning and monitoring related to integrity as expressed in the MIPs</i>	531000	825000	825000	180000	2361000
<i>Output 3.5: Establishment of internal audit and control departments</i>	531000	825000	825000	180000	2361000
<i>Output 3.6: Developing and replication of the best practices for integrity reconstruction based on Mykolaiv experience</i>	354000	550000	550000	120000	1574000

There will be four months of implementation in 2027. From 1 January to 30 June 2024, the institutions will also be supported through EUACI phase II. A transition plan will be developed by EUACI early-2024.

EUACI III Intervention Area 4 project document: Civil society and media

1. Introduction

This document describes the grant-making mechanism to civil society and media as a guide to EUACI III in the implementation of the support.

2. Documentation

The following documents are used as background for this project document:

- The National Anti-Corruption Strategy for Ukraine 2021-2025
- The State Anti-Corruption Programme 2023
- Civil society and media organisation strategies
- The EU mid-term review of the EUACI, November 2022
- The European Court of Auditors Report special report on grand corruption in Ukraine, November 2021

3. Context, strategic considerations, rationale, and justification

Civil society and media have played a key role in Ukraine in support of enhanced transparency and accountability since the Revolution of Dignity in 2014. These non-state actors play a crucial part across the anti-corruption sphere in Ukraine. In the past, media and civil society have worked closely together in documenting and publishing reports on corrupt practices and individuals. The media undertake the investigations based on information from, among others, civil society, and civil society plays a role in advocating for media freedom and providing legal services to investigative journalists. This has been the case on the national scene and in cities across Ukraine.

These actors also play a key role in creating awareness about corruption and integrity through campaigns, information events as well as initiatives that highlight corruption risk and integrity improvements, such as the ranking of integrity cities. Civil society also works closely with the legislative arm, by screening legislation and providing suggestions for improved legislation to enhance the anti-corruption reform process. And finally, civil society and media have played a key role in vetting candidates for heads of the anti-corruption institutions and some key staff, thus enhancing the integrity of these.

EUACI has been supporting non-state actors with these processes in the past through different kinds of grant mechanisms as well as by creating a forum where these actors can engage with national and local level institutions as well as parliamentarians. Through these formal and informal platforms, civil society and state actors form alliances to further the anti-corruption agenda.

Civil society and media like other partners are, however, facing challenges in the current context of war. Members join the army or migrate to other countries in Europe, and access to donor funding has dwindled in the first 18 months of the war. Also, with more grant support shifting to projects focused on reconstruction, war crimes and other related to war area, there is less funds available for classic anticorruption activities. The closing of key state registries also significantly impacts the ability of the media and civil society to investigate fraud and corruption. This limits the ability of the non-state actors to work as watchdogs.

The rallying behind the Government in a situation of war has also meant that some media outlets and civil society organisations have reduced the level of criticism or paid attention to other pressing matters, such as sanctions against Russian operators or operators with links to Russia.

Nevertheless, civil society and media remain a core element of EUACI as watchdog institutions and actors that can nudge the partners in the other intervention areas to undertake performance in accordance with their mandate, as well as disseminating relevant information to and from citizens.

The past six years of work with civil society and the present war situation have resulted in a number of lessons learned, which EUACI will use in the third phase of the programme. These include:

- Civil society and media play an important role in Ukraine in enhancing awareness, investigating corruption, developing and advocating legislation and other state policies, influencing integrity of state institutions at the national and local level. In particular at the national level, the EUACI support in the past has helped CSOs and media furthering the prevention and combatting of corruption. The key has been to identify the right civil society and media institutions to work with.
- EUACI has in the past provided support to small CSOs in the Integrity Cities. However, this project support has suffered from local partners with little absorption and reporting capacity and proper accounting practices. While support to local CSOs is needed and serves an important purpose, including in cities that will undergo reconstruction, EUACI should build on previous experience and seek to support local CSOs through national civil society partners with sufficient capacity.
- CSOs are effective when they are able to form alliances with institutions or politicians. In the past seven years, EUACI has demonstrated that it can provide a platform for this kind of dialogue and joint approaches. These efforts could be expanded and reflected in the selection criteria as part of the third phase.
- In principle, non-state actors such as business associations can also play an important role in promoting the integrity of businesses at national and local level. However, it has in the past seven years been difficult to find institutions that are effective in promoting this agenda in Ukraine. EUACI should, however, stand available to support such institutions should the right opportunity emerge.
- Calls for proposals are the best avenue to ensure an anti-corruption focus for civil society and media. Partners are easily identified, and the support process allows for a policy dialogue with civil society to motivate work towards the EUACI objectives. The core funding provided to civil society limited the policy dialogue options and caused a heavy management burden on the programme. This process will also lean the management of the intervention area, which will have fewer types of contracts to manage. The calls will be advertised broadly with clear eligibility criteria and with the ambition to expand the CSO base when feasible.
- Further lessons learned is the need to have a flexible and responsive approach. The context within anti-corruption is in constant flux, with new opportunities emerging as well as unforeseen setbacks even before the war.

EUACI works with civil society organisations with young and often female leadership and staff composition. For this intervention area EUACI will launch calls for proposals for CSOs and media that focus specifically on addressing gender and generation imbalances. This will include proposals for enhanced awareness raising as well as proposals for supporting the voices of youth and women related to integrity issues in Ukraine.

4. Theory of change and key assumptions

Intervention Area 4 is the demand side support to meeting the development objective of EUACI III which is aligned with the Ukraine State Anti-Corruption Programme (SACP) objective, and enhanced to

encompass the different actors that EUACI work with in support of anti-corruption: *‘to achieve significant progress in preventing and countering corruption, ensuring the coherence and systemic anti-corruption activities of all state and local self-government bodies, and to empower civil society and citizens to contribute to the combatting of corruption, as well as the proper process of Ukraine's post-war recovery.’*

Intervention Area 4 focuses on support to civil society and media as watchdog institutions that oversee the legislation process; investigate potential corruption cases; watch the performance of the anti-corruption institutions; and participate and/or monitor the selection process of appointment of leadership and key positions of key anti-corruption institutions.

The theory of change builds on the understanding that civil society and media will contribute to influencing the performance of the state institutions at the national and local levels to counter corruption through:

- Investigating corruption cases and exposing corruption and in this way motivating a change of behaviour of power holders.
- Creating awareness of the way and negative aspects of corruption and, in this way, foster an attitude of non-tolerance to corruption among the women and men of Ukraine.
- Monitor the performance of the anti-corruption and other state institutions and, in this way, serve as a watchdog and motivate these to improve their performance.
- Advise Parliament, government (such as the Ministry of Restoration) other state institutions, and anti-corruption institutions on policies and legislation to assist in refining this to counter corruption risks and combat corruption.
- Monitor and participate in the vetting of heads of agencies and key staff in this way, motivate the selection of persons with high levels of integrity.

EUACI also serves as a platform for many of these activities bringing stakeholders from the other intervention areas together with civil society and media to motivate the reform processes through formal and informal meetings and conferences and directly engaging in inputs to the reform process through the assessment and drafting of inputs to laws, policies, and regulations. A schematic overview is presented below:

Input	Grants for: - Watchdog functions - Awareness raising - Corruption investigation
Assumptions	- Partners articulate capacity gaps and needs to EUACI so that it can match and leverage its inputs in a timely and efficient manner. - Key partners are committed to upholding anti-corruptions principles and practices as they partner with EUACI - Key partners have a minimum indispensable (baseline) capacity to be able to absorb and benefit from EUACI support
Output	Media and civil society actors with enhanced resources and capacities enabling them to monitor corruption, enhance awareness and support dialogue processes
Assumptions	Civil society and media have space to operate and are heard
Outcome	1) Improved citizen awareness of integrity needs and rights 2) CSO and media reports influence institutions
Assumptions and link to	Citizens are receptive to CSOs and media and increase their negative perception of corruption. Institutions are receptive to CSO and media pressure motivating improved legislation and

strategic objectives	performance. This enhances fight against corruption leading to a reduction and contributing to SO1; as well as a reduction corruption in reconstruction contributing to SO3. The pressure from civil society and media will further motivate reform implementation contributing to SO2.
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The Intervention Area 4 design builds on the following overall assumptions:

- There continues to be space for civil society and media for engaging in demand-side activities.
- The Government of Ukraine as well as the anti-corruption institutions are willing to engage with civil society and media at national and local level.
- EUACI can identify the relevant civil society organisations and media organisations to work with. There is already substantial knowledge within the team, but the procedures will be stipulated to ensure a broad representation of relevant CSOs and media.
- That the organisations supported continue to have the staffing and management capacity to undertake their work in an effective manner.
- EUACI continues to have the trust of the partners who will continue to participate in joint activities and advocacy work.
- EUACI continues to be a relevant partner in a context where larger programmes enter the anti-corruption scene.

5. Intervention area key activities

Through open as well as limited calls for proposals, the programme will support civil society and media (potentially also profit-based media) acting as watchdogs and awareness raising institutions. The criteria for selecting the appropriate procedure will be clarified and stipulated at an early stage of the third phase. The EUACI office will identify core areas of calls for proposals aligned with this intervention area document and the guidance received from the Executive Committee.

Areas of calls for proposals may include (and may be expanded/reduced with Executive Committee approval):

- 1) Funding to investigative journalists to undertake corruption investigations to be published/broadcasted in relevant media. This includes national as well as local level investigations disseminated via offline, online and social media. Given the limited number of relevant potential media organisations engaged in local work or legal support work, EUACI may decide to use limited calls, if this can be sufficiently justified.
- 2) Monitoring and awareness raising of anti-corruption reform implementation at the national level and local levels. Calls are expected to focus on national civil society organisations that are engaged in awareness raising around corruption issues and thus corruption prevention as well as the monitoring of the performance of anti-corruption institutions.
- 3) Monitoring of corruption risks and awareness raising in education sector. As a new priority area, EUACI will experiment with supporting corruption prevention and promoting of integrity in the education sector through civil society. This will be linked with the education sector work undertaken by NACP and or Ministry of Education. The call is expected to be limited at first but may be expanded if the process is assessed as successful and if there is bigger demand/capacity.
- 4) Capacity development grants to specific anti-corruption civil society organisations. There are multiple effective civil society organisations that specialise in niches of anti-corruption reform in Ukraine but many of these lack organisational capacity and are not in a position to compete with larger NGOs (like AntAC and TI on the open calls). Small grants for capacity development may be made available for such organisations through direct project grants.

- 5) Screening of legislation for corruption risks and providing recommendations for new or improved legislation to motivate anti-corruption reform. Only few civil society organisations have this capacity; therefore, limited calls for proposals are foreseen.
- 6) Finally, limited calls may be launched to support CSOs' participation in the process of vetting potential heads of anti-corruption institutions, judges, and other key staff.

The programme will aim at limiting the number of calls to ensure that the programme remains lean in its operations. A tentative plan for the number of calls and timing will be made in the early stages of the programme.

Building on the experience of using EUACI as a platform for dialogue and community of practice, EUACI will also provide a platform for linking civil society and media together and with anti-corruption institutions and parliamentarians to improve the dialogue on legislation and implementation. Similarly, the anti-corruption legislation screening will be closely linked and coordinated with the Committee for Anti-Corruption in Parliament (CAP), which will be using this information to improve legislation.

6. Results framework EUACI III Intervention Area 4: Civil society and media

The results framework has been developed based on the past experience of support to civil society and media and consultations with major civil society and media actors in the field of anti-corruption in Ukraine in June 2023.

The outputs presented below are guiding outputs, and do not capture all results delivered by EUACI in the programme period under Intervention Area 4. Considering the fluid context, the war situation, and the regularly emerging opportunities, additional outputs are expected to be developed and implemented during the course of the programme.

Given the special nature of the EUACI being a direct implementer, the results presented are defined as follows (in line with OECD-DAC's definitions): outputs are the full responsibility of EUACI; EUACI contribute to outcomes but are not solely responsible for achieving these; the EUACI contributes to strategic objectives but their achievements rest on the actions of multiple actors beyond the control and influence of EUACI.

Outcome 4.0		Ukraine's civil society, and media enhancing their efforts to raise awareness and promote a culture of integrity at national and local level.
Outcome indicator		Annual coverage of awareness-raising and advocacy campaigns, publications and other awareness-raising activities by CSO projects in the areas of strengthening the role of investigative media, and civil society in addressing corruption, accountability and transparency due to the support from EUACI.
Baseline	2023	N/A
Target	2027	2,000,000

Output 4.1		Corruption cases investigated by media and civil society.
Indicator 4.1		No. of cases investigated through EUACI funding.
Baseline	2023	N/A
Target	2027	40

Output 4.2		Awareness raising campaigns undertaken to fight corruption.
Indicator 4.2		No. of cases investigated through EUACI funding.
Baseline	2023	N/A
Target	2027	10*

Output 4.3	Advocacy and legislative initiatives.	
Indicator 4.3	No. of initiatives.	
Baseline	2023	N/A
Target	2027	10*

Output 4.4	Civil society integrity assessments of candidates for heads of AC institutions and other key staff, including HACC judges.	
Indicator 4.4	No. of selection processes assessed by civil society.	
Baseline	2023	N/A
Target	2027	3

Output 4.5	EUACI civil society partners involved in recovery efforts.	
Indicator 4.5	No. of partners.	
Baseline	2023	N/A
Target	2027	5*

Output 4.6	EUACI civil society partners strengthened their capacities for anti-corruption efforts.	
Indicator 4.6	No. of people who participated in capacity building events.	
Baseline	2023	N/A
Target	2027	200

* *Accumulated*

7. Indicative budget for outcome 4

The budget presented below is indicative for outcome 4. The budget comprise sub-headings to the overall activities budget in the main programme document. The budget is aligned with the major output areas under Intervention Area 4. The budget is output based and covers all inputs needed to deliver the given outputs. The distribution of budget by output mirrors the financial need to meet the target. For Intervention Area 4, this includes the salaries and related costs for the Intervention Area team leader and technical expert.

Intervention Area 4 budget for EUACI in DKK

	2024	2025	2026	2027	Total DKK
- Outcome 4: Civil society and media (total)	3700000	6660000	6660000	1480000	18500000
Output 4.1: Corruption cases investigated by media and civil society	1110000	1998000	1998000	444000	5550000
Output 4.2: Awareness raising and advocacy campaigns undertaken to fight corruption	740000	1332000	1332000	296000	3700000
Output 4.3: Advocacy and legislative initiatives	370000	666000	666000	148000	1850000
Output 4.4: Civil society integrity assessments of candidates for heads of AC institutions and other key staff, including HACC judges	740000	1332000	1332000	296000	3700000
Output 4.5: EUACI civil society partners involved in recovery efforts	370000	666000	666000	148000	1850000
Output 4.6: EUACI civil society partners strengthened their capacities for anti-corruption efforts	370000	666000	666000	148000	1850000

In addition to the budget outlined above, the overall EUACI III programme have a pool of unallocated funds where some funds may be used under this Intervention Area (see the main programme document).

8. Institutional and Management arrangement

Intervention Area 4 will be implemented as described in the main programme document. Decisions on funding and reallocation of funds are suggested by EUACI and endorsed by the Executive Committee. Each year, EUACI will develop an annual workplan with a budget for Intervention Area 4.

Other opportunities and needs may emerge during the year and EUACI will respond to these based on a needs assessment by EUACI experts and presented to the Executive Committee for approval if the allocation exceeds EUR 30,000. In addition, other types of assistance may be provided as for example capacity building support, participation in conferences, and access to databases necessary for the analysis of the integrity checks.

Area 4 will rely on requests for proposals. Civil society and media organisations that qualify/win the call will be subject to a capacity assessment of financial management and internal governance capacity by the EUACI Head of Administration before receiving funding. EUACI will transfer the grants based on the Danish MFA standard grant agreement. Additionally, EUACI will also conduct a mapping exercise of the media and CSO landscape at an early stage of the new phase. The receiving partner will report on progress and financial report half-yearly. EUACI will use the reporting to document progress and lessons learned, and the findings will be included in the double loop learning process.

EUACI will use data from progress reports and secondary sources through the MEAL consultant to produce bi-annual reports on progress for the intervention area to be presented to the Executive Committee and the Steering Committee. This data will also be used for internal reporting in the MFA FMI system. The MEAL consultant will also include the data in the double loop learning process. Partners may be invited to participate in joint workshops and learning events by the MEAL team.

9. Financial Management, planning, and reporting

The support provided under Intervention Area 4 is grants. In addition, organisations will be invited to participate in activities implemented directly by EUACI, such as conferences and related events, trips/participation in limited conferences abroad, trainings, and activities implemented directly by the EUACI.

The grant receivers will be subject to a financial capacity assessment before receiving grants (see AMG Guide to Financial Capacity Assessment). Grant receivers will provide half-yearly financial reporting on the use of grants and document that these have been utilised in accordance with the signed agreement and aligned with the Danish Aid Management Guidelines and Financial management requirements.

All grantees will provide annual external audit reports on the grants received. If the grant period is less than one year, the grantee will submit the audit report together with the end-of-project report.

EUACI will have the right to monitor grantee activities and to undertake any evaluation or additional audit of the grantee deemed necessary by EUACI or the Danish Ministry of Foreign Affairs.

10. Risk Management

The risks relevant to Intervention Area 4 are closely aligned with the overall risks of the programme. The risks may be divided into three areas:

- The ability of civil society and media to operate freely. This may be curtailed in several ways. First and foremost is the need for legislation to guarantee freedom of speech and investigations. Second is the ability of media and civil society to withstand legal pressure from individuals and institutions who oppose the anti-corruption reform processes. Third is the need to access open sources of information, such as the NACP-managed e-declarations, to enable corruption investigation. And finally, is the organisations' own ability to operate by ensuring access to resources and staff.

- Successful implementation requires good cooperation with anti-corruption institutions and Parliament. Change of leadership or reputational risk may limit such cooperation underscoring the importance of EUACI facilitation of such cooperation.
- The ongoing war has multiple effects on the operations of civil society and media. An escalation of the war in a negative direction may further impact the work of the organisations. This may include a sudden lack of access to electricity and water, staff being recruited for the army leaving the organisations with less capacity, or a lock down on access to key public registries due to the State of Emergency.

The programme has been designed to address all three major risks. First, the programme theory of change is based on EUACI close relations to partners, which allows for a safe space for informal dialogue as well as joint events that foster cooperation. The support to civil society and media in Intervention Area 4 will further enhance awareness and transparency around the anti-corruption reform and mitigate the reputational communicating related risk.

Second, EUACI will provide funding that allows the organisations to undertake their work even if resources are scarce. There will also be capacity development grants for those organisations that are in need of this.

The context of war is unpredictable and will influence the programme in the next years as well. The programme has been designed so that partners can be supported to mitigate immediate needs stemming from the war. However, the major impact of the war is beyond the control of the programme.

Annexes:

Annex 1: Theory of Change, Scenario and Result Framework

Annex 2: Risk Management

Annex 3: Budget Details

Annex 1: Theory of Change, Scenario and Result Framework

Intervention Area 4 focuses on support to civil society and media as watchdog institutions that oversee the legislation process; investigate potential corruption cases; watch the performance of the anti-corruption institutions; and participate and/or monitor the selection process of appointment of leadership and key positions of key anti-corruption institutions.

The theory of change builds on the understanding that civil society and media will influence the performance of the state institutions at the national and local levels to counter corruption through:

- Investigating corruption cases and exposing corruption and in this way motivating a change of behaviour of power holders.
- Creating awareness of the way and negative aspects of corruption and, in this way, foster an attitude of non-tolerance to corruption among the women and men of Ukraine.
- Monitor the performance of the anti-corruption institutions and, in this way, serve as a watchdog and motivate these to improve their performance.
- Advise Parliament, state institutions (such as the Ministry of Restoration), and anti-corruption institutions on policies and legislation to assist in refining this to counter corruption risks.
- Monitor and participate in the vetting of heads of agencies and in this way motivate the selection of person with high levels of integrity.

EUACI also serves as a platform for many of these activities bringing stakeholders from the other intervention areas together with civil society and media to motivate the reform processes through formal and informal meetings and conferences and directly engaging in inputs to the reform process through the assessment and drafting of inputs to laws, policies, and regulations. A schematic overview is presented below:

Input	Grants for: - Watchdog functions - Awareness raising - Corruption investigation
Assumptions	- Partners articulate capacity gaps and needs to EUACI so that it can match and leverage its inputs in a timely and efficient manner. - Key partners are committed to upholding anti-corruptions principles and practices as they partner with EUACI - Key partners have a minimum indispensable (baseline) capacity to be able to absorb and benefit from EUACI support
Output	Media and civil society actors with enhanced resources and capacities enabling them to monitor corruption, enhance awareness and support dialogue processes
Assumptions	Civil society and media have space to operate and are heard
Outcome	1) Improved citizen awareness of integrity needs and rights 2) CSO and media reports influence institutions
Assumptions and link to strategic objectives	Citizens are receptive to CSOs and media and increase their negative perception of corruption. Institutions are receptive to CSO and media pressure motivating improved legislation and performance. This enhances fight against corruption leading to a reduction and contributing to SO1; as well as a reduction corruption in reconstruction contributing to SO3. The pressure from civil society and media will further motivate reform implementation contributing to SO2.

The Intervention Area 4 design builds on the following overall assumptions:

- There continues to be space for civil society and media for engaging in demand-side activities.
- The Government of Ukraine as well as the anti-corruption institutions are willing to engage with civil society and media at national and local level.
- EUACI can identify the right civil society organisations and media organisations to work with. There is already substantial knowledge within the team, but there is a need to stipulate the procedures and ensuring a broad representation of relevant CSOs and media.
- That the organisations supported continue to have the staffing and management capacity to undertake their work in an effective manner.
- EUACI continues to have the trust of the partners who will continue to participate in joint activities and advocacy work.
- EUACI continues to be a relevant partner in a context where larger programmes enter the anti-corruption scene.

Results framework

Given the special nature of the EUACI being a direct implementer, the results presented are defined as follows (in line with EOCOD-DAC's definitions): outputs are the full responsibility of EUACI; EUACI contribute to outcomes but are not solely responsible for achieving these; the EUACI contributes to strategic objectives but their achievements rest on the actions of multiple of actors beyond the control and influence of EUACI.

Outcome 4.0		Ukraine's civil society, and media enhancing their efforts to raise awareness and promote a culture of integrity at national and local level.
Outcome indicator		Annual coverage of awareness-raising and advocacy campaigns, publications and other awareness-raising activities by CSO projects in the areas of strengthening the role of investigative media, and civil society in addressing corruption, accountability and transparency due to the support from EUACI.
Baseline	2023	N/A
Target	2027	2,000,000

Output 4.1		Corruption cases investigated by media and civil society.
Indicator 4.1		No. of cases investigated through EUACI funding.
Baseline	2023	N/A
Target	2027	40

Output 4.2		Awareness raising campaigns undertaken to fight corruption.
Indicator 4.2		No of campaigns funded by EUACI.
Baseline	2023	N/A
Target	2027	10*

Output 4.3		Advocacy and legislative initiatives.
Indicator 4.3		No. of initiatives.
Baseline	2023	N/A
Target	2027	10*

Output 4.4		EUACI civil society partners involved in recovery efforts.
Indicator 4.4		No. of selection partners.
Baseline	2023	N/A
Target	2027	3

Output 4.5		EUACI civil society partners involved in recovery efforts.
Indicator 4.5		No. of partners.

Baseline	2023	N/A
Target	2027	5*

Output 4.6		EUACI civil society partners strengthened their capacities for anti-corruption efforts.
Indicator 4.6		No. of people who participated in capacity building events.
Baseline	2023	N/A
Target	2027	200

* *Accumulated*

Annex 2: Risk Management

Risk Factor	Likelihood	Impact	Risk response	Residual risk	Background to assessment
The ability of civil society and media to operate freely is curtailed	Likely	Major	Consciously work with civil society and donors to advocate for media freedom	The approach has in the past been effective and is expected to be so as long as EU accession is ongoing	In the past legislation has been introduced to curtail media freedom. Also informally, media and civil society need to withstand legal pressure from individuals and institutions who oppose the anti-corruption reform processes.
Accessing open source information is further curtailed	Unlikely	Major	Consciously work with civil society and donors to advocate open sources	The approach has in the past been effective and is expected to be so as long as EU accession is ongoing	The government is in the process of reopening the e-declaration system
Strong nationalist and trust in government due to war (i.e., rallying behind the flag) means more difficulties to criticize the government on corruption.	Likely	Major	Investing in communication capacity development of partners, media and civil society will allow for enhance awareness on corruption	Risk reduced over time as people of Ukraine have an increased interest in countering corruption	Rallying behind the flag has been a key driver since the Russian invasion. However, Ukrainians could react negatively to corruption scandals as they lack justice, especially if corruption scandals concern the military, supported by many Ukrainians
Few CSOs to work with in integrity cities and limited space available to CSOs'	Likely	Minor	Continuous pro-activeness to identify national CSOs with a local level network. Strengthened collaboration	Risk reduced	Certain cities do not have a strong history of CSOs, and the stronger ones are located in central cities due to competition for

activism and advocacy			among donors and increased collective efforts to exert pressure on authorities for the protection of civil society's rights.		attention and resources. The space of CSO's activism and advocacy is reduced due to the war. The narrowing of civil society organization (CSO) space would significantly diminish the potential for meaningful impact. The constrained opportunity for donors to shape development outcomes would be self-defeating if support for CSOs is diminished.
Inadequate staffing for the partners due to ongoing war	Likely	Major	Ensure adequate resources to partners to attract qualified staff	Risk reduced	Organisations are already constrained on human resources due to the war
Loss of trust from partners from the government, state institutions and civil society to enable EUACI to influence policy and laws together with all stakeholders in favour of anti-corruption reform	Unlikely	Major	EUACI needs to be able to match the required flexibility to stay relevant to the civil society and media. Flexibility allows EUACI to remain a preferred partner compared to many other donors despite its more limited budget.	Risk lowered if the EUACI continues applying flexibility.	While, EUACI continues to be the preferred partner among the anti-corruption stakeholders in a context where programmes and projects with larger budgets enter the anti-corruption scene, there is still a risk for a faux-pas.

Inadequate capacity of staff in institutions supported	Unlikely	Major	EUACI providing capacity building to institutions and designated focal points for the projects.	Risk reduced	Assessments of lessons learned from previous phases have demonstrated a capacity gap concerning anti-corruption at institutional level.
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Annex 3: Budget Details

The budget is a sub-budget heading derived from the overall budget heading ‘activities’ in the main programme document. The budget is in DKK.

Budget in DKK

	2024	2025	2026	2027	Total DKK
<i>- Outcome 4: Civil society and media (total)</i>	3700000	6660000	6660000	1480000	18500000
<i>Output 4.1: Corruption cases investigated by media and civil society</i>	1110000	1998000	1998000	444000	5550000
<i>Output 4.2: Awareness raising and advocacy campaigns undertaken to fight corruption</i>	740000	1332000	1332000	296000	3700000
<i>Output 4.3: Advocacy and legislative initiatives</i>	370000	666000	666000	148000	1850000
<i>Output 4.4: Civil society integrity assessments of candidates for heads of AC institutions and other key staff, including HACC judges</i>	740000	1332000	1332000	296000	3700000
<i>Output 4.5: EUACI civil society partners involved in recovery efforts</i>	370000	666000	666000	148000	1850000
<i>Output 4.6: EUACI civil society partners strengthened their capacities for anti-corruption efforts</i>	370000	666000	666000	148000	1850000

There will be four months of implementation in 2027. From 1 January to 30 June 2024, the institutions will also be supported through EUACI phase II. A transition plan will be developed by EUACI early-2024.