PREVENTING AND MANAGING CORRUPTION RISKS

Practical recommendations for local authorities in Ukraine

www.coe.int/congress

Centre of Expertise for Multilevel Governance

CONGRESS OF LOCAL AND REGIONAL AUTHORITIES
CONGRÈS DES POUVOIRS LOCAUX ET RÉGIONAUX
F-67075 STRASBOURG cedex

www.coe.int

Contents

1. Introduction

The fight against corruption is a top priority for local authorities in Ukraine as the country continues its efforts toward decentralisation and transparency. With an ongoing war and increased autonomy at the municipal level, preventing corruption is crucial for maintaining public trust, ensuring effective service delivery, and securing foreign investments.

This report is a practical instrument to assist local governments in designing, implementing and monitoring anti-corruption practices at the local level. It offers comprehensive recommendations based on the best European and Ukrainian practices to support Ukrainian local authorities in managing and preventing corruption risks. Key focuses include strengthening the code of conduct and aligning local governance with the 12 Principles of Good Democratic Governance, with a particular emphasis on Principle 1 (Fair Conduct of Elections), Principle 4 (Openness and Transparency), Principle 6 (Ethical Conduct), and Principle 12 (Accountability). The recommendations in this report are designed to enhance local authorities' ability to manage corruption risks effectively.

2. The 12 Principles of Good Democratic Governance

The 12 Principles of Good Democratic Governance, established by the Council of Europe, provide a robust framework for promoting effective, transparent, and accountable local governance. For Ukraine, which is navigating decentralisation and facing wartime challenges, these principles are crucial for managing and preventing corruption risks. This section evaluates the applicability of Principles 1, 4, 6, and 12, highlights gaps in Ukrainian anti-corruption law, and offers recommendations for addressing these deficiencies. These principles are particularly relevant to Ukraine's ongoing governance reforms and reflect priorities in the European integration process.

2.1. Principle 1: Fair Conduct of Elections

Fair Conduct of Elections is crucial in a war-torn country where electoral processes may be subject to manipulation, especially at the local level. A transparent and fair election process is vital to maintaining public trust in democratic governance.

In Ukraine, electoral integrity is particularly pressing due to ongoing political reforms and the challenges posed by external factors, such as the war, which affect electoral stability and security. Ensuring that elections are conducted fairly at national and local levels is crucial for

building public trust in the democratic process and preventing corruption at the governance level.

The Council of Europe's priority in addressing the fair conduct of local elections in Ukraine stems from the need to strengthen democratic institutions during political and social transformation.[1] For Ukraine, improving the electoral process requires adherence to international election monitoring standards, vote-buying prevention, and transparency in political campaign financing. These measures are critical for preventing local-level corruption, ensuring that elected officials are chosen based on merit and fostering a culture of accountability and the rule of law.

Election Disruption in Ukraine

A range of irregularities marred the 2020 local elections. The OSCE Office for Democratic Institutions and Human Rights (ODIHR) reported irregularities in approximately 30% of these elections, pointing to issues with voter lists, transparency in campaign financing, and ineffective electoral administration.[2] Such discrepancies demonstrate the fragility of the electoral system even before the war exacerbated these challenges.

Gaps in Ukrainian Anti-Corruption Law

One of the critical challenges in ensuring fair elections in Ukraine lies in the gaps in anti-corruption legislation related to electoral processes. The Central Election Commission (CEC), tasked with overseeing the fairness of elections, faces significant limitations in its capacity. These limitations stem from inadequate resources and restricted authority, making it difficult for the CEC to enforce electoral laws uniformly across the country. For example, during the 2020 elections, the CEC's ability to monitor campaign financing was hampered by a lack of technological tools for real-time reporting and limited staffing to carry out comprehensive audits.[3] These gaps in oversight create opportunities for corrupt practices, including the misreporting of campaign contributions and expenditures, vote-buying, and other forms of electoral manipulation.

In addition to these systemic issues, local authorities in Ukraine are not adequately involved in the electoral process, which presents a significant governance gap. Unlike many EU countries where local governments play an active role in organising and overseeing local elections, Ukrainian law does not clearly mandate that local authorities participate in election establishment, improvement, or monitoring. This lack of responsibility and involvement from local governments hinders the implementation of a transparent, well-regulated election process. Local authorities should be empowered to assist in the organisation of elections,

---

[1] Administrative resources and fair elections; Local and regional elections in major crisis situations
[2] ODIHR, 2020 Election Report
[3] Central Election Commission of Ukraine, 2021 Annual Report

provide safe and inclusive voting conditions, and monitor local electoral activities to help prevent corruption at the community level. However, the local authorities in Ukraine have the duty to educate and inform citizens about candidates and/or the election process. Therefore, further improvement could be made.

European Best Practices: The Example of Tuscany, Italy

For instance, in the province of Tuscany, municipalities collaborate with local civil society organisations to conduct public awareness campaigns about the importance of transparent elections. Local governments are responsible for providing accessible, safe polling stations in public buildings, as well as monitoring local campaign financing within their jurisdictions. Moreover, local authorities are empowered to support citizens in accessing information about candidates and political parties, fostering a more engaged and informed electorate.[4]

However, it contributes to the Ukrainian local authorities, and the Italian local government has a legal instrument to contribute to the election process. One of the most notable successes is the Tuscany Regional Law 69/2007, which institutionalised public participation in decision-making processes, making it one of the first regions in Europe to do so.

The law allows citizens and municipalities to request government funding for deliberative processes, ensuring that public debates are transparent and involve the local community. In Tuscany, municipalities are responsible for setting up polling stations in public buildings that are safe and accessible to all citizens, including individuals with disabilities. Local authorities also collaborate with civil society organisations to raise awareness about electoral transparency and fairness. They conduct public forums where election candidates engage directly with voters, providing voters with information about political platforms and the electoral process.

Besides, E-tools are becoming more and more popular around Europe. For example, In Georgia, both national and local election voters can check the addresses of polling stations according to the election districts on the website www.map.cec.gov.ge. The platform includes data such as the number of voters (by gender), the number of polling stations with ramps and easy adaptations for persons with special needs, according to which the voter can get detailed information about the available polling stations, including a photograph. The portal also contains information about the members of the district and precinct election commissions throughout the country.[5]

Recommendations for Ukraine

To ensure the integrity and transparency of local elections in Ukraine, local authorities should take an active role in supporting the electoral process that is not prohibited by the national

---

[4] Commission nationale du débat public. (n.d.) "Comment ca marche?" Retrieved May 4, 2021
[5] Report to the Community of Democracies' Working Group on Democracy and Technology by Mr. Septimius Parvu

law, while the national law should be developed following best European practices. Below are practical recommendations for local governments based on both Ukrainian challenges and European best practices:

Safe and Inclusive Voting Conditions: Local authorities should ensure that polling stations are established on communal premises, such as schools or community centres, and are accessible to all citizens, including people with disabilities and the elderly. These spaces must meet safety and security standards, particularly given the current conflict conditions in Ukraine. This responsibility would promote public trust in the election process by ensuring that voters feel safe and welcomed at polling stations.

Assistance in Informing the Population About the Election Process: Local governments should assist in distributing accurate and timely information to the public about the election process. This includes clear instructions on voting procedures, locations of polling stations, and deadlines for registration. The great option would be to consider the implementation of an e-tool mechanism following the practices of Georgia. Besides, local authorities can leverage local media, social media platforms, and public announcements to reach a broad audience and ensure voters are well-informed.

Facilitate Access to Candidate and Political Party Information: Local authorities should work to ensure that citizens are well-informed about the candidates and political parties running for office. This could involve hosting public forums, debates, or online discussions where candidates can present their platforms. Additionally, authorities can create online portals or printed materials that offer impartial information about each candidate and political party, ensuring voters have all the necessary information to make informed decisions.

Adoption of voluntary declarations and codes of conduct: Adoption of Voluntary Declarations and Codes of Conduct: Ukrainian local authorities should encourage local governments, civil servants, and public officials to adopt voluntary declarations committing to non-interference in electoral processes. These declarations should include a clear code of conduct that prohibits the misuse of administrative resources for electoral gain. This would ensure that public resources, such as government staff or facilities, are not unfairly used to support specific candidates or parties. For the implementation of such a mechanism, the Checklist for compliance within the "Administrative resources and fair election" could be used.[6]

By adopting these recommendations, Ukraine can ensure its electoral system becomes more resilient, transparent, and aligned with European democratic standards, even in the face of ongoing conflict. Implementing European best practices would improve electoral integrity and

---

[6] Congress of Local and Regional Authorities of the Council of Europe, "Administrative resources and fair elections **"**A practical guide for local and regional politicians and public officials", 2022

help Ukraine rebuild trust in its democratic institutions, laying the groundwork for a more robust, more accountable local governance system.

2.2. Principle 4: Openness and Transparency

Openness and Transparency are foundational to democratic governance, particularly at the local level, where citizens interact directly with government services. In Ukraine, many local governments have made strides in improving transparency through digital tools, such as open data portals and e-governance platforms. However, challenges remain, particularly in regions where resources are limited and traditional governance structures prevail. Transparency must be accompanied by clear communication with citizens, ensuring that government actions and spending are fully accessible and understandable.

Gaps in implementing openness and transparency principles on local level

Despite national laws requiring transparency, many local authorities in Ukraine still struggle to make key information, such as budgets, urban planning decisions, and procurement contracts, available to the public in a user-friendly format. This lack of access prevents citizens from fully engaging in the governance process and reduces oversight opportunities. Additionally, there are inconsistencies in how local authorities interpret transparency laws, leading to fragmented practices across municipalities.

Moreover, the enforcement of transparency policies is uneven. While major cities like Kyiv and Lviv have implemented robust transparency measures, smaller municipalities often lack the capacity or political will to follow suit. The lack of centralised oversight and accountability mechanisms further complicates efforts to ensure consistency across the country.

European Best Practices: The Example of Helsinki, Finland

Helsinki, Finland, provides an excellent model of transparency and public engagement at the municipal level. Helsinki's City Council has developed a comprehensive Open City Governance Framework[7] that prioritises openness, citizen participation, and access to public information.

For instance, Helsinki provides citizens with free access to government data through the Helsinki Open Data Portal.[8] This allows the public to monitor municipal decision-making, access spending data, and participate in urban planning discussions.

Another instrument that ensures public trust is participatory budgeting mechanisms,[9] where citizens can directly influence how a portion of the city budget is spent.

---

[7] Official site of the City Council of Helsinki, Finland https://www.hel.fi/en/decision-making
[8] Helsinki Region Infoshare, Open Data Service https://hri.fi/en_gb/
[9] OmaStadi online service https://oidp.net/en/practice.php?id=1224

Besides, Helsinki's e-participation platforms[10] enable citizens to submit proposals, engage in discussions with local officials, and provide feedback on urban development projects. These tools promote transparency and ensure that citizens are informed about and involved in decision-making processes.

Finally, all municipal procurement contracts are published online on the official site of the City Council of Helsinki, allowing for public scrutiny of government spending and reducing the risk of corruption.

These practices have contributed to a more open and accountable governance structure in Helsinki, where citizens can easily access information and participate in decisions that impact their communities.

Recommendations for Ukraine

To enhance transparency and openness at the local level in Ukraine, municipalities should consider the following recommendations based on best practices from Helsinki and other European cities:

Implement Open Data Portals: Local authorities should develop and maintain open data portals that provide citizens with easy access to municipal budgets, procurement contracts, and urban planning documents. This would foster a culture of transparency and accountability, enabling the public to monitor government actions effectively.

Enhance Public Participation Tools: Municipalities should introduce or improve e-governance platforms that allow citizens to engage in decision-making processes, such as submitting proposals or participating in discussions with local officials. Ensuring these platforms are user-friendly and accessible will enhance citizen engagement.

Adopt Participatory Budgeting Mechanisms: Local governments should allow citizens to influence budgetary decisions, particularly in areas like infrastructure development or community services. This would not only increase transparency but also empower citizens to take an active role in local governance.

Transparent Contracting and Procurement: Municipalities should ensure that all procurement processes are publicly accessible. This includes publishing tenders, contracts, and the outcomes of procurement processes on municipal websites, following Helsinki's example.

Lobby for Legal Reforms: Local authorities should lobby the central government for the development of stronger national transparency policies and the establishment of an

---

[10] The official site of the City Council of Helsinki

independent body to oversee compliance with transparency standards across all municipalities.

2.3. Principle 6: Ethical Conduct

Ethical conduct in public administration is fundamental to building trust in government institutions and ensuring effective governance. For Ukraine, fostering ethical standards within local authorities is crucial, especially given the country's ongoing efforts to combat corruption and strengthen democratic governance. Ethical conduct encompasses transparent decision-making, avoiding conflicts of interest, and a commitment to integrity across all levels of public service.

Ethical Conduct in Ukraine: Current Challenges

In Ukraine, the challenge of embedding ethical conduct within public institutions remains significant. Despite reforms introduced over the past decade, local authorities continue to grapple with issues of corruption, conflicts of interest, and unethical behaviour. For instance, a report by the National Agency on Corruption Prevention (NACP) identified that approximately 18% of local government officials were involved in cases of conflict of interest or had failed to properly declare assets in 2021.[11] These issues point to broader systemic gaps in the enforcement of ethical standards, which undermine public confidence in local governance.

Gaps in Ukrainian Anti-Corruption Law

One of the key problems in Ukraine is the inconsistency in how ethical guidelines are applied at the local level. Although the country has adopted various laws aimed at promoting ethical conduct—such as the Law of Ukraine on the Prevention of Corruption—implementation remains uneven. Many local officials are not sufficiently trained on ethical standards, and the penalties for unethical behaviour are often either too lenient or not enforced. For example, public servants have been found accepting gifts and favours in exchange for services, a practice that is officially prohibited but continues due to weak oversight mechanisms.

In addition, the lack of a standardised Code of Conduct at the local level contributes to this issue. While the National Anti-Corruption Bureau of Ukraine (NABU) has made significant strides in investigating high-profile corruption cases, local governance often falls under the radar. As a result, local authorities can sometimes operate with impunity, allowing unethical behaviour to persist.

---

[11] NACP, Annual Report 2021

Best practices in Ukraine: The Example of the city of Lviv

One of the most noteworthy examples of a local Code of Conduct in Ukraine is that of the **Lviv City Council**. Established in 2016, this Code aims to promote integrity, transparency, and accountability among local officials. Key features of the Lviv Code of Conduct include:

Prohibition of gifts: Officials must refuse gifts that could influence their decision-making.

Transparency Requirements: The Code mandates the public disclosure of financial interests and conflicts of interest.

Training and awareness: Continuous training programs for city officials on ethical standards and decision-making processes are integral to the implementation of this Code.

The adoption of this Code has led to improved public trust in local governance, as evidenced by increased citizen engagement in municipal activities and higher rates of compliance among officials regarding ethical standards.

European Best Practices: Examples of Amsterdam, the Netherlands and Copenhagen, Denmark

Across Europe, Codes of Conduct for city councils and local governments are foundational for fostering ethical governance and maintaining public trust. These codes typically emphasise several core principles designed to ensure transparency, integrity, accountability, and public engagement at the local level. While the specific content of these codes varies across municipalities, the underlying principles remain consistent.

Transparency and accountability: Transparency is central to EU city councils' Codes of Conduct, ensuring that decision-making processes, financial management, and other official actions are open to public scrutiny. Regular disclosure of interests, decision-making protocols, and public access to records are common features that help foster accountability and trust.

Conflict of interest management: European city councils establish clear rules on how officials should manage conflicts of interest. This includes mandatory declarations of financial interests, abstention from decisions where conflicts may arise, and restrictions on gifts or favours that could compromise impartiality.

Public trust and participation: To strengthen democracy, Codes of Conduct often stress the importance of public engagement in local governance. They encourage active participation from citizens and the use of consultation processes in decision-making, ensuring that policies reflect the community's needs.

Ethical behaviour and integrity: Ethical conduct involves a commitment to honesty, fairness, and professional responsibility. Public officials are expected to act in the public interest, avoid improper influence, and uphold the values of their institution.

Best practices in local Codes of Conduct go beyond merely setting rules. They embody a proactive approach to cultivating ethical governance through training, oversight, and community involvement. Some indicators of best practices include:

Amsterdam is recognised for its robust ethical framework at the local level. The city's Code of Conduct, which governs public servants and elected officials, is based on core principles of transparency, accountability, and citizen involvement. It includes clear regulations for handling conflicts of interest, a strict ban on gifts that could compromise integrity, and mandatory declarations of assets for high-ranking officials.

The system is monitored by an independent ethics commission, which ensures compliance with the code and provides regular reports on the state of ethical governance in the city. The success of these practices has made Amsterdam a model for transparency and trust in local government across the EU.[12]

Cities like Copenhagen are known for actively engaging citizens in governance processes, reinforcing trust and accountability. Successful practices include mechanisms for citizens to monitor and participate in governance, such as public consultations, transparent voting procedures, and feedback mechanisms on city planning and policy decisions.[13]

Recommendations for Ukraine

In light of the challenges faced by Ukraine in promoting ethical conduct at the local level, several reforms could be implemented, drawing on Sweden's successful practices.

The Committee of Ministers of the Council of Europe's Recommendation on Codes of Conduct for Public Officials26 and the European Code of Conduct for all Persons Involved in Local and Regional Governance27 are the reference texts for local and regional authorities in Europe for ensuring political integrity.

Adoption of a Code of Conduct by the City Councils: Ukrainian municipalities should adopt localised Codes of Conduct inspired by the European Code of Conduct for all Persons Involved in Local and Regional Governance. These codes should include regulations on transparency, accountability, conflicts of interest, and restrictions on accepting gifts. The Lviv City Council's Code of Conduct can serve as a domestic model for other Ukrainian cities.

---

[12] Gedragscode voor ambtenaren van de gemeente Amsterdam
[13] Agency for Modernisation Local Government Denmark Danish Regions "Code of conduct in the public sector", 2017

Strengthening Oversight Mechanisms: The creation of independent oversight bodies at the local level would help to monitor compliance with ethical standards. As TI recommends, these bodies should have the authority to conduct regular audits, investigate allegations of unethical conduct, and impose penalties for non-compliance.[14] Providing these institutions with the necessary resources and legal authority to operate effectively is crucial for ensuring accountability.

Adoption of a Code of Conduct by the City Councils: Ukrainian municipalities should adopt localised Codes of Conduct inspired by the European Code of Conduct for all Persons Involved in Local and Regional Governance. These codes should include regulations on transparency, accountability, conflicts of interest, and restrictions on accepting gifts. The Lviv City Council's Code of Conduct can serve as a domestic model for other Ukrainian cities.

Promoting Transparency and Public Engagement: As in Sweden, Ukraine should work towards increasing the transparency of local government decisions and processes. This could involve making public records more accessible, encouraging citizen participation in governance, and establishing whistle-blower protection mechanisms to enable the reporting of unethical behaviour without fear of retaliation, as described under the roadmap from Congress Resolution 401 (2016) on Preventing Corruption and promoting public ethics at local and regional levels. By fostering a culture of openness, Ukraine can build public trust in local institutions and reduce the prevalence of unethical conduct.

Zero-Tolerance Policy for Gifts and Benefits: Ukraine should implement and enforce a strict zero-tolerance policy regarding the acceptance of gifts and benefits by public officials. This policy should be clearly communicated to all government employees, and violations should be met with significant penalties. The introduction of regular audits, similar to those in Sweden, would help ensure compliance and deter corrupt practices.

Foster Public Participation: As seen in Amsterdam, public engagement should be a cornerstone of Ukrainian local governance. Open consultations, town halls, and online platforms where citizens can provide feedback would help strengthen public trust in local decision-making.

By incorporating these reforms, Ukraine can strengthen the ethical conduct of its public officials, enhance accountability, and build greater public confidence in local governance. Sweden's model demonstrates that fostering a culture of transparency and integrity is essential for maintaining trust in public institutions, and these principles can be successfully adapted to Ukraine's local government framework.

---

[14] Samira Lindner, Transparency International, "Implementing codes of conduct in public institutions"

2.4. Principle 12: Accountability

Accountability is a fundamental principle in ensuring that public institutions and officials are answerable for their actions, especially in a democratic context. In Ukraine, strengthening accountability at the local level is a critical step in combating corruption, improving public trust, and fostering good governance. Accountability requires transparency in decision-making processes, regular monitoring of public officials' actions, and mechanisms that allow for sanctions in cases of misconduct or negligence.

Accountability in Ukraine: Current Challenges

Ukraine's local governance faces several challenges when it comes to accountability. Despite efforts to decentralise power and promote transparency, a significant gap remains in ensuring that local officials are held accountable for their actions, particularly in matters concerning budget allocation and public procurement.

One of the primary challenges is related to financial oversight. A 2021 report by the National Anti-Corruption Bureau of Ukraine (NABU) found irregularities in approximately 20% of the audited local authorities, especially concerning local government spending.[15] These irregularities stem from opaque decision-making processes and insufficient internal control mechanisms. In many cases, the distribution of public funds lacks proper oversight, leading to instances of misuse or inefficient allocation.

Public engagement, which is essential for accountability, is also limited. The State Audit Service of Ukraine highlighted that many local councils operate with minimal public scrutiny, and the decisions made by these councils are often not communicated transparently to the citizens they serve.[16] This absence of transparency prevents citizens from effectively monitoring the actions of their local governments.

Another challenge is the ineffective handling of public complaints. Citizens often face bureaucratic hurdles when reporting grievances, and some local administrations may be either unable or unwilling to investigate claims thoroughly. As a result, misconduct by local officials often goes unpunished, eroding public confidence in the system.

Gaps in Ukrainian Anti-Corruption Law

Several gaps in Ukraine's legal framework contribute to the accountability issues at the local level. Firstly, while there are provisions for public oversight, they are insufficiently enforced. Current laws do not mandate stringent internal audits within local councils, leaving many of these bodies to function without proper internal checks. Moreover, many local authorities do

---

[15] NABU, Annual Report 2021
[16] State Audit Service, 2022 Annual Review

not have the necessary resources or trained personnel to implement rigorous internal auditing processes.

Secondly, the framework for public complaints is poorly defined. The existing mechanisms lack clarity on how complaints should be processed and addressed, creating inconsistencies in their enforcement. For instance, while Ukraine's law requires public officials to disclose their assets, there are no stringent penalties for those who fail to do so. This lack of consequences diminishes the effectiveness of transparency initiatives, as officials may choose not to disclose information without fear of repercussion.[17]

Another significant gap lies in whistle-blower protection. While Ukrainian law theoretically protects individuals who report corruption, the mechanisms for safeguarding these individuals are underdeveloped, leaving whistle-blowers vulnerable to retaliation from local officials. This discourages citizens from coming forward with valuable information about misconduct or corruption in their communities.

Finally, while Ukraine has made progress in decentralisation, local councils still lack sufficient authority to impose sanctions or corrective actions on public officials who engage in corrupt practices. This gap is particularly evident in smaller municipalities, where oversight bodies either do not exist or have limited power to enforce compliance with accountability standards. Strengthening these institutions and their ability to act independently is crucial to addressing the accountability deficit.

European Best Practices: The Example of Denmark's Local Governments

Denmark provides a notable example of how accountability can be effectively institutionalised at the local level. Denmark's local government system is highly decentralised, but it is accompanied by strong accountability frameworks to ensure that local authorities act in the public interest. One key element of Denmark's success is its comprehensive approach to auditing and oversight, which includes both external audits by the Danish National Audit Office (*Rigsrevisionen*) and internal audits conducted by local councils themselves.[18]

In Denmark, the principle of "arm's length"[19] is applied to ensure that auditing bodies operate independently from local administrations, guaranteeing impartial evaluations of government activities. The Danish National Audit Office is responsible for auditing all public accounts, including local government budgets, and for ensuring that public funds are used efficiently and legally. These audits are conducted regularly, and the results are made publicly available, enhancing transparency and enabling citizens to hold local authorities accountable.

---

[17] Law of Ukraine on the Prevention of Corruption
[18] Rigsrevisionen, Public Oversight Report, 2022
[19] "Arm's length" is an expression used to describe a situation in which two or more unaffiliated parties operate independently and on an equal footing.

Furthermore, Denmark has implemented a robust public complaints mechanism known as the "citizen ombudsperson" system. This system allows any individual to submit complaints against local authorities, which are then investigated by an independent ombudsperson institution who have the power to recommend corrective actions. The ombudsperson report directly to parliament, ensuring that there is no undue influence from local authorities during the investigation process.[20]

The impact of these mechanisms is evident in Denmark's high levels of public trust in local governance. According to the European Social Survey, over 80% of Danish citizens expressed confidence in their local authorities, largely attributing this to the strong accountability systems in place.[21] Moreover, the transparency of government actions has resulted in a very low incidence of corruption, with Denmark consistently ranking among the top countries in Transparency International's Corruption Perception Index (CPI), achieving a score of 90/100 in 2022.[22]

While many of the best European practices, such as Denmark's citizen ombudsperson system, are often established at the national level, local authorities in Ukraine can still play a proactive role in advocating for these mechanisms. One way to do so is through national associations of local governments like the Association of Ukrainian Cities. These associations are uniquely positioned to represent the collective interests of local authorities and can act as powerful platforms for lobbying central government bodies to adopt more effective accountability frameworks.

Recommendations for Ukraine

Ukraine can draw on Denmark's example to enhance accountability at the local level by adopting a set of reforms tailored to its current challenges.

Establish Independent Auditing Bodies: Ukraine should consider the creation of independent auditing bodies at the local level, modelled after Denmark's "arm's length" principle. These bodies would be responsible for conducting regular audits of local government finances, ensuring that public funds are used appropriately. To ensure impartiality, these auditing bodies should operate independently of local administrations and report their findings directly to national oversight institutions. While it could not be implemented on the local level, Ukrainian local authorities, through their national associations, should actively advocate for the establishment of independent oversight mechanisms at the local and regional levels, such as citizen ombudspersons and independent audit bodies. These mechanisms, while initiated and enforced at the national level, would significantly enhance accountability for local governments.

---

[20] Danish Ombudsman Office, 2021 Annual Report
[21] European Social Survey, Denmark Overview, 2022
[22] Transparency International, CPI Report, 2022

This collective action could be modelled on the successful efforts of other European municipal associations, such as the Union of Municipalities of Turkey or the Association of Netherlands Municipalities (VNG), both of which have successfully lobbied for national reforms that improve local governance and accountability standards.

Enhance Public Complaints Mechanisms: Ukraine should develop a more effective system for addressing public complaints at the local level. This could involve the introduction of a "citizen ombudsperson" system, similar to Denmark's, which allows citizens to file complaints that are independently investigated. This system should be complemented by protections for whistle-blowers and citizens who report unethical behaviour, ensuring they can do so without fear of retaliation.

Increase Transparency and Public Engagement: Local government actions and decisions should be made more transparent to the public, with easy access to public records, council meetings, and decision-making processes. By fostering a culture of openness, Ukrainian local authorities can empower its citizens to hold local officials accountable and participate more actively in governance. This could also involve the introduction of digital platforms that allow citizens to monitor local budgets and government spending in real-time.

Regular Performance Audits: In addition to financial audits, Ukraine should implement regular performance audits to assess the effectiveness of local government actions. These audits would evaluate whether public services are being delivered efficiently and in line with community needs. The results of these audits should be publicly disclosed, allowing citizens to track the performance of their local authorities. One of the best available practices is a Stockholm (Sweden) Annual Reports[23] system that presents operations that are working in the best interests of the city. Similar practices exist in Barcelona, Spain.[24]

By implementing these reforms, Ukraine can significantly enhance accountability in local governance. Denmark's example demonstrates that strong oversight mechanisms, coupled with transparency and citizen engagement, can foster a culture of accountability that deters corruption and promotes efficient, ethical governance. Such reforms would not only improve the functioning of local governments but also contribute to building public trust in Ukraine's democratic institutions.

---

[23] Stockholm Municipality Public Reports
[24] General Account Report and Financial Reports, Barcelona (Spain)

3. Code of Conduct as a Foundation for Ethical and Effective Governance

A Code of Conduct is critical for ensuring integrity and preventing corruption in public governance. It establishes clear ethical standards that guide public officials' behaviour and decision-making, reducing the risk of corrupt practices. However, the success of such a code depends on its clarity, enforceability, and alignment with broader anti-corruption frameworks. In Ukraine, while national laws provide a foundation, there are significant gaps in the legal framework that hinder effective corruption prevention, especially at the local level. Local communities need more specific guidelines to address these gaps and ensure a consistent approach to ethical governance.

Despite the efforts of institutions like the National Agency on Corruption Prevention (NACP) and Transparency International Ukraine (TI Ukraine), Ukrainian anti-corruption laws often lack the specifications needed for effective implementation at the local level. These gaps create opportunities for misconduct and inconsistent enforcement. The following are key areas where the law falls short, particularly for local self-governments:

3.1. Conflict of Interest: Insufficient Clarity and Reporting

Current Challenges

One of the fundamental ethical concerns in Ukraine is the lack of clarity in identifying and managing conflicts of interest at the local level. While the Law on Prevention of Corruption requires officials to avoid conflicts of interest, it fails to provide detailed guidance on how conflicts should be reported and resolved. Many public officials, particularly at the local level, lack the necessary training to recognise and declare conflicts of interest.

Furthermore, local governments often lack formal procedures to address declared conflicts, leading to ineffective enforcement of anti-corruption measures. Without a transparent process in place, transparency in decision-making remains limited, increasing the risk of unethical practices.

European Best Practices: The Example of Helsinki, Finland

The City of Helsinki has implemented a highly transparent system for managing conflicts of interest. Helsinki's code of conduct obliges public officials to declare conflicts before any decision-making process. Officials must abstain from decisions where they have a personal interest. These declarations are made publicly available through an open-access portal to ensure that citizens can monitor the interests of their elected representatives.[25]

---

[25] Helsinki City Council website.

The city also conducts ethics audits regularly to identify any potential conflicts of interest within its governance processes. These audits help to maintain a high level of transparency and build public trust.

Recommendations for Ukraine

Implement Detailed Conflict-of-Interest Policies: Local authorities in Ukraine should adopt detailed, actionable policies outlining how to identify and manage conflicts of interest. These should include mandatory digital declarations by officials before significant decisions are made.

Training and Awareness: Regular ethics training for all local officials should be instituted, similar to the German model. Training should focus on how to recognise potential conflicts and the procedures for addressing them.

Independent Oversight: Establish a local ethics commission or appoint an independent oversight officer responsible for reviewing conflict-of-interest declarations at the municipal level. This would ensure accountability and consistent enforcement of policies across all local governments.

Transparency through Digital Systems: Create a digital registry for conflicts of interest, enabling public access and real-time monitoring of declared interests, following best practices from Germany's ethics framework.

Adoption of a Code of Conduct by the City Councils: Ukrainian municipalities should adopt localised Codes of Conduct inspired by the European Code of Conduct for all Persons Involved in Local and Regional Governance. These codes should include regulations on transparency, accountability, conflicts of interest, and restrictions on accepting gifts. The Lviv City Council's Code of Conduct can serve as a domestic model for other Ukrainian cities.

3.2. The institution of Anti-Corruption Officers in Ukraine at the local level

The institution of Anti-Corruption Officers in Ukraine is a crucial element of the anti-corruption system. It was established based on the current anti-corruption legislation to implement effective mechanisms for preventing, detecting, and combating corruption in various areas of public administration. However, the level of anti-corruption expertise among authorised officers in local self-government bodies, as well as their level of interaction with the NACP, is insufficient. Additionally, it is worth noting that the workload in the bodies where these activities are carried out is quite significant.

Current Challenges

According to a 2020 report by NACP, there are more than 3,500 anti-corruption officers across various government bodies, but only 267 city and district councils have adopted effective practices to support them.[26] This gap highlights the need for more robust institutional support for anti-corruption officers.

European Best Practices: The Example of Estonia

In Estonia, anti-corruption officers are given significant autonomy and resources to enforce anti-corruption policies. The Anti-Corruption Act of Estonia mandates regular training programmes, and each officer is required to submit a detailed annual report on their activities. Additionally, local anti-corruption committees collaborate with civil society organisations to monitor the activities of public officials. This partnership between the government and civil society enhances transparency and ensures greater public participation in anti-corruption efforts.[27]

Recommendations for Ukraine

Legal Independence: Secure the legal independence of anti-corruption officers in Ukraine by creating external oversight mechanisms. These could mirror Estonia's approach, where anti-corruption committees work closely with civil society.

Resource Allocation: Increase funding and resources for anti-corruption officers, provide sufficient staffing, and organise training programmes similar to those implemented in Estonia.

Public Engagement: Develop awareness campaigns to inform the public about the role of anti-corruption officers. Allow citizens to anonymously report corruption to encourage greater civic participation.

3.3. Whistle-blower institution in Ukraine on a local level

The whistle-blower institution at the local level in Ukraine is an essential element of an anti-corruption policy aimed at engaging citizens in the fight against corruption through the safe reporting of violations. Since this practice is new to Ukraine, the critical challenges in protecting whistle-blowers at the local level remain the fear of retaliation, low trust in government bodies, insufficient support from the local population, legal unawareness of whistle-blowers, and a weak system of legal support and protection.

---

[26] NACP, Report on Anti-Corruption Practices, 2020
[27] Estonia Anti-Corruption Act, 2019

Current Challenges

At the local level in Ukraine, whistle-blower protection remains weak despite the establishment of legal frameworks intended to safeguard individuals who report corruption. Many potential whistle-blowers are reluctant to come forward due to fear of retaliation, legal insecurity, and a lack of trust in local authorities.

Statistics about reporting cases of local corruption by whistle-blowers are limited, but the fact remains that there is a significant gap between the laws designed to protect whistle-blowers and their practical implementation. This issue is particularly acute in rural and small municipal governments, where local elites often have informal solid networks that can undermine whistle-blowers' efforts.

European Best Practices: The Example of the UK

The United Kingdom has established one of the most comprehensive whistle-blower protection systems in Europe. Under the UK's Public Interest Disclosure Act (PIDA), whistle-blowers are provided with strong legal protections, including anonymity, protection from dismissal, and avenues for seeking compensation if they face retaliation. The UK government also supports awareness campaigns that inform public servants of their rights as whistle-blowers, and there are independent bodies like the Whistle-blowing Commission, which oversees whistle-blower cases and ensures that reports are taken seriously.

One of the most important aspects of the UK system is the provision of secure, anonymous channels for reporting misconduct, which helps to reduce the fear of retaliation. Whistle-blowers can report directly to oversight bodies that are independent of local authorities, ensuring that investigations remain impartial and effective. As a result, whistle-blowing has become a powerful tool in exposing corruption in the UK, with over 20,000 whistle-blower reports submitted annually across various sectors.[28]

Recommendations for Ukraine

The Congress of the Council of Europe's resolution and recommendation on "The protection of whistle-blowers: Challenges and opportunities for local and regional government" call on local and regional authorities to establish and disseminate a whistleblowing policy with appropriate internal and anonymous reporting channels and to ensure that independent designated institutions exist to oversee and process the disclosure of information.[29]

In addition, to strengthen its whistle-blower protection at the local level, Ukraine could adopt several best practices from the UK's system:

---

[28] Public Interest Disclosure Act Annual Report, 2021
[29] https://search.coe.int/congress/pages/result_details.aspx?ObjectId=09000016809312bd

Legal protection and assistance: first, it is crucial to enhance legal protections for whistle-blowers, ensuring that they are shielded from retaliation and that any retribution is met with solid legal consequences. Providing legal assistance to whistle-blowers and ensuring that reports are acted upon would create a more supportive environment for exposing corruption at the local level.

Safe reporting: a secure, anonymous reporting system should be established, allowing individuals to report unethical behaviour without fear of exposure.

Awareness raising: additionally, raising awareness through public campaigns about whistle-blowers' rights and protections is essential to encouraging more individuals to step forward.

Local oversight: Ukraine should also establish independent local oversight bodies, separate from municipal authorities, to handle whistle-blower reports. These bodies could collaborate with civil society organisations to ensure impartial investigations and follow-up actions.

3.4. Procurement and Public Spending: Lack of Oversight

Public procurement is one of the most vulnerable areas for corruption at the local level in Ukraine. The ProZorro public procurement system has helped improve transparency at the national level, but many local governments still lack the capacity to fully implement and monitor procurement rules.

Current Challenges

TI Ukraine reported approximately 550 cases of procurement-related corruption at the local level throughout 2023, while between 2020 and 2022, the number was about 500. These cases were often linked to issues such as inadequate oversight and manipulation of procurement procedures.[30]

Moreover, the ProZorro system, monitored by NACP, reported numerous cases of procurement-related corruption at the local level, highlighting the need for improved oversight and training. Many of these cases were linked to a lack of oversight or manipulation of procurement procedures. This indicates that local procurement officers often lack the training or resources needed to navigate complex procurement regulations, leading to unintentional violations or exploitation by corrupt actors.

---

[30] Transparency International Ukraine, Annual Report 2023

European Best Practices: The Example of Denmark

In Denmark, the Danish Public Procurement Act sets stringent standards for transparency and accountability in public spending. Denmark has established local procurement monitoring units that work in collaboration with civil society organisations to ensure that all procurement processes are free from corruption. These units conduct regular audits and provide real-time monitoring of public contracts, which has resulted in one of the most transparent procurement systems in Europe.[31]

Recommendations for Ukraine

The Congress of the Council of Europe's resolution and recommendation on "Making public procurement transparent at local and regional levels" provide guidance for enhancing transparency and promoting integrity in procurement.[32] In addition, Ukrainian local authorities are encouraged to follow these recommendations:

Establish Local Procurement Monitoring Units: Ukraine should follow Denmark's example by creating local procurement monitoring units. These units would collaborate with civil society organisations to provide additional oversight.

Implement Real-Time Audits: Introduce real-time auditing processes for procurement contracts at the local level, ensuring greater accountability.

Training for Local Procurement Officers: Ensure that local procurement officers are adequately trained in the ProZorro system, with a focus on transparency and the prevention of corruption.

3.5. Inadequate Sanctions for Violations

Ukraine's anti-corruption law includes sanctions for violations; these are often too broad and inconsistently applied at the local level. Local governments may lack the resources and mechanisms to effectively enforce sanctions, leading to impunity for public officials involved in corrupt activities.

Current Challenges

Despite Ukraine's legal framework for combating corruption, local authorities often face challenges in enforcing sanctions for violations of the law. For instance, even when local officials are found guilty of breaching anti-corruption regulations, the penalties imposed are frequently too lenient or not enforced at all. According to a report by TI Ukraine, only 20% of

---

[31] Danish Public Procurement Act, 2017
[32] English: https://rm.coe.int/1680907924; Ukrainian: https://rm.coe.int/168094eb89

public officials found guilty of anti-corruption violations in 2022 faced significant consequences such as suspension or dismissal.[33] This statistic remained unchanged in 2023, reflecting a systemic issue in ensuring that sanctions are applied consistently and effectively.[34]

Local governments often lack the capacity to implement sanctions or enforce anti-corruption rules due to limited resources, insufficient training, and political influence. This creates an environment in which public officials may feel emboldened to engage in corrupt activities, knowing that they are unlikely to face serious repercussions. The lack of strong and consistent enforcement of sanctions weakens the overall effectiveness of anti-corruption efforts, particularly in smaller municipalities where oversight is limited.

European Best Practices: The Example of Denmark

Denmark consistently ranks as one of the least corrupt countries in the world, largely due to its robust enforcement of anti-corruption laws and sanctions. Danish law includes clear, enforceable sanctions for public officials found guilty of corruption, ranging from financial penalties to dismissal from public office. What sets Denmark apart is the systematic approach to ensuring that these sanctions are applied uniformly across the country.

In Denmark, an independent oversight body (*Statsforvaltningen*) is tasked with monitoring public officials and enforcing sanctions when necessary. The key to Denmark's success is the high level of transparency in its sanctioning processes. Decisions related to public officials' misconduct are publicly available, ensuring that the public can hold officials accountable. This transparency acts as a strong deterrent, as the consequences of corrupt actions are clear and visible. Additionally, Denmark has established integrity commissions that regularly review cases and ensure that sanctions are applied fairly and consistently.[35]

Recommendations for Ukraine

Establish independent oversight bodies at the municipal level: It is essential to establish independent oversight bodies at the municipal level, similar to Denmark's *Statsforvaltningen*, to ensure that sanctions for corruption violations are consistently applied and publicly visible. These bodies should be empowered to review corruption cases, impose penalties, and follow up on enforcement.

Developing sanctions for breaches of anti-corruption law: Ukraine should develop clear, enforceable sanctions for breaches of anti-corruption laws, with specific guidelines on penalties that are proportionate to the violation. Publicising these sanctions and ensuring that local governments have the resources and capacity to enforce them is crucial for deterring

---

[33] TI Ukraine, 2022, Anti-Corruption Report
[34] TI Ukraine, 2023, Anti-Corruption Report
[35] Danish Anti-Corruption System Overview, 2021

corruption. Regular audits and evaluations of sanction enforcement can help to identify gaps and ensure that corrupt officials face meaningful consequences for their actions. While it could not be solely implemented at the local level, Ukrainian local authorities should establish a dialogue with central authorities to develop a sanction mechanism. It could be made under a multi-level governance model in cooperation with local, regional and national authorities.[36]

Establish integrity commissions: Local governments could establish integrity commissions, composed of independent experts and representatives from civil society, to oversee the investigation of corruption cases and ensure that sanctions are applied fairly. By incorporating transparency into the sanctioning process, Ukraine can build greater public trust in local governance and strengthen its overall anti-corruption framework.

3.6. Gift Acceptance and Hospitality: Lack of Clear Guidelines

One of the persistent issues in local governance is the acceptance of gifts by public officials. Under Ukrainian law, public officials are prohibited from accepting gifts exceeding a certain value (around 5,000 (2 living wages) Ukrainian hryvnia or approximately €110). However, this limit is vague, and the law lacks specific enforcement mechanisms, particularly at the local level.

Current challenges

Local officials in Ukraine face significant challenges in adhering to gift acceptance regulations due to vague legal guidelines, lack of enforcement mechanisms, and insufficient awareness of ethical standards. Although there is a monetary threshold for acceptable gifts, the absence of clear reporting and tracking procedures leaves room for misuse. As seen in recent reports,[37] a substantial percentage of local officials either do not comply or do not fully understand the regulations. This highlights the need for specific, localized solutions that go beyond central government oversight.

European Best Practices: The Example of Aberdeen (UK)/Stockholm, Sweden

In contrast to Ukraine, the UK has established a robust framework for managing gift acceptance by public officials, which could serve as a valuable model for Ukraine. The UK's approach is characterised by clarity in regulations, comprehensive training, and effective enforcement mechanisms. Moreover, most of the UK's local communities regulate gift acceptance in local codes of conduct. For instance, the Aberdeen City Council Employee Code of Conduct explains more broadly what constitutes corruption within the matter of gift acceptance and what public servants should do in such a case.

---

[36] A Guide to Multi-level Governance for Local and Regional Public Authorities, Coopenergy Consortium December 2015
[37] NACP Annual Report 2023; Transparency International CPI 2023

Sweden, particularly Stockholm, provides ethics training for all public officials, ensuring that they understand their responsibilities regarding gift acceptance and conflict of interest. The training[38] covers various topics, including the legal framework governing gifts, scenarios illustrating potential ethical dilemmas, and the consequences of non-compliance. This comprehensive training programme is instrumental in raising awareness among officials and fostering a culture of ethical behaviour.

Recommendations for Ukraine

To improve the management of gift acceptance and hospitality at the local level, Ukraine could consider the following recommendations, drawing on Sweden's and the UK's best practices:

Establish Clear Regulations: Develop specific guidelines regarding the acceptance of gifts, including a clear threshold and detailed criteria for determining what constitutes an acceptable gift. It could be done under part 2, article 37 of the State law "On prevention of corruption" of Ukraine, which allows municipalities to develop and ensure the implementation of industry codes or standards of ethical behaviour of their employees, as well as other persons authorized to perform the functions of the state or local self-government, persons equated to them, who carry out activities in the field of their management. Therefore, Ukrainian local communities may implement the same mechanism as Aberdeen. This clarity will help local officials understand their obligations and reduce the risk of conflicts of interest.

Implement Mandatory Ethics Training: Local communities of Ukraine do have duties to introduce compulsory ethics training programmes for all public officials focused on gift acceptance, conflict of interest management, and ethical decision-making. This training should be regularly updated to reflect changes in laws and best practices.

Create Public Disclosure Mechanisms: Local communities of Ukraine do have duties to develop a system for public reporting of gifts received by local officials on the official website. Complaints about corruption experience in City Councils should be considered by the commissioner for the corruption prevention in the City Council and, in the case of confirmation, be sent to the NACP. This transparency will allow citizens to monitor compliance and foster trust in local governance.

---

[38] The official site of Stockholms Stad

4. Conclusion

By adopting European best practices and capitalizing on successful local initiatives, Ukrainian municipalities can significantly mitigate corruption risks. Establishing a robust Code of Conduct, adhering to the 12 Principles of Good Governance, and developing effective risk management frameworks will enable local authorities to navigate the complexities of decentralization and wartime governance, fostering accountability and public trust. These measures are vital for the long-term stability and development of Ukraine.

To address these gaps and reduce corruption risks, Ukrainian local authorities should focus on the following:

Develop Tailored Local Codes of Conduct: Municipalities should create specific Codes of Conduct that address unique regional risks, focusing on areas such as gift acceptance, conflicts of interest, and procurement. While aligned with national laws, these codes should provide detailed, actionable guidelines suited to local contexts.

Implement Transparent Reporting Systems: Local governments should establish public reporting mechanisms, including online gift registries and conflict-of-interest declarations. By modelling these systems after successful initiatives in municipality like Helsinki, Finland. These can enhance transparency and accountability among public officials.

Establish Independent Oversight: To ensure adherence to the Code of Conduct, local authorities should form independent oversight bodies, such as municipal ethics commissions. These entities would investigate violations, enforce sanctions, and audit procurement processes to guarantee transparency.

The institution of Anti-Corruption Officers in Ukraine on a local level: Local authorities must strengthen the role of Anti-Corruption Officers by ensuring their independence, providing adequate resources, raising public awareness of their functions, and implementing clear operational procedures.

The whistle-blower institution at the local level in Ukraine: Local governments should bolster whistle-blower protections by lobbying for improving legislation. Besides, they should launch awareness raising campaigns about whistle-blowers' rights, ensuring legal support and anonymity in reporting violations, and establishing feedback mechanisms in collaboration with civil society organizations.

Corruption Risk Management Framework: Developing a Corruption Risk Management Framework is essential for local governments to proactively identify and address corruption

vulnerabilities. European models of risk assessments offer a structured approach to corruption prevention. The NACP has introduced corruption risk assessments at the national level. Their methodology can be adapted for use at the municipal level to assess risks in areas such as public procurement and service delivery (NACP Anti-Corruption Strategy). A key recommendation is to adapt NACP's integrity plans for local authorities, ensuring that they address specific corruption risks in each community. The new Methodology for evaluating and minimising corruption risks, which was developed by a team of experts with the support of the EU Anti-Corruption Initiative in Ukraine, is also to be considered.[39]

Digital tools: Digital tools are essential for enhancing transparency, accountability, and corruption prevention. Successful initiatives, such as ProZorro and electronic declarations for public officials, should be further integrated with local e-participation tools to strengthen citizen engagement.

Adapt to Wartime Conditions: In light of the ongoing conflict, local governments must be vigilant in managing humanitarian aid and reconstruction funds. Implementing real-time monitoring and auditing systems for wartime resources is critical to preventing exploitation during this crisis. Municipalities could draw inspiration from Helsinki monitoring and public engagement systems. Besides, local governments could look at Poland's post-war corruption monitoring systems for models on how to safeguard against wartime corruption risks.[40]

* * * * *

For further information and resources on good governance, corruption prevention, and public ethics, readers are encouraged to explore the Council of Europe's **12 Principles of Good Democratic Governance**[41]. These principles offer valuable guidance on fostering transparency, accountability, and citizen participation at the local level. Additionally, the **Thematic File on Corruption and Public Ethics**[42] provides a comprehensive overview of best practices for mitigating corruption risks. For practical tools to enhance transparency and accountability in public administration, local authorities can also utilize the **Be-Open Tool**,[43] developed by the Congress of Local and Regional Authorities.

---

[39] Методологія оцінки корупційних ризиків в діяльності органів місцевого самоврядування — Київ, 2024
[40] Corruption and politics: Comments on the specificity of the Polish model of transformation, Studia de Securitate 13(1) (2023) ISSN 2657–8549 DOI 10.24917/26578549.13.1.8
[41] Council of Europe "12 Principles of Good Democratic Governance"
[42] European Code of Conduct for all Persons Involved in Local and Regional Governance; Road map of activities for preventing corruption and promoting public ethics at local and regional levels.
[43] Be-Open, Council of Europe https://www.beopen-congress.eu/en/