ACT Plan

Managing Assessed Corruption Risks in the Field of International Assistance for EU Candidate Countries: Comparative Insights from Ukraine and Moldova

Policy brief

Mentor: Ketevan Bolkvadze, Senior Lecturer at the Department of Political Science in Lund University.

Authors: Nataliia Shpak [1], Artem Ripenko [2], Daria Arman [3], Marin Chihai [4], Alina Adelshyna [5], Dmytro Vozniuk [6], Armen Oganesean [7], Victoria Butușanu.

ACT Plan

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[1] Head of the International Activity Department at Alfred Nobel University, Dnipro (Ukraine).
[2] DSc in Law, advocate, DE-JURE Law Firm, Partner;
[3] Project Linguistic Assistant, Project Action Against Money Laundering and Terrorism Financing in Moldova, Council of Europe Office in Chisinau;
[4] Prosecutor, Odesa region Prosecutor’s Office;
[5] Advocacy Officer (Projects against Human Trafficking), Lawyer, Chisinau, Republic of Moldova
[6] Prosecutor of the Korosten District Prosecutor's Office of Zhytomyr Region;
[7] Prosecutor, General Prosecutor’s Office of the Republic of Moldova, PhD

Introduction

International assistance has become a critical pillar for supporting reforms, institutional resilience, humanitarian response, and EU integration processes in candidate countries such as Ukraine and Moldova [8][9]. However, the rapid expansion of external funding and emergency support mechanisms also increases exposure to corruption risks, particularly in fragile governance environments and during periods of crisis and accelerated reform.

In the context of EU accession efforts, ensuring transparency, accountability, and effective oversight of international assistance is not only a priority of governance but also a strategic requirement for strengthening public trust and aligning with European standards. Both Ukraine and Moldova have undertaken significant anti-corruption reforms in recent years, yet challenges persist regarding coordination, risk management, institutional capacity, monitoring mechanisms, and public accountability in the management of international aid and donor-funded programs.

This policy brief builds on the outcomes of the **ACT Mentorship Program organized by the Raoul Wallenberg Institute of Human Rights and Humanitarian Law, the Ukrainian Bar Association, and Action for Justice**. Developed through collaboration between participants from Ukraine and Moldova under the mentorship of Ketevan Bolkvadze, the brief examines assessed corruption risks related to international assistance and identifies comparative lessons, existing gaps, and practical policy recommendations for EU candidate countries.

The document aims to develop a substantiated and practically oriented Action Plan to eliminate and/or minimize corruption risks when receiving and managing international aid in Ukraine and Moldova in the outlined areas.

The Action Plan contains recommendations based on an analysis of the regulatory framework and factual data, aimed at eliminating and reducing corruption risks while increasing trust in the use of international resources.

[8] Communication on EU Enlargement Policy, 2024 Report for Ukraine. Retrieved from: https://enlargement.ec.europa.eu/document/download/1924a044-b30f-48a2-99c1-50edeac14da1_en?filename=Ukraine+Report+2024.pdf (accessed 2 August 2025);
[9] Communication on EU Enlargement Policy, 2024 Report for Republic of Moldova: Commission Staff Working Document, Accompanying the document: Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of Regions. Retrieved from: https://enlargement.ec.europa.eu/document/download/858717b3-f8ef-4514-89fe-54a6aa15ef69_en?filename=Moldova+Report+2024.pdf (accessed 8 August 2025);

Executive Summary

In recent years, Ukraine and Moldova have made significant progress towards European integration, while simultaneously facing increased expectations regarding transparency, institutional accountability, and the proper management of international assistance. In both countries, the fight against corruption remains a key benchmark for European Union accession, as highlighted in annual Enlargement Reports and reinforced through bilateral frameworks such as Association Agreements. The proper use of international assistance, particularly EU funds, is central to this effort, given the scale of support and the sensitivity of donor expectations.

For this analysis, the most relevant aspect of the national context is how institutional arrangements influence corruption risks in specific stages of international assistance management.

Corruption risks in Ukraine under martial law affect both the internal situation in the country and its international position.

In recent years, Ukraine and Moldova are undergoing complex European integration processes while simultaneously managing significant volumes of international assistance. In both countries, external financial support plays a critical role in institutional reform, reconstruction, humanitarian response, and economic resilience. However, large-scale assistance flows also create significant corruption risks, particularly in environments characterized by fragmented oversight, weak institutional coordination, administrative discretion, and uneven digital interoperability.

The policy brief analyses corruption-prone aspects of international aid management in Ukraine and Moldova, and identifies practical governance measures that are in line with EU standards and international best practices. The analysis focuses on procurement procedures, humanitarian assistance, technical assistance, reporting systems, compensation mechanisms related to military risks, and digital monitoring platforms.

The study’s findings suggest that corruption risks are most likely to arise where oversight mechanisms are fragmented; reporting systems are not sufficiently integrated; institutional capacity is weak; emergency response procedures reduce preventive controls; and public accountability mechanisms remain limited.

While both countries face common structural vulnerabilities, important contextual differences exist. In Moldova, risks are concentrated mainly in public procurement and external assistance reporting systems. In Ukraine, wartime governance conditions significantly increase vulnerabilities related to humanitarian aid, reconstruction financing, and compensation mechanisms.

The brief recommends strengthening digital interoperability, institutional oversight, corruption risk assessment mechanisms, procurement transparency, and donor coordination frameworks to improve accountability and sustain public and donor trust.

Context

International assistance has become an integral part of public administration reform and EU integration in both Ukraine and Moldova. The processes of accession to the European Union require strengthened measures to ensure integrity, transparent management of public resources, and the creation of an effective system for preventing corruption.

In recent years, both countries have implemented reforms aimed at strengthening anti-corruption institutions, financial oversight, and transparency mechanisms. Nevertheless, corruption risks remain significant in sectors involving large external financial flows, emergency procurement, reconstruction funding, humanitarian assistance, and donor-funded projects.

Managing international assistance in high-risk governance environments presents complex challenges. Corruption risks arise throughout the aid cycle, including:

1. project selection;
2. procurement procedures;
3. allocation of resources;
4. implementation and monitoring;
5. reporting and evaluation processes.

These risks are intensified by:

1. fragmented oversight systems;
2. weak interoperability between digital platforms;
3. limited institutional capacity;
4. political interference;
5. inconsistent enforcement mechanisms;
6. insufficient public monitoring.

In Ukraine, wartime conditions have further increased vulnerabilities by expanding emergency procurement procedures and accelerating humanitarian and reconstruction financing mechanisms. In Moldova, vulnerabilities remain concentrated in procurement oversight and in the coordination of reporting mechanisms for externally financed projects.

Analytical Framework and Methodology

This policy brief examines corruption risks in the management of international assistance through a comparative analysis of Ukraine and Moldova.

The research combines:

1. legal and policy analysis;
2. institutional and donor reports;
3. audit findings;
4. anti-corruption strategies;
5. public oversight assessments;
6. practitioner consultations and expert interviews.

The analysis focuses on stages where corruption risks are most likely to occur:

1. procurement;
2. allocation of external resources;
3. reporting systems;
4. digital monitoring;
5. oversight and accountability mechanisms.

The study defines corruption risk as the likelihood that a process, institution, or externally funded project may be exposed to abuse of power, misuse of resources, conflicts of interest, or manipulation affecting transparency, accountability, or public trust.

Key Corruption Risks Identified

1. Fragmented Oversight and Weak Institutional Coordination

Both countries face structural difficulties caused by fragmented oversight arrangements and insufficient coordination among institutions managing international assistance *(see Annex 1)*.

In Moldova, monitoring responsibilities are divided between multiple institutions and reporting systems, creating risks of inconsistent verification and delayed identification of irregularities.

In Ukraine, humanitarian aid, customs information, warehouse accounting, and reconstruction monitoring operate through parallel systems with limited interoperability; [10][11].

2. Public Procurement Vulnerabilities

Public procurement financed through external assistance remains one of the highest-risk areas in both countries.

Main vulnerabilities include:

1. conflicts of interest;
2. weak internal controls;
3. limited independent oversight;
4. insufficient technical capacity at local level;
5. risks linked to procurement fragmentation and supplier favoritism.

In Moldova, procurement risks are especially visible in externally funded local projects where contracting authorities face limited administrative capacity.

In Ukraine, emergency procurement procedures introduced under martial law [12] significantly increased discretion and reduced preventive controls.

[10] Yedynyy reyestr otrymuvachiv. [Unified register of recipients of humanitarian aid]. Retrieved from: https://good.gov.ua/register-recipients-public (accessed 23 February 2026).
[11] Deyaki pytannya orhanizatsiyi vedennya avtomatyzovanoyi systemy reyestratsiyi humanitarnoyi dopomohy (in Ukrainian). [Some issues of organizing the maintenance of an automated system for registering humanitarian aid]. Resolution of the Cabinet of Ministers of Ukraine dated October 9, 2020, No. 927. Retrieved from: https://zakon.rada.gov.ua/laws/show/927-2020-%D0%BF#n13 (accessed 25 February 2026).
[12] Deyaki pytannya propusku ta obliku humanitarnoyi dopomohy v umovakh voyennoho stanu(in Ukrainian). [Some issues of passing and accounting for humanitarian aid under martial law]. Resolution of the Cabinet of Ministers of Ukraine dated September 5, 2023, No. 953. Retrieved from: https://zakon.rada.gov.ua/laws/show/953-2023-%D0%BF#Text (accessed 26 February 2026).

3. Digital Transparency and Reporting Challenges

Both Moldova and Ukraine introduced digital platforms for aid management and monitoring: Aid Management Platform (AMP), Project.gov.md, Automated Humanitarian Aid Registration System, DREAM. Public Investment Management System. Despite the introduction of these platforms, major integrity risks persist due to weak interoperability and inconsistent data validation mechanisms.

In Moldova:

1. reporting systems remain fragmented;
2. donor reporting methodologies differ;
3. mixed-finance projects reduce traceability.

In Ukraine:

1. humanitarian aid tracking lacks full end-to-end monitoring [13];
2. parallel digital systems limit automated verification;
3. reconstruction platforms such as DREAM [14] remain incomplete as unified funding gateways.

4. Humanitarian Assistance Risks in Wartime Conditions

In Ukraine, wartime emergency procedures created opportunities for:

1. misuse of humanitarian aid;
2. illegal commercialization of humanitarian goods;
3. diversion of vehicles and supplies;
4. manipulation of beneficiary lists;
5. unequal local distribution.

Weak physical tracking, insufficient labeling requirements, and reduced customs controls contributed to increased corruption exposure.

5. Risks Related to Compensation and Reconstruction Mechanisms

New compensation schemes linked to military risks and reconstruction financing create additional corruption vulnerabilities due to:

1. concentration of decision-making powers;
2. limited beneficiary transparency;

[13] Nezdiysnennya nalezhnoho obliku humanitarnoyi dopomohy, yaka nadkhodyt' na sklad, fiksuvannya faktu yiyi vydachi zi skladu, obliku zalyshkiv humanitarnoyi dopomohy na skladi z metoyu zadovolennya pryvatnykh interesiv osib, vidpovidal'nykh za robotu skladiv. [Failure to properly record humanitarian aid received at the warehouse, record its issuance from the warehouse, and record the remaining humanitarian aid in the warehouse in order to satisfy the private interests of persons responsible for the operation of the warehouses]. Corruption risk identified. National Agency for the Prevention of Corruption. Retrieved from: https://antycorportal.nazk.gov.ua/risks/115/ (accessed 28 February 2026).
[14] DREAM. Public Investment Management System. Retrieved from: https://dream.gov.ua/en (accessed 25 February 2026).

3. manipulation of damage assessments;
4. unclear monitoring of business contributions;
5. insufficient independent oversight.

6. Comparative Findings

The comparative analysis demonstrates that both Moldova and Ukraine face similar systemic vulnerabilities related to:

1. fragmented oversight;
2. uneven institutional capacity;
3. limited digital interoperability;
4. weak corruption risk assessment mechanisms.

However, differences exist due to their political and security contexts.

Moldova

Main vulnerabilities are concentrated on procurement oversight, donor reporting coordination, institutional capacity limitations and mixed-finance reporting systems.

Ukraine

Corruption risks are heavily influenced by wartime emergency governance, humanitarian aid flows, reconstruction financing, military-risk compensation schemes, accelerated procurement and distribution mechanisms.

Despite these differences, both countries require stronger integration of transparency, accountability, and digital monitoring systems aligned with EU governance standards.

Policy Recommendations

Reducing corruption risks in the management of international assistance requires a coordinated approach involving **governments, international donors, oversight institutions, and civil society actors** (see Annex 1).

Anti-corruption reforms in Ukraine and Moldova should focus both on formal compliance with anti-corruption standards and on strengthening institutional capacity, coordination, improving transparency mechanisms, and increasing the effectiveness of monitoring and accountability systems throughout the entire international assistance cycle.

At the **governmental level**, both countries should prioritize the development of interoperable aid management systems capable of integrating procurement, treasury, reporting, and beneficial ownership data into unified monitoring frameworks. Strengthening ex-ante and ex-post procurement controls, institutionalizing regular corruption risk assessments, and improving coordination between oversight institutions would significantly enhance the early detection of irregularities and reduce opportunities for abuse. At the same time, **procurement integrity** could be strengthened through clearer conflict of interest procedures, wider use of risk-based audits, increased involvement of independent oversight actors in high-value procurement processes, and the standardization of compliance mechanisms across institutions.

Digital transparency should become a central component of corruption prevention strategies. Existing digital platforms in both countries should be further integrated and enhanced through automated red-flag indicators, improved interoperability, and broader public access to implementation and financial data. Such measures would allow authorities, donors, and civil society organizations to identify inconsistencies and integrity risks more efficiently. In parallel, **strengthening institutional capacity at local level** remains essential, particularly in externally funded projects where contracting authorities often face administrative and technical limitations. Expanding professional training, introducing standardized reporting tools, and improving procurement and audit capacities at municipal level would contribute to more consistent implementation of transparency standards.

In Ukraine, additional precautions are needed due to the conditions of governance during martial law and the scale of humanitarian and reconstruction assistance. Priority should be given to establishing mandatory end-to-end digital systems for tracking humanitarian aid, from border entry to final distribution, combined with strengthened verification and monitoring mechanisms. Funding and reconstruction compensation mechanisms linked to military risks also require increased transparency, independent oversight and clear methodologies for damage assessment and allocation decisions, to reduce discretionary practices and strengthen donor trust.

International donors also play a crucial role in reducing corruption risks. Donor organisations should continue to support integrated monitoring systems, while promoting harmonised reporting standards and interoperability requirements in line with EU transparency principles [15] . Greater emphasis should be placed on conditionality linked to accountability safeguards, public reporting obligations, and independent oversight mechanisms. At the same time, long-term support for institutional capacity-building and civil society participation remains essential for ensuring sustainable anti-corruption reforms.

Civil society organizations and **independent oversight actors** should be further integrated into monitoring and accountability processes. Expanding community-level monitoring initiatives, improving access to public information, strengthening whistleblower protection mechanisms, and increasing civic participation in procurement and aid oversight would contribute to greater transparency and public trust. In both Moldova and Ukraine, stronger cooperation between public authorities, donors, and civil society is essential for ensuring that international assistance is managed effectively, transparently, and in line with EU governance standards.

[15] Commission Staff Working Document Accompanying the Document Report from the Commission to the European Parliament and the Council, 2016. Annual Report on the Implementation of the European Union's Instruments for Financing External Actions in 2015. Document 52016SC0456. SWD/2016/0456 final. Retrieved from: https://eur-lex.europa.eu/legal-content/MT/TXT/?uri=CELEX%3A52016SC0456 (accessed 25 August 2026).

Conclusion

Reducing the risks of corruption in the management of international aid is crucial for strengthening public trust, maintaining donor confidence, and advancing the EU integration processes in Ukraine and Moldova.

In Moldova, corruption risks are primarily associated with public procurement, coordination, and reporting on foreign aid; in particular, audits have identified shortcomings in monitoring the implementation of externally funded contracts and in managing conflicts of interest among members of procurement committees. Local contracting authorities, Ukrainian local administrations and volunteer organizations face difficulties in complying with the new requirements for reporting and registering humanitarian aid. At the same time, the comparison highlights important differences shaped by each country’s context. A significant number of corruption risks in Ukraine are directly related to wartime management.

Although both countries have made significant progress in strengthening anti-corruption frameworks, important vulnerabilities remain in procurement systems, digital reporting mechanisms, oversight coordination, and emergency governance procedures.

Addressing these challenges requires a combination of institutional reform, digital transparency, stronger accountability mechanisms, and sustained cooperation between governments, donors, oversight bodies, and civil society.

Strengthening integrity in international assistance management will not only improve governance outcomes but also ensure that external support delivers tangible and sustainable benefits to citizens.

Table 1 of assessed corruption risks in International Assistance and recommended actions (Republic of Moldova)

Sphere	Areas at risk of corruption in international assistance	Issues identified	Description	Factor	Likelihood	Impact	Overall risk level	Measures
Public procuremen t	**Control and supervision of public procurement financed from external assistance** *Public procurement is particularly vulnerable to corruption due to its complexity, high financial value, and intensive interaction between public authorities and private actors. International evidence, including OECD assessments, highlights that weak integrity safeguards can expose procurement processes to bribery, conflicts of interest and market manipulation, undermining value for money, public trust, and the effective use of public and externally funded resources.*	**Deficiencies in the institutional framework and control mechanisms**	Systemic corruption risk assessments carried out by the UNDP and the Council of Europe highlight the lack of effective control mechanisms to detect acts of corruption, particularly in the post-contracting phase, as well as a weak system for monitoring and auditing the execution of public contracts.	Insufficient internal control mechanisms, limited technical capacity of procurement working groups, and inadequate monitoring and audit of contract implementati on.	**High** Systemic assessments by UNDP and the Council of Europe confirm recurring structural weaknesses in post-award controls and oversight mechanisms.	**High** Increased risks of misappropria tion of funds, non-compliant contract execution, financial losses, and reputational damage, particularly affecting externally funded projects with strict transparency requirements	**High**	It is recommended to strengthen ex-ante and ex-post control systems applicable to public procurement financed by external assistance. This includes the development and enforcement of standardized internal control procedures covering all stages of the procurement cycle, with particular emphasis on the post-contracting and contract execution phases, which are currently the most vulnerable to corruption and fraud. Also, public authorities should ensure the systematic involvement of functional internal audit units in monitoring the implementation of externally funded contracts, as well as enhance coordination with external audit and oversight bodies. The introduction of risk-based audits, focused on high-value and high-risk externally financed projects, would contribute to early detection of irregularities and misuse of funds.
		Conflicts of interest and lack of independent oversight	The report assessing corruption risks in public procurement in the Republic of Moldova identifies the frequency of cases of conflicts of interest that are not identified or properly addressed among members of procurement committees.	Lack of strict procedures for declaring, verifying, and managing conflicts of interest, combined with insufficient independent oversight of procurement committees.	**High** Risk assessments identify recurring cases where conflicts of interest are not properly disclosed or addressed in practice.	**High** Contract awards may be influenced by private interests, leading to unfair competition, misallocation of funds, and increased corruption risks in externally financed procurement.	**High**	It is recommended to establish and enforce clear, binding procedures for the declaration, verification, and management of conflicts of interest for all individuals involved in procurement processes, including members of procurement committees, evaluators, and contract managers. To reinforce impartiality, consideration should be given to the inclusion of independent observers, such as representatives of audit institutions, civil society, or donor organizations, in high-risk or high-value externally funded procurement procedures. Finally, the establishment of reporting and complaint mechanisms that ensure confidentiality and protection against retaliation would further contribute to identifying undue influence and interference by private interests in public procurement decision-making.

Public procurem ent	**Control and supervision of public procurement financed from external assistance** *Public procurement is particularly vulnerable to corruption due to its complexity, high financial value, and intensive interaction between public authorities and private actors. International evidence, including OECD assessments, highlights that weak integrity safeguards can expose procurement processes to bribery, conflicts of interest, and market manipulation, undermining value for money, public trust, and the effective use of public and externally funded resources.*	**Limited institutional capacity, especially at the local level**	Assessments show that contracting authorities, particularly local ones, lack the technical and managerial capacity to manage complex procurement procedures or to identify and prevent risks of fraud and corruption.	Insufficient staffing, limited expertise in complex procurement procedures, and inadequate capacity to identify, prevent, and manage fraud and corruption risks.	**High** Repeated assessments highlight persistent capacity gaps among local contracting authorities.	**High** Increased risk of procedural errors, non-compliance with donor requirements, misuse of funds, and delayed or ineffective project implementation.	**High**	It is recommended to implement targeted capacity-building programs focusing on procurement planning, contract management, fraud risk identification, and compliance with donor-specific rules and procedures. Also, where appropriate, standardized templates, guidelines, and manuals should be developed and disseminated to ensure uniform application of procurement rules across all levels of administration.

*Table 1 continued

Public procurement	**Method of collection and reporting of external assistance from donors by national authorities** *External assistance reporting follows a coordinated, standardized mechanism to ensure transparency and comparability. Development partners and sector coordinators submit annual data through standardized questionnaires, cross-checked with the national treasury system and international platforms (OECD, IATI). Digital platforms such as the Aid Management Platform (AMP) and www.project.gov.md support centralized tracking and real-time monitoring of externally financed projects. The State Chancellery consolidates and validates all data to produce an annual unified report for the Government, Parliament, donors, and creditors, with a strong focus on standardized indicators, data reconciliation, and aggregate reporting of multi-donor projects.*	**Report submission and data collection**	Delays and gaps in report submission and data collection weaken oversight of external assistance, increasing the risk of errors, misclassification, and double counting of aid.	Delayed reporting, incomplete data submissions, and heavy reliance on donor-provided information, combined with limited cross-verification across data sources.	**Medium - High** Reporting gaps are recurrent, particularly in complex, multi-actor assistance frameworks.	**High** Reduced ability to detect inconsistencies and irregularities heightens corruption and integrity risks, especially where assistance volumes are large and multiple institutions are involved.	**High**	It is recommended to develop an extended interoperable data system (treasury system, direct and indirect management of external partners) with automatic data validation against treasury and public procurement systems and enforce mandatory real-time reporting requirements, and introduce risk-based audits for externally funded projects.
		Digital management platforms	Limitations in digital management platforms reduce data quality, transparency, and the ability to detect corruption risks in externally funded projects.	Dependence on manual data entry, untimely updates, limited public access to implementation-level information, and insufficient integration with procurement, beneficial ownership, and results-based monitoring systems.	**Medium - High** Data quality and interoperability gaps are common in practice and affect the effectiveness of digital oversight tools.	**High** Reduced capacity to identify conflicts of interest, excessive expenditures, or underperformance increases corruption and integrity risks.	**High**	It is recommended to develop fully integrated digital systems linking records on actual beneficiaries, public procurement, and budget execution with aid management platforms, and to enhance AMP and project.gov.md through the introduction of red flag indicators, automated alerts, and open-data standards compliant with IATI, in line with EU transparency requirements and preventive anti-corruption measures.
		Integration and centralization of data	Concentrates operational and analytical responsibility within a single institution, creating risks related to data bottlenecks, delayed consolidation, and limited cross-institutional verification.	Concentration of operational and analytical responsibilities in a single institution, limited automation, and insufficient capacity for systematic cross-checking across data sources.	**Medium** Centralization improves consistency but poses recurring risks when automation and institutional capacity are insufficient.	**High** Delayed consolidation and undetected inconsistencies increase the risk of misreporting, integrity breaches, and misuse of external funds.	**Medium - High**	It is recommended to apply a combined model of distributed verification with centralized oversight, whereby line ministries and implementing agencies remain responsible for validating primary data, while central authorities focus on quality assurance and risk analysis, and to strengthen interoperability between data sources by expanding automated adjustment tools and formalizing data-sharing protocols.

*Table 1 continued

Public procurement	**Method of collection and reporting of external assistance from donors by national authorities** *External assistance reporting follows a coordinated, standardized mechanism to ensure transparency and comparability. Development partners and sector coordinators submit annual data through standardized questionnaires, cross-checked with the national treasury system and international platforms (OECD, IATI). Digital platforms such as the Aid Management Platform (AMP) and www.project.gov.md support centralized tracking and real-time monitoring of externally financed projects. The State Chancellery consolidates and validates all data to produce an annual unified report for the Government, Parliament, donors, and creditors, with a strong focus on standardized indicators, data reconciliation, and aggregate reporting of multi-donor projects.*	**Standardization and validation**	There is no unified methodological framework for measuring project results, which affects the comparability of impact data. Different organizations and implementers use their own indicators and variable definitions of benefits, leading to inconsistent reporting.	Absence of a unified methodological framework for results measurement, inconsistent indicators, and varying definitions of beneficiaries used by different organizations and implementers.	**High** Divergent reporting practices are widespread across projects and implementing partners.	**Medium - High** Inconsistent impact data weakens performance assessment, accountability, and evidence-based decision-making, particularly for externally financed projects.	**High**	It is recommended to harmonize indicators, terminology, and documented validation protocols, establish clear criteria for all data adjustments, introduce automatic validation checks to reduce subjectivity and enhance comparability, and publish methodological notes alongside consolidated reports, in line with EU reporting practices, to increase transparency and confidence among donors, oversight bodies, and the public.
		Reporting on mixed-finance projects	It is impossible to determine the individual contributions of each donor to projects with funding from multiple donors, as reporting was done at the cumulative project level rather than per funding from each donor.	Methodological limitation of reporting at the aggregate project level, lack of donor-level tagging in reporting systems, and reliance on manual adjustments to estimate individual contributions.	**High** Multi-donor projects are frequently reported only at the cumulative level, making this a recurring challenge.	**Medium - High** Inaccurate or incomplete donor-level financial data can hinder transparency, planning, accountability, and detection of irregularities.	**High**	It is recommended to introduce donor-level financial disaggregation within multi-donor projects by implementing funding-source tagging in aid management platforms, applying standardized donor identifiers, and enabling parallel reporting of both cumulative and donor-specific financial data.

*Table 1 continued

Table 2 of assessed corruption risks in International Assistance and recommended actions (Ukraine)

Sphere	Areas at risk of corruption in international assistance	Issues identified	Description	Factor	Likelihood	Impact	Overall risk level	Measures
International humanitarian aid	Selling humanitarian aid; embezzlement for reasons other than selling	Deficiencies in the institutional framework and control mechanisms	The lack of end-to-end digital tracking from border to warehouse to final recipient leads to actual theft and disruption of supply chains. In the absence of "not for sale" markings, it is impossible to establish intended use.	Regulatory gaps (lack of mandatory interoperability); fragmented IT systems; lack of automatic weight/volume/labeling verification; lack of a reliable cargo identification system at the time of its transformation from humanitarian aid to a commodity entering the commercial market.	High	High High (financial, reputational losses, supply chain disruptions, criminal liability risks)	High	Regulatory measures: - Amendments to the Law on Humanitarian Aid to introduce a mandatory digital UID for humanitarian cargo (especially for high-value and long-term/reusable cargo); - Adoption of amendments to the Customs Code to reference the UID in the customs declaration and automatic verification; - Introduce mandatory API-based end-to-end data exchange between AS HA and the State Customs Service. Technical measures: Implement a digital tracking module "border-warehouse-final recipient"; Automatic reconciliation of weight/kilograms and volume/liters (between customs and warehouse data); Marking "Humanitarian aid. Sale prohibited" not only on shipping documents, cargo customs declarations, but also on cargo associated with the UID; Procedural measures: Risk-based audit (State Audit Service); Public information dashboard displaying aggregated flows of humanitarian aid; Responsible authorities: Ministry of Social Policy (AS HA administrator), State Customs Service, Ministry of Finance, Ministry of Digital Transformation, NACP (in terms of identifying and monitoring corruption risks).
		Fragmentation of procurement	Splitting purchases into smaller parts to avoid tender procedure or market analysis	Week procurement oversight	High	High Misuse of funds, reduced competition	High	Enforce strict control over procurement fragmentation, require market analysis, and involve independent experts.
		Favoritism in supplier selection	Suppliers chosen based on personal connections rather than transparent criteria	Lack of transparency, personal ties	Medium	High Reduced efficiency, donor distrust	High	Independent evaluation of suppliers expand market through imports requires strict documentation.
		Distribution to non-target groups	Aid given to acquaintances or groups not in need	Weak needs assessment, informal practices	Medium	High Inequitable aid distribution, loss of trust	High	Standardized needs assessment, public reporting, community monitoring.
		Bureaucratic barriers for small organizations	Small volunteer groups unable to meet new requirements, leading to monopolization by large foundations	Excessive bureaucracy	High	High Reduced coverage, slower aid delivery	High	Flexible mechanisms for volunteers, avoid unreasonable bureaucracy, and integrate small groups.

International humanitarian aid	**Selling humanitarian aid; embezzlement for reasons other than selling**	**Weak control in dangerous regions**	Lack of inspections and monitoring in high-risk areas	Security challenges, limited oversight	**High**	**High** Aid diversion, corruption	**High**	Use digital monitoring tools, conduct unscheduled inspections, and independent audits.
		Nepotism in hiring	Personnel selected based on personal ties rather than merit	Weak HR standards	**Medium**	**Medium** Inefficient staff, corruption	**Medium**	Transparent criteria for hiring, prohibit nepotism.
		Documentation and reporting overload	Excessive paperwork delays aid distribution	Bureaucratic inefficiency	**Medium**	**High** Slower delivery, exclusion of small actors	**High**	Simplify documentation; balance transparency with efficiency.
		Unequal local distribution	Aid unevenly distributed between districts due to poor assessments	Lack of local capacity	**Medium**	**Medium** Regional inequality, unmet needs	**Medium**	Strengthen community-level monitoring; involve residents in decision-making.
International technical assistance	**Distribution, monitoring, and accountability of international technical assistance.**	**Outdated regulation**	Legislative gaps regarding non-compliance with modern standards, including public investment management, digitalization, and donor requirements for open data, create risks of opaque recipient selection, duplication of projects, conflict of interest, and inadequate formal monitoring of results.	Lack of a centralized system for digital monitoring and inventory of international technical assistance.	**High**	**High**	**High**	Implementation of appropriate software for proper accounting and monitoring of the use of international assistance, and transparent reporting for partner countries.

*Table 2 continued

Compensation for business losses as a result of the occurrence of the following military risks	**Administrative and financial management of international aid programs that provide compensation for businesses.**	**Private Joint-Stock Company "Export Credit Agency"(ECA's) broad discretion**	The ECA is endowed with a set of unlimited powers covering the full cycle of compensation administration, in particular it carries out: administrative control over the submission of applications for compensation, including accepting applications and checking the completeness of submitted documents, including receiving the payment for participation in the program; makes a procedural decision on the further progress of the application, in particular leaving it without progress or without consideration if there are established grounds; a financial and economic function, which consists of calculating the amount of compensation for damaged or destroyed property; an administrative function related to deciding to grant or refuse to grant compensation; the function of a payment administrator, which includes transferring compensation funds to the applicant.	The corruption risk from the concentration of powers in the ECA creates a systemic risk of abuse due to the lack of functional separation.- concentration of functions in one body (ECA); - lack of separation of duties.	**High**	**High**	**High**	Establish a functional division of powers that will allow for the separation of powers concentrated in one body (ECA) regarding the receipt of applications, assessment of losses, decision-making, and payment.
	Financial conditions and contributions for participation in international aid programs.	**Program participation fee (0.5 percent of total probable loss) without collateralized guarantees**	Financial conditions and contributions for participation in international aid programs.	Program participation fee (0.5 percent of total probable loss) without collateralized guarantees	**Medium**	**High**	**High**	Propose a contribution model taking into account the principle of fair risk sharing.
	Transparency and control over the use of international financial assistance and public funds.	**Low transparency of the mechanism for using business contributions**	There is no clear mechanism for controlling the spending of ECA funds, nor is there an external audit, and effective donor oversight.	the state does not provide a financial guarantee; according to the provisions of the procedure, the contribution is not returned in the absence of budget funding, which creates additional financial risks.	**Medium**	**High**	**High**	Ensuring transparency in the use of business contributions and regular ECA audits.

*Table 2 continued

Compensation for business losses as a result of the occurrence of the following military risks	**Assessment and verification of claimed amounts of damages subject to compensation under international assistance programs.**	**Damage assessment manipulation**	Artificially inflating or manipulating damage estimates submitted by businesses to obtain higher compensation from the government or international aid programs.	The use of expert assessments and self-declarations without independent external verification increases the risks of: overestimation or underestimation of the value of compensation; unequal treatment of applicants.	**Medium**	**High**	**High**	Involvement of external experts or certified valuation bodies to ensure mandatory verification and validation of loss estimates. Using digital records and supporting documentation (satellite imagery, geospatial data). Conducting random checks of beneficiaries after compensation payments are made. Ensuring public access to aggregated data related to compensation decisions.
DREAM ecosystem	**Digital prioritization and selection procedure for reconstruction projects funded by international donors.**	**Using the platform to unlawfully prioritise definite projects**	Manipulating the platform using access to it against the background of insufficient holistic regulation	Limited liability for the quality and reliability of data entered by customers and contractors.	**Medium**	**High**	**High**	Provide transparent criteria for prioritizing projects in pay plans. Strengthen liability for unreliable data.

*Table 2 continued