



RESEARCH OF THE KEY INFLUENCE GROUPS IN GOVERNMENT-CONTROLLED AREAS OF DONETSK AND LUHANSK REGIONS ON EUROPEAN INTEGRATION OF UKRAINE

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PROBLEMS OF DONETSK AND LUHANSK REGIONS AND ATTITUDE TOWARDS EUROPEAN INTEGRATION: RESULTS OF THE EXPERTS SURVEY

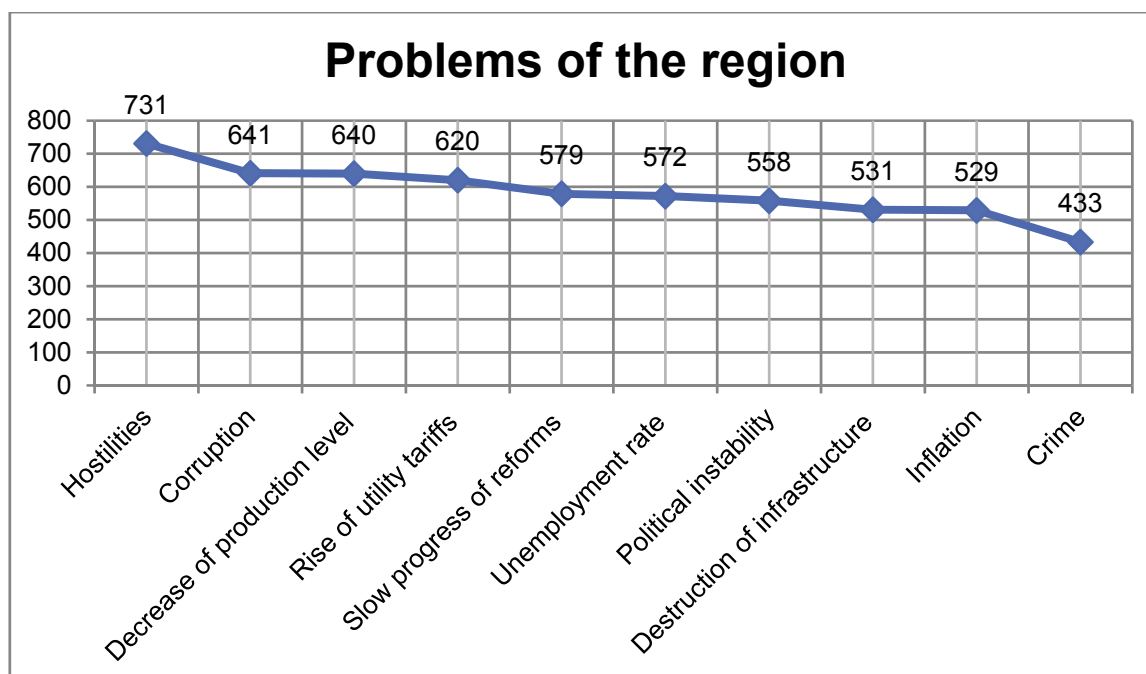
Within the framework of project "Research of key influence groups in government controlled areas of Donetsk and Luhansk regions on European integration of Ukraine" a survey of expert opinions on urgent problems of the region and attitude to European integration was conducted

89 respondents were interviewed. They answered the following questions:

Evaluation of the priority problems of the city / region (on a scale from 1 to 10)

The survey participants, determining the severity of some social problems at the regional level, placed priorities as follows (from the most urgent problem to less important):

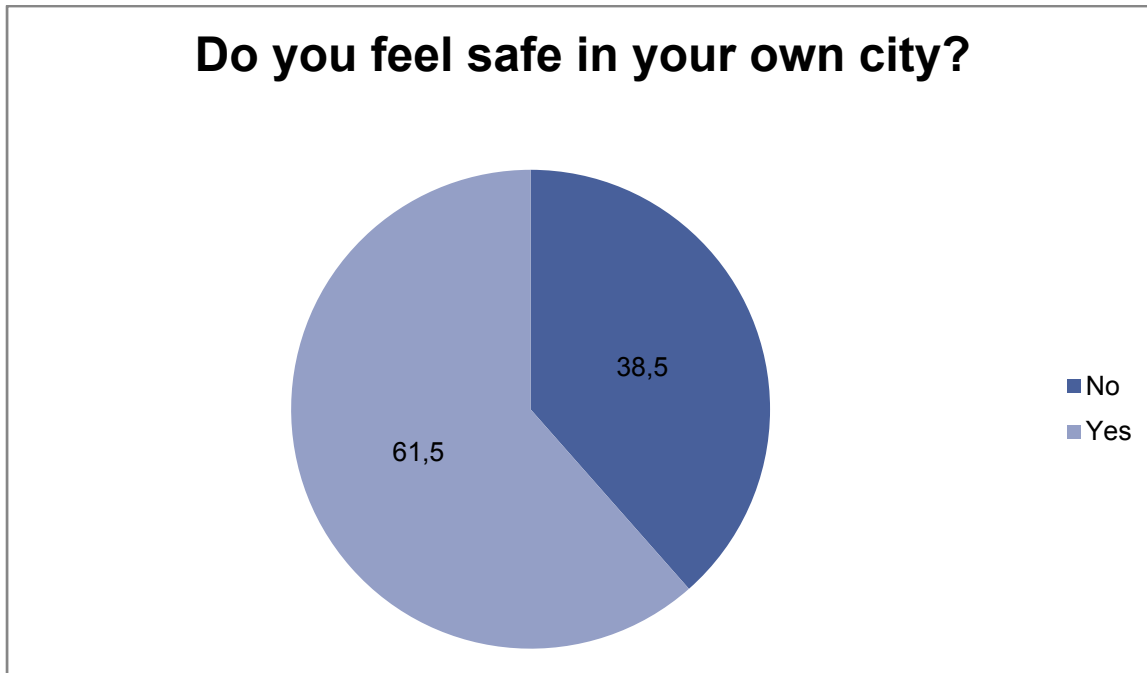
- Hostilities in Donbas, relations with Russia – **731**
- Corruption – **641**
- Decrease of production level – **640**
- Rise of utility tariffs – **620**
- Slow progress of reforms – **579**
- Unemployment – **572**
- Political instability – **558**
- Destruction of infrastructure – **531**
- Inflation – **529**
- Crime – **433**



Apart of this the respondents mentioned such specific issues as impunity for officials in case of offenses; low social activity of the population; poor informing of society; ecological situation; migration – departure of population of the region; identity crisis; uncertainty about the future; lack of investments; fiscal burden on business; instability of tax legislation.

Do you feel safe in your own city?

We asked about situation in the home location and 56 persons (61.5%) said they feel safe. Instead, 35 people (38.5%) said they do not have this feeling.

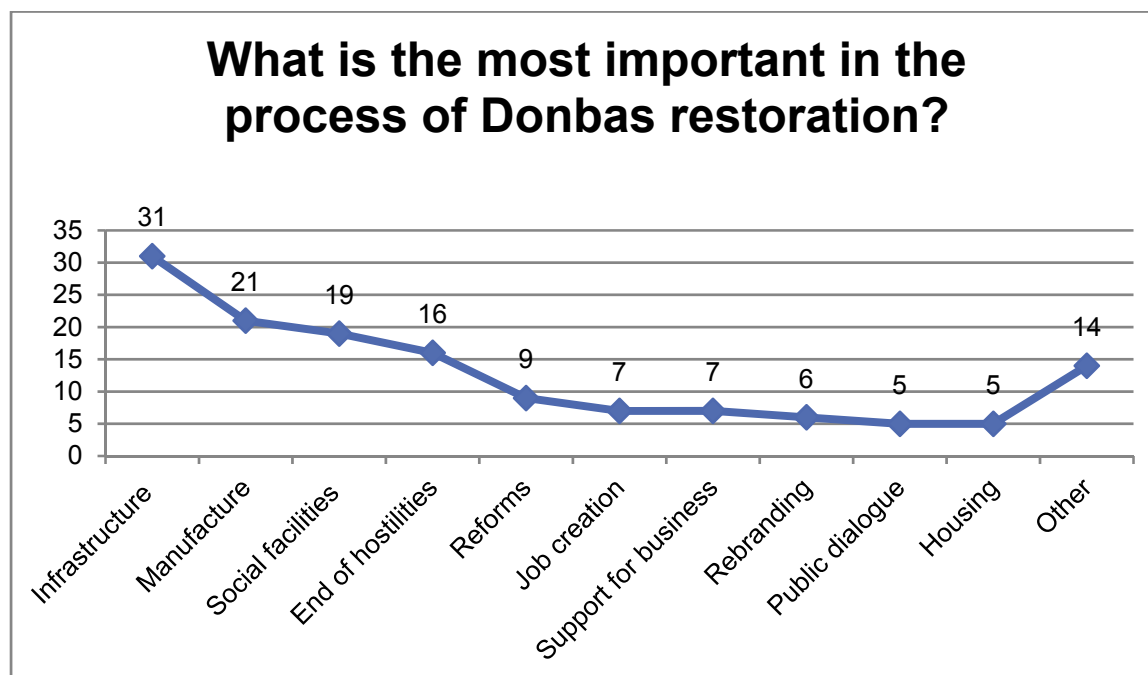


What are the priorities for Donbas restoration?

The next priorities were pointed in an open question:

- Restoration of infrastructure of the region - 31 votes;
- Development of the economy and manufacture - 21 votes;
- Reconstruction of social facilities (hospitals, schools, etc.) - 19 votes;
- Restoration of the territorial integrity of Ukraine, the end of hostilities, peace and security - 16 votes;
- Effective management, implementation of reforms, fight against corruption - 9 votes
- Job creation - 7 votes
- Support for small and medium business middle class - 7 votes
- Rebranding of image of the region and the country, the introduction of European values and consciousness - 6 votes;
- Establishing of dialogue among the population of the region - 5 votes;
- Construction of housing - 5 votes;
- Consensus between government and society - 3 votes;
- Change of elites in Ukraine and in the Russian Federation - 3 votes;
- Providing of stability - 3 votes;
- Penalties for separatists - 2 votes;
- Solution of environmental problems - 2 votes;
- Introduction of innovations - 1 vote.

What is the most important in the process of Donbas restoration?

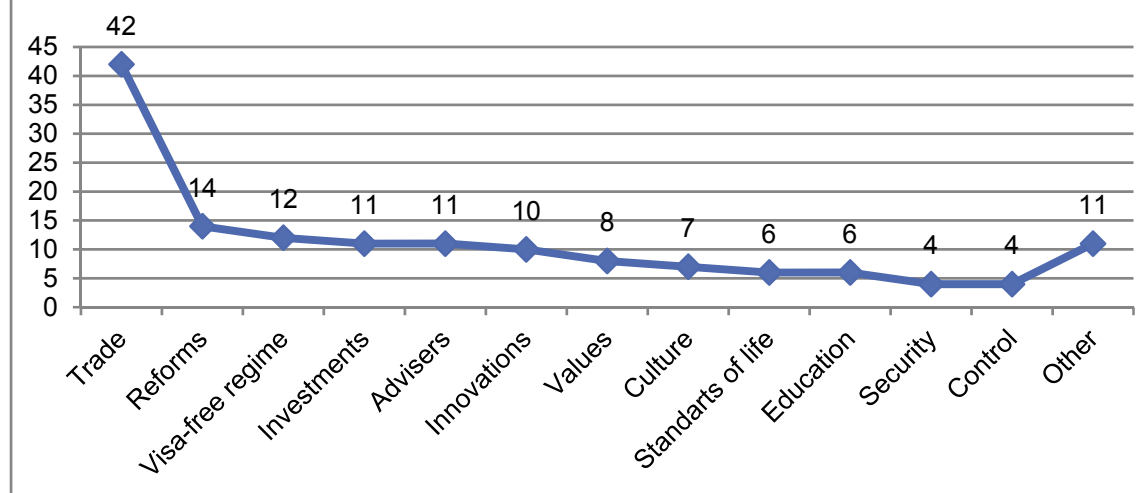


What are the priorities in EU-Ukraine relations?

Determining the priority areas of relations between Ukraine and the European Union, respondents named the following:

- Trade and free markets - 42 votes;
- Economic reforms - 14 votes;
- Visa-free travel - 12 votes;
- Investments - 11 votes;
- Foreign advisers - 11 votes;
- Innovative technologies - 10 votes;
- European values, trust - 8 votes;
- Culture - 7 votes;
- Standards of life - 6 votes;
- Education - 6 votes;
- Security - 4 votes;
- Control - 4 votes;
- Exchange of personnel – 3 votes;

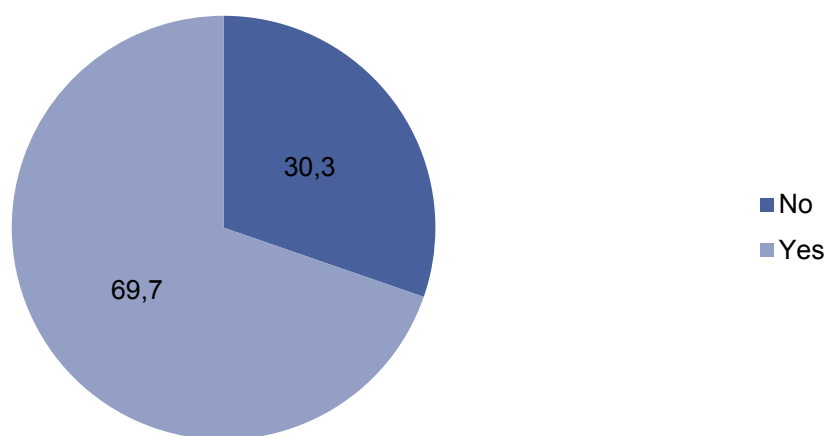
What is a priority in EU-Ukraine relations?



Do you feel support of European Union in the conflict in Donbas?

Assessing assistance from the EU, 62 respondents (69.7%) said they feel support from the European Union in the settlement of the conflict. Instead, 27 respondents (30.3%) answered negatively to this question.

Do you feel support of European Union states in the conflict in Donbas?

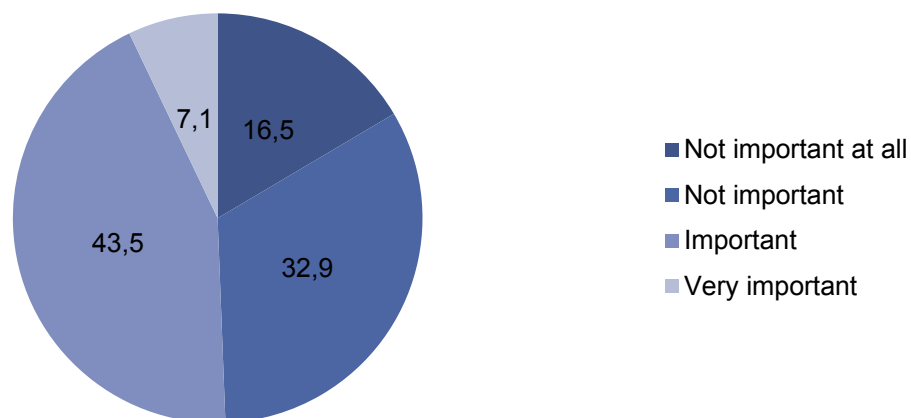


In what extent preserving of economic ties with Russia are important for Donbas?

A point of view that the Russian market and trade partners are "important" for the development of the region became the most popular answer to the question about the preservation of economic relations with Russia (37 respondents - 43.5%). The opposite point of view expressed by 28 persons (32.9%). "Does not matter" opinion was considered by 14 persons (16.5%); instead of "very important" - only 6 people (7.1%).

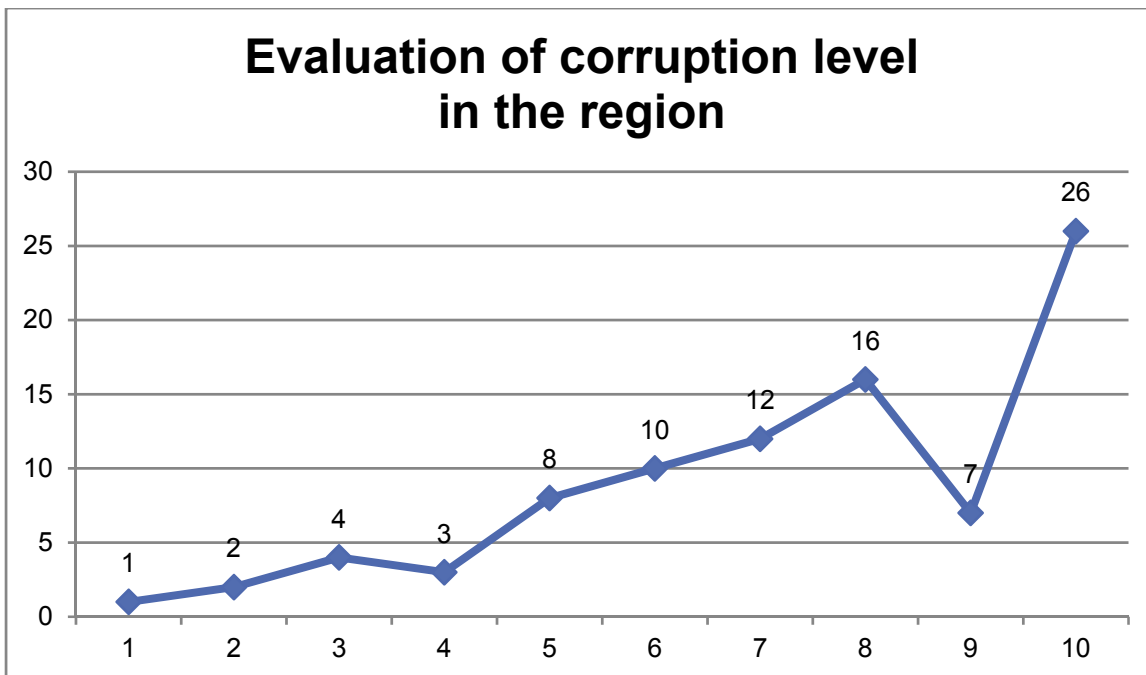
Thus "for" and "against" opinions about saving economic bonds are shared by the same number of people - 43 and 42 respectively (50.6% and 49.4%). However, among the opponents of cooperation with Russia twice more people who clearly define their position.

In what extent preserving of economic ties with Russia are important for Donbas?



Evaluation of corruption level in region (On a scale from 1 to 10)

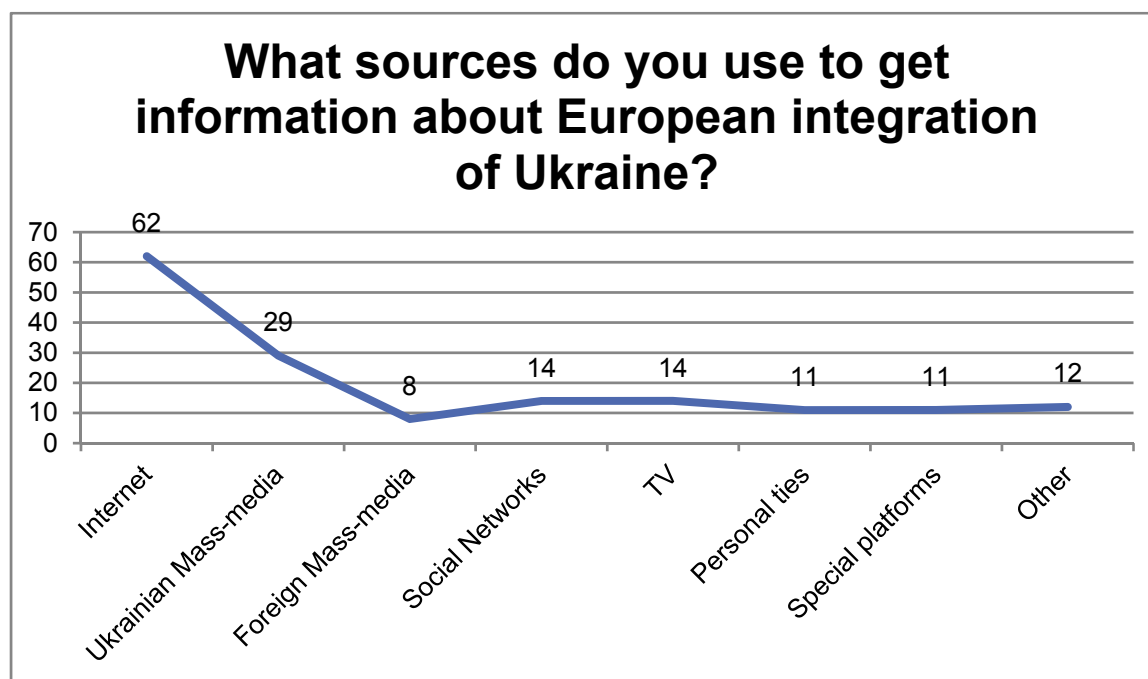
Assessing the level of corruption at the regional level, the respondents revealed that this is a very urgent problem. At "ten" it was rated by 26 persons (29.2%), "nine" - 7 persons (7.9%), "eight" - 16 people (18%), "seven" - 12 people (13.5%), "six" - 10 persons (11.2%). It is considered insignificant by much smaller number of people: at "five" this problem rated by 8 people (9%), "four" - 3 persons (3.4%), "three" - 4 persons (4.5%), "two" - 2 persons (2.2%), "one" - 1 person (1.1%).



What sources do you use to get information about European integration of Ukraine?

As a source of information about European integration, respondents frequently named official and news sites in Internet (62 persons), mass media – both domestic (29 persons) and foreign (8 persons) also very popular; social networks (14 persons); TV (12 persons); personal communication, including friends in Europe and informed officials in charge and experts (11 people); participation in the work specialized platforms, used to discuss related issues (11 people). Some respondents named their business and professional activities as a source of information, personal experience (4 people); official documents (3 persons); participation in international programs (1 person); learning process at the university (1 person); other (3 people).

As certain credible media were named DW, BBC, EuroNews, online edition of "European Pravda", newspaper "Voice of Ukraine", TV program "Made in Europe" of Luhansk regional TV channel "LOT".



RECOMMENDATIONS BASED ON PROJECT IMPLEMENTATION

Information policy

1. Launch of a **regional public awareness program on European integration** issues with an emphasis on the experience of Central and Eastern European countries. Within its framework it is provided:
 - creation of new and improvement of existing information platforms, such as Crisis media centers (already exist in Mariupol, Kramatorsk and Severodonetsk);
 - conducting a broad information campaign about the possibilities of European projects, especially for young people. European integration – is not just a slogan, but an opportunity to develop and improve yourself;
 - promotion of European values by informal means – artistic and documentary films, football matches, social events – aimed to consolidate the audience. "Personal European integration";
 - shifting the emphasis of the information campaign in Ukraine from the goal of de facto achieving visa-free "for people to go there for work" on standards and values – the rule of law, business rules, etc;
 - systematically informing the public about Europe and the processes of European integration through local media – supplement to the weekly newspaper, analytical broadcasts on television, etc.;
 - launch of the children's information campaign "Europe from kindergarten" – it is necessary to educate children from childhood to respect European values.
2. **Support for independent media.** Increasing of quantity and quality of media initiatives funded by donors.
3. The need for positive news (the mechanism for presenting information) about Europe and Ukraine instead of negativity.
4. **Satellite and digital broadcasting state regulatory policy** – Russian channels are broadcasted to almost every home in the region via satellite.

Business, economics, EU investment

1. The region needs more than one-time social assistance from the EU, namely **investments in new production and creation of conditions for doing business**.
2. Implementation of projects on development of opportunities and support of productive forces:
 - launch of **business incubators** funded by the EU;
 - launch of a **project bank for investors** – creation of competitive environment for NGOs;
 - launch of **start-ups platforms** and conditions for job creation;
 - support of technical trainings (vocational schools) for for the employment of young people in the Donbas.
3. Dependence of many cities in Donbas on the city-forming enterprises demands **economic diversification and developing of new production lines** (donor money should go for the restoration of Donbas – a new industrialization).
4. New markets for domestic products:
 - as the logistical chains were destroyed, the local markets were lost (Donetsk, Luhansk) and economic ties with Russia were severed. **The task is to reformat economic chains** and enter new markets, in particular the European Union;
 - assistance in the search for alternative markets for machine-building, metal products instead of Russia - the state policy of lobbying the interests for Ukrainian exporters, including in Europe;
 - priority is not to export raw materials to the EU but processed products (technological process);
 - facilitating the entry of small and medium-sized enterprises into European markets with their products;;
 - establishment of links between government and business, organisation of economic forums and exhibitions, using the experience of neighboring Ukraine countries in the EU.
5. Establishment of state programs for displaced persons-entrepreneurs (reduction of tax burden, assistance in selling products). For today, such support is provided only by foreign funds.
6. Maximize the involvement of local businesses to participate in government tenders in these territories. Audit of the public procurement system for the purpose of more efficient use of public funds.
7. **Implementation of large-scale infrastructure projects** (using donor funds), including logistics. Necessity of urgent problems solution such as transport and energy isolation of Donetsk and Lugansk regions (poor roads, broken railway communication). Important is **the protection of critical infrastructure**, especially in the context of military conflict.
8. Launch of environmental programs (regarding of ecological problems in the region), development of alternative energy projects.



Civil society, donor assistance

1. Civil-society in the region faces next systemic problems:
 - currently donor funds are used mainly for the organization of training courses that are of low efficiency and are not popular among civil society activists. There is rising **interest in substantive projects** aimed at solving local problems, increasing the institutional capacity of local NGOs and their influence on decision-making by local and regional authorities;
 - local NGOs often only pretend to conduct an active work. There are many **"pocket" pro-government organisations and lack of competitive environment** for the development of civil society (attempts to monopolize donor cash flow by several organisations);
 - it is necessary to **fundamentally reformat the work of public councils** under government bodies - they are often formal and managed by the authorities (indirectly). They simulate work and undermine the civil-society image instead of supervision and control;
 - **problem of "grant-eating" as a new model of corruption** (grant money is allocated to the same organizations and grant activity turns into business) requires creation of an effective system for monitoring and control the use of grant funds from donors for large-scale financing projects.
2. Creation of the "watchdog" mechanism to monitor local authorities and public organizations involved in using donor funds in Donetsk and Luhansk regions to prevent theft and corruption schemes.
3. **Donors have to understand local specifics.** To this end, they:
 - should be approached geographically, or have their own regional branches to control the distribution of funds, money allocation. An important problem is inefficient use of funds and corruption;
 - analyze and conduct an audit of their own information policy, including in what extent people are aware of the results of the projects. Formation of a media strategy based on the results.
4. **Necessity of equitable distribution of grant assistance in the region.** Donor assistance does not reach to distant northern areas of Luhansk region but "settling" in Severodonetsk. Aid should be focused not only on cities but the **rural areas** as well, especially for the Luhansk region.
5. Launch of **regional project centers (hubs)** in district centers that will deal with project documentation and help to write projects and translate into English.
6. Effective mechanisms for housing, especially for displaced persons. Coordinated actions of local and public authorities, donors and investors are needed in the field. The tools of it can be concessional lending attaching displaced persons to the workplace, stimulating them to stay.
7. Public discussion of future projects for the restoration of the region instead of closed discussion and formalism at the government level.

Local authorities

1. Audit of local authorities activities with:

- **strengthening of control in the region by the central government** regarding the conditions of active military conflict in Donbas – heads of ministries and middle managers are not visiting Donetsk and Luhansk regularly. Most often, these visits are demonstrative - officials attend the ceremonies and celebrations, but do not conduct systematic work on the ground. Population loses faith with absence of changes in local political elites and inability to fight corruption;
- introduction of **special control over the effectiveness of national reforms** at the local level (demonstrative regions). As an example, the population doesn't see a positive effect on the reform of the national police, indicates incompetence, faces corruption;
- monitoring the work of the departments of the Ministry of Social Policy. Training for staff and raising the skills of workers of newly created transparent offices, de-bureaucratization of formal procedures.

2. **Overcoming conflicts between local and regional government**, which reduce the effectiveness of practical activities, rapid implementation of programs. The problem provokes **inability to effectively manage the targeted finances**, which may negatively affect the decision of international donors to allocate a large amount of assignation.

3. **Destroying the political monopoly** of the former representatives of the "Party of Regions" and financial-industrial groups.

4. There is a social demand for new officials unbiased by oligarchic interests. At the same time, there remains a mistrust of representatives of other (namely western) regions of Ukraine, who occupy senior positions in Donetsk and Lugansk regions. There is a possibility of **attracting of professionals from IDPs**, who left the occupied territories of Donbas to other regions of Ukraine.

Education

1. Increasing the mobility of the population (educational exchanges, economic mobility).

2. Local support of **youth platforms** (city, regional authorities). Formation of opinion leaders in the field, their full-scale support and involvement of young activists to the authorities.

3. **Targeted support of displaced universities**, especially in Mariupol. Use of donor funds for adaptation and creation of conditions for educational process, building of residence for students (university infrastructure). Necessity of the assistance systematization by creation of a trust fund.

4. State and donor support of vocational education and training, modernisation of the educational process, the possibility of retraining for displaced persons and other local stakeholders.

5. "Soft" ukrainization – a reduction of radical rhetoric on the language issue. But at the same time, strong fight against separatist teachers in schools (state authentication, re-certification).

Proposals for donor organizations to improve projects implementation in government-controlled areas of Donetsk and Luhansk regions

1. Establishment of **regional representative offices** (branches) which will determine the contest priorities for projects, the themes of project competitions in accordance with the needs of conflict-affected region.
2. Involvement of local civil activists and representatives of education institutions who have relevant experience and know the specifics of the region to the competition commissions.
3. **Limiting individual organizations** to receive assistance from the same grantor within a certain period (up to 24 months), which will increase the competition and availability of donor programs for new organisations.
4. Paradigm shift – from one-time events to **implementation of sustainable and long-term projects** (researches, training programs, retraining courses, strategies development, etc.).
5. Priority for projects that will help beneficiaries directly. Attraction of one-time external expertise (by the representatives of NGOs from the capital, other regions of Ukraine, foreign specialists) is unpopular among target audiences in the region and leads to a devaluation of the impact of donor programs.
6. Building trust and **enhancing interaction between regional authorities and non-governmental organizations**. Public activists who receive assistance from international donors are often in opposition to local authorities or do not have enough support. International grants are perceived as a means of earning, for which a struggle is waged between the local authorities and independent civil society organizations.
7. Consideration of the territorial factor in the distribution of grant funds - rural and peripheral areas should receive as much attention as central ones.
8. Creating opportunities for applying in Russian and Ukrainian.

This report presents the results of the project "Research of the key influence groups in government-controlled areas of Donetsk and Luhansk regions on European integration of Ukraine", implemented by NGO "Center for International Security" in partnership with the National Institute for Strategic Studies funded by the International Renaissance Foundation. Within this project 12 roundtables were held from 19 to 26 January 2017 in three cities of Donetsk and Lugansk regions (Mariupol, Kramatorsk, Severodonetsk) with participation of representatives of local authorities, educational institutions, public activists and business community concerning European integration processes. The results were presented during a briefing in crisis media center in Kiev on February 20, 2017.

Practical recommendations have been elaborated for central and local authorities dealing with European integration issues, as well as for international foundations and diplomatic missions of European countries. Recommendations cover information policy, education, business issues, economy and investment, civil society, local government activity, donor assistance to the region.

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