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UKRAINE: FROM WAR TO PEACE AND RECOVERY

Analytical Assessments
January 2024



I.

NATIONAL SECURITY AND DEFENCE: KEY DEVELOPMENTS, PROCESSES, TRENDS

In January 2024, there were mainly positional battles along the entire contact line. Despite intense assaults and local successes in many areas, Russian troops did not launch the announced large-scale offensive. Putin's intentions to end the war «as soon as possible» are obviously constrained by weather factors, and also by material shortages and limited human resource. However, the stalemate is unlikely to last long, as ongoing problems with stable external support for Ukraine could significantly shift the balance of power in Russia's favour.

As the conflict drags on, both sides are facing the problem of replenishing and building up resources through internal capabilities and external sources. In parallel with attempts to meet their own needs, both sides are trying to undermine the enemy's capabilities using both military and non-military instruments. It is likely that Ukraine declaring its intention to increase own production of weapons and ammunition has shifted the focus of Russian attacks on defence industry facilities. Meanwhile, Ukraine also successfully targeted a number of key facilities of the Russian military-industrial complex and critical infrastructure.

The absence of a positive decision on US assistance to Ukraine creates serious risks, but also motivates Ukraine to strengthen its domestic capabilities and encourages European states to take greater responsibility for supporting Ukraine and their own security.

By the end of January, there were certain signs indicating the formation of the Ukrainian strategy for 2024 and its alignment with partners. It envisages mainly active defence and preparation of reserves for a future offensive.

COMBAT ACTION

The high-intensity combat action in January 2024 (35-127 engagements per day) did not lead to any significant changes in the front line, nor to a change in the overall stalemate.

The Ukrainian defence forces remained focused on holding their positions, depleting the enemy's offensive capabilities and restraining its reserves, while constructing fortifications on the northern and eastern borders. The Ukrainian forces faced limitations in conducting both offensive and defensive actions due to the shortage of artillery ammunition, although they partially compensated for this with the use of drones. Both sides of the conflict have been increasingly utilising reconnaissance and attack drones, as well as relevant countermeasures.

Russian troops maintained a high intensity of assaults throughout the month, attempting to gain the initiative along the entire front line. In some areas, the invaders advanced to a depth of several hundred metres or several kilometres, but these gains were only of tactical significance. The Russian command, despite certain constraints in resources, continues to demonstrate a willingness to incur significant losses, which is one of the enemy's advantages. Ukrainian intelligence estimates that Russia mobilises about 30,000 people every month, allowing it to compensate for combat losses and build reserves. Additionally, there have also been updated reports indicating growth in the production of weapons and ammunition by the Russian military-industrial complex, as well as confirmation of the use of North Korean missiles by the Russian army.

As of January 2024, there were 626 cases of the use of chemical agents by the Russian military. Since December 2023, in addition to using irritant grenades K-51 and RGR, the invaders started launching RG-VO gas grenades containing the asphyxiating substance chloroacetophenone. This is evidence of Russia violating the Chemical Weapons Convention (1993). According to MoD representatives, Russia is probing «the reaction of the international community in order to expand the range of chemical weapons use».

UKRAINIAN GOVERNMENT'S POLICY DECISIONS AND ACTIONS IN THE DEFENCE SECTOR

The Ukrainian government has allocated UAH 17.5 billion for engineering and fortification structures, which is nearly ten times more than in 2023. The government aims to change the financing procedures, standardise design solutions, involve private companies, and empower the General Staff to determine the scope and locations of construction.

In January, the Ukrainian government failed to agree on a draft law and adopt a legislative decision to address the mobilisation concerns, although some decisions were made to regulate specific aspects of registration and mobilisation.

On 16 January, the government amended Resolution No. 76 of 27 January 2023 concerning the reservation of employees liable for military service at critical defence industry enterprises «regardless of military rank, age and military speciality and without restrictions on the number of persons liable for military service to be reserved».

On 16 January, the Verkhovna Rada adopted the Law «On Amendments to Certain Laws of Ukraine on Improving the Procedure for Processing and Using Data in State Registers for Military Registration and Acquiring the Status of a War Veteran During Martial Law». In addition to expanding the personal data of citizens entered into «Oberih», electronic register of persons liable for military service, and simplifying the process of obtaining services, the law includes some controversial provisions, in particular, regarding the protection of personal data and the potential use of foreign cloud technologies (of NATO member states) to store and process data from the MoD registers, which, according to members of the Parliamentary Committee on National Security, Defence and Intelligence, could have catastrophic consequences for Ukraine.

In late January, further of tensions between the President (and his entourage) and the Commander-in-Chief of the Armed Forces have been reported. The first reports of such tensions leaked in the summer but were promptly denied by the Presidential Office. The President's public criticism of General Zaluzhnyi's assessment of the military situation

in the November interview to the Economist confirmed the existence and severity of the conflict.

FOREIGN EVENTS (EXTERNAL FACTORS)

The absence of a positive decision on US military assistance for Ukraine in 2024 is posing a major challenge for the country's strategy and war planning. On 3 January, the White House National Security spokesman John Kirby announced that the assistance options for Ukraine were exhausted until a new law was passed, and on 4 January, US State Department spokesman Matthew Miller warned that the intention to «support Ukraine as long as necessary» does not mean funding at the level of 2022 and 2023.

This challenge has prompted official Kyiv and its partners to seek ways to mitigate the negative consequences, at least partially. European leaders are increasingly concerned about the implications of the lack of US military assistance and are urgently looking for solutions to strengthen their own efforts to support Ukraine and to scale up their own capabilities to ensure European security.

High-profile statements by European officials and publications in the leading media about the threat of Russian aggression point at the intensification of relevant political and public debate in Europe. The German newspaper Bild, citing intelligence sources, reported on the likelihood of a Russian attack on Europe in late 2024 or early 2025, that is, after the US presidential election.

This highlights the realistic concern about the Russian threat and its connection with the outcome of the Russia-Ukraine war. Thus, General Valdemaras Rupsys, the Lithuanian Chief of Defence has stated that as long as Russia is focused on its war against Ukraine, «Russian armed forces do not pose a direct threat» to NATO, but it is still necessary for Lithuania to prepare for potential conflict. Similar assessments were also made by General

Martin Herem, the Commander of the Estonian Defence Forces, Admiral Rob Bauer, Chair of the NATO Military Committee, and Boris Pistorius, German

Defence Minister. NATO has launched its largest military exercise since the Cold War, Steadfast Defender 2024, focusing on repelling an attack by an «adversary of similar strength» while avoiding direct mention of Russia. The exercises will test the so-called regional defence plans, which NATO abandoned after the Cold War and resumed only in 2022. The manoeuvres are to last for four months.

Bulgaria, Romania, and Turkey joined forces to establish a Mine Countermeasures (MCM) Black Sea task force by signing a relevant memorandum on 11 January in Istanbul. According to the Romanian Ministry of Defence, other NATO members are also expected to participate in the MCM Black Sea standing naval groups.

Two new international coalitions were created within the Ramstein format: a drone coalition and an artillery coalition.

Media reports of a secret meeting between Ukraine, the G7 and the Global South countries in Saudi Arabia in late 2023 have sparked a discussion about the possibility of freezing the conflict and pushing Ukraine to negotiate with the Kremlin. Official Kyiv categorically denies these claims.

On 8 January, President Zelenskyy signed a decree «On the delegation of Ukraine to participate in negotiations on the development and preparation of bilateral and multilateral international agreements between Ukraine

and other states on security guarantees for Ukraine». On 12 January, relevant agreement on security cooperation was signed with the United Kingdom – the first bilateral agreement to implement the accords between Ukraine, the G7 members and the states that have joined them.

Although this agreement does not constitute «security guarantees» at the level of Article 5 of the Washington Treaty, it formalises the existing cooperation formats and mutual obligations for the long term.

An analysis of the most important events, political statements and decisions leads to the following conclusions:

- ✓ as of the end of January 2024, despite the high intensity of combat, the overall stalemate persisted;
- ✓ the absence of a positive decision on US assistance to Ukraine is posing serious risks for Ukraine, but it prompts European states to take urgent measures to strengthen their own capabilities and encourages greater responsibility for supporting Ukraine and their own security;
- ✓ there are certain signs indicating the formation of the Ukrainian strategy for 2024 and its alignment with partners, which mainly provides for active defence and preparation of reserves for a future offensive.



II. FOREIGN POLICY

January marked the beginning of even more challenging year for Ukrainian diplomacy, given the contradictory dynamics in key foreign policy directions and the turbulent geopolitical processes. Signing of the security cooperation agreement with the UK was one of important achievements, but Ukraine still faces challenges from political trends in the United States, difficult relations with Eastern European neighbours, a new wave of escalation in the Middle East, etc. Figuratively speaking, January has identified a list of urgent issues and priorities for Ukraine on the world stage in 2024.

INTERNATIONAL PROCESSES AND EVENTS

Kyiv's foreign policy was generally carried out within the framework of defined priorities, including preventing a decline in external military and financial support, concluding security cooperation agreements, strengthening domestic defence industry, promoting important initiatives (the Peace Formula), and accelerating integration into the EU and NATO.

International processes

In January, the provision of a US military aid package to Ukraine remained uncertain, with the GOP linking the approval of support for Ukraine to the reform of the border regime with Mexico. This has essentially turned support for Ukraine into a means of pressuring the White House and a tool for election campaigning. The 17 January meeting between Joe Biden and the Congressional leadership on the Ukrainian issue brought no results. Various sources indicate that the US leadership is developing a strategy to assist Ukraine, mainly in the defence sector. In the meantime, there are concerns regarding Donald Trump's statements about ending the war in Ukraine within 24 hours, as he is currently leading in support according to January polls. As the US elections approach, the situation regarding US support for Ukraine is predicted to become more complicated. It is no coincidence that the European elites become increasingly sceptical in the event of

Mr Trump's victory and calls to compensate for the shortage of American support for Ukraine at the expense of Europe. Looking ahead, on 1 February, the European Council decided to provide 50 billion in assistance under the Ukraine Fund for 2024-2027.

Ukraine's relations with some of its European neighbours remain problematic. The transport blockade, which lasted from 6 November 2023 to 16-20 January 2024, is reportedly set to return, while its suspension failed to completely resolve the problem of freight traffic on the borders with Poland, Hungary, Slovakia and Romania. These countries are still imposing restrictions on Ukrainian agricultural products and demanding import duties on Ukrainian grain, contrary to the decisions of the European Commission and the provisions of the EU-Ukraine Association Agreement. The Polish side has even threatened to block the adoption of a new European Commission regulation (until 2025) on extension of the duty-free trade regime with Ukraine.

Escalation of hostilities in the Middle East is another negative factor. Israel's war against the Hamas in the Gaza Strip has become a long-term one. On 12 January, a large-scale military operation of the Western Coalition (the United States, the United Kingdom, the Netherlands, Canada, and others) was launched against Yemeni Houthi militants who attacked merchant ships in the Red Sea. This Iran-inspired war in the region is in fact a «second front» diverting resources and attention of Ukraine's strategic partners – the US, EU, and NATO, destabilising the political situation in the West and deepening the polarisation of the international community.

In turn, January saw the continuation of various processes indicating an increase in global confrontation and destabilisation of international institutions.

✓ On 1 January 2024, Egypt, Iran, Saudi Arabia, the UAE and Ethiopia have joined the

BRICS, while Argentina refused to join. This expansion can be seen as an attempt by its leaders – China and Russia – to form a powerful geopolitical counterweight to the collective West. On the other hand, it is evidence of the struggle between the democratic and authoritarian worlds for influence in the Global South. Also, political and security cooperation between authoritarian countries has been growing, with intensive negotiations of Russia with Iran, North Korea and Belarus. In late January, Lukashenko paid another visit to Moscow. Putin is set to visit North Korea in the near future.

✓ There have been troubling signs of a decline in the authority and influence of international institutions. **First**, on 23 January, the UN Court of Justice announced an interim ruling on the war in the Middle East, according to which Israel must take measures «to avoid any action that would amount to genocide...». This verdict did not reduce the confrontation and became the subject of political speculation. Further, on 31 January, the UN Court of Justice ruled on Ukraine's claim against Russia for violation of the conventions on the financing of terrorism and racial discrimination. The court only partially found Russia guilty and denied Ukraine compensation, disregarding the current reality of large-scale aggression. This decision is unlikely to have any meaningful political or legal impacts. **Second**, during its winter session in late January, PACE imposed strict sanctions against Azerbaijan. In response, Azerbaijani MPs officially announced the suspension of their cooperation with PACE. This conflict may have negative consequences for the Council of Europe as a whole.

Foreign policy events

On 10 January, the NATO-Ukraine Council convened to address the delay in military aid from the US and EU. The participants agreed on plans to strengthen Ukraine's air defence systems and provide Kyiv with long-range weapons. Furthermore, financial and military aid packages were announced for Ukraine.

On 15-19 January, Ukraine took an active part in the World Economic Forum in Davos, engaging in talks with EU and NATO leaders, representatives of countries of the Global South, global business, etc. The Ukrainian delegation held consultations with officials from the United States, Switzerland, Canada, Denmark, India,

Japan, Saudi Arabia, the United Arab Emirates, and Nigeria. More than 50 meetings were held with foreign partners at the higher and highest levels.

On 25 January, the PACE adopted a resolution recognising the deportation of Ukrainian children as a war crime, a crime against humanity and possibly genocide. The Assembly supported a coalition for the repatriation of Ukrainian children and called on the parliaments of PACE member states to adopt resolutions (statements) recognising the deportation of Ukrainian children as a crime of genocide.

In January, partner states continued to provide military and financial assistance to Ukraine. Partners announced the provision of immediate and long-term military assistance packages, including Germany (over €7 billion), the United Kingdom (£2.5 billion), and the Netherlands (€2 billion). The Baltic States, Canada, Belgium, Norway, Denmark, Poland, and other countries are expected to supply arms and equipment.

FOREIGN POLICY ACTIVITIES OF UKRAINIAN GOVERNMENT

Political dialogue with foreign partners

January saw Ukraine's high-intensity dialogue with partner countries. Key contacts included high-level talks with the Presidents of Poland, Turkey, Romania and Slovenia, the Chancellor of Germany, the Heads of Government of Canada, the United Kingdom, Italy, Belgium, as well as dialogue with the Emir of Qatar, the King of Bahrain, the Emir of Kuwait. Consultations were also held with government officials, MPs and politicians from the United States, France, Japan, Denmark, Hungary, Bulgaria, Argentina, Brazil, Mexico, etc.

The results of the following visits and negotiations were also important for Ukraine.

First, the President of Ukraine visited the Baltic States – Lithuania, Latvia and Estonia – on 11 January, meeting with the leadership of these countries and signing packages of bilateral agreements and arrangements on the development of economic and military-technical cooperation.

Third, President Zelenskyy held talks with the new Polish Prime Minister Donald Tusk on

22 January in Kyiv. This dialogue is significant for addressing current bilateral issues, in particular, the export of Ukrainian agricultural products.

Promotion of Ukrainian interests and initiatives globally

Official Kyiv has been actively promoting its Peace Formula globally and seeking to organise a global forum based on it. On 14 January, another round of discussions on the Peace Formula was held in Davos, with representatives from 81 countries and international organisations participating. An agreement was reached with the President of the Swiss Federal Council to hold a global peace summit at the highest level in Switzerland.

Meanwhile, Ukraine focused its efforts on securing bilateral agreements on security cooperation. As noted, Poland, Denmark and Romania joined this process in January, with over 30 countries expressing a desire to conclude such agreements with Ukraine. Negotiations with the EU and nine other countries are currently underway. In particular, Canada sent a draft document on security cooperation on 15 January. Regular rounds of talks have taken place with France and Italy. In late January, German Chancellor Olaf Scholz announced the final stage of negotiations with Ukraine. These long-term security cooperation agreements are clearly of strategic importance, but it should be noted that they are not an alternative to Ukraine's integration into NATO (in particular, the UK-Ukraine agreement specifically emphasises London's full support for Ukraine's accession to the Alliance).

Ukraine's steps towards the EU: events and trends

In January, the Ukrainian government focused on preparing for the opening

of the EU membership talks, which are expected to take place during the spring intergovernmental conference. Several steps were taken by Kyiv in this direction. **First**, on 10 January, the Verkhovna Rada passed a draft law on lobbying in the first reading, following the European Commission's recommendations. **Second**, on 25 January, the inaugural meeting of the EU-Ukraine negotiating team was held to establish the principles and procedures of the negotiations. This included defining the stages and roadmaps for the screening of Ukrainian legislation, scheduling meetings for the respective delegations, and planning future events. **Third**, efforts were made to address issues in relations with neighbouring EU member states. On 29 January, Ukrainian Foreign Minister Dmytro Kuleba and Head of the Presidential Office Andriy Yermak met with Hungarian Foreign Minister Peter Szijjarto to discuss the Hungarian minority in Ukraine and upcoming bilateral meetings. Furthermore, the Ukrainian and Slovakian heads of government held important talks that resulted in a joint statement supporting Ukraine's European integration, the Peace Formula, and the development of Kyiv-Bratislava partnership.

A difficult and, in many respects, decisive year has begun for national diplomacy, as it presents a set of multifaceted challenges and threats to Ukraine linked to the mounting global instability and growing problems in the allied countries. On the other hand, the process of concluding long-term security cooperation agreements with European and other countries is a significant incentive to step up international support and solidarity with Ukraine. Moreover, the prospects for launching the final stage of European integration – EU membership talks – are quite realistic.

III.

CONSTITUTIONAL AND LEGAL FIELD

LEGISLATIVE WORK

The adoption of the Draft Law of Ukraine on Fair Lobbying (Reg. No. 10337) on 10 January 2024 marked an important legislative milestone. It was submitted by the Cabinet as part of the European Commission's requirement to Ukraine after it was granted the EU candidate status back in June 2022. It is no coincidence that the European Commission's conclusions on Ukraine presented in the report of 8 November 2023, stated that the country was yet to adopt a law regulating lobbying in line with European standards as part of its anti-oligarchic action plan.

The draft law, in particular, aims to establish a legal framework for lobbying in Ukraine that aligns with international standards, introduce legal regulation of interaction between officials of state and local authorities and lobbying entities, establish transparent mechanisms supporting the activities of lobbying entities and officials of state and local authorities, and introduce transparent mechanisms to control lobbying activities. The document proposes to clearly define the rights and obligations of lobbying entities, legitimate methods of influence, and rules of ethical behaviour, and to set up a special «Transparency Register» – a database containing information about lobbyists and their reporting. The National Agency on Corruption Prevention should be an exclusive holder and administrator of such a register, while access to it should be open and free of charge. The reporting of lobbying entities to the Transparency Register, as well as the mechanisms for controlling their activities (e.g. compliance with lobbying legislation) should be clearly defined. However, some experts believe that the proposed wording of the draft law is too «controversial» and may create real obstacles for CSOs engaged in advocacy and organisation of public discussion of socially important issues; in addition, lobbying as a professional paid activity seems to be not separated from the CSO activities.

GOVERNMENT DOCUMENTS

The Cabinet of Ministers of Ukraine as the highest body in the executive system, being called upon to ensure the state sovereignty of Ukraine, the implementation of its strategic course towards full membership in the European Union and the North Atlantic Treaty Organisation, and human and civil rights and freedoms (Articles 113 and 116 of the Constitution of Ukraine), has many of its acts directly related to the constitutional and legal field.

Nowadays, both the conditions of the martial law imposed in Ukraine and the state of the country's defence against Russian invaders are decisive for the content and purpose of these government documents. In January, the Cabinet adopted a number of acts aimed directly at implementing/complying with martial law, strengthening the country's defence capability, and protecting the rights and freedoms of its citizens. These include the resolutions «On approval of the Procedure for payment of monetary compensation for unused vacation days to family members of military and police officers in the event of their death» (CMU Resolution No. 37 of 16 January 2024), «On amendments to certain resolutions of the Cabinet of Ministers of Ukraine regarding the regulation of relations related to the compensation for real estate destroyed and damaged by hostilities, terrorist acts, and sabotage, caused by the armed aggression of the Russian Federation against Ukraine» (CMU Resolution No. 39 of 16 January 2024), «Some issues of financing the logistics of military units of the Armed Forces and other military formations» (CMU Resolution No. 69 of 16 January 2024), «On approval of the list of documents confirming circumstances that indicate the impossibility of a political party to obtain information in full to be reflected in the report on property, income, expenses and financial liabilities during

the period of martial law» (CMU Resolution No. 65 of 19 January 2024), «On the organisation of activities and ensuring the functioning of resilience centres» (CMU Resolution No. 83 of 23 January 2024).

The latter stipulates that «resilience centres» shall be organised and supported by local self-government body, and in its absence – by the military administration of the settlement, taking into account the available resources in the premises designated to provide a comprehensive social service for the formation of resilience as such.

«Resilience centres» are defined as public social spaces and centres for the formation of social cohesion, support for the mental health of the population, as well as ensuring an integrated approach to the provision of social services and other support services to

individuals / families living in the territory of the local community.

Accordingly, the «resilience centre» denotes a building (structure) where conditions are created for: providing a comprehensive service by the social service provider to build resilience; creating family spaces for the organisation of parent/family clubs, family counselling and delivery of social services to families with children, adoptive parents, foster families, patronage families, family-type children's homes; providing support to veterans of war and demobilised persons by a veteran support specialist; organising reception of clients of services provided by local employment centres and their branches in accordance with the law; organising reception of clients of free legal aid; holding public events aimed at meeting the needs and interests of local communities and ensuring civil society development.



IV. ECONOMY

DECISIONS

Ukraine entered 2024 with the IMF recognising its meeting all the structural benchmarks required for the third review of the IMF programme. The review is scheduled for the first weeks of March, and, if successful, could result in Ukraine receiving more than \$5 billion in 2024.

This is important, as the EU has not yet approved the Ukraine Facility programme, which offers €50 billion in partnership assistance to Ukraine over four years. This decision is expected on 1 February. The new programme will outline Ukraine's commitments to implementing reforms and other policy steps, and the EU will provide assistance in tranches based on these commitments that will be monitored on a quarterly basis.

The European side will determine the commitments based on the Ukraine Plan approved by the government, which includes reform steps in various areas such as public administration, public finance management, and business environment improvement.

An important step has already been taken – the Law 3497-IX on the insurance of investments in Ukraine against military risks entered into force on 1 January 2024. The law allows the Export Credit Agency (ECA) to insure and reinsure financial losses due to military and/or political risks of both Ukrainian and foreign businesses. The coverage applies to investments made in the facilities and infrastructure for the development of the processing industry and export of goods (works, services) of Ukrainian origin. In addition, the ECA is now able to insure and reinsure investment loans of Ukrainian banks for these purposes.

The Ministry of Economy anticipates that the initiative will encourage investment lending despite the ongoing war, as the ECA insurance policy has already been accepted by the NBU as an acceptable loan collateral.

This initiative is particularly important against the ongoing structural transformations in the

EU. On 17 January, MEPs decided to begin negotiations with the EU Council on new rules for economic governance, prioritising investment and national ownership, and increasing confidence in the system. The proposed rules aim to incorporate a strong social dimension, provide more flexibility in debt management, and offer incentives for investment in key EU sectors such as climate, digital, defence, and social areas.

The Budgetary Framework Directive, which sets out detailed regulations for national budgets, is receiving particular attention as it aims to make sure that EU governments comply with the requirements of economic and monetary union and do not run excessive deficits.

While these measures do not currently apply to Ukraine, it should be borne in mind that after achieving peace and independence, the country will face significant challenges in public finance. Therefore, discussions on relevant problem areas in the political arena should be initiated early to address these challenges. Unfortunately, the agricultural conflict with neighbours remains unresolved. In an appeal to the European Commission, the agriculture ministers of Bulgaria, Poland, Hungary, Romania and Slovakia expressed their concern that Ukrainian agricultural products are displacing their own products on traditional European markets, potentially endangering European food security.

This can have long-term implications outside Ukraine and these EU countries. In particular, it may require a discussion in the EU about trade practices and their impact on international economic relations, which have been rapidly transforming recently towards greater economic closeness, thus becoming a factor of economic slowdown.

So far, it seems that the EU has found a temporary compromise regarding Ukrainian agricultural exports. On the one hand, the European Commission has officially proposed to suspend import quotas and duties on Ukrainian exports to the EU for another year. On the other hand, it initiates an «enhanced safeguard» to

protect the interests of European farmers, as demanded by several EU countries. In particular, the «emergency braking» mechanism is envisaged for poultry, eggs and sugar to «stabilise imports at the level of average imports in 2022–2023». This means that if these import volumes are exceeded, import tariffs will be applied.

The proposal will then have to be considered by the European Parliament and the EU Council. At that point, it is likely to receive regulatory support, stabilising trade flows between Ukraine and its immediate neighbours.

It may also help Ukrainian businesses to find support within the country. In late January, the President of Ukraine issued decrees on the launch of the «Made in Ukraine» economic platform and the establishment of the Council for support of entrepreneurship under martial law. These documents were urgently needed to address fierce confrontation between the business community and law enforcement agencies. The Council is expected to help resolve conflicts quickly and efficiently. However, similar institutions have been created on numerous occasions in the past, but their effectiveness has proven to be unsatisfactory. Today, it is extremely important that internal conflicts are minimised in the context of countering aggression.

DEVELOPMENTS, PROCESSES, TRENDS

According to preliminary results for 2023, released in mid-January, Ukraine's Ministry of Economy estimates GDP growth at 5%, also forecasting the growth of 4.6% in 2024, primarily driven by a 29.6% increase in investment. Moreover, the value of exports of goods and services is expected to grow by 9% in 2024, and imports of goods and services by 5.9%.

However, these figures appear overly optimistic, especially in terms of investment. This growth can only be achieved with continued significant support from developed countries, which, however, may be hindered by ongoing electoral processes in some of these nations. Moreover, said expansion of investment would require increased imports, contradicting the goal to ensure faster export growth over imports.

Furthermore, the World Bank in its November 2023 study claims that 20% of Ukrainian businesses have directly faced destruction, while 70% have lost income, with an average corporate income halving compared to 2021. The study is

based on the survey, so it can only be considered as a reference.

The World Bank mentions a number of systemic problems faced by Ukrainian businesses, including power outages after Russian shelling, logistics disruptions due to the ongoing fighting and blockade, a shortage of skilled workers due to mobilisation and migration abroad, and financial difficulties.

The NBU held a briefing on monetary policy in late January, also sharing its macroeconomic forecasts. Thus, the NBU projects a GDP growth of 3.6% in 2024, which is seen as more balanced than figures provided by the Ministry of Economy. One of the most significant risks to Ukraine's macroeconomic stability is a 74% increase in the current account deficit, from \$9.7 bn to \$16.9 bn (the October forecast was for a 50% increase, from \$7.3 bn to \$11 bn).

International assistance is expected to remain the primary source of capital inflows, as Ukraine is projected to receive approximately \$37 billion in external loans and grants in 2024. This aid will greatly contribute to replenishing Ukraine's international reserves, which are forecasted to reach \$40.4 billion (\$44.7 billion in the October forecast) and will be sufficient to ensure exchange rate stability.

Along with domestic market borrowing, international support will also help finance the government's significant fiscal needs, thus contributing to macroeconomic stability and supporting the country's socioeconomic development.

This, however, means a further increase in the debt burden. Ukraine's total public debt in 2023 reached a new all-time high, increasing by \$33.9 billion (+30.4%) to \$145.3 billion in dollar terms, and by UAH 1.44 trillion (+35.4%) to UAH 5.5 trillion in hryvnia terms.

Last year, external direct debt increased by 31.2 billion (+49.1%) to \$94.8 billion. However, due to positive economic dynamics with real GDP growth of about 5%, the relative growth of public debt has significantly improved, from the previous 98% to 87% of GDP.

According to IMF estimates, Ukraine's external financing needs in 2024 will amount to \$42 billion, with the public debt reaching 97% of GDP by the end of the year.

Meanwhile, Ukraine will be able to get part of the necessary financing by expanding its export capacity. The fact that nearly 15 million tonnes of cargo were exported through the Ukrainian sea corridor over a five-month period, including 10 million tonnes of agricultural products, is an important achievement of the domestic economy. In December 2023 alone, exports by sea increased by 30.7%, reaching 7.34 million tonnes, including 6.1 million tonnes of agricultural products. Also, the volume of maritime exports of steel products, including semi-finished products, increased by 40% in December. «Metinvest» forecasts that maritime ore exports will reach a maximum of 2-3 million tonnes per month by the end of Q1 2024.

Maintaining and consolidating these results in the face of war may be a key factor in the recovery of domestic exports in general and lifting of the agricultural exports blockade on the western border. This is recognised by the international community. For example, according to the

UK Ministry of Defence, Ukraine was able to resume port operations and establish a maritime export channel because it prevented the Russian navy from operating in the western Black Sea by threatening Russian ships with missiles and unmanned surface ships. As a result, according to the Ukrainian Sea Ports Authority, Ukrainian ports handled 62 million tonnes of cargo in 2023, including 56.3 million tonnes for export.

This type of protection has also reduced risks, and market confidence is confirmed by a reduction in insurance premiums mediated by the UK under the Unity Facility insurance package, as well as by the announcement of Turkey, Romania, and Bulgaria forming an MCM Black Sea task force.

This course of events is strategically important for both economic and security development of the Black Sea region, also strengthening Ukraine's position in the region.

V. ENERGY SECTOR

PASSING OF THE WINTER 2023-24

Ukraine has successfully passed the first half of the heating season and has sufficient resources to complete it. There was no shortage of generation and distribution capacity in the reporting period. However, the daily emergency shutdowns of 2-3 power units at TPPs and CHPPs cause a persistent concern. Although most of these units resumed operation in less than a day, small reserves forced the transmission system operator to resort to manual control.

Due to higher temperatures and better weather conditions, coal stocks at TPPs and CHPPs remained virtually unchanged at 0.74 million tonnes. The favourable weather forecast for February allows reducing expectations of coal shortage from 0.7-0.9 million tonnes to 0.5-0.7 million tonnes.

Five out of 26 TPP and CHPP units are already using natural gas as the main fuel, which has reduced its volumes in underground storage facilities from 15.5 to 10.8 bcm (including 4.7 bcm of «long-term storage» gas). Ukraine has been withdrawing 85-95 mcm from storage facilities every day (over 100 mcm on 9 January), producing only 45-50 mcm and no gas imports.

Given the higher gas consumption (+12% compared to January 2023), Naftogaz Ukraine is likely to purchase up to 0.5 bcm of gas in Q1 2024, contrary to its management that described the current season as «the first winter that Ukraine is passing exclusively thanks to own gas». These intentions are indirectly confirmed by the recent signing of a €200 million loan agreement «for the purpose of forming strategic reserves».

An average of 400 settlements in Ukraine remained without power supply cave electricity due to the hostilities; additionally, up to 1,025 settlements were cut off due to technological disruptions and bad weather (strong winds, sleet, ice) on 8-10 January 2024. About 200 of them were without power supply for more than one day.

ENERGY BALANCE

At the end of January 2024, all 9 NPP units under Ukraine's control were in operation in the country's integrated power system, and so were 26 TPP and CHPP units, with 5 of them using natural gas as fuel. As of 31 January, eight TPP units were in the system's reserve.

Ukrhydroenergo is operating in line with its targets, but its generation is limited to 1.1 MW after the destruction of the Kakhovka Dam. Reservoir levels are in line with the decision of the Interagency Commission for the operating mode of the Dnipro Cascade and Dniester HPP. Electricity generation at SPPs in WPPs remains at the seasonal level of 0.5 GW.

In total, Ukraine generated about 14.9 GW of electricity every hour, compared 20 GW generated in the same period in 2021. NPPs accounted for most generation (56%), followed by TPPs (23%), CHPPs (10%), HPPs (8%), and renewables (3%).

On 1 January, there was a surplus in the system, which led to restrictions of 198 MW. On 24 January, emergency assistance was provided to the Polish operator. Commercial energy exports were carried out at night to Slovakia, Romania and Moldova with a maximum capacity of 0.3 GW. The shortage of energy was expected four times (up to 5% of total consumption), but Ukrenergo did not request emergency assistance. During peak hours, electricity was imported from Slovakia, Romania, Moldova and Poland. The import capacity was 0.4-1.0 GW.

The problem of the industry's inadequate financial situation remains unresolved.

Electricity payments owed by producers amount to UAH 23.7 billion; payments owed to universal service providers reach UAH 20.5 billion (+2.4 and +0.1 billion compared to November 2023, respectively). Ukrenergo's debt to renewable energy generation is UAH 31.5 billion (-1.1 billion, compared to December

2023), although the company still does not agree with the amount. At the same time, market participants' debts to Ukrenergo reaches UAH 28 billion. The debts of district heating companies for gas exceed UAH 95 billion. The National Security and Defence Council has instructed the Cabinet to pass decisions on repayment of these debts, but the nature of these decisions is unclear. So far, the Ministry of Energy has only signed an order to set up a working group.

Although natural gas consumption increased by 12% compared to January 2023, there was no shortage of gas for heating and cooking. Its production is also up year-on-year (+4%).

Daily commercial exports of gas stored by non-residents in underground storage facilities in the customs warehouse regime amounted to 27 mcm (Drozdovychi USF).

As for the petroleum products, their amount is sufficient to meet the demand, which has significantly decreased due to seasonal factors (primarily diesel fuel).

TRANSIT

In the reporting period, Gas Transmission System Operator of Ukraine LLC transited 40-43 mcm of russian gas per day (38% of volume under the contract with Gazprom). About 92% was sent to Slovakia, and 8% – to Cuciurgan (Moldavian) power station in Transnistria. Transportation was carried out through the Sudzha gas metering station.

Ukrtransnafta transited 30-35 thousand tonnes of russian oil per day to refineries in Slovakia, the Czech Republic and Hungary (owned by the Hungarian MOL). Transportation was carried out via the southern branch of the Druzhba pipeline.

PRICE SITUATION

In January 2024, the price index for base load (BASE) on the day-ahead market (DAM) was UAH 3,370/MWh, and at the peak (PEAK) it was UAH 4,129/MWh (-7.8 and -14.1% compared to December 2023). This change in rates indicates a decrease in consumption due to higher temperatures and a lower need for shunting generation.

The weighted average price on the intraday market (IDM) amounted to UAH 3,506/MWh,

and on the DAM – UAH 3,859/MWh (-17.4 and -5.9 compared to December, respectively).

As of 31 January 2024, the price indices for base load in Ukraine, Poland, Slovakia, Hungary and Romania have almost aligned and were 1.0:1.0:1.1:1.1:1.1; peak load – 1.0:1.0:1.0:1.0:1.0. This ratio is explained by a decrease in electricity consumption in the EU in January 2024 and an increase in energy generation by renewables.

The weighted average price of January natural gas in Ukraine based on the results of electronic trading on the UEEX was UAH 12,100/tcm (€289/tcm, -5.9% compared to December 2023).

In January, the gas tariffs of Naftogaz Ukraine for non-household consumers amounted to UAH 15,300, and from 1 February 2024 – UAH 14,502/tcm, including VAT. The relative decrease (-5.2% compared to the previous month) is due to the declining cost of natural gas at the European TTF hub brought to the Ukrainian border (UAH 18,588/tcm, including VAT, on 31 January 2024).

The record gas reserves in the EU's underground storage facilities (77.7 bcm; +22% to the 5-year average) has allayed all fears about the normal passage of the heating season in Europe. At the end of January, benchmark futures for February-March gas supply were trading at €1/MWh cheaper than in June-July, with the gap between these contracts widening.

In January, Coal (API2) CIF ARA (ARGUS-McCloskey) steam coal futures quotes ranged from \$96 to \$115/t (\$96/t on 31 January 2024) and continued to reduce compared to October, when they peaked at \$139/t on 13 October 2023. Coal stocks at ARA terminals amount to 6.7 million tonnes (+21% compared to the annual average; -8% compared to January 2023).

In January, Brent crude oil futures quotes ranged from \$76 to 84/bbl (\$81/bbl on 31 January 2024), while reaching \$92/bbl in October 2023. The main reason for this downtrend was the excess of supply over demand due to the lower-than-expected growth of the latter. If current trends continue, oil supply in 2024 will be 103.5 million barrels per day, while demand will not exceed 102.9 million barrels. The relative growth of prices in January compared to December can be explained by the increased

risk of transporting oil through the Red Sea and the Gulf of Aden.

Low seasonal demand and recovery of supply chains contributed to another reduction in retail prices for petroleum products in Ukraine by 0.5-1.0%, depending on the type and brand. Once again, autogas prices showed the largest drop (-8% compared to December 2023) after rising by almost a quarter in November due to its limited supply. As of 31 January 2024, the indicative prices for Euro 5 A-95 petroleum and Euro5 diesel fuel petrol were UAH 54.24 and 50.82 per litre, respectively, while LPG car fuel was UAH 27.38 per litre.

CHANGES IN THE REGULATORY FRAMEWORK

Despite the enactment of the NSDC decision «On additional measures to strengthen the resilience of the energy system and prepare the national economy for the autumn-winter period of 2023/24», the government is yet to fulfil some obligations under this act. In particular, no decisions were made on paying off the debts of critical infrastructure enterprises and public institutions to the supplier of last resort and universal service providers for electricity, as well as on reconstructing CHPP plants managed by Naftogaz Ukraine using gas piston and gas turbine units to create highly manoeuvrable capacities. Similarly, a draft law introducing criminal liability for unauthorised withdrawals of natural gas from the Ukrainian gas transmission system was not submitted to the Verkhovna Rada.

Instead, the Ministry of Energy signed an order establishing a working group on debt repayment in the electricity market. «The group should promptly develop an effective mechanism for balancing the financial position of electricity market participants, in particular, the transmission system operator, producers of electricity from alternative sources that use a feed-in tariff, and the Guaranteed Buyer».

The legislators have taken the draft law on amendments to the Tax Code to stabilise payments in the electricity market (Reg. No. 5399 of 19 April 2021) as a basis, seeking

to temporarily reduce the tax burden on renewable

electricity producers who do not receive payment from the SOE Guaranteed Buyer for the goods actually supplied. In addition, the document provides for the extension of the rules for applying the cash method for VAT for electricity market participants until 1 January 2026.

The Verkhovna Rada of Ukraine registered several government bills:

✓ On Amendments to the Law of Ukraine «On Heat Supply» concerning State Energy Supervision (Control) in Heat Supply (Reg. No. 10403 of 11 January 2024), which establishes the exclusive powers of the State Inspectorate for Energy Supervision in terms of the technical condition and organisation of operation of thermal, heat-using units and networks, preventing duplication of powers in the exercise of supervision in the field of heat supply and housing and utility services;

✓ On Amendments to Certain Laws of Ukraine Regulating Powers of Central Executive Bodies in the Field of Energy Efficiency" (Reg. No. 10393 of 8 January 2024), which redistributes relevant powers between the Ministry of Regional Development, the Ministry of Energy, the State Agency on Energy Efficiency and the State Inspectorate for Energy Supervision.

Along with the submission of this draft law, the Cabinet approved the Procedure for certification of persons intending to conduct energy efficiency certification, energy audit of buildings and inspection of technical installations. Certification is to be carried out by an accredited qualification centre, while the certificate itself will be valid for five years. At the same time, the Procedure for maintaining and publishing a database of extracts from energy audit reports, independent monitoring of extracts and independent verification of energy audit reports entered into force.

The Procedure for the operation of Insider Information Platforms was approved. The relevant NEURC resolution, adopted pursuant to the Law of Ukraine «On Amendments to Certain Laws of Ukraine on Prevention of Abuse

in Wholesale Energy Markets" (pursuant to REMIT requirements), is aimed at effective disclosure of information that may affect the gas and electricity pricing.

The NEURC's draft resolution amending the Procedure for registration of wholesale energy market participants, which proposes to postpone the deadlines for registration (from 1 February to 1 April) and information about final beneficiaries (from 1 June to 1 August), was published for discussion.

An investigation into «atypical behaviour of certain DAM and IDM participants, which led to significant price fluctuations in these segments of the electricity market in early January 2024» has been launched.

Expectations that the NEURC (National Energy and Utilities Regulatory Commission) would take the measures set out in the NSDC (National Security and Defense Council of Ukraine) decision to improve the financial mechanism for imposing special obligations on electricity market participants to improve their financial condition did not materialise. The issue of ensuring economic conditions «for attracting electricity imports during the autumn-winter period of 2023/24» remains unresolved.

The proposals of electricity market participants to address the problems of excessive administrative regulation and the inability to conclude contracts for more than one year in the ancillary services market were also ignored.

The Ministry of Energy has published a draft resolution reinstating the ban on the circulation of petroleum products that do not meet Euro 5 environmental standards. Such fuels were allowed on 17 March 2022 «to provide for the Armed Forces and other military formations, agricultural machinery and vehicles whose technical specifications allow the use of Euro 3 and Euro 4 environmental standard fuels until the termination or cancellation of martial law in Ukraine». The justification of the Ministry's decision «...by the needs of the security and defence forces...» is questionable, as the vast majority of fuel systems of military vehicles do not meet Euro 5 standards, while the cost of higher quality fuel is higher by UAH 5-7 per litre. Nevertheless, the relevant decision seems to have already been made, although there is no confirmation.

Ukraine's Asset Recovery and Management Agency (ARMA) initiated the cancellation of government orders and termination of agreements with PJSC Ukrnafta on the management of the seized Tatneft assets and Glusco fuelling stations, citing «Ukrnafta's deliberate rejection of ARMA proposals to sign acts of acceptance and transfer of fuelling station assets». As a result, «the purpose of the orders of the Cabinet of Ministers of Ukraine has not been met, and management efficiency is not ensured, although the seized fuelling stations continue functioning».

The High Anti-Corruption Court refused the Ministry of Justice to recover 49% of Alliance Holding LLC, which operates the Shell fuelling station chain in Ukraine, to the state. The court ruled that Shell «does indeed own 97.44% of Alliance Holding LLC and its related companies».

INTERNATIONAL COOPERATION

In its latest quarterly report, the Energy Community Secretariat called on Ukraine to return to the "pre-war market fundamentals", noting that increased state intervention "will be more difficult to correct over time". In particular, it recommends paying due attention to the protection of vulnerable customers and consistently increasing the liquidity of the gas sector, in particular by creating an independent gas storage operator.

On 16 January, the Joint Allocation Platform hosted the first daily auction for the access to interconnector capacity between Ukraine and Poland, which was held simultaneously by Ukrenergo and Polish PSE. The first auction with Slovak operators is scheduled for February-March 2024, while the auction with Romanian operators has been held since November 2023 on Ukrenergo's auction platform.

On 19 January, the gas transmission system operators of Ukraine, Bulgaria, Greece, Moldova, Romania, Slovakia and Hungary signed a Memorandum of Cooperation in the creation of the so-called Vertical Corridor. The agreement envisages optimisation of capacity allocation and increase of south-north gas transportation capacity, primarily from Greek LNG terminals.

By the end of the reporting period, more than 13,000 requests were submitted through the AidEnergy platform, with 3.8 thousand items of equipment distributed. The platform holds virtual profiles of 32 donors and 129 companies in the fuel and energy sector.

VI.

SOCIAL SPHERE

LEGISLATIVE CHANGES IN HIGHER EDUCATION

Recently, the government has initiated a number of changes in the system of higher education. In January 2024, the Ministry of Education and Science (MoES) presented a Draft Law «On Amendments to Certain Laws of Ukraine on Financing Higher Education and Providing State Targeted Support to Education Seekers». This document primarily focuses on changes in state funding of education, including approaches to paying for higher education, improving the educational process and promoting the development of students' individual educational trajectories.

The draft law predicts a reduction in the number of seats with direct budget funding (currently, the state fully pays for 40% of university students, while the other 60% pay for their studies). However, the proposed introduction of the state grant option will provide for co-financing of education, which, according to MoES officials, will increase the share of students receiving state support to 60-70%. Co-financing means that the state will pay part of the tuition fee and the rest will be covered by the education seeker. This financing structure has already been approved by the Cabinet and the Ministry of Education. It extends the «money follows a student» principle, whereby by choosing a state grant, an applicant will be able to enrol to any university, including the private one. After graduation, the graduate will have a guaranteed job in the public sector.

The details of how the state will provide additional funding to contract students, the amount of these grants, and the eligibility criteria for studying at the expense of the budget are to be defined in the upcoming draft law expected in February 2024. The idea is to prioritize the specialties that are in demand by the state and are projected accordingly by the Ministry of Economy. This would help overcome the current weakness of the current system, where the state pays for the training of specialists in fields that are not required.

However, there are concerns regarding the practical implementation of this approach.

Some question the grant system, worrying that university funding will be affected, or that applicants will prefer currently popular specialties. Additionally, there is a possibility that funds will be concentrated in Kyiv or flow to private schools. Hence, further study is needed to determine the effectiveness of using state grants for education.

OPTIMISATION OF ASSISTANCE TO IDPs

In Ukraine, there are currently around 4.9 million internally displaced people, with 2.5 million of them receiving monthly social benefits. The 2024 budget earmarks UAH 57 billion for IDPs (for comparison, UAH 57 billion in 2022, and UAH 73 billion in 2023). However, the number of IDPs in Ukraine is decreasing, as people either move abroad or return to their permanent residences.

Due to this decline and a reduction in budget revenues in 2024, the government has announced changes to social assistance payments to IDPs. According to Iryna Vereshchuk, Vice Prime Minister and Minister for Reintegration of the Temporarily Occupied Territories, this decision is partly due to the pressure from Ukraine's partners calling to optimise and constantly verify these payments to further reduce them. The argument is that 2 years is enough for anyone to adapt. The Ministry of Social Policy (MoSP) aims to support the integration of IDPs into host communities by encouraging unemployed IDPs of working age to find a job, providing them with targeted social support instruments for specific life needs, supporting families that do not have sufficient resources to rent housing, protecting them from the risk of poverty, and developing care services for disabled family members. Thus, the revised payment mechanism should be paired with incentives for IDPs to find jobs and generate own sources of income for their families.

In light of this, MoSP will soon announce amendments to Resolution No. 709 «Some issues of support for internally displaced persons» to clarify the parameters for providing accommodation allowances to IDPs and to focus on assisting those who need it most. The government plans to continue supporting more than 1.5 million IDPs. Moreover, assistance will

be extended to IDPs returning from abroad who are unemployed and have no other sources of income in Ukraine. **The amendments extend payments to vulnerable categories of IDPs, namely pensioners, persons with disabilities, women, mothers with children, and citizens living in the frontline areas.**

However, the government is planning to discontinue payments for certain categories of IDPs since 1 February 2024. The criteria for receiving assistance will now be based on property status, with a period of no more than 12 months for payment. Only certain categories of persons who applied for assistance after 1 August 2023 will be eligible for an extended payment for a second 6-month period. The amount of the allowance will remain the

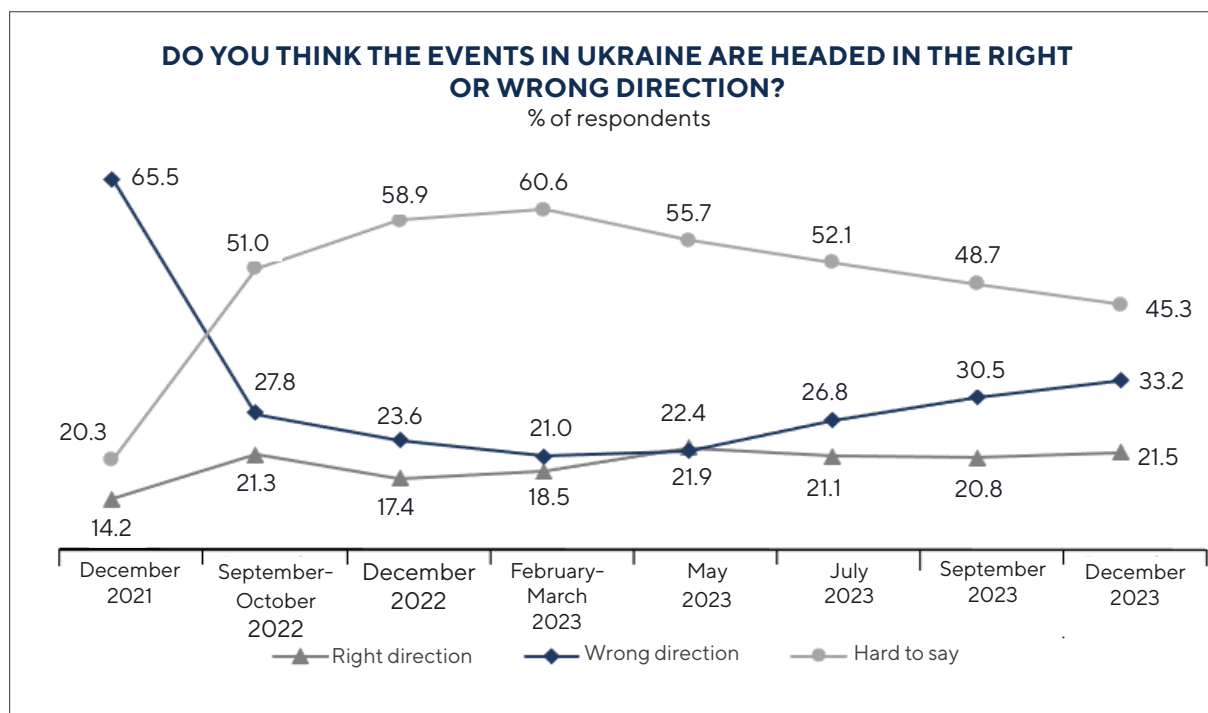
same – UAH 3,000 for persons with disabilities and children, and UAH 2,000 for others.

However, there are concerns about the impact of these payment cuts on society. It seems that the government's social assistance policy is to replace social payments with social services. But massive cuts in benefits are not being covered by services in all cases where people need them. Many communities have not yet assessed the needs of IDPs, including those without housing and work, people with young children, and persons with disabilities. It is virtually impossible to find a job for those aged 50+. These changes also raise concerns for those who left occupied territories and either did not buy housing or lost it due to the invasion.



VII.

CITIZENS' OPINIONS ABOUT CURRENT ISSUES¹



CAN UKRAINE OVERCOME THE EXISTING PROBLEMS AND DIFFICULTIES?
% of respondents

	December 2021	September-October 2022	December 2022	February-March 2023	May 2023	July 2023	September 2023	December 2023
It can do so within the next few years	17.7	40.6	49.9	49.4	43.0	42.7	38.0	32.2
It can do so in the longer term	54.4	42.6	37.0	35.9	43.2	41.7	43.4	45.3
It cannot overcome problems	17.6	5.2	5.1	3.4	4.8	6.4	8.6	7.2
Hard to say	10.3	11.6	8.0	11.3	9.0	9.2	10.0	15.3

¹ Results of a sociological survey conducted by the Razumkov Centre's sociological service on 8-15 December 2023 in collaboration with the Ilko Kucheriv Democratic Initiatives Foundation.

Face-to-face interviews were conducted in Vinnytsia, Volyn, Dnipropetrovsk, Zhytomyr, Zakarpattia, Zaporizhzhia, Ivano-Frankivsk, Kyiv, Kirovohrad, Lviv, Mykolaiv, Odesa, Poltava, Rivne, Sumy, Ternopil, Kharkiv, Kherson, Khmelnytskyi, Cherkasy, Chernihiv, Chernivtsi oblasts and the city of Kyiv (survey in Zaporizhzhia, Mykolaiv, Kharkiv and Kherson regions was only carried out in government-controlled areas not subject to hostilities).

The survey was based on a stratified multi-stage sampling with random selection at the initial sampling stages and quota selection of respondents at the final stage (when respondents were selected based on gender and age quotas). The sample structure reproduces the demographic structure of the adult population of the surveyed areas as of the beginning of 2022 (by age, gender, type of settlement).

A total of 2,019 respondents aged 18+ were interviewed. The theoretical sampling error does not exceed 2.3%. At the same time, additional systematic sampling deviations may be caused by the effects of Russian aggression, in particular, the forced evacuation of millions of citizens.

HOW DO YOU TRUST THE FOLLOWING SOCIAL INSTITUTIONS?

% of respondents

	July-August 2021				September 2023				December 2023			
	Trust*	Distrust**	Hard to say	Trust-distrust balance***	Trust*	Distrust**	Hard to say	Trust-distrust balance***	Trust*	Distrust**	Hard to say	Trust-distrust balance***
Armed Forces of Ukraine	68.3	24.8	6.7	43.5	93.1	5.2	1.7	87.9	93.7	4.6	1.7	89.1
Volunteer units	53.5	33.4	13.1	20.1	85.2	9.3	5.5	75.9	88.9	6.0	5.1	82.9
Volunteer organisations	63.6	25.1	11.3	38.5	84.3	11.1	4.5	73.2	85.6	8.2	6.1	77.4
State Emergency Service	61.4	28.7	9.9	32.7	82.8	13.0	4.3	69.8	83.3	11.7	4.9	71.6
National Guard of Ukraine	53.6	36.0	10.4	17.6	80.8	14.3	5.0	66.5	81.8	11.6	6.5	70.2
Ministry of Defence of Ukraine	—	—	—	—	70.6	22.3	7.1	48.3	73.1	20.2	6.7	52.9
State Border Guard Service	55.0	34.3	10.7	20.7	76.5	17.2	6.3	59.3	71.7	20.0	8.4	51.7
Security Service of Ukraine (SBU)	37.5	49.7	12.7	-12.2	66.0	25.2	8.8	40.8	70.8	21.1	8.1	49.7
President of Ukraine	36.2	57.6	6.2	-21.4	71.7	20.2	8.2	51.5	67.6	26.1	6.3	41.5
Church	63.5	26.3	10.3	37.2	59.2	27.7	13.1	31.5	63.4	24.8	11.7	38.6
NGOs	47.0	37.4	15.5	9.6	60.5	27.2	12.3	33.3	62.8	24.6	12.7	38.2
National Police of Ukraine	38.5	52.9	8.5	-14.4	56.9	36.0	7.1	20.9	58.0	34.1	7.9	23.9
Mayor of your city/town/village	57.1	33.6	9.3	23.5	53.7	38.9	7.5	14.8	53.2	39.8	7.0	13.4
National Bank of Ukraine	29.1	60.1	10.9	-31.0	45.8	41.8	12.5	4.0	50.9	37.9	11.2	13.0
Ukrainian media	45.4	45.8	8.9	-0.4	47.1	43.0	9.9	4.1	48.1	43.2	8.7	4.9
Local council of your city/town/village	51.4	37.8	10.7	13.6	48.6	41.3	10.2	7.3	47.3	41.2	11.4	6.1
Ukrainian Parliament Commissioner for Human Rights (Ombudsperson)	31.7	40.1	28.1	-8.4	44.1	30.6	25.2	13.5	43.2	30.6	26.2	12.6
National Anti-Corruption Bureau of Ukraine (NABU)	15.2	69.6	15.3	-54.4	29.2	53.3	17.5	-24.1	32.3	50.9	16.8	-18.6
Trade Unions	21.2	54.8	24.0	-33.6	25.3	45.7	29.0	-20.4	25.0	46.5	28.4	-21.5
National Agency on Corruption Prevention (NAZK)	13.2	69.6	17.2	-56.4	27.2	52.1	20.7	-24.9	28.7	50.9	20.5	-22.2
Specialised Anti-Corruption Prosecutor's Office	13.6	69.3	17.2	-55.7	28.5	52.3	19.2	-23.8	28.8	52.2	19.0	-23.4
Commercial banks	18.2	70.7	11.1	-52.5	26.2	58.7	15.0	-32.5	27.0	58.2	14.8	-31.2
Cabinet of Ministers of Ukraine	21.5	72	6.6	-50.5	31.9	60.4	7.7	-28.5	31.0	62.6	6.4	-31.6
Prosecutor's Office of Ukraine	17.8	71.1	11.1	-53.3	26.5	60.9	12.6	-34.4	24.2	61.6	14.2	-37.4
Verkhovna Rada of Ukraine	18.7	75.1	6.1	-56.4	29.1	63.6	7.4	-34.5	27.6	66.1	6.3	-38.5
State apparatus (officials)	14.9	75.7	9.4	-60.8	19.1	71.7	9.2	-52.6	18.6	73.4	8.0	-54.8
Courts (judicial system as a whole)	15.5	74.2	10.4	-58.7	17.7	69.8	12.5	-52.1	16.0	72.0	12.1	-56.0
Political parties	16.1	71.7	12.2	-55.6	14.1	73.6	12.3	-59.5	12.8	75.9	11.3	-63.1

* The total of answers «fully trust» and «rather trust».

** The total of answers «fully distrust» and «rather distrust».

*** The difference between those who trust and those who distrust.

The team of contributors:

Y. Yakymenko (project manager), A. Bychenko,

O. Melnyk, M. Mischenko, M. Pashkov, O. Pyshchulina, V. Omelchenko, P. Stetsiuk,

M. Sunhurovskyi, V. Yurchyshyn,

O. Derkach (intern).

Editorial and publishing department: Z. Mischenia, K. Mokliak, T. Ovsianyyk.

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Our address:

01032, Kyiv, 33b Taras Shevchenko Blvd, 7th floor

Telephone: (38 044) 201-11-98

Fax: (38 044) 201-11-99

e-mail: info@razumkov.org.ua

Website: www.razumkov.org.ua

