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UKRAINE: FROM WAR TO PEACE AND RECOVERY

Analytical Assessments
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I.

NATIONAL SECURITY AND DEFENCE: KEY DEVELOPMENTS, PROCESSES, TRENDS

In April 2024, the situation in the theatre of operations remained difficult, with dynamic changes in the operational and tactical situation and a steady trend towards further aggravation. Russia tried to make the most of the «window of opportunity», or rather «window of Ukraine's vulnerability» created by the lack of timely provision of the Ukrainian Defence Forces with human and material resources. Washington's positive decision to provide American military assistance and Ukrainian parliament's adoption of necessary legislative changes on mobilisation could not immediately solve the accumulated problems, but probably prompted the Russian military and political leadership to intensify offensive efforts.

During his visit to Kyiv, NATO Secretary General Jens Stoltenberg [said](#) that the many months it took for Congress to approve new military aid to Ukraine and Europe's inability to deliver ammunition on time had «serious consequences on the battlefield». Other reasons for the setbacks at the front should include the Ukrainian state's months-long inability to address the problem of mobilisation.

However, despite the difficult situation on the battlefield, the Ukrainian Defence Forces have shown the ability to «hold the line». The «breakthrough of the front» announced by the Russians after their capture of Avdiivka did not occur, although the situation in certain directions remains critical for the reasons listed above. In addition to the need for more human and material resources, Ukraine currently lacks an updated strategy for waging war (or at least a realistic, [detailed plan for 2024](#)) and achieving victory, agreed with partners, which, especially the [United States](#), also need to clearly define a strategy for supporting Ukraine and ending the war.

COMBAT ACTION

In April, the Russian side held the operational and tactical initiative, launching simultaneous attacks on multiple fronts. According to Ukraine's Commander-in-Chief General [Oleksandr Syrskyi](#), «in attempts to seize the strategic initiative and break through the front line, the enemy focused its main efforts on several directions, creating a significant advantage in forces and means... The situation is changing dynamically, with some positions changing hands several times a day, which creates an ambiguous understanding of the situation». Despite multiple tactical achievements, the Russian forces failed to develop an operational offensive, while in some areas Ukrainian troops could halt the enemy's advance and improved their own tactical position.

While no particular changes were observed in the enemy's tactics, Russians made use of frontline aviation and reconnaissance UAVs on the front and up to 100 km to the rear, capitalising on the lack of air defence capabilities on the Ukrainian side. There was a steady upward trend in the use of guided bomb units or (KABs) by Russian aircraft to strike at the positions of Ukrainian defenders, as well as at frontline and border settlements. [During April](#), Russians used more than 300 missiles of various types, nearly 300 Shahed kamikaze drones and more than 3,200 KABs.

Along with the increased intensity of shelling, including of civilian objects and critical infrastructure, Russians stepped up their information campaign spreading fake news about an imminent offensive on [Sumy](#) and [Kharkiv](#). The purpose of the Russian shelling of Kharkiv and Sumy, coupled with information and psychological operations is to create panic among local residents and

generate another wave of internal and external [migration](#). It is worth noting that this russian (alleged) disinformation is not limited to Kremlin-controlled media and social networks, but is also being broadcast by reputable [Western media](#).

Ukraine's northern border is in fact another frontline, albeit a static one. Border settlements in Sumy, Kharkiv and Chernihiv regions are particularly affected, with constant shelling and sabotage and reconnaissance activities. However, as of the end of April, there have been no signs of preparation for an [offensive in northern Ukraine](#). Nonetheless, the Ukrainian military leadership announced the reinforcement of defence forces with artillery and tank units in the most threatened areas. Work continues on the fortification of defensive borders and positions along the line of contact, as well as the north-eastern border, including the Belarusian-Ukrainian border. While there is no evidence of an impending invasion from Belarus, it is noteworthy that Belarus has [recently modified its military doctrine](#) to allow for «possible provision of military assistance to friendly

states..., including sending military contingents...».

Russia's use of ballistic missiles is another critical problem that currently has no effective solution. [According to the Defence Intelligence](#) of Ukraine, as of the end of April 2024, the Russians had about 40 units of 3M22 Zirkon hypersonic anti-ship missiles (production of up to 10 units/month), 400 units of 3M55 Oniks cruise missiles (10 units/month), 270 units of 3M-14 Kalibr cruise missiles (40 units/month), 45 units of X-69 guided missiles (10 units/month).

Recent intensification of the russian attacks and the tragic consequences of massive missile and drone strikes, coupled with the expectation of Russia's spring-summer offensive campaign has fuelled pessimism about Ukraine's ability to repel another potential attack. However, these problems and challenges have prompted the Ukrainian military and political leadership and governments of partner countries to make important statements and



practical steps aimed at strengthening Ukraine's defence capabilities.

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

On 11 April, the Verkhovna Rada adopted the so-called Law on Mobilisation, introducing amendments to the existing laws regulating mobilisation, military registration and military service in wartime. A [detailed analysis](#) of the innovations and their predicted positive and negative [consequences](#) sparked a heated public debate, especially with regard to the strengthening of measures to enforce civic duty.

The law enters into force on 18 May 2024, and while it is too early to assess its impact, some negative consequences have already surfaced. On 23 April, Ukrainian consulates have [temporarily suspended](#) provision of consular services to men of military age, and there have been reported «strange» technical issues with the issuance of ready-made documents in foreign branches of the SOE Document. These incidents not only generated a heated discussion on social media, but also caused [opposing reactions](#) from different segments of society and garnered international attention, negatively affecting Ukraine's image.

The most politically sensitive and socially significant article regarding the [right of mobilised individuals to be dismissed](#) after 36 months of service was removed from the draft law one day before the vote. Obviously, the issue of demobilisation became one of stumbling rocks for the adoption of the law and mobilisation in general, as the inability of the state to ensure the implementation of this provision poses critical risks to the state's defence capability. The prospect of «indefinite» service may demoralise those already serving and [demotivate](#) those to be mobilised.

FOREIGN EVENTS (EXTERNAL FACTORS)

After months of blocking, a critical decision to allocate \$60.8 billion in US military aid to Ukraine until the end of September 2025 was finally made in late April. This decision has both a practical dimension (the contribution to the ability to withstand Russian armed aggression) and a political one, given the US leadership in consolidating international support for Ukraine.

Moreover, the document adopted by the Congress requires the Biden Administration to provide a strategy for long-term support for Ukraine within 45 days, [which should](#), among other things, «establish specific and achievable objectives, define and prioritise United States security interests, and include the metrics to be used to measure progress in achieving such objectives».

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

- ✓ as of the end of April 2024, the situation in the theatre of operations remains difficult and tends to escalate;
- ✓ critical domestic (mobilisation) and foreign policy decisions (US military assistance) are belated and unable to immediately affect the current situation in the theatre of operations or to radically change the negative trends caused by the delay in these decisions;
- ✓ the Ukrainian Defence Forces have once again demonstrated their ability to withstand the superior forces of the aggressor, but this is clearly not enough to seize the strategic initiative, let alone achieve the strategic goals of ending the war;
- ✓ there is an urgent need to update Ukraine's strategy of war and victory, as well as the partners' strategy of support for Ukraine with a clearly defined vision of the end of the Russia-Ukraine war.

II. FOREIGN POLICY

In April 2024, geopolitical instability and conflicts continued to escalate globally and regionally. Positive factors included increased international support for Kyiv, the ongoing strategic practice of concluding security cooperation agreements with allied countries, and the promotion of important Ukrainian initiatives on the global stage.

INTERNATIONAL PROCESSES AND EVENTS

The approval on 24 April of a \$61 billion [bill](#) for military and economic aid to Ukraine by the US Congress and its signing by President Biden was the event of the month. This decision came along with the passing of a law allowing for asset confiscation and expanding anti-Russian sanctions. Both decisions are of great geopolitical significance, garnering international support for Ukraine, including within the Ramstein Group. However, it is worth noting that the aid was provided with a six-month delay, resulting in complications on the frontlines and heavy losses in the rear, particularly in the energy infrastructure sector. Additionally, the future prospects for US aid to Ukraine remain uncertain due to the unpredictable results of the US presidential race.

There is also a potential danger of the war in the Middle East spreading globally following Iran's massive air strike on Israel on 14 April. Political and diplomatic efforts by the international community helped prevent escalation, but the situation in the region remains explosive, with ongoing localised fighting in the Gaza Strip and a military operation against Yemeni terrorists in the Red Sea.

The regional-level problems noted in previous monitoring studies continue to haunt Ukraine. **First**, thanks to Kyiv and Warsaw's joint efforts, the situation on the Ukrainian-Polish border has improved in April. As of 29 April, all checkpoints [were unblocked](#) and traffic flowing smoothly along the entire border. However, there is still a threat of renewed

blockades, and the export and transit of Ukrainian agricultural products remains a concern.

Second, the political situation in Georgia has deteriorated in April, as the ruling Georgian Dream party's attempt to pass a pro-Russian law on foreign agents triggered mass protests. The EU and the US view this «pro-Russian drift» of Georgia negatively. Additionally, Georgian Prime Minister Irakli Kobakhidze's [statement](#) that the law was to «prevent Ukrainisation» provoked a relevant response from the Ukrainian Foreign Ministry.

Third, there has been another wave of Russian hybrid aggression against Moldova. In early April, the so-called «Ministry of State Security» of Transnistria was spreading fake news about a «drone attack» on their military unit. Businessman Ilan Shor, who was put on the international wanted list for allegedly stealing \$1 billion from Moldova's banking system, held an [election congress](#) in Moscow and announced the creation of a new electoral bloc – Victorie (Victory) – with an eye on the presidential elections in Moldova later this year.

In a broader context, April marks the beginning of a new phase of global geopolitical confrontation between the Western democratic world and the camp of authoritarian states. Predictions suggest that there will be a massive hybrid expansion of the authoritarian bloc, comprising of Russia and China, in the near future during the June European Parliament elections, the US presidential race, election campaigns in a number of EU countries, Georgia, Moldova, and some others. In particular, there are [concerns](#) about possible changes in the composition of the European Parliament with the growing presence of far-right, Eurosceptic forces. The recent presidential election victory of the right-wing politician Peter Pellegrini in Slovakia on 6 April 2024, who is an ally of the current Prime Minister Robert Fico, emphasises this trend.

At the same time, there is a significant political and diplomatic struggle surrounding the [Peace Summit](#) scheduled in June 2024. According to President Zelenskyy, «we have accurate information from the intelligence community that **Russia not only wants to disrupt the Peace Summit, but also has a specific plan to do so**».

Foreign policy events

The following April events related to Ukraine deserve special attention.

On 2 April, the international conference «Restoring Justice for Ukraine» in The Hague adopted an important declaration signed by 44 countries. The [document](#) supports the establishment of a special tribunal to bring Russia to justice for its crimes of aggression against Ukraine, approves the use of frozen russian assets for the benefit of Ukraine, and welcomes the launch of an international Register of Damage from russian aggression.

On 10 April, the Swiss government announced that the Peace Summit would be held on 15-16 June in the Swiss town of Bürgenstock. This is an event of strategic significance, which Ukrainian diplomacy has been preparing since October 2022. According to preliminary information, high-ranking representatives from 80-100 countries are expected to attend.

On 16 April, the PACE adopted a [resolution](#) in support of the reconstruction of Ukraine, which recommended the seizure of all frozen russian state assets and their transfer to a special «international compensation mechanism» under the auspices of the Council of Europe.

On 17-18 June, the European Council held a special meeting, where EU leaders identified strengthening of Ukraine's air defences, enhancing humanitarian aid and support for civil protection, supplying equipment for the Ukrainian energy sector and some other actions as key priorities.

On 19 April, participants of the NATO-Ukraine Council extraordinary meeting agreed to send additional air defence equipment (Patriot, SAMP/T) to Ukraine or to help

financially. Speaking at the meeting, President Zelenskyy [emphasised](#) the need to strengthen air defence, noting that from the beginning of 2024 alone, Ukraine had been hit by almost 1,200 russian rockets and more than 1,500 Shahed drones.

On 25 April, the European Parliament adopted a [resolution](#) describing the presidential elections in Russia as a «farce» and calling on EU countries and the international community not to recognise their results, as these «elections» were neither free nor fair. MEPs called on EU countries to limit relations with Russia to issues that are essential for regional security or related to humanitarian and human rights protection.

During April, a number of countries announced their new military and financial assistance to Ukraine. In particular, the United States allocated a \$1 billion arms shipment, as well as \$6 billion in military aid for the production of new military products for Ukraine under the USAI mechanism. The UK announced a £500 million aid package. The Netherlands that allocated €1 billion, was joined by Denmark (\$300 million) and Australia (\$100 million). Additionally, Germany, Canada, Sweden, the Czech Republic, the Baltic States, and others have joined military support processes. In turn, financial assistance for the civilian sector from the EU (€1.5 billion) and South Korea (\$2.1 billion) is also vital.

FOREIGN POLICY ACTIVITIES OF UKRAINIAN GOVERNMENT

In his [speech](#) at an international conference in Kyiv in April 2024, Foreign Minister Dmytro Kuleba highlighted the most relevant diplomatic priorities. The first is to promptly provide air defence systems to Ukraine, in particular Patriot or SAMP-T. The second is to ensure the success of Ukraine's Peace Summit in Switzerland. The third is to accelerate Ukraine's movement towards European and NATO membership. The fourth is to expand the presence and strengthen the influence of Ukrainian diplomacy in different regions of the world. And the fifth priority is to work with Ukrainians abroad, in particular with the «new diaspora».

Political dialogue with foreign partners

High-intensity political and diplomatic contacts at the high and highest levels continued in April. Particularly active was the dialogue with the US, including at the level of presidents and top government officials. Delegations of members of US Congress and businesses visited Ukraine. Talks with President of Finland Alexander Stubb, Prime Minister of Japan Fumio Kishida, Prime Minister of the United Kingdom Rishi Sunak, Chancellor of Germany Olaf Scholz, President of Switzerland Viola Amherd were held in April. Ukraine's leadership participated in the [IX Summit](#) of the Three Seas Initiative (11 April, Vilnius), where it met with the presidents of Hungary, Lithuania, Latvia, Poland, Romania, and the Czech Republic.

Other important international contacts included NATO Secretary General Jens Stoltenberg's visit to Kyiv on 29 April. During the visit, the NATO's top official met the Ukrainian leadership and [addressed](#) the Verkhovna Rada, saying that «Ukraine's future is in NATO. And Ukraine will become a member of NATO». At the same time, Mr Stoltenberg stated that Ukraine would not receive an invitation at the July NATO Summit due to the lack of consensus among the participants. Also, the NATO Secretary General discussed the idea of a \$100 billion NATO special fund to support Ukraine.

Participation in numerous international events, including the Delphi Economic Forum, the Ministerial Roundtable in support of Ukraine at the World Bank, the Venice Biennale are other areas of Ukrainian diplomacy.

A series of talks with international institutions and global companies, including the International Organisation for Migration, the Organisation for Economic Cooperation and Development, the CRH Group, Lockheed Martin, etc. can also be considered an achievement of Ukrainian diplomacy.

Traditional diplomatic procedures continued in April. Thus, President Zelenskyy accepted credentials from the newly appointed

ambassadors to Ukraine – Jaroslaw Guzy (Poland), Paul Lehmann (Australia), Urasa Mongkolnavin (Thailand), Francisca Ashietey-Odunton (Ghana), and Stephen Miburu (Uganda).

Promotion of Ukrainian interests and initiatives globally

The Ukrainian government is prioritising the strengthening the country's air defences and ensuring the supply of weapons for the fighting units through contacts and meetings with partner countries, as well as participation in international events, meetings and conferences. Additionally, official Kyiv is actively preparing for the first Global Peace Summit in Switzerland with its allies, which is one of the main tasks of national diplomacy in the short term.

The process of finalising security agreements with allied countries is ongoing, with [agreements](#) already signed with Finland and Latvia in April, and negotiations held with Lithuania, Norway, and Spain. Negotiations have also started with Portugal and the Czech Republic.

Furthermore, the return of Ukrainian children abducted by the aggressor country is also past of the foreign policy agenda. Thus, the second plenary meeting of the International Coalition for the Return of Ukrainian Children, co-chaired Ukraine and Canada, was held on 11 April with the presentation of projects for the return of Ukrainian children. Liechtenstein and Slovenia have joined the coalition, bringing the total number of coalition participants to 35.

UKRAINE'S STEPS TOWARDS THE EU: EVENTS AND TRENDS

Kyiv and Brussels are making progress towards the opening of negotiations on Ukraine's accession to the EU. On 2 April, during consultations on the EU's strategic agenda, President of the European Council Charles Michel mentioned the opening of negotiations as one of the EU's priorities. Several events and activities have taken place to bring Ukraine closer to the EU. **First**, on 11 April, the Verkhovna Rada [supported](#) the draft law on rebooting the Bureau of Economic Security in the first reading, and on 25 April, it adopted the

European integration law «On Amendments to the Labour Code of Ukraine on Succession in Labour Relations» in the second reading. **Second**, on 24 April, the Government Office for Coordination of European and Euro-Atlantic Integration submitted the first [Report](#) on the implementation of reform recommendations identified for Ukraine in the progress report accompanying the 2023 Communication on EU Enlargement policy. **Third**, the regular annual meeting of the EU-Ukraine Human Rights Dialogue took place, while Deputy Prime Minister for European and Euro-Atlantic Integration Olha Stefanishyna attended a special meeting of the EU's General Affairs Council. **Fourth**, the European Commission supported the Ukrainian government's Ukraine Plan under the Ukraine Facility (2024-2027) and subsequently announced a €1.5 billion tranche of macro-financial assistance. **Fifth**, on 23 April, the European Parliament supported a one-year extension of the duty-free trade agreement with Ukraine with a number of safeguards for some Ukrainian agricultural products. **Sixth**, several Nordic

countries formed an advisory group of experts to advise Ukraine on its EU accession.

Summing up the above events and processes, several positive factors deserve attention, such as the resumption of large-scale US military assistance, continued signing of security cooperation agreements with partner countries, and Ukraine's progress on the path to European integration. On the other hand, old threats are accompanied by new challenges due to the uncertainty of the prospects for Ukraine's Euro-Atlantic integration, complex internal processes in the United States, the growing influence of right-wing radical forces in Europe, the aggressor's attempts to disrupt the Peace Summit, etc. These and other challenges emphasise the importance of strengthening solidarity and unity within the democratic camp in order to counter Russian aggression and facilitate Ukraine's integration into the European and Euro-Atlantic community.



DECISIONS

On 10 April, the Verkhovna Rada of Ukraine adopted [Draft Law No. 0242](#) on the ratification of the Free Trade Agreement between Ukraine and Canada. This Agreement introduces a liberal approach to trade relations between the two countries in the service sector, allowing everything that is not explicitly prohibited.

The agreement also includes updated chapters on business interest protection, rules and procedures of origin, competition policy, monopolies and state-owned enterprises, public procurement, environment, labour, measure development and administration and transparency, anti-corruption and responsible business behaviour.

The implementation of the law is expected to complete all domestic procedures necessary for the amendments to enter into force, which will further bilateral trade and economic cooperation between the countries.

In the meantime, the EU continues to support Ukraine through financial and institutional mechanisms. In April, [Ukraine received a €1.5 billion tranche](#) from the EU under the Ukraine Facility. Earlier in March, the country received the first disbursement of €4.5 billion under this programme, with a total amount of €50 billion expected to be raised between 2024 and 2027.

At the same time, the European Parliament has [agreed to extend](#) the duty-free food trade agreement with Ukraine until 5 June 2025, with added safeguards to protect European farmers. The new rules allow the European Commission to respond quickly and take necessary actions if there are any serious problems in the EU market or in member states due to Ukrainian agricultural imports.

Meanwhile, domestic institutions, such as the NBU, are also focusing their efforts on

economic recovery. Thus, taking into account the easing of actual and expected price pressures, as well as reduced risks to international financial support, the NBU Board has [decided](#) to cut the key policy rate from 14.5% to 13.5% effective 26 April 2024. By doing so, the NBU continues its interest rate easing cycle aiming to support credit growth and stimulate the economy avoiding additional risks to price and financial stability.

Additionally, the NBU has also lowered interest rates on overnight and three-month deposit certificates by 1 percentage point to 13.5% and 16.5%, respectively. Furthermore, interest rates on refinancing loans have been reduced by 2 percentage points to 17.5%.

At the same time, the NBU has adjusted its inflation forecast for the end of this year, lowering it from 8.6% to 8.2%. This revision takes into account the improved actual inflation dynamics and inflation expectations.

As for the next steps, **the NBU sees potential for further easing of interest rate policy, as long as favourable macro financial trends continue.**

However, Ukraine's recovery requires various mechanisms to stimulate economic activity, particularly in the western regions, where many businesses from the East and South have relocated. In this context, the Cabinet of Ministers has [decided](#) to include the BORSCHIV Industrial Park in Ternopil region in the Register of Industrial Parks, bringing the total number of industrial parks to 78.

Meanwhile, it is important to establish control mechanisms to prevent fiscal abuse, which has been common in the past in various priority development areas. If this is achieved, industrial parks have the potential to become the country's new and significant industry hubs, which is crucial for ensuring Ukraine's macroeconomic and fiscal balance.

The Ministry of Finance reports that Ukraine has received loans and grants worth about \$31 billion in financial resources mobilised by the World Bank since the onset of the large-scale aggression in February 2022. This support was provided through multi-donor trust funds.

Moreover, the World Bank's portfolio of active projects in Ukraine during this war is the largest it has ever been. Thus, the current portfolio of joint activities includes 19 investment projects and 3 systemic projects, totalling more than \$9 billion and €1 billion, respectively.

One notable decision of the World Bank is the approval of a \$1.5 billion Growth Foundations Development Policy Loan (DPL) for Ukraine.

Ukraine's partners, recognising the country's extremely difficult situation, are taking steps to ease the economic burden caused by the war.

According to Bloomberg, a group of Ukrainian debt holders, including Amundi, Amia Capital, and Black Rock, has chosen advisors to restructure Ukraine's Eurobond obligations. In turn, Ukraine has announced its readiness to send international bondholders a proposed plan to restructure its \$20 billion in debt by early May.

The decision is timely as the agreement to postpone payments on Eurobonds, which was reached in 2022, ends in August 2024. As a reminder, the payment freeze on Ukraine's \$20 billion international bonds was struck two years ago after Russia's invasion with the consent of the bondholders.

Meanwhile, Ukrainian currency bonds maturing in 2026 rose to over 33 cents after the US House of Representatives passed a \$61 billion financial aid package over the weekend.

DEVELOPMENTS, PROCESSES, TRENDS

According to the NBU, Ukraine's international reserves have increased by 18% in March 2024, reaching \$43.7 billion as of 1 April. This growth is attributed to significant inflows of over \$9.3 billion from international partners, which exceeded the NBU's net sale of foreign

currency and the country's foreign currency debt payments.

In the meantime, the NBU's annual statistics points that foreign direct investment (FDI) inflows to Ukraine in 2023 amounted to \$4.2 billion, with the majority being reinvestments of income earned by foreign investors in Ukraine (almost \$3.2 billion or 75% of the total). The total FDI stock as of the end of 2023 was \$54.3 billion, which is notably lower (by 17%) less than before the full-scale war (over \$65.7 billion in 2021).

According to expert estimates, to achieve sustainable development after the war, Ukraine will need to attract at least \$10-15 billion, but large-scale FDI, especially green-field FDI, will only be possible after the war is over. Meanwhile, successful foreign investor attraction has been observed in sectors such as military-industrial complex, construction materials, and the financial sector.

Also, the arrival of foreign investors is expected to accelerate structural changes. The Ministry of Economy has reported a dramatic increase in the number of non-operating state-owned enterprises over the past 5 years – from 422 in 2018 to 1,736 in 2023. In total, there are 3,116 state-owned enterprises in Ukraine, of which only 845 (27%) are operating and 475 (15%) are profitable.

Ukraine is working on updated policy for managing SOEs. The government's plan is to reduce the overall number of such enterprises by privatising non-strategic ones and improving the management of strategic ones. It remains unclear, however, what approach will be taken for privatisation, how widely concessions will be used, how actively fiscal incentives will be implemented.

What is clear is that Ukraine's agricultural sector will remain a major stabilising factor for the economy as a whole. The Ministry of Agriculture has forecasted that in 2024, Ukraine will produce around 74 million tonnes of grains and oilseeds, including 52.4 million tonnes of grains. Overall, this is 8 million tonnes less than in 2023.

It should be noted that the initial overall forecast of the gross harvest of grains and

oilseeds for 2023 was significantly lower (63.5 million tonnes) due to the unpredictability of military actions. However, favourable weather conditions and the dedication of farmers resulted in an increase in the harvest.

Additionally, it is worth noting that not all foreign businesses work to support Ukraine. Although the sanctions imposed by democratic countries due to Russian aggression are in place for more than two years, some corporations, including large ones, have not complied with the restrictions on contacts with Russia.

Austria's Raiffeisenbank is one of the «systemic» examples of such non-compliance. Although the bank announced its intention to exit the Russian market following the example of many other Western companies, a [journalistic investigation](#) found almost 2,500 job advertisements by the bank in Russia, including almost 1,500 for sales and customer service managers.

Such attention to Raiffeisenbank is because it is one of Europe's leading banks and once was among the largest foreign banks in Ukraine.

However, two years into the Russian war in Ukraine, Raiffeisenbank became a Western credit institution with the largest operations in Russia. Currently the bank is under scrutiny by the US Treasury Department, while the European Central Bank is demanding that it withdraw its assets from Russia.

According to the bank's management, it is in a [difficult situation](#), as profits earned in Russia cannot be returned abroad for further investment (repatriated), and any deal to sell its business in Russia requires the Kremlin's approval.

Banks are not the only ones hesitating to withdraw their businesses from Russia. For example, Knauf, German manufacturer of building materials with a turnover of €15.4 billion in 2022, only recently announced the [winding down its operations](#) in Russia after working there for over 30 years. Knauf came under fire for its operations in Russia and in the Russian-occupied Ukrainian city of Mariupol, and in November 2023, the NACP added the company to the list of international sponsors of war.

IV.

ENERGY SECTOR

PASSING OF THE WINTER 2023-24 AND PREPARATION FOR THE NEXT SEASON

On 11 and 27 April, Ukraine's critical infrastructure sustained another combined attack. The overall [losses](#) to the integrated power system in March-April 2024 exceeded 7 GW of installed capacity. As a response, daytime power consumption was [limited](#) for industrial consumers on 22-26 April, and emergency assistance of up to [1.7 GW](#) from Romania, Slovakia, Poland and Moldova was called in 14 times on 25, 30 April. Hourly blackout schedules were introduced in Kharkiv for households and in Kryvyi Rih for industrial consumers.

The disruption to shunting generation has hindered the full utilisation of off-season reserves. Therefore, total coal stock at TPPs and CHPPs increased to 1.6 million tonnes (+0.5 million tonnes compared to the last day of March). [Gas reserves](#) in underground storage facilities increased to 9.1 bcm (including 4.7 bcm of long-term storage and 0.6 bcm of gas owned by non-residents). In April, an average of 13 mcm were added to the storages daily, while 45-50 mcm produced.

In preparation for the autumn-winter season of 2024-2025, the main challenge is to reduce the risk of destabilisation and negative consequences for the energy system in Ukraine due to ongoing Russian missile attacks. Although damage from these strikes has been [reduced by half](#) with the current two-level protection, larger facilities such as HPPs, TPPs, CHPPs and substations of Ukrenergo are too large for the third-level protection. A hit by a guided missile would inevitably lead to the collapse of concrete structures and/or damage to critical equipment. To ensure reliable protection, multi-level air and missile defence systems, particularly automated systems, are needed for HPPs and TPPs. The outdated equipment of energy facilities

presents an additional challenge if damaged as it is no longer manufactured. Additionally, concerns arise about the limited capacity of electricity distribution, particularly the efficient transmission from the west to the east and south regions of Ukraine.

Therefore, the only feasible way to protect energy systems from massive missile attacks is to decentralise and unbundle generation facilities. [Market participants](#) and the [Ministry of Energy](#) alike suggest focusing the available resources on this task, and the restoration should build on [replacing](#) the lost generation with new facilities with a capacity of 5-30 MW each that meet the balancing criteria and can be installed before the start of the 2024-2025 heating season. Although the government claims that a network of [cogeneration](#) plants and [mini-CHPPs](#) is already being deployed, the pace is clearly insufficient, while the emphasis on installing 0.05-1.50 MW plants will hardly meet the consumption needs of most territorial communities and urban areas.

ENERGY BALANCE

At the end of April 2024, 6 NPPs under Ukraine's control (three under repair) and up to 9 TPPs and CHPPs were operating in the country's integrated power system. The vast majority of TPPs and NPPs were providing baseload power.

HPPs and PSPPs were essentially the only source of manoeuvring capacity in the reporting period. As these facilities in April suffered the largest damage since the beginning of the war, Ukrhydroenergo's generation decreased and could not use the window of opportunity for exporting hydropower to European consumers during the melt and rain floods.

Reservoir levels are in line with the decision of the Interagency Commission for the operating

mode of the Dnipro Cascade and Dniester HPPs.

In April 2024, Ukraine generated about 10–11 GW of electricity every hour, compared to 20 GW generated in 2021. NPPs accounted for most generation (54%), followed by HPPs (17%), TPPs (10%), CHPPs (8%), and renewables (10%).

Electricity shortages were predicted 14 times in April, primarily in the evening, and there was surplus on 7 occasions during the day. To balance the system, the load of renewable energy facilities was limited, and emergency assistance was provided by Polish, Romanian and Slovakian operators. The Polish operator received similar assistance from Ukrenergo.

An average of 400 settlements in Ukraine remained without power due to the hostilities; additionally, up to 173 settlements were cut off from power supply due to bad weather (e.g., on 16 April), including 150 remaining without power from more than one day.

Commercial electricity exports were carried out mainly at night to Poland, Slovakia, Romania and Hungary with a maximum capacity of 388 MW (8 April). During peak hours, primarily in the evening, electricity was imported from Poland, Slovakia, Romania, Hungary and Moldova with a capacity of 0.3–1.7 GW.

There was no shortage of gas for cooking and other needs. During the month, gas consumption was 19% lower compared to April 2023 year and 53% lower compared to April 2021. Production was consistently higher compared to the same period last year (although in April it was only 1% higher).

During the gas withdrawal season that ended on 1 April and lasted 145 days, 8.5 bcm of natural gas were withdrawn from underground storage facilities, including 6.7 bcm for meeting domestic needs. Nevertheless, the current level of reserves is 10% higher than in 2015–2018 (including gas owned by non-residents).

Daily commercial exports of gas stored by non-residents in Ukrainian underground storage facilities in the customs warehouse regime did not exceed 3 mcm (Drozdovychi USF).

Petroleum products of all types and grades are also sufficient to meet the growing demand (primarily diesel and LPG car fuel).

SECTOR'S FINANCIAL SITUATION

Electricity payments owed by producers rise for the second month in a row and amount to UAH 32.1 billion, and payments owed to universal service providers reach UAH 30.0 billion (+5.4 and +6.1 billion, respectively, compared to March). The debts of district heating companies for gas exceed UAH 100 billion.

Ukrenergo's debt to renewable generation is reducing gradually, although the company still does not agree with the amount. The reduction is faultily done by transferring hryvnia overdue short-term liabilities to renewable energy generation into foreign currency long-term Ukrenergo's liabilities to international credit institutions.

At the same time, market participants' debts to Ukrenergo reach UAH 30 billion for electricity transmission and dispatching services. These debts emerged as a result of the suspension of the accrual and collection of penalties under the contracts concluded in line with the Law of Ukraine «On the Electricity Market», as well as due to postponement of repayment of debts of universal service providers following the NEURC inspections.

Mutual debts continue to accumulate on the balancing market, exceeding UAH 50 billion already last month. The debt can only be reduced by revising the current tariffs in the producer-supplier-protected consumer chain to ensure the solvency of each of them and reducing the list of protected consumers by tightening the criteria for obtaining this status.

The National Security and Defence Council (NSDC) has instructed the Cabinet of Ministers to pass decisions on repayment of debts in the gas, electricity and heat markets, but the nature of these decisions is unclear. Most likely, in May, the NSDC will once again instruct the government to «work on approving the procedure for repayment of debts of state and/or municipal enterprises of critical infrastructure, as well as budgetary institutions to the supplier of last resort, the

transmission system operator and universal service providers for electricity consumed».

Meanwhile, due to the Cabinet of Ministers' decision to [keep a fixed](#) electricity price for household consumers until 31 May 2024, the financial condition of generating companies is likely to further deteriorate.

TRANSIT

In the reporting period, Gas Transmission System Operator of Ukraine LLC transited 41-44 mcm of russian gas per day (39% of volume under the contract with Gazprom). About 88% was sent to Slovakia, and 12% – to Cuciurgan (Moldavian) power station in Transnistria. Transportation was carried out through the Sudzha gas metering station. Additionally, Ukraine ensured the daily transit of 1-3 mcm of gas from Hungary to Moldova.

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 April 2024, the [price index](#) for base-load electricity (BASE) on the day-ahead market (DAM) was 3,116 UAH/MWh, and at the peak (PEAK) it was 2,988 UAH/MWh (+7.1 and – 4.0% compared to March). The [weighted average price](#) on the intraday market (IDM) was UAH 3,407, and on the DAM – UAH 3,334/MWh (+11.2% and +7.9% compared to March, respectively). These changes indicate an imbalance in the market due to Russian attacks on energy infrastructure and delays in the [regulation of price caps](#).

The [weighted average price](#) of May natural gas in Ukraine based on the results of electronic trading on the UEEX in April rose to UAH 12,420/tcm (€292/tcm; +11.6% compared to March). The main reason was the rise in price of this resource on the European TTF hub, to which Ukraine prices are artificially pegged.

Increasing the liquidity of the exchange market and introducing mandatory sale of at least 15% of the gas produced in Ukraine on

the exchange would help to establish a more acceptable price for domestic consumers. However, the decision to approve these proposals has not yet been made.

The end of the heating season that triggered repair campaigns at European terminals has increased the [cost](#) of gas on the TTF hub brought to the domestic border to UAH 21,221/tcm (including VAT) by 17 April. Although in the last ten days of April, the quotations dropped to UAH 18,773 /tcm, they remain 6.6% higher than a month ago. As a result, the Naftogaz Ukraine [gas tariffs](#) for non-household consumers went up to UAH 16,200/tcm from 1 May 2024, while in April they were UAH 13,600 (including VAT).

Meanwhile, 13 of the 18 EU member states with underground storage facilities have already started replenishing their gas [reserves](#). Their record level of reserves (+39% of the last 5-year average) rose even higher to 66.4 bcm in April (+4.6% for the month).

In April, Coal (API2) CIF ARA (ARGUS-McCloskey) steam coal [futures](#) quotes ranged from \$116 to 122/t, dropping back to \$101-103 in the last week of the month. One year ago, quotes were \$95/t. Coal stocks at ARA (Amsterdam-Rotterdam-Antwerp) terminals amount to 5.6 million tonnes (+9% compared to the annual average).

In April, Brent crude oil [futures](#) quotes increased again, ranging from \$85 to 91/bbl, reaching a 6-month high (\$88/bbl on 30 April 2024), but had not reached the last year's peak (\$95/bbl on 24 September 2023). The main reason for these changes was the [expectation](#) of higher demand with lower supply due to voluntary production cuts by OPEC+ member states. It is believed that if current trends continue, oil supply in 2024 will reach 102.9 million barrels per day, while demand will increase to 103.3 million barrels. As a result, for futures with near-term delivery dates are again lower than those for longer-dated positions.

As predicted a month ago, petroleum and diesel prices in Ukraine have risen by 1-2% compared to March, depending on the type, brand and grade, primarily due to the weakening of the [hryvnia](#) (+1.5% over the month). As of 1 May 2024, the [indicative prices](#) for

Euro5 A-95 petroleum and Euro5 diesel fuel were UAH 59.48 and 54.20 per litre, respectively.

The lower-than-expected rise in diesel prices was driven by discounters associated with the Privat Group. In April, they reduced the price of diesel fuel by UAH 2/l, while other retailers increased their prices. This policy, which led to a widening price range for diesel fuel up to UAH 9/l, can probably be explained by the operators' intention to increase fuel sales in agricultural regions in anticipation of the projected increase in wholesale supply in May. This is expectedly driven by an increase in rail shipments of petroleum products and the unblocking of checkpoints on the Ukrainian-Polish border, which hampered the logistics of road deliveries from Poland and Lithuania.

LPG **fell** to UAH 27.53/litre in April (-2% month-on-month), which was due to the end of the heating season in Europe and the release of additional market volumes of propane-butane mixture used as boiler fuel.

CHANGES IN THE REGULATORY FRAMEWORK

The Cabinet of Ministers of Ukraine:

- ✓ **cancelled** special obligations for electricity exports that obliged market participants to send 80% of their profits to the SOE Guaranteed Buyer;
 - ✓ **extended** the period of preferential natural gas supply for district heating companies until 31 August 2024;
 - ✓ **took into account** fluctuations in the NBU discount rate in calculating the sale price of gas to heat producers to supply it to entities other than household consumers or budgetary institutions;
 - ✓ **extended** special obligations of electricity market participants in terms of setting a fixed price for household consumers at UAH 2.64/kWh until 31 May 2024;
 - ✓ **approved** a plan to transform the SOE Guaranteed Buyer into a joint-stock company with 100% of shares owned by the state, to be implemented by 1 August 2025;
 - ✓ **extended** special obligations of the Naftogaz Group in terms of setting a fixed price for natural gas for household consumers and budgetary institutions until 31 August 2024.
- In view of this, Naftogaz Group **extended** the «Fixed» tariff plan for household consumers (UAH 7.96 / cubic meter) until 30 May 2025.
- The Ministry of Energy **cancelled** the **order** that allowed SOE Guaranteed Buyer to temporarily pay only 18% of the cost of electricity to solar and wind farm electricity producers, and to repay the debt proportionally, subject to the availability of funds on the account.
- The NEURC:
- ✓ **changed** the price caps in the balancing market to fixed prices starting from 10 April 2024: from 00:00 to 07:00 and from 23:00 to 24:00 – UAH 4,000/MWh; from 07:00 to 23:00 – UAH 8,250/MWh;
 - ✓ **entitled** the Guaranteed Buyer to reduce the level of settlements with the seller under the feed-in tariff by the amount of the unpaid share of the cost of settling the electricity imbalance and the cost of deviation;
 - ✓ **introduced** the European practice of capacity distribution with the right to store, inject and/or withdraw the same amount of gas during a gas day, with synchronisation at interstate connections and domestic points, and introduced a single information platform (to be launched on 1 June 2024) with the possibility to book the combined capacity of underground storage facilities for a year, base seasons and individual months;
 - ✓ **clarified** the conclusion of contracts with active consumers who have installed cogeneration units and/or use alternative energy sources. For such consumers, who must be registered with the NEURC, electricity generation by installations with an installed capacity of up to 5 MW should

not be the main activity, and the annual supply of energy to the grid should be less than 50% of their own consumption;

- ✓ **changed** the procedure for temporary connection and the rules for bringing temporarily connected installations in line with the requirements of the Distribution Systems Code in terms of excluding 2022 from the calculation of zero costs in case of a shortage of funds; deferring payment for bringing non-standard connection in line with the established requirements until the end of martial law; rules for inclusion of the cost of materials, equipment and works when calculating the shortage (surplus) of funds;
- ✓ **simplified** the procedure for connecting gas turbine, gas piston and cogeneration units to gas distribution systems by reducing the period for providing the relevant service and the number of documents required to obtain it;
- ✓ **regulated** compensation to customers for non-compliance with gas quality parameters by the gas transmission system operator and improved the procedure for submitting nominations (renominations) for entry/exit points on interstate connections.

The Kyiv District Administrative Court **suspended** the NEURC's decisions revoking the licence for gas distribution activities in Cherkasygaz and granting a licence to Gas Distribution Networks of Ukraine LLC in Cherkasy region. The NEURC intends to appeal this decision.

PROJECTS AND INTENTIONS

The President of Ukraine is yet to decide whether to sign the **draft law** amending the Customs Code of Ukraine on customs clearance of biomethane (No. 9456 of 03 July 2023), which will be carried out in the manner prescribed for natural gas. In order to export biogas by pipeline, it will be enough to submit a certificate of compliance with the criteria and a Proof of Sustainability.

The government failed to fulfil some obligations set out in 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 Verkhovna Rada of Ukraine:

- ✓ registered a **draft law** (No. 11137 dated 1 April 2024) defining the procedure for granting special permits for the use of subsoil without holding an auction in order to prevent crisis situations that may threaten the national security of Ukraine, as well as an **alternative draft law** (No. 11137-1 dated 16 April 2024) specifying the list of business entities that may be granted the relevant permits. Both documents are **aimed at unblocking** gas production at the Sakhalinske field;
- ✓ adopted a **draft law** as a basis to include crude oil and gas condensate under UKTZED code 2709 00 10 00 in the excise group with a zero excise tax rate; solvents under UKTZED code 3814 00 90 19 with a rate of €245.50 / 1,000 litres. The need for such a regulation is due to the increase in the volume of gas condensate processing into marketable products that do not meet the **established requirements**.

The NEURC approved:

- ✓ a **draft resolution** on determining fixed maximum and minimum price caps on the day-ahead, intraday and balancing markets. If the published version is adopted, the decision will enter into force on 30 May 2024.

The NEURC published drafts:

- ✓ a **resolution** that improves the submission of bids for auctions of ancillary services and in the balancing market, and also gives Ukrenergo the opportunity to select bids for unloading of suppliers of services for reducing the load of RES with support, taking into account the need to ensure the reliability of grid operation;
- ✓ a **decision** to introduce special auctions for the purchase of ancillary services for

frequency and active power control by the transmission system operator;

- ✓ a [decision](#) to offset counterclaims of the same value (netting) in the course of settlements between electricity market participants.

The Ministry of Energy [reports](#) that the government has approved a draft law on the siting, design and construction of Khmelnytskyi NPP Units 3 and 4. The document should define the locations of the units, the number of reactors, their type, characteristics, etc. The project is to be implemented exclusively at the expense of Energoatom, which in fact is impossible given the company's financial condition and [preparations](#) «for the construction of KhNPP-5 and KhNPP-6 using Westinghouse AR1000 technology».

Despite the Ministry of Finance's [announcement](#) that the government has approved a draft law on the gradual adjustment of excise tax rates in 2024-2028, including on fuel, to the levels set by [Directive 2003/96/EC](#) (Annex XXVIII, Article 353 of the EU-Ukraine [Association Agreement](#)) (for unleaded petrol, diesel fuel and liquefied petroleum gas – €359 and €330 per 1,000 litres and €125 per 1,000 kg), it has not yet been submitted to the Verkhovna Rada. The document is to set the tax rates for the above petroleum products at €242.60, €177.60 and €55.60 per 1,000 litres, respectively (+13.6, +27.3 and +6.9% compared to the current rates), starting from the second half of 2024. This can increase retail fuel prices by at least UAH 1.5-2.0 per litre.

The status of the [draft resolution](#) to restore the ban on the circulation of petroleum products that do not meet Euro 5 environmental standards, [allowed](#) from 17 March 2022 «to supply the Armed Forces and other military formations», remains unknown. The relevant decision seems to have been [made](#), but there is no confirmation of this yet.

INTERNATIONAL COOPERATION

The [Agreement](#) on Security Cooperation and Long-Term Support between Ukraine and the Republic of Finland provides for continued cooperation on energy security and energy sector reconstruction.

The [Agreement](#) between Ukraine and the Republic of Latvia on Long-Term Support and Security Commitments provides for Latvia's assistance in organising training, supplying materials and equipment, and exchanging experience in energy policy development.

The ENTSO-E Board [approved](#) the accession of Ukrenergo to the ITC mechanism, which provides compensation for technological losses of transmission system operators during the transit of electricity, starting from 1 July 2024.

GENERAL CONCLUSIONS AND RECOMMENDATIONS

Russia's massive attacks on Ukrainian energy infrastructure in late March and early April 2024 have damaged eight large TPPs and CHPPs, one HPP, and a number of electricity distribution facilities.

To prevent future destabilisation of Ukraine's integrated power system and to ensure the normal passage of the summer peak consumption and the autumn-winter period of 2024-2025, the country should start restoring the damaged TPPs and CHPPs only if the following questions receive affirmative answers:

- 1) Is there enough time to restore the damaged facility and will it be possible to relaunch it by 15 October 2024?
- 2) Is equipment available to replace the damaged one and are the funds sufficient to purchase and install it?
- 3) Will the restored facility be effectively protected from further attacks, including missile strikes, at the beginning or during the next heating season?

If at least one of the above questions is answered «no», it is not advisable to start restoring damaged networks and systems.

Instead, all available resources should be focused on prompt decentralisation and unbundling of the domestic energy sector. Such actions are in line with the goals and objectives of the [Energy Security Strategy](#) in terms of:

- ✓ building the capacity of local communities to provide for themselves in the event of a disruption in the national energy supply systems;
- ✓ ensuring a balanced development of energy supply systems, taking into account the uneven consumption schedule;
- ✓ expanding the use of local alternative fuels with the integration of consumers who use them for their own consumption into the operation of the integrated power system;
- ✓ involving new types of resources and energy sources in the renewed energy balance based on the principle of self-sufficiency.

These tasks require the following measures:

1. Maximising the use of local fuels and energy. Donetsk, Luhansk, Lviv and Volyn oblasts can use coal mine methane. Volyn, Rivne, Chernihiv oblasts can use peat, and Zhytomyr oblast – woodworking waste. Additionally, agricultural regions can use straw and oilseed husks. Hydropower from small rivers, in particular the Tisza and Teresva, can play a significant energy balance role in Bukovyna and Zakarpattia. Odesa, Kherson, and Zaporizhzhia oblasts are the most promising in terms of solar energy, while the Black Sea coast is the best for the use of wind energy.
2. Resuming operations with further formation of a power reserve. Low-capacity

TPPs and CHPPs can be used to meet the internal needs of industrial enterprises, primarily in the East and Centre of Ukraine. Other resources may include small hydropower plants in the western regions, as well as gas piston and gas turbine units of CHPPs in the structure of Naftogaz Group.

3. Increasing the use of distributed generation. This implies the formation of a network of 200-300 power plants (preferably cogeneration) across Ukraine with a capacity of 5 to 50 MW, integrated into micro-grid distribution systems based on smart grids and connected to the IPS. Such units that can be manufactured and installed within a few weeks by dozens of manufacturers in Ukraine and abroad, run on local fuel and are harder to hit than large facilities, such as CHPPs. If connected to the networks of distribution system operators, they will not only supply energy to local consumers, but will also create the ancillary services market and relieve the IPS, which, in turn, will be able to focus on industrial consumers.

4. Making sure that critical infrastructure facilities that provide vital functions in local communities can join backup power supply schemes.

5. Developing and approving action plans to ensure security and resilience of critical infrastructure that supports the vital functions of local communities, taking into account actions to improve protection of such facilities from external threats.

DEROGATION FROM HUMAN RIGHTS OBLIGATIONS DURING A STATE OF EMERGENCY OR MARTIAL LAW

The Permanent Representation of Ukraine to the Council of Europe submitted to the Secretariat General on behalf of the Government the updated information about the derogation measures from its obligations under the [Convention for the Protection of Human Rights and Fundamental Freedoms](#) and the [International Covenant on Civil and Political Rights](#). The information was provided in accordance with [Article 15 of the said Convention](#) due to the introduction of martial law in Ukraine, prepared by the Ministry of Justice of Ukraine. The information provided was registered on 28 April in accordance with the statement of the Permanent Representation of

Ukraine No. 31011/32-119-46585, dated of 4 April 2024, registered at the Secretariat General Secretariat on 5 April 2024.

The notification states that pursuant to Article 3 of the Presidential Decree, in connection with the introduction of martial law in Ukraine, constitutional rights and freedoms of a person and citizen provided for in Articles 30-34, 38, 39, 41-44, 53 of the Constitution of Ukraine (11 articles of the Constitution of Ukraine) may be temporarily restricted for the period of martial law; and according to [Article 8 of the Law «On the Legal Regime of Martial Law»](#), the military command may implement measures of the legal regime of martial law on the territory where martial law has been introduced. In particular, this includes the right to inviolability of the home, the right to education, entrepreneurship and work, and freedom of speech.

Article 15 (Derogation in time of emergency) affords the governments of the States parties in **exceptional circumstances, the possibility of derogating, in a temporary, limited and supervised manner, from their obligations to secure certain rights and freedoms under the Convention.**

- ✓ The right to derogate can be invoked only in time of war or other public emergency threatening the life of the nation;
- ✓ A state may take measures derogating from its obligations under the Convention only to the extent strictly required by the exigencies of the situation;
- ✓ Any derogations may not be inconsistent with the state's other obligations under international law.

Certain Convention rights do not allow of any derogation: Article 15 para. 2 thus prohibits any derogation in respect of the right to life, except in the context of lawful acts of war, the prohibition of torture and inhuman or degrading treatment or punishment, the prohibition of slavery and servitude, and the rule of «no punishment without law»; similarly, there can be no derogation from Article 1 of Protocol No. 6 (abolishing the death penalty in peacetime) to the Convention and Article 4 of Protocol No. 7 (the right not to be tried or punished twice) to the Convention;

The state availing itself of this right of derogation must keep the Secretary General of the Council of Europe fully informed.

A number of the restrictions on human rights and freedoms that Ukraine has notified the Council of Europe of are already enshrined in the current martial law. These restrictions have been in place for

more than two years, in accordance with the Presidential Decree on martial law approved by the law of Ukraine. This is not the first time Ukraine has applied such restrictions.

On 5 June 2015 Ukraine notified the Secretary General of the Council of Europe that given the emergency situation in the country, the authorities of Ukraine had decided to use Article 15 of the European Convention on Human Rights to derogate from certain rights, [enshrined in the Convention](#).

In March and April 2020, in the context of the COVID-19 health crisis, Latvia, Romania, Armenia, the Republic of Moldova, Estonia, Georgia, Albania, North Macedonia, Serbia and San Marino notified the Secretary General of the Council of Europe of their decision to use Article 15 of the Convention.

As of 2020, eight other States parties to the European Convention on Human Rights – Albania, Armenia, France, Georgia, Greece, Ireland, Turkey and the United Kingdom – have relied on their right of derogation. Four of those States have had to justify the measures taken, in the light of the Convention requirements, namely Greece, Ireland, and United Kingdom and Turkey.

Thus, nothing will change significantly in terms of the legal status of citizens. However, citizens will no longer be able to apply to the European Court of Human Rights for violations of certain articles of the 1950 Convention.

The European Court of Human Rights (ECtHR) is an intergovernmental organisation that protects human and civil rights and freedoms in the member states of the Council of Europe. The ECtHR is not a body of the European Union, although many EU countries are members of the Council of Europe and recognise the jurisdiction of the court.

The ECtHR considers complaints of human rights violations brought by citizens of different countries against their governments. The Court makes decisions that oblige the authorities to remedy the violations and compensate the victims. The ECtHR also interprets and improves the Convention for the Protection of Human Rights and Fundamental Freedoms.

The specificity and controversy of derogation from human rights obligations during a state of emergency lies in the fact that, when applied, states may take actions that would be considered unlawful under normal circumstances. Although the purpose of international human rights treaties is to reduce human rights violations during a state of emergency, states are entitled to derogate from their obligations in a crisis situation. Obviously, in an emergency, the risk of abuse of power by state authorities increases, which is why the international community has set up a complex system of derogations, which has

its own specifics in each international human rights treaty.

In addition, experts point out that most international treaties contain extremely generalised wording. At the same time, the necessary interpretation of a legitimate derogation from obligations is contained in the acts of international human rights bodies (court decisions, as well as explanations, such as the General Comment of the UN Human Rights Committee, etc.)

The international human rights protection system stipulates that only the state has the right to determine whether there are circumstances threatening the life of the nation, because «the national authorities are in principle in a better position than the international judge to decide both on the presence of such an emergency and on the nature and scope of derogations necessary to avert it». International human rights bodies only decide «whether the states have gone beyond the extent strictly required by the exigencies of the crisis» and perform «to a minimum extent the function of monitoring, searching for arbitrary decisions and obvious errors», i.e. supervision over the declared state of emergency, while leaving a fairly wide margin of appreciation for states.

The European Commission of Human Rights and the European Court of Human Rights have listed the criteria for qualifying a situation as a state of emergency, under which states may derogate from their obligations.

CRITERIA FOR THE PRESENCE OF A STATE OF EMERGENCY AND THEIR EXPLANATION ACCORDING TO EUROPEAN HUMAN RIGHTS BODIES

| Criteria for a state of emergency | Explanations |
|---|--|
| The situation must be happening at the moment, or the situation cannot be avoided | Unavoidable – the state cannot be obliged to wait for a disaster to happen before taking appropriate measures |
| The consequences must affect the entire population | Despite this criterion, there have been cases when a state of emergency was declared only in a part of the state |
| The organised life of society is threatened | Exceptional situation – a situation where the usual measures or restrictions permitted by the European Convention for the maintenance of public safety, health and order are manifestly insufficient |
| The crisis or danger must be exceptional | |

International treaties provide that measures taken by a state during a state of emergency must not contravene other obligations under international law. This requirement relates to various international legal obligations, which are mainly enshrined in the norms of other human rights treaties or international humanitarian law.

It can be seen that the norms of international treaties include a list of rights, derogation from which is prohibited even during a state of emergency, although the list of these rights varies from one international treaty to another. Obviously, this takes into account

the fact that each state, which may be a party to many different international treaties, has its own individual list of rights that do not allow derogation.

The main purpose of derogation from human rights obligations is to protect the most important goals of a democratic society, to maintain a balance between human rights protection and national security. This task becomes unattainable without the implementation of the legal positions of international human rights bodies in the national legislation of the countries that are parties to international treaties.



VI.

CITIZENS' OPINIONS ABOUT CURRENT ISSUES¹

| TRUST IN SOCIAL INSTITUTIONS, % of respondents | | | | | | | | | | | | |
|---|------------------|---------|-------------|---------------------------|-------------|---------|-------------|---------------------------|------------|---------|-------------|---------------------------|
| | July-August 2021 | | | | August 2024 | | | | March 2024 | | | |
| | Distrust* | Trust** | Hard to say | Trust-distrust balance*** | Distrust* | Trust** | Hard to say | Trust-distrust balance*** | Distrust* | Trust** | Hard to say | Trust-distrust balance*** |
| Armed Forces of Ukraine | 24.8 | 68.3 | 6.7 | 43.5 | 4.3 | 94.9 | 0.8 | 90.6 | 2.8 | 95.6 | 1.7 | 92.8 |
| Volunteer units | 33.4 | 53.5 | 13.1 | 20.1 | 8.7 | 84.9 | 6.5 | 76.2 | 7.4 | 86.1 | 6.4 | 78.7 |
| State Emergency Service | 28.7 | 61.4 | 9.9 | 32.7 | 12.8 | 82.3 | 4.9 | 69.5 | 10.0 | 84.9 | 5.2 | 74.9 |
| Volunteer organisations | 25.1 | 63.6 | 11.3 | 38.5 | 12.8 | 77.8 | 9.3 | 65.0 | 8.9 | 84.6 | 6.5 | 75.7 |
| National Guard of Ukraine | 36.0 | 53.6 | 10.4 | 17.6 | 12.5 | 81.2 | 6.3 | 68.7 | 13.2 | 80.4 | 6.4 | 67.2 |
| State Border Guard Service | 34.3 | 55.0 | 10.7 | 20.7 | 16.4 | 77.3 | 6.3 | 60.9 | 17.0 | 76.1 | 6.9 | 59.1 |
| Ministry of Defence of Ukraine | - | - | - | - | 24.9 | 68.7 | 6.4 | 43.8 | 24.6 | 67.5 | 7.9 | 42.9 |
| Security Service of Ukraine (SBU) | 49.7 | 37.5 | 12.7 | -12.2 | 23.2 | 68.3 | 8.5 | 45.1 | 24.4 | 66.7 | 8.9 | 42.3 |
| NGOs | 37.4 | 47 | 15.5 | 9.6 | 28.9 | 54.8 | 16.3 | 25.9 | 24.0 | 61.4 | 14.6 | 37.4 |
| Church | 26.3 | 63.5 | 10.3 | 37.2 | 24.1 | 61.1 | 14.8 | 37.0 | 27.8 | 60.3 | 11.9 | 32.5 |
| President of Ukraine | 57.6 | 36.2 | 6.2 | -21.4 | 28.0 | 64.1 | 7.9 | 36.1 | 32.3 | 58.6 | 9.1 | 26.3 |
| Mayor of your city/town/village | 33.6 | 57.1 | 9.3 | 23.5 | 43.4 | 48.8 | 7.8 | 5.4 | 38.3 | 54.2 | 7.5 | 15.9 |
| National Police of Ukraine | 52.9 | 38.5 | 8.5 | -14.4 | 33.1 | 58.4 | 8.3 | 25.3 | 39.2 | 53.2 | 7.6 | 14.0 |

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

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

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

¹ Results of a sociological survey conducted by the Razumkov Centre's sociological service on 21-27 March 2024 as part of the Pact's ENGAGE (Enhance Non-Governmental Actions and Grassroots Engagement) programme in Ukraine funded by the United States Agency for International Development (USAID). The contents of the survey are the sole responsibility of Pact and its partners and do not necessarily reflect the views of USAID or the United States Government.

The face-to-face survey was 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 method with random selection at the earlier stages of sampling and a quota method of selecting respondents at the final stage (when respondents were selected according to gender and age quotas). The sample structure reflects 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 2,020 respondents aged 18+ were interviewed. The theoretical sampling error does not exceed 2.3%. Additional systematic sampling deviations may be caused by the consequences of Russian aggression, in particular, the forced evacuation of millions of citizens.

| TRUST IN SOCIAL INSTITUTIONS, % of respondents | | | | | | | | | | | | |
|---|------------------|---------|-------------|---------------------------|-------------|---------|-------------|---------------------------|------------|---------|-------------|---------------------------|
| | July-August 2021 | | | | August 2024 | | | | March 2024 | | | |
| | Distrust* | Trust** | Hard to say | Trust-distrust balance*** | Distrust* | Trust** | Hard to say | Trust-distrust balance*** | Distrust* | Trust** | Hard to say | Trust-distrust balance*** |
| National Bank of Ukraine | 60.1 | 29.1 | 10.9 | -31.0 | 33.9 | 53.3 | 12.8 | 19.4 | 36.1 | 52.1 | 11.9 | 16.0 |
| Local council of your city/town/village | 37.8 | 51.4 | 10.7 | 13.6 | 44.9 | 43.2 | 11.9 | -1.7 | 40.7 | 48.4 | 10.9 | 7.7 |
| Ukrainian media | 45.8 | 45.4 | 8.9 | -0.4 | 42.7 | 47.0 | 10.4 | 4.3 | 45.4 | 45.7 | 8.9 | 0.3 |
| Ukrainian Parliament Commissioner for Human Rights (Ombudsperson) | 40.1 | 31.7 | 28.1 | -8.4 | 30.6 | 42.5 | 26.8 | 11.9 | 31.8 | 43.2 | 25.0 | 11.4 |
| Commercial banks | 70.7 | 18.2 | 11.1 | -52.5 | 52.9 | 30.3 | 16.8 | -22.6 | 51.1 | 33.1 | 15.9 | -18.0 |
| Cabinet of Ministers of Ukraine | 72 | 21.5 | 6.6 | -50.5 | 63.9 | 28.5 | 7.7 | -35.4 | 65.5 | 27.0 | 7.5 | -38.5 |
| Trade Unions | 54.8 | 21.2 | 24.0 | -33.6 | 43.3 | 22.8 | 33.8 | -20.5 | 43.4 | 25.3 | 31.2 | -18.1 |
| National Anti-Corruption Bureau of Ukraine (NABU) | 69.6 | 15.2 | 15.3 | -54.4 | 50.8 | 30.2 | 18.9 | -20.6 | 55.2 | 25.2 | 19.6 | -30.0 |
| Prosecutor's Office of Ukraine | 71.1 | 17.8 | 11.1 | -53.3 | 59.7 | 24.4 | 15.9 | -35.3 | 61.9 | 24.7 | 13.4 | -37.2 |
| Specialised Anti-Corruption Prosecutor's Office | 69.3 | 13.6 | 17.2 | -55.7 | 52.0 | 27.1 | 20.8 | -24.9 | 56.2 | 23.0 | 20.8 | -33.2 |
| National Agency on Corruption Prevention (NACP) | 69.6 | 13.2 | 17.2 | -56.4 | 51.1 | 27.0 | 21.8 | -24.1 | 56.7 | 21.6 | 21.7 | -35.1 |
| Verkhovna Rada of Ukraine | 75.1 | 18.7 | 6.1 | -56.4 | 70.4 | 22.5 | 7.1 | -47.9 | 74.1 | 19.5 | 6.5 | -54.6 |
| Courts (judicial system as a whole) | 74.2 | 15.5 | 10.4 | -58.7 | 67.8 | 17.9 | 14.3 | -49.9 | 69.6 | 17.8 | 12.6 | -51.8 |
| State apparatus (officials) | 75.7 | 14.9 | 9.4 | -60.8 | 75.1 | 16.0 | 8.9 | -59.1 | 76.1 | 16.0 | 7.9 | -60.1 |
| Political parties | 71.7 | 16.1 | 12.2 | -55.6 | 72.1 | 14.2 | 13.6 | -57.9 | 75.6 | 12.8 | 11.6 | -62.8 |

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

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

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

FROM WHICH ENVIRONMENT A POLITICAL FORCE COULD EMERGE THAT YOU COULD ENTRUST WITH POWER IN THE POST-WAR PERIOD?*

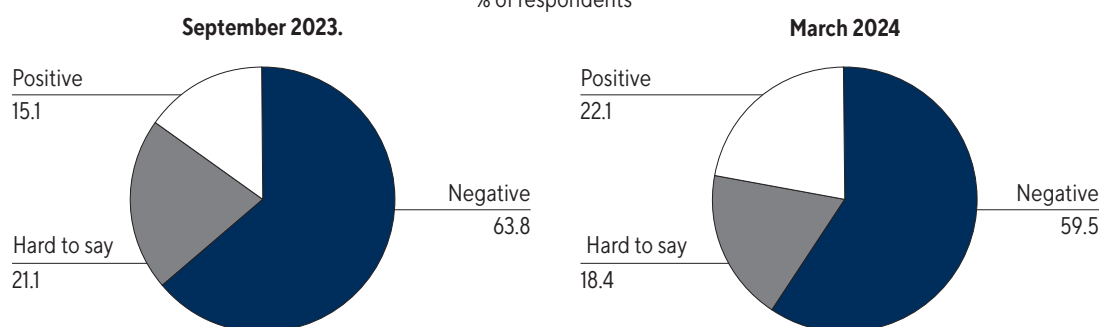
% of respondents

| | July 2023 | September 2023 | March 2024 |
|--|-----------|----------------|------------|
| Military | 51.0 | 51.6 | 45.1 |
| Volunteer community | 24.4 | 29.6 | 21.5 |
| Humanitarian or technical intellectuals (scientists, teachers, etc.) | 17.2 | 24.6 | 20.0 |
| Civil society organisations | 18.5 | 19.1 | 18.6 |
| Existing political parties | 25.9 | 23.2 | 18.1 |
| Business environment | 7.8 | 7.7 | 6.2 |
| Other | 3.2 | 3.5 | 3.3 |
| Hard to say | 17.6 | 17.1 | 22.9 |

* Respondents could pick several options.

**Over the past few months, the possibility of holding elections in Ukraine before the end of the war has been widely discussed.
WHAT IS YOUR ATTITUDE TO THE IDEA OF HOLDING GENERAL (PRESIDENTIAL AND PARLIAMENTARY) ELECTIONS IN 2024?**

% of respondents



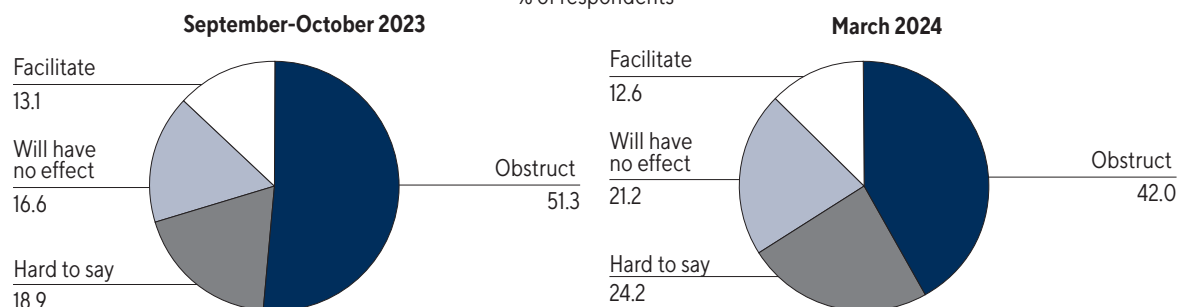
DO YOU THINK ELECTIONS IN TIMES OF WAR WILL UNITE OR DIVIDE UKRAINIAN SOCIETY?

% of respondents

| | September-October 2023 | March 2024 |
|--|------------------------|------------|
| Unite | 9.3 | 11.9 |
| Divide | 40.0 | 45.2 |
| Will not affect the unity of Ukrainian society | 33.0 | 26.1 |
| Hard to say | 17.8 | 16.9 |

DO YOU THINK THE CHANGE OF POWER DURING THE WAR WILL FACILITATE OR OBSTRUCT VICTORY IN THE WAR WITH RUSSIA?

% of respondents



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