

policy brief

**CIVIL SOCIETY AGAINST
CORRUPTION IN THE
REGIONS OF UKRAINE:
RECOMMENDATIONS FOR
(INTERNATIONAL)
ASSISTANCE**

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INTRODUCTION

One of the main priorities for the international assistance programmes focusing on anti-corruption reforms in Ukraine, is the support of such reforms at the regional and local levels. The regional and local non-governmental organisations are considered as the key actors of this process. In the meantime, the donors face certain challenges with regard to the work in the regions. These challenges are caused by low professional and institutional capacities of a significant number of such NGOs. Every donor programme or organisation looks for its own working methods as well as for the ways to overcome the challenges of local level work. The approaches used by the donor programmes include:

- (1) cooperation with well-known anti-corruption organisations of the national level; these organisations provide sub-grants to regional and local NGOs;
- (2) direct financing of the local initiatives;
- (3) working with coalitions;
- (4) supporting national projects aimed at strengthening professional capacities of the regional and local organisations etc.

The success of anti-corruption reforms at the local level depends on the organisational development

level and sustainability of local non-governmental organisations and initiatives. It is exactly the donors' assistance that can facilitate this process upon certain conditions. Consequently, the development of the recommendations for donor programmes and organisations focusing on the implementation of anti-corruption projects in Ukraine is crucial on the current stage.

The present policy brief was prepared within the framework of the research project "Civil Society against Corruption in Ukraine". The goal of the document is to provide the donor community with the recommendations for increasing the effectiveness of the donors' cooperation with the non-governmental organisations of regional and local levels.

METHODS

Our research group representing the University of Leiden and the Inter-disciplinary Anti-Corruption Research and Education Center of the National University of "Kyiv-Mohyla Academy" has mainly used qualitative methods. The field research comprised semi-structured interviews with anti-corruption NGOs and donors. In particular, we have conducted 242 in-depth interviews with regional and local NGOs in 57 Ukrainian cities and towns, as well as 8 interviews with the representatives of the donor programmes/ organisations. Our recommendations are based on the empirical data received during the research.

INTERVIEWS WITH THE REPRESENTATIVES OF THE DONOR PROGRAMMES/ ORGANISATIONS

8

57

UKRAINIAN CITIES AND TOWNS

242

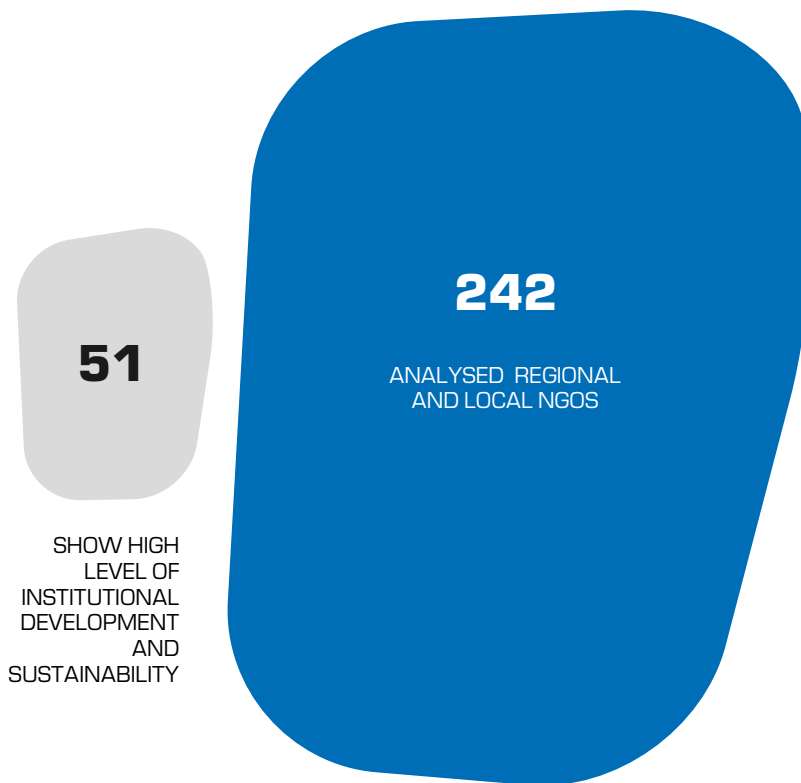
IN-DEPTH INTERVIEWS WITH REGIONAL AND LOCAL NGOS

RESEARCH OUTCOMES

1. Research of regional and local anti-corruption organisations revealed low organisational capacities and financial sustainability of the majority of such NGOs.

As few as 51 organisations out of 242 analysed show high level of institutional development and sustainability. The majority of our respondents who showed low institutional development and professional capacities level stated that the main reason for the

low sustainability level of the organisation is the constant lack of financing. According to them, the financial deficit results in the absence of possibilities to develop the competences of the organisation, as the relevant financial resources are needed to engage professionals. Financial instability is a common trait for the majority of regional and local organisations, especially for the classical grassroots initiatives. The majority of the respondents referred to the instability and insufficient financing as the main challenges in their activities.



Our respondents gave the following principal reasons for such situation:

- (1) lack of fundraising skills;
- (2) lack of readiness of average individuals to make money contributions for the operation of anti-corruption NGOs;
- (3) impossibility to accept contributions from the big business representatives because of the risks to be accused of advocating their interests;
- (4) lack of competences for preparing grant applications;
- (5) low organisational development of local organisations caused by the lack of readiness of the

donor programmes to administer the organisations' project activities as well as the lack of possibilities to support the institutional development.

Nevertheless, this does not mean that the organisations who have low level of institutional development and professional capacities are not effective in their activities. Numerous organisations have their success stories of corruption prevention and actively contribute to the implementation of anti-corruption reforms at the regional and local levels, despite their low organisational development and absence of any financial donor support (115 out of 242 anti-corruption organisations operate using the members' contributions or donations of the local community representatives, mainly entrepreneurs). The following examples of their achievements can

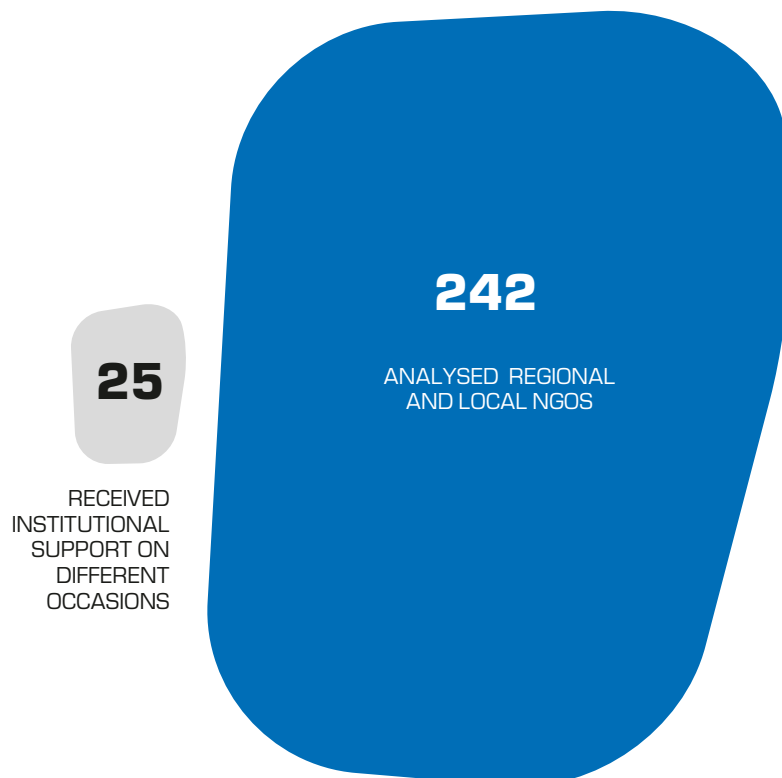
be mentioned: quashing unlawful decisions of the local councils concerning land plots allocation or the decisions on public procurement conducted in breach of the anti-corruption legislation, preparation and active participation in the decision-making process strengthening transparency and accountability of the local authorities (subthreshold procurement, public audit of the local councils etc.), training, lectures and other events aimed at raising the community's awareness, bringing to stop illegal issuing of logging permits etc. However, the sustainability of the operation of such organisations is undermined by their low institutional development. What is more, due to this factor such organisations cannot operate in a systematic manner, turning into professional non-governmental organisations capable of engaging professionals and consistently working to eliminate the causes for the corruption practices instead of fighting their consequences, being stakeholders respected enough to provide the local authorities with recommendations the latter will follow.

2. It is worth noting that the organisations that have high organisational development level do not consider insufficient financing as a principal challenge.

However, they also face the challenge of staff turnover. The representatives of institutionally developed organisations from smaller towns (Sumy, Poltava, Kramatorsk etc.) state that it very often happens that well-prepared young professionals move to work in bigger cities, such as Dnipro, Kharkiv, Odesa, Lviv or Kyiv, when they receive work experience in NGOs. Consequently, the organisations in smaller towns, even highly developed institutionally, constantly look for competent staff, particularly, analysts, experts, communication managers etc.

3. The majority of donors support project activities of regional and local anti-corruption organisations; out of 242 organisations analysed, as few as 25 received institutional support on different occasions.

However, as the results of our research show, it is exactly the institutional support that proved to be effective. In particular, out of 25 organisations having received funds for their institutional development, 23 NGOs succeeded in turning into the entities with high professional and organisational capacities due to the support received. Thus, the institutional support effectively enables the organisations to grow professionally and helps to establish



systematic operation. Although support focusing on the organisational development of regional and local anti-corruption NGOs is not popular among donor programmes, this type of assistance demonstrates higher efficiency in terms of the development of institutional and professional capacities of such NGOs, as compared to the support of short-term project activities. In particular, out of 94 organisations systematically receiving grant funds for the implementation of their anti-corruption projects, as few as 22 have high institutional development and continue to work in the relevant field upon the closure of a project. Thus, the success rate of support to the project activities of local anti-corruption organisations with low-level institutional development is as low as 23.4 per cent, while that of the projects aimed at facilitating the institutional development reached 92 per cent. In practice, the situation when the donors' support is directed to a greater extent to the implementation of short-term projects of the regional level, despite the success of such projects, very often results in the following. A group of anti-corruption activists is established in the regions; they switch from one organisation to another depending on which one of them has the funds to implement a particular project. In the meantime, neither quantity nor quality of the regional/local anti-corruption NGOs and activists is strengthened; there is also no increase in the anti-corruption activities' of the organisations and in their impact on the advancement of anti-corruption reforms at the local level. Therefore, our research shows that short-term projects cannot ensure stable performance of anti-corruption organisations and, consequently, are unable to safeguard the development of the anti-corruption movement at the local level. We are positive that supporting project activities is only then reasonable, when the target organisation already possesses strong professional and organisational capacities. In other words, in order to increase the effectiveness of the participation of regional and local anti-corruption organisations in the promotion of the reforms, the international donor organisations can be advised to include two components in each of their programme:

- (1) support to the anti-corruption project activities;
- (2) institutional support to the regional and local anti-corruption organisations that have their success stories as well as growth capacity. Support of the second type shall first of all comprise the assistance aimed at the professional and organisational growth of such NGOs. Such strategy will help the local anti-corruption initiatives to transform to

professional organisations capable of proposing to the local political elites and authorities solutions they will have to listen to. Consequently, the implementation of this strategy will allow promoting the development of anti-corruption movement at the regional level thus ensuring sustainability of anti-corruption reforms at the local level.

4. In the course of this research, we have revealed a number of factors resulting in the specificities of corruption in a given region / city.

Thus, these specificities are determined by the sectoral composition of the regional or local economy; competition between the local elites or lack thereof and, accordingly, the monopoly degree of the local authorities; economical elite of the region / city (level of concentration of political and economical power in a relatively small group of people); affiliation of the local or regional economical elite with organised crime groups and the degree of impact of such groups on the local political elite; relevance of the anti-corruption topics for the local community.

Several examples can be suggested to show these specificities.

The monofunctional city of Mariupol was recognised as one of the most transparent Ukrainian cities in the 2018 transparency rating, the TI Ukraine put it on the second place in its rating. Thus, Mariupol authorities are not marked with the lack of transparency, which is indicated as one of the causes for corruption. Moreover, our research showed that corruption linked to the disposal of land plots or public procurement is rather an exception that a rule; this phenomenon is almost absent in Mariupol, unlike the cities of Kharkiv, Odesa, Dnipro and others. Accordingly, support to the projects aimed at preventing corruption in public procurement, increasing transparency, is not as acute for Mariupol community as it is for other Ukrainian cities. It is to be mentioned that most donors consider these areas as priority. In the meantime, this does not make Mariupol a leader in the implementation of anti-corruption reforms at the local level in Ukraine. Mariupol is a monofunctional city, where the principal manufacture belong to a sole owner, the most influential Ukrainian entrepreneur. This created favourable conditions for the monopolisation of the local power and local media and, accordingly, advantageous situation for corruption of a different type. In particular, control over the local council¹

¹ The majority of the members of the local council are current or former employees of Mariupol Iron and Steel Works, PJSC "AZOVSTAL Iron and Steel Works" or other

guarantees any decision in the best interests and for benefit of Metinvest. This simultaneously leads to direct or direct and indirect losses for the local budget. For instance, each year the enterprises receive land tax benefits, thus, the local budget loses 30 to 40 million UAH.² It is exactly the monopolisation of the local power that causes lack of political will to oblige the PJSC "AZOVSTAL Iron and Steel Works" to take measures for the modernisation of production in order to reduce the discharge into the air. According to the Ministry of Ecology of Ukraine, the enterprises of the PJSC "AZOVSTAL Iron and Steel Works" are within the Top-100 of the biggest enterprises-pollutants³. In the meantime, the monopolisation of the media market in Mariupol caused the situation when activists face significant difficulties in informing the city community on the actual problems⁴. Similar situation can be seen in another mono-city, Zaporizhzhia. Consequently, development of independent media, community awareness raising, counteraction to the corruption in the realm of ecology are currently the key issues for Mariupol and other monofunctional cities. The donor community can help to solve these problems supporting the mentioned areas of the local NGOs' activities.

Zakarpattia region faces completely different specificities of corruption. Apart from corruption practices present in most Ukrainian regions, there are peculiarities caused by the region's geographic location. In particular, corruption practices linked with the logging and smuggling can be mentioned. The activists focusing on the prevention of illegal logging are in open confrontation with the law-enforcement officials. The activists consider personal security issues as the main challenge in their activities.

Other regions of Ukraine have their specificities and their context, too. The local context can be also determined, as noted above, by the level of perception of importance of anti-corruption topic by active representatives of the local community. For instance, there are locations where the anti-corruption NGOs are very strong and active. They constantly engage in investigative journalism, monitor conflicts of interests, appeal against actions and decisions of the

local councils, take part in the introduction of local level anti-corruption programmes. In the meantime, other locations, while bigger in size and population and situated not farther than several dozens of kilometres, demonstrate very low level of anti-corruption activity. One of the most remarkable examples is that of Druzhkivka and Sloviansk, two towns in Donetsk region situated 30 kilometres from each other. A strong anti-corruption organisation operating in Druzhkivska succeeded in uniting local activists and NGOs, increasing the local community engagement and achieving significant success in corruption prevention area. In the meantime, the representatives of strong non-governmental organisations of Sloviansk explain their lack of interest to systematic work in this realm by the nonpopularity among the local inhabitants of the idea of fight against corruption.

All the examples given above confirm that it is necessary that the donors defining the priorities for their programmes and setting the selection criteria for the projects take into account the local context, and not only thematic areas.

5. The underlying causes of corruption quite often lie in the lacunae or collisions in the legislation and the relevant problems can only be solved by amending the laws of Ukraine.

Consequently, local anti-corruption NGOs always have only limited impact on the local anti-corruption policy. Thus, cooperation of local and regional activists with the national level organisations focusing on anti-corruption advocacy campaigns is a necessary condition for successful advancement of anti-corruption reforms in Ukraine. In the meantime, our research showed that the cooperation model when the regional/local NGOs act solely as local partners of a project implemented by a national level organisation⁵ does not contribute to the development of the local organisations. This model does not bring any positive changes for implementation of anti-corruption reforms at the local level either. Another problem of this type of cooperation is the practice when certain non-governmental organisations use the idea of development of the network in different regions of Ukraine not for actual cooperation with the relevant local initiatives but to take advantage of these networks as an additional success indicator of their own activities, to mention in their reports to donors. The respondents undertaking investigative journalism activities were especially

enterprises members to the Metinvest group or the DTEK holding.

2 According to the information of the representatives of Mariupol NGOs.

3 The Ministry of Ecology and Natural Resources of Ukraine published a rating «Top-100 of the biggest enterprises-pollutants» for 2017 [Electronic source] – Access mode: <https://menr.gov.ua/news/32941.html>.

4 I. Yuryeva. E is for Ecology. How Akhmetov's Media Fight Ecoactivists in Mariupol [Electronic source] / Inna Yuryeva. – 2019. – Access mode: <https://detector.media/kritika/article/142768/2018-11-22-e-ekologiya-yak-media-akhmetova-boryutsya-z-ekoaktivistami-v-mariupoli/>.

5 Investigative journalism, monitoring of declarations, analytical report preparation etc.

vocal about this problem. In view of this, it is critical to reconsider the conditions of support to the non-governmental organisations of national level, if a part of their project provides for the cooperation with regional or local anti-corruption NGOs.

6. Establishing formal or informal coalitions at the local level always has positive effect for the impact on the corruption prevention and implementation of anti-corruption reforms.

However, only the coalitions having occurred following a local demand turned out to be viable (e. g., in Ternopil), unlike the attempts to form coalitions by the representatives of the national level coalitions. Accordingly, there is no doubt that support should be provided to the regional and local coalitions.

7. Our research has also confirmed the information on the increase of the number of attacks against anti-corruption activists, destruction of their property and other manifestations of persecution of active representatives of the anti-corruption organisations.

Two representatives of the anti-corruption organisations whom we had interviewed were murdered. It is to be noted that they had both mentioned the personal security issue during the interviews. Several activists became victims of physical violence. Our respondents consider the threats to personal security as one of the main challenges for their work.

RECOMMENDATIONS:

To include into the programmes aimed at supporting civil society in promoting anti-corruption reforms a component of institutional support of anti-corruption organisations of local and regional level of low organisational development level but who nevertheless have their success stories and development potential.

To conduct field research before setting priorities for the programmes of anti-corruption focus; this would help to understand the local context and the demand for particular anti-corruption measures for the region / city.

To have in mind the local context of each particular city or region when setting the support priorities. It is important to take into account the specificities of corruption in each particular region/city and to be guided, first of all, by the demand of local NGOs and initiatives. They have better understanding of the activities that need support for the successful implementation and sustainability of anti-corruption reforms in their respective region / city.

To organise seminars and webinars on grant applications preparation for regional and local NGOs.

To finance project activities of local organisations with low institutional development through regional organisations with high institutional and professional capacities. To encourage building of partnerships between such organisations.

To ensure that the projects envisaging cooperation between local and national non-governmental organisations comprise the following components: {

- 1) direct financing of the implementation of project activities to be provided to the local organisations;
- (2) mentor support from the partner organisation of the national level concerning the administration of such projects.

To support institutional development of local anti-corruption coalitions.

To support project activities envisaging engagement of the representatives of local authorities and NGOs on the basis of equal partnership.

To finance the projects envisaging development of professional capacities of local non-governmental

organisations, in particular, training on fundraising, preparation of analytics and their further communication, advocacy campaigning on regional and local level, personal security etc.



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