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Events in the “people’s republics” of eastern Ukraine

Annual Report 2018



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Preface

2018 was a year of big changes inside the “people’s republics” of eastern Ukraine. However, their main result is stronger Russian control in internal affairs, leaving little hope for an end to the conflict.

Donetsk separatist leader Alexander Zakharchenko was killed by a bomb on August 31, in the most high-profile assassination in the already violent history of these quasi-states. In the aftermath, the Kremlin-loyal Denis Pushilin was installed as successor, many of Zakharchenko’s allies were purged, his armed formations were regrouped under the Russian-led “Army Corps” and economic decision-making was centralized, making a political motive for the killing very likely.

Turmoil was notably absent from the smaller Luhansk “people’s republic”, whose leader Leonid Pasechnik had come to power in a November 2017 coup that was apparently carried out against the Kremlin’s will. In November 2018, both “Republics” held controversial elections, ostensibly to give much-needed legitimacy to both Pasechnik and Pushilin, who both won, having stood as candidates without a single credible opponent.

Power in the Donetsk “people’s republic” subsequently shifted from Pushilin to Alexander Ananchenko, who obtained the newly created post of “prime minister”.

Ananchenko is an obscure industrialist tasked with running the economy. He is said to have close links to Vneshtorgservis, the secretive holding company that has controlled key industrial assets in both “people’s republics” since their seizure in March 2017.

While Zakharchenko’s death and the removal of his powerful deputy Alexander Timofeyev are believed to have reduced corrupt practices, there were no immediate signs that the reforms helped the separatist leadership to master the challenges created by being cut off from Ukrainian demand and supply chains following the trade blockade imposed by Kiev in 2017. Russia, the only credible alternative, continued to be reluctant to open its market, not least in order to protect its domestic coal and steel industries from competition.

Little changed in the military situation, where the stalemate continues, even though government troops continued to set up new positions in the previously demilitarized “grey zone. In a positive development, casualty numbers were significantly lower than in previous years. However, the United Nations updated the overall death toll of the conflict since 2014 from 10,000 to almost 13,000.¹

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The report is based on the monitoring and analyses of the open source information – Donetsk and Luhansk press and social media accounts, press and social media from government controlled areas of Ukraine, press and social media in Russia; as well as on the interviews with the sources in Ukraine, Russia and certain areas of Luhansk and Donetsk oblasts.

Politics

The assassination of Russian-backed separatist leader Alexander Zakharchenko resulted in a full-fledged purge of his allies and loyalists in the Donetsk “people’s republic”. Many of the beneficiaries were people linked to Denis Pushilin, the hitherto Parliamentary speaker seen as much more loyal to the Kremlin, who was installed as Zakharchenko’s successor after clear signals from Moscow (see Newsletter 42).²

Moreover, the whole system of power was overhauled: Executive powers held by Zakharchenko were transferred from the “leader” of the “republic” to the chairman of cabinet. Renamed “prime minister”, that office was given right to introduce legislation in “parliament”, with the stated intention to enable a more efficient running of the economy. A constitutional amendment ensured that no future leader can be prime minister at the same time. This marked another clear break from Zakharchenko, who had been both “leader” and head of cabinet between November 2014 and August 2018 (see Newsletter 49).³

The result of the radical overhaul was arguably to give greater control over politics, the economy and defence either directly to Moscow or to people whom the Kremlin trusts.

Pushilin, who has been involved in the Donetsk separatist leadership on and off since 2014 but had not been part of Zakharchenko’s inner circle, is widely seen as having the trust of Vladislav Surkov, the Kremlin’s chief official for eastern Ukraine. Surkov, speaking through a confidante, suggested days after Zakharchenko’s death that Pushilin should become successor. The DPR “parliament” duly appointed him interim leader and Pushilin on the same day dismissed Dmitry Trapeznikov, a Zakharchenko deputy who had been named successor immediately after the assassination (see Newsletter 42).⁴

However, the long-standing parliamentary speaker and chief Minsk negotiator is not believed to be very popular – Pushilin never took part in any fighting, is closely associated with the controversial Minsk agreement and, most importantly, worked for an infamous financial pyramid scheme before 2014.

Pushilin’s lack of popularity may well be the main reason why the Kremlin decided to hold elections in the “people’s republics” in November – after having campaigned for their postponement in the summer. The vote, held parallel in both “republics”, was won by Pushilin with 60.8 per cent, while Luhansk leader Pasechnik got officially 68 per cent. However, both candidates stood against only a handful of rivals who were little-known even locally and there were strong indications that both the turnout and the results were falsified (see Newsletter 48).⁵

In Donetsk, strong contenders like former commander

Alexander Khodakovsky and early separatist leader Pavel Gubarev were prevented from running against Pushilin.⁶

Ukraine and her allies condemned the vote as another illegal violation of Ukrainian sovereignty. Martin Sajdik, chief envoy for the Organization for Security and Co-operation in Europe (OSCE), said that the “so-called elections” corresponded neither to the letter nor to the spirit of the Minsk agreements.⁷

which stipulate that local elections shall be held in the “certain areas” under Ukrainian law. However, Moscow argued that the vote was not the one envisaged in Minsk and that it was necessary to avoid a power vacuum.

Pushilin reshuffled the cabinet before and after the elections. By December, only ten of 24 cabinet members retained their seats that had been in office during Zakharchenko. Among them were key “power ministers” of interior, state security and emergency situations, who are believed to be controlled directly by Moscow.

The new job of “prime minister” went to Alexander Ananchenko, a hitherto little-known figure who had first joined the interim government in September as a deputy head of cabinet responsible for the economy. In an interview published in November, Pushilin did not deny that Ananchenko had previously worked as a boardroom advisor for Vneshtorgservis, the secretive holding that has controlled key industrial assets since the seizures of 2017.⁸

Vneshtorgservis has been linked to Serhiy Kurchenko, a billionaire businessman who in turn was closely linked to Yanukovych during his time as President of Ukraine. The holding company appeared in 2017, after the separatists seized local factories following a trade blockade imposed by Ukraine. Said to be registered in South Ossetia, Vneshtorgservis is thought to act as an intermediary between the “People’s Republics” and Russia, which has not recognized them for fear of international sanctions. However, the company only holds a dozen plants in the region, while most seized factories (34 alone in the “DNR”) were made state enterprises controlled by the government – which is headed by Ananchenko.

In the 1990s Alexander Ananchenko worked for metals magnate Mikhail Zhivilo in Moscow as head of the legal department of Zhivilo’s company Mikom, according to a report by Sloviansk-based Donbass Public TV.⁹ Zhivilo fled to France in 2000 after being accused of plotting to kill Aman Tuleyev, the long-standing Governor of the Siberian region of Kemerovo.

Ananchenko subsequently returned to Donetsk where he worked for Eduard Prutnik, a businessman turned politician who was an advisor to Yanukovych turning his time as Ukrainian Prime Minister (2002 to 2005). According to the report,¹⁰ Ananchenko also worked for NTN, a TV channel set up by Prutnik.

Ukrainian observers speculate that Ananchenko was chosen to restructure the “DNR” industry on behalf of business interests based in Russia. Just like Denis Pushilin – who took over after Zakharchenko’s death – just acts as a front man to Vladislav Surkov, President Vladimir Putin’s aide for Donbass, Ananchenko acts as a front man to Dmitry Kozak, the Russian deputy Prime Minister in charge of rebuilding the Donbass economy, the TV report said.

The secrecy was also highlighted by the fact that the separatists did not publish photographs of Ananchenko apart from a single image where his face is only partially visible.¹¹

The Donetsk purges also affected the “parliament”, which was re-elected together with the leaders on November 11. In the “DNR”, the ruling Donetsk republic movement won 74 of 100 seats (up from 63) and the nominally oppositional Free Donbass movement took the remaining 26 (down from 30).¹²

The candidates from both “movements” (the “people’s republics” claim to have no political parties) were kept secret from voters, but when the results were published, a number of close Zakharchenko allies had lost their seats, including field commanders Sergei Zavdoveyev and Ivan Kondratev, as well as Alexander Kostenko, who had risen from personal bodyguard to leader of the Donetsk republic parliamentary faction.

Lots of open questions about Zakharchenko’s assassination

Kostenko is a central figure in Zakharchenko’s assassination because he reportedly owned the café “Separ” in central Donetsk, where the explosion occurred that killed the separatist leader and one of his bodyguards and injured his powerful deputy Alexander Timofeyev on August 31. The presumably remote-controlled bomb was hidden in the roof of the café’s entrance and is hard to imagine that those who planted it there could have done so without the proprietors’ knowledge. Immediately after the explosion, Kostenko denied reports that he had fled Donetsk and claimed that he was providing evidence to investigators (see Newsletter 42).¹³ Nothing has been seen or heard from him since then.

While the Russian-backed separatists – unsurprisingly – blamed Ukraine for Zakharchenko’s killing, the purges and the assassination’s circumstances strongly point to Russia. That theory is also backed by an audio recording released by Ukraine’s security service SBU. In the recording, apparently a wiretapped conversation from June 2018 in a restaurant in Antalya/Turkey, a man identified by the SBU as Alexander Lavrentyev, an aide to Pushilin, mentions the necessity “to remove Zakharchenko without elections before September”.

Another man, believed to be a Russian official, is heard as saying “Zakharchenko is supported by Surkov”, indicating that the assassination was ordered by (Russian) opponents of the influential Kremlin aide. The recording has been called authentic by two prominent former separatist leaders, Alexander Khodakovsky and Igor Girkin (aka Igor Strelkov – see Newsletter 44-45).¹⁴

Pushilin’s close links to Surkov were highlighted in October, when the Russian state news agency Tass publicly admitted Moscow’s role in financing the separatists by headlining a report about talks between the two in the Kremlin with “Surkov promises Pushilin to raise wages in the DNR”. One week later, Pushilin duly announced a ten per cent rise in public sector wages (see Newsletter 46).¹⁵ However, on one other issue Surkov let Pushilin down: he did not fulfill his promise to visit Donetsk by the end of the year. So far no senior Russian government official has openly visited Donbass.

It must be stressed that there is no hard evidence to link the Kremlin directly with Zakharchenko’s killing. However, a Ukrainian special operation seems unlikely. As in previous assassinations in Donetsk, such an operation would require a significant network of informants and agents, for which no evidence has been presented so far. Ukraine’s SBU said that the time that Russian intelligent agents could well have killed Zakharchenko for his obstructionism.¹⁶

Confusion and incompetence in the Kremlin?

In fact, Zakharchenko’s political unsteadiness, his military insubordination and the amount of criminal economic activity in the state sector under his reign all make up a bundle of reasons for Moscow to be more than unhappy with the leadership of the bigger and more important “people’s republic”. Whether the assassination was actively carried out or tacitly approved by the Kremlin is another matter.

A complicating factor is the amount of infighting in Moscow seen over the course of 2018. The first half of the year was characterized by prolonged uncertainty about Russia’s Ukraine policy, as it took the Kremlin almost three months to reappoint Surkov as the chief policymaker in this respect. The hiatus was accompanied by Russian media speculation that Surkov’s downfall would usher Zakharchenko’s replacement by Pushilin – something that eventually did happen but with Surkov in charge (see Newsletter 32).¹⁷

Accusations of Kremlin incompetence continued however, and Moscow pundits warned in October that confusion and layoffs in Surkov’s department had forced the Kremlin to manage the November elections extremely tightly, i.e. with almost no competition, in order not to lose control (see Newsletter 46).¹⁸ While

there were no immediate signs of instability, the political and military purges certainly deepened the alienation of the “ideological separatists”, who demand unification with Russia and oppose the ongoing uncertainty.

Little change in Luhansk

The situation in Luhansk differed markedly in that there were no significant cabinet reshuffles after the November 11 elections. Local separatist leader Leonid Pasechnik was duly named winner of the vote with 68.3 per cent after a particularly dull and uninspiring election campaign against three little-known competitors. Unlike in Donetsk, there were no challengers serious enough to be barred from participation. Despite this, it took Pasechnik a whole month to appoint a new “government”, and when he did so, there were just two new faces – former Economic Development “minister” Yelena Kostenko became a new deputy “prime minister”, while her previous first deputy Svetlana Podlipayeva became “minister”. Sergei Kozlov, who had been appointed by Igor Plotnitsky back in 2015, but supported Pasechnik during and after the 2017 putsch, remained “prime minister” (see Newsletter 49).¹⁹

The lack of changes can be explained by the fact that Pasechnik had purged most Plotnitsky allies from the “LNR” leadership after coming to power in November 2017. However, the fact that the coup against Plotnitsky succeeded thanks to the intervention of “DNR” troops loyal to Zakharchenko and against the Kremlin’s will makes Pasechnik’s situation vis-à-vis the Kremlin slightly awkward after the Donetsk leader’s assassination. A former career officer in Ukraine’s SBU security service who later became the “LNR” Security “minister”, Pasechnik has been linked to Russia’s FSB security service, which is believed to often oppose Surkov’s policies. The ousting of Plotnitsky, seen as Surkov’s man in Luhansk, was seen as a win for the FSB. On the other hand, there have been no signs of serious intra-separatist conflicts in Luhansk since Pasechnik’s rise to power, a marked contrast to the situation during Plotnitsky’s reign.

The events of 2018 clearly show that Russia is not ready to tolerate a reduction of its already heavy influence in the “people’s republics” internal politics. Their extraordinary lack of domestic sovereignty distinguishes the east Ukrainian separatists and should serve as a reminder to all policymakers discussing various scenarios of handing over the separatist-controlled areas to Ukraine.

Economy

The tightening up of the already spurious political life in the “people’s republics” went hand in hand with profound changes in economic policy. While these new policies are likely to be even more secretive and obscure than the old ones – with “prime minister” Alexander Ananchenko hiding from public view – at least the economy has clearly gained priority status. Pushilin made this clear when he stressed on November 14 that economic growth was the single most important goal for the government of the Donetsk “people’s republic”: “We do not want to be a subsidized region,” he said.²⁰

This was actually the first time that a separatist leader directly admitted that the “people’s republics” depend on outside subsidies. Both “republics” are thought to heavily depend on Russian financial assistance. Ukrainian government officials have estimated that Moscow is paying non-military subsidies up to 35 billion roubles per year for each “republic” – almost 1 billion euros. For Donetsk, this sum covers about half of the “people’s republic’s” expenditures, while in Luhansk the Russian subsidies make up more than 75 per cent of the local budget.²¹ Moreover, the local economic situation considerably worsened since Ukraine imposed an almost total economic blockade in 2017. The blockade hit the separatist-controlled areas much harder than Ukraine as a whole, whose national GDP growth in 2017 was reduced by its effects 0.9 percentage points, considerably less than the 1.3 per cent originally predicted.²² In Donetsk, by contrast, industrial production was halved. According to figures from the metals sector published by the separatist Industry and Trade “Ministry”, iron production fell from 2.7 million tons in 2016 to 1.53 million tons in 2017. Coke production fell from 2.4 million tons to 1.2 million tons, steel from 2.1 million tons to 1.1 million tons.²³ No comparable figures for 2018 were available. The “DNR” metals sector employed more than 24,000 people in 2017.

Coal sales to Ukraine continue – via Russia

Coal production in the “people’s republics” was expected to be at around 18 million tons in 2018, a fraction of pre-war production, which stood at 55 million tons in 2013.²⁴ Because of low local demand, the separatists need to sell this mainly outside the areas they control. Much of the coal is believed to be shipped via Russia back to Ukraine – although there are no exact figures.

Denis Didenko of DTEK Energo said in November 2018 that coal shipments from the “people’s republics” to Russia – from a Ukrainian legal point of view smuggling – amounted to between 400,000 and 500,000 tons per month, which would mean as much as 6 million tons per year.²⁵

According to the Ukrainian Energy Ministry, the country imported a total of 19 million tons of coal between January and November 2018, worth 2.7 billion US dollars. More than 60 per cent of this (1.66 billion dollars) were made up by coal imported from Russia.²⁶ Another strong incentive for Moscow to reduce its spending for eastern Ukraine's separatists is that much of this money was flowing into private pockets instead of the republics' budget, if official Donetsk separatist statements of late 2018 are to be believed.

As one of his first acts after being appointed interim leader on September 7, Pushilin fired Alexander Timofeyev, Zakharchenko's powerful deputy and "revenue minister", who had been seriously injured in the August 31 explosion and subsequently fled to Moscow. Both the separatist "Parliament" and "Government" formed commissions to investigate corruption in Timofeyev's ministry, whose methods were lambasted by Pushilin as "absolutely unacceptable" (see Newsletter 43).²⁷

Also known by his nickname Tashkent, Timofeyev had been notorious for his armed formation, which was accused of collecting not only taxes but also business ownerships with brute force. A Russian media report in September said that Timofeyev was accused of charging excessive transport prices for coal and metals, of misusing Russian subsidies, of smuggling and of keeping tariffs with the Luhansk "people's republic".²⁸ In December, one of his deputies, Mikhail Khalin, was arrested in Donetsk while separatist prosecutors claimed that "Revenue Ministry" officials had sold railcars for 5 billion roubles (66 million euros) and had not paid the money into the "republican" budget.²⁹

Is Vneshtorgservis a vehicle for Yanukovych?

Moscow's main answer to these ills seems to be the removal of separatist leaders from the levers of economic control. Alexander Ananchenko, the businessman-prime minister in charge of running the "DNR" economy, has taken over many powers formerly in the hands of Zakharchenko and Timofeyev and subsequently handed over gladly by Pushilin. Ananchenko's close links to Vneshtorgservis have fueled rumour that the secretive holding company will take over more plants in the "people's republics". A Radio Liberty report in September suggested that all state enterprises would be handed over to Vneshtorgservis, but this did not happen by the end of 2018.³⁰ Only one, the Dokuchayevsk Flux and Dolomite Plant, was handed to Vneshtorgservis in October, apparently in order to merge it with another company already in the holdings' portfolio.

Vneshtorgservis took control of nine companies in the "DNR" and another four in the "LNR" after the separatists seized all Ukrainian-registered enterprises in March

2017. The remaining plants – 34 alone in the "DNR" – were put under the management of separatist "ministries". At least in Donetsk, these now report to "prime minister" Ananchenko.

Believed to be registered in South Ossetia, Vneshtorgservis has persistently been linked both in Ukrainian and Russian media reports to Serhiy Kurchenko, a billionaire businessman who rose to prominence under former Ukrainian President Viktor Yanukovych. Believed to be in Russia like his patron Yanukovych, Kurchenko has reportedly bought two factories there that can process iron from Donbass.³¹ And his trading firm Gaz Alyans was apparently awarded a monopoly for exporting coal from the "people's republics" to Russia.³²

However, Kurchenko, who was just 29 in 2014, has never been described as a businessman in his own right but always as a placeholder for Yanukovych and his family. This could mean that Moscow is tasking Yanukovych, who has been in self-exile in Russia since 2014, with reviving factories cut-off from Ukraine in Donbass without jeopardizing its own coal and metals industry. South Ossetia was chosen as a financial and legal hub because it has been recognized as independent by both Russia and the "people's republics" (Russia has not recognized them, not least in order to pay lip service to the Minsk agreements).

If the extreme secrecy surrounding Vneshtorgservis is linked to the fear of sanctions, it has not helped much. The US Treasury slapped sanctions on the company, CEO Vladimir Pashkov and on Gaz Alyans in January 2018.³³ South Ossetia's role as an intermediary, first reported by Civicmonitoring in May 2017 (see Newsletter 22),³⁴ was the subject of a Washington Post investigation in November 2018.³⁵

Security

Little changed in the overall security situation in Donbass in 2018. The stalemate along the 427-kilometre contact line continued, where government troops and the (mostly Russian-commanded) separatist formations are facing each other but no side is willing to gain territory. The incident in the Kerch Strait on November 25, in which Russian coast guards fired on Ukrainian navy ships, injuring six Ukrainians, also did not affect the "republics" directly, although it was accompanied by an unusual campaign of sabre rattling – and the temporary introduction of martial law in eastern Ukraine (see Newsletter 50).³⁶ However, the assassination of Alexander Zaharchenko had profound effects on the "DNR" military. All formations previously commanded by the slain separatist leader – a special forces (Spetsnaz) regiment, the republican guard and tactical rocket forces – were forcibly integrated into the Russian-led first army corps. Other formations controlled by "DNR" ministries rather than Russian officers – eg the Transport

and Revenue “Ministry’s” troops, were given a choice between joining the Army Corps or the Ministries of the Interior and State Security – both believed to be directly controlled by Moscow.

In a nod to the Minsk agreements, the “DNR Armed Forces” were rebranded “People’s Militia” and the Donetsk Defence “Ministry”, which apparently never had any real powers, was quietly disbanded.³⁷ As a result, the “DNR” military formations now closely resemble the “LNR” formations, which have been called “People’s Militia”, commanded by a Second Army Corps without a Ministry since 2014/2015. Both the First (Donetsk) and the Second Army Corps (Luhansk) are thought to be subordinated to Russia’s Eighth Combined Arms Army – a relatively new formation in Russia’s Southern Military District, apparently set up especially for the war in Donbass.³⁸

It is important to stress that none of these military reforms, nor Zakharchenko’s death had any direct effects on the security situation. In fact, the assassination happened on the eve of the “School Ceasefire”, which followed an earlier “Harvest Ceasefire”. Both seasonal agreements, decided in the Trilateral Contact Group talks in Minsk, held better than in previous years. As a result, casualty figures were significantly lower in 2018 than in previous years. According to the OSCE Monitoring Mission, 43 civilians were killed and 192 civilians were injured in 2018. In 2017, the Mission recorded 86 civilian deaths and 390 injuries.³⁹

The Ukrainian military also reported a fall in casualty numbers. By mid-December the number of killed soldiers was just above 110, according to Defence Ministry figures cited by the BBC.⁴⁰ By contrast, in 2017, Ukraine’s military death toll was 191.⁴¹ No reliable figures were available for the armed formations on the separatists’ side.⁴²

Of course, the risk of escalation remains. In early December, the OSCE Special Monitoring Mission recorded about 10,000 ceasefire violations per week. And a main concern continued last year: The steady advance of government troops into villages located in the so-called grey zone between both sides’ frontline positions – without crossing the contact line. While the presence of government troops enables benefits like policing and school bussing for the civilian population, the ensuing closer physical proximity of hostile troops increases the risk of accidental escalation. Advancing towards the contact line also contradicts the disengagement agreement of 2016, which stipulates that both sides withdraw their forces two kilometres each from the contact line.⁴³

In 2018, government troops entered three “grey zone” settlements – Chyhari in the Donetsk region and Katerynivka and Zolote-4 (Rodina) in the Luhansk region. However, there might be fewer such instances in the future. Yuriy Biryukov, an advisor to President Petro Poroshenko, claimed in December that government troops had “liberated” practically the whole “grey zone”.⁴⁴

Human rights and society

Almost five years after their inception, it is safe to say that the “people’s republics” are among the most repressive places in Europe, rivalled only by Chechnya and some other regions in Russia’s North Caucasus. Among the Russian-backed separatists’ targets were not only the very few remaining independent journalists and bloggers, but seemingly random civilians who are being detained on trumped-up charges in order to serve as bargaining chips in negotiations with Ukraine.

Examples from 2018 include Yury Shapovalov, an employee of the Donetsk botanical gardens and member of a group of cactus growers, who was detained on spying charges in March (see Newsletter 27).⁴⁵

Shapovalov’s “confession” before camera is typical example of the public parading of suspects without trial and – most likely – after forcing them to make statements by psychological and other means. The YouTube channel of the “DNR” State Security “Ministry” (known by its Russian acronym MGB) contains a growing number of deeply disturbing videos.⁴⁶ Equally disturbing was a video interview with journalist Stanislav Aseyev, that was broadcast in August on Russian state TV. In it, Aseyev, who had vanished in the summer of 2017, admits having spied for Ukraine. US broadcaster Radio Liberty, for whom Aseyev had worked, suggested that the interview was made under duress.

The separatists also continued their policies of severely restricting access to foreign journalists to the “people’s republics.” Many western mainstream media outlets who applied for accreditation during the November 11 “elections” were rejected, including the BBC.⁴⁷ Konrad Schuller, a journalist for Germany’s Frankfurter Allgemeine Zeitung, got a rejection from Donetsk but a promise that he would be accredited upon arrival in Luhansk. Once in the “LNR” Information “Ministry”, however, no one showed up, prompting him to leave again.⁴⁸ The “LNR” did, however, accredit German public broadcaster ARD, while the “DNR” accredited its main competitor ZDF.⁴⁹

Religious groups not affiliated with the Russian Orthodox Church were also feeling the brunt in 2018. Jehovah’s Witnesses were banned completely in both “people’s republic” in 2018 after having lost more than a dozen premises in seizures.⁵⁰ Russia banned Jehovah’s Witnesses in 2017 on grounds that they are an “extremist organization”. In July 2018, the Luhansk State Security “Ministry” raided a Baptist service and accused church members of forming an “extremist religious organization”.⁵¹

Efforts to achieve another prisoner exchange over the New Year 2018/19 were not successful, partly because of Russia’s refusal to release political prisoners like Crimean film director Oleg Sentsov. Ukrainian chief negotiator Irina Gerashchenko said on December 29

that the separatists are holding more than 70 detainees but offered to release just 23.⁵² However, the separatists in December allowed the transfer of 55 convicts who had received jail terms under Ukrainian law before 2014 to government-controlled prisons (see Newsletter 50).⁵³

Human rights activists warned that the “people’s republics” continue to be areas outside international control. Both of them are characterized by lawlessness and do not respect human rights, Pavlo Lysyansky, the eastern Ukraine representative of Ukraine’s Human Rights Ombudswoman Lyudmyla Denisova said in an interview in December.⁵⁴ Among other things, Lysyansky warned that both Republics increasingly propagate war among children and have set up patriotic youth camps for this.

Outlook

Despite a few positive trends, the year 2018 did bring Donbass any closer to a solution. The intensification of Russian control following Zakharchenko’s death highlights that Moscow is not ready to reduce its grip over the people’s republics”.

Ukraine, on the other hand, has lost practically all means of influencing the situation inside the areas outside its control, especially since the imposition of the trade blockade and the ensuing plant seizures in 2017. While the number of people crossing the contact line rose to more than one million in 2018, this is largely due to pensioners and other receivers of Ukrainian benefits registering their claims in government-held areas.⁵⁵ In a sign that they are clearly not interested in people-to-people contacts, the separatists introduced travel bans for state servants, citing the risk of being recruited as spies for Ukraine.⁵⁶

The vulnerability of the remaining links between the “people’s republics” and Ukraine proper were highlighted by the long outage of mobile phone communication in the Donetsk people’s republic” between January and April last year. The cut-off was apparently not so much caused by technical shortcomings (the operator, Vodafone Ukraine, has not been able to service its transmitters in the “people’s republics”), but by financial demands from the separatists (see Newsletter 27).⁵⁷

A campaign by the Ukrainian government to improve national television and radio signals inside the “people’s republics” stalled last year. President Poroshenko had attended the opening of new broadcasting masts in Karachun (Donetsk region) in 2016 and Bakhmutovka (Luhansk region) in 2017. Instead, a 190-metres high mast opened in October 2018 in Hirnyk west of Donetsk was financed by a private initiative. However, the effectiveness of such efforts has been questioned, not least because the separatists promised to jam the signals and much of the population in Donetsk and

Luhansk regions use satellite receivers and/or the internet for media consumption. Also, trust in the news media, especially the non-local Ukrainian outlets, has traditionally been low in Donbass.⁵⁸

Ukrainian government officials have admitted that the propaganda war with Russia is hardly winnable, as long as Kiev has no control over the separatist-held areas. First deputy information minister Emine Dzhaparova said in April that Ukrainian media practically have no influence there and that this can change only after government control is re-established.⁵⁹

This is not to say that there are promising private media initiatives, like Donbass Public TV, which since 2016 broadcasts from a studio in Sloviansk.⁶⁰

Overall, Ukraine’s efforts to project soft powers into the “people’s republics” have been feeble and there is little evidence that they have any effect on the Russian-backed separatist regimes or on the local population.

Short chronology

The „people’s republics“ of Donetsk and Luhansk were proclaimed by pro-Russian activists in April 2014, following protests in both cities against the new Ukrainian government. The first year of their existence was dominated by chaos and violence, as the war with government forces escalated. The situation calmed after the Minsk agreement was finalized in February 2015. Since then, the contact line (frontline) between Ukrainian government forces and the armed formations has been stable.

While they pretend to be independent states, the „people’s republics“ cannot survive without covert military and economic support from Russia. Their independence has been recognized by no other state save South Ossetia, itself a separatist region in Georgia that is heavily dependent on Russia.

Despite playing a crucial role for their creation and continued existence, Russia does not recognize the „people’s republics“ but officially supports the Minsk

agreement, which stipulates that the separatist-held areas shall negotiate their return into the Ukrainian state with the government in Kiev.

While formally obeying the agreement’s letters, Moscow routinely ignores its spirit by supporting the „people’s republics“ politically, economically and, crucially, with military staff and hardware. Furthermore, Russian politicians and state media continue to depict Ukraine as a puppet state, run by foreign powers hostile to Russia. The separatists, in turn, talk tirelessly about integration with Russia, saying that they won’t return to Ukraine as long as it is run by a pro-Western government.

Both „people’s republics“ on paper possess democratic state institutions. A unicameral parliament, a two-party system, courts and an executive run by a president (called „leader“) and a cabinet of ministers. In practice, however, there is almost no political pluralism, no freedom of expression and media freedom. Political participation is limited to those who support the idea of independence from Ukraine and/or a future union with Russia.

DRA e.V. is a non-profit, non-governmental organization based in Berlin, working since 1992 with the aim of promoting democratic developments in Russia and other East European countries through cooperation with Russian, Belarusian, Ukrainian and other European NGOs, with independent mass media and in cross-sectoral cooperation. The DRA offers youth and other exchange programs in the field of political education, democracy and active citizenship and works to establish links with Western partners. Moreover, the DRA acts as an agency for volunteers between Eastern and Western Europe.

Sources

Ukrainian Media

- “Novosti Donbassa” <http://novosti.dn.ua/> One of the most balanced Ukrainian news websites, originally from Donetsk
- “Ostro” <http://www.ostro.org/> An independent website with Donbass-related news and analysis originally from Donetsk
- Realnaya Gazeta <http://realgazeta.com.ua/> A very thorough and well-sourced resource, originally from Luhansk.
- Hromadske Radio <https://hromadskeradio.org/>.

Media from the “DNR”

- “Donetskoe Agentstvo Novostei” (DAN) <http://dan-news.info/> The official “DNR” news site supported Pushilin already before Zakharchenko’s death, reliable but publishes only a highly restrictive range of officially-sanctioned news
- The “Official site of the People’s Republic” <http://dnr-online.ru/> Run by the “Ministry of Information”, the site sided with Zakharchenko until his death and has since supported Pushilin
- DNR Live <http://dnr-live.ru/> a news portal linked to Pavel Gubarev and the “Svobodny Donbass” movement
- Website of Denis Pushilin <https://denis-pushilin.ru/> Official texts, videos and links to the social media channels of the “DPR” head
- Website of Alexander Zakharchenko <http://av-zakharchenko.su/> (contains archived material).

Media from the “LNR”

- Luganski Informatsionni Tsentri (LITs) <http://lug-info.com/> The Luhansk equivalent of “DAN” indirectly supported Kornet and Pasechnik during the 2017 conflict with Plotnitsky
- “State television” GTRK <https://www.youtube.com/channel/UCOM-PgCGKaX-KolMhX8r-Ig> Sided with Plotnitsky until he vanished from Luhansk, has been reliably pro-Pasechnik thereafter
- Website of Leonid Pasechnik: After the 2017 leadership change, Plotnitsky-era content has vanished and the site changed its top level domain to .info <https://glava-lnr.info/> (formerly <https://glava-lnr.su/>)
- “Istok News Agency” <http://miaistok.su/> apparently run by the youth wing of the ruling Peace to Lugansk” movement. Rarely differs from LITs.

Russian Media

- Tass news agency <http://tass.ru/> State-run, mostly reliable
- RIA Novosti news agency <https://ria.ru/> State-run, mostly reliable, since its fusion with “Russia’s Voice” in 2013 however, it closely cooperates with propaganda instruments such as Sputnik and RT
- Komsomolskaya Pravda <https://www.donetsk.kp.ru/> A pro-Kremlin tabloid that has a print version for Donetsk.
- Meduza <https://meduza.io/> A liberal news website highly critical of the Kremlin
- RBC <https://www.rbc.ru/> Liberal media group often critical of the Kremlin
- Kommersant <https://www.kommersant.ru/> A leading liberal business newspaper.

Endnotes

- 1 OHCHR/HRMMU estimated the total number of conflict-related casualties in Ukraine (from 14 April 2014 to 31 December 2018) at 40,000–43,000: 12,800–13,000 killed <https://www.n-tv.de/politik/Uno-meldet-fast-13-000-Tote-in-Ostukraine-article20821339.html>.
- 2 <https://www.civicmonitoring.org/de/developments-in-dnr-and-lnr-05-10-september-2018-newsletter-42/>.
- 3 <https://www.civicmonitoring.org/de/developments-in-dnr-and-lnr-15-november-14-december-2018-newsletter-49/>.
- 4 <https://www.civicmonitoring.org/de/developments-in-dnr-and-lnr-05-10-september-2018-newsletter-42/>.
- 5 “Few signs of free elections”: <https://www.civicmonitoring.org/de/developments-in-dnr-and-lnr-8-14-november-2018-newsletter-48/>.
- 6 Khodakovsky, who has been exiled in Russia, was barred from entering the Donetsk “people’s republic”, while Gubarev was not registered on grounds that he submitted fake signatures.
- 7 <https://reliefweb.int/report/ukraine/press-statement-special-representative-osce-chairperson-office-sajdik-after-12>.
- 8 <https://denis-pushilin.ru/press/o-vts-arestah-i-vozvrate-na-ukrainu-eksklyuzivnoe-intervyu-denisa-pushilina-donetskomu-delovomu-portalu/>.
- 9 <https://www.youtube.com/watch?v=xxAXfBmE--s>.
- 10 <https://novosti.dn.ua/article/7224-zagadochnyy-premer-dnr-kto-takoy-ananchenko>.
- 11 http://smdnr.ru/wp-content/uploads/2018/10/img_4366.jpg.
- 12 <https://dnrsovet.su/deputaty-ns/>.
- 13 <https://www.civicmonitoring.org/de/developments-in-dnr-and-lnr-05-10-september-2018-newsletter-42/>.
- 14 <https://www.civicmonitoring.org/de/developments-in-dnr-and-lnr-21-september-2-october-2018-newsletter-44-45/>.
- 15 <https://www.civicmonitoring.org/de/developments-in-dnr-and-lnr-3-16-october-2018-newsletter-46/>.
- 16 <https://112.ua/glavnye-novosti/v-centre-donecka-proizoshel-vzryv-v-rezultate-kotorogo-veroyatno-pogib-glava-dnr-zaharchenko-460457.html>.
- 17 <https://www.civicmonitoring.org/de/developments-in-dnr-and-lnr-06-12-june-2018-newsletter-32/>.
- 18 <https://www.civicmonitoring.org/de/developments-in-dnr-and-lnr-3-16-october-2018-newsletter-46/>.
- 19 “Pasechnik keeps his cabinet” <https://www.civicmonitoring.org/developments-in-dnr-and-lnr-15-november-14-december-2018-newsletter-49/>.
- 20 <https://denis-pushilin.ru/news/denis-pushilin-tolko-vmeste-mysmozhem-sdelat-donbass-silnym-razvitym-gosudarstvom/>.
- 21 Figures published by George Tuka, a deputy head of the Ukrainian Ministry for the Temporarily Occupied Territories <https://glavred.info/economics/484073-dermo-ne-tonet-tuka-rasskazal-kak-kreml-finansiruet-ldnr-a-bogateet-kurchenko.html>.
- 22 https://www.beratergruppe-ukraine.de/wordpress/wp-content/uploads/2018/02/Newsletter_112_2018_Deutsche-Beratergruppe.pdf.
- 23 2017 figures: <http://mptdnr.ru/news/775-aleksei-granovskii-promyshlennyi-kompleks-respubliki-naraschivaet-obemy-proizvodstva.html> 2016 figures: <http://mptdnr.ru/news/251-i-o-ministra-promyshlennosti-i-torgovli-podvel-itogi-raboty-za-2016-god.html>.
- 24 The “DNR” expected to produce 8.2 million tons <https://dan-news.info/ekonomika/ugledobyvayushhie-predpriyatiya-dnr-s-nachala-goda-dobyli-svyshe-73-mln-tonn-uglya-minugleenergo.html> the “LNR” reported 5 million tons in the first half of the year <http://lug-info.com/news/one/predstaviteli-vlastei-lnr-pozdravili-shakhterov-respubliki-s-professionalnym-prazdnikom-foto-37828>; Mines in government-controlled areas produced another 11 million tons.
- 25 These figures are based on Russian rail and customs statistics <https://www.radiosvoboda.org/a/video-donbassrealiyi/29607262.html>.
- 26 <https://www.kyivpost.com/ukraine-politics/as-ukraine-imports-most-of-its-coal-from-russia-russia-sells-coal-stolen-from-ukraine-to-eu.html>.
- 27 <https://www.civicmonitoring.org/de/developments-in-dnr-and-lnr-11-20-september-2018-newsletter-43/>.
- 28 http://expert.ru/russian_reporter/2018/18/kto-ubil---vragi-ili-predateli/.
- 29 <http://novosti.dn.ua/news/287359-v-dnr-sotrudnykov-myndokhodov-obvynyly-v-nezakonnoy-prodazhe-vagonov-na-5-millyardov-rublej>.
- 30 <https://www.svoboda.org/a/29492550.html>.
- 31 One of them, the Revykinsky Metals Combine near Tula, was operating with iron from the Donetsk “people’s republic,” Russia’s Kommersant newspaper reported in September: <https://www.kommersant.ru/doc/3737337>.
- 32 The decision by the Economic Development Ministry in Moscow prompted other Russian coal traders to file a complaint with the government: https://www.rbc.ru/business/22/03/2018/5ab240569a7947e39a8159bc?from=center_6.
- 33 <https://home.treasury.gov/news/press-releases/sm0266>.
- 34 <https://www.civicmonitoring.org/de/developments-in-dnr-and-lnr-26-april-23-may-2017-newsletter-22/>.
- 35 <https://www.washingtonpost.com/news/world/wp/2018/11/21/feature/how-russia-avoids-sanctions-and-supports-rebels-in-eastern-ukraine-using-a-financial-system/>.
- 36 <https://www.civicmonitoring.org/de/developments-in-dnr-and-lnr-15-december-2018-15-january-2019-newsletter-50/>.
- 37 The Minsk Complex of Measures allows the formation of “People’s Militias” in order to maintain public order – in the footnote to point 11 <https://www.osce.org/ru/cio/140221?download=true>.

- 38 Comments made by Ukrainian commander Serhiy Nayev in May 2018 <https://www.ukrinform.ru/rubric-ato/2452327-naev-armejskie-korpusa-dnr-i-lnr-eto-klasicieskie-podrazdelenia-vs-rf.html> and <https://topwar.ru/111200-v-vs-rf-formiruetsya-8-ya-obschevoyskovaya-armiya.html>.
- 39 <https://www.osce.org/special-monitoring-mission-to-ukraine/407795?download=true> and <https://www.osce.org/special-monitoring-mission-to-ukraine/366306?download=true>.
- 40 <https://www.bbc.com/ukrainian/news-46572542>.
- 41 <https://www.bbc.com/ukrainian/news-42485498>.
- 42 According to "DNR" Ombudswoman Daria Morozova 162 people were killed in 2018 on "DNR" territory, but she did not say how many of them were civilians <https://tass.ru/mezhdunarodnaya-panorama/5996541>.
- 43 <https://www.osce.org/ukraine-smm/275521>.
- 44 <https://gordonua.com/news/war/seraya-zona-donbassa-osvobozhdena-i-vzyata-pod-kontrol-biryukov-611978.html>.
- 45 <https://www.civicmonitoring.org/developments-in-dnr-and-lnr-05-february-27-april-2018-newsletter-27/>.
- 46 https://www.youtube.com/channel/UCmOf-vjTAq90H_j74rAPihQ/videos.
- 47 <https://twitter.com/JonahFisherBBC/status/1064867304679313409>.
- 48 https://edition.faz.net/faz-edition/politik/2018-11-01/2ff9192f754d5b3192e7dba92ed01762/?GEPC=s2&fbclid=IwAR3axEoPuffUt5Wk0tA9IKjvYdgJQiyiRgAYZonOuNk5x-4e6u_2Z2mImN8.
- 49 <https://twitter.com/niktwick/status/1060811558987751424>.
- 50 The ban was justified with "extremist activities" in Donetsk <https://dan-news.info/obschestvo/deyatelnost-svidetelej-iegovy-na-territorii-dnr-priznana-ekstremistskoj-i-zapreshhena-verxovnyj-sud.html> and with not being a traditional confession in Luhansk <http://lug-info.com/news/one/prinyatyi-narodnym-sovetom-zakon-o-religii-zapretil-deyatelnost-religioznykh-grupp-v-lnr-32220>.
- 51 <http://mgblnr.org/media/c300a2c3-98eb-4a7d-b302-ebf89b06bf26>.
- 52 <https://www.facebook.com/iryna.gerashchenko/posts/2028708913883578>.
- 53 <https://www.civicmonitoring.org/developments-in-dnr-and-lnr-15-december-2018-15-january-2019-newsletter-50/>.
- 54 <https://www.ostro.org/general/politics/articles/560982/>.
- 55 According to the UNHCR, the absolute majority of the crossing civilians are elderly residents of the non-government-controlled areas <https://www.unhcr.org/ua/wp-content/uploads/sites/38/2018/09/Crossing-the-Line-of-Contact-Monitoring-Report-%E2%80%93-January-June-2018.pdf>.
- 56 <https://dnr-online.ru/gossluzhashhim-vremenno-zapreshhen-vyezd-na-territoriyu-ukrainy/>.
- 57 <https://www.civicmonitoring.org/developments-in-dnr-and-lnr-05-february-27-april-2018-newsletter-27/>.
- 58 Lyusya Molchanova: "Dishes against masts" <https://www.ostro.org/donetsk/politics/articles/558378/>.
- 59 <https://www.ukrinform.ru/rubric-ato/2448056-dzaparova-nazvala-tri-paradigmy-reintegracii-kryma-i-donbassa.html>.
- 60 <http://dii.dn.ua/en/news/357-donbas-public-tv-in-cooperation-with-channel-ua-donbas-launched-weekly-live-show->.

Annual Report on the events in the “people’s republics” of eastern Ukraine 2018

2018 was a year of big changes inside the “people’s republics” of eastern Ukraine. However, their main result is stronger Russian control in internal affairs, leaving little hope for an end to the conflict. Change of leadership took place in Donetsk “republic” after it’s leader Alexander Zakharchenko was killed by a bomb on August 31. Turmoil was notably absent from the smaller Luhansk “people’s republic”. In November 2018, both “Republics” held controversial elections, ostensibly to give much-needed legitimacy to both Pasechnik and Pushilin, who both won, having stood as candidates without a single credible opponent. Little changed in the military situation, where the stalemate continues, even though government troops continued to set up new positions in the previously demilitarized “grey zone”.

With the aim of contributing to greater transparency regarding the developments in eastern Ukraine, the project »Human Rights Monitoring in Eastern Ukraine« presents this new analysis, compiled by Nikolaus von Twickel.

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