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# LOCAL SELF-GOVERNMENT AND WOMEN-ENTREPRENEURS: IN SEARCH OF AN EFFECTIVE MODEL OF COMMUNICATION

ANALYTICAL RESEARCH



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## RESEARCH METHODOLOGY

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**The objective of the research** is to promote the development of women's entrepreneurship through the use of effective tools of communication with representatives of local self-government.

**The tasks of the research:**

1. to examine the state of strategic support for the development of entrepreneurship in general and women's entrepreneurship in particular in city Mariupol, city Kyrylivka, city Berdiansk, city Prymorsk, city Yalta;
2. to examine the information support of the adoption of regulatory acts by Berdiansk City Council, Kyrylivka Settlement Council, Prymorsk City Council, Mangush Settlement Council (from June 12, 2020), Yalta Settlement Council (until June 12, 2020), Mariupol City Council;
3. to examine the information support of local self-governments' activities in the field of business development based on the content analysis of official websites of Berdiansk City Council, Kyrylivka Settlement Council, Prymorsk City Council, Yalta Settlement Council (until June 12, 2020), Mangush Settlement Council (from June 12, 2020), Mariupol City Council;
4. to examine the state of international technical assistance in the territories covered by the research during 2020-2021, and separately the level of awareness of the interviewed women-entrepreneurs about grant opportunities for business development;
5. to examine the business climate in the territories covered by the research and the factors of its improvement; the nature of the interaction between women-entrepreneurs and local authorities and the prospects for intensifying this interaction; impact of the COVID-19 pandemic on women's business, the areas of support of women's entrepreneurship by local authorities, international NGOs and charity funds.

**The empirical basis of the research is:**

- decisions of Berdiansk city council of VII and VIII convocations, Kyrylivka settlement council of VII and VIII convocations, Prymorsk city council of VII and VIII convocations, Mangush settlement council of VII and VIII convocations, Yalta settlement council of VII convocation, Mariupol city council of VII and VIII convocations and other materials of municipal norm-creation practice;
- statistical data obtained from Berdiansk City Council, Kyrylivka Settlement Council, Prymorsk City Council, Mangush Settlement Council, Mariupol City Council, Main Department of the State Tax Service of Ukraine in Zaporizhzhia region, Main Department of the State Tax Service of Ukraine in Donetsk region, Main Department of Statistics in Zaporizhzhia region, Main Department of Statistics in Donetsk region;
- official websites of Berdiansk City Council, Kyrylivka Settlement Council, Prymorsk City Council, Yalta Settlement Council, Mariupol City Council;
- information from open sources on international technical assistance projects implemented in selected locations during 2020-2021;
- interviews with women entrepreneurs living in selected locations.

**The research consists of five following sections:**

**1. Analysis of acts of local councils on the development of entrepreneurship and women's entrepreneurship in particular in the locations covered by the research.** This direction includes the study of the following documents (if any):

- Development Strategies;

- Implementation Plans of Strategies;
- Program or Plan of Socio-Economic Development;
- Specialized strategic document aimed at the development of entrepreneurship (strategies for the development of small and medium enterprises, programs, plans to increase the competitiveness of entrepreneurship, etc.).

The study analyzed the availability of such documents, goals stated in the documents and aimed at the development of entrepreneurship or particularly women's entrepreneurship, measures or actions aimed at achieving the relevant goals and the availability of funding for activities.

**2. Analysis of the local regulatory policy in the locations covered by the research**, which includes the examination of:

- a published plan for the adoption of regulatory acts;
- a register of regulatory acts;
- a procedure of adoption of regulatory acts, as well as the analysis of regulatory impact in the adoption of acts (according to current legislation with analysis of alternatives, calculations of costs of economic entities for alternatives and authorities with figures in monetary terms, publication of regulatory tracks).

**3. Analysis of the web-sites of the local councils on the development of entrepreneurship in the selected locations**, in particular, on:

- transparency and openness of information published for entrepreneurs both in terms of compliance with the Ukrainian legislation and in terms of publishing additional information that may be useful to entrepreneurs in their business activities (publication of urban planning documentation, registers of property subject to privatization or communal property that can be leased, information on international technical assistance programs or financial assistance that may be available to entrepreneurs, helpful recommendations, reference books).
- Activities of the center for providing administrative services;
- Existence of special bodies or coordination councils, which are established by local councils and promote the activities of entrepreneurs;
- Availability of investment passport and registers of entrepreneurs and the possibility of including entrepreneurs in such a register.

**4. Analysis of projects aimed at supporting entrepreneurship in general and women's entrepreneurship in particular and already implemented in the selected locations with the participation of foreign donors during 2020-2021.**

**5. Analysis of the potential of women's entrepreneurship in the Sea of Azov region, based on telephone semi-structured interviews with women entrepreneurs in 5 locations of Donetsk and Zaporizhzhia regions covered by the research. A total of 50 interviews were conducted from March 1 to April 10, 2021.** The selection of respondents was based on the age, experience and field of entrepreneurial activity of women who expressed a desire to participate in the study by completing the registration Google forms. The link to the Google form was disseminated through social networks, non-governmental organisations etc.

All respondents gave their consent to the processing of personal data in registration forms. Personal data was processed on the basis of confidentiality. The answers of the participants in the report are presented in a generalized form, without data that allow identification.

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## SECTION 1

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# ANALYSIS OF ACTS OF LOCAL COUNCILS ON THE DEVELOPMENT OF ENTREPRENEURSHIP AND WOMEN'S ENTREPRENEURSHIP IN PARTICULAR IN THE LOCATIONS COVERED BY THE RESEARCH

### 1.1. Local acts on the development of entrepreneurship in Berdiansk

Berdiansk is a city of regional significance, in the south of Zaporizhzhia region, on the northern coast of the Sea of Azov, the center of Berdiansk district, sea, climatic and mud resort. The population of the city is 114 thousand people, the area is 82 km<sup>2</sup>. It is the center of the Berdiansk amalgamated community.

The Berdiansk Development Strategy for the period up to 2027 and the 2018-2021 Action Plan for its implementation were approved at the 49th session of the Berdiansk City Council of the VII convocation dated August 30, 2018 by decisions № 64 and № 65. The implementation of the Strategy is carried out within the framework of three consecutive and interconnected program cycles (stages), for each of which a separate Action Plan for the implementation of the Strategy will be developed:

- the first Action Plan- 2018-2021;
- the second Action Plan – 2022-2024;
- the third Action Plan – 2025-2027.

The action plan for 2022-2024 has not been approved yet.

A strategic vision is a shared view of amalgamated community residents about what the city should look like in the future. One of the aspects of the strategic vision of Berdiansk residents in 2027 is that the city of Berdiansk 2027 is an investment-attractive center of competitive business and maritime logistics. To achieve the desired vision, four directions of the city's development were identified. Direction B "Business Development and Investment Attraction. Berdiansk is an investment-attractive area with a competitive business that builds on sustainable development and creates new jobs" coincides with the goals of the local subsidy "Building bridges between women entrepreneurs and local authorities in the Azov region."

A number of necessary strategic and operational goals have been identified in each of the areas. Strategic goals follow the strategic vision and strategic directions of development and form the framework in which decisions will be made on specific goals and measures. The Berdiansk Development Strategy provides for the following strategic goals with the relevant measures for their implementation (specified in brackets)

Strategic Goal B.1. Creation of investment products and instruments

C.1.1. Implementation of an effective system of investment support (development and approval of the Roadmap for investors.)

B.1.2. Formation of the image of the city with a favorable investment environment (development of the Plan of local economic development; development of the Investment passport of the city.).

B.1.3. Creation of an information base for the regulation of land relations (creation of mechanisms to stimulate the rational use and protection of land; development of land management documentation at the local level)

## Strategic goal B.2. Support for small and medium enterprises

B.2.1. Support for the development of local producers (organisation of communication with business to assess the business climate and identify problematic issues of business development; creating equal opportunities for local producers; development of a program to support local producers)

B.2.2. Development of infrastructure facilities to support small and medium-sized enterprises (creation of favorable conditions for the development of small and medium-sized enterprises infrastructure; conference hall – an innovative space to support social and business initiatives).

As part of the Berdiansk Development Strategy, several separate documents have been adopted to support entrepreneurship:

1. Local Economic Development Plan of Berdiansk city for 2019-2020 was approved by the decision № 44 of the Berdiansk city council session on December 20, 2018 within the framework of the EU initiative “Mayors for economic growth”.

Two out of three goals of the Plan are aimed at the development of entrepreneurship:

- promoting business development and attracting investment;
- expanding the availability of administrative services, building trusting relationships in the community through effective communication “business – government – community”.

Funding in the amount of UAH 25,123,710 is allocated for the implementation of the goals set out in the Local Economic Development Plan, UAH 1,257,000 of which is planned to be spent on the implementation of the goal “promoting business development and attracting investments” and UAH 13,246,110 is planned to be spent on the goal “expanding the availability of administrative services, building trusting relationships in the community through effective communication “business – government – community”.

2. The Berdiansk Program of SMEs Competitiveness Strengthening, approved by the decision № 27 of the Berdiansk City Council the session on November 8, 2018.

The objectives of the program are as follows:

1. Promotion of entrepreneurship;
2. Simplification of administrative requirements;
3. Improving communication;
4. Facilitating access to finance;
5. Simplification of access to new markets;
6. Promoting staff training and innovation;
7. Support for environmental initiatives.

The action plan provides for 25 measures to strengthen the competitiveness of SMEs, the implementation period is until 2021. The program does not provide for a separate budget. The funds have been provided within the framework of various development programs of Berdiansk.

Analytical reporting on women’s entrepreneurship in Berdiansk was not conducted until 2017 and no particular measures to support women entrepreneurs are envisaged, although the Berdiansk Program of SMEs Competitiveness Strengthening identifies women entrepreneurs as a source of potential.

In general, the objectives of all the above documents and the measures aimed at their implementation are duplicated in these documents and correspond to each other, which ensures consistency of results in case of their achievement.



## 1.2. Local acts on the development of entrepreneurship in Mariupol

Mariupol is a city of regional significance, located on the northern coast of the Sea of Azov, at the mouth of the river Kalmius. It is one of the ten largest cities in the country. The total area is 166.0 km<sup>2</sup> (with suburbs, namely including urban-type settlements Stary Krym, Sartana, Talakovka, the villages of Gnutovo, Vynohradne and the village of Lomakyne – 244.0 km<sup>2</sup>), population – more than 450 thousand people. It is the center of the Mariupol amalgamated community.

The Mariupol City Development Strategy “Strategy 2021” was approved by the decision № 7/19-1549 of the Mariupol City Council on June 29, 2017. The Strategy identifies 3 strategic goals, the second of which with 35% of the share directly affects entrepreneurship. Within the framework of Strategic Goal № 2 “Increasing Economic Competitiveness” the following tasks are defined alongside with measures aimed at their implementation (specified in brackets):

1. Creating conditions and programs for the development of existing, new small and medium-sized businesses. Providing conditions for comfortable registration of enterprises. stimulating conditions for the development of resort tourism (creation of the Center for Small and Medium Business Development (SME); program for establishing and supporting associations by SME sector; development of programs together with associations aimed at the increase of average wages by sector; programs for development and support of SMEs with co-financing and compensation of an interest rate; the creation of two industrial parks and a technological park with the involvement of business which will be able to manufacture products with high added value; employment of staff with above-average wages; SME support program to replace external supplies by local products in the city; assistance in creating service business infrastructure while military units and higher education institutions are transferred; creating conditions for the fastest possible registration of new enterprises under the Single Window; development of the hotel services; development of services in the resort-coastal zone).

2. Creation of a system of attraction and support of investments (creation of an investment roadmap; creation of investors’ support center; program of attraction of investments in the city).

There is no separate document in the form of a plan for the implementation of the Strategy with the allocated funds. All the measures related to the implementation of the Strategy are included in the relevant target programs.

The Mariupol MSME Development Program 2019-2021 was approved by the decision №7 / 44-4242 of the Mariupol City Council on September 5, 2019. The program provides for three stages of implementation with appropriate funding:

2019 year – UAH 29,660,000.

2020 year – UAH 101,470,000.

2021 year – UAH 61,195,000.

The total amount of funding is UAH 192,325,000.

The main tasks of the Program are aimed at implementing the state policy to address the existing problems of micro, small and medium business development and fully meet the directions and objectives of the Mariupol City Development Strategy until 2021, namely:

- popularization and ensuring the growth of support and positive perception of entrepreneurship among citizens;
- formation of effective mechanisms of financial, credit, investment and resource support for local micro, small and medium business;



- creation of a Development Center, which is responsible for coordinating the support of micro, small and medium-sized businesses in the city;
- stimulating the creation of new micro, small and medium enterprises by activating market niches that have potential for the city's economy;
- streamlining the regulation of business activities and creating conditions for comfortable registration of enterprises and obtaining other services for business; building communication and interaction in the direction of business – government – community; introduction of changes in education through the inclusion of content on the study of entrepreneurship and relevant skills at all stages of learning;
- creating conditions for the emergence of general and thematic communities of entrepreneurs in the city; assistance in increasing the current level of procurement from local producers and localization of enterprises producing products in the city; promoting the de-shadowing of business in Mariupol.

This program provides for 72 measures aimed at improving the situation of entrepreneurs. In fact, all measures for the development of entrepreneurship in Mariupol are consolidated in one document and comply with the Development Strategy.

Problems of women's entrepreneurship or measures aimed at the development of women's entrepreneurship are not mentioned and foreseen by Strategy 2021 and Mariupol MSME Development Program 2019-2021.

### 1.3. Local acts on the development of entrepreneurship in Kyrylivka

Kyrylivka is an urban-type settlement, the center of the Kyrylivka amalgamated community, located in the Melitopol district of the Zaporizhzhia region on the coast of the Sea of Azov. The total area is 16.54 km<sup>2</sup>, the population is 3,500 people.

The Strategy of Socio-Economic Development of Kyrylivka Amalgamated Community until 2023 was approved by the decision of the Kyrylivka settlement council in 2018.

The second strategic goal is "the formation of an economically viable community by ensuring the stable development of economic spheres – focus on increasing the competitiveness of the community and providing incentives for small and medium enterprises, attracting investment."

This strategic goal includes operational tasks and measures (specified in brackets):

- Development of the agricultural market through the creation of a competitive environment (organisation of research on trends in the agricultural market in the community, search for tools to stimulate and finance it)
- Increasing the productivity and competitiveness of agricultural products and their investment attractiveness, increasing the export potential of products (organization of milk and dairy production point in the village of Atmanay; formation of clusters in agriculture, including cluster for production, processing and sale of organic products; creation of a municipal enterprise for the collection of crop products and its further processing into fuel for the private sector)
- Introduction of new technologies and systems of the organization, which will increase the level of innovativeness of production (the Strategy does not envisage separate measures to achieve this goal).

According to the decision of the Kyrylivka settlement council of December 18, 2020 "On the budget of the amalgamated community of the Kyrylivka settlement council for 2021", no funding for measures to support entrepreneurship is provided.

#### **1.4. Local acts on the development of entrepreneurship in Prymorsk**

Prymorsk is a city that is the administrative center of the Prymorsk amalgamated Community of the Berdiansk District of Zaporizhzhia region, located on the coast of the Sea of Azov, with an area of 24.99 km<sup>2</sup> and a total population of 11,497 people.

The Program of Socio-Economic and Cultural Development of the Prymorsk Amalgamated Community for 2017-2020 was approved by the decision of the Prymorsk City Council №2 on June 7, 2017. The program was developed by the working group entitled also to develop the Strategy of the Prymorsk amalgamated community. The first priority area of the Program is the development of the real sector of the economy, infrastructure and services. There are no separate measures aimed at business development.

The relevant program for 2021 has not been adopted. There is no strategy for the development of Prymorsk.

#### **1.5. Local acts on the development of entrepreneurship in Yalta**

Yalta is an urban-type settlement in the Mangush district of the Donetsk region, located on the coast of the Sea of Azov. The population is 4987 people. According to the order of the Cabinet of Ministers of Ukraine № 710-r "On the definition of administrative centers and establishment of the territories of amalgamated communities of Donetsk region" from June 12, 2020, Yalta was included in the Mangush amalgamated community.

According to Art. 8 (8) of the Law of Ukraine "On Voluntary Consolidation of Amalgamated Communities", approved on February 5, 2015, regulations issued before the termination of the powers of the Yalta settlement council, remain in force in the relevant territory and for the relevant persons. As of March 31, 2021, the Strategy for the development of Yalta is absent.

The Draft Program of Economic and Social Development of the Mangush Amalgamated Community for 2021 is published on the website of the Mangush Settlement Council. According to the Draft Program, no goals for business development are set. On March 5, 2021, the order of the Mangush settlement head № 47 "On development of the Draft Support Program of Small and Medium Business of Mangush Settlement Council for 2021-2022" was adopted. The above mentioned document has not been published on the council's website.

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## SECTION 2

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### ANALYSIS OF THE LOCAL REGULATORY POLICY IN THE LOCATIONS COVERED BY THE RESEARCH

#### 2.1. Analysis of the regulatory policy of the Berdiansk City Council

There are 36 regulatory acts in force in the city of Berdiansk, 12 of which were adopted by the Executive Committee of the Berdiansk City Council, 24 – by the Berdiansk City Council.

Adoption of each of these documents is carried out in accordance with the plan for the development of draft regulatory acts within a specific year. For each regulatory act, there is an available regulatory impact analysis carried out in accordance with the Law “On the Principles of State Regulatory Policy in the field of economic activity” and Resolution of the Cabinet of Ministers № 308 of March 11, 2004 “On approval of methods of impact analysis and monitoring the effectiveness of a regulatory act”. Depending on the term of adoption of a regulatory act, the website of the city council contains information on monitoring the effectiveness of such an act in accordance with the schedule. This information is placed in the card of each regulatory act separately.

The Berdiansk City Council in their letter dated April 15, 2021 № 0273/04 0231-PI at the request of the NGO “Agents of Change!” reported that the regulatory impact analysis alongside with the mandatory SME-test has been carried out for all draft regulatory acts developed after March 15, 2016.

The mayor’s reports on the implementation of state regulatory policy are published on the website in chronological order.

#### 2.2. Analysis of the regulatory policy of the Mariupol City Council

According to the register of regulatory acts, there are 40 regulatory acts in force on the territory of Mariupol City Council, 15 of which were adopted by the Executive Committee of the Mariupol City Council, 25 – by the Mariupol City Council.

Adoption of each of these documents is carried out in accordance with the legislation. Announcements on the start of debates of draft regulatory acts are published and regulatory impact analysis is carried out. In addition, the effectiveness of regulatory acts is monitored, information about which is posted on the website of the city council in chronological order. The site does not contain reports of the mayor on the implementation of state regulatory policy.

The Mariupol City Council in their letter dated April 19, 2021 № 31.6-207-31.1 at the request of the NGO “Agents of Change!” reported that they approved the Procedure for preparation of adoption and monitoring of the effectiveness of regulatory acts by the city council and the executive committee, which is in full compliance with Art. 8 of the Law of Ukraine “On the principles of state regulatory policy in the field of economic activity” and the Resolution of the Cabinet of Ministers of March 11, 2004 № 308 “On approval of methods of impact analysis and monitoring the effectiveness of a regulatory act”. According to para 5.1. of the approved Procedure, the developer of the draft regulatory act prepares an analysis of the regulatory impact before its publication.

### 2.3. Analysis of the regulatory policy of the Kyrylivka Settlement Council

The single register of regulatory acts adopted by the Kyrylivka Settlement Council is not published on the website of the Council. The announcements about the promulgation of draft regulatory acts in accordance with the requirements of the current legislation alongside with analysis of their regulatory impact are published on the website of the Council. Plans for the adoption of regulatory acts are published separately in chronological order for 2016-2020. According to the letter of the Kyrylivka settlement council № 801 dated April 29, 2021, the Action Plan of the Kyrylivka Settlement Council for the preparation of draft regulatory acts for 2021 is published on the website. However, this information is not available on the web-site.

Reports on monitoring the effectiveness of regulatory acts are not published contrary to Art. 13 of the Law of Ukraine "On Principles of state regulatory policy in the field of economic activity". The website contains a report of the Kyrylivka settlement head on the implementation of state regulatory policy for 2016. There are no reports for other years.

The Kyrylivka Settlement Council in their letter № 700 dated April 16, 2021 at the request of the NGO "Agents of Change!" reported that it applies SME-test to analyze the regulatory impact in the development of regulatory acts.

### 2.4. Analysis of the regulatory policy of the Prymorsk City Council

The single register of regulatory adopted by the Prymorsk City Council is not published on the website of the Council. According to the information published on the website of the Prymorsk City Council, as of March 31, 2021, there are 13 regulatory acts adopted by the Prymorsk City Council.

The announcements about the promulgation of draft regulatory acts in accordance with the requirements of current legislation with analysis of their regulatory impact are published on the website of the Council. In addition, the website contains the Action Plan of the Prymorsk City Council for the preparation of draft regulatory acts for 2021. According to it, in 2021 it is planned to adopt 5 regulatory acts. Announcements on the start of debates of relevant regulatory acts were published on the website during 2020. The report on the implementation of state regulatory policy for 2020 is also published on the website of Prymorsk City Council.

Prymorsk City Council in their letter № 02-25 / 1291 dated April 23, 2021 at the request of the NGO "Agents of Change!" reported that it applies SME-test to analyze the regulatory impact in the development of regulatory acts.

### 2.5. Analysis of the regulatory policy of Mangush Settlement Council

According to the letter of the Mangush Settlement Council dated March 22, 2021 № P-08-1.2, received in response to the request of the NGO "Agents of Change!", the Settlement Council has not adopted any regulatory acts since the formation of the amalgamated community. Accordingly, the regulatory acts adopted by the Yalta Settlement Council before its termination of powers are still in force in the territory of Yalta. According to the letter of Mangush Settlement Council № 03-35 / 900 dated April 06, 2021, the Action Plan of the Mangush Settlement Council for preparation of draft regulatory acts for 2021 was approved by decision 8 / 5-68 dated December 30, 2020 and published on the website on December 30, 2020. However, this information is not available on the web-site.

The list of current regulatory acts is published on the website of Yalta Settlement Council, the last of which is dated June 26, 2018. According to this list, the publication of announcements on the promulgation of regulatory acts took place by publishing on the website of the Yalta Settlement Council. The websites of Mangush Settlement Council and Yalta Settlement Council

do not contain a plan of the council's activities for the adoption of regulatory acts for 2020. However, these documents as well the announcement about the promulgation of regulatory acts alongside with the analysis of their regulatory impact were published in the district newspaper "Selskaya Nov". There is no complete list of regulatory acts, announcements on their promulgation, analysis of their regulatory impact.

The Mangush Settlement Council in their letter № P-14 dated April 14, 2021 at the request of the NGO "Agents of Change!" reported that as of April 13, 2021 there are no regulatory acts, as well as that in accordance with current legislation the SME-test will be carried out in the future.

## SECTION 3

### ANALYSIS OF THE CONTENT OF THE OFFICIAL WEBSITES OF LOCAL COUNCILS RELATED TO THE DEVELOPMENT OF ENTREPRENEURSHIP

Criterion	Berdiansk	Mariupol	Kyrylivka	Prymorsk	Yalta
<b>Publication of council decisions</b>	decisions are published in full	decisions are published in full	decisions are published in part	decisions are published in part	decisions are published in part
<b>A section dedicated to entrepreneurs</b>	available sections: for business, for entrepreneurs, invest in Berdiansk, regulatory policy	available sections: investment activity, status and development of small and medium business, regulatory policy	the information is absent	a separate section dedicated to entrepreneurs	the information is absent
<b>A section on regulatory policy</b>	the information is available. The section contains a complete list of documents on state regulatory policy. The information is structured	available, the site does not contain reports on the implementation of state regulatory policy. The information is structured	no information on the register of regulatory acts as well as reports on the implementation of state regulatory policy. The information is not structured	no information on the register of regulatory acts. The information is not structured	the information is not relevant, not structured
<b>Publication of town-planning documentation, geodata</b>	the site contains full information on the general plan with text and graphic materials, zoning and available detailed plans of territories. Comprehensive schemes of placement of temporary structures for business activities have not been published	the Council has a separate geoportal with urban planning documentation and information necessary for the implementation of construction activities under the law "On the principles of urban planning activities." Comprehensive schemes of placement of temporary structures for business activities are published	the general plan is published in full, and also the website contains registers of town-planning conditions and restrictions	the site contains town-planning documentation, a register of town-planning conditions and restrictions, comprehensive schemes of placement of temporary structures for business activities. It has a separate geoportal with proposals for future use and orthophoto plans	the information is absent
<b>Information on communal property that is available for privatization or for rent</b>	the information is available	the information is available	the information is absent	The site contains a list of communal real estate	the information is absent

Criterion	Berdiansk	Mariupol	Kyrylivka	Prymorsk	Yalta
<b>Information on centres providing administrative services</b>	available, the number of services that can be obtained – 141	available, the number of services that can be obtained – 366	The centre providing administrative services is not registered in the community, there is no information on the web-site	available, the number of services that can be obtained – 101	available, the number of services that can be obtained – 199
<b>Information on special bodies, the function of which is to facilitate the activities of economic entities and which are created by local governments</b>	a separate advisory body "Coordination Council for Entrepreneurship Development and Consumer Protection", which promotes the implementation of local and state policy in the field of business development and consumer protection in Berdiansk is provided	SME Support and Development Center is implementing some of the measures aimed at support and development of micro and small enterprises	the information is absent	the information is absent	the information is absent
<b>Other information</b>	information on current grant offers for entrepreneurs, legislation as well as related news, useful tips, investment passport, catalogue "Made in Berdiansk", information on fairs for entrepreneurs	information on financial support and grants, international and interregional cooperation, investment map with investment proposals and an opportunity for entrepreneurs to add information to the map	information is published in the news section on some current grant projects implemented in the amalgamated community	information on the procedure for obtaining administrative services with reference to the Unified State Portal of Administrative Services	the information is absent



## SECTION 4

### ANALYSIS OF PROJECTS AIMED AT SUPPORTING ENTREPRENEURSHIP IN GENERAL AND WOMEN'S ENTREPRENEURSHIP IN PARTICULAR AND IMPLEMENTED IN THE SELECTED LOCATIONS WITH THE PARTICIPATION OF FOREIGN DONORS DURING 2020-2021

№	Territory	Name of the project, donor or program within which it is implemented	Target audience	Actions	Period of implementation
1	Donetsk and Luhansk regions, not closer than 5 km from the contact line	"FinancEast", under component 2.2 "Economic recovery and development of MSMEs. Access to funding MSMEs" of the Project "EU Support to the East of Ukraine"	representatives of micro, small and medium-sized enterprises	financial support to MSMEs in the form of subsidies and compensation for the implementation of investment projects by MSMEs up to EUR 500,000	2021
2	Mangush district, Sartana and Kyrylivka amalgamated communities Yakymivka, Melitopol, Pryazovsk, Prymorsk and Berdiansk districts	SkillsLab Business Platform, under the United Nations Recovery and Peacebuilding Program	program for young people aged 18-35 who want to start their own business	training program for 2 months, after which participants will be able to participate in the competition of business grants and receive funding to implement their own business ideas	2021
3	Donetsk, Luhansk and Zaporizhzhia regions	"Women's Entrepreneurship Empowerment Program" with the support of the Estonian Refugee Council and the Unity for the Future Charitable Foundation	women – entrepreneurs	training program, which provides for the development of ideas and an opportunity to receive a grant in the amount of 60 000 to 80 000 UAH as the result of the selection process	2021
4	Donetsk and Luhansk regions	Program of economic development of eastern Ukraine with the support of Danish Refugee Council	entrepreneurs	business partnership program, the amount of grant support from 10 000 to 100 000 US dollars	2021
5	Donetsk and Luhansk regions	Financial assistance program to overcome the economic consequences of the epidemiological situation related to the spread of COVID-19 and the introduction of quarantine measures with the support of Danish Refugee Council – Danish Demining Group (DRC-DDG)	micro-business owners and the self-employed persons, internally displaced persons and local citizens	non-refundable assistance in the amount of up to \$ 1000 to support the operation and adaptation of the activity to the conditions of quarantine	2021
6	Participants from all over Ukraine are invited to participate in the selection, including the temporarily occupied territories and the Autonomous Republic of Crimea, but preference is given to participants from Dnipropetrovsk, Zaporizhzhia, Mykolaiv, Odesa, Poltava, Kharkiv, Kherson and Cherkasy regions	USAID AGRO Ukrainian Food Valley Agricultural and Rural Development Program	program for women farmers, youth, people with disabilities, elderly people, ATO veterans and IDPs, members of national minorities and other representatives of micro, small and medium-sized enterprises	specialized training in the program "Winter School GESI". Graduates of the program receive certificates from Ukrainian Food Valley, and the best participants have the opportunity to continue their studies in the following free programs from USAID AGRO and Ukrainian Food Valley	2021

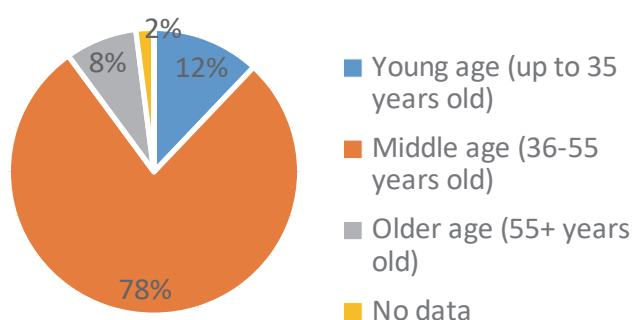
Nº	Territory	Name of the project, donor or program within which it is implemented	Target audience	Actions	Period of implementation
7	Rural area of Zaporizhzhia region	Project "Sustainable Rural Development: Synergy of Education and Practical Solutions", under the United Nations Recovery and Peacebuilding Program	producers of agricultural products, representatives of other types of business operating in the relevant territory	one-day online business school "Rural Entrepreneurship Development"	2020
8	Donetsk region	Socio-economic development of women in Donetsk and Luhansk regions during the COVID-19 pandemic, supported by the Ukrainian Women's Fund	women	SMM-marketing training for women of different ages, legal and financial advice provided to women planning to start their own business	2020
9	Lot 1. The territories of Donetsk and Luhansk regions controlled by the Government of Ukraine Lot 2. Berdiansk, Prymorsk, Pryazovsk, Orikhivsk, Huliaipilsk, Yakymivsk, Bilmatsk, Melitopol, Tokmatsk, Mangush, Volnovakha and Nikolsky districts and the city of Mariupol of Donetsk region	Competition for small business grants for the establishment, restarting or expansion of micro, small and medium-sized enterprises under United Nations Recovery and Peacebuilding Program with the support of the European Union	people wishing to start or expand the enterprise in the following sectors: Lot 1. Manufacture of ceramics and pottery, tableware, souvenirs, etc; Manufacture of textiles and clothing, manufacture and repair of garments; Hospitality industry support; Food production; Production of grain and oilseeds; Production of beef and milk; Production of poultry meat and eggs. Lot 2. Production of equipment and engineering services; Manufacture of textiles and clothing; Hospitality industry support; Food production; Production of grain and oilseeds; Production of beef and milk; Growing vegetables and fruits.	financial support for the establishment, restarting or expansion of micro, small and medium-sized enterprises in the amount of up to EUR 6,500 in UAH equivalent	2020
10	Donetsk region	"Handmade online", with the support of the Ukrainian Women's Fund	women who make handmade goods	training in online sales skills, restructuring of business processes of self-employed women, support and assistance in creating competitive content	2020

## SECTION 5

### ANALYSIS OF THE POTENTIAL OF WOMEN'S ENTREPRENEURSHIP IN THE SEA OF AZOV REGION BASED ON TELEPHONE SEMI-STRUCTURED INTERVIEWS WITH WOMEN-ENTREPRENEURS IN 5 LOCATIONS OF DONETSK AND ZAPORIZHZHIA REGIONS COVERED BY RESEARCH

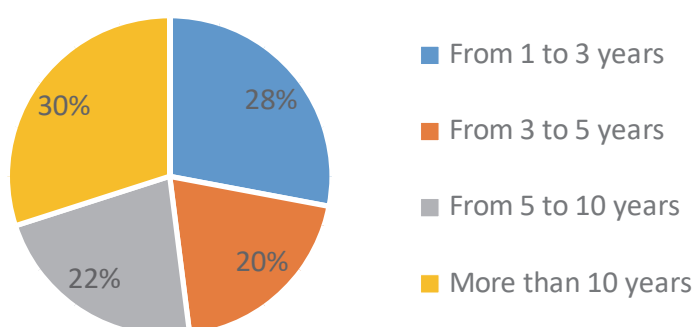
#### 5.1. Characteristics of the sample

50 women entrepreneurs expressed a desire to join the project, of which 6 people (12%) – young people (up to 35 years), 39 people (78%) – middle-aged (36-55 years), 4 people (8%) – older age 55+. 1 person (2%) did not indicate her age (see Fig. 1).



**Figure 1. Age of respondents (n = 50 people)**

The participants represented various areas of activity: trade, hospitality, tourism, catering, leisure, manufacturing, marketing, advertising, media, agriculture, education, medicine, individual services etc. The participants had different business experience: from 1 to 3 years – 14 people (28%), from 3 to 5 years – 10 (20%), from 5 to 10 years – 11 (22%), over 10 years – 15 people (30%) (see Fig. 2).



**Figure 2. Experience in business (n = 50 people)**

As for the organizational and legal form of entrepreneurial activity: the majority – 40 respondents (80%) – are registered as individual entrepreneur, 2 respondents (4%) are owners of a private enterprise, 8 respondents (16%) have just closed their business or are planning to open, switched from business to civil service or community service. 30 respondents (60%) work without employees, 12 respondents (24%) have from 1 to 3 employees and 8 respondents (16%) have from 4 to 10 employees.

## 5.2. The results of the interviews in the locations covered by the research

### 5.2.1. The results of the interviews in Berdiansk

Respondents belonged to the middle age group – 36-55 years, had different business experience: 4 people – from 3 to 5 years, 4 people – from 5 to 10 years, 2 people – more than 10 years, represented different areas of activity: 4 people – trade, 1 person – hotel business, 1 person – leisure organization, 1 person – restaurant business, 1 person – network marketing, 1 – medical services, 1 – social assistance. 9 women are registered as “individual entrepreneur”, 1 person did not specify the organizational and legal form of her own business. 4 entrepreneurs indicated that they work without employees, 3 respondents have from 1 to 3 employees, the other 3 respondents have from 4 to 10 employees. All the respondents work legally, are payers of the single tax – mostly group III, as well as the single social contribution, also pay real estate tax, land tax – if any, tax on employees – if any; hotel owners pay a tourist tax.

6 out of 10 businesswomen have had direct experience of interaction with Berdiansk City Council or its executive committee (personal appeals to local governments, including proposals, complaints, letters, petitions) for the last 3 years. Half of the applicants are fully or partially satisfied with the interaction with local authorities, while the rest are not. During the interview, 4 out of 10 respondents stated that they felt or are currently experiencing pressure from local authorities, including one related to corruption.

*“Ongoing inspections, where the inspectors do not know... the authority within which they must act... Unfair requirements are constant... This is very stressful.”*

Assessing the activities of local authorities, based on a 5-point scale, where 1 – “very bad”, 2 – “bad”, 3 – “average”, 4 – “good”, 5 – “very good”, negative marks prevailed except for the work of the administrative service centers. Thus, 3 respondents assessed the communication of local authorities with business as “very bad”, 4 – as “bad”, 2 – as “average” and only 1 – as “good”. The activity of local authorities related to the connection to utilities or facilitating such connection (if the connection is conducted by a monopolist), such as water, heat, gas, electricity was assessed even more critically – 5 entrepreneurs rated “very bad”, 3 – “bad”, 1 – “average”, 1 – “good”. The worst marks were given to local government measures aimed at supporting business: 4 marks – “very bad”, 5 – “bad”, only 1 – “good”. During the interviews, 9 out of 10 respondents stressed that as entrepreneurs they do not feel support from the local authorities and work according to the principle of “if they do not interfere, it is good”, or “if you can work – do it. If you cannot – close.” Only 1 respondent emphasized the availability of adequate information and advisory support from the executive committee.

*“... When we started going to the Maidans, we were gathered and explained in details – there is a new law, what it brings us, whether it is dangerous to us or not. This is the executive committee, the economic department, working with entrepreneurs... So we had such a meeting. We received a consultation together with the tax authorities.”*

In general, the study visualized a significant problem of awareness of Berdiansk entrepreneurs about the current tools of their support by local authorities. However some positive assessment is related to the possibility of obtaining information on request at the administrative service centers; the exemption of entrepreneurs from paying a single tax during the lockdown; the possibility of participating in competitions for public participation projects.

Regarding the activity of public participation projects, there was a slight advantage of positive assessments over negative ones: 4 respondents rated this area of activity as “bad”, 1 – “average”, 4 – “good”, 1 – “very good”.

Concretising the problems in interaction with local authorities during the interviews, the entrepreneurs mainly focused on the lack of communication (closedness, bureaucratization), lack of dialogue between the government and micro and small businesses.

*"They don't hear microbusiness in Berdiansk. When I wanted to get to the executive committee and share my suggestions about entrepreneurs, even the guard did not let me in."*

*"A lot of efforts are required to communicate with the authorities, a lot of bureaucracy, paperwork."*

At the same time, the respondents acknowledged that they also lack initiative, solidarity, relevant knowledge and time to establish a dialogue with the authorities and entrepreneurs.

*"There are passive entrepreneurs, it is very difficult to create any movement and the result is the same. If there is no demand, then there is no result ... "*

It should be noted that when considering the effectiveness of the interaction of women with local authorities, in addition to criticism related, in particular, to the unsatisfactory response of the authorities to petitions and complaints, legal conflicts, delays in issuing permits, there were positive responses:

*"I have not encountered any problems at all... If you have any questions – you can come and consult."*

*"Not so fast, but all my problems were solved. ... I've been [in business] for 5 years, it's not difficult for me anymore."*

Respondents associated their expectations related to the newly elected government of Berdiansk with the creation of a tourist-attractive image of the city, the general increase in the comfort of residents by solving communal problems (electricity, water, gas, road repairs, cleaning and garbage removal), attracting investment to the city, reducing pressure on entrepreneurs.

All the respondents supported the idea of the systematic and sustainable communication between local authorities and micro and small businesses. They see the prospects for such communication in 3 formats.

1) Round tables – regular offline meetings of representatives of the executive committee with active entrepreneurs (during quarantine restrictions – online, for example, using the ZOOM platform). The respondents shared different views on the frequency of meetings – "weekly", "monthly", "quarterly", "every six months" (taking into account the dynamics of legislative changes, changes in regulatory policy). At the same time, the importance of personal communication was emphasized as a guarantee of building trust between local authorities and business. One of the respondents considered the current Council of Entrepreneurs under the First Deputy Mayor to be ineffective due to the non-transparency of the procedure of participation in it and lack of information about its functioning;

2) Chat-bot can be used to inform entrepreneurs about the current activity of the executive committee, tax inspection;

3) Official website of the City Council. The website was assessed negatively by the respondents due to the inconvenience of navigation and non-transparency of information about tender procedures.

*"Recently, I've been visiting the website of the Berdiansk City Council and I can't figure anything out. ... It seems like there is a tender in the city, but I don't see it. It used to be transparent, but now I don't know where to go ... "*

The participants of the research connected the content of communication with local authorities with the following main directions: 1) informing and consulting entrepreneurs by local authorities in order to prevent problems in business activities, which, in particular, end with the imposition of fines; 2) studying and taking into account the opinion of entrepreneurs (as taxpayers who form the local budget, investors, sponsors) in making management decisions; 3) consultations with entrepreneurs as experts on narrow issues; 4) implementation of joint social projects. Regarding the latter, the respondents proposed a number of initiatives – eco-projects (garbage sorting, landscaping), medical training, vaccination of children and adults, creation of virtual business incubators (with a set of ready-made business models adapted for Berdiansk),

creation of business co-working, organization of children's and adolescent leisure, re-socialization of elderly, support for people with disabilities (social taxi, opening of specialized treatment and preventive health care centers).

9 out of 10 respondents expressed interest in participating in the development of regulatory acts and a desire to participate in an appropriate training to work in this direction in the future. One respondent stated that she had recently become a member of the Regulatory Commission, and another respondent had experience of such activities in the past but was disappointed in it (*"tired of fighting"* and *"going with the flow"*).

Only 1 out of 10 women entrepreneurs showed some awareness of the issues of formation, adoption, control of the local budget (submission of applications, lobbying the decisions through deputies, monitoring tender purchases) during the interview. The rest stated that they do not have information on the mechanisms of influencing budget expenditures, 7 of them would like to raise their awareness of this issue. Only 2 out of 10 participants in the study see the formation of the local budget as a "development budget" – with a focus primarily on supporting small and medium-sized businesses, which in the long run will significantly increase the budget and its expenditure. The rest talked mainly about the "budget with high maintenance costs" – with priority on spending and utilities, infrastructure (education, medicine, leisure), support for socially vulnerable groups).

The efficiency of interaction between local authorities and business and the community is also related to the level of competence of local council deputies, their motivation to perform their functions, as well as the mechanisms of public control over the activities of deputies. Thus, 8 out of 10 respondents supported the idea of introducing a rating system for deputies of local councils. Regarding the rating criteria, not all respondents have currently formed their own vision, most of them would prefer to evaluate according to a proposed rating system. Some evaluation proposals concerned the candidate's program, the effectiveness of the deputy's activity (activity at the sessions, the effectiveness of initiatives put forward, the level of communication with voters), non-corruption, etc.

Regarding grant support of business by public organizations and international foundations, 5 out of 10 women entrepreneurs have experience of such support, seek information on their own – regularly monitor the pages of NGOs on social networks and are GURT subscribers as well as submit grant applications. 3 respondents are informed about this topic and potentially interested in grants, due to the positive experience of colleagues from the immediate environment, but they have not applied for grants due to lack of experience, time, uncertainty in the result. 1 respondent was unaware of the topic, and 1 respondent was opposed to foreign grant support.

8 out of 10 entrepreneurs reported that their business suffered significant losses during the COVID-19 pandemic. Depending on the field of activity and their own adaptive capabilities during the lockdowns, the total income of some fell by 20%, and some – by 50%, 70-80%. 1 respondent noted that due to the seasonal nature of the activity the impact of quarantine restrictions on her business was not significant, and 1 more respondent stated that she did not feel the negative impact at all, on the contrary the pandemic opened new opportunities for trade through social networks. The only support during the pandemic mentioned by the respondents was compensation from the government for taxes during the first lockdown and exemption from paying a single tax for several months during the second one. When the business was banned, but there was still the need to pay rent, utilities, single social contribution and other payments and fines, it did not save businesses from losses, but led to the debts. Entrepreneurs of the II group were especially affected. Several respondents stated that they are unlikely to be able to adapt to the 3rd lockdown and will most likely be forced to stop doing business.



According to the respondents, local authorities during the pandemic left entrepreneurs with their problems alone.

*"Local authorities have not taken any measures. Compared to Kyiv, where summer playgrounds were provided for UAH 1, contributions were abolished. No events in Berdiansk. The local authorities were not at all interested in how the business survived."*

4 entrepreneurs assessed the business climate in Berdiansk as satisfactory, 6 – as negative. To improve the situation, according to the respondents, in addition to establishing communication between the local government and small business, it is necessary:

- *to conduct educational programs for entrepreneurs (on changes in legislation, taxation, accounting);*
- *to maintain healthy competition in the business environment and transparency of requirements for doing business as well as to ensure zero tolerance to corruption, "nepotism";*
- *to attract tourists to the city, open businesses that will work not seasonally, but on a permanent basis;*
- *to introduce tax benefits ("tax holidays") for start-up entrepreneurs;*
- *to support socially responsible business in local media and by municipal institutions.*

### **5.2.2. The results of the interviews in Mariupol**

The interviewed women represented 3 age groups: 1 person of youth age – 18-35 years, 7 people – middle age – 36-55 years, 1 – senior age – 55+ years, 1 person did not specify the age; had different business experience: 3 people – from 1 to 3 years, 3 people – from 3 to 5 years, 3 people – from 5 to 10 years, 1 person – more than 10 years; represented various spheres of activity: 2 entrepreneurs – education, 1 person – rent of premises, 1 person – production of food, metalwork, 1 person – water purification and supply, 1 person – light industry, 1 person – public catering, 1 person – social services, 1 person – financial and project management, 1 person did not specify the sphere of activity. 6 respondents are registered as "individual entrepreneur", 1 person is the owner of a private enterprise, 3 respondents did not specify the organizational and legal form of entrepreneurial activity. 6 entrepreneurs stated that they work without employees, 3 – have from 1 to 3 employees, 1 – from 4 to 10 employees. Private individuals are payers of single tax and single social contribution; in addition, they pay a tax on real estate, on land – if available, tax on employees – if available.

5 out of 10 interviewees have had direct experience of interaction with the Mariupol City Council or its executive committee (personal appeals, phone calls, letters, petitions, requests for information, proposals, project submissions) for the last 3 years, including 2 people remained completely satisfied with the interaction, 2 people – partially, 1 person is dissatisfied. Responding the direct question – if they feel pressure from local authorities due to entrepreneurial activity – 9 respondents answered negatively, 2 of them clarified that they had faced with pressure, corruption in the past (2018), and 2 said – "Not yet". 1 respondent stated that there was pressure, but the content of her case shows that it was not about business, but about public activities, and about interaction not with local authorities, but with public authorities. Assessing the activities of local authorities, based on a 5-point scale, where 1 – "very bad", 2 – "bad", 3 – "average", 4 – "good", 5 – "very good", positive marks prevailed.

The communication of local authorities with business was assessed by 1 respondent as "very bad", 1 – as "bad", 4 – as "average", 3 – as "good", 1 – as "very good". The activity of local authorities related to the connection to utilities or facilitating such connection (if the connection is conducted by a monopolist), such as water, heat, gas, electricity was rated by 2 entrepreneurs as "bad", 2 – "average", 3 – "good", 3 – "very good". Measures taken by local authorities aimed at



supporting business were rated by the 1 respondent as “very bad”, 2 – as “bad”, 3 – “average”, 3 – “good”, 2 – “very good”. The highest marks were received by administrative service centers: only 1 person assessed it as “bad”, 1 – “average”, 3 – “good”, 5 – “very good”. The problems raised by the respondents in the interaction “small business – Mariupol authorities” concerned not so much the lack of communication formats or non-compliance with the procedures (in this regard, the government is quite open), but the unsatisfactory outcome of issues (failure to rent adequate business premises, lack of assistance in conducting events, non-transparent allocation of places for fair trade, insufficiently transparent tender procedures).

*“It is difficult to participate in the Prozorro tender procurement system, because the rules are not always transparent and not all the documents required are logical for the participants.”*  
*“From my point of view, this is a very strong corruption component – any fair – [places] are distributed to those who they wish.”*

Regarding the establishment of stable, systematic communication between entrepreneurs and the government, in addition to official written communication, personal receptions, the respondents also supported the idea of online communication through the official website of the City Council and chatbots. In terms of the effectiveness of communication, the interviewees prefer face-to-face meetings (*“face-to-face meetings are the most fruitful.”* *“Ordinary appeals, ordinary letters, I think, do not affect them. Round tables where also donors who give money to the city for development may participate are more effective...”*). Respondents confirmed that some round meetings with entrepreneurs have been organised by the deputy mayors, heads of departments (for example, during the development of the Strategy for the Development of Small and Medium Business in Mariupol). At the same time, according to the respondents, there is also limited access of entrepreneurs to public events, “selective” interaction, the reliance of representatives of the City Council not on the experience and authority of entrepreneurs, but on their loyalty to the local government.

*“There is a School of Small Business in the city, where the deputies hold meetings with entrepreneurs, communicate... I don't know if everyone has access... Not all entrepreneurs can probably get there. There are a lot of entrepreneurs, and places are probably limited.”*

*“It depends on the attitude of a representative of the self-government. If he is loyal, then a personal meeting is possible, if he is not loyal or simply does not want then he will refuse because of quarantine restrictions.”*

In addition, respondents raised the issue of “merger” of large / medium-sized business and government as well as the need for entrepreneurs who do not have close personal relations with the government to prove their competence, expertise for a long time, so that their proposals are heard.  
*“Big and medium business is the government.”*

*“Though they ignored some issues, they reacted to others. The interaction is very different.”*  
 The respondents noted that the business community in Mariupol is active and persistent in protecting their rights and interests – information is exchanged between entrepreneurs in FB groups, there are several powerful NGOs set up by the entrepreneurs (for example, “Strength of Entrepreneurs”), protests are organized (e.g. related to the tariffs, introduction of quarantine restrictions). When discussing the issue of business support by local authorities, there were those who have experience of such support; those who rely on themselves — *“I am thankful for the fact that they do not interfere”* (they were in minority), and those who hope for such support (especially in difficult times for entrepreneurs quarantine restrictions, due to increased competition with medium and large businesses). As for the current areas of support, the following actions were proposed: systematic festivals, exhibitions, fairs, in order to promote local producers; “tax holidays” for start-up entrepreneurs; information support of socially responsible business on the municipal TV channel “MTV”; large-scale consulting and educational support through the SME

Development Center; further financial support ( providing competitive grants of UAH 250,000 by the SME Development Center for starting a business; restarting the regional SME development program “Donetsk kurkul”, financed from regional and local budgets on a 50:50 basis); stimulating the business activity of IDPs.

The study visualized an extremely low level of awareness of women entrepreneurs in the development and adoption of regulatory acts. Only 1 respondent was competent in this matter, considers it very important for entrepreneurs to participate in the development of regulatory acts to protect their rights and advises them on this issue.

5 out of 8 respondents, who know little about regulations, showed interest in participation in a training on this topic in order to actively influence the regulatory policy in the city and prevent corruption in the actions of local authorities.

8 out of 10 women were unaware of the issue of formation, adoption, control of the local budget, reacted passively to this issue, tried to avoid talking (*“not interested”, “distant from me”, “I personally as an entrepreneur, I can not affect it”*). Only 1 participant stated that she wants to participate in public discussions and control the use of local budget funds, as she faced with practices of non-transparent budget allocation (for IDPs’ support).

The priority areas of the local budget expenditures were related to the development of the health care, education (in particular – support of “gifted children”), cultural and leisure sphere (in particular – aesthetic development of children and youth) and sports, solving environmental problems, infrastructure development on the outskirts of the city. Only 1 person did not talk about the “budget with high maintenance costs” but about the “development budget” and the priority of supporting entrepreneurs (*“To support the businesspeople, because they will then return the money to the budget with their taxes”*).

6 out of 10 respondents supported the idea of introducing a rating system for local council deputies, hoping that it would increase the effectiveness of deputies. The motivation of those who did not support this idea differs: 2 people – because of skepticism about the effectiveness of the rating system, 1 person – because of complete loyalty to local authorities, 1 person – because of personal apolitical position. Regarding the rating criteria, the majority of respondents have not yet had a clear idea about them. Some proposals concerned the implementation of the programs, activity at meetings, resolution of specific issues by deputies, communication of deputies with voters.

Regarding grant support for business by NGOs and international foundations, 3 out of 10 entrepreneurs were unaware of this issue, 4 respondents had some knowledge, track information on GURT, social networks, the Mariupol City Council website, but have not yet applied for grants. 2 persons expressed interest in obtaining more information about grant support and training on the development of grant applications. 1 person provides advisory and mentoring support to other entrepreneurs in writing projects. 3 respondents have won grants (from USAID, UNDP), thanks to which they started or developed their business.

6 out of 10 study participants said that they felt the negative impact of the COVID-19 pandemic, in particular – due to quarantine restrictions and due to declining purchasing power, increased competition (*“[competitors] opened, our customers left... We had to launch big sale after the first lockdown , very big sale... We earned almost nothing just tried to bring back our customers”*). Depending on the field of activity and adaptive capabilities during lockdowns, the total income of some respondents fell by 30%, and others – by 50%, by 80%. One respondent was forced to close a business in Kyiv and return to Mariupol. 4 interviewed women indicated that they were able to adapt without losses, except that they felt some discomfort from quarantine restrictions (*“communications failed”*), even were able to reach a higher level of activity (*“we began to develop faster, especially at the beginning of the pandemic, we thought that we needed*

our own production"). 6 out of 10 women interviewed stated that they did not feel the support of local authorities during the pandemic, 3 found it difficult to answer the question due to their own lack of knowledge, 1 answer was positive and related to the opening of food markets during quarantine (decision of local authorities).

The business climate in Mariupol was assessed by 1 respondent as "very bad", 1 – as "bad", 3 – "average", 2 – "good", 3 – they found it difficult to assess. Negative assessments were related to the lack of communication between local authorities and small businesses, the interaction based on selection and the principle of "friend-or-foe" (which one respondent described as "discrimination"). Respondents believe that the factors contributing to the improvement of the business climate in the city are:

- *creation of food clusters;*
- *improvement of logistics;*
- *infrastructural development not only of the central districts, but also of the city outskirts;*
- *establishing a dialogue between the government and entrepreneurs;*
- *implementation of programs to support micro, small and medium-sized businesses, including tax benefits, preferential rent.*

### 5.2.3. The results of the interviews in Kyrylivka

The interviewed women represented 3 age groups: 2 women – youth age – 18-35 years, 6 – middle age – 36-55 years, 1 – senior age – 55+ years; had different business experience: 2 people – from 1 to 3 years, 1 person – from 3 to 5 years, 3 people – from 5 to 10 years, 4 people – more than 10 years; represented different areas of activity: 5 people – hotel and tourism business, 1 person – trade, 1 person – marketing, advertising, 1 person – media sphere, 1 person – sanitation, 1 person – the provision of individual services (cosmetology). 8 respondents are registered as an individual entrepreneur, 1 person – the owner of a private enterprise, 1 person did not specify the organizational and legal form of entrepreneurial activity. 6 entrepreneurs indicated that they work without employees, 2 – have from 1 to 3 employees, 2 – from 4 to 10 employees. The respondents work legally, are payers of the single tax, the single social contribution. In addition, they pay a tax on real estate, on land – if any; pay real estate tax, land tax – if available, employee tax – if available; hotel owners pay a tourist tax.

8 out of 10 interviewed women have had experience of interaction with the Kyrylivka Settlement Council (personal appeals, including proposals, petitions, complaints, applications for the budget of public participation) for the last 3 years. 1 person is completely satisfied with the interaction, 6 people are partially satisfied, and 1 person is dissatisfied. All women gave negative answers whether the local authorities exert pressure on entrepreneurs. However, during the interviews, for example, information appeared on informal arrangements to address the issue of timely garbage removal from recreation centers (one respondent described this practice as "corrupt garbage collection").

*"The people who take out the waste – they have some constant problems – to bring water, take out the water, to house the police for free... No one among the entrepreneurs wants to do it, but you have to, because you will suffer..."*

Assessing the activities of local authorities, based on a 5-point scale, where 1 – "very bad", 2 – "bad", 3 – "average", 4 – "good", 5 – "very good", positive marks prevailed. Such high marks can be explained, on the one hand, by the specifics of the location itself, where the distance between the local government and residents is insignificant due to long personal acquaintances, and, on the other hand – the respectful attitude of local authorities to entrepreneurs (because the latter are the main contributors to the local budget).

Only 1 respondent rated local government communication with business as “bad”, 4 as “average”, 2 as “good” and 3 as “very good”. Entrepreneurs rated positively the provision of administrative services by the Kyrylivka settlement council: 2 “average” marks, 4 “good” marks, 4 “very good” marks.

*“I did not face any problems,... I always receive answers to my questions, I am satisfied with everything.”*

*“In general, as far as documents are concerned, we are going through these procedures quickly.”*

The activity of local authorities related to the connection to utilities or facilitating such connection (if the connection is conducted by a monopolist), such as water, heat, gas, electricity supply was rated by 1 respondent as “very bad”, 2 – as “bad”, 2 – as “average”, 2 – as “good”, 3 – as “very good”. Such high marks seem too exaggerated especially taking into account the problems in the communal sphere of Kyrylivka, which were raised by respondents during the interview (lack of centralized water supply in part of the settlement, in particular, Fedorivska spit, low water quality, lack of centralized sewerage, sewage treatment plants, poor roads), and the solution of which is necessary for quality tourist service. However, the entrepreneurs in this case noted that the solution of such problems is “global” and depends not only on the settlement council. The latter, within its competence and resources, in their opinion, does everything it can.

*“Our government has put things in order ... Everything is very nice now. We see improvement, fountains, photo areas, it’s good. Garbage is taken out. I can’t say we’re left alone with our problems. The local government is working as hard as it can.”*

*According to the respondents, it is not only the authorities who are responsible for the quality of tourist service in Kyrylivka. The entrepreneurs themselves bear responsibility for it.*

*“The service is at a low level, it’s. Probably because the season is short, so not everyone is very responsible.”*

Measures taken by the local authorities aimed at supporting business were assessed by 2 respondents as “bad”, 4 – “average”, 2 – “good”, 2 – “very good”. The interviewed women noted that the local authorities are open, respond to initiatives (for example, to conduct joint promotion of the resort). There is a constant dialogue practice – the annual meeting of entrepreneurs on the eve of the holiday season to discuss pressing issues.

*“Once a year we have meetings with directors, administrators, heads of institutions, this is the starting point for the coming season. There are representatives of services, settlement council, firefighters, ambulance, marketing, all these nuances are discussed.”*

At the same time, the respondents expressed their wish to observe a greater efficiency and effectiveness in the activities of local authorities, especially where interdepartmental cooperation is needed, in particular – in the issues of assigning the status of historical monuments, road safety, police patrols and the provision of emergency medical care during the holiday season. It was noted that after the elections, personnel issues in the settlement council remain unresolved, which creates certain inconveniences. According to the respondents, the issue of developing a strategy for cooperation between the newly elected local government and business is relevant.

Some entrepreneurs are quite satisfied with the current model of situational cooperation with local authorities. They appreciate the lack of pressure, the independence of their activities, so do not rely too much on support measures (*“they do not interfere, we all go in parallel directions”*), prefer to solve problems individually and in a targeted way. The other respondents who have an increased level of civic activity prefer more systematic and productive communication with local authorities (*“if you have more frequent meetings, it will only benefit the two parties”*), and seek to integrate the business environment to solve large-scale environmental problems, transport and logistics, security issues.

*"Last year... we had an invasion of jellyfish... There are civilized ways [of fighting] – fencing nets. They are effective..., but it is not a resource of one base..., it is a question of uniting people and the desire to do it together".*

*"We have a weak organization of entrepreneurs... Entrepreneurs do not come into contact with each other."*

*"There are issues that not everyone can solve individually. It is necessary to unite, it does not always work out if we act separately. "*

Regarding the establishment of sustainable communication between local authorities and entrepreneurs, the respondents expressed their view in favor of organizational flexibility and diversity of means of communication. Meetings should be more frequent than once a year, but rather not on a predetermined regularity, but as the accumulation of problematic issues, so as not to distract entrepreneurs in the middle of the season. Quarantine restrictions have updated online communication, but some respondents feel insecure in this regard, because they do not have the necessary knowledge and practice. While the majority considers offline communication to be more effective (*"live meeting will not be replaced"*), some respondents, in terms of mobility in the off-season, lack of time during the season, preferred the prompt exchange of information via telegram channel, chats, official website. The latter, by the way, received a negative assessment as outdated and containing irrelevant information. In general, the information support provided by the local authorities to the female entrepreneurs has been described as extremely weak.

*"No chat, no group on Viber. No one bothers to collect information... A chatbot can be launched to connect all hotel managers, owners."*

In addition to the information support in the interaction "local government – entrepreneurs", the interviewees also mentioned the educational component – practical seminars, trainings. The opportunity to *"hear something useful"* motivates entrepreneurs more than just round tables, which are often perceived as *"ineffective"*.

7 out of 10 respondents have a poor knowledge of the procedures for drafting regulatory acts and have expressed interest in training to continue working in this direction. 3 respondents have relevant knowledge and experience in the regulatory acts' development. During the interview, 1 entrepreneur demonstrated some awareness of the issues of local budget formation, namely, the possibility of submitting public participation projects. Another interviewee appeared to be aware of the functioning of public councils and the possibility of controlling budget funds through Prozorro, but according to her, such means are used only by opponents of the current government. The others are not properly aware of the issue and have been rather passive.

*"I do not think I could have any influence on the budget. I think there are a lot of other stakeholders, and they decide where to spend the money. "*

One of the participants in the research raised the problem of underfunding due to the "shadow" activity of mini-hotels.

The respondents see priority areas of budget expenditures in infrastructure development: water supply, sewerage, roads, embankment development, coastal zone strengthening, renovation of recreation areas, sports and children's playgrounds, development of the medical sphere. This will contribute to the tourist attractiveness of Kyrylivka, and hence to the growth of entrepreneurs' profits.

8 out of 10 women entrepreneurs generally welcomed the idea of introducing a rating system for local council deputies. According to them, this will increase the effectiveness of deputies in general, contribute to their greater effectiveness during the whole term of office (rather than



intensification only before the new elections) as well as change the focus – from “financial assistance” to performing direct functions.

*“We still measure all reports in this way: I provided assistance to 10 thousand people, someone provided to 100 thousand. This is the main difference in the deputies’ activities ... In order to change the consumer attitude towards council members, they need to be responsible for everything.”*

The evaluation criteria were: program implementation, interaction with voters, the number of issues resolved at the request of voters, initiated projects and specific achievements.

Regarding grant support for business by NGOs and international foundations, 6 out of 10 entrepreneurs were unaware or insufficiently aware of this issue, 5 of them were interested in getting information about grant support and training on the development of grant applications. The rest have some knowledge and experience in submitting project applications for USAID and UNDP programs, but would like to improve their skills in this direction. Respondents raised the problem related to the lack of information about project calls, as well as posting outdated information or information with an approaching deadline related to some grant opportunities on GURT and other information platforms.

8 out of 10 participants in the study said that the COVID-19 pandemic had a negative impact on their business. Due to the quarantine restrictions the holiday season was shorter by a month, the flow of “middle class” tourists reduced, tourists from Belarus did not come, although they were replaced by citizens Ukraine, who did not go on holidays abroad. In general, the respondents estimated the losses from the pandemic activity at 20-40%. The tourism business focused on entertainment was particularly affected by the pandemic.

*“People didn’t have money to spend on entertainment. Necessary things include food, housing, but not entertainment. Bars and restaurants are only for those who can afford it.”*

The support of local authorities during the pandemic was linked by most respondents to information campaigns on the need to comply with quarantine norms and to monitoring compliance with these norms in public places. The entrepreneurs have purchased all antiseptics, thermometers etc. by themselves.

When conducting a general assessment of the business climate in Kyrylivka, 4 respondents assessed it as “average”, 4 – as “good”, 2 – as “excellent”.

To improve the business climate, according to the respondents, it is necessary to:

- promote the resort at the national level;
- organise large-scale cultural and sports events (tourist exhibitions, festivals, competitions) after the removal of quarantine restrictions;
- develop infrastructure;
- strengthen collaboration among entrepreneurs, increase the level of their social responsibility.

#### **5.2.4. The results of the interviews in Prymorsk**

The interviewed women represented 2 age groups: 9 respondents belonged to the middle age group – 38-55 years, 1 respondent – to the older age group – 55+; had different business experience: 6 people – from 1 to 3 years, 2 people – from 3 to 5 years, 2 people – more than 10 years; represented various spheres of activity: 4 women – public catering (cafe), 2 women – service sector (in particular – household), 1 person – entertainment (aerodesign), 1 person – insurance, 1 person – real estate rent, 1 person – land allotment consultations and community service. 8 people are registered as an individual entrepreneur, 1 person has closed the business, 1 person has just prepared to start a business. 6 entrepreneurs indicated that they work without employees, 3 – have from 1 to 3 employees, 1 – from 4 to 10 employees. 4 respondents are IDPs. The in-

interviewed entrepreneurs are payers of the single tax, the single social contribution. In addition, they pay a tax on real estate, on land – if available, tax on employees – if available.

6 out of 10 surveyed businesswomen have had direct experience of interaction with the Prymorsk City Council or its executive committee (appeals to local governments – applications for opening places for trade, applications for social housing for IDPs, restoration of business lost in the ATO, public initiatives for city events) for the last 3 years and have been satisfied with the interaction with local authorities (2 people – fully, 4 people – partially). 9 out of 10 respondents answered they did not feel pressure from local authorities. Only 1 respondent, a representative of the NGO, noted that the previous government (until autumn 2020) created some obstacles in the implementation of projects. Also during the interview while answering to other questions 1 respondent stated that she had faced discrimination by local authorities against IDPs.

*“They promote local entrepreneurs. If a local entrepreneur and an IDP arrive and write the application for the opening a place for trade, preference is given to the local one.”*

Assessing the activities of local authorities, based on a 5-point scale, where 1 – “very bad”, 2 – “bad”, 3 – “average”, 4 – “good”, 5 – “very good”, negative marks prevailed. Thus, the communication of local authorities with business was assessed by 1 respondent as “very bad”, 2 – as “bad”, 6 – as “average” and only 1 – as “good”. The activity of local authorities related to the connection to utilities or facilitating such connection (if the connection is conducted by a monopolist), such as water, heat, gas, electricity supply was rated by 1 entrepreneur as “very bad”, 1 – as “bad”, 6 – “average”, 2 – “good”. Compared to other criteria, slightly worse marks were received by local government measures aimed at supporting business: 2 marks – “very bad”, 2 – “bad”, 4 – “average”, 1 – “good”, and slightly better – provision of administrative services: 2 marks – “very bad”, 5 – “average”, 2 – “good”, 1 – “very good”.

As for the interaction with local authorities, the entrepreneurs mainly focused on the lack of communication between the government and micro and small businesses (secrecy, lack of transparency in activities, “empty promises”, “nepotism”).

*“We went out, protested when the markets closed. The authorities did not even come into contact, no decisions were made.”*

*“The City Council is always busy, they have commissions or something else. All people seem to be positive, but it is difficult to get a particular message across.”*

*“We need more contact and more honesty and openness. Since we started our business, we have not received direct answers, only general responses. We all want the wolves be sated and the sheep intact.”*

*“What we’re saying about their work doesn’t quite match what they’re doing.”*

*“If an entrepreneur is close to the local government, this person will have the green light everywhere. If this is an ordinary person, then the picture will be different”*

There were also complaints about the inaction of the “old” local authorities (before the elections in autumn 2020) regarding the development of the city’s infrastructure.

*“We live on a street where there is no lighting, no asphalt road, nothing. We have been living since 2015, nothing has been done for this time period. I know that lanterns have been bought, I don’t know – by inhabitants of the city or allocated from the budget. We collected signatures that there are lanterns. Nevertheless, we have not yet made the slightest progress.”*

*“We have a resort town. There is no development... People who come to us on holidays have nothing to do, there are some activities only at recreation centers, so the city itself is poorly developed.*

*“Now I see, with the new mayor, landscaping: benches, a path, bicycle paths. I see something is being done.”*



All the interviewees supported the idea of maintaining systematic and sustainable communication between local authorities and micro and small businesses using various formats: offline meetings, round tables, conferences, telephone and online communication (ZOOM-conferences) during quarantine restrictions). 3 respondents still focused on the benefits of "live communication". In addition to establishing a dialogue, the respondents also expect actions aimed at developing infrastructure (roads, sidewalks, street lighting), utilities (it was about poor water quality), health care, attracting investment (to restore abandoned recreation centers, building a water park, hotels).

Regarding the support from the local authorities, none of the interviewed entrepreneurs is familiar with it. Without support at the moment, some businesswomen do not rely on it very much in the future (*"I did not feel any support"*), while others, appreciating their independence, tend to keep distance in relationships with local government (*"I do not apply to them"; "I do not ask for help from them"; "no, I do not feel [support], and thank God"*). There were also businesswomen who cherish certain hopes for support from the authorities in the future (*"while there was no support, cooperation might be possible"*), hope that local authorities will change their position and will stimulate the development of business and encourage citizens to do business (*"We need programs for entrepreneurs, as in other cities. People need to be interested in local authorities. I look at people, they are not eager to do anything at all"*).

Respondents admitted that in order to establish a dialogue with the government, influence its decision-making, Prymorsk entrepreneurs lack solidarity themselves (*"There is no organization of entrepreneurs here, well, they tried to create something like that here. They asked the authorities to cancel tax for 1-2 months. It has met neither approval nor support from the authorities."* *"We have a lot of entrepreneurs, some do not even know each other. And there are different areas, if you put them together, you can prosper and find solutions to common problems together"*).

Prymorsk was the only city where the research highlighted the problem of insufficient integration of IDPs, especially entrepreneurs, into the local community (*"If we take personal relations, it seems normal. But people think that we get some benefits and create a burden for the local budget."* *"They went out, blocked the road [it was about the disagreement of local residents related to the decision of the City Council to give a businesswoman some land for a trade stall]. The mere fact that we are IDPs and from Donbas matters a lot. We are strangers who came here, you know"*).

None of the participants in the study is aware of the formation, adoption, control of the local budget. 9 respondents would like to raise their level of awareness on this issue, but only 3 of them plan to have a further impact on budget policy.

The respondents linked the priority areas of budget expenditures with the improvement of the city (roads, street lighting), landscaping of the coastal zone, renovation of cultural and recreational facilities, development of infrastructure for youth and children's leisure, sports, which will contribute to the formation of the city's image as a tourist destination and further business development.

8 out of 10 businesswomen supported the idea of introducing a rating system for local council deputies, 1 person expressed doubts, 1 person – objections, because she does not believe in the effectiveness of this system. Regarding the rating criteria, the majority of respondents have not yet had a clear idea about them. Some evaluation proposals concerned the regularity of meetings with the community, citizens' assessment of personal meetings with deputies, implementation of projects for the benefit of the community by deputies, activity of deputies during sessions.

Regarding grant support for business provided by public organizations and international foundations, 8 out of 10 interviewed women entrepreneurs know about such opportunities, have been trained in the development of grant applications, business plans. 3 respondents have

experience of grant support from various organizations (IOM, UNDP, Caritas, the Ukrainian Red Cross Society), 2 of them actually started their business thanks to grant support. Discussing the topic of grant support aimed at starting a business for IDPs, the interviewees stressed the need for proper control over the targeted use of grant funds.

*"It's no secret that there were cases when this equipment was simply sold after the project, and the person was not engaged in the business that was planned."*

Respondents mostly receive information about grants from social networks, NGO sites, colleagues, acquaintances, 1 respondent (representative of the NGO) noted that the representatives of the City Council informed her about grant opportunities. 2 respondents are not yet familiar with the topic of grants, but have shown some interest in it.

9 out of 10 interviewees said that their business suffered significant losses during the COVID-19 pandemic. Depending on the field of activity and adaptive capabilities during lockdowns, the total income of some respondents fell by 10%, and others – by 40-45, 70-80%. 1 respondent stated that she did not feel the impact of quarantine restrictions on her business. 1 respondent has just closed her business, but not only for quarantine reasons. 1 respondent postpones the official opening of activities due to quarantine restrictions. 2 businesswomen noted that they were forced to cut jobs. None of the businesswomen felt the support of local authorities during the pandemic. 3 respondents noted that the activities of the authorities focused on monitoring compliance with quarantine restrictions in public places.

During the interview, Prymorsk looked rather depressing in the respondents' descriptions: *"Prymorsk is a small city and there is nothing here. Resort and recreation centers are located along the coast and not all of them work."* *"There are a lot of abandoned resort centers."* *"Buildings that are damaging are still here."* *"There is nothing for those who come on holidays."* *"There is nothing for children."* *"There is nothing in this city. After 5 pm this city dies. Everything must be improved here. Even the holiday season does not save this city. Something is happening at the resort centers, nothing is happening in the city."* *"There are no jobs."* *"School is planned to be closed"* *"Young people are leaving. Only old people remain... Poor, God-forgotten town."*

However, only 1 respondent rated the business climate in the city as "very bad", 3 – as "bad" / "rather bad", 4 – as "average", and 2 – as "rather good" / "good". The entrepreneurs try to look to the future with optimism (*"there are vacationers, we do not close, there is nothing terrible"*).

To improve the business climate, according to the respondents, it is necessary to:

- increase the degree of openness of local authorities, their willingness to dialogue with entrepreneurs;
- provide support to business;
- ensure the integration of the Prymorsk business community;
- overcome barriers in the perception of IDP entrepreneurs by the local community;
- activate the local residents.

### 5.2.5. The results of the interviews in Yalta

The interviewed women represented 3 age groups: 2 young people – 18-35 years, 7 middle-aged people – 36-55 years, 1 – older age – 55+ years; had different business experience: 3 people – from 1 to 3 years, 1 person – from 5 to 10 years, 6 people – more than 10 years, represented different spheres of activity: 1 person – hotel and restaurant and agricultural business, 1 person – welding works, metal structures, 2 persons – trade, 1 person – tourism, 4 persons – services (legal, accounting, individual), 1 person – education. 9 interviewees were registered as individual entrepreneurs, 1 person did not specify the organizational and legal form of entrepreneurial activity. 8 entrepreneurs indicated that they work without employees, 1 – have

from 1 to 3 employees, 1 – from 4 to 10 employees. The respondents work legally, are payers of single tax, the single social contribution. In addition, they pay a tax on real estate, on land – if available, tax on employees – if available.

5 out of 10 businesswomen have had experience of interaction with the Yalta settlement council (personal or online appeals with proposals, petitions, including the establishment of a public council) for the last 3 years. 1 person is completely satisfied with the interaction, 1 person – partially, 3 people – dissatisfied, 1 person did not provide an answer to this question.

6 women gave negative answers to the question regarding the pressure of local authorities on entrepreneurs, 3 of them added – “not yet”. 4 businesswomen confirmed such pressure, 2 of them spoke about the prevalence of corrupt practices under the “previous” (before the creation of Mangush amalgamated community and local elections in autumn 2020) government (*“there was an attempt to” take” my land made by the local government”, “it is very difficult to do anything here without a bribe ”*), and 2 interviewees spoke about illegal actions of police concerning imposing penalties during quarantine.

Assessing the activities of local authorities, based on a 5-point scale, where 1 – “very bad”, 2 – “bad”, 3 – “average”, 4 – “good”, 5 – “very good”, negative and average marks prevailed. Thus, 3 respondents assessed the communication of local authorities with business as “very bad”, 1 – as “bad”, 3 – as “average”, 1 – as “good”, 1 – as “very good”. Regarding the activity of local authorities related to the connection to utilities or facilitating such connection (if the connection is conducted by a monopolist), such as water, heat, gas, electricity, 4 entrepreneurs rated it as “very bad”, 1 – “bad”, 3 – “average”, 1 – “good”, 1 – “very good”. Compared to other criteria slightly worse marks were received by local government measures to support business: 4 marks – “very bad”, 2 – “bad”, 2 – “average”, 1 – “good”, 1 – “very good”, and somewhat better – the provision of administrative services: 2 marks – “very bad”, 2 marks – “bad”, 2 marks – “average”, 1 mark – “good”, 3 marks – “very good”.

During the interviews, the women described the actions of the previous local authorities as unsatisfactory due to their indifference and inertia, unwillingness to resolve issues of urban development and local budget, lack of dialogue and cooperation with entrepreneurs.

*“The local government, which was before, was not interested in what is done on the coast and how it is done. Entrepreneurs themselves do something to make people come to us and have holidays here... There are no locker rooms near the sea... There is no toilet even”*

*“I offered to write grant programs. ... I addressed the local authorities, unfortunately, we were not heard.”*

The female entrepreneurs have some hopes for the newly elected government of Mangush amalgamated community to establish a dialogue “local government – community” (*“Maybe now something will change, let’s see...” “they are doing something now, maybe it will bring results in the future ...”*). At the same time, they are concerned about the secrecy of the “new” government, especially regarding cooperation with NGOs, the adoption of strategic documents, development plans without proper discussion with the public and entrepreneurs.

*“They’re so busy, forming something... And no one knows what...”*

*“We are not allowed to be present at the sessions. We are ready to come, we are interested. ”*

*“I want them to talk to us and ask what we need. I want them to be with us on the same wavelength, so that we could hear each other... ”*

*“Our amalgamated community is developing a tourist program. ... Of course, we would like to take part in the development... We have created a non-governmental organization of entrepreneurs. We are ready to cooperate, draft and do it together. We officially met [with the head of the amalgamated community]... I gave the letter and now we do not know how we will work together. We will see. ”*

All the interviewees fully supported the idea to establish systematic and sustainable communication between local authorities and micro and small businesses using flexible formats: offline meetings, round tables, conferences, telephone or online communication during quarantine restrictions (*"this may be in any form convenient to everyone"*). Some participants preferred "live communication", others, on the contrary, see corruption risks in personal meetings with the authorities, and also considered online communication to be more dynamic. Emphasis was placed on planning interaction systematically (*"it is necessary to conduct some meetings systematically."* *"There must be a plan ... Every year, after winter, we should meet in the amalgamated community council."* *"It should be a platform ... Not everyone should come and ask for something individually, these problems apply to everyone"*).

In addition to establishing communication with business, according to businesswomen, the newly elected government should focus on solving the environmental problem associated with siltation of the seabed in the region, and on the improvement of the settlement (beaches, promenade, recreation areas, roads, sidewalks, water, garbage removal, landscaping, street lighting), without which it is impossible to develop the resort area.

The respondents also linked the development of business in Yalta with the need to reduce the tax burden, especially in times of pandemic. There were complaints about the increase in real estate tax rates three times. In the context of taxation, there was also a negative trend of closing business in the Donetsk region.

*"Today the situation is critical in the Donetsk region..., 100 thousand entrepreneurs are closing their business. We have a lot of those who close their business in the area. They [entrepreneurs] cannot make any profits in the niche they have occupied, it is easier to close."*

However, the research demonstrated that in order to protect their interests in terms of taxation, entrepreneurs significantly lack knowledge and experience in the procedures related to developing regulatory acts. Only 1 respondent out of 10 was competent in this issue. 7 respondents are completely uninformed, 2 respondents have some information, but in practice have not encountered this issue. 9 women expressed a desire to be trained in this issue to understand the procedure related to developing and adopting regulatory acts.

9 out of 10 women were unaware of the formation, adoption, control of the local budget. 2 respondents expressed a desire to increase their level of awareness on this issue, 3 entrepreneurs distanced themselves, believing that they have no leverage on budget expenditures (*"As for the local budget... I think it does not concern me."* *"It does not depend on us."* *"Probably, an ordinary citizen cannot affect it any way"*). 1 respondent, who was aware of the issue, expressed concern about ensuring proper transparency in the distribution of budget funds by the new local government (public hearings, detailed reporting through the official website), given the current position of "secrecy" in communication with the community.

*"Everything will be very hidden this time. It will be critical, maybe because of the transition period, the reform is underway, I see the secrecy of all this. The openness of information and reporting is probably really important for ensuring a regulatory mechanism."*

The respondents linked the priority areas of budget expenditures with the improvement of the settlement, improvement of transport links, development of tourist locations (*"we have an incredible number of beds, we do not have tourism"*), as well as with the development of medicine, education, children and youth leisure. Only 1 respondent spoke about the need to reorient the policy of forming the local budget from the "budget with high maintenance costs" to the "development budget", referring primarily to the policy of stimulating the creation of new jobs in the settlement.

All interviewed entrepreneurs welcomed the idea of introducing a rating system for local council deputies, hoping that this would increase the level of transparency and efficiency of depu-

ties. At the same time, only half of them had a specific idea of the form, procedure and rating criteria. Thus, the evaluation criteria were: fulfillment of the promises, constant communication with voters, joint solution of problematic issues, openness.

Regarding the support of business provided by local authorities, 5 respondents found it difficult to answer this question due to their own lack of information on this issue. The rest spoke (often in the spirit of traditional paternalistic expectations) both about the local government's responsibility for creating a favorable business climate in the settlement and about specific areas of support – information, organisational, logistical, financial – most of which are currently poorly implemented.

*"There is not enough... information field. There is no knowledge of who does what. Each of us lives separately here. If there was a unifying component, doing business would be much easier. The authorities must do that."*

Among the positive examples of support, the respondents mentioned the provision of real estate by the settlement council for business and some entrepreneurs receive grant support under the regional SME development program "Donetsk Kurkul", funded from regional and local budgets on a 50:50 basis.

Regarding grant support for business by NGOs and international foundations, 2 out of 10 entrepreneurs were unaware of this issue, 4 respondents have some knowledge, track information, but have not yet applied for grants. 4 people expressed interest in obtaining information about grant support and training on the development of grant applications. 1 person provides advisory and mentoring support to other entrepreneurs in finding and receiving large grants. 3 respondents have won up to 5 grants (from IOM, USAID, UNDP, Caritas, the Danish Refugee Council), thanks to which they started and developed their own business. Discussing the effectiveness of grant support, the participants stressed the need to monitor the targeted use of grant funds and promote the success stories of entrepreneurs supported by donors.

*"It often happens: a person took money but did not succeed. Then the person has nothing to do but again beg for support. And the results of this activity are abandoned. Donors do not collect stories... [It is important that] they not only talk and show a beautiful picture, but explain why this particular business is successful."*

Eight out of 10 interviewees reported that their business suffered significant losses during the COVID-19 pandemic. Depending on the field of activity and adaptive capabilities during lockdowns, the total income of some respondents fell by 20-30%, and others – by 40-50%, 70-80%. The respondents are afraid of a possible third lockdown. The change of scope of activity (from the hotel business to agriculture) was mentioned as one of the adaptation practices. 1 respondent did not feel any impact of the pandemic, while the other interviewee noted that quarantine restrictions contributed to the development of her business via the Internet. None of the businesswomen felt the support of local authorities during the pandemic. On the contrary, they talked about the reluctance of the authorities (busy with the elections) to deal with the problems of business during lockdowns, namely – the pressure to close, when retail space is of such size that it is allowed to conduct activities, strict control and fines (*"Only the lazy person did not check. At first they banned everything, and then they immediately began to check"*), raising tariffs for garbage and water.

The business climate in Yalta was assessed as "average" by 9 out of 10 respondents (*"the location is not developing, but it is not dying at all"*), only 1 respondent assessed it as "good". The improvement of the business climate was mainly linked to:

- *development of the tourist infrastructure of the settlement;*
- *improvement of logistics and promotion of the resort;*

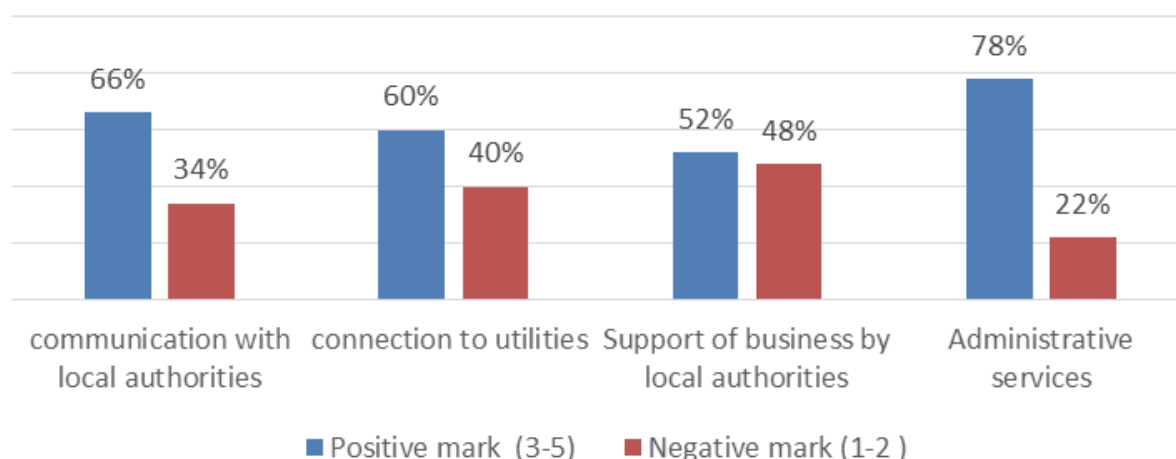


- *dialogue and constructive cooperation between the newly elected local authorities and entrepreneurs;*
- *implementation of micro, small and medium business support programs.*

### 5.3. Generalized results of the interviews

1. The majority of the businesswomen (30 people (60%)) who took part in the interviews had experience of interaction with local governments – proposals, complaints, petitions; public initiatives, etc.) for the last 3 years. The vast majority of them – 22 people (78%) – were fully or partially satisfied with the results of interaction, and 8 people (27%) – no. 10 out of 50 respondents (20%) in the course of business activities faced pressure from local authorities (in Berdiansk and Yalta more often).

2. The majority of the respondents (33 people (66%)) assess communication with local authorities positively – 3-5 points (“average”, “good” or “very good”). The most positive situation with communication is in Kyrylivka, negative assessments (1-2 points – “very bad”, “bad”) prevail only in Berdiansk. The activity of local authorities related to the connection to utilities or facilitating such connection (if the connection is conducted by a monopolist), such as water, heat, gas, electricity was rated slightly worse than the communication criteria, but still with a predominance of positive marks – 30 people (60%) gave 3-5 points. Higher marks were observed in Mariupol, and negative marks prevail in Berdiansk. In the assessment of measures taken by local authorities to support business, the interviewees were divided in half – 26 respondents (52%) tended to assess positively and 24 respondents (48%) – negatively. The situation is somewhat worse in Yalta and Berdiansk, while it is better in Mariupol and Kyrylivka. The best marks were given to administrative service centres – 39 people (78%) rated them positively. Higher marks were observed in Mariupol, where several modern administrative service centres operate, and in Kyrylivka, where administrative services are provided by a settlement council (see Figure 3).



**Figure 3. Assessment of interaction between entrepreneurs and local authorities (n = 50 people)**

3. Regarding the existing problems in interaction with local authorities, the entrepreneurs mainly focused on the lack of communication (closedness, lack of transparency in activities, bureaucratization), lack of dialogue between local authorities and micro, small business. In cities where communication is already more or less established (Mariupol, Kyrylivka), the respondents expressed wishes for greater efficiency and effectiveness in the activities of local authorities, especially where interdepartmental cooperation is needed.

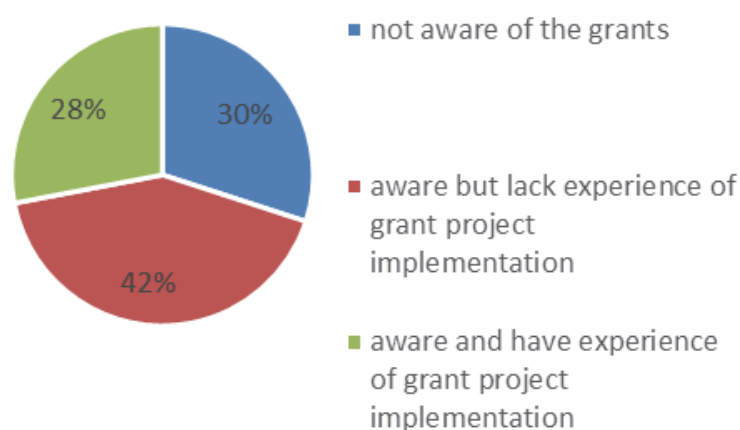


4. The vast majority of the interviewees supported the idea of developing systematic and sustainable communication between local authorities and micro and small businesses using flexible formats: offline meetings (round tables, conferences), telephone and online communication (ZOOM-conferences, chatbots, telegram channels, etc.). At the same time, the “live communication” is more preferable, as it contributes to the formation of trust. The respondents also stressed the need for entrepreneurs to collaborate with each other to effectively address local problems.

5. In order to increase the efficiency of local council deputies, 40 out of 50 interviewed businesswomen (80%) consider it necessary to introduce a system of rating for deputies.

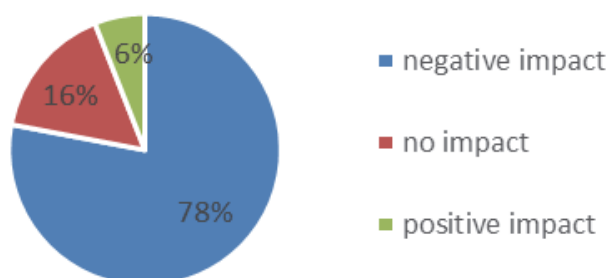
6. 40 out of 50 women entrepreneurs (80%) have a poor knowledge of the procedures for drafting regulatory acts, and 45 out of 50 respondents (90%) are unaware of the ways how to affect the budget spending, and distance themselves from these areas of cooperation with local authorities. At the same time, the respondents showed openness to learning, a desire to become more active in order to protect their rights.

7. 14 interviewees (28%) have a positive experience of grant support provided by NGOs and international foundations, thanks to which they have started or are developing their business. At the same time, almost a third of the interviewed women (15 people (30%)) are generally unaware of grant support opportunities (see Figure 4).



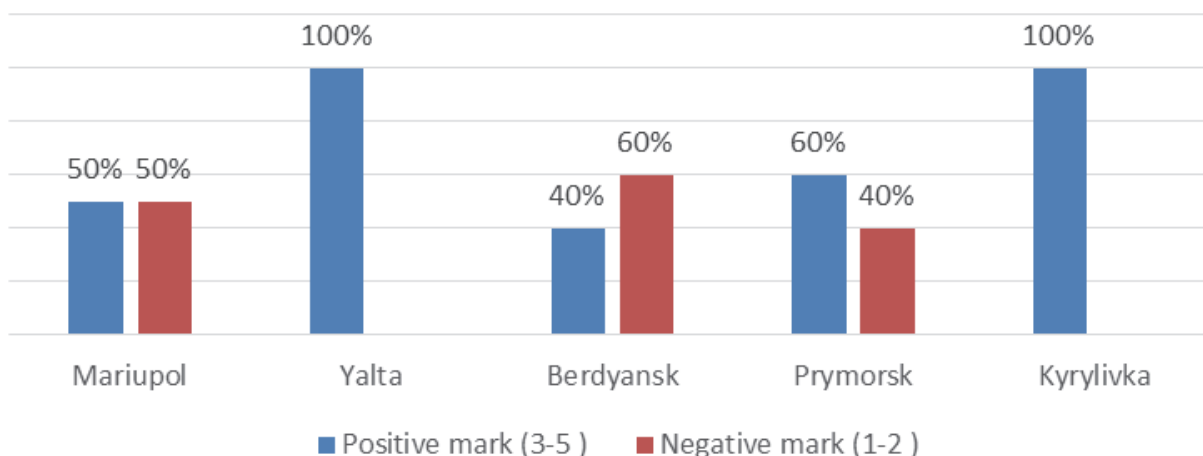
**Figure 4. Awareness of grant support (n = 50 people)**

8. The vast majority of the respondents (78%) felt a significant negative impact of the COVID-19 pandemic on their business activities. Only 8 interviewed women (16%) did not feel the impact, and 3 people (6%) due to the new conditions were even able to develop their activities in new directions (see Fig. 5). 46 out of 50 women entrepreneurs (92%) stated that they were not supported by local authorities during the pandemic and are currently overcoming the problems on their own.



**Fig.5. Impact of the COVID-19 pandemic on business (n = 50 people)**

9. With the exception of Berdiansk, the business climate in other selected locations was assessed positively by the respondents – 3-5 points (“average”, “good” or “very good”) (see Fig. 6).



**Figure 6. Assessment of the business climate (n = 50 people)**

10. In addition to establishing dialogue and constructive cooperation between local authorities and entrepreneurs, overcoming corruption, “nepotism”, the interviewees associated the improvement of the business climate with the development of infrastructure (which is especially important for tourism development in the Sea of Azov region); improvement of logistics and promotion of tourist centers; transparency of requirements for conducting business activities; maintaining fair competition in the business environment and integration of entrepreneurs; implementation of comprehensive local programs to support micro, small and medium-sized businesses (including information, training and consulting, financial aspects).

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## RECOMMENDATIONS

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### **For local governments in the locations covered by the research:**

- to develop targeted programs to promote business development taking into account the gender dimension, namely to provide measures to support women's entrepreneurship and ensure public involvement in their discussion;
- to conduct an independent expert-analytical assessment of the quality of local regulatory policy in general and regulatory acts in particular, to create a comprehensive system for disseminating information about local regulatory policy, to raise public awareness about it, to involve the citizens in developing and adopting regulatory acts;
- to provide full, reliable, timely information to citizens about the activities of local governments in the field of economic development of communities on the websites of local councils; to ensure mandatory publication of annual personal reports of local council deputies;
- to introduce a system of public rating for deputies of local councils where it is absent;
- to establish systematic and constant communication between local authorities and micro and small businesses using flexible formats: offline meetings and online communication (ZOOM-conferences, chatbots, telegram channels, etc.).

### **For non-governmental organisations, business community, local governments in the locations covered by the research:**

- to raise awareness among business community and local government representatives of grant programs aimed at starting and restarting business activities in general and women's entrepreneurship in particular, development of local infrastructure and promotion of innovation potential of territories, to organise trainings on attracting financial resources (grants) for women entrepreneurs and local government representatives;
- to establish constructive cooperation between entrepreneurs through the creation of business development centers, common spaces for communication, non-governmental organisations that promote the association of entrepreneurs.

### **For non-governmental organisations and local governments in the locations covered by the research:**

- to deepen cooperation in the field of economic analysis of enterprises, taking into account the gender dimension, to identify groups that may become a point of growth in the region.

### **For territorial bodies of the Ministry of Justice of Ukraine, the State Tax Service of Ukraine, the State Statistics Service of Ukraine, the State Employment Service:**

- to collect statistical data of individual entrepreneurs taking into account the gender dimension;
- to collect statistical data of the management of enterprises taking into account the gender dimension.

## APPENDIX 1

### GEOGRAPHY OF THE RESEARCH

#### ZAPORIZHZHIA REGION



**SQUARE km<sup>2</sup>: 27183**

**POPULATION:**

**1682534**

**NUMBER OF**

**DISTRICTS: 5**

**NUMBER OF**

**COMMUNITIES: 67**

Source: <https://decentralization.gov.ua/news/12639>

Name of district	Number of communities	Square km <sup>2</sup>	Population
Berdiansk district	8	4466.0	181521
Vasylivsk district	11	4395.0	186508
Zaporizhzhia district	17	4600.9	865877
Melotipol district	16	6508.77	278944
Pologiv district	15	6766.7	169684

#### Berdiansk DISTRICT

Name of community	Type of community	Square km <sup>2</sup>	Community composition	Population
Andrivska village-level amalgamated territorial community	village	195.3		3302
Andriyivska settlement-level amalgamated territorial community	settlement	497.7		7100
Berdiansk <b>city-level amalgamated territorial community</b>	city	250.0	Azovske village, ** <b>Berdiansk CITY</b> , Novovasylivka village, Roza village, Shovkove village	114110
Berestiv village-level amalgamated territorial community	village	499.3		4530

Name of community	Type of community	Square km <sup>2</sup>	Community composition	Population
Kolarivka village-level amalgamated territorial community	village	423.4		5722
Osypenko village-level amalgamated territorial community	village	421.1		7468
Prymosk city-level amalgamated territorial community	city	979.7	Azov village, Banivka village, Borysivka village, Vyacheslavka village, Inzivka village, Kalynivka village, Komyshuvatka village, Lozanivka village, Lozuvatka village, Manuylivka village, Marynivka village, Naberezhne village, Novooleksiyivka village, Novopavlivka village, Orlivka village, Petrovka village, Podspor village , ** <b>CITY OF PRYMORSK</b> , Preslav village, Raynivka village	23144
Chernigiv settlement-level amalgamated territorial community	settlement	1199.5		16145

\*\* Administrative center of the territorial community.

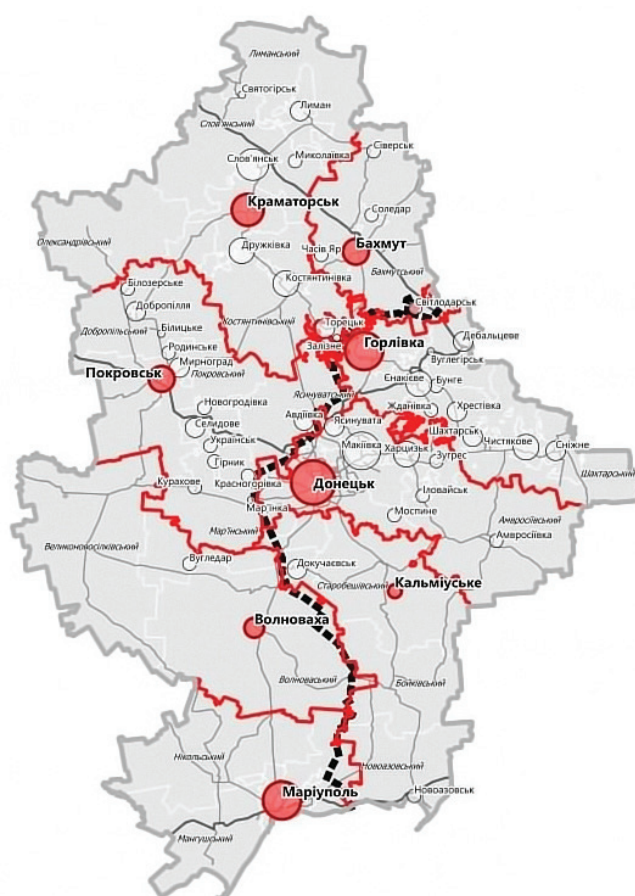
## MELITOPOL DISTRICT

Name of community	Type of community	Square km <sup>2</sup>	Community composition	Population
Vasylivka settlement-level amalgamated territorial community	settlement	562.2		13935
Kyrylivka settlement-level amalgamated territorial community	settlement	605.7	Atmanay village, Vovche village, ** <b>KYRYLIVKA URBAN-TYPE SETTLEMENT</b> , Kosykh village, Lymanske village, Nove village, Okhrimivka village, Solone village	6626
Kostyantynivka village-level amalgamated territorial community	village	230.6		14604
Мелітопольська міська територіальна громада	city	55.8		151948
Мирненська селищна територіальна громада	settlement	196.7		5512
Novensk village-level amalgamated territorial community	village	244.9		5107
Novobogdanivka village-level amalgamated territorial community	village	198.0		5050
Novovasylivsk settlement-level amalgamated territorial community	settlement	728.0		7721
Novouspenivka village-level amalgamated territorial community	village	296.3		3538
Oleksandrivka village-level amalgamated territorial community	village	189.77		1368
Plodородnensk village-level amalgamated territorial community	village	155.7		3421
Pryazovska settlement-level amalgamated territorial community	settlement	572.4		12324

Name of community	Type of community	Square km <sup>2</sup>	Community composition	Population
Semenivka village-level amalgamated territorial community	village	590.3		9468
Terpinnivska village-level amalgamated territorial community	village	365.7		9259
Chkalove village-level amalgamated territorial community	village	270.6		3199
Yakymivka settlement-level amalgamated territorial community	settlement	1246.1		25864

\*\* Administrative center of the territorial community.

## DONETSK REGION



**SQUARE km<sup>2</sup>: 26517**

**POPULATION:**

**1843578**

**NUMBER OF**

**COMMUNITIES:46**

**NUMBER OF**

**DISTRICTS: 8**

Source: <https://decentralization.gov.ua/news/12639>

* Name of district	Number of communities	Square km <sup>2</sup>	Population
Bakhmut district	7	1754.2	223805
Volnovakha district	8	4456.5	143951
Kramatorsk district	12	5196.1	560903
Mariupol district	5	2628.7	516228
Pokrovsk district	14	4010.7	398691

\* Excluding the territories of the temporarily occupied districts of Donetsk region.



## MARIUPOL DISTRICT

Name of community	Type of community	Square km <sup>2</sup>	Community composition	Population
Mangush settlement-level amalgamated territorial community	settlement	636.3	Azovske village, Babah-Tarama village, Bilosaraiska Kosa village, Buryakova Balka village, Hlyboke village, Demyanivka village, Zakhariivka village, Komyshuvate village, ** Mangush settlement, Melekine village, Ogorodne village, Portivske village, Starodubivka village, Ukrainka village, Urzuf village, Yurievka village, <b>YALTA URBAN-TYPE SETTLEMENT</b>	21615
Mariupol city-level amalgamated territorial community	city	377.2	Agrobaza village, Berdianske village, ** <b>MARIUPOL CITY</b> , Pokrovske village, Pryazovske village, Prymiske village, Rybatske village, Stary Krym township, Chervone village, Shevchenko village, Shiroka Balka village	446336
Kalchyk village-level amalgamated territorial community	village	440.9		10083
Nikolske settlement-level amalgamated territorial community	settlement	782.0		17254
Sartana settlement-level amalgamated territorial community	settlement	392.3		20940

\*\* Administrative center of the territorial community

## APPENDIX 2

### NUMBER OF ENTREPRENEURS IN THE TERRITORIES COVERED BY THE RESEARCH

Territories covered by the research	Mariupol city-level community (including Mariupol city)	Berdiansk city-level community (including Berdiansk city)	Prymorsk city-level community (including Prymorsk city)	Kyrylivka settlement-level community (including urban-type settlement Kyrylivka)	Mangush settlement-level community (including urban-type settlement Yalta)
Number of business entities	30065 (as of 01.01.2021)	12643 (12211)	2068 (1771)	1998 (1464)	195 (50)
Number of legal entities	15873 (as of 01.01.2021)	2893 (2788)	354 (307)	473 (307)	2
Number of individual entrepreneurs	14192 (as of 01.01.2021)	9750 (9423)	1714 (1464)	1525 (1157)	193
Number of women entrepreneurs	No data provided	No data provided	No data provided	No data provided	93
Is the number of women entrepreneurs recorded by the local self-government body?	Not recorded	Not recorded	Not recorded	Not recorded	Recorded

