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## The Fight Against Corruption



Ukrainian Prime Minister Arseniy Yatsenyuk addresses the International Anti-Corruption Conference in Kyiv on Nov. 16. (Andrew Kravchenko)

BY ALLISON QUINN  
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The country's maturing civil society and media are exposing fresh details of suspected wrongdoing in government as the nation's leaders talk tough about fighting corruption, with little to show by way of success.

What investigations have revealed is that people in both the president's and prime minister's circles are suspected of involvement in corrupt schemes, sometimes in collusion with each other, as if to dispel a

popular assumption that the two are rivals.

Ukrainian Prime Minister Arseniy Yatsenyuk, however, is still trying to put a shine on his tarnished reputation as a corruption fighter.

"We're appealing to our European partners: we need help in rooting out corruption," Yatsenyuk said at the International Anti-Corruption Conference in Kyiv conference on Nov. 16. He asked for the West to set up a fund to pay for higher salaries to judges, prosecutors and other civil servants — ostensibly to keep them from resorting

to bribe-taking and corrupt schemes. He also asked for Western expertise in fighting crime and corruption.

But given the emergence of more details of more shady business that top officials are said to be involved in, the prime minister's remarks rang hollow with many people.

Days earlier, on Nov. 10, a report by Liga.net alleged that people close to Yatsenyuk and President Petro Poroshenko control the Odesa Portside Plant, a prized state-owned asset that officials have slated for privatization.

The prime minister's spokeswoman, Olga Lappo, did not immediately respond to a request for comment on the latest allegations. Poroshenko's spokesman, Sviatoslav Tsegolko, did not reply to a request for comment.

In late October, Odesa Portside Plant signed a gas contract with an obscure Austrian company linked to lawmaker Mykola Martynenko, a close ally of Yatsenyuk, according to Liga.net.

That company, Antra GmbH, has never before supplied gas and previously worked in telecommunications, yet it was selling gas to the →3

Local elections show voters want to divide power among several forces

BY OKSANA GRYTSENKO  
 GRYTSENKO@KYIVPOST.COM

Technically, the local election results can be considered a win for Ukrainian President Petro Poroshenko and his Solidarnist party.

An analysis by the Rating sociological group shows that the Poroshenko allies got just 19 percent of the overall vote in Ukraine's local elections and mayoral races. If accurate, that puts his forces ahead of others, but the results hardly constitute a resounding endorsement.

The elections began on Oct. 25, continued with runoff elections on Nov. 15 and will wind up on Nov. 29 with votes in two cities, Mariupol and Krasnoarmyisk, where problems forced a rescheduling of elections in both Donetsk Oblast municipalities.

None of the multitude of competing parties could be said to have emerged as a dominant political force, with a convincing national mandate, experts say.

That's not surprising: polls ahead of the vote indicated broad public disappointment with the post-EuroMaidan Revolution government, with Prime Minister Arseniy Yatsenyuk's People's Front party choosing not to even put up candidates due to its dismal ratings. And Poroshenko's party only bested the rest by capitalizing on rivalries among local political groups and oligarchs, said Volodymyr Fesenko, head of the Penta political think tank.

Even playing off local animosities wasn't enough for Poroshenko's party to dominate. "Petro Poroshenko's Bloc will have to seek compromise with other forces — which is good," Fesenko added.

Valentyna Romanova, local and regional policy expert at New Ukraine think tank, agreed. "The election results show that local politics is more diverse than we had expected," she said.

All the same, Poroshenko's Solidarnist did win the mayoral seats in Kyiv, Zhytomyr and Chernihiv. In some big cities, including Kherson, Vinnytsia and Rivne, pro-presidential forces also backed independent mayoral candidates, helping them to win.

The president said on Nov. →11

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CURRENCY WATCH

Hr 25.2 to \$1

Nov. 19 market rate



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# Lawmaker: Shokin obstructing case against Yanukovych's former deputy prime minister

BY MARK RACHKEVYCH  
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Lawmaker Sergii Leshchenko alleges Prosecutor General Viktor Shokin has since July failed to send a case to parliament to have lawmaker Yuriy Boyko, a former deputy prime minister under disgraced ex-President Viktor Yanukovych, stripped of prosecutorial immunity. Leshchenko said there is evidence to justify the arrest of Boyko on suspicion of organized crime, including illegal acquisition of property.

Boyko, 57, who heads the Opposition Bloc parliamentary faction, called the accusations "a regular attack on the opposition," adding they are "baseless...and just words and political pressure," according to a written response to the Kyiv Post.

The prosecutor's office didn't respond to a Kyiv Post request for comment, and spokesman Andriy Demartyno wouldn't answer his phone or respond to a text message.

Leshchenko said that while Boyko served under Yanukovych, he allegedly joined an "organized crime group" that was involved in selling liquefied natural gas intended for households to industrial consumers. The scheme, suspected of being headed by Yanukovych front man Serhiy Kurchenko, earned the group more than \$700 million on the price difference, Leshchenko said, citing the case in a blog published on Ukrainska Pravda on Nov. 12 and in messages sent to the Kyiv Post.

The group set up shell companies affiliated with Kurchenko to buy liquefied natural gas intended for household



Opposition Bloc parliamentary faction head Yuriy Boyko speaks on March 31 in Kyiv. (UNIAN)

consumers from state-run companies at auction prices that were 20 percent of market value, according to Leshchenko.

Instead of selling the LNG to households at strictly regulated prices, the companies would sell it to industrial buyers at market rates.

Boyko allegedly looked the other way when household demand for LNG was artificially inflated at times by 25-30 times to justify the auctions taking place.

Kurchenko, who fled Ukraine after the EuroMaidan Revolution in February 2014, is wanted by the Ukrainian authorities for large-scale tax evasion.

He is suspected of systemically colluding with Yanukovych's administration and failing to pay the state \$130 million in tax, and for allegedly stealing \$180 million from bank investors, according to claims by former General Prosecutor Vitaly Yarema cited by Reuters.

Boyko, in turn, described the accusations as a political witch hunt against him and Opposition Bloc, an offspring of the former ruling Party of Regions.

"I consider the accusations against me and the Opposition Bloc as an attempt to tarnish the image of our political power...and discredit the real opposition in the country," he said, adding that the purpose of the alleged attacks have a "contrived pretext."

Speaking in parliament, Lyovochkin described the allegations as an "attack on a real opposition force," Interfax Ukraine reported.

If the case goes ahead, Boyko would be the highest former Yanukovych official to be prosecuted in Ukraine to date. Ukrainian officials, including Prime Minister Arseniy Yatsenyuk, have said Yanukovych and his former entourage stole \$30-\$100 billion from the Ukrainian people during their four years in power, which ended on Feb. 22, 2014.

Boyko's former subordinate at the energy ministry, Vasyl Drahan, helped stall the case against the former deputy prime minister for four months, according to Leshchenko. Currently Shokin's

senior assistant at large, Drahan headed the internal corruption prevention department of the energy ministry from Aug. 18, 2010 to April 22, 2013. Boyko served as energy minister until December 2012.

Drahan has an employment history with Shokin that precedes and follows his tenure at the Energy Ministry. In 2005, he worked in the central investigation department of the prosecutor's office under Shokin. He was also the senior assistant to Shokin when he was deputy prosecutor general under Vitaliy Yarema.

ists, however, subsequently found that these additional services were added on as part of a cover-up that included forgery via back-dated contracts.

Boyko, a third-term lawmaker, also is a close associate of Dmytro Firtash, who has ties with the Kremlin and once controlled the non-transparent yet lucrative gas trade between Russia and Ukraine. Firtash has been indicted in the United States for racketeering and bribery attempts, charges that the Ukrainian tycoon denies.

According to U.S. diplomatic cables, Boyko helped set up the Swiss-registered RosUkrEnergo – the former monopoly gas supplier to Ukraine – and sat on one of its boards. He has also wielded power-of-attorney control over Firtash's assets in the past.

Two other Yanukovych allies that are currently facing trial are ex-Justice Minister Olena Lukash and Oleksandr Yefremov, who led the former ruling Party of Regions.

Lukash is suspected of embezzling Hr 2.5 million in public funds and forgery while serving as justice minister in 2013-2014. She has denied all of the accusations and called the case against her "fabricated." She has been released on bail.

Lukash also was sanctioned by the European Union following the EuroMaidan Revolution, which imposed a travel ban and asset freeze, measures that are still in force.

On Jan. 15, 2014, a day before parliament voted for a series of draconian laws that severely curbed civil liberties at the height of the EuroMaidan protests, Lukash said that Ukrainian police had every right to use force to stop the "illegal" actions of the protesters.

Luhansk native Yefremov, who headed the Party of Regions, is facing charges of abuse of power and forgery of documents related to the illegal approval of the draconian "dictatorship" laws of Jan. 16 that would have severely curtailed civil liberties in Ukraine. He has been released on bail. He made a not guilty plea in a Kyiv court on Nov. 13.

Kyiv Post editor Mark Rachkevych can be reached at rachkevych@kyivpost.com.

➔  
**Leshchenko:  
Prosecutors  
have case  
ready on  
Yuriy Boyko**

The charges against Boyko, a native of Horlivka in Donetsk Oblast, carry a prison sentence of up to 12 years and the confiscation of property. The alleged case file also states that Boyko has failed to appear for questioning at the prosecutor's office, which is the reason why the authorities are seeking his arrest.

Boyko and Drahan were also at the Energy Ministry when Chornomornaftogaz, a state-owned subsidiary of oil and gas monopoly Naftogaz, purchased two state-of-the-art oil rigs at inflated prices from Singapore in 2011. One rig, according to investigative reports by TVi television channel and Dzerkalo Tyzhnia newspaper, cost some \$150 million more than the original price tag.

Boyko in the past attributed the price discrepancy to additional equipment being bought and services being rendered during the sale. TVi journal-

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# Fresh corruption scandals dent credibility of leaders

→1 Odesa plant at inflated prices. Its website – set up just days before the contract was signed – is nearly empty, with little information on employees.

Amid reports that the company is a front for Ukrainian officials, the director of Antra GmbH, Eugen Hinricks-Schramm, held a press conference in Kyiv last week.

“Nobody from the Ukrainian government is a founder,” he said, adding cryptically that “our founders don’t want publicity.” Interfax-Ukraine reported on Nov. 12.

Hinricks-Schramm is listed as the owner of nearly a dozen companies in the Slovak business register, though none seem to be operating currently.

Until May, the company was known as System Actives GmbH and it was involved in telecommunications. At that time, its sole owner was Leonid Marchuk, a Ukrainian living in Vienna. Marchuk’s former business partner is Mikhail Vergeles, who managed a company belonging to the energy company BRINKFORD, owned partly by Mykola Martynenko.

Critics say the company was created by proxies of Ukrainian officials to secure the contract for gas supplies and use the opportunity to skim money off the factory’s proceeds.

Martynenko has repeatedly denied the allegations against him. In comments to the Kyiv Post sent by his spokesman Andriy Lyashenko, Martynenko attributed the latest claims to a “campaign to discredit” him.

“Myths have simply been created, and they have been circulating for many... years. What have they led to, these myths? Where’s the proof?” Martynenko said in an interview with Liga.net published on Nov. 18.

His comments came in response to a question regarding yet another scandal, the supply of uranium concentrate to the Ukrainian state-owned company VostGOK through an Austrian shell company, Steuermann Investitions.

Last June, the Security Service of Ukraine, or SBU, probed a scheme between VostGOK, the Stepnogorsk Plant in Kazakhstan and Steuermann Investitions that reportedly put a \$10 million dent in the state budget. The deal saw VostGOK purchase uranium concentrate from the Kazakh plant through the Austrian company – despite the fact that VostGOK is meant to produce its own uranium concentrate.

But journalists at Ukrainska Pravda say Martynenko is behind it all. Steuermann Investitions, the mysterious Austrian outfit at the center of the questionable uranium deal, is part of the supervisory council of the Zaporizhia Abrasives Plant, which has been linked to Martynenko.

Journalists who conducted the investigations said they were warned of an “information war” to “neutralize” them, Sevghil Musaieva-Borovik, the chief editor of Ukrainska Pravda, wrote on her Facebook page on Nov. 15.

That warning was followed by a strange phone call made to lawmaker Svitlana Zalishchuk, a friend of lawmaker Sergii Leshchenko. Answering a call from Leshchenko’s phone number, she heard the voice of an unknown caller who warned of “provocations” and said that her and Leshchenko’s phones were being tapped, Zalishchuk wrote on Facebook.

Martynenko, who heads the parliament’s energy committee, faces investigation by Swiss authorities for alleged money laundering, as well as a separate probe by Czech authorities in connection with the same case, according to documents published by Leshchenko.

Yatsenyuk said in a recent interview with Politico that he had not ordered a parliamentary investigation into Martynenko because his ally “strongly denies all these allegations.”

Poroshenko has also seen some of his allies accused of corrupt practices – including Ihor Kononenko, deputy



Lawmaker Mykola Martynenko of the People’s Front in the hall of parliament in October 2013. (UNIAN)

head of the president’s parliamentary faction.

Valentyn Nalyvaichenko, the former head of Ukraine’s SBU, said in mid-October that Kononenko had been laundering money on a daily basis from the Ukrprominvest group, created in 2005 by Kononenko and Poroshenko. Nalyvaichenko accused Kononenko of skimming off \$100,000-\$300,000 from company funds each month through offshore accounts.

Although Nalyvaichenko provided documents to the anti-corruption committee which purported to show illicit money transfers, Kononenko denied the allegations and said they were likely part of a campaign to discredit him ahead of the parliamentary elections.

The president has also come under fire for what activists describe as shady land deals.

Lawmaker Igor Lutsenko last month published a video purporting to show a land plot owned by Poroshenko in Kyiv Oblast. Lutsenko said Poroshenko signed a 49-year lease for land on the river front in Kozyn village. The prob-

lem, he said, is that the president paid only 5 percent of the normal price.

Boris Lozhkin, the president’s chief of staff, hasn’t escaped scrutiny. Austrian authorities conducted a preliminary investigation into money laundering related to Lozhkin selling his media empire to Serhiy Kurchenko, who is widely believed to have been ex-President Viktor Yanukovich’s frontman.

According to Leshchenko, Austrian authorities were investigating how €315 million from companies affiliated with Kurchenko ended up on the accounts of firms tied to Lozhkin. Although the foreign investigation ceased after authorities found no wrongdoing, questions have arisen as to how he sold hundreds of millions of worth of media assets in Ukraine but didn’t pay taxes on them. Neither did he own all the assets he sold, Leshchenko said.

Experts say the latest scandals are further evidence of a lack of political will for change, with “two different governments” now in charge. One genuinely wants to dismantle the system

and build clean institutions – including law enforcement – while the other seeks to keep the status quo, often decided as crony capitalism, oligarchy or kleptocracy.

Oleksiy Khmara, executive director of Transparency International Ukraine, said he believed Yatsenyuk had voiced a proposal for a new international anti-corruption body in order to “buy time to do nothing.” Khmara said while there was progress in reforms, with several new bodies set up to fight corruption, efforts always fail when it concerns officials at the highest levels.

Sociologist Iryna Bekeshkina of the Democratic Initiatives Foundation agreed that drastic change was needed to prevent major protests.

“A lot has changed, society has become intolerant of corruption, the public has started to really put pressure on authorities to get them to act against corrupt officials,” she said.

But Volodymyr Fesenko of the Penta Center for Political Studies said it would be a mistake to think that the country’s problems all revolve around certain individuals accused of corruption.

“The problem is not in Martynenko or other individuals, but in the judicial system and in other areas. Things have actually changed, it’s just that they’re changing very slowly,” he said.

But other experts see obstruction. “The government doesn’t have enough political will to fight corruption, it’s more like it’s fighting to keep corrupt schemes for itself,” said Olga Tymchenko of Transparency International Ukraine.

The arrogance – or lack of political will – was on full display on Nov. 19 as Interior Minister Arsen Avakov, Prosecutor General Viktor Shokin and Security Service head Vasyl Hrytsak failed to show up at a much-anticipated meeting of the parliament’s Anti-Corruption Committee.

Kyiv Post staff writers Johannes Wamberg Andersen and Alyona Zhuk contributed to this report.

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## ON THE MOVE



Greg Fishman

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Gregory has over 18 years of experience in different areas of financial advisory, including law, finance, corporate development and investment banking. His specialties include business development, debt and equity capital markets, international business and finance, corporate governance, investor relations and complex cross-border transactions. He started his career as a corporate attorney in San Francisco, California. In 2007 he moved to Ukraine and since then occupied leading positions in such companies as Cambridge Healthcare International, Foyil Securities and Empire State Capital Partners. Gregory was also a lecturer of economics at the Executive MBA program at Edinburgh Business School. He received his Juris Doctorate at the University of San Francisco School of Law, and his Bachelors of Philosophy from the University of San Francisco.

Gregory brings to us his international network of contacts with leading institutional investors, multi-national executives and government leaders from the United States and Europe. He will be responsible for maintaining relationships with international investors, donors and governments; and to assist with deployment of our cross-functional domestic and international growth strategies. Joined as independent contractor.

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Editorials

# Olympic-sized problem

It was symbolic that Ukraine hosted an International Anti-Corruption Conference at Olympic Stadium in Kyiv on Nov. 16. The problem is one of Olympic proportions; all of Ukraine's corrupt actors would more than fill the stadium's available 70,500 seats.

The venue is a favored one for big government-sponsored conferences. On April 28, officials hosted the hastily renamed International Support for Ukraine Conference in the same place. They did so after scrapping the original idea of an international donors conference when it became clear that neither the donors nor the donations would materialize on the scale expected.

Like the previous conference, this one had its surreal moments. The most depressing fact: Authorities are still trying to recover the \$300 million stolen by convicted ex-Prime Minister Pavlo Lazarenko, who left office in 1997 and who served a 97-month sentence in U.S. federal prison. This 18-year-old case dashes hopes for quick return to Ukrainian taxpayers of the billions of dollars believed to have been looted by ex-President Viktor Yanukovich's gang.

President Petro Poroshenko and Prime Minister Arseniy Yatsenyuk opened the conference with speeches and then hustled out. They were spared listening to speakers who criticized them, directly or obliquely, for obstructing the fight against corruption rather than leading it.

Before moderating a panel discussion, lawmaker Svitlana Zalishchuk of the president's bloc explained to the Kyiv Post why she supports the resignation of Yatsenyuk and Prosecutor General Viktor Shokin. But she said the problem is with a broader group of people in power. "There is no clear political leadership in terms of bringing justice to this country," Zalishchuk said.

Yatsenyuk laid out an ambitious agenda, which called on the international community to send its top law enforcers to help clean up Ukraine. While there may be a place for Western expertise and money, corruption is a problem that Ukraine needs to solve. Above all, political will is required but sorely lacking. Instead, leaders come up with delaying schemes or proposals that they know can be scuttled later in parliament or that fancifully depend on Western saviors. Yatsenyuk cynically said that oligarchs have no influence on the government, something that most Ukrainians would disagree with. As Nicola Bonucci, director for legal affairs of the Organization for Economic Cooperation and Development, said: "You need to fix it."

# Two years of failure

Nov. 21 marks the second year since the EuroMaidan Revolution started on Independence Square in Kyiv. Called to action by then Ukrainska Pravda journalist and current lawmaker Mustafa Nayyem and others, dozens took the streets to protest against the government's rejection that day of a landmark political and free trade deal with the European Union.

Over the course of three months, the protests grew into a popular uprising that led to the ouster of President Viktor Yanukovich. The movement demanded a better life and a government free of corruption and oligarchs that have impoverished the Ukrainian people.

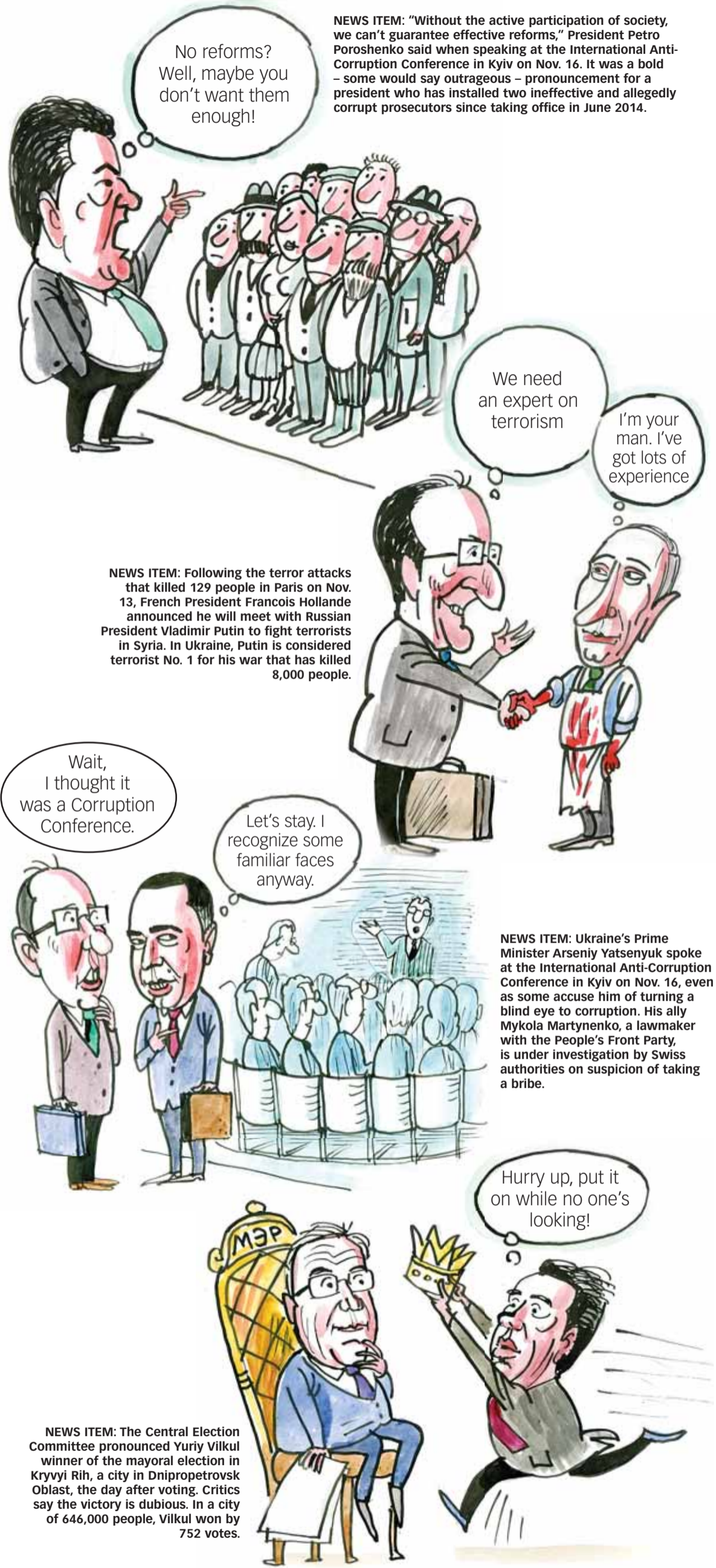
Yanukovich's administration reacted harshly. According to prosecutors, they hunted down activists, distributed firearms to hired thugs, trampled on civil liberties and violated countless constitutional laws in vain attempts to crush the Maidan tent city. Events came to a bloody climax on Feb. 20, after nearly 100 civilians were killed by law enforcers, mostly by sniper fire. The victims are called the Heavenly Hundred. Prosecutors' official version of events states that only 77 civilians and 13 police officers were killed.

Nobody has been convicted for the massacres. According to a series of press briefings by prosecutor Serhiy Horbatiuk, no one has been convicted of any of the 2,000 crimes committed from November 2013 to February 2014. "More than 270 suspects have been held criminally responsible," Horbatiuk said vaguely.

We understand that the authorities have had a tough time investigating the Maidan crimes. Key evidence, such as the firearms used, has never been recovered, and official documents were destroyed. Many of the riot police who allegedly killed protesters, especially the ones who gave orders, have fled to Russian-occupied Crimea, Donbas or abroad. Others refuse to cooperate. Some investigators are surely sabotaging the process, while judges who sanctioned illegal arrests are still working.

Clearly, the investigations are a colossal failure. President Petro Poroshenko, through his appointment of two incompetent or corrupt prosecutors general – Vitaly Yarema and Viktor Shokin – has shown he isn't interested in serving justice. He hasn't learned the lessons of his tainted predecessors, that by not confronting its past, including solving high-profile crimes, the country cannot make progress.

By ignoring murder, graft and nepotism, Poroshenko is firmly on the path to leaving a legacy similar to his predecessor. This is tragically disappointing, more so because the president seems to be oblivious to how badly his popularity is sinking at home and abroad.



NEWS ITEM: "Without the active participation of society, we can't guarantee effective reforms," President Petro Poroshenko said when speaking at the International Anti-Corruption Conference in Kyiv on Nov. 16. It was a bold – some would say outrageous – pronouncement for a president who has installed two ineffective and allegedly corrupt prosecutors since taking office in June 2014.

NEWS ITEM: Following the terror attacks that killed 129 people in Paris on Nov. 13, French President Francois Hollande announced he will meet with Russian President Vladimir Putin to fight terrorists in Syria. In Ukraine, Putin is considered terrorist No. 1 for his war that has killed 8,000 people.

NEWS ITEM: Ukraine's Prime Minister Arseniy Yatsenyuk spoke at the International Anti-Corruption Conference in Kyiv on Nov. 16, even as some accuse him of turning a blind eye to corruption. His ally Mykola Martynenko, a lawmaker with the People's Front Party, is under investigation by Swiss authorities on suspicion of taking a bribe.

NEWS ITEM: The Central Election Committee pronounced Yuriy Vilkul winner of the mayoral election in Kryvyi Rih, a city in Dnipropetrovsk Oblast, the day after voting. Critics say the victory is dubious. In a city of 646,000 people, Vilkul won by 752 votes.

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# Legal system needs to be dismantled



IRINA PALIASHVILI

The legal community has always been active in the reforms process in Ukraine, but it has significantly intensified its efforts within the past 18 months. There are many ongoing projects on legal reforms under way, and one of them is the recently released second edition of the White Paper on Legal and Governance Reform in Ukraine.

The White Paper was developed under the auspices of the U.S.-Ukraine Business Council and is focused on an overall strategic vision for legal and governance reform in 21 sectors.

The first edition of the White Paper was released a year ago, before the new Verkhovna Rada and the new government came into place, but our main conclusion then and now remains the same: Ukraine's current post-Soviet oligarchic and kleptocratic system needs to be entirely dismantled and replaced by a brand new, modern, fair, civilized and service-based legal and governance system.

Overall, it is disappointing that after one year of having been in office, the Rada and the government have not succeeded in dismantling the current system, let alone replacing it with the new one. We have observed various sporadic attempts and efforts, some of them progressive and effective, but none of them amounting to radically reforming fundamental pillars of the current system: legislation, governance structure, public administration, institutions, judiciary, law enforcement and others.

The Rada did produce numerous new laws and amendments, but this was done within the framework of the old system, and often resulted in making our legislation even more complicated, contradictory and confusing. The language of the new legislation has not changed either – the new laws are still drafted using the same archaic, often incomprehensible, legalistic language.

It seems that the Rada is measuring its success by how many new laws it adopts, which is an entirely wrong criterion. At his lecture at the Kyiv School of Economics on May 29, the architect of Polish reforms, Leszek Balcerowicz, called this “the more legislation the better” approach “a socialist way.” What is needed, he said, is “not many laws, but good laws; good enforcement of bad laws is bad.

## ‘Massive, post-Soviet mess’

Existing Ukrainian legislation is a massive, post-Soviet mess, which incorporates numerous special interests and corrupt schemes accumulated over 20 years. It is worsened by ongoing manipulations with the Constitution, swinging the country back and forth from presidential-parliamentarian to parliamentarian-presidential system, yet always preserving intact the insane duality of power (the “worst possible solution,” as it was defined by Ivan Miklos, a former deputy prime minister and minister of finance of the Slovak Republic).

Piling up new laws on top of this mess will not miraculously turn it into a new system, but will continue to prevent Ukraine from becoming a true “rule of law” country.

Rule of law means, among other things, strict enforcement of the existing laws, but if the entire body of current outdated and often absurd legislation gets enforced, the country will be paralyzed. This is why the current system cannot function without selective enforcement, which gives the vast bureaucratic class, including law enforcement and the judiciary, enormous discretionary power over the ordinary citizens and businesses, and feeds systematic corruption.

## Eliminate the breeding ground

No anticorruption measures can succeed if they are undertaken within this system, which itself is a Petri dish for corruption. Corruption, as a consequence, cannot be fought in isolation from its basis. The only effective tool to fight it is to eliminate its breeding ground, to throw away the Petri dish. Until this happens, any anticorruption measures will be ineffective and will turn into a camouflage for more corruption.



Activists hold portraits of judges in front of the Constitutional Court of Ukraine demanding a purge of the judicial system on Oct. 22 in Kyiv. (Volodymyr Petrov)

It is therefore no surprise that the current legal and governance system feeds corruption and corruption feeds it back, locking Ukraine into a vicious cycle, which no number of new laws and anticorruption agencies can break, and in which no meaningful “rule of law” can be installed. This situation also breeds cynicism in the public, as summarized in the anecdote: “The Ukrainian people want two things: (1) to get rid of corruption in the country; and (2) to be able to evade any law for as small a bribe as possible.”

## Current system ‘beyond repair’

Evidently, before demanding “rule of law” and eliminating corruption, we need to change the system since the current one is beyond repair – in response to any attempt to improve it, the system simply mutates and adjusts, breeding a new class of corrupt public servants.

There is a common sense solution to this ongoing crisis:

Ukraine can borrow the most modern, simple, uncorrupt and well-tested legal and governance system from the most successful countries in our neighboring region, and install the best components from each.

As an overall model, we can use the Estonian system because it is 100 percent European Union-compatible, is oriented at freedom of entrepreneurship, but also at social and environment protection, has no corruption component, and perfectly fits into modern information technology solutions. The tax system can be borrowed from Slovakia. The anticorruption, law enforcement and customs components can be borrowed from the Georgian experience, especially given that the first steps with creating the new patrol police according to the Georgian model and with the help of Georgian experts proved to be quite successful.

Then Ukraine will need to place a five-year moratorium on changing any new laws (most of corrupt schemes are installed through never-ending legislative amendments), which would ensure stability and trust in the new system in the society.

The experts, who designed and implemented the best reforms in the countries of the region (Estonia, Slovakia, Poland, etc.) and who are fluent in EU requirements, should train the new cadre of Ukrainian civil servants and judges, and carry out the selection process (all previous ones must leave, but apart from those who were lustrated, should be allowed to participate in the new selection process). Georgian experts should help to reform the law enforcement, prosecutors' office (prokuratura) and customs service, and be given a full mandate to eliminate corruption.

## Ukrainians ready for change

Ukrainian society and business are ready for this. They have been suffocated by the current system for a long time. They have nothing to lose and a lot to gain if a new, transparent and simple legal system, modeled after the least corrupt and most successful

countries, is introduced in Ukraine.

A modern, globalized and free-market Ukraine will no longer need a separate law for every step of the way, with a vast bureaucracy to selectively enforce it (in the civilized world there is no need for a separate Law “On Milk and Dairy Products,” “On Libraries and Librarian Activities,” or “On Grapes and Grape Wine”). The current legislation, on the other hand, is so massive and inconsistent that compliance often is just not possible, but there stand “on guard” the law enforcement, the tax authorities and the judiciary, which continues to blackmail the society and extort bribes because they are an integral structural part of the current system.

## Special interests dominate

At present, when a real reform is needed, the government often claims to be helpless. Why? Because “we need a new law” to do this. However, every time the government wishes to introduce new restrictions and hurdles, it goes ahead and does it without the need for a “new law,” and sometimes in direct contradiction with existing laws. A similar situation is at the Rada: if a special interest needs a new law or an amendment, it gets adopted in record time, but if a new bill is needed in the interest of general public, it goes through many weeks and months of agony, before it finally gets passed in a neutralized version.

Under the current dual governance system, nobody takes responsibility, but it is always a legal technicality that both prevents a branch of power from making a progressive effort, and also keeps corrupt officials or judges in their job. There are many examples when legal technicalities are successfully used to stop a progressive effort: thus during the selection process for new key officials, somehow the candidates, who are best qualified, but independent, are disqualified because of legal technicalities.

The society no longer accepts the “we need a new law” and “legal technicalities” excuses, exemplified in a typical dialogue between a new, supposedly progressive, ministers and business:

Minister: Our ministry is in the avant-garde of reforms: we cut our staff by 1.2 percent, lustrated 1.1 employees, developed 1,500 new regulations and 370 bills, we decisively fight corruption, and by 2050 we will introduce electronic documentation database.

Business: Your Ministry still has a number of anti-business corrupt practices, for example Practice X, why do you not cancel them?

Minister: Yes, I am aware of that. Personally, I dislike Practice X, but there is nothing we can do, a new law and a dozen amendments to existing laws are required, everything depends on the Rada, but you understand what kind of situation there is there.

Business: Practice X was introduced by the Order of your Ministry and was further reinforced by the amendment to this order, signed by you.

Minister [hesitating at first, but then making a fast recovery]: I understand your concern, I am on your side, but in order to get rid of this corrupt Practice X, we need also to eliminate relevant Practices → 10



## Why do people treat killings of civilians in Ukraine like they are less important than killings of civilians in France?



Yulia Voloshyna, secretary

“French authorities have different attitude towards such situations. Look, they immediately imposed

martial law and made sure people treat it in a different way. As for us, we treat the situation in Ukraine negligently. Those people who die for our country – authorities do not appreciate their lives and they will do nothing to save them. Our people are sick of it.”



Olexiy Trakhymenko, clothing store manager

“I watched the people's reactions on Facebook when there was a terror attack

in Volnovakha (in January), and noticed that people considered the situation normal.. Of course, it was a terrible attack (in Paris)...What we have now (in Ukraine) is much more serious.”



Vadym Uzik, restaurant manager

“A lot happened in Ukraine last year – EuroMaidan Revolution, anti-terrorist

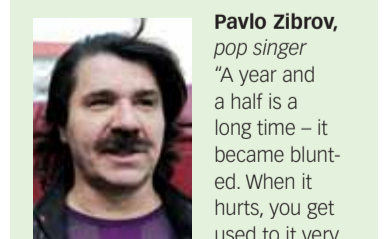
operation in eastern Ukraine, etc. People in the world have got used to it and now treat it like daily routine. On the other hand, don't you think such a fuss about France could be a political venture?”



Kateryna Tymchyshyna, retiree

“Europe is afraid of war. These terror attacks could be the beginning of World War III.

Terrorism in the European Union spurs on WWII more than the war in Ukraine. We understand that Ukraine is a buffer zone. They (the French) have the European community, while we are on our own, we're alone.”



Pavlo Zibrov, pop singer

“A year and a half is a long time – it became blunted. When it hurts, you get used to it very soon. It takes a

day, two, three, but eventually people get used to violence. But this is a fresh wound.”



## World in Ukraine

**Editor's Note:** World in Ukraine takes a look at Ukraine's bilateral relations with different nations. To sponsor this news feature, please contact the Kyiv Post's sales team at [advertising@kyivpost.com](mailto:advertising@kyivpost.com) or call 591-7788.

# Experts: War is no excuse for Ukraine's lack of reform

BY ILYA TIMTCHENKO  
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Placed in a politically awkward spot by Russia's war against Ukraine, and now bearing the brunt of the European Union refugee crisis, Germany has come in for criticism recently, not least from Ukrainians.

The EU economic powerhouse has been lambasted in Ukraine for taking a non-confrontational approach to Russian President Vladimir Putin's revanchist, break the rules, war-mongering foreign policy.

In response, German experts argue that, without German Chancellor Angela Merkel's principled strategy in trying to solve the crisis, Ukraine would have been worse off.

According to Stefan Meister of the German Council on Foreign Relations, a think tank, Germany was the only EU state that took on a leadership role from the outset of Russia's war against Ukraine.

"I think that without Germany it would be much worse... (because)

without German leadership there would be no sanctions, or there would be much weaker sanctions on Russia," Meister said. "There would also be much less unity among the EU member states."

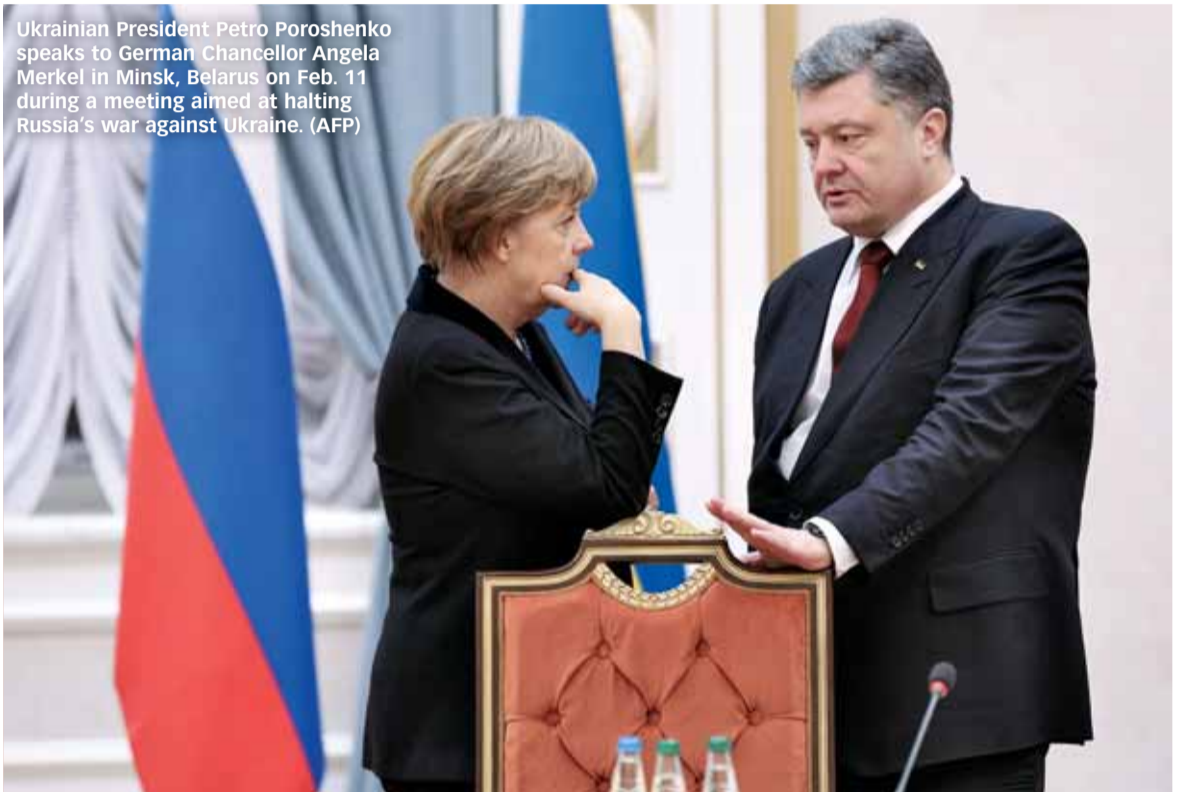
And German experts said Ukrainians shouldn't read too much into Merkel's handshakes with Putin and outwardly friendly manner.

Joerg Forbrig, a German Marshall Fund fellow concentrating on Central and Eastern Europe, said that Merkel has long been suspicious of Putin and his policies. "I think she has no illusions about Putin. She understands fully that he is basically an autocrat that is in many ways leading his country to disaster."

For a German leader, Merkel's leadership has been tough, Meister said. "She is criticized a lot over here, inside of the country, by other parties but also by the public, for being too tough on Russia."

That toughness has mainly manifested itself in Merkel's arm-twisting other EU countries into imposing and

Ukrainian President Petro Poroshenko speaks to German Chancellor Angela Merkel in Minsk, Belarus on Feb. 11 during a meeting aimed at halting Russia's war against Ukraine. (AFP)



keeping moderate economic sanctions on Russia.

But finding unity at home is also a major challenge for Merkel, where opposition comes from both ends of the political spectrum. Far-left and far-right political parties support Putin for various reasons, while Merkel has faced pushback from German businesses that oppose any sanctions at all.

The German chancellor's response also has its limitations. Just like the United States, Germany has repeatedly said it will not provide any weapons to Ukraine to help the country fend off further attacks from Russia. If Germany were to provide independent military aid to Ukraine, the West's unity could disintegrate, Forbrig said.

"As soon as we lose that unity we will have lost to Putin," Forbrig said. "And if we put it at risk by sending military supplies to Ukraine at this stage, then at the end of the day we would all be worse off."

Russia, on the other hand, doesn't have that much economic leverage to influence Germany. Bilateral trade, which was modest even before the sanctions, has decreased from around 3.5 percent of Germany's foreign trade down to 2 percent. "Germany exports more to Poland than to Russia," Forbrig said.

The same is true when it comes to Russia's natural gas exports to Germany. Though Russia supplies one third of the gas Germany consumes, that only makes up 7 percent of Germany's energy consumption, Forbrig said.

During the G-20 summit on Nov. 15, Western leaders reaffirmed that sanctions will remain in place until Russia fully meets the Minsk peace agreements, whose deadlines have been pushed back into next year.

But Putin needs permanent conflict in order to justify his continued rule in Russia, and it is relatively easy for him to shift those conflicts – as he did from

Ukraine to Syria. "Obviously, there's a good chance of the conflict flaring up again, because it's not resolved, it's only been put on pause," Forbrig said.

That lull may have already come to an end, with recent attacks by Russian proxy forces in the Donbas killing at least nine soldiers in recent days.

While the supply of offensive weapons is out of the question, Meister believes that Germany could do more by boosting Ukraine's defense capabilities, such as delivering military communications equipment and anti-artillery radar systems.

As for providing more financial aid, Meister said that this should be done predominately via the EU and International Monetary Fund, and not individual states.

"What the EU can do is to put tough conditions (on aid) in terms of the reform process and in terms of fighting corruption," Meister said. If these conditions are met, the EU should then provide more financial and advisory support.

The German experts also said they shared the skepticism in Ukraine about the Minsk peace agreements.

"I think it's a mistake for (Minsk) to be the main political initiative we have at the moment on Ukraine," Meister said. The lack of clarity of the Minsk agreements makes them difficult to implement as the main 'roadmap' for navigating through bilateral relations, he said.

And while ending Russia's war on Ukraine is important, Germany should mainly focus on the reform process in Ukraine, as corruption is still prevalent in Kyiv, Meister said.

Germany still has a somewhat positive view of President Petro Poroshenko because of his moves against the oligarch system, Meister said. But even so, the Ukrainian president's progress has been very slow, and many Germans view Poroshenko's attempts to fight the oligarchs as a personal battle rather

than an effort to make systematic changes to the system.

"It looks more like a typical post-Soviet Ukrainian fight between different groups, where the president tries to bring certain groups under his control," he said.

Germany's main frustrations are with Prime Minister Yatsenyuk, who is "seen less and less as really being a person who will shape the future of Ukrainian politics." His already limited support in Germany is decreasing even more, Meister said. The prime minister "always makes very strong statements, but the implementation is lacking."

It's not all bad news: Despite the slow changes in Ukraine, Germany's image of the country has fundamentally shifted since the EuroMaidan Revolution back in 2013-2014, Forbrig says.

He said that countries like Ukraine, Moldova, and Belarus used to be seen in Germany more as "appendices" to Russia, whereas today Ukraine is seen, more than ever before, as an actual independent actor.

Recent public opinion polls show Germans' trust in Russia plummeting from 40 percent to just 15 percent. In contrast, more than 70 percent of Germans are in favor of providing political and economic support to Ukraine and more than half of Germans now support Ukraine's EU membership.

"Now this is significant because until the beginning of the Ukraine crisis very few Germans had Ukraine on their screens. I mean, few people would be able to find it on the map; hardly anybody knew anything about this country," Forbrig said.

And this shift in Germany's perception of eastern Europe is likely to be long-lasting.

"This is not going to be reversed easily," Forbrig said.

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"Coming together is a beginning; keeping together is progress; working together is success."  
Henry Ford

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# Executives To Watch

**Editor's Note:** The Kyiv Post puts the spotlight on leaders of Ukraine's biggest and best companies. Look for our regular series of features: Executives To Watch, CEOs To Watch and Expats To Watch.

## Metro Cash & Carry rebounds in highly competitive food market

BY BRIAN BONNER  
BONNER@KYIVPOST.COM

Three things stand out in the biography of Martin Schumacher, the managing director of Metro Cash & Carry Ukraine.

No. 1. He's well-traveled. He's worked in Germany, the United States, the United Kingdom, Canada and now Ukraine.

No. 2. He specializes in turnarounds and working in unstable environments.

No. 3. He was born into the food business. He started out with a family-owned wholesale, distribution and brokerage firm in his native Germany. The enterprise was founded by his great-grandfather, also Martin, in 1875, and was sold in 1995 by his parents, who still live in his hometown of Kempen.

"I like to solve complex things," Schumacher told the Kyiv Post in an interview. "I got my first business opportunity at our family business, which went through significant financial restructuring in the early 1990s. I worked side-by-side with my father to

make sure we achieved the financial turnaround of the business."

He also was able to apply his turnaround skills to jobs with A&P (The Great Atlantic & Pacific Tea Co, Inc.) in Canada and the United States, and at Alix Partners in the United Kingdom.

When he joined Metro Cash & Carry Ukraine in July 2013 as part of a restructuring team, the business "was in serious decline and trouble." He later became commercial director and then, when his predecessor left in January this year, Schumacher took over the top job.

The Metro group, with global revenues of €60 billion, is headquartered in Dusseldorf, Germany. Metro Cash & Carry Ukraine has 32 outlets, but only 26 if those in Russian-annexed Crimea and territories in separatist-held Donbas are subtracted.

Sales have reached €500 million annually in Ukraine. That's progress, Schumacher said, considering the bumpy ride that the nation and the 4,000-employee company have been on in recent years.

"My wife always tells me, when you do one of these projects, you are

### Martin Schumacher

**Position:** Managing director of Metro Cash & Carry Ukraine

**Nationality:** U.S. citizen; native of Germany

**Personal:** Married, four children

**How to succeed in Ukraine now:** "Believe in the upside, invest a lot of money, outspend your competition and gain market share. The condition for that is you have to believe in the upside and you have to live with the risk. So can you live with the risk? Our answer is yes. We keep investing. We are very committed; we've spent more money in this market than we have in a long time to gain share."

the happiest person,"

Schumacher said. "I'm not a really good routine guy. I need the challenge of an unstable and unsecure environment."

He's come to the right place.

But how does one grow sales in a shrinking economy, especially in the heavily competitive area of food sales?

Metro Cash & Carry Ukraine cut costs, reviewed its assets, intensified its focus to food, talked to customers, improved supply chains and boosted its advertising budget.

"Businesses that are struggling usually try to do too many things," Schumacher said. "You have to make

sure your product is better than it was before, and better than your competitors.' You have to be open, invest in salespeople, (and) invest in media to sell your story."

The upswing started in June 2014, he said, at least in terms of the quantity of goods sold.

The self-service, bulk wholesaler is broken into two parts - business (B-to-B) sales, supplying restaurants, kiosks and groceries, and a business to consumer (B-to-C) component. The B-to-C component caters to above-average income customers who own a car to be able to get to one of the stores, which are usually located on the outskirts of cities.

One big advantage in Schumacher's line of work is that war or no war, people love to eat. "The food market is very stable in Ukraine," Schumacher said. Even in down times, people still consume about 3,000 calories daily.

"There's a decline in some categories," he said. "There's a shift from higher priced goods to lower, from imports to domestic." Metro Cash & Carry also has some other competitive advantages over domestic →9

Volodymyr Petrov



Advertisement

## TOGETHER FOR EUROPE: UKRAINE AND HAMBURG

The number of Ukrainian companies starting business in the EU via Hamburg is rising continuously.



### EWGENIY NARODETSKI

Project Manager, HWF Hamburg Business Development Corporation

In Ukraine, Hamburg is known mostly as the second home of the boxing Klitschko brothers. Hamburg is also second largest city in Germany and is very popular among Ukrainian businessmen. More than 60 companies with Ukrainian roots have settled in the city on the Elbe in order to start up business in the European Union.

Today Hamburg is a very important center for Ukrainian business in Germany. "The great deal of attention Ukrainian entrepreneurs paid in doing businesses and starting their activities on the European markets from Hamburg has increased a lot in the last few years," says project manager of HWF Hamburg Business Development Corporation Ewgeniy Narodetski.

Hamburg welcomes Ukrainian companies with open arms. HWF Hamburg Business Development Corporation offers companies free support while developing and doing business in Germany. Thanks to the efforts of Ewgeniy Narodetski, who is from Ukraine, the HWF website has been translated into Ukrainian. HWF is integrated in the structure of city of Hamburg and is financed by the Ministry of Economics, Transport and Innovation. HWF celebrated its 30th anniversary this year. In the past 30 years, HWF has supplied commercial premises to almost 2,800 companies and helped numerous companies to set up their businesses in Hamburg. Thus, 58,000 new jobs have been created, and more than 200,000 jobs secured. HWF has also brought in investment of more than 1 billion euros. Ukrainian companies situated in Hamburg work in several business spheres. For example, in 2012 iLogos - the leading independent company in video game design and outsourcing in Ukraine - opened its main European office in Hamburg. The major goal of iLogosEurope is to develop its business and organize marketing events in Europe. "Opening an office in Europe is a very important step in the global development of the company," says Maksym Slobodyanyuk, the founder and CEO of iLogos.

Stravex Transport und Handels GmbH is a storage and customs operator working out of the port of Hamburg,



Landungsbrücken with cruise ship (Photo: www.mediaserver.hamburg.de / Jörg Modrow)

delivering goods to and from any country by all kinds of transport. "In our office in Hamburg we employ people from Kyiv, Odesa, Kharkiv and Luhansk, who have lived in Germany for decades and possess specific knowledge about the European and Asian markets, as well as the practice of the Ukrainian market," says the company's CEO.

HUB Concept GmbH, an affiliated undertaking of the Ukrainian Association of Information Technology, provides support to Ukrainian IT-companies on the German market. CuBeMatrix, a company with Ukrainian roots, is an innovative enterprise in market research.

Other companies work in trade and logistics, as well as construction and the energy sector. For instance, Terembud GmbH operates in the construction and renovation of buildings and flats and trades in high-quality building materials as well. Besides, five entrepreneurs from Ukraine have established subsidiaries in Hamburg this year. Among them are Rod-Nik LPG Trading GmbH - a wholesale trader of LPG products, vessel marketing company Commixtio Marketing GmbH, and other companies in a range of industries.

Hamburg hosts not only the Consulate General of Ukraine but also Ukrainian public and non-profit organizations, Sunday schools, church societies, and a huge expat community. "That is why companies from Ukraine and their families easily adapt to Hamburg. They can get advice about business from experts in their native language. Because of the difficult political situation in Ukraine, I'm very glad to help companies from my native country to start a business in the EU," says Narodetski.

Hamburg has always been in the focus of international investments in Germany. The reason for this is certainly the interesting mix of sectors in industry and services, which makes Hamburg less vulnerable to global economic fluctuations. The Port of Hamburg, of course, is another major reason for many international companies to settle in Hamburg.

This year Hamburg was chosen ahead of Berlin as German candidate city for the 2024 Olympic Games. Hamburg developed a fascinating concept for the Olympic and Paralympic Games: compact games in the heart of the city and in close proximity to the water. The Games and their values can be a symbol of Hamburg's strongest assets as a com-

munity, and will create excellent investment opportunities for businesses as well.

The Elb Philharmonic Hall as a new symbol of Hamburg will be opened in January 2017 with a big concert that will not only inspire Hamburg and Germany, but could also make headlines in the wider world. The new concert house promises to become a sensuous experience in terms of music and architecture, and will have a panoramic view of the city. The unique concert hall with its great acoustics, is already attracting interest from world-famous musicians.

In its turn, Ukraine is a developing market for companies in Hamburg. A series of economic forums with Ukraine took place in autumn in several German cities. "The Economic Forum in Hamburg focused on logistics and the modernization of Ukrainian seaports. Some investment projects on these issues were presented and awakened great interest among German companies," says Consul General of Ukraine in Hamburg Oksana Tarasyuk, who co-organized this event together with the Hamburg Chamber of Commerce. Such famous companies as Beiersdorf, BodeChemie, Blohm&Voss, Jungheinrich, Reemstma or RWE DEA actively work in Ukraine. Within the framework of Ukrainian port modernization, the HPC Hamburg Port Consulting GmbH founded a number of joint ventures. And the construction firm Josef Moebius BAU-AG is taking part in the expansion of the Danube estuary.

During the German-Ukrainian Economic Conference "Ukraine as an Economic Partner," which took place in October in Berlin, a government agreement on establishing the German-Ukrainian Chamber of Commerce and Industry based in Kyiv was signed. The Chamber of Commerce and Industry will increasingly take care of the interests and demands of Ukrainian companies in order to support them, using their opportunities offered by the Deep and Comprehensive Free Trade Area Agreement (DCFTA) between the EU and Ukraine, which enters into force on Jan. 1, 2016.



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# Merkel: Ukraine needs to fight corruption to achieve stronger trade with Germany

BY ILYA TIMTCHENKO  
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As Ukraine's top officials visited Germany on Oct. 23 to sign an agreement on launching the German-Ukrainian Chamber of Commerce, German Chancellor Angela Merkel made it clear that Ukraine must fight corruption if it hopes for stronger business ties.

With \$6 billion in bilateral trade in 2014 and more than 1,000 German companies in Ukraine, Germany is Ukraine's third largest trade partner after Russia and China. But all would be better if Ukraine combatted corruption more strongly.

"The dominant role of the oligarchs needs to be reversed, people need to be given transparency, corruption must be fought," Merkel said on Oct. 16, according to Reuters.

A week later the chancellor said that Ukraine's free trade pact with the European Union, which will come into force on Jan. 1, should provide a trade boost.

As another act of commitment, next year Germany will provide Ukraine €88 million in loans and €48 million in grants for the implementation of 20 projects covering such areas as energy efficiency, humanitarian assistance to internally displaced persons and economic development.

Nicolas Hempel, the deputy director of GIZ Ukraine, a German state-owned consultancy firm that will be coordi-



A chemical plant of German pharmaceutical and chemical company Bayer located in Map Ta Phut, Thailand. In 2014 alone the company invested €3.5 billion in research in Ukraine. (Bayer)

nating almost half of those loans and grants, says that reforming Ukraine's energy sector is priority.

"If the efficiency could be increased to European standards there would almost be no need to import vast numbers of gas," Hempel said.

GIZ collaborates with the Ukrainian government by advising officials on various energy policies. They mainly tackle the problem with publicly-owned buildings – schools, kindergartens, hospitals – that are very energy inefficient.

Another GIZ project has been the

restoration of Ukraine's western city of Lviv. So far 1,850 households have benefited from the program where courtyards, balconies, staircases and entrance doors have been restored. This will also advance tourism.

Hempel says some German businesses see Ukraine's challenging times as an opportunity.

Bayer, a German multinational chemical and pharmaceutical corporation, is one of them. The company, started in 1863, survived two world wars. Aliona Galkina, a compliance

officer at Bayer, says that the problems with Ukraine is manageable. Operating in more than 150 countries, Bayer started operating in Ukraine since 2008, investing €3.5 billion in research in 2014 alone. At the moment about 500 people, mostly Ukrainians, work in their Kyiv office. "Ukraine has a valuable asset of human resources," she said.

Ricardo Gucci, of the German Advisory Group consultancy group, agrees. "Labor productivity is very high compared to wages. The EU is very

near, so the transport costs are very low," he said.

Gucci thinks Ukraine should focus on labor-intensive industries to take advantage of its low costs in this area.

But the fight against corruption and excessive bureaucracy is paramount.

"In Germany, if my company sells a service to another company, you need just an invoice. In this invoice you have all the details you need regarding this transaction... In Ukraine for such a transaction you need four pieces of paper."

The non-transparent customs procedures, which pave the way for illegal imports, make business more difficult for those trying to operate transparently.

Gucci also sees hope in the engineering sector if privatization takes place.

"Many important companies in the engineering sector are still state-owned," Gucci said. Privatization "should have been done many years ago."

Gucci also hopes for a rollback of Ukraine's emergency currency restrictions, which are onerous. On the bright side, Gucci said procedures for refunding value-added tax have improved.

Bayer's Galkina put it this way: "Is it difficult to run business in Ukraine? Yes, it is. Are there many challenges? Yes, there are. But these are not the reasons to leave."

*Kyiv Post staff writers Ilya Timtchenko and Denys Krasnikov can be reached at timtchenko@kyivpost.com and krasnikov@kyivpost.com.*

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The buyer gets the weighted apples in Metro Cash & Carry supermarket on Nov. 18 in Kyiv. (Kostyantyn Chernichkin)

# Metro's Schumacher: 'We have to engage more, promote more what we stand for'

→7 competitors, including size, cash and ability to access foreign financing if needed. He regards Costco as the international role model in big-box retailing.

Beyond the numbers, Metro Cash & Carry also embraces the "new Ukraine" that is emerging after the 2013-14 EuroMaidan Revolution that drove President Viktor Yanukovich from power.

"The success of Metro Ukraine is closely linked to the success of Ukraine as a country. A stable, growing Ukraine that follows rule of law, that is well-integrated into the global economy - that is going to be wonderful for all of us," Schumacher said. "With the limited means I have, I try to contribute to making sure that Metro Ukraine is a voice in this positive transformation of Ukraine."

Such a Ukraine would also be good for business, forcing competitors out of the shadows and into the open, to compete under transparent business conditions such as those as Metro Cash & Carry, where the workforce receives official salaries and customers are issued official receipts, ensuring that taxes get paid. The business also screens suppliers for tax compliance and criminal records.

Schumacher describes the business approach as non-political and the same as in Russia, Kazakhstan or anywhere else. "We promote transparency, the rule of law," he said.

Metro Cash & Carry's higher visibility - through advertising, sponsorship of events, lobbying and Schumacher's active participation in business associations - was partly triggered by a very

→ The firm sells food to about 25 percent of restaurants in Kyiv

unhappy event from the era of ex-President Viktor Yanukovich.

Mykola Barash, a Yanukovich-era head of the Anti-Monopoly Committee, accused 18 retailers, including Metro, of price collusion and fined Metro €100 million alone. The fine was knocked down to €1 million, but Metro is still fighting in court.

"It's a farce," Schumacher said. "The case is a fabrication."

One of the upsides of the legal fight is that the company saw the need to become better at public relations and for taking a more visible leadership role in the community. "As we learned, we have to engage more, promote more what we stand for," he said. "We will do whatever it takes to fight this. We will not give in. We will not make a deal."

While growing up in Germany, where he still commutes to see his family on weekends, Schumacher has spent most of his adult life in the United States. "I am a U.S. citizen and a proud one," he said. "America has given me and my family opportunities

## Germany at a glance

**Total area:** 357,022 square kilometers

**Population:** 81 million

**Government type:** Federal republic

**Chief of state:** President Joachim Gauck (since March 23, 2012)

**Head of government:** Chancellor Angela Merkel (since Nov. 22, 2005)

**GDP, PPP:** \$3.9 trillion (2014)

**GDP per capita, PPP:** \$47,600 (2014)

**Main sectors of the economy:** machinery, vehicles, chemicals, household equipment and a highly skilled labor force.

## Ukrainian-German relations:

**Trade:** \$6 billion (2014)

**Exports from Germany to Ukraine:** machinery, motor vehicles, chemical and pharmaceutical products, electrical goods, foodstuffs and animal feed.

**Exports from Ukraine to Germany:** textiles and garments, metals, chemical products and motor vehicle equipment.

**German foreign direct investment in Ukraine:** \$5.8 billion (cumulative as of October 2014)

**Main business partners:** Siemens, Metro Cash & Carry, Bayer, Volkswagen, BMW, Herz Armaturen, ProCredit Bank.

**Sources:** World Bank, Central Intelligence Agency, Ukrainian State Statistics Service, Federal Foreign Office of Germany, Embassy of Ukraine in Germany.

and has shown me the true meaning of freedom."

Kyiv Post chief editor Brian Bonner can be reached at [bonner@kyivpost.com](mailto:bonner@kyivpost.com).

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## BUSINESS ADVISER

### METHODS OF PROTECTION AGAINST CORPORATE RAIDING IN UKRAINE



**ANNA OGRENCHUK**

Managing partner at LCF Law Group

The concept of "raiding" in Western and post-soviet countries differs. In Western countries the concept of "raiding" mostly implies hostile takeover of a company by means of purchase of its publicly traded shares e.g. for subsequent sale of the company's assets. In this context the concept of "raiding" implies lawful activity, based on economic and legal analysis.

In the post-soviet states the concept of "raiding" differs and mostly is associated with criminal activity. The raiding here is not limited with legitimate purchase of a company's publicly traded shares, but also includes hostile takeover of the company e.g. by means of document forgery, unlawful actions of state authorities, takeover of the company by force and other similar actions.

Recommendations regarding possible methods of protection against corporate raiding in Ukraine may be divided into 2 groups: (I) preventive measures; and (II) methods of protection in case a company has already become a target of raider attack.

Preventive measures against raiding may be based on the most popular corporate raiding schemes, such as unlawful interference into the company's activity by unfair minority shareholders, freezing the company's assets by means of manipulating with its creditor indebtedness (e.g. filing a lawsuit regarding recovery of insignificant indebtedness and freezing of all the company's assets within the framework of such proceeding), fraud with registration documents and other similar methods.

The following preventive measures may be recommended in this regard:

1. Minimum amount of shareholders in the company. The lesser amount of shareholders, the lower risk that one of them will become a "weak link" and a tool in the hands of raiders. From this standpoint concentration of the company's corporate rights in one hands provides maximum level of protection against raiding.
2. Relationship between the company's shareholders may be transferred to a foreign jurisdiction. For these purposes a legal entity in a foreign jurisdiction becomes the owner of 100% corporate rights in the Ukrainian company. Shareholders of the Ukrainian company, in their turn, become the owners of the foreign legal entity. In this case jurisdictional risks associated with Ukraine will be avoided in part of relationship between the company's shareholders.
3. Establishment of special purpose vehicles (SPVs) for accumulating valuable assets. This method suggests transferring of valuable assets on such SPVs and minimizing the risks of any external judicial influence on them (e.g. absence of any creditor indebtedness, concentration of 100% corporate rights in one hands etc.).
4. Permanent monitoring the company's creditor indebtedness, especially any transfers of the company's debts to third parties (under general rule, envisaged by cl. 1 art. 516 of the Civil Code of Ukraine, a debt may be transferred by a creditor without a debtor's consent thereto, if a contract does not stipulate otherwise).
5. Permanent monitoring the company's incoming correspondence. Special attention to any "suspicious" correspondence.

In case the company has already become a target of raider attack it is pretty hard to give universally applicable recommendations regarding strategy of defense. Each particular situation requires individual approach.

First of all any defense strategy would suggest a number of legal countermeasures, such as appeal against court judgments, appeal against unlawful actions of state authorities, initiation of a criminal case etc. This kind of work has to be done by professional lawyers.

Apart from legal countermeasures, defense strategy may also include other actions (e.g. maximum publicity, ensuring physical security of the company etc.).

It is also notable that most corporate raiding schemes are based on the factors of unexpectedness and fear. Any raider would consider his raiding scheme based on two criteria - on the one hand, the required resources and time expenditures, on the other - value of assets, acquired from successful completion of the raider attack.

Considering the above, if a "blitzkrieg" fails and legal "trench war" begins, it requires significant additional time expenditures and resources. The target object of the raider attack becomes disadvantageous and unprofitable for the raider in this case.

Our successful experience in numerous cases has proven that effective resistance against raider attacks is possible. Most important things here are timely reaction and reasonable legal strategy. Apart from protection of our clients against corporate raiding, LCF is also engaged in preparing amendments to Ukrainian procedural codes, aimed at prevention of corporate raiding in Ukraine.

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# Paliashvili: Ukraine legal system serves oligarchs, kleptocrats

→5 Y and Z, and this we cannot do, a new law and a dozen of amendments in the existing laws are required, everything depends on the Rada, but you understand what kind of situation is there.

[End of constructive dialogue.]

The inability of the current system to cope with modern challenges forces the public and businesses to resort to various parallel structures – all kinds of ombudsmen, or even to the so-called “garbage bin lustration” (when the frustrated public throws most notorious politicians into garbage bins) – these measures, although useful during the transition period, ultimately only have a cosmetic effect on the current system, and in the long run they will help it to survive. Even the current deregulation will not work because no meaningful deregulation is possible at the level of secondary legislation (regulations by the ministries), when overregulation continues at the level of primary legislation (laws adopted by the Rada), and when the same unreformed public administration makes sure this vicious circle continues. At present, cancellation of one regulation by a ministry is followed by adoption of the new law by the Rada, which requires yet another regulation.

Ukraine need a clean break from its Soviet past. It is not by chance, however, that a new book by Anders Åslund is entitled: Ukraine: What Went Wrong and How to Fix It –



People protest against corruption near the Verkhovna Rada on Nov. 5 in Kyiv. (Volodymyr Petrov)

because before fixing the problem, it needs to be acknowledged first, which our political class refuses to do. One of the White Paper Commentators, Bohdan Vitvitsky, who served as a U.S. Federal Prosecutor and a Resident Legal Advisor at the U.S. Embassy in Ukraine, stated in his interview to Alexander J. Motyl: “...one thing that needs to be addressed, which few in

Ukraine seem to realize, is the systemic deformities in the entire legal system going back to Soviet times... Since a well-functioning legal system is necessary for a country’s normal political and economic development, a successful anticorruption drive and real reforms of the legal system need to be attempted in tandem”.

We need a breakthrough - installa-

tion of a civilized legal and governance system just in two or three years will push Ukraine from the Stone Age into the 21st century, it will liberate and restart the economy and will result in significant domestic and foreign investment.

Can it be done? It absolutely can. Other countries in the region, under similar circumstances, including war,

have done it. Ukraine’s current leadership, instead of finding ridiculous excuses every time (Georgia is too small, Poland is too big, Estonia and other Baltic countries had spent less time under Soviet occupation, etc.) must express a decisive political will and move ahead with these radical changes.

Historically it was even done in this land.

Prince Vladimir, who ruled Kyivan Rus in X-XI centuries, came to understand that the pagan system was outdated and was slowing the country’s progress compared to more advanced neighbors who practiced mainstream religions. He sent envoys to study different religions and laws, ultimately deciding to adopt Christianity and “Christian Law.”

History can be the judge on whether it was the right choice, but definitely at that time this was a major breakthrough for Kyivan Rus. So we do have a historic precedent, when one of the most revered leaders of Kyivan Rus acknowledged that the current system was outdated, looked abroad for a new system, studied and compared what would work best, and then radically and successfully replaced the old system with a new one. That happened 1,000 years before the information age. Today Ukraine can do this too.

Irina Paliashvili chairs the U.S.-Ukraine Business Council legal committee and is also chair of the board of directors of Kyiv School of Economics.



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# Poroshenko's party does well, but other forces also score victories in Ukraine's local elections

→ 16 that he was satisfied with the local and mayoral elections, where "representatives of the democratic coalition" won in most of the Nov. 15 runoff races.

Meanwhile, another representative of the democratic coalition – former Prime Minister Yulia Tymoshenko, whose Batkivshchyna Party was on the rise in the opinion polls ahead of the local elections – is probably less satisfied with the results.

Although Batkivshchyna doubled its vote in comparison with the October 2014 parliament elections, garnering about 12 percent according to Rating, the party failed to become the top party in any regional council. This reduces its chances on the national stage to bargain for more posts in the Cabinet of Ministers.

However, Batkivshchyna reaffirmed its support in northern and central Ukraine, where it secured mayoral seats in the regional capitals of Sumy and Cherkasy.

Another parliamentary coalition member, the Samopomich Party, surprised many when its candidate Oleksandr Senkevych won the mayoral race in the traditionally pro-Russian city of Mykolayiv. More predictably, Samopomich founder and incumbent Lviv Mayor Andriy Sadoviy won reelection. Only two years old, the party also achieved good results in other city councils, prompting some analysts to

## Party affiliation of oblast capital mayors

Mayors in 23 regional capitals got elected on the ticket of at least six political parties following nationwide local and runoff elections held on Oct. 25 and Nov. 15.

call it the "party of big cities."

The pro-Russian Opposition Bloc, an offshoot of runaway former President Viktor Yanukovych's Party of Regions, got 11 percent of the nationwide vote, two percentage points more than during last year's parliamentary elections. However, it failed to win the may-

oral seat of any oblast capital. It "half-won" in Zaporizhzhya, where the mayoral post went to Volodymyr Buriak, a chief engineer of a local steel mill owned by Rinat Akhmetov, Ukraine's richest billionaire and a key backer of the Opposition Bloc.

Ihor Kolomoisky, the nation's second richest oligarch and former governor of Dnipropetrovsk, saw some success with his Ukrop party. Lawmaker Borys Filatov, the Kolomoisky-backed can-

didate for Dnipropetrovsk, the nation's fourth largest city with about 1 million people, was elected mayor of the city. Positioning itself as a patriotic party, Ukrop also won a number of seats in regional councils in western Ukraine. Fesenko attributed the successes of

Source: Central Election Commission, parallel vote count by Opora election watchdog, exit-poll by Kyiv International Institute of Sociology.



Ukrop and nationalist Svoboda Party in western Ukraine to the fact that ultra-nationalist Right Sector didn't run in the elections.

The newly founded parties Revival (Vidrozhennia) and Our Land (Nash Krai) ended up filling the void left by the implosion of Yanukovych's Party of Regions.

Our Land gained seats in 10 regional councils, and Revival in eight. Revival candidate Hennady Kernes was re-elected as mayor of Kharkiv, Ukraine's second-largest city. And in Uzhhorod, in westernmost Zakarpattia Oblast, located just two kilometers from the European Union, Revival's Bohdan Andriyiv won the mayoral race.

Political analyst Vadym Karasiyov said Our Land, which incorporated many former and incumbent mayors who used to belong to Yanukovych's party, was backed by the president's office to prevent the Opposition Bloc from gaining more ground. Revival, also consisting of former Yanukovych allies, is affiliated with Kolomoisky.

But it would be folly to assume that these two parties are completely subordinate to the Kolomoisky or to the presidential administration, according to Fesenko.

"They are the political projects of local elites," he said.

Kyiv Post staff writer Oksana Grytsenko can be reached at grytsenko@kyivpost.com

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## Uzhhorod is Ukraine's far western getaway



The view from the Uzhhorod Castle to a wooden church that was built in 1777 in Shelestovo village near Mukacheve and transported to the National Museum of Architecture of Zakarpattia in 1969. (Veronika Melkozerova)

BY VERONIKA MELKOZEROVA  
MELKOZEROVA@GMAIL.COM

**UZHGOROD, Ukraine** – To catch the best panoramic view of Ukraine's westernmost provincial capital just 2.5 kilometers from European Union member Slovakia, visit the high ground of the city's eponymous castle.

The impregnable Uzhhorod Castle, built in the 15th-18th centuries by the Italian tycoon family of Druget, is the best-known attraction of Zakarpattia

Oblast's capital of 115,000 people.

Standing on a 30-meter-high hill, the citadel offers a scenic relief of old houses, cathedrals and a wooden church – all not far away from the Ukrainian part of the Carpathian Mountains. The serpentine river Uzh – Ukrainian for water snake – bisects the city.

As an administrative center, this Transcarpathian city isn't big by Ukrainian standards. The region has a diverse ethnic population of Ukrainians, Hungarians, Romanians,

and approximately 100,000 Roma, of whom 5,000 live in Uzhhorod.

A first-time visitor might doubt that local residents actually have jobs, judging by the number of people frequenting outdoor cafes as they enjoy the autumn sun at any time of the day. The weather in the city is usually a couple of degrees higher than in the rest of Ukraine.

In the Soviet era, most of the city's population was employed at one of the six major plants that Uzhhorod had. After 1990, the plants either have shut-

tered or operate at severely diminished capacity. So, many in Uzhhorod shifted over to the service industry, while others travel to nearby Slovakia and Czech Republic for work.

Today, Uzhhorod is struggling to become a top Ukrainian tourist destination. Hennadii Moskal, the oblast governor, told the Kyiv Post that the area is growing in popularity after many Ukrainian travelers crossed Russia-annexed Crimea off their holiday calendars. → 13

### City Life

WITH NATALIYA TRACH  
TRACH@KYIVPOST.COM

#### Unusual places for a party

Have a birthday or an anniversary coming up and want to make the celebration a special one? Check out these novel ideas for an unforgettable party.

##### Limo party

This is a wonderful opportunity to have a chic party while enjoying the pleasant atmosphere of Kyiv's streets. Depending on the car model, from six to 20 guests can fit into a rented limousine. A bar with champagne and sweets, comfortable seats, karaoke and powerful sound system will help the party roll along.

Limo rentals cost Hr 500 – 1,400 per hour in Kyiv, driver services included. Per-day rentals are also available.

[www.limos.com.ua](http://www.limos.com.ua)

##### Movie, gaming party

Interactive entertainment studio Rockfellow offers movie parties for those into the cinematic arts. The studio has several theaters equipped with big, 5-meter screens and comfortable sofas that can accommodate up to 12 guests. The rooms can be also used to play video games on an Xbox, or you can connect an iPhone to the cinema projector so you can watch your favorite home video on a huge screen. Snacks and beverages, including alcohol are allowed.

The price for renting a cinema for two hours varies from Hr 200 – 300, with every subsequent hour costing Hr 125 – 150.

[www.rockfellow.com.ua](http://www.rockfellow.com.ua)

##### Rooftop party

For those used to partying in style, event agency Make My Day offers exclusive upscale parties on a rooftop helipad built for Ukraine's ex-President Viktor Yanukovich in central Kyiv. Besides the picturesque views of Kyiv and the scenic banks of the Dnipro River, guests will be wowed by the beautiful decoration of the site, the incredible greenery, pleasant service and live music. The menu matches those as the most refined Kyiv restaurants, organizers say. But be prepared to pay for such luxury – events cost up to tens of thousands of dollars, planners say. [www.mmday.com.ua](http://www.mmday.com.ua)

##### Upside-down party

A small house where the ceiling and the floor are reversed is one of the strangest locations for a party in town. It has two floors and six rooms and is stuffed with Soviet household items from the 1980s. It can accommodate up to 20 guests. The upside-down house is located in the → 13

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## Free online courses offered for foreigners who want to learn Ukrainian language

BY ANNA YAKUTENKO  
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Activists from Kyiv-based Borys Grinchenko University launched free online courses of Ukrainian language for foreigners.

The courses are aimed at non-Ukrainians who speak English, French or Chinese and want to learn Ukrainian. The classes will be held individually or in groups twice a week using Skype.

A basic course of Ukrainian will include lectures and assignments, reading texts, and discussing various topics during the online panels. Students are going to start with learning the simple expressions to be used in everyday life.

The courses are expected to start on Dec. 5 and will last four months. The classes will be held by professors and students of Grinchenko University, but volunteers are welcome to join.

Organizers say that while learning Ukrainian students get knowledge of country's history and culture. Those who will pass an exam at the end of the course will get a certificate.

More than 100 foreigners have applied for the courses so far, according to the coordinator Ruslana Kostur. Most of them are Americans, but there are also natives of Canada, United Kingdom, Poland and Belarus.

At the same time, many people from eastern Ukraine and Crimea, who mainly speak Russian, are also interested in the online courses that would help them improve their Ukrainian.

Kostur says that people have different motivations for taking the course. One foreign journalist who works in eastern Ukraine applied because "he is tired of hearing Russian language" and he believes that "everybody should know the language of the country they live in."

"Many people write that they want to learn the language because members of their family are from Ukraine or they themselves were born in Ukraine, moved to another country, but want their children to speak Ukrainian," Kostur says.

The statement by Grinchenko University professor Olena Bondareva on the course's website reads that "this project will be a simple and effective way to integrate Ukraine into the European community through direct communication and cooperation of students and teachers of different educational centers."

To take the course, one should fill the form at the project's website [www.slovopys.kubg.edu.ua](http://www.slovopys.kubg.edu.ua) or send an email to [slovopys@gmail.com](mailto:slovopys@gmail.com).

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Free online courses of Ukrainian language to start on Dec. 5. (Pavlo Podufalov)



Kyiv offers plenty of unconventional locations for parties, including real streetcars or an upside-down house available for rent. (Oleg Dobriansky/mmday.com.ua)

## City Life: Throwing party in real streetcar is easy

→ **12** Blockbuster entertainment center. The only problem is that loud noise and the consumption of alcohol are frowned on here.

Renting the house costs from Hr 1,000 on weekdays to Hr 5,000 on weekends. Clients are allowed to bring their favorite games, food and beverages.

Blockbuster Entertainment Center  
34B Moskovsky Ave., first floor. Open daily 11 a.m. – 12 p.m.

### Streetcar party

KyivPasTrans, the municipal operator of the city's streetcars, rents out its streetcars for parties or private tours around the city. You can choose from among four available streetcars. A rented streetcar will have seats and tables to accommodate up to 21 guests, as well as a separate table to be used as a bar or for serving food. Regular streetcars without tables are also available. You can bring food

and alcohol, or even order full-scale catering. The minimum rent time is two hours, and driver services are included.

Rentals start at Hr 350 per hour for a regular streetcar, and Hr 500 for the one with tables and comfortable seats. Rentals are more expensive on weekends, and prices are set to rise starting on Dec. 20.

[www.tramvaj-kafe.kiev.ua](http://www.tramvaj-kafe.kiev.ua)  
Kyiv Post staff writer Nataliya Trach can be reached [trach@kyivpost.com](mailto:trach@kyivpost.com)

## See mountains, taste wine, and visit castles and museum in Ukraine's Zakarpattia Oblast

→ **12** "But much more work needs to be done to make the city better for tourism," Moskal said.

He cited poor roads as a major regional problem. Next year he hopes to repair them. Even the central parts of Uzhhorod has many potholes and cracks, and not a single traffic light works there.

Mukacheve, a city 41 kilometers to the southeast, is Uzhhorod's nearest regional tourism competitor. Smaller in size, its historical buildings and spirit of a medieval town draws plenty of sightseers. When staying in Uzhhorod, many opt for a one-day trip to the his-

toric town, which also has a 14th-17th century castle.

Also worth seeing in Uzhhorod is the Museum of Carpathian Architecture, an outdoor exhibition of the houses that dot the region.

The city center is a labyrinth of cozy patios and narrow, cobble-stone streets. Wine tastings can be had at a number of cellars for Hr 365. Mine took place in the dungeon of the castle (33 Capitulna Street). Afterward, limited edition wine could be purchased for Hr 150-300 per bottle.

There's an abundance of eateries too.

For authentic regional cuisine visit the Old Café (14 Voloshyna Street). It offers a broad menu that includes the must-haves of local food – the corn-and-cheese dish banush, and meat soup bograch.

Foreign tourists often prefer Antresol café by Mrs. Greenwich (1A Koryatovycha St.), which offers a range of soups, pizzas and pies. The interior resembles Central Perk, the iconic fictional café from the "Friends" TV sitcom. The staff speaks English.

Kyiv Post staff writer Veronika Melkozerova can be reached at [melkozerova@gmail.com](mailto:melkozerova@gmail.com).

### How to get there:

**By train.** Several trains go from the Kyiv Central Railway Station to Uzhhorod three times a day. The trip takes 15 hours. One-way tickets start at Hr 145.  
**By plane.** There are regular flights from Kyiv to Uzhhorod, with prices starting at \$134.

**By car.** Uzhhorod is 809 kilometers away from Kyiv. The drive takes nearly 10

hours.

### Where to stay:

Atlant Hotel is a cozy hotel in the center of the old city on 27 Koryatovycha Sq. Prices here start at Hr 350 for a single room, breakfast included. Old Continent Hotel (4 Shandora Petefi Sq.) is a more expensive option, calling itself the best hotel in the city. Rooms start at Hr 2,000 per night.

### Where to eat:

Antresol café by Mrs. Greenwich (1A Koryatovycha St.) offers pizza, pasta, and coffee. Old Café (14 Voloshyna St.) is good choice for traditional cuisine of Zakarpattia. Uzhhorod Castle Restaurant (33 Capitulna St.) offers a medieval atmosphere. Café Le Bouledogue (13 Korso Street) is a venue devoted to French bulldogs.



A woman pours wine from a barrel during the Sunny Drink festival in Uzhhorod on May 3. (UNIAN)



(Hurts/facebook)

March 3

## Hurts

The show of British band Hurts is scheduled for March, but the tickets are already on sale and won't last for long. This time, the band led by the pop icon Theo Hutchcraft will present their third album, "Surrender."

**Hurts (pop).** March 3. 8 p.m. Stereo Plaza (119 Chervnozoryaniy Ave.). Hr 700-3,500



Nov. 21

(Crazy Town/facebook)

## Crazy Town

American rap rock band Crazy Town released three albums, but it is best known for their hit song "Butterfly" that played on every corner during the early 2000s.

**Crazy Town (rap rock).** Nov. 21. 8 p.m. Sentrum (11 Shota Rustaveli St.). Hr 350



(AFP)

Nov. 22

## Pole Dance Championship

Representatives of some 200 schools of pole dance come to this championship annually to compete for the title of Best School of Pole Dance in Ukraine. Pole dance is a performance art that combines dance and acrobatics and is mostly associated with strip clubs.

**Pole Dance Championship.** Nov. 22. 6 p.m. Kyiv College of Hotel Industry (26 Henerala Zhmachenko St.). Hr 150-200



(Anastasia Vlasova)

Nov. 21-22

## Yoga Days

The Yoga Days are worth visiting for yoga devotees and those only looking to try it. The two-day festival of yoga will include yoga classes, lectures, a sale of equipment and a food court offering healthy snacks.

**Yoga Days.** Nov. 21-22. 11 a.m. - 11 p.m. M17 Center of Modern Art (102-104 Horkoho St.). Hr 50 for one day, Hr 80 for two-day ticket



(opera.com.ua)

Through Dec. 18

## 'Bestiary' art exhibition

Ukrainian contemporary artist Matviy Vaisberg presents his new exhibition, "Bestiary." It's a collection of the artworks from different years picturing animals. The exhibition is a reference to the animals on Noah's Ark.

**"Bestiary" (art exhibition).** Through Dec. 18. Mystetska Zbirka Art Gallery (13 Tereshchenkivska St.). Free



(Grycja Erde/facebook)

Through Dec. 21

## Feminist Art (Ukraine, Poland)

The exhibition of artworks by Polish and Ukrainian artists focuses on the feminine components of everyday culture and on a woman's role in society.

**Ukrainian-Polish Exhibition of Feminist Art.** Through Dec. 21. Center of Visual Culture (44 Hlybochytska St.). Free

**HEALTH CONSULTANCY OPPORTUNITY**

Deloitte is seeking resumes of the below position to work with HIV Reform in Action (HIVriA), a USAID project.

**ADMINISTRATIVE MANAGEMENT CONSULTANT**

For qualifications and job descriptions refer to: [www.kyivpost.com/payment/vacancy/251](http://www.kyivpost.com/payment/vacancy/251)

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Please visit FMI website <http://fmi-inc.net/about/jobs.html> for more details. Candidates are asked to submit resumes and cover letters to [office@fmcdi.kiev.ua](mailto:office@fmcdi.kiev.ua) indicating the position title in the subject line by December 1, 2015



**The Local Government Project, Ukraine**

**Company Profile:**

Management Systems International (MSI) is an international development firm in the Washington, D.C., metro area with a 30-year history of helping to deliver results across the developing world. We have been working in Ukraine for more than two decades implementing many USAID sponsored projects. For more information on MSI, please visit our website at [www.msiworldwide.com](http://www.msiworldwide.com).

**Project Summary:**

The purpose of this four-year project is to strengthen local governments in Ukraine to effectively manage resources and services that respond to community priorities and improve citizen engagement and oversight in local governance.

**Position Summary:**

We are looking for candidates for full-time and short-term positions with expertise in local government and decentralization, public finance management, local economic development, institutional development, monitoring and evaluation, grants/contracts, communications, finance/administration, and citizen participation area. The candidates should have strong understanding of the current local government and decentralization reform in Ukraine and practical experience working with different stakeholders in the government, civil society and the private sector. Candidates should have master's or higher degree in relevant areas. Candidates for full-time positions should have good English language skills. Experience working on USAID or other donor-funded projects is a plus.

**Please note: Only Ukrainian citizens are eligible for these positions**

Only candidates who have been selected for an interview will be contacted. No phone calls, please.

To apply: <http://chk.tbe.taleo.net/chk04/ats/careers/requisition.jsp;jsessionid=B9788D498AFF7A7358620BB904A2AA3E?org=MSI&cws=2&rid=4952>

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