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Blood Money

Coal blockade draws attention to wartime trade



A veteran stands in front of a blockaded coal train at Kryvy Torets station on Feb. 14. Ukrainian veterans of Russia's war on Ukraine in the Donbas are attempting to prevent supplies of anthracite coal moving from Russian-controlled to Ukrainian-controlled territory. The government has warned that this could lead to shortages of fuel at power stations, and power blackouts within weeks. (Kostyantyn Chernichkin)

BY ISOBEL KOSHIW
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SHCHERBYNIVKA, Ukraine – In the harsh cold, less than a dozen Ukrainian veterans of Russia's ongoing war huddle around a fire near the remote train station of Kryvy Torets, an hour's drive from

Ukraine's frontlines and 700 kilometers southeast of Kyiv.

Late on Feb. 11, the Ukrainian nationalists stopped and are now detaining, a 50-wagon train carrying nearly 5,000 tons of anthracite coal from Russian-controlled territory into Ukrainian-controlled territory.

The former volunteer fighters say they will not leave until all trade ceases between government-controlled Ukraine and separatist-controlled areas. Since Jan. 25, the activists have blockaded three out of the seven railway lines that carry coal to and from the occupied territories.

"We have two enemies: Internal and external," said Leonid Lytvynenko of the Organization of Ukrainian Nationalists volunteer battalion from Luhansk Oblast, speaking about the Ukrainian authorities and Russia.

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Past tragedy casting shadow on Ukraine's ties with ally Poland

BY VERONIKA MELKOZEROVA
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Poland has been a good neighbor to Ukraine. Warsaw has been one of Kyiv's chief supporters in the European Union, and a staunch supporter of Ukraine as it faces Russian aggression in the Donbas.

But past conflicts between Poland and Ukraine cast a shadow on their present cooperation – Poland's ruling party is displeased with Ukraine's present glorification of its Insurgent Army and nationalist leader Stepan Bandera. Many in Poland consider them to have been terrorists, responsible for the mass murder of Poles.

Ukrainians, in return, resent such a view, seeing it as a foreign interpretation of the country's history.

Many in both countries want to put the past behind them. For instance, Witold Waszcivovsky, the Polish foreign minister, said during a meeting of the Polish parliament, the Sejm, on Feb. 8 that bilateral cooperation between Poland and Ukraine must be based on the truth, and not become a hostage of the past.

But it seems other Polish politicians do not want to move on.

"I said clearly to President (Petro) Poroshenko that the Ukrainian flag will not come to Europe, as we cannot agree with the fact that in recent years Ukraine built the cult around people responsible for the genocide of the Poles," Jaroslaw Kaczynski, the head of Poland's ruling Prawo i Sprawiedliwosc (Rule and Justice, or PiS) party, told Polish magazine *Do Rzeczy* in an interview on Feb. 5.

"It was hard to compete with the cruelty of the Germans at that time, but they (the Ukrainian Insurgent Army) managed it. We (the Poles) have shown great patience. But everything has its limits," Kaczynski added.

In particular, controversy rages over an incident in 1943, called the Volyn Tragedy in Ukraine and the Volyn Massacre in Poland. The

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World War II-era killings still influencing Ukraine-Poland ties

Poland from page 1

difference in terms reflects the different historical view of the event in the two countries.

In July, the Sejm, Poland's parliament, voted to declare the Volyn Tragedy a genocide of Polish civilians by Ukrainian nationalists of the Ukrainian Insurgent Army. According to the resolution approved by the Polish lawmakers, Ukrainian nationalists slaughtered more than 100,000 citizens of the Second Polish Republic on the territories of Volyn and Galychyna during 1943-1945. These territories are today partly in Rivne and Lutsk oblasts in western Ukraine.

The document did, however, acknowledge that the actions of the Ukrainian nationalists had caused a bloody reaction from Poles.

"We cannot forget about Polish actions in revenge, which also lead to the mass killing of Ukrainian villagers on those territories," said the document.

Nevertheless, there was an aggrieved reaction in Ukraine to the resolution. Ukrainian President Petro Poroshenko wrote on Facebook on July 22 that the Sejm's decision could be used as a political tool.

"We should forgive and be forgiven," Poroshenko wrote. "Only together we can overcome the tragic moments of our common history. And I hope we will continue on that course."

War crimes

In general, most Poles' attitude toward Ukrainians is tolerant and positive. In the 1990s, the Poles had a stereotypical view of Ukrainians as greedy contrabandists, cleaning ladies, and construction workers. That has changed since the Orange (2004) and EuroMaidan Revolutions (2013-2014), with Poles now seeing Ukrainians as young, ambitious



A man examines graffiti daubed on a gravestone at the Bykivnia Graves Memorial on Jan. 26. The memorial, located in the outskirts of Kyiv, is the burial site of 50,000 people, including Polish officers who were executed during Stalin's repressions between 1937 and 1941. (Volodymyr Petrov)

professionals, who come not only to make money or study, but also contribute to the diversity and prosperity of Polish society.

Wascivovsky said Poland granted more than 1.5 million visas for Ukrainians in 2016, 650,000 of which were employment visas, as Ukrainian workers are valued in Poland.

All the same, Poles are disturbed by Ukraine's admiration for its wartime insurgent army, nationalist groups, and the nationalist icon Stepan Bandera, and see this as support for their violent methods.

Volodymyr Viatrovych, the director of the Ukrainian Institute of National Remembrance, told the Kyiv Post on Feb. 13 that the popularity of Bandera and the Ukrainian Insurgent Army has grown in Ukraine because of Russia's aggression and the war in the Donbas.

"In modern Ukrainian society, Bandera is a primarily a symbol of resistance against Russia. Today, Ukraine feels abandoned by the world, and the Insurgent Army for us is a sign that we have the strength to fight on our own," said Viatrovych.

"We should not condone collective responsibility. We were at war, and soldiers of both sides - Polish and Ukrainian - committed war crimes. But that doesn't mean all the Ukrainian insurgents or all of the soldiers of Poland's Armia Krajowa were criminals," the expert said.

The Armia Krajowa or the Home Army, was the resistance movement fighting for Polish liberation from Nazi Germany and the Soviet Union during the Second World War.

Provocations

Viatrovych said such frictions were normal for any neighboring countries, as their histories have dark pages: wars, conflicts, pressure, and dictatorship. But there is no mutual hatred between modern Ukrainians

and Poles, he said.

However, Polish nationalists have been conducting anti-Ukrainian actions, such as an attack on a Ukrainian fighters' commemoration ceremony in Przemysl, a city in south-western Poland in July, or the shouting of "Death to the Ukrainians!" during the Orlat Przemyskich i Lwowskich (Eagles of Przemysl and Lviv) commemoration march in December.

Orlata is a nickname for the Przemysl soldiers who fought against Ukrainian forces and the Red Army during the Second World War.

In January, a group of nationalists beat up three Ukrainian students after an argument over the status of Lviv, the western Ukrainian city that until 1939 was part of the Second Polish Republic.

In return, vandals daubed the walls of Poland's Consulate General Building in Lviv with the words "Our land." Ukrainian Foreign Minister Pavlo Klimkin condemned that action on Twitter.

Wiktor Swincicki, the international projects inspector for the city council of Lublin in eastern Poland, told the Kyiv Post on Feb. 14 that he had first noticed a rise in anti-Ukrainian political actions after 2010, after President Viktor Yushchenko had posthumously given Bandera the award of Hero of Ukraine.

Since then, many PiS politicians have been promoting the idea that the Volyn Tragedy episode has never been properly resolved - Ukraine has never officially apologize for the actions of its citizens in the 1940s.

"In such circumstances, many Poles see Bandera's hero status, the renaming of the streets and monuments in his honor, as a slap in the face, and disrespectful. That's why Poles disapprove of the 'Slava Ukraini' slogan, so popular in modern Ukraine. They think the insurgent army fighters cried the same

words during their massacre of the Poles," said Swincicki.

First steps

During his visit to Poland in July, Poroshenko laid flowers at a monument to the victims of the Volyn Massacre in Warsaw. He was the first Ukrainian president to do so, and he even knelt as a mark of respect.

Presidential Minister Krzysztof Szczerski told the Rzeczpospolita news website in September that Polish President Anjey Duda "greatly appreciated" Poroshenko's gesture, saying that Ukraine's president had taken a step on the road to reconciliation over the tragic events.

Viatrovych said it would be wrong for Ukrainians to acknowledge that the Volyn Tragedy was an act of genocide against the Poles. But terming this event the Volyn Massacre, as Polish historians do, is incorrect as well, because it isolates the massacre from the context of other historical events that occurred before and after.

"The conflict between the Ukrainian and Polish insurgent armies lasted from 1942 to 1947. In 1943, (the year of the Volyn Massacre) indeed we have mostly Polish victims of the war. But there were numerous recorded cases of war crimes against Ukrainians civilians committed (at other times) by Polish insurgents," Viatrovych said.

The expert said the both countries must admit to and condemn the war crimes committed by their forces during the war, and name those who are to blame.

He said the topics of the Volyn Tragedy and Polish-Ukrainian war should be taboo for politicians of both countries, as it was clear to him that the dispute could be used to ruin relations between the two nations.

"Forgive and be forgiven. Leave history to the professionals," Viatrovych said. ■

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Blockade lays bare Ukraine's reliance on coal from Donbas

Blockade from page 1

Ukraine's Cabinet of Ministers on Feb. 15 declared a state of emergency in the energy sector because of the blockade, which it describes as a "dangerous act of populist PR." According to Prime Minister Volodymyr Groysman, if the blockade goes on for several weeks, large swathes of the country will be left without power.

Seven out of 14 of Ukraine's power plants rely on anthracite coal, which is only mined in territories that are not under government control – mostly by billionaire oligarch Rinat Akhmetov's DTEK energy company. Imports from abroad are expensive and slow, Ukraine's Ministry of Energy has said, and redeveloping power plants to use other types of coal takes time. So far, two of the seven are undergoing reconstruction.

The activists say Ukraine's authorities are spreading false information about the anthracite stores at power stations because they and others are profiting from the war-time trade.

"Business is being done on the blood" of men, said Lytvynenko, as he perched on a bed in one of the two army tents pitched near the railway crossing.

Lytvynenko traveled with Samopomich Party deputy Yehor Sobeliev and Donbas battalion commander and Samopomich deputy Semen Semenchenko, who are supporting the activists, on Feb. 13 to visit the Slovyansk power station. The station's management said their anthracite stocks would last until March 28. A similar statement was made by the management of the Kramatorsk power station, according to the activists.

The level of stocks at the other five power plants is unknown. Semenchenko, who initiated the blockade, told the Kyiv Post that coal stocks are always bought in advance for the winter seasons, and not to do so would indicate that the government was incompetent.

Stabilizing force

Akhmetov's DTEK has sold electricity generated using from its anthracite coal in increasing amounts since the downturn of its operations at the beginning of the war. Around



Veterans of Ukraine's ongoing war patrol near the coal train they blocked traveling from the occupied territories at Krivoy Torets station on Feb. 14. (Kostyantyn Chernichkin)

8 million tons of coal were transported by DTEK from the separatist territories in 2016, compared to 4.7 tons in 2015, according to Yuriy Cherednychenko, the general director of DTEK's Dobropillya mines, located in Ukrainian-controlled Donetsk Oblast.

In accordance with Ukrainian legislation introduced in January 2015, DTEK re-registered its enterprises in Ukraine, including two of its mines to Dobropillya. Cherednychenko told the Kyiv Post that Dobropillya receives 70 percent of the taxes paid by DTEK for its operations in the separatist territories and the rest goes to the state.

The Ukrainian authorities and Ukraine's Independent Miners Trade Union say that the company is a stabilizing force in the occupied ter-

ritories: "If these miners were left without pay, they will take up arms against Ukraine then there will be blood," said Ihor Nasalyk, Ukraine's energy minister, on Feb. 10.

"We mustn't forget that the people living on those territories are also Ukrainians," the leader of the Independent Trade Union Mykhailo Volents said on RFE/RL on Feb. 7. "They need work to survive."

It is unclear what agreement DTEK and other smaller coal companies have with Ukraine and with the pseudo-authorities in the parts of Ukraine not under the control of the government.

The Security Service of Ukraine, or SBU, monitors the companies that export from areas that are not under government control. The SBU stated on Dec. 2 that in the occupied parts of Luhansk Oblast, Ukrainian-registered companies pay a 47 percent tax on the coal they mine. The statement was made as part of the SBU's pre-trial investigation into the illegal military groups occupying eastern Ukraine. The SBU said that the money is used to pay the salaries of Russian-backed forces.

According to the activists, the security services have not attempted to end their blockade of the uncontrolled territories because the authorities are afraid there might be bloodshed if they do.

Costly formula

The blockade has also drawn national attention for the first time to the so-called Rotterdam plus formula that Ukraine's energy regulator has

used to buy coal since March.

The regulator said that the formula was introduced to achieve energy independence from the territories that are not under government control, and to introduce greater transparency.

But energy analysts such as Andriy Gerus say the opposite is true. With this formula, all consumers pay for the cost of coal to be transported from Rotterdam in their tariffs, and as well as for the price of the coal, which stands at Hr 1,700-2,300 per ton. But in fact, coal is not being imported from Rotterdam - they are buying Ukrainian coal for Hr 600-1,300. The formula therefore almost doubles the price of electricity for consumers unnecessarily.

Fifty meters from the veteran's encampment, the blockaded train stands surrounded by snow. The train's drivers, local employees of Ukraine's state railway company, have been guarding the train in shifts. They sit together with the blockaded activists in furnace-heated driver compartment.

Prisoners of war

Setting off into the unknown, without bulletproof vests, the drivers say they often narrowly escape shelling. Sometimes they are forced to stop the train for days to wait for the fighting to pass, and are left to survive on whatever food they bring from home. The hardship compensation of \$40 per month promised to them by Ukrzaliznytsia has not been paid.

When asked why the blockade started in January, after almost three years of war, the veterans were

unsure, but said that it was because they were busy fighting.

Semenchenko told the Kyiv Post that the blockade would force the separatists to free Ukrainian prisoners of war without sacrificing Ukraine's independence. He said this conclusion had been reached by a number of fighters who had finished their service in December 2016 and saw that certain forces were suing for peace.

Between 20 and 22 trains per day roll back and forth from the territories not controlled by the government through Kryvy Torets: "The coal comprises 15 to 20 percent of the goods being traded. The television channels are only talking about the coal, and manipulating people's understanding of the situation," said Semenchenko.

Political reaction

Poroshenko has come out against the blockades, calling the move "a destabilizing factor."

But Ukraine analyst Timothy Ash said that Poroshenko "faces a big dilemma on this issue. He needs to handle/manage this very carefully, given that a lot of those running the blockades are war veterans, and there is clearly some parliamentary support. It could easily get out of hand...I guess this also goes to the point of broader arguments as to whether (the separatist areas) can be easily incorporated back into Ukraine, or whether Russia should be made to bear the full cost of supporting these regions, given its own intervention." ■



A veteran of Ukraine's ongoing war chops wood at the blockade camp on Feb. 14. (Kostyantyn Chernichkin)

Editorials

Short of supplies

War. Politics. Business. Where these three intersect, strange things can happen.

It is, on the face of it, bizarre that after three years of war, Ukraine is still buying coal from mining companies in areas of Ukraine that have been overrun and seized by Russian-backed forces.

The companies that mine the coal pay a 47-percent tax to the pseudo authorities that are in control of parts of Donetsk and Luhansk oblasts. Some of that money goes to pay the Russian-backed fighters who almost every day kill Ukrainian soldiers.

The Ukrainian government is, effectively, helping to pay the salaries of the enemy's troops.

On the other hand, by continuing to buy coal from the occupied territories, Ukraine is helping to support thousands of Ukrainian miners there who would have no other means of support. Without work at the mines, some of them could well end up on the front line, drawing a fighter's pay for battling the Ukrainian armed forces.

On top of that, Ukraine at present may have no other option but to buy the coal – which is of a type that half of Ukraine's coal-fired power stations must use, for technical reasons. The owner of many of the power stations, and the mines, is billionaire oligarch Rinat Akhmetov, who adds his political influence to this strange mix of war and business.

How to untangle this Gordian knot of competing goals and interests? Ukraine's energy sector is still non-transparent, corrupt and monopolized – sweeping change is needed there.

The country's power generating capacity has to be modernized, to reduce reliance on unreliable, even hostile partners.

Shady schemes from which both sides profit have to be shut down – that people are profiting from Ukraine's war is unacceptable.

But all that will require stability, investment, and political will. And these, just like coal, are in short supply in Ukraine right now.

Investigate Trump

In an editorial entitled "Never again" in the Nov. 11 issue of the Kyiv Post, we wrote that U.S. President Donald "Trump, like all liars, will eventually be exposed as the carnival farce that he is."

Looking back, we should have written "soon" instead of "eventually."

The signs were all there, as we noted at the time. Trump is utterly unsuitable for the office he now holds. Barely a month into his presidency, his administration is embroiled in scandal, mired in incompetence, and hobbled by failure.

From his ham-fisted 90-day ban on nationals from seven Muslim-majority countries entering the United States, to his spokesperson's coining of the phrase "alternative facts"; from the president's pathetic lies about the size of the crowd at his inauguration, to the resignation on Feb. 14 of his national security advisor, Michael Flynn – Trump has been everything that we expected of him: a failure.

However, it is not the ineptitude, the incompetence, the mendacity, the childishness, or the mean-spiritedness of this administration that troubles us most.

It is its links to Russia – which were obvious to everyone long before Trump and his team entered the White House.

Trump's fawning admiration for the sinister and murderous Russian dictator Vladimir Putin, the president's failure to release his tax returns (and thus dispel rumors that he is in hock to Russian interests), and the revelation, in a New York Times story published on Feb. 14, that members of the Trump team had repeated contacts with senior Russian intelligence officials in the year before the election – these are all troubling individually.

But add in Russian meddling in the U.S. election campaign, the "Trump dossier" on the president's alleged past dealings with Russia, and Flynn's misleading his bosses about talks he had with the Russians on lifting sanctions against Russia, and a picture emerges of an administration deeply compromised by ties to the Kremlin.

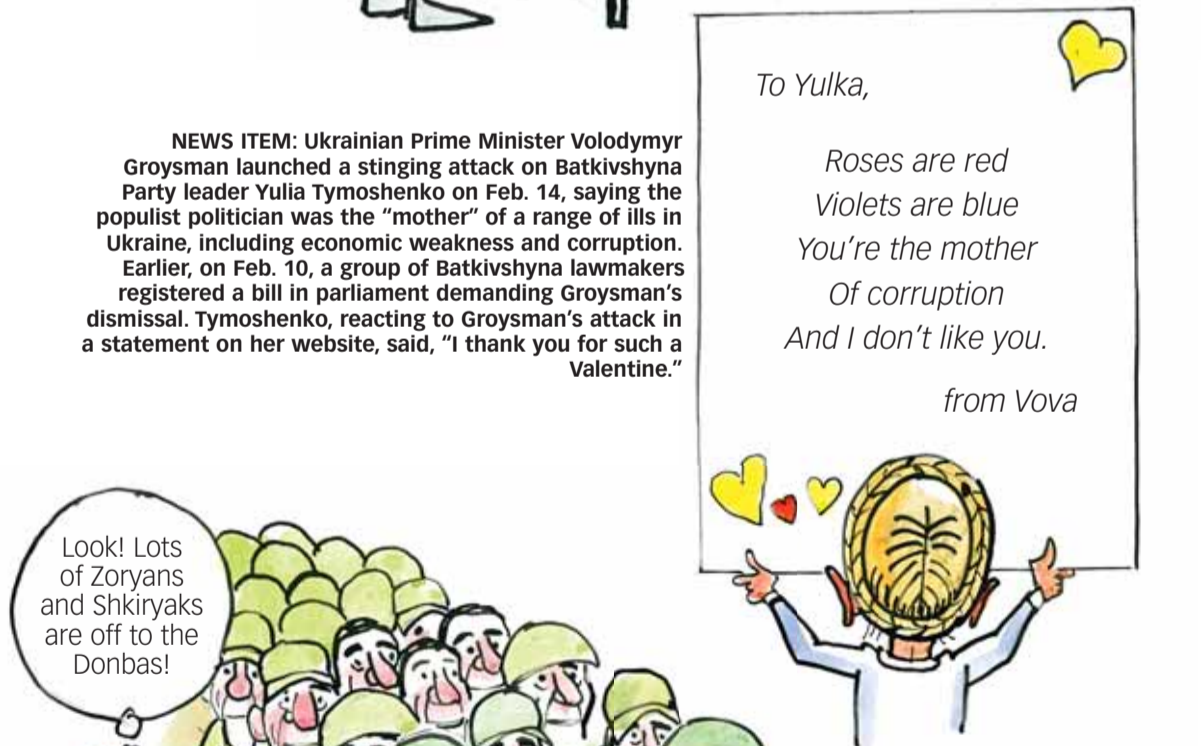
Congress must start investigations into these ties immediately. Trump's promise to "make America great again" has proved to be a sham. America is weaker, less respected, and less credible than it was before Trump took office.

Trump has already been exposed for what he is, and now it's time to stop this farce before more damage is done.



NEWS ITEM: In an apparent reversal of policy, the administration of U.S. President Donald Trump announced on Feb. 14 that the United States expects Russia to give Crimea back to Ukraine. The tone of coverage of Trump on Kremlin-controlled media switched from pro- to anti-Trump in a matter of hours.

NEWS ITEM: Eduard Basurin, one of the leaders of the Russian-backed forces that have occupied parts of Donetsk oblast, has claimed that the famed Ukrainian army "cyborg" soldiers who defended Donetsk airport until it fell in early 2015 were being given psychotropic drugs to enhance their fighting performance.



NEWS ITEM: Ukrainian Prime Minister Volodymyr Groysman launched a stinging attack on Batkivshyna Party leader Yulia Tymoshenko on Feb. 14, saying the populist politician was the "mother" of a range of ills in Ukraine, including economic weakness and corruption. Earlier, on Feb. 10, a group of Batkivshyna lawmakers registered a bill in parliament demanding Groysman's dismissal. Tymoshenko, reacting to Groysman's attack in a statement on her website, said, "I thank you for such a Valentine."

NEWS ITEM: Russian TV propaganda channel Rossiya 24 claimed that the two assassins of Mikhael Tolstykh, a pro-Russian fighter known by the nickname "Givi," were called "Zoryan" and "Shkiryak." Apparently, Putin's propagandists didn't understand that the "two suspects" they were ordered to blame for Givi's killing are actually one in the same person – Zoryan Shkiryak, an advisor to Interior Minister Arsen Avakov.

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Reformer of the week

Kateryna Vezeleva-Borisova

The Security Service of Ukraine (SBU) has opened an investigation into Kateryna Vezeleva-Borisova, a deputy department head at the National Anti-Corruption Bureau of Ukraine (NABU).

The SBU accused her of violating anti-corruption law by lecturing at the Friedrich Ebert Foundation, in what critics saw as a political vendetta by SBU First Deputy Chief Pavlo Demchyna, a protégé of President Petro Poroshenko's grey cardinals Ihor Kononenko and Oleksandr Hranovsky. But the Kyiv Court of Appeals on Feb. 10 ruled in favor of Vezeleva-Borisova, nicknamed "the NABU Lady," saying that she had not violated the law.

Earlier this month Demchyna also initiated a case against reformist former customs official Yulia Marushevska over an \$18 bonus.

Meanwhile, Kyiv's Pechersk Court on Feb. 15 rejected the National Agency for Preventing Corruption's attempt to fine reformist lawmaker Sergii Leshchenko, finding him not guilty of violating the anti-corruption law by purchasing a \$281,000 apartment.

The investigations are seen as part of a broader conflict between old corrupt agencies controlled by Poroshenko and reformers, including the relatively independent anti-corruption bureau.

The National Anti-Corruption Bureau on Feb. 14 published a list of the 46 graft cases it had submitted to trial since its operations were fully launched in late 2015.

— Oleg Sukhov



Anti-reformer of the week

Vasyl Hrytsak

The Security Service of Ukraine (SBU), headed by Vasyl Hrytsak, is still blocking access to its employees' electronic asset declarations, claiming they are state secrets.

The declarations are unavailable not only to the public, but also to the National Agency for Preventing Corruption. The agency, which has so far failed to check a single government official's declaration since the system was launched in September, is also lacking access to many state agencies' databases as part of alleged sabotage of the declaration system.

Critics argue that SBU officials are trying to hide their wealth.

Hrytsak's wife Olga owns Olvia, a firm that supplies meat to state agencies, according to Radio Liberty. Meanwhile, Hrytsak's deputies Vitaly Malikov and Oleg Frolov had acquired premium land plots from the state for free, Radio Liberty reported in December.

Meanwhile, the Justice Ministry said in December that the SBU had violated the lustration law on the dismissal of ex-President Viktor Yanukovich's top officials by failing to fire its chief investigator, Grigory Ostafiychuk. Previously the agency had also been accused of refusing to fire ex-employees and former agents of the KGB, the Soviet secret police.

Pavlo Demchyna, first deputy chief of the SBU and an ally of Poroshenko's grey cardinals Ihor Kononenko and Oleksandr Hranovsky, has reportedly become the power behind the throne at the agency.

— Oleg Sukhov



VOX populi

WITH MARIA ROMANENKO

What results of the EuroMaidan Revolution have been the most surprising to you?



Maksym Svichenko, serviceman:

"I lived in Sevastopol at the time. Of course, (the invasion) came as a surprise and was very unexpected, but then some things became clearer, and I figured out that Russia must have planned this for a long time. It was shocking that we lost Crimea and I had to move out as a result, and now we also have war."



Nadiya Haivska, university professor:

"Of course, we always tend to believe in the best, and so we did. It is so sad and painful

how things have turned out, and how many people have died as a result, especially young people. And those who died at the beginning of the war were just the best people in my opinion."



Oleksandr Krishtal, hairdresser:

"I wasn't surprised, I think it was all very obvious. People in Crimea and Donbas

wanted separation for a long time, and when the opportunity arose, they took it. I don't know whether EuroMaidan was the tipping point, but unfortunately different people in Ukraine have different views.



Victoria Savina, national police officer:

"I did not expect all the events, but I expected more action from the government.

I feel very sorry for our nation, because we all believe, hope and act for it. I have no words for what is happening now, especially in politics and government. The government does not react to people's demands and needs, and is only making matters worse."



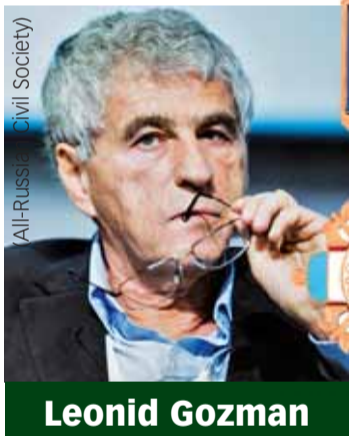
Tetiana Pularia, university lecturer:

"I absolutely did not expect it. I could not even foresee EuroMaidan

itself, despite there being the Orange Revolution in 2004. The Orange Revolution was bloodless and we hoped it would bring change. Then history repeated itself, and in the worst way possible. The bloody events that followed were shocking.

Ukraine's Friend & Foe Of The Week

Editor's Note: This new opinion feature separates Ukraine's friends from its enemies. The Order of Yaroslav the Wise has been given by Ukrainian presidents since 1995 for distinguished service to the nation. It is named after the Kyivan Rus leader from 1019-1054, when the medieval empire reached its zenith. The Order of Lenin was the highest decoration bestowed by the Soviet Union, whose demise Russian President Vladimir Putin mourns. It is named after Vladimir Lenin, whose corpse is still rotting on the Kremlin's Red Square, 100 years after the October Revolution he led.



Leonid Gozman

Order of Yaroslav The Wise

war to continue. "We have nothing to do there, our guys have nothing to do there. And the fact that we are supporting people like (separatist leader Alexander) Zakharchenko is our — and yours as a Russian citizen — responsibility," Gozman said.

He added that Russian President Vladimir Putin's government wanted to keep the war in Ukraine going to win domestic support.

"Our government gets a lot from this war," Gozman said. "They get the consolidation of the society, they get an enemy... Having an enemy is important because they need to explain why we have such a bad life."

He is not alone. Former Russian State Duma Deputy Denis Voronenkov, who defected to Ukraine last year, has called Russia's 2014 annexation of Ukraine's Crimea region "a mistake."

According to Radio Free Europe/Radio Liberty, in an interview with Censor.net, Voronenkov compared Russia with Nazi Germany — saying that Russia's Federal Security Service (FSB) controls everything in the country.

Voronenkov called former Ukrainian President Viktor Yanukovich, who was toppled by the EuroMaidan Revolution on Feb. 22, 2014, a Kremlin "puppet" who fled to Russia and asked Putin to send Russian troops to Ukraine.

He said that Russia had gone "crazy on its pseudo-patriotic madness" and that "Crimea has united Russia around the idea to steal something from a neighbor."

— Brian Bonner



Michael T. Flynn

Order of Lenin

tweeted his praise of Putin on Dec. 30 for not retaliating to Obama's sanctions. "Great move on delay (by V. Putin) — I always knew he was very smart!" Trump tweeted.

Flynn was reportedly known as a habitual liar, with subordinates coining the term "Flynn facts," one of the reasons Obama fired him as head of the Defense Intelligence Agency in 2014. Yet Trump knew for weeks that Flynn had misled U.S. Vice President Mike Pence about his talks with Russia and the president did nothing about it until the scandal went public.

There are likely many other Kremlin moles inside the White House today. U.S. journalists have reported that intelligence services are withholding sensitive information from Trump because of fears that the Kremlin is eavesdropping on all of the president's conversations.

Trump's strange admiration of Putin deserves greater scrutiny. His choice of associates include Carter Page, a former foreign policy adviser and another Kremlin apologist who was interviewed regularly on Russian TV and who has extensive business interests in Russia and close ties to Putin confidant Igor Sechin, the Rosneft CEO. Ukrainians have also not forgotten that Trump's former campaign manager was Paul Manafort, who worked to get the Kremlin stooge, ex-President Viktor Yanukovich, elected in 2010.

Good riddance, Flynn, we hope you are merely the start of a White House cleaning project that ends in Trump's resignation or impeachment — or at the very least constrains his public support for Putin to such an extent that appeasement is politically impossible.

The story is far from over. Flynn's overtures to Russia appear to have been sanctioned by Trump, who

tweeted his praise of Putin on Dec. 30 for not retaliating to Obama's sanctions. "Great move on delay (by V. Putin) — I always knew he was very smart!" Trump tweeted.

— Brian Bonner

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Ukrzaliznytsya's new boss under fire for lack of reform

BY YULIANA ROMANYSHYN AND OLGA RUDENKO
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Among the national treasures of Ukraine's state-owned companies, Ukrzaliznytsya is the crown jewel and yet a flawed diamond at the same time.

A colossal monopolist, the state's only railroad company is constantly criticized for being inefficient, disorganized and massively corrupt.

In the middle of 2016, the government hired Wojciech Balczun, the ex-head of Polish Railways, to put Ukrzaliznytsya back onto a proper track. But only seven months later, critics say that Balczun is wasting the unique opportunities he was

given, while the CEO himself shuns publicity and brushes off criticism, saying he didn't come to Ukraine to participate in public debates.

Some estimate that Ukrzaliznytsya is still losing half of its possible revenue through inefficiency and corruption, and blame new management for failing to put an end to it.

Minister vs. CEO

Even Minister of Infrastructure Volodymyr Omelyan has not been satisfied with Balczun's management. But when he demanded a report from the Ukrzaliznytsya CEO, Prime Minister Volodymyr Groysman sided with Balczun and went as far as transfer Ukrzaliznytsya from Infrastructure Ministry, and put it directly under the control of the Cabinet.



A woman with a mop cleans a platform in front of worn and sooty passenger cars at the central train station in Kyiv on Jan. 12. (Volodymyr Petrov)

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Balczun and Omelyan were in open confrontation over the reform of the company at a cabinet meeting on Jan. 25, when Balczun reported Ukrzaliznytsya's results for the last year. While Balczun stressed his successes, Omelyan asked about the failed corporatization of Ukrzaliznytsya, costly court cases that were lost, opaque procurement, and the lobbying of private interests.

In response, Groysman jumped to Balczun's defense, and claimed Omelyan lacked competence in the field — unlike Balczun, who, while being the frontman of a Polish rock band at the same time, led Poland's PKP Cargo rail company for five years.

However, the experts tend to side with Omelyan, claiming that Balczun's reform efforts are barely visible.

Moreover, Balczun came in for criticism for not stopping his music career. His band Chemia is scheduled to give 16 shows in Poland in March and April, according to the band's Facebook page. Balczun, meanwhile, has been getting one of the highest salaries among state-owned company heads — Hr 463,000 (\$17,000) a month, plus bonuses.

The Kyiv Post tried to get an interview with Balczun several times, but he never found time for it.

Losses suspected

Vladimir Shulmeister, who served as deputy infrastructure minister for a year in 2015, spent a lot of his time at the ministry looking into

Ukrzaliznytsya, which at the time reported to the ministry.

He left the ministry together with his boss, ex-minister Andriy Pyvovarsky at the end of 2015, but he is still preoccupied with Ukrzaliznytsya.

He claims that the state behemoth, which that hadn't been making any money for years before it earned a relatively small profit of Hr 303 million in 2016, has been losing up to \$2 billion yearly through corruption and mismanagement. The total revenue of Ukrzaliznytsya in 2016 was \$2.9 billion.

Shulmeister named a few of the holes and schemes that drain Ukrzaliznytsya of money.

Among them: Procurement abuse, manipulating tariffs for cargo transportation in favor of big companies, renting out vehicles and properties for under-the-table payments, and losing costly court cases.

Oleksandr Zavgorodniy, who served as the acting CEO of Ukrzaliznytsya for slightly over a year in 2015–2016, thinks that Shulmeister's \$2 billion evaluation is over the top, but agrees that corruption is taking its toll on the state company.

He gave one example from his own experience: During his short time leading Ukrzaliznytsya, Zavgorodniy fired some 100 people. Many of them, he said, had to go because they, while working at Ukrzaliznytsya, controlled private companies that sold services and supplies to Ukrzaliznytsya.

In one particular case, the head of a major department was fired for such activities, but his replacement was found to be doing exactly the same thing shortly after.

Zavgorodniy blames corruption on the company's extremely low salaries. The head of a unit managing 400 people at Ukrzaliznytsya could be making just Hr 7,500 a month — less than an average salary offered on job search websites.

"With a salary like that, of course he will be looking for the ways to survive," says Zavgorodniy.

Shulmeister, in his turn, blames both bad salaries and the absence of proper controls.

Both Shulmeister and Zavgorodniy applied for the job of the head of Ukrzaliznytsya in 2016, but lost the competition to Balczun. Both claim there wasn't a real competitive selection, but that the government rigged the hiring process.

Opaque procurement

Ukrzaliznytsya purchases thousands of parts annually to repair its worn tracks. Since the use of the new electronic procurement system ProZorro became mandatory for all state-owned companies, abuses and fraud have been partially eliminated, though some contractors have learned how to game the system in their own interests.

One of the ways to get around the system is to become the sole contractor for essential supplies.

more Ukrzaliznytsya on page 9

FOCUSING ON LOGISTICS IS THE KEY TO SUCCESS

The most successful economies always feature well-developed transportation infrastructure and logistic networks. Meanwhile, this success is usually driven by mid-sized enterprises and their growth. Ukraine has already got its mid-sized business sector. And sometimes it is developing so fast that their leaders fail to cover all the details necessary to convert this growth into earnings, while at other times this development can turn into a real problem. Could this chaotic growth turn into systematic development? And could focusing on logistics become the tool of this transformation?

Seeking ways to increase their revenues, Ukrainian entrepreneurs frequently miss the easiest and nearest to reach such opportunity – a rational logistics processes. Numerous Ukrainian businessmen are sure that their in-house department or specialist provides them with significant cost reductions, while in reality their losses in other fields due to imperfect logistic processes do not only cancel out such "savings" but also reduce their earnings. And that is how it works.

Ukrainian-like Business

Current business processes are a complicated chain of activities. Sometimes it is so complicated that even an entrepreneur doesn't understand each part. That's no surprise: the easier life is to be for the final consumer, the more activities from businesses are needed. At the same time, as they get more and more complex, companies frequently focus on areas that are not in their core activities, and this reduces the quality of their real service or product.

"From the point of view of Ukrainian businesses, they think that if they do everything by themselves they save a lot, and, consequently, their revenues will be bigger. Nevertheless, even simple mathematics shows that this idea is completely wrong. If you are a good professional in designing and making chairs, for example, you can hardly be as good at their transportation or sales. Nevertheless, while sales are usually provided by retailers, logistics remains for the company to handle. As a result, businessmen come up against typical problems such as being out-of-stock, delivery failures, and the deterioration of goods due to incorrect storage or down time of staff and machines," says Andriy Golimbovsky, the CEO of Ekol Logistics Ukraine, one of the biggest 3PL providers on the Ukrainian market and a part of the international Ekol Logistics group of companies.

Looking closer

At first sight, cost of a logistic provider always looks bigger than that of maintaining an in-house team of specialists. Really, why does one have to pay for all these people and machines if he has a smart guy on the board who will organize the delivery of his goods to the final consumer? However, current logistics is not only about one or several trucks and an experienced driver. Today's business leader is expecting his goods to be delivered at an exact time, in an exact quantity, with good packing and secured by the guarantees of respectable insurance companies. And that scope of expectations is not an issue for one specialist – even a whole department is not enough sometimes.

On the other hand, the drivers of Ukrainian economy are local entrepreneurs whose businesses are developing faster and faster. They have succeeded in creating the right product or service, built the right marketing strategy and, as a result, won customers, whose number grows bigger with each day. But growing demand can turn into a real disaster if an entrepreneur fails to meet it. "We are working with a large number of different companies. And recently we see more and more

The advertisement features a central image of a young child playing with colorful wooden toys on a table. The Ekol logo is visible at the bottom center of the image. Surrounding the child are several statistics and graphics:

- We LOVE logistics**: A stylized logo with 'LOVE' in large letters and 'logistics' in smaller letters below it.
- Facilities in 14 countries**: A world map with 14 countries highlighted in red.
- 25% annual average turnover growth**: A line graph showing an upward trend.
- 5,500+ own vehicles**: A large number representing the fleet size.
- 750K^m² warehouse**: A graphic of a warehouse building.
- 48 trips per week (dedicated trains)**: A graphic of a train.
- 5 ROROs**: A graphic of a ship.

examples of successful local chains suffering because of their success: they can't satisfy the growing appetite of their clients because of poor logistics," explains Oleksiy Seveyn, sales director of Ekol Ukraine. He adds that in this case, infrastructure problems cancel out success, and sometimes even spoil the reputation of well-established parts of the business. For example - when a growing retailer can't provide a timely stock of goods to its successful outlets because of the needs of new stores. In this case, the retailer has a solution: to work on his logistic chain and increase its capacity.

"We have the biggest warehousing centers for textile products in Ukraine with perfectly organized business processes, the latest equipment and technological solutions. All this stuff needs significant investment for its maintenance. Now that is a question of how profitable it is for another, non-logistic, company to keep it," comments Seveyn from Ekol. The operator uses all its assets every day in order to meet needs of different clients, while a producer or retailer operates the capacities only for its needs, meaning that occasionally staff and machines can be left without work.

"Otherwise, to avoid down time, it has to offer its logistic capacities to other users and in such a way become a logistic services provider itself," he continues.

In lieu of an epilogue

The world's most successful companies, such as Hewlett-Packard, Apple, P&G, owe much of their success to logistic processes outsourcing. It gives them the opportunity to focus on their core businesses. Ekol's experience with their clients confirms that. "Being one of the biggest logistic providers on the Ukrainian market, we can say for sure that the Ukrainian business has reached a state when they need to follow the example of the world's leaders and shift to the new stage, leaving the logistic processes to specialized service providers," concludes Golimbovsky.

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BUSINESS ADVISER

Advertisement

How to organize effective logistics for retail and on-line



Kira Nazarkova
Director,
DENKA LOGISTICS COMPANY

Online trading has become a trend on today's market. It is one of few businesses growing steadily year on year.

Experts give different estimates of growth. From 20% to 50% depending on the product and activities. It indicates that the potential is still very large.

When it comes to internet trading, there are many components to consider. For instance, when a project success comes in to play, a solid web site will be needed with good marketing support, a contact centre and of course the product itself.

However, many online sellers often forget or do not pay enough attention to another equally important component, namely, logistics.

Generally, logistics is the most important aspect in the trading success. For e-commerce, its significance only enhances the overall satisfaction of the customer when buying online.

Most online stores handle logistics themselves. They prefer not to outsource to companies who specialize and focus on these aspects.

However, top-ranking specialists are employed to create a website, marketing support and finally the logistics part are considered as additional functions and companies often consider it better to implement this themselves.

At the same time, most often, companies undervalue what customers expect and what is considered important to them.

What will the client deliverables be once the online order has been created?

What will the received goods which the client ordered be like (size, colour, assembling, etc.) and moreover on the expected time?

Even if the entire team of buyers, sellers and contact centre works perfectly in sync, but the goods arrive in delayed time - the client will more than likely refuse or cancel the order.

Packaging of goods, safety, delivery time, courier, etc. - all these aspects are related to logistics.

In order to provide this function effectively, professionals should work on it, as well as in any other case.

Today, many major retailers in Ukraine have their own online stores. Previously the belief that shoes or clothing would never be purchased online have quickly changed to become one of the fastest growing trends in retail.

Another problem arises on how to set up logistics processes within the same stock, if they differ very much for retailers and for the Internet.

Distinguishing features of retail logistics:

- Uneven turnover
- A large number of SKU
- The need for the rapid delivery of a new collection to all stores within a short timeframe
- The need to place products with information labels and to install anti-theft sensors.

Distinguishing features of logistics for an online store:

- Need to sell and be available online for the entire range of goods
- Special packaging
- Enclosure of additional materials into the package (bonus cards, ads, etc.)
- Fast delivery
- Courier, appearance, accuracy of the information about delivery time
- Ease of returns formalities
- Refunding

For each process, the Logistics Director of the retail chain must always question himself: which of the processes can be more important and where to exert himself for the improvement?

Should the logistics management of the internet store be outsourced? Then there is loss in the range of goods because to hold in two warehouses the full range of goods is not always possible.

Should internet logistics be developed on the stock of the company? Perhaps, but it requires additional investments and restructuring of all the processes.

There is an option that will lead to improvement of logistics processes and to reduce logistics costs, and to allow the company to make its major business – to sell.

Many do not know that in Ukraine there are already companies providing effective logistics service for multi-channel sales.

Logistics operator Denka Logistics specializes in effective logistics solutions for retail and e-commerce.

Modern logistics complex in Kyiv with an area of 18,000 m² can store more than 100,000 SKU or 20,000 m³ of goods.

Today, we work with all the internet stores from any product groups.

For online stores, we have created a basic outsource set of functions:

- Receipt of goods from supplier
- Processing orders on-line
- Packaging according to the customer requirements
- Accounting of Serial Numbers
- Enclosure of POS materials, warranty certificates
- Creation and filling in the expenditure documents
- Delivery through Kyiv on the same day, 3; Ukraine - 24 hours

For multi-channel distributors or retail chains, we also offer a wide range of different logistics services

- Integration with any external accounting systems
- Cross docking
- Assembling of orders of any complexity
- Processing of returns
- Sticking of information labels,
- Installation of anti-theft sensors
- Delivery through Kyiv on the same day, Ukraine - 24 hours.

Today we provide services to more than 10 online stores, including:

Intertop.ua, plato.ua, loreal.ua, Samsung.ua, Book24.ua and others.

We always make sure that e-commerce is growing at a faster rate than offline sales.

Growth in online stores that we served both in 2015 and in 2016 had shown significant increase. In December 2016, our volume of shipments on existing online stores increased by 60% compared to the same period of the previous year. In whole, our shipment volumes increased by 300% due to the fact that we have started to serve new online stores. Offline-trade is growing, but not as fast as sales on the Internet. When new shopping malls open, the market becomes more saturated in relation to increased foot traffic among people.

2017 forecast are expected to more than double.

For this reason, we are already quickly changing and improving many of our processes in order to better service all of our clients and the end customers so as to continue their purchase satisfaction when ordering online.

We make it a priority to create a separate area for parcels packaging and processing and to pay more attention to the information exchange between the online store, warehouse, courier service and the customer.

All the functions should be given to professionals, which are not specific to your business.



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Ukrainian-based logistics companies start to match global technology trends

BY DENYS KRASNIKOV
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The advance of automation has the potential to completely rid logistics of human personnel, with robots sorting parcels, drones delivering them, and apps tracking these electric couriers as they buzz around the map.

Ukraine, for better or worse, is not a trendsetter in logistics.

For those Ukrainian firms interested in automating, their best bet seems to be copying and adjusting foreign technologies to the Ukrainian market.

Oleksandr Pertsovskiy, first deputy CEO of Ukrposhta, sees an advantage in this tech gap.

"We can leapfrog into a more modern state, deploying things that have already proven their efficiency [somewhere else]," says Pertsovskiy.

Private Ukrainian logistics companies agree. "Many ideas simply need to be adopted to Ukrainian realities," says Nova Poshta CEO Alexander Bulba.

So while Google and Amazon are patenting drones and driverless car parcel delivery methods, companies in Ukraine have started budgeting the implementation of parcel sorting robots, development of mobile apps, tests of drones delivery, and replenishment of their electric autopark.

E-commerce shapes delivery

One major trend that has already made a breakthrough is a change made thanks to internet customers. Logistic firms now have to be omni-channelled to match each individual customer's needs.

This has already led to the development of new delivery solutions, like same-day and even same-hour service, computerized parcel lockers, and mobile apps.

Doorstep delivery and centralized lockers where customers can pick up packages are still not widespread in Ukraine, though. According to Ukrposhta estimates, 70 percent of customers still have to pick up packages at a local post office, where they often must fill out reams of paperwork.

Ukrposhta's Pertsovskiy predicts rapid growth in courier services and solutions that can "get products to customers in the most convenient way." Ukrposhta itself plans to "invest heavily" into last-mile capabilities and courier services, Pertsovskiy says.

E-commerce also means that customers coming from the internet want notifications of their shipment status in real time available online.

And while some foreign postal companies have introduced GPS-based map tracking of parcels, Ukrainian firms like Nova Poshta and Ukrposhta started sending their notifications about the state of delivery through messaging apps like Viber.

"It's unusual that even the state company experiments with means



Meest Express employees wrap parcels on a conveyor belt at the company's Kyiv office on June 26, 2015. (Volodymyr Petrov)

of communication, but it's becoming an industry norm," Pertsovskiy of Ukrposhta says. "Consumers want to be informed, and we're moving towards consumer-driven logistics."

Bucharskiy from Meest Express agrees, but thinks that it's still too early to talk about more revolutionary decisions in app development for logistics companies with the introduction of more sophisticated functions.

"What's the point in talking about deliveries via smartphone in a country where QR-scanners do not work sometimes even in newly built airports," Bucharskiy says.

Drones not coming yet

Amazon and DHL's presentations of how drones can be used to deliver mail have already fascinated many people, giving hope that machines will be able to deliver anything anywhere.

But drones still require a bit more time before they enter mainstream business operations.

Ukrainian logistic companies today have the same constraints that exist around the globe: high prices for drones, their technical limits, and no laws to control their usage.

Sergey Grachev, the CEO of In-Time, a delivery firm that has been the first to test drone delivery in Ukraine, says that routes first need to be established. "Paths need to be formed on a map that will eliminate obstacles for drones like cables or skyscrapers."

And people should also give a little time for drones to develop technologically, he says. Today's batteries secure only up to 40 minutes of flight. There are drones that can fly for 3 hours, but they are pricey.

"Of course, they can't be used widely for business purposes at the moment," Grachev says. "But as soon as the next technological breakthrough in development of batteries takes place, I predict swift mass production and use of drones."

Drones prices depend on their carrying capacity. Those that carry up to 1.5 kilograms cost \$3,000-\$5,000. Those that carry from 10 kilograms cost \$10,000-\$20,000. According to Valeriy Yakovenko, a co-found-

er of Ukrainian drone producer Drone.Ua, the price will drop within the next 3 years – the parts will be mass produced on a larger scale and will become cheaper.

Yakovenko, though, thinks the main problem does not concern technologies – only laws.

"The world lacks policy on this," Yakovenko said, noting that production of drones for logistic purposes is an interesting topic worldwide.

Today an annual turnover of the Ukrainian drones market, according to Yakovenko, is 1.5 million euros.

How long does Ukraine have to wait? Nobody knows. But Nova Poshta CEO Bulba isn't optimistic about the pace.

"Ukrainian consumers are, first of all, interested in affordable services," Bulba says. "(For them), receiving a drone delivery at the window isn't on the list of priorities."

Robots ahead

DHL says that industrial robots are now efficient enough to fundamentally change logistics and manufacturing.

Automating any process that used to be 100-percent manual reduces delivery time and cost, though one indirect cost is increased unemployment from cutting out the human factor.

State operator Ukrposhta that hires 75,000 people, for example, plans to run network redesign in 2017 to define locations for sorting centers.

"In Ukraine, mail volumes will remain mostly manually sorted or semi-automated," Ukrposhta's Pertsovskiy says. "But we aim to setup automated parcel sorting at the largest centers."

Viktor Shevchenko, the CEO of logistic company Zammler, likes the approach. He thinks there's no way logistic firms can move on without automating warehouses.

"Plus, you need to keep in mind that Ukraine undergoes crisis," Shevchenko said. "Not all the logistic operators are ready to spend such colossal money on technologies."

Besides, Shevchenko thinks



Private delivery company DelFast used modern technologies to launch a one-hour electric-bike delivery service in Kyiv back in 2015. More than 45 internet stores have corporate accounts with DelFast, and offer the service as their delivery option for merchandise weighing not more than seven kilograms. (Volodymyr Petrov)

Affordability, not hi-tech, is top priority for logistics customers in Ukraine

Logistic from page 8

Ukrainians are not ready for such a huge mental shock. “We accept new things differently – we check everything 100 times and usually opt to wait until others try out something new, and then, we maybe take a risk.”

Logistics warming up

Introducing new technology is a very effective way to increase productivity, but Shevchenko from Zammler thinks Ukrainian companies should do it accordance with local mentality.

“It’s important to implement technologies taking into account the specifics of Ukraine,” Shevchenko said. “Things used in Germany or in the U.S. are not always as successful in Ukraine as they are in those countries.”

Modern technological progress forces even Ukraine’s state-owned companies to adopt foreign innovations for their work.

Ukrposhta is “waking up” quite late in the competition for customers and is focused on “fixing fundamental issues” like renovating its 3,500 vehicle fleet, says Pertsovskiy.

Meest Express’ Bucharskyi is also optimistic.

“Everything that needs to be done regarding (technical) issues will be done. Certainly. In due time.”

“Flip through sci-fi books written 200 years ago and you’ll see our days,” he went on. “People are already tired of news about fantastic drone delivery – that’s not a wonder anymore. Only more innovative things will come.”

As for delivery of the future, Bucharskyi says, “soon people will get notifications of the kind: ‘Turn around – here’s your parcel.’” ■

State rail company trying to get back on profit track

Ukrzaliznytsya from page 6

This happened with the Lviv-based factory KRT Corporation, owned by Yaroslav Dubnevych, a lawmaker with the Bloc of Petro Poroshenko faction in parliament, who heads parliament’s Committee on Transport despite having obvious conflict of interest: His businesses sell many millions worth of supplies to Ukrzaliznytsya.

His KRT Corporation produces fastening clips for rails and rubber gaskets for Ukrzaliznytsya. In 2008, Ukrzaliznytsya changed the technical standards for the clips in a way that ensured that only the clips patented by Dubnevych matched the new standard.

Left as the sole source of one of the railway’s most essential supplies, KRT Corporation is flourishing. Asked about this in 2014 by journalists from the Nashi Groshi TV show, which focuses on corruption, Dubnevych denied any wrongdoing and said that his clip was simply better than anyone else’s.

Over 2014–2016, companies affiliated with Dubnevych won procurement tenders worth Hr 1.7 billion for Ukrzaliznytsya and its subsidiaries, according to Nashi Groshi and Omelyan.

Shulmeister says that the ones to blame for abuse of procurement aren’t the contractors, but the people who allow the abuse.

Cargo tariffs

Cargo transportation constitutes some 80 percent of the yearly revenues of Ukrzaliznytsya. The biggest cargo clients is SCM, the holding company belonging to Ukraine’s richest man Rinat Akhmetov. The companies in the SCM holding accounted for 38 percent of the cargo transportation in the first half of 2015.

Shulmeister claims that Ukrzaliznytsya is losing up to \$400 million through unfair tariffs applied to transportation by SCM companies. The cargo transportation tariffs, fixed in hryvnias, are too low, both Zavgorodniy and Shulmeister argue,

but businesses strenuously oppose any attempt by Ukrzaliznytsya to raise them.

In his time in the office, Zavgorodniy raised the cargo tariffs by 15 percent, and Balczun is now looking to raise them by another 25 percent, but business organizations like the European Business Association are fighting back, arguing that expensive transportation could kill off Ukrainian exports.

Another aspect is transit transportation. While Russia banned transit of Ukrainian cargo through its territory back in 2016, Ukraine keeps letting Russian cargo in, and encourages it by giving the transportation companies discounts that are applied to their Russian clients.

The discounts for transit tariffs are negotiated individually, which also leaves space for corruption.

Costly trials

Omelyan blamed Balczun for Ukrzaliznytsya’s lost court cases worth Hr 2 billion (\$71 million). The cases included ones against PUMB Bank and Alfa Bank for debts of Donetsk railways and a disputed debt to Turkish infrastructure company Dogus.

The fight in the case against Dogus Insaat ve Ticaret AS – regarding the construction of a bridge over the Dnipro River in Kyiv – has been going on since 2010, although a final ruling was made in 2016. According to it, Ukrzaliznytsya is obliged to pay Hr 613 million.

Zavgorodniy, however, said that the case against Dogus was lost even before he was appointed, so it wasn’t fair to blame Balczun’s administration for it. On the other hand, he blames the current management for losing court cases against the banks – cases that could eventually cost the state railway company Hr 1.6 billion.

While the experts criticize Balczun’s reforms, he insists he has a “clear and modern vision” of how to make Ukrzaliznytsya a leading transportation company.

But for now, it seems, he’s keeping the details of that vision to himself. ■



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THE PEOPLE NETWORK

Ukrposhta chief moves to clean up state enterprise and attract new investors

BY RAHIM RAHEMTULLA
RAHIMKYIVPOST@GMAIL.COM

In the six months since he became CEO at Ukraine's state postal service Ukrposhta, Igor Smelyansky has made eliminating graft from within the organization a top priority. Part of his broader personal mission is to fight back against a culture of corruption within Ukrainian business, where he says as much as 30 percent of the value of a contract can go toward paying bribes.

Ukrposhta, a sprawling enterprise comprised of some 12,000 post offices and 76,000 employees, is no stranger to being used as a vehicle for unethical schemes.

"We have an IT system here. A foreign system, extremely expensive. Ukrposhta paid over \$10 million for it," Smelyansky told the Kyiv Post in an interview.

"Out of its nine modules, only one works. But on paper everything works," he added. "Someone signed that paper, and they didn't do it for free, they got a kickback."

Smelyansky concedes that his goal of cleaning up Ukrposhta is incredibly ambitious, given that malpractice has penetrated all levels of the company's hierarchy.

But the former tax consultant believes working quickly is the key to success. As a veteran of doing business in the former Soviet Union, he knows that slow reform gives the corrupt time to figure out how to perpetuate old schemes.

"You have to make changes fast or

the defense will kill you. The system is very adaptable," Smelyansky said.

"It goes from top to bottom. If you are a regular employee and you see that your boss is stealing, what are you going to do? You convince yourself that even if you are stealing, it's not a bad thing because your boss is doing the same, and his boss, and his boss."

A clean break with the past

The Ukrposhta CEO believes he can use his position to foster greater transparency in the wider economy. Many obstacles stand in his way; not least the attitude of local companies, which often find it hard to believe he enters into transactions on behalf of the state enterprise without attempting to enrich himself in the process.

This corruption-free approach has won him plenty of detractors.

"You piss off a lot of people," he said. "A lot of companies just live off the state companies. So you are basically shutting down their business."

Smelyansky professes to being unfazed by his critics. He has taken steps to protect himself should they try to move against him, including installing 24-hour video and audio recording in his office. Such measures are far from superfluous in a business and political climate like Ukraine's, where rivals often try to blackmail one another by threatening to go public with compromising material, known in Ukrainian as kompromat.

"If a person has been taking bribes

all their life, they will not change," Smelyansky explained.

"Sometimes they will not change because they can't. Sometimes they will not change because people will not let them.

"Because if I know that you are taking bribes, and I want you to do something, then I have kompromat on you and I can make you take the bribe even if you don't want to."

The Ukrposhta chief has made sure there is nothing in his past which can be used against him. Anyone looking into his history will find nothing but years of properly filed tax returns and an enviable academic and professional record.

Smelyansky argues that his radical transparency has earned him few friends.

"That's why I think I am probably a difficult person to deal with in this environment. People know I don't take bribes, including people who hate me. Let them look into my past, what are they going to find?"

Human resources

Safe in the knowledge his position is secure, Smelyansky is determined to push forward with remaking Ukrposhta. Central to his philosophy of change is the need to be surrounded by the right people. That's why, within his own team, he has done plenty of hiring and firing.

"When I came, I was told I am the tenth CEO in 11 years," he said.

"Lots of people in the corridors were saying 'we lived through the tenth, we'll live through the elev-



Ukrposhta CEO Igor Smelyansky during a Feb. 8 interview with the Kyiv Post. The Odessa native says cutting graft out of the state postal service and turning it into a profitable, transparent business are his top priorities. (Volodymyr Petrov)

enth.' A lot of them no longer work here. I've changed the team by 95 percent."

Such changes of personnel at the top of the organization represent only a small fraction of the thousands full- and part-time staff who are employed by Ukrposhta. Far from replacing everyone, Smelyansky acknowledges that if the company is to be overhauled, then everyone will need to learn to take more responsibility and show initiative.

Achieving such an outcome will be tough given a culture within the state sector where the majority of decisions – both big and small – are made by executives. Lower-level workers, meanwhile, tend to have small salaries and little or no authority.

"In general, when you work at state-owned companies, it's much safer to do nothing than to do something," Smelyansky told the Kyiv Post.

"Because when you do nothing, you can't get penalized and there are many laws and procedures which help you do that. When you do something, you're subject to risk straight away."

Plan of action

Doing nothing, however, is the last thing on Smelyansky's mind. He is focusing both on updating the services currently offered by Ukrposhta whilst also seeking to expand the business into new areas.

Earlier this month, he signed a memorandum of cooperation with Ukraine International Airlines to increase cross-border postal deliveries and, in time, he hopes to win support from investors like the European Bank for Reconstruction and Development to build modern, automated mail sorting facilities.

In the meantime, talks are underway over new legislation which would clear the way for Ukrposhta to offer financial services. If the initia-

tive gets the green light, Smelyansky believes it could transform post offices into "centers of civilization" in rural parts of the country.

But given Ukrposhta's status as a state-owned enterprise, putting a potentially ground-breaking idea into practice is an uphill battle. Whereas private sector competitors like Nova Poshta and Meest Express are able to make decisions relatively quickly, every move made by Smelyansky and his team is subject to myriad oversight from government ministries and agencies, often bordering on outright interference.

"If our competitors need to buy a truck, they'll buy it tomorrow. For me it probably takes three months at least because I have to go through the official tender procedures," said the Ukrposhta chief.

"There's lots of oversight from any possible agency you can imagine. Tax, Finance Ministry, the State Security Service, you name it."

"I'm trying to convince them it's a regular business enterprise and they should treat it as such."

A new direction

In spite of these obstacles, Smelyansky will shortly reach a milestone on the path to transforming Ukrposhta. On March 1, it will be officially announced that the company has changed its management structure to those of its publicly traded, private competitors.

The state will retain its stake for the foreseeable future, however.

"We want to create a company which is transparent in terms of corporate governance and which will have an independent board," Smelyansky said.

"My goal is to make this company profitable and attractive," he added. "Then, whatever the government decides, it's up to them, not up to me." ■



A customer leaves a branch of state postal service Ukrposhta. On March 1 the enterprise is set to announce its successful transition to a corporate management structure. (Pavlo Podufalov)

Kyiv through the eyes of Cold War American spies



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Since January, people from around the globe have been able to search through and read more than 900,000 previously secret documents in the CIA's Electronic Reading Room, covering such topics as the Cold War, Vietnam, the Berlin Tunnel project, the Korean War, and even the UFOs and various conspiracy theories.

After I discovered this, I started searching for any information the CIA had put online about Ukraine and Kyiv. I was intrigued to know how the American spies in the times of the Cold War saw my people and my city.

Their reports described Kyivans as educated, hardworking people, who knew how to entertain themselves, spoke mostly Ukrainian, and who were unhappy with the Soviet dictatorship – but afraid to express their discontent.

Apart from basic and strategically important information about infrastructure and the military bases in and around the city, the CIA agents focused on the everyday life of Kyiv and its people. So here are the most interesting facts about the life, prices, clothes, food, and urban transport of Kyiv in the 1950s-1980s that I found.

City life

A report dated July 1960 said there were two million people living in Kyiv. Since then the official population has grown to at least 2.9 million, while unofficially it is sometimes estimated to be twice bigger.

While some Kyivans today are unhappy with the renaming of the streets under the decommunization process and still use the Soviet names of certain of Kyiv's streets, a similar thing was observed in the Soviet 1960s, although in reverse, with people then defiantly using the original Ukrainian names for certain streets.

"Although many of the streets were renamed after 1917, people still use the original Ukrainian names of the streets," reads a report entitled "General information about Kyiv." "Sverdlova Street is still referred to as Institutska Street."

The old Ukrainian names were returned to these streets after the fall of the Soviet Union. In 2014, part of Institutska Alley in central Kyiv was renamed Heavenly Hundred Street in honor of the EuroMaidan Revolution participants who were killed there by police.

I was surprised to read that in the 1960s Kyiv had 24-hour public transport - there was just a two-hour break, from 2 a.m. to 4 a.m. (In 2016, public transport in Kyiv now starts at 6 a.m. and works only until midnight, although the city council



People walk past the Kukushka Restaurant on Parkova Road Street in Kyiv in a photo for the "Afterwar Kyiv" postcard series made in 1945-1960. (Courtesy)

has recently established night buses that would run three times during the routes.)

"There are special crossroads for pedestrians on Kyiv's main streets, including Kreshchatyk, Vladimirskaya Ulitsa (now Volodymyrska Street) and Krasnoarmeyskaya Ulitsa (now Velyka Vasylkivska Street). Failure to use those crosswalks can result in a fine or even detention by a militiaman (policeman)" read a report entitled "Miscellaneous on Kiev," from 1954.

Most stores in Kyiv opened at 8 a.m. while others started working even earlier, at 5 a.m.

Food, movies, prices

Today Kyiv has a reasonably good restaurant and bar culture: foodies can enjoy Vietnamese, Georgian, Chinese and Ukrainian cuisine, as well as grab a bite in numerous fast food restaurants and pubs.

CIA agents in the 1950s had fewer dining options.

A report dated 1954 reads that the top class restaurants in hotels were serving salmon, champagne, and butter. Breakfast cost 10 rubles, and dinner up to 20 rubles. The average salary was 300 to 700 rubles. The exchange rate at that time was fixed at 4 rubles to the U.S. dollar. A 1954 U.S. dollar would be worth \$8.98 in 2017, so dinner in a top restaurant then cost the equivalent of today's \$44.90.

It was cheaper to dine at a cafeteria, where, the report said, a bowl of borscht went for just 1 ruble.

A movie ticket cost 3-6 rubles (\$6.73, or \$13.47).

Of course, the Soviet ruble wasn't a currency in the true sense of the word, as it effectively functioned more like a trading stamp or coupon. But the comparison is interesting nonetheless.

I found a lot of evidence that Soviet Kyivans liked entertainments. A special, top-secret report on Kyiv beaches dated 1954 made me smile, as a CIA agent reported on the main beaches of the city by the Dnipro River, and how Kyivans would spend a lot of time on the beach alone, in couples, or with families. The report even mentioned that they wore a variety of types of swimsuits of different colors.

"People used to stay on the beach until 10 p.m. and then continue to relax in numerous restaurants, especially The Kukushka and The Zeleniy, the agent wrote.

The Kukushka restaurant on Parkova Road on the banks of the Dnipro River existed from the 1940s well into the first decades of Ukraine's independence. It was closed as companies linked to former President Viktor Yanukovich redeveloped the area in 2010, and reopened as the Dali Park open-air nightclub in May 2013. The Zeleniy restaurant referred to in the report may have been connected to the nearby Zeleniy open-air theater, which by independence had fallen into ruin.

People and moods

The 1955 "Economic Situation in Kiev" report reads that despite strong Soviet propaganda about the return to heavy industry, there had been staff cuts in factories in Kyiv, and many workers had been sent to the kolkhoz (collective farms in rural areas).

There was considerable dissatisfaction among Kyivans about the lack of consumer goods, and there were shortages of even basic necessities. People lined to buy butter and sugar.

And while at the time of Ukrainian independence in 1991 and immediately after it Kyiv was a majorly Russian-speaking city, this was not

of Kiev used Ukrainian in their conversation, while the other 20 percent spoke Russian. Political subjects are never discussed with strangers on the train or elsewhere," reads the 1955 report.

The newspapers wrote about the Communist Party, goods production and also, interestingly, featured literature pages with anti-Russian poems written by poets from the Donbas region - in Ukrainian.

In Ukraine today, people are divided between those who claim the Soviet regime brought nothing but grief and repression, and those who would like to see the return of the Soviet Union. People in the Soviet past had no such choice, but there was a simmering dissatisfaction with the status quo – just as today.

In the CIA texts, I saw Cold War Kyiv as a city that had plenty to offer – restaurants, movies, beaches - just as it does now. And I saw that Kyivans then, as now, were an open minded people, who, despite massive propaganda and pressure from a foreign regime, were struggling to retain their culture and their language.

The more things change, the more they stay the same. ■

the case in the first decades of the Cold War.

"Eighty percent of the population

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Get ready for YUNA!



Kyiv gay club scene discreet, but still lively

At a first glance, Kyiv's gay scene might look a bit desolate: there aren't a lot of night clubs and bars that cater specifically for the gay community. But on closer inspection of the local night spots it becomes clear that there are indeed quite a few decent places for gay people in town – it's just that they are still mostly hidden away from prying eyes, in what is still a socially conservative country. This conservatism is probably why Ukrainian club and bars owners are usually reluctant to openly promote their venues as gay-friendly, but it doesn't mean such venues aren't out there – they just have to be found.

The Kyiv Post has picked out some of Kyiv's gay nightclubs and gay-friendly places worth a visit, to drink, dance, and perhaps meet somebody special.

Pomada (Lipstick)

Pomada is one of the oldest existing gay clubs in Kyiv, having opened its doors in the city center in 2005. Located within just a five-minute walk from Khreshchatyk metro station, Pomada is a luxuriously decorated place, famous for its well-thought-out entertainment programs and glittering drag queen performances. The place has three rooms. The White Room is a refined dining area serving mostly European cuisine. The Red Room is a laid-back chill out area where people can chat in a quiet, relaxing atmosphere. The third room – the Mirror Hall – is used both as a dance floor and as a stage for performances. Parties are held almost every night at Pomada. The club's main drag queens are Frida Bucks, Bella, and Aysedora.

6 Zankovetskoï St. Open Sun. – Tues. 6 p.m. – 6 p.m. Fri. – Sat. 6 p.m. – 8 a.m. Free until 12 a.m., after 12 a.m. Hr 100

Lift

Lift opened three years ago and has since become Kyiv's most reputable gay club. It is famous among the local gay community for its lively parties, spectacular drag queen shows and fun karaoke nights. The staff are attentive and helpful, and overall the place has some of the best service in town.

A show program is held every

more Gay on page 13



Ukrainian rock band Green Grey performs with hip-hop singer Monatik at YUNA music awards ceremony in Palats Ukraina concert hall in Kyiv on Feb. 25, 2016. (Volodymyr Petrov)

BY MARIA ROMANENKO
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Ukraine may be lacking good news in a number of areas, but not in its music scene.

Not only is the country to host the Eurovision Song Contest in Kyiv in May, but it is about to witness the sixth YUNA Music Awards on Feb. 21.

YUNA, standing for Yearly Ukrainian National Awards, has been marking the achievements of Ukrainian music business since 2012.

The award, often dubbed the Ukrainian Grammys, was established by Kyiv Post publisher Mohammad Zahoor and famous producer and radio host Pavlo Shylko, known as DJ Pasha.

As in previous years, YUNA will take place in Kyiv's Palats Ukraina concert hall.

Ukraine's greatest music artists will compete for nine awards: Best Soloist, Best Pop Band, Best Rock Band, Best Song, Best Album, Best Video, Best Duo, Breakthrough of

the Year, Best Concert Tour and a brand new nomination this year – Fresh Sound.

The founders see it not as just an awards ceremony that gives a boost to the performers who win, but also as a way to help the grim mood of the nation during hard times.

"YUNA stimulates positive energy in this depressed nation," Zahoor said. "You may remember the third YUNA just after the Maidan, when all other events were cancelled, but we carried on with YUNA, because you had to supply some oxygen to a hardly breathing society."

Quality selection

Since the beginning, YUNA's founders emphasized the quality of the selection process. To perform it fairly and transparently, the organizers hire Deloitte auditing firm, which operates the voting process for the Grammys as well.

In an interview in 2015, Shylko, who is also the general producer of the ceremony, told the Kyiv Post that

he himself never knows who the winners are before they are announced – which is hard to believe for some of his celebrity friends who sometimes ask him about the results before the ceremony.

"Apart from the spectacular show that we provide, the most important thing at YUNA is the intrigue. Nobody knows the names of the winners until the actual ceremony," Shylko said.

Last year proved that this devotion and meticulous selection are worth it. Ukrainian singer Jamala had a smashing success at YUNA 2016, taking home four awards. The jury's choice proved right when just three months later Jamala won Eurovision, an annual pop song contest with an audience of 600 million.

"That shows the high standards that jury has put in front of them," Zahoor said. "We will keep striving for an independent opinion of the jury, as is the custom at the Grammys."

This year, Eurovision and YUNA

are connected too, but in a different way. First, Jamala's winning song "1944", a touching ballad about Crimean Tatar deportation from Crimea that resonates with modern-day Crimean occupation by Russia, has been nominated as Best Song at this year's YUNA.

Also, the Ukrainian entry to the 2017 Eurovision contest will be selected just days after the YUNA ceremony, on Feb. 25. Some of this year's YUNA nominees, like O.Torvald or MamaRika bands, are competing to represent Ukraine at Eurovision.

Star-studded line up

Jamala is set for a second triumphant year at YUNA. After winning four prizes last year, this time she has the most nominations, along with Ukrainian hip hop artist Monatik.

"I was so happy to receive the awards last year. If this year I manage to repeat this success, I will be just as happy," Jamala told the Kyiv Post.

more YUNA on page 13

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YUNA awards show is Ukraine's Grammys

YUNA from page 12

"For every artist it is not just the audience's love is important but the recognition of professional critics too."

However, this year Jamala won't attend YUNA herself. She was invited to London's Brit Awards taking place on Feb. 22.

Jamala has been nominated for Best Soloist, and her "1944" hit is competing for Best Song and Best Video. She is also nominated for Best Duo for her song "Zamanyly" ("Enticed") recorded with the Dakhabrakha folk band.

Monatik is also nominated in four categories: Best Soloist, Best Song for "Kruzhit" ("It Sways"), Best Video for the same track and Best Duo for "Son" ("Dream"), a song featuring L'One.

Ukrainian hip hop artist Potap will host the YUNA music awards for the third time, having previously hosted in 2013 and 2014.

"I am happy to see Potap returning as a host," Shylko said to the Kyiv Post. "Apart from a lot of music, we will also get humour."

Apart from Jamala and Monatik, Loboda, Max Barskih and Tina Karol are nominated for the Best Soloist award.

Bands Dzdizio, Mozgi, Onuka, Vremya i Steklo and Potap i Nastya will compete for Best Pop Band award. And bands O. Torvald, Painoboy, The Hardkiss, Boombox and Okean Elzy will face each other in the Best Rock Band category.

Detach, Ivan Navi, MamaRika, Agon', Griby will compete for the Breakthrough of the Year award.

New award

A new award Fresh Sound was introduced this year. Now soloists and bands whose professionally recorded tracks (but no less than two) have been published online from Nov. 1 2015 to Oct. 31 2016 but haven't

been played on national radio or TV channels get a chance to compete in the new nomination.

"In other words, this is for non-format music. There is a number of artists who are talented and popular online, but radio stations won't play their tracks. So we're giving them a chance," Shylko explained on Ukraine's Pershyi Dilovyi channel.

Also for the first time the ceremony will be broadcast live, on the M1 music channel.

"We've been thinking about live broadcasts for a long time. Such a format (of broadcasting) will precisely convey the intrigue and show all the drama that surrounds the winners' names," Shylko said.

And with the tremendous popularity of the show in Ukraine and M1 being one of Ukraine's leading music TV channels, YUNA is sure to get more TV and media exposure than ever this year. ■



Famous Ukrainian singer-actress and wife of YUNA co-founder and Kyiv Post publisher Mohammad Zahoor, Kamaliya (C), delivers a performance on the stage of Palats Ukraina in Kyiv on Feb. 25, 2016. (Daniel Dolgoplov)

Nominees for the YUNA 2017 National Music Awards

Best Soloist:

- Jamala
- LOBODA
- MONATIK
- Max Barskih
- Tina Karol

Best Pop Band:

- DZIDZIO
- MOZGI
- Onuka
- Vremya i Steklo
- Potap i Nastya

Best Rock Band:

- O.Torvald
- Painoboy
- The HARDKISS
- Boombox
- Okean Elzy

Best Song:

- "1944" by Jamala
- "Love Manifest" by SunSay
- "Kruzhit" ("It sways") by MONATIK
- "K chertu liubov" ("Damn love") by LOBODA
- "Navernopotomuchto" ("Probably because") by Vremya i Steklo

Best Album:

- "Cold Attair" by The Hardkiss
- "Monatik Zvuchit" ("Monatik Sounds") by MONATIK
- "TakeOff" by Painoboy
- "Bez mezh" ("Without limits") by Okean Elzy
- "Tumany" ("Hazes") by Max Barskih

Best Music Video:

- "1944" by Jamala
- "Kruzhit" ("It sways") by MONATIK
- "K chertu liubov" ("Damn love") by LOBODA
- "Navernopotomuchto" ("Probably because") by Vremya i Steklo
- "Umamy" ("At my mom's") by Potap i Nastya

Best Duo:

- "Go" by The Maneken and Brunettes Shoot Blondes
- "Zamanyly" ("Enticed") by Jamala and DakhaBrakha
- "Kruche Vseh" ("The coolest") by Quest Pistols Show and Open Kids
- "Moy brat" ("My brother") by Konstantin Meladze and Valeriy Meladze

- "Son" ("Dream") by MONATIK and L'One

Discovery Of The Year:

- Detach
- Ivan NAVI
- MamaRika
- Agon'
- Griby

Best Concert Show:

- Boombox's Ukraine tour "Liudy" ("People")
- LOBODA'S Ukraine tour "K chertu liubov" ("Damn love")
- Vremya i Steklo's Ukraine tour "Tur 505" ("Tour 505")
- The HARDKISS's 5-year anniversary concerts "The HARDKISS. Five"
- Okean Elzy's world tour in support of "Bez mezh" ("No limits") album

Fresh Sound:

- Dima Libra Ivashchenko
- ACCA
- Cepasa
- Naosleep

Best New Media

Artist (nominees will be announced on the day of the event)

Contribution to the development of Ukrainian music industry (special award):

- TNMK

Best Artist's Management:

- Enjoy! Records – Jamala
- Mason Entertainment – DZIDZIO
- VIDLIK Records – Onuka
- Budynok kultury – Tina Karol
- Egor Kiryanov – The HARDKISS
- Muzyka dlia mas – Boombox
- Natella Krapivina – LOBODA
- Oleksandr Kazhyian (Secret Service) – Max Barskih
- Olexiy Potapenko, Iryna Gorova (MOZGI Entertainment) – Mozgi, Vremya i Steklo, Potap i Nastya
- Supersymmetriya – Okean Elzy
- Yula Yula (YULA) – MONATIK
- Yulia Kamenchuk, Olga Chertkova – O. Torvald



The audience enjoys the drag queen show at Kyiv gay club Lift on Jan. 29 (Roman Sandulov)

Gay community in Kyiv still has few places to go

Gay from page 12

night, but those who want something a bit special should visit this venue on Fridays or Saturdays for the gorgeous Grand Show on the main stage. Lift's visitors often hang out until early in the morning, enjoying the barman's fiery cocktails and passionate dances on the dance floor. Some of Kyiv's most famous drag queens, like Norma Pospolita or Frida Bucks, often perform here.

72a Velyka Vasylkivska St.

Open daily from Sun. until Thurs. 11 p.m. until 6 a.m. Fri. – Sat. from 10 p.m. until 8 a.m. Hr 0-150 for men, Hr 200 for women

L'Kafa Café-Lounge on Lesi Ukrayinky Blvd.

Every L'Kafa place is a mix of a lounge restaurant, a karaoke bar, and a nightclub, where everyone can enjoy delicious meals and have a pleasant conversation in a relaxed and friendly atmosphere. At first glance, L'Kafa café on Lesi Ukrayinky Boulevard looks like any other of the L'Kafa chain of 15 restaurants in Kyiv, but unofficially it's the most popular lesbian venue in Kyiv, where girls can meet discreetly and enjoy each other's company.

L'Kafa café works 24/7 and

serves Italian, Japanese, Thai and European cuisine. The place regularly organizes parties and live music performances. Those who like karaoke can sing their favorite songs there on Fridays and Saturdays.

2 Lesi Ukrayinky Blvd. Open daily round-the-clock. Hr 50 for women, Hr 100 for men

Sorry, Babushka

Sorry, Babushka is one of Kyiv's most popular night spots, for people of all stripes. The club positions itself as being free of any prejudices, and lesbian and gay people like to drop in there, even though the venue is not officially a gay club. This large place can accommodate nearly 800 people. Its first floor is devoted to erotic dance performances. The second floor hosts disco music parties, and a VIP lounge room offers an intimate atmosphere for relaxed conversation. The third floor is the best spot for party animals who like non-stop dancing and DJ shows.

The club's restaurant serves European cuisine, while the bar's extensive alcoholic drinks list will satisfy even the pickiest clients.

18/24 Dmytrivska St. Open daily from 9 p.m. – 6 a.m. Hr 100 for men, until 11 p.m. free for women, after 11 p.m. Hr 60 for women ■



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4 Volodymyra Vynnychenka St., Kyiv
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Feb. 21



'Bleed for This' (movie screening)

The sport drama "Bleed for This," starring Miles Teller as a boxer who tries to come back to the ring after a terrible car crash, will be screened in English on Feb. 21, 23, 25-26 in the Kinopanorama cinema theater. "Bleed for This" (sport drama). Feb. 21, 23, 25-26. 3 p.m. Kinopanorama (19 Shota Rustaveli St.) Hr 50

Bandura cover band concert

Kyiv-based cover music band B&B Project (the Bandura & Bayan Project) will play covers of famous classical and modern songs using the Ukrainian folk instrument the bandura, which is similar to a lute but which has from 31 to 68 strings, accompanied by the button accordion (bayan). The band's recent cover of Antonio Vivaldi's "Storm" has had more than million views on YouTube.

B&B Project (folk). Feb. 21. 8 p.m. Caribbean Club (4 Symona Petlyurya St.) Hr 80 - 220



Feb. 21

Yuna Music Awards

Ukrainian celebrities and pop singers will gather for the annual Yuna music awards to name the best artists, groups, songs and music videos of the year. Apart from performances from this year nominees, the audience will see performances by prominent Ukrainian musicians such as the winner of the 2016 Eurovision Song Contest Jamala, rock band Ocean Elzy, electronic band Onuka, and more.

Yuna. Feb. 21. 7.30 p.m. Palats Ukraina (103 Velyka Vasylkivska St.) Hr 300-2199



Volodymyr Petrov

Feb. 21

Feb. 24 - Feb. 26



Animated short films festival

The Kyiv International Short Film Festival will have three-days of screenings of 13 animated short films from Germany, the UK, Belgium, Hungary, Canada, Swizz, Estonia, Ukraine and France.

Animated short films. Feb. 24 - Feb. 26. 8 p.m. Kinopanorama (19 Shota Rustaveli St.) Prices to be announced

Grayson Perry exhibition

The British Council in Ukraine is bringing an exhibition of the work of English artist Grayson Perry to the Izolyatsia art gallery in Kyiv. Perry is known for his ceramic vases with images depicting modern British society, and cross-dressing: the artist has a female alter-ego named Clair.

Grayson Perry exhibition (tapestry). Feb. 16 - March 1. Izolyatsia (8 Naberezhno Luhova St.) Free



Feb. 16 - March 1

Compiled by Anna Yakutenko



Subcontracts and Procurement Manager, Ukraine

The Financial Sector Transformation (FST) Activity in Ukraine is a four-year program funded by the United States Agency for International Development (USAID) and managed by DAI Global Development (DAI). The primary goals of the FST project are: improvement of the legal and regulatory framework for Non-Bank Financial Institutions (NBFIs); increased financial intermediation especially to SMES; consumer protection and increased public confidence in and understanding of the financial system; development of the regulatory environment for capital and commodities markets; improved financial inclusion and expanded digital finance solutions; and support for a balanced and sustainable pension system.

Summary of Primary Duties

The Subcontracts and Procurement Manager is a key member of the operations team. The main responsibility for this position is to oversee and conduct procurement of subcontracts and other goods and services, ensuring consistency with DAI and FST policies and procedures. The position requires relevant work experience in the field of procurement and contracting across a variety of industry sectors, managing interpersonal relationships, strong communication skills and knowledge of the Federal Acquisition Regulations (FAR). The Procurement Manager will be responsible for overseeing and ensuring that complete procurement related backup documentation is provided prior to submission to Finance Team. S/he will oversee solicitations, facilitate evaluation committees as necessary, and conduct price/cost/reasonability analyses.

Responsibilities

- Manage procurement of a wide range of goods, commodities, and services through subcontracts, blanket purchase agreements, and purchase orders.
- Develop acquisition plans and present to Senior Management on a regular basis.
- Ensure integrity, fairness, accuracy, and openness in procurement processes.
- Ensure complete backup documentation for procurements is submitted to project's Finance Team for payment.
- Perform regular spot audits of procurement files to ensure completeness, accuracy, and compliance.
- Ensure DAI/USAID and FAR policies, and procedures are followed and enforced.
- Help project staff become more familiar, and understand, DAI procurement policies and procedures.
- Conduct price/cost/reasonability analyses.
- Serve as a non-voting chairperson on evaluation committees in accordance with DAI policies/procedures and thresholds.
- Through market research efforts, identify and qualify potential suppliers (and products/services). Ensure that beneficial, ethical and open supplier relationships are created and maintained according to procurement policies.

Qualifications

- Bachelor's degree in Business Administration or related field preferred.
- 3 - 5 years of relevant experience and progressive responsibility in procurement at the mid-level of an organization, including 3 years' experience working in a procurement role for USAID-funded contracts.
- Experience leading and managing the procurement & acquisition aspects of USAID funded projects, including a demonstrated understanding of applicable procurement-related USG & Federal Acquisition Regulation (FAR) regulations.
- Excellent organizational skills with a willingness to take initiative and be proactive in the procurement process.
- Ability to manage and prioritize multiple concurrent bids.
- Excellent communications and personnel management skills and ability to relate to people at all levels of an organization and of different multi-cultural backgrounds.
- Fluency in English is required.

Please submit CVs and cover letters, in English, to RecruitmentFST@dai.com by February 24, 2017 at 6 P.M. Kyiv time. Only short-listed candidates will be contacted. No email or phone inquiries please.

Employment / Classifieds



SUPPORT FOR THE HARMONISATION OF THE PUBLIC PROCUREMENT SYSTEM IN UKRAINE WITH EU STANDARDS

The EU funded Project: "Harmonisation of Public Procurement system in Ukraine with EU standards" is being implemented by a consortium led by Crown Agents Ltd. The Project has operated in Ukraine since 2013, and will continue until November 2017, providing support for the reform of public procurement regulation and operations in Ukraine in line with EU standards. At this stage, the Project wishes to recruit:

JUNIOR EXPERT - Public Procurement

The Project is seeking an enthusiastic Junior Expert to assist the Project Team in a range of operational areas related to the core business of the Project in advancing reforms in the field of public procurement in line with EU standards. The successful candidate will work within the Project Team, on a fixed-term seven month contract, to ensure the timely delivery of operational results, the implementation of Project activities and specific assignments, including research.

Candidates are required to have a higher education diploma in law, economics or another discipline related to the work fields of the Project, a minimum of three years professional experience, full proficiency in English and Ukrainian languages, a good knowledge of EU/Ukrainian relations and at least a basic knowledge of the Ukrainian public procurement system. Preference will be given to candidates who can demonstrate a substantial knowledge of one or more of these fields.

Application details

To apply please send a CV in EU format (downloadable from <http://eupublicprocurement.org.ua/vacancy.html>) with details of three professional references (or details of references from each employer if less than three) along with a letter of interest to anna.styuart@ua.crownagents.com by **26 February 2017**. Only short listed candidates will be contacted.



The Embassy of Sweden announces a vacancy for the position of National Programme Officer to manage

a portfolio mainly within the field of **Public Finance Management**.

The closing date for applications is **28 February, 2017**

For more information about the position, application procedures and requirements, please visit

www.swedenabroad.com/en-GB/Embassies/Kyiv/

A leading advertising agency in Doha, Qatar, is looking for:

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Chemonics International, an international development consulting company, seeks technical specialists for the anticipated USAID Trade

and Competitiveness Activity in Ukraine. The objective of this five-year project is to encourage start-up businesses and small and medium-sized enterprises, increase domestic competition, and support the competitiveness of Ukrainian firms in international markets.

Chemonics seeks experts in the following areas:

- Business enabling environment
- Trade policy and trade facilitation
- Government advising and institutional strengthening
- Business and trade development
- Export promotion
- Value chain facilitation
- Public-private partnerships
- Monitoring and evaluation
- Grants and procurement management

Advanced degree in a relevant field (e.g. business, trade, economics) required.

Knowledge and minimum five years of leadership experience required. Prior experience working on a USAID-funded project strongly preferred. English fluency strongly preferred.

Please send a CV to UkraineTACRecruit@chemonics.com by March 31, 2017, including the candidate's surname and area of expertise in the subject line. Applications will be considered on a rolling basis. Early applications are encouraged. Only short-listed candidates will be contacted. No telephone inquiries please.



Commodities/Financial Instruments Expert, Ukraine

The Financial Sector Transformation Activity in Ukraine is a four-year program funded by the United States Agency for International Development (USAID) and managed by DAI Global LLC

(DAI). The primary goals of the FST project are: improvement of the legal and regulatory framework for Non-Bank Financial Institutions (NBFIs); increased financial intermediation especially to SMES; consumer protection and increased public confidence in and understanding of the financial system; development of the regulatory environment for capital and commodities markets; improved financial inclusion and expanded digital finance solutions; and support for a balanced and sustainable pension system.

Commodities/Financial Instruments Expert – The Employee will work with the local and international commodities/financial instruments experts to facilitate development of the commodities and derivatives market. It is expected that the employee will interact with the agrarian, energy and capital market associations and stakeholders regarding standards for infrastructure, trading, delivery mechanisms, contract development etc.

Required Qualifications:

- University degree in business, economics, finance, law or related subject area, advanced degree preferred
- At least five (5) years of work/professional experience in commodities or capital markets
- Understanding of agrarian and/or energy markets, financial sector, regulated markets operations
- Knowledge of international standards and practices in commodities and derivatives regulated markets and trading is an advantage
- Fluency in Ukrainian and English
- Strong communication, analytical, and presentation skills
- Knowledge of Microsoft Office

Please submit CVs and cover letters, in English, to RecruitmentFST@dai.com by February 24, 2017 at 6 P.M. Kyiv time. Only short-listed candidates will be contacted. No email or phone inquiries please.



Accountant, Ukraine

The Financial Sector Transformation (FST) Activity in Ukraine is a four-year program funded by the United States Agency for International Development (USAID) and managed by DAI Global LLC (DAI). The primary goals of the FST project are: improvement of the legal and regulatory

framework for Non-Bank Financial Institutions (NBFIs); increased financial intermediation especially to SMES; consumer protection and increased public confidence in and understanding of the financial system; development of the regulatory environment for capital and commodities markets; improved financial inclusion and expanded digital finance solutions; and support for a balanced and sustainable pension system.

Summary of Primary Duties

The Field Accountant will play a pivotal role in assuring adherence to financial policies, project policies and procedures, regulations, controls, and reporting systems. The Field Accountant will provide accounting and financial analysis support to the project office and will ensure submission of financial reports based on internal deadlines. Responsible for recording costs and day-to-day general accounting, accounts receivable/payable, payroll, risk management, managing partner relationships, assuring all backup documentation is audit ready, and troubleshooting accounting issues. The individual is also responsible for cash flow analyses, and the overall financial well-being of the project.

Responsibilities

- Ensures accurate and timely processing of invoices, advances and reimbursements, checks, and wire transfer payments
- Ensures that accounting policies and practices are carried out in accordance with GAAP standards; project internal controls are established and implemented in accordance with DAI policies, USAID rules/regulations and the terms of the contract.
- Prepares and submits monthly reconciliation reports for review
- Monitors and submits advance and commitment reports as applicable
- Monitors and reports on partner/vendor payment schedules and obligations
- Assists in preparing contractual financial reporting requirements (accruals, VAT, etc.)
- Helps prepare for internal and external audits
- Prepares vendor withholding and remittance tax forms, and ensures these are submitted in a timely manner
- Ensures backup documentation is uploaded to relevant system according to set deadlines
- Initiates wire requests to maintain fund liquidity
- Reviews and verifies vendor invoices for accuracy
- Verifies accuracy of expenses and project accounting codes
- Ensures request for payments have appropriate approvals
- Ensures the timely deposit of cash receipts
- Responsible for recording and assigning costs based on approved budget in field accounting system (FAS)
- Compiles backup documentation for all project related transactions, and ensures completeness and appropriate review and approvals are documented
- Ensures petty cash is maintained according to maximum petty cash policy, and that all petty cash procedures are followed
- Supports management of banking relationships
- Responsible for maintaining finance files in soft and hard copies
- Ensures that foreign taxes paid, if any, are tracked, recorded, and reported to USAID as required
- Audits travel requests and expense reports for accuracy and compliance
- Follows procedures to ensure accurate and timely payment and reconciliation of travel advances, reimbursements for staff and partner travel
- Processes timely and accurate payroll payments for the office and ensures leave balances, and payroll taxes are accurate
- Tracks and monitors leave balances and liability payments
- Scans and uploads voucher files to DAI's System for the Electronic Archival of Financial Documentation – BOX

Qualifications

- B.A. Degree in Accounting, Finance, Business Administration preferred.
- 2 – 4+ years of relevant experience and progressive responsibility in finance and accounting, office administration, project operations at the mid-level of an organization
- Minimum 2 years' experience working on a USAID-funded project
- Experience in financial management of USAID projects, including a demonstrated understanding of applicable finance-related USG contracting regulations
- Accuracy in working with large amounts of data
- Ability to respond effectively to the time sensitive inquiries
- Experience with enterprise accounting software, and Microsoft office suite
- Demonstrated knowledge of internal controls and audit processes (e.g. procurement, local subcontract agreements, etc.)
- An extremely well organized and self-directed individual with sound technical skills, analytical ability, good judgment, and strong operational focus
- Fluency in English is required

Please submit CVs and cover letters, in English, to RecruitmentFST@dai.com by February 24, 2017 at 6 P.M. Kyiv time. Only short-listed candidates will be contacted. No email or phone inquiries please.



The International Development Law Organization (IDLO) is currently seeking to recruit **Finance and Administration Manager** and **Field Program Associate**. Please follow the links to learn about the vacancies

<https://www.kyivpost.com/classifieds/jobs/finance-administration-manager>
<https://www.kyivpost.com/classifieds/jobs/field-program-associate>

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THE WORLD BANK IS LOOKING FOR A

Social Development Specialist based in the World Bank's Kyiv (Ukraine) Office

The World Bank is looking for a Social Development Specialist based in the World Bank's Kyiv (Ukraine) Office. The main responsibilities will be focused on ensuring that the World Bank's projects with the Government of Ukraine are pro-poor and socially responsible. In addition, the staff person will carry out social development work in the areas of mainstreaming citizen engagement across the World Bank portfolio and supporting conflict and displacement response and peacebuilding-recovery activities. The successful candidates must have an advanced Degree (Master's Degree or equivalent) in the Social Sciences, Economics, or Political Science and at least 5 years of relevant external and/or Bank experience. Sound knowledge and familiarity with social safeguards policy requirements and international financial institutions, demonstrated knowledge in social risk management in development projects, especially in social risk management in large infrastructure, is highly desirable as well as experience in peacebuilding and recovery programming.

All interested candidates should apply via the World Bank website www.worldbank.org no later than February 27, 2017.



Professionals for Reform Support Mechanism (PRSM) provides human resource support – from managers to technical experts - to critical reform initiatives undertaken by national governmental agencies. PRSM is currently seeking candidates to fill the following expert positions for the Government of Ukraine:

dates to fill the following expert positions for the Government of Ukraine:

- **Sector Lead (5 positions) for the Project Office for Sectoral Decentralization (POSD)** – responsible for defining the scope of sectoral (5 sectors) reform and development of the action plans and performance indicators to assess achievement of the relevant sectoral reform objectives.
- **Communication Expert for the National Agency for finding, tracing and management of assets derived**

from corruption and other crimes (ARMA) – will provide communication support to activities of the ARMA ensuring proper media coverage and public expectancy.

- **Legal Expert for the National Agency for finding, tracing and management of assets derived from corruption and other crimes (ARMA)** – legislation drafting support to ARMA's full scale launch.
- **Team Lead with the extensive HR experience for the National Agency for finding, tracing and management of assets derived from corruption and other crimes (ARMA)** – will provide support launching the ARMA and creation a functioning Human Resource Management system of the ARMA.

For more detailed information about preferred qualifications and skills, indicative duties and responsibilities, as well as applying procedure, please visit web-site: <http://edge.in.ua/vacancies>



Global Communities is seeking qualified professionals to fill the following long-term positions for the five-year USAID-funded

Decentralization Offering Better Results and Efficiency Program (DOBRE):

RECEPTIONIST/ADMINISTRATIVE ASSISTANT

The Receptionist/ Administrative Assistant will provide ongoing administrative support to the administrative and technical staff. Responsibilities include travel arrangements, arranging meetings, taking minutes of regular staff meetings, assisting in the logistical coordination of events, conferences, and seminars, research, and other tasks as assigned.

Full job description is available at:

<https://www.kyivpost.com/classifieds/jobs/receptionistadministrative-assistant-2>
Deadline for applications is February 26, 2017

HR/OPERATIONS MANAGER

The Human Resources/Operations Manager will oversee all Human Resource issues in the areas of personnel management, policy and procedures, record keeping, contractual and legal matters, and the design and implementation of administrative systems for all DOBRE Program offices in Ukraine. Full job description is available at:

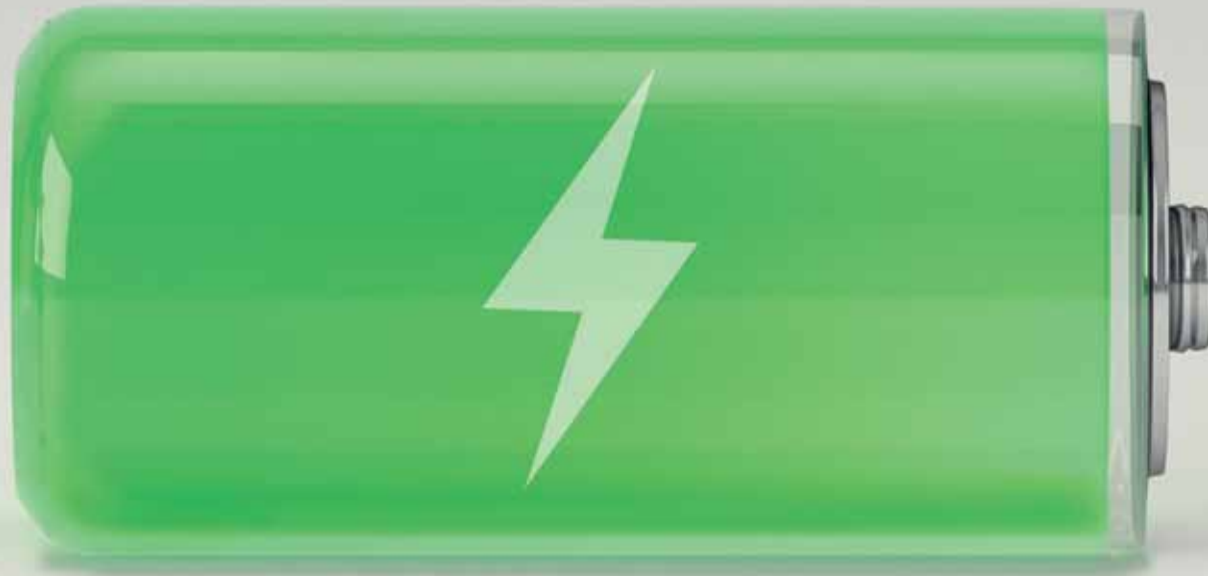
<https://www.kyivpost.com/classifieds/jobs/hr-operations-manager>

Candidates will be interviewed on a rolling basis.

Candidates are asked to submit resumes and cover letters in English to: UkraineHR@globalcommunities.org indicating the position title in the subject line.

Only applicants selected for interviews will be contacted. No telephone inquiries will be accepted.

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