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vol. 22, issue 28

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July 14, 2017

World Leaders In Ukraine: Fight Corruption, Reform and We Will Support



'We also discussed the importance of implementing the anti-corruption reforms, because that too is an important element of attracting foreign direct investment and more business activity."

> — U.S. Secretary of State Rex Tillersor



Ukraine "must strengthen its institutions, and it must rid itself of the cancer of corruption. Corruption, inertia and resistance to reform stand in the way of real change and of a secure, prosperous future for the Ukrainian people.

> — NATO Secretary General Jens Stoltenberg



'You can only be defeated by yourselves. If you can withstand the burden of reforms and not give up, then you will reach your dreams and goals."

> — European Council President Donald Tusk



"We're following with a lot of interest the reforms that should be made. We're available to the Ukrainian government to support this process."

> — United Nations Secretary General Antonio Guterres

Ukraine hosted five world leaders in the last week including, from left above, U.S. Secretary of State Rex Tillerson, NATO Secretary General Jens Stoltenberg, European Council President Donald Tusk (and, not pictured, European Commission President Jean-Claude Juncker), and United Nations Secretary General Antonio Guterres. It was an unparalleled display of highlevel international support for Ukraine, beset by corruption, stalled reforms and war with Russia. Most of them urged Ukraine's leaders to do more to fight corruption and battle vested interests who are obstructing Ukraine's Western integration. See complete coverage online at kyivpost.com. (Oleg Petrasiuk, Kostyantyn Chernichkin, Mykola Lazarenko)

Poroshenko convinces EU no anti-corruption court needed

BY OLENA GONCHAROVA, VERONIKA MELKOZEROVA

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After the West had been pushing foot-dragging Ukrainian officials for

months to create an anti-corruption EU side with European Council a less-than-independent "anti-corcourt, a top European Union official caved in on the demand during the EU-Ukraine Summit in Kyiv on July

European Commission President

President Donald Tusk, said that President Petro Poroshenko persuaded him that that an independent anti-corruption court isn't needed.

Instead, Juncker accepted Jean-Claude Juncker, who led the Poroshenko's recommendation for

ruption panel" within the Supreme Court.

In May, Ukraine's Prosecutor General Yuriv Lutsenko said that there was no need to create "another court" — meaning the anti-corruption

court. Instead, a panel within the Supreme Court – widely distrusted and politically subservient - will be enough.

"We previously insisted on the

more **Poroshenko** on page **11**

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CURRENCY WATCH Hr 26.15 to \$1 July 13 market rate



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Газета "Kyiv Post" видається ТОВ "Паблік-Медіа". Щотижневий наклад 9,500 прим. Ціна за домовленістю. Матеріали, надруковані в газеті "Kyiv Post" є власністю видавництва, захищені міжнародним та українським законодавством і не можуть бути відтворені у будь-якій формі без письмового дозволу Видавця. Думки, висловлені у дописах не завжди збігаються з поглядами видавця, який не бере на себе відповідальність за

наслідки публікацій. Засновник ТОВ "Паблік-Медіа"

Головний редактор Брайан Боннер Відповідальний за випуск

Люк Шеньє

Адреса видавця та засновника співпадають: Україна, м. Київ, 01004 вул. Пушкінська, 31A, 6-й поверх.

Реєстраційне свідоцтво

Кв № 15261-3833ПР від 19.06.09. Передплатний індекс ДП Преса 40528

Надруковано ТОВ «Новий друк»,

02660, Київ, вулиця Магнітогорська, 1,

тел.: 559-9147

Замовлення № 13-8040

З приводу розміщення реклами

звертайтесь: +380 44 591-77-88

Відповідальність за зміст реклами

несе замовник.

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Employment Advertising tel. +380 44 591-3408 fax +380 44 591-3345 2 National July 14, 2017 www.kyivpost.com

Despite criticism, railways chief wants to stay on job

BY DENYS KRASNIKOV AND RAHIM RAHEMTULLA

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Wojciech Balczun, the CEO of Ukrzaliznytsia, remains defiant despite heavy criticism from those who say the Polish rock guitarist has done little to improve the performance of the slow, inefficient and bloated state railways monopoly.

Although the one-year probationary period of Balczun, 47, came to an end on June 5, he wants to stay on the job and see through the "hundreds of initiatives" he has launched.

But his fate rests with Ukraine's Cabinet of Ministers, which on Jan. 18 took control of Ukrzaliznytsia away from the Infrastructure Ministry and one of his biggest critics — Interior Minister Volodymyr Omelyan, who has accused the railways chief of "doing nothing."

In his first interview with the Kyiv Post since becoming Ukrzaliznytsia CEO, Balczun said he is waiting for a "signal" from the authorities about his future in his \$17,800 a month job.

"I want to stay. I have a bright vision of my future here, of what we want to achieve, what kind of goals we have on our list," Balczun said on July 5.

Balczun says he has been unfairly judged by Omelyan and other critics.

"It's an uncomfortable situation for both of us. I wouldn't call it a conflict," he told the Kyiv Post. "It began a month and a half after I took up my position. And here is my answer: you can't pass judgment on anything in a month and a half, not my skills, my qualifications, my experience, or my results. It's too early."

Balczun believes he faces opposition because he is independent. He says he strives to remain above business and political forces who seek to use Ukrzaliznytsia for their own interests.

If true, such a stance could cost him his job.

"I would like to continue my mission so as to see fully the results of what has already been done, of what has been started here by my team and me," he said. "Ukrzaliznytsia is at the very epicenter of the games and the bargaining between political forces and between the political-business groupings which exist in Ukraine."

Corruption, mass theft

Vested interests, says Balczun —



Wojciech Balczun, the CEO of Ukraine's state rail monopoly Ukrzaliznytsia, talks to the Kyiv Post in his office in the Ukrainian capital. He has hit back at his critics, saying he wants to stay in the job to see through changes he has put in motion. Appointed CEO in 2016, his one-year probationary period has come to an end but a decision from Ukraine's Cabinet of Ministers on his future has yet to be made. (Volodymyr Petrov)

that's as close as he would come to naming the corrupt obstructionists have played a huge role in thwarting his attempts to reshape the state enterprise.

Corruption has found its way into more or less "everything." Graft still continues today and the scale of it is so large that the CEO says if he were to spend all his time trying to fight it, there would be no time left for "real reforms."

"Most of the structures here were created and maintained solely in order to create opportunities to siphon money out of the company," he said.

Balczun and his team say they are fighting against corrupt schemes in procurement which force Ukrzaliznytsia to pay excessive amounts for fuel and spare parts.

Tenders, meanwhile, are often blocked by "front" firms. Balczun named Maksmed International as one such company, saying that it had been responsible for blocking 60 Ukrzaliznytsia tenders. He says he doesn't know who is behind the company.

Maksmed International did not respond to a Kyiv Post request for comment.

The Polish CEO says the Ukrainian legal environment is still favorable to

the corrupt and that although initiatives like ProZorro have helped increase transparency, even it is open to abuse.

Meanwhile, personnel within Ukrzaliznytsia also remains a source of graft, with theft perpetrated on a wide scale. Balczun said that those who should be fighting such practices are often "guarding them instead."

But replacing management suspected of complicity in wrongdoing is far from straightforward. Dismissing subordinates, he argues, would leave him with no one to fill the vacated positions. Bringing people in from abroad is not an option.

"I can't bring in thousands of managers from the West," Balczun told the Kyiv Post.

"It's not only because of money: Ukraine is considered a country with a high level of risk and there are no guarantees that the people who come will be able to understand the system which has been created here over the decades."

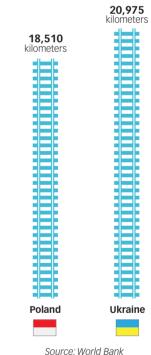
Balczun says what he aims for is not to replace staff but to remove opportunities for corruption through structural changes and gradually hiring people he can trust.

"I make my decisions and when

THINKING RELOCATION?

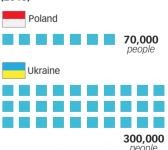
more **Railways** on page **10**

Length of railway lines, 2015



Source: World Bank

Number of workers at state railway companies in Ukraine and Poland (2015)



Sources: Ministry of Infrastructure of Ukraine, PKP Group.

Ukraine's state railway monopoly Ukrzaliznytsia employs more than four times as many people as Poland's state railway firm PKP. Ukrzaliznytsia CEO Wojciech Balczun says when he was head of the Polish operation from 2018 to 2013, staff cuts were one of his "biggest successes" in increasing the enterprise's efficiency.





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Prosecution of lawmakers stripped of immunity unlikely to be successful

BY OLEG SUKHOV AND OLENA GONCHAROVA

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The Verkhovna Rada, Ukraine's parliament, stripped four lawmakers of their immunity from prosecution on July 11 to July 13.

While it marks the first time such a measure has been taken against members of the governing coalition, parliament allowed law enforcement agencies to arrest only one of the legislators. This could potentially make any attempts to prosecute the other three futile.

And if previous incidences of lawmakers being stripped of immunity are anything to go by, the cases against them will likely go nowhere.

Analysts say Ukraine's politically subservient judiciary is incapable of sending crooked lawmakers to jail, and the authorities are refusing to create an independent anti-corruption court that would be able to do so.

"Frankly, I'd say that there will be no convictions," said Oleksandr Lemenov, an anti-corruption expert at the Reanimation Package of Reforms.

In 2014, the Bloc of President Petro Poroshenko, the People's Front and their coalition allies promised to cancel lawmakers' immunity.

But such a proposal is yet to come before parliament.

Shady deal?

The Rada allowed prosecutors to press criminal charges against Oles Dovhiy from the People's Will faction, Boryslav Rozenblat from the Bloc of Petro Poroshenko, Maksym Polyakov from the People's Front and Mykhailo Dobkin from the Opposition Bloc. However, parliament rejected motions to prosecute Yevhen Deidei from the People's Front and Andriy Lozovy from the Radical Party.

Prosecutors did not file motions to arrest Dovhiy, Deidei and Lozovy, while their requests to arrest Rozenblat and Polyakov were rejected by parliament. Only the request to arrest Dobkin, who is accused of abuse of power, was approved, and he still has time to flee before a court authorizes the arrest.

The three offshoots in parliament of ex-President Viktor Yanukovych's Party of Regions — the Opposition Bloc, Vidrodzhennya and the People's Will factions — gave almost no votes for the prosecution of the six lawmakers.

Only about half of the Poroshenko Bloc and the People's Front voted for the prosecution of Deidei and Lozovy, and only a minority of these factions voted for the arrest of Rozenblat and Polyakov.

The authorities' critics suspect there was a shady deal among the factions to ensure the motions came up short of votes.

"They agreed that the ex-Party of Regions members would not vote," Lemenov said. "The Poroshenko Bloc and the People's Front wanted to show that they were good guys ready to strip immunity."



Activists bring jars with portraits of lawmakers inside them during a rally in Kyiv on July 11. They demanded that six lawmakers, including Boryslav Rozenblat from President Petro Poroshenko's Bloc, Oles Dovhiy from the People's Will faction, Andriy Lozovy from the Radical Party, and Yevhen Deidei and Maksym Polyakov from the People's Front, and Mykhailo Dobkin from the Opposition Bloc be stripped of their immunity from prosecution. The Rada voted to remove immunity from four out of the six lawmakers. (Volodymyr Petrov)

However, the Poroshenko Bloc and the People's Front have denied that, claiming they were committed to stripping the lawmakers of immunity.

Amber corruption

Rozenblat and Polyakov are suspected of taking bribes worth about \$300,000 to initiate laws on amber production, organize an illegal amber mining scheme and bribe other officials, judges and prosecutors for that purpose. Both have denied accusations of wrongdoing.

"The NABU has given bullet-proof evidence in the Polyakov and Rozenblat cases," said Vitaly Shabunin, head of the Anti-Corruption Action Center's executive board. "The NABU can charge them and then send the case to trial. But it's obvious that, even with

bullet-proof evidence, the system will defend them until the end."

Rozenblat was an official representative of Poroshenko during the 2014 presidential election, while Polyakov is an associate of ex-law-maker Mykola Martynenko, another suspect in a corruption case.

Chornovetsky ally

Meanwhile, Dovhiy is suspected of abuse of power in the allegedly illegal allocation of land in Kyiv.

But analysts doubt that there will be any progress in the case, because the statute of limitations on the case runs out on Oct. 1.

"I'm very skeptical about the Dovhiy case, because the case was led by the Prosecutor General's Office, not the NABU," Shabunin said.

Dovhiy, who has had a long-running conflict with Prosecutor

General Yuriy Lutsenko, admitted violating Kyiv City Council's regulations during the allocation of land, but denied violating the

Dovhiy is a loyalist of Poroshenko and has been instrumental in getting his People's Will faction to vote for presidential initiatives. In the 2000s he was an ally of the scandal-ridden Kyiv Mayor Leonid Chornovetsky, who left Ukraine in 2011 after facing numerous corruption accusations, which he also denies.

Lucky ones

Two other lawmakers escaped prosecution.

Deidei is suspected by the NABU of unlawful enrichment worth Hr 6 million based on his electronic asset declaration. "The case is a political stunt," Deidei said on July 11. "I hav-

en't done anything they are accusing me of."

Critics argue that Deidei escaped prosecution likely because he is a close associate of Interior Minister Arsen Ayakov.

Meanwhile, Lozovy is suspected by the Prosecutor General's Office of evading taxes worth Hr 1.83 million. Lemenov said that the evidence in the Lozovy case could have been used to charge him with unlawful enrichment, but prosecutors decided to use a milder article on tax evasion, which is punishable by a fine.

Shabunin and reformist lawmaker Sergii Leshchenko said that the Lozovy case could be an effort to make the Radical Party more loyal to the Presidential Administration.

Failed cases

However, previous criminal cases against lawmakers have not been successful. Andriy Klyuyev from the Opposition Bloc, and Oleksandr Onyshchenko from the People's Will faction — both suspects in embezzlement cases — fled the country in 2015 and 2016, respectively.

Vadym Novynsky from the Opposition Bloc, Serhiy Melnychuk from the People's Will and Ihor Mosiychuk from the Radical Party were stripped of their immunity in 2015 to 2016. Of these three, only the Melnychuk case has been sent to trial. Moreover, Novynsky and Melnychuk have not even been arrested. Mosiychuk was detained, but the courts canceled his arrest due to procedural violations and gave him his immunity back, ruling that the Verkhovna Rada had violated procedure in stripping him of it.

Meanwhile, in May Leshchenko published what he says is the text of a draft motion to strip Opposition Bloc leader Yury Boiko of his immunity.

Leshchenko said the motion had been blocked first by ex-Prosecutor General Viktor Shokin and then by his successor Lutsenko, both of whom deny the accusations.



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Editorial

No more free rides

The list of obstructed reforms remains long as Ukraine's politicians go on a long and undeserved summer break.

Ukraine has not reformed its police. The report takers driving around in shiny new donated cars and wearing spiffy uniforms, otherwise known as the patrol police, don't count as much more than cosmetic reform. As for real police investigators, the Interior Ministry and Security Service of Ukraine — with collectively 250,000 people in their ranks — appear to be as corrupt, unaccountable and ineffective as always.

The General Prosecutor's Office is unreformable, with Yuriy Lutsenko, an unqualified political hack at its head, the successor to a long line of corrupt and politically subservient predecessors.

And the courts are still a corrupt mess, unable to deliver justice.

Additionally, lawmakers still have legal immunity from criminal prosecution. Their immunity can be lifted if most of their colleagues approve, which they voted to do this week to four MPs among their ranks. But, as history shows, they will either flee the country with their money or reach a deal not to face any criminal trial.

Before adjourning for summer recess, parliament took no action to privatize the 1,800 or 3,500 state-owned enterprises (no one knows for sure) that continue to enrich private interests at public expense.

Ukraine's leaders did not create a private agricultural land market, which would unlock potentially \$50 billion in new investments to Ukraine. They did not restore fiscal solvency to state pensions, which continue to cost 12 percent of the nation's gross domestic product.

Ukraine's politicians also did not create an anti-corruption court, dashing hopes that criminal cases will be brought to a fair public trial ending in a verdict trusted by the public. Worse, European Council President Jean-Claude Juncker caved in to President Petro Poroshenko and softened Western demands for an independent anti-corruption court.

Billionaire Ihor Kolomoisky's PrivatBank, before being nationalized, stole billions of depositors' dollars through insider lending. He was just the leader of the pack in an industry that looted \$20 billion from Ukrainians. And no banker has been punished for this robbery.

Don't even get us started on all the unsolved crimes of the fallen President Viktor Yanukovych's administration from 2010-2014, when \$40 billion was robbed from Ukraine, or the three previous presidential administrations.

Yet, the glass "half-fullers," the collection of myopic optimists who don't want reality to intrude on their fantasy worlds, point to creation of the National Anti-Corruption Bureau of Ukraine (understaffed, not fully independent, under constant attack) and the National Agency for the Prevention of Corruption (discredited) and the Special Anti-Prosecutor's Office (understaffed and again, without independent courts, meaningless.)

Nobody wants or would benefit more from a prosperous Ukraine than the Kyiv Post, which would see its fortunes rise as one of the few commercially and editorially independent news outlets. We believe Ukraine can be a rich country, but it doesn't happen automatically.

No matter how much everyone talks up Ukraine's potential and progress, what matters most is what investors do -- and they are largely saying no for all the usual reasons: war, lack of rule of law, corruption, no property rights, limits on repatriating profits abroad, etc.

The latest episode in which low-cost Ryanair cancelled plans this week to enter Ukraine underscored the oligarchic hold on the economy and the government's woeful strategic communications shortcomings.

It is heartening that U.S. Secretary of State Rex Tillerson, NATO Secretary General Jens Stoltenberg and EU officials acknowledged the corruption issue on their visits to Kyiv in the past week.

If the West really wants to help, it will have to set tougher conditions and stricter timelines on the financial assistance, not capitulate as Juncker did. Ukraine's leaders have shown no will to reform and have lapsed into foot-dragging and obstructionist mode.

As member of parliament Sergii Leshchenko rightly points out, 90 percent of the reforms achieved to date were part of international assis-

Those are today's realities in Ukraine.

The people have spoken clearly — they want to live in a prosperous European democracy, not an aid-dependent ex-Soviet backwater. Only self-serving political and business leaders are standing in the way. Their free ride has to come to an end.



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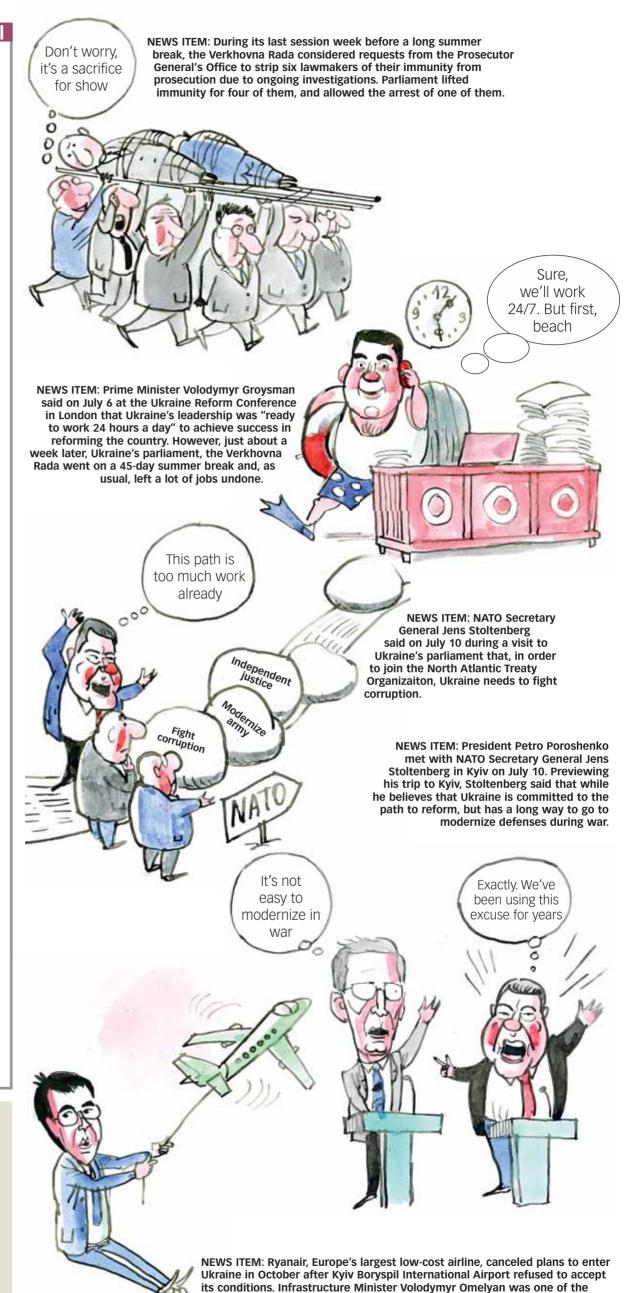
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strongest advocates of the entry of the Irish airline.

Reformer of the week

Martha Boersch

Martha Boersch, a former U.S. federal prosecutor, was the runner-up during a Verkhovna Rada vote for an auditor of the National Anti-Corruption Bureau of Ukraine on July 13.

Boersch successfully prosecuted ex-Ukrainian Prime Minister Pavlo Lazarenko, who was sentenced in 2006 by a San Francisco court to nine years in prison and a \$10 million fine.

However, President Petro Poroshenko and his supporters preferred reputedly less independent candidates for the auditor's job.

In May Mykhailo Buromensky, an alleged loyalist of the authorities, was appointed as a NABU auditor by the Cabinet of Ministers.

In February, the pro-Poroshenko majority unsuccessfully tried to push through parliament the appointment of another loyalist, Briton Nigel Brown, as a NABU auditor, without the anti-corruption committee's approval. Brown on July 12 admitted that he had been invited to parliament for the vote on his candidacy by Artur Herasimov, the head of the Bloc of Petro Poroshenko faction.

The Anti-Corruption Action Center believes Buromensky and Oleksandra Yanovska, another pro-government candidate, fail to meet an International Monetary Fund requirement that a NABU auditor must have "experience in anti-corruption investigations in other countries."

- Oleg Sukhov

Anti-reformer of the week

Oleksandra Yanovska

The pro-government majority in the Verkhovna Rada on July 13 unsuccessfully tried to install lawyer Oleksandra Yanovska as an auditor of the National Anti-Corruption Bureau of

Yanovska got the biggest number of votes among other candidates for the job of auditor, but failed to pass the 226 vote threshold required for appointment. However, attempts

Since the leadership of the NABU can be fired as a result of an audit, President Petro

he can control the bureau.

Administration a couple of months ago to discuss legislative initiatives

Hrytsenko from the AutoMaidan civic group said that representatives of the Presidential Administration, including Dmytro Yelmanov, had asked them in 2016 to make sure that Yanovska joined the civil society watchdog that oversees the NABU, and they declined. The Presidential Administration could not immediately comment.

Yanovska did not support NABU Chief Artem Sytnyk when he was running for the job in 2015. She was nominated by the Ukrainian Helsinki Group, which has regularly criticized the NABU.



Who is to blame for low-cost Ryanair's decision not to enter the Ukrainian market?



Irina Soroka Unemployed "The president and other officials of Boryspil airport are responsible for the loss. Ukraine

International Airline agents feared the potential competition posed by Ryanair. I believe that an agreement with Ryanair will be worked out in the future. But for now, companies in many spheres will be afraid to establish partnerships with Ukrainian corporations."



Tanya Rubnina Assistant "Employees of both Ryanair and Ukraine International Airline are to blame, and

their decisions will result in less confidence in foreign investment. Ukrainian people were looking forward to the promised low-cost services, and were disappointed. This letdown will prevent people from traveling and demoralize their hope in future agreements."



Valery Skripka Psychotherapist "Boryspil. I've used Ryanair's services extensively and know that it

is a fine organization. I am deeply upset by this news because monopolies like that of the officials at Boryspil are sucking the life out of the Ukrainian people, in this case in regards to their ability to travel outside of Ukraine.



Taras Romaniuk Political consultant "Ryanair. Firstly, they pressed to be exempt from the standard airport fee for

takeoff and landing. Secondly, they demanded to be the only airline allowed to fly to London, thereby smothering their competitors. Thirdly, they required a fee from the city for bringing in tourism, that smaller cities such as Lviv cannot supply. The inexpensive tickets are an appearance which doesn't give the whole story. The bottom line is that Ryanair wanted to monopolize the market, and when Boryspil would not allow for this, they backed out."



Tatiana Yatskiy Science journalist "Ryanair failed to uphold the agreement. It's a shame

more Ukrainians to travel."

to appoint Yanovska are likely to continue.

Poroshenko has been accused of trying to install auditors loyal to him so that

Yanovska has been accused of having links to the Presidential Administration, which she denies. She said on July 12 that she had last visited the Presidential

Oleksandra Ustinova from the Anti-Corruption Action Center and Oleksiy

- Oleg Sukhov

Ukraine's Friend & Foe Of The Wee

Editor's Note: This feature separates Ukraine's friends from its enemies The Order of Yaroslav the Wise has been given 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 still rots on the Kremlin's Red Square, 100 years after the October Revolution he led.



Shortly after the signing of the Minsk II peace agreement, the political news website Politico on Feb. 18, 2015 published an opinion piece

that in hindsight is eerily

prescient.

In it, the author writes: "One need only look to the forced retreat of Ukrainian forces Feb. 18 in the strategic city of Debaltseve to see that the cease-

fire that emerged last week from the meeting of French, German, Ukrainian, and Russian lead-

ers in Minsk is less than meets the eye. Even if a shaky truce begins to hold after the Ukrainian retreat, the cease-fire agreement is laden with future problems that will emerge in the coming weeks and months."

Order of Yaroslav

The Wise

The author goes on: "Further, the cease-fire establishes an international presence inside Ukraine, ... (which) is tantamount to the institutionalization of a frozen conflict inside Ukraine... This is exactly what the Kremlin wants. A year ago, there was no conflict in Ukraine; now Russia has manufactured a war

that has allowed it to gain leverage over Kyiv and Europe."

The writer was Ambassador Kurt Volker, who on July 7 was tapped to be the United States Special Representative for Ukraine. Volker, who was U.S. ambassador to NATO from 2008 to 2009, knows well the aims and methods of Ukraine's foe, the Kremlin, and in his new position will be a steadfast friend to Ukraine, we predict.

He is a worthy winner of this week's Order of Yaroslav the Wise, and not only because he has a clear view of what has happened in Ukraine (it's a covert Russian invasion, not a "civil war"). He is also

> on record calling for exactly the Western response to Russia's aggression that we in this newspaper have long advocated: tougher sanctions on Russia, including excluding Russian banks from the SWIFT network for financial transactions; a robust package of financial aid, tied to clear progress from Ukraine

in tackling corruption, increasing transparency, and improving the business climate; and direct military aid to Ukraine to increase the costs to Russia of further aggression.

If fact, Volker, as far back as Aug. 28, 2014, writing in the

Washington Post, was calling for a firm NATO response to Russia's aggression against Ukraine, including military aid and tougher sanctions.

That response never came, the U.S. response was weak, and the Kremlin was able to tear off another chunk of Ukrainian land. But now, with Volker at the helm of the U.S. negotiating team, we anticipate that Moscow will find it far more difficult to continue to evade its responsibilities under Minsk.

- Euan MacDonald



While politics news website Politico showed editorial sharpness a couple of years ago in seeking the opinion of Ukraine's friend of the week, Ambassador Kurt Volker, they look a bit dull now for running a piece on July 10 by Vijai Maheshwari, called "In New York, like Kiev (sic), it's all about Putin."

Maheshwari, who is described as a writer and entrepreneur based in Kyiv, seeks to compare the Order of Lenin

outrage of many in

the United States at the Kremlin's interference in the 2016 U.S. presidential election with the enmity felt by many Ukrainians for Russian President Vladimir Putin, who stole Ukrainian territory and started a war in the Donbas.

That's hardly a solid comparison for a start, and the article doesn't get any better.

There's not enough space here to point out all the flaws in this piece of 900-or-so words (for a full takedown of this article, listen to Russia Without BS's video rant at nobsrussia.com), but a couple of examples will show why Maheshwari earns

the title of foe of the week.

First, Maheshwari describes Ukraine's defending itself from Russian invasion as "Ukraine... fighting a proxy war in the east."

No. Ukraine is defending itself against a covert Russian invasion. It is Russia that is fighting a proxy war, using Russian and Chechen mercenaries along with local collaborators (many of them from criminal gangs). It is also covertly inserting its own regular troops into its proxy armies (one of them was captured on June 24), and it sent in units of the regular Russian army to prevent the Ukrainian army defeating its proxy forces in August 2014.

So Maheshwari's description of Russia's war on Ukraine, which has cost over 10,000 lives, is completely wrong.

Second, Maheshwari claims that "Russian artists are not welcome in Ukraine anymore."

No. Russian artists are perfectly welcome to perform in Ukraine, as long as they don't break Ukrainian law. The only artists that have been barred from Ukraine are ones who have broken the law by entering

Ukraine illegally. That includes those who, like Russia's Eurovision

entry, entered the Russian-occupied Ukrainian territory of Crimea illegally, via Russia.

Any Russian artist who wants to perform in Ukraine can do so. They can even perform in the Russian-occupied Ukrainian territory of Crimea – if they enter and exit the peninsula via government-controlled territory.

So, for spreading false and misleading information about Ukraine - and doing the Kremlin's dirty work - Maheshwari wins this week's Order of Lenin.

- Euan MacDonald



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Energy efficiency investment rises, but falls short of needs

BY RAHIM RAHEMTULLA

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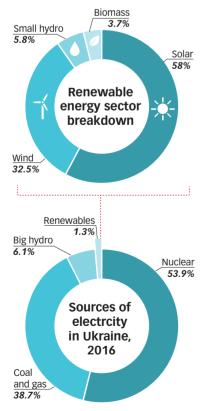
Millions of Ukrainians could slash their energy bills by as much as 40 percent, on average, with the right efficiency-boosting measures. But a lack of expertise and investment capital are slowing progress, according to civil society groups and non-governmental organizations.

The United Nations Development Program and the American government's development agency, the U.S. Agency for International Development, are working to address the shortcomings.

Their programs tie into goals that Ukraine has set for itself at the national level, with Prime Minister Volodymyr Groysman saying on July 12 that Ukraine should seek to become energy independent by 2020.

Boosting energy generated from renewable sources and making better use of already existing resources are both key parts of that strategy.

But the challenges to advancing energy efficiency in Ukraine are more than just practical. There is also a cultural element, with awareness and understanding of the issue growing but still "in its infancy," according to Janthomas Hiemstra,



Sources: International Renewable Energy Agency, National Commission on State Regulation of Energy and Household Services.

Nuclear power is the biggest source of electricity in Ukraine, according to 2016 figures. Renewable sources, excluding big hydroelectric stations, accounted for just 1.3 percent of the total.



A worker measures the heat loss from a residential apartment block in Kyiv. Work to stimulate investment into making such buildings energy efficient across the country is being undertaken by the government with support from international development agencies. According to official figures, some \$90 billion is needed for residential and municipal sectors -- 90 percent of the nation's annual gross domestic product. (Ukrafoto)

country director at the United Nations Development Program.

"Ukraine is missing the boat in some ways," Hiemstra told the Kyiv Post. "The culture and the thinking here is just from a different planet and some of the more advanced thinking is probably where you see the capacity deficiency. It's all very new for this country."

Experts working in the sector estimate that just a small fraction of Ukraine's residential and municipal buildings have so far been made energy efficient.

Hundreds of millions of dollars have already been raised for projects, but some \$90 billion more — 90 percent of Ukraine's annual gross domestic product — is needed to complete work on a national scale, according to Sergiy Savchuk, the head of Ukraine's State Agency on Energy Efficiency.

So far, success has often come in the form of individual residents or associations of homeowners securing financing to invest in energy-saving

Figures provided by the USAIDbacked Municipal Energy Reform Project show that, with the State Agency for Energy Efficiency, it had by the end of last month helped secure 219,294 loans for energy efficiency measures in the residential sector worth \$147 million. That figure has grown from a little under 4,000 loans issued as of June 2015.

The head of the USAID project, Diana Korsakaite, says the huge jump in demand for loans over the past two years has been stimulated by several factors, including informational campaigns and rises in the prices of household energy bills. One of the biggest influences has been homeowners seeing the success of others.

"The example of your neighbor who lives in a nice, renovated house is very powerful," she told the Kyiv Poet

Hiemstra, meanwhile, said the United Nations Development Program, which has worked with residents' associations in 460 locations across Ukraine, had witnessed a "huge mushroom effect," with groups of homeowners eager to implement energy efficiency measures once they see how much money it is possible to save.

"The business case is very solid,"

Hiemstra said. "The benefits to individuals, particularly during winter months is really huge."

But barriers remain to wide adoption of energy efficiency in homes, with many apartment owners reluctant to invest their own money. Instead, they still have the mentality that such work should be undertaken by the government.

"If people are not ready, if the majority of a building's residents do not recognize the fact that it is their private building which they all jointly own, any sort of energy efficiency project is going to be impossible," according to Nadia Sergiyenko, a project manager at the Kyiv-based non-governmental organization Municipal Energy.

Public-private partners

Apart from residential, the public sector is another area where huge energy savings are possible. A big push is now under way to promote Energy Service Contracting, a scheme which seeks to attract the private sector to invest in energy efficiency measures in public buildings.

According to Savchuk of the State Agency for Energy Efficiency, there

are currently only 20 such contracts active in Ukraine, but 100 more are expected to be concluded this year.

The United Nations Development Program, meanwhile, has 10 of its own pilot projects in the pipeline. They will be concentrated on municipal buildings in smaller cities where knowledge of energy saving is minimal and budgets for such work small or non-existent.

Hiemstra says even with interest rates on loans in Ukraine currently at 20 percent, energy efficiency investments in the municipal sector can be highly profitable but often require novel financing solutions to be found.

He told the Kyiv Post that the model to be piloted in Ukraine has brought lasting benefits to other countries.

"If it catches on and people start liking it, then of course they'll do it without the assistance of an international organization," he said. "The commercial banks have their interest, the service providers will find more markets and the municipalities and others will say, 'who will do this for me?""



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We are proud of our completed projects, which include the world's largest solar power plant situated behind the Arctic Circle in Batagai, utility-scale projects in Ukraine, social projects in Georgia, and street lighting of the railway bridge for the Olympic Games.





Startup 3D prints smart homes that run off-grid on solar power

BY DENYS KRASNIKOV

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Imagine being able to buy a house, have it built on any piece of land you have access to, and then moving in — all in one day.

Moreover, the house generates its own power from solar panels on the roof, comes with in-built, off-the-grid sewage and plumbing, has its own climate control system that keeps it at just the right temperature yearround, and it's built of non-corrosive, recyclable materials guaranteed to last at least 40 years.

On top of all that — many of the parts of the house are created by a 3D printer.

It may sound like something from the future, but 7,000 people are already on a waiting list to receive such a house that Ukrainian techies are now working to supply.

Their startup, PassivDom, builds the off-grid smart-homes, which at the moment come in two options a small 36-square-meter unit and a 72-square-meter "double" house consisting of two smaller modules put together to make a larger house.

According to PassivDom's website, the full-feature small option costs \$67,000, while a "standard' version (that requires connection to power, water and sewage lines) costs \$44,400. A bare-bones small version of the home, with no furniture, kitchen unit or bathroom, goes for \$33,000.

The large, double options sell for \$108,000 for the off-grid and \$85,300 for the standard and barebones versions

3D-printed walls

PassivDom's team of 10 people use 3D-printing to create the



house frame, walls, roof and ceiling, floor and other parts. According to PassivDom CEO Maxim Gerbut, this is cheaper and more efficient than traditional construction techniques.

"We're challenging conservative builders and technologies," Gerbut told the Kyiv Post. Gerbut has spent 15 years working on smart-homes in Ukraine and says "it's a long and expensive process to build by hand. Mechanization speeds up the process and makes it much less expensive."

Gerbut says most heat in conventional houses is lost through joints. So the frame of a PassivDom is one solid part, printed in one go. And the company says the walls, built of combination of a carbon-based material and fiberglass, are six times stronger

"It is like a seven-and-a-half-meterthick brick wall — imagine how warm a house with such walls is," Gerbut said, adding that the house's large windows are also made of thick glass, which also retains heat. PassivDom has even patented the technology for manufacturing such windows.

Once printed and glazed, however, the house still requires extra fittings to be installed by hand, including interior panels and doors, plumbing and wiring, and household appliances. The furnishing is from IKEA. The heating, air conditioning, alarm and other controls can be accessed via a smartphone application.

Every part of the house is recyclable, its inventors claim

automatically adjusts air conditioning. Sensors monitor levels of oxygen and carbon dioxide in the house, and sniff for dangerous gases like carbon

With all the gadgets in the house connected through an application to the homeowner's smartphone, any appliance can be turned on or off remotely.

"We know practically everything about all the things in the home that consume water and energy; we know how frequently you use your microwave, coffee machine, and fridge," Gerbut said.

Gerbut says computer algorithms manage everything in PassivDom houses, and the data from the house is sent online to a larger network supervised by the PassivDom team. This, the inventor says, will help the team monitor appliance performance prevent any possible breakdowns.

"Users, however, won't have control over most of it, though," he said. "Unfortunately, people are much worse at managing energy and being energy efficient than algorithms."

Water supply

And it only takes a day to set up

and completely assemble the house,

so the owners can move in in the

evening, PassivDom says. No fixed

foundations are needed, so there is

no need for building permits, either.

PassivDom houses are 100 percent

energy-independent, using solar pan-

els installed directly into the roof

to generate power. Plumbing and

sewage is also in-built, and doesn't

The electricity generated by the

solar panels on the roof powers

household appliances, lighting, air

conditioning and the underfloor

As the walls and windows of the

house are so well insulated, very

little power is required to maintain a

stable temperature inside, according

He said a PassivDom uses 20

times less energy than a convention-

al house, so the energy generated by

the solar panels and stored in the

battery bank will see it through any

"Five people inside one of our

houses will heat it with their breath

alone, and the building will maintain

its temperature even if the power

is off," Gerbut said. He said that

even in temperatures of minus 20

degrees Celsius outside, it will only

take 10-15 percent of the solar pan-

els' generating capacity to heat the

"And even if the panels aren't

generating any power at all, the

built-in spare battery can keep the

house warm for a week in such

weather conditions," he said. In fact, PassivDom also offers a tongue-in-

cheek "Zombie Apocalypse" package,

which along with other extra fea-

tures, includes bullet-proof glazing,

an alarm system, extra toilet paper

winter – even a gloomy one.

heating system. Excess solar power is

Energy efficient

require mains connections.

stored in a battery bank.

to Gerbut.

Apart from generating their own energy, the smart-homes produce their own water – from the air.

A built-in reservoir holds 1,000 liters of water, some of which the house generates itself, by condensing out moisture from the air. The system generates 10-15 liters daily, although the developers aim to increase this to 30 liters per day.

However, most of the water is recycled - once used, it is collected, filtered and returned to the reservoir.

The houses also feature an independent, off-grid sewage system.

Mass production

Gerbut's put his own money into developing the PassivDom smarthome – according to U.S. technology industry news websiteTechCrunch, Gerbut put 200,000 euros of his own cash into developing the first prototypes. Now, however, Gerbut has some investors, enough to ramp up mass production in the United States.

In fact, the company has moved to the United States, leaving only research and development office in Ukraine.

"In America, the air is filled with investment, people tend to put money in innovations," Gerbut said.

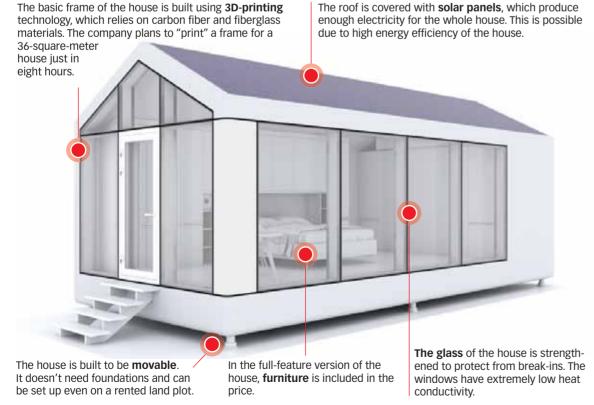
However, the Ukrainian-created modular houses can be transported anywhere. The homes, which are about the same size as a standard shipping container, will fit on the back of a truck.

The startup aims to manufacture and deliver the first houses to their owners in the United States in October this year.

As the PassivDom team started in Ukraine, the first prototypes will soon be made available to the public. The company will place the house on the Airbnb and booking. com websites, and offer it for rent.

"You'll just get in, turn it on, and

PassivDom



By Kyiv Post. 3D model by PassivDom.

Around 7,000 people have already ordered and are on the waiting list for PassiyDom smart houses. First deliveries are expected in October in the United States.

storage, and a Bible. The smart environmental con-

trol system, the code for which was custom-written by PassivDom's pro-

grammers, monitors air quality and



People examine on June 23, 2016, the first bench with a built-in solar panel installed in Kyiv for free charging of mobile devices using USB ports. (AFP)

Renewable energy growing, but needs more investment

BY WILL COHEN

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Like so much in Ukraine, renewable energy has enormous potential. But while it is developing, it remains held back by insufficient investment.

In its 2014 national action plan, Ukraine set the target of producing 11 percent of its energy from renewable sources by 2020. However, barring a massive influx of investment, it is likely to miss this goal.

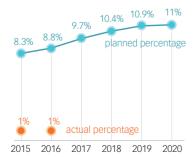
Renewables have attracted significant interest, but accounted for just 1,3 percent Ukraine's energy production in 2016, with another 6.1 percent from large-scale hydroelectric plants.

Oleksiy Orzhel, the head of the Ukrainian Association of Renewable Energy, is optimistic, but conceded that the goal "will be rather tough."

One issue is that the 11 percent target does not factor in the Russian occupation since 2014 of Crimea and parts of the eastern Donbas, a major setback

Renewable energy producers ben-

National plan to increase share of electricity generated by renewables



Source: Institute for Social and Economic

Ukraine aims to generate 11 percent of its electricity from renewable sources by 2020. But it is falling far short of the target thus far.

efit from high green tariffs, or so called feed-in tariffs, that make such sources more attractive financially to produce. Currently, state-owned Energorynok purchases renewable energy at green tariff rates, but new legislation liberalizing the market was adopted in April. Orzhel said the changes will not affect green tariff rates, as renewable energy producers will have "a guaranteed buyer that has to buy renewable energy at the feed-in tariffs.'

The tariffs will be in place until 2030, but they will decrease incrementally starting in 2020.

Alina Sviderska, founder of the Clean Energy Lab, said investors are rushing to set up operations to lock in current rates. "The green tariff is until 2030, but every five years it decreases," she said. "Right now it's very high, so most companies are trying to build their projects by 2019."

Solar is hot

Solar projects have attracted attention. "There are a lot of new players on the solar market," Orzhel said. Most, naturally, are in the country's sunnier southern oblasts, in particular Kherson, Odesa and Mykolaiv.

The projects tend to be small with less than 10 megawatts of capacity.

"This decentralization is good, because solar isn't a stable and depends on whether the sun is shining," Orzhel said.

In 2016, the government floated the idea of turning part of the Chornobyl exclusion zone into a massive, 2-gigawatt solar park. This won interest from Chinese, French and German companies, but so far the project remains stuck by technical challenges and a lack of clarity, since the exclusion zone is managed by three government agencies.

Orzhel said the chief attraction is that high radiation makes the region

useful for little else. An electricity transmission grid is in place, but it would require restoration after 30 years of disuse. Finally, creating something positive out of Chornobyl makes for good publicity.

Most recently, the French government commissioned Engie SA – one of France's largest energy companies – to perform a feasibility study.

There has also been growth in the use of household solar panels.

Currently just 1,300 Ukrainian households have solar panels - compared, for example, with 1.3 million in Germany. But this number will grow as costs drop.

High green tariff rates compel most home solar stations owners to sell energy to the grid, although experts hope this will change as the green tariff rates move closer to market value.

"We hope that people will consume less," Sviderska said. "It would be nice if people used energy wisely and just sold the leftovers to the grid."

Hvdro problems

Hydro energy figures are muddled by the inclusion of large hydro in the 11 percent target.

"All hydro is considered renewable, but because of the ecological issues with large-scale hydro, they don't get the green feed-in tariff," Orzhel explained.

While there are small-scale investments, these account for 6 percent of renewable energy production. Small projects in the Carpathian Mountains have attracted interest.

Sviderska noted that there are 1,000 Soviet-era hydro-stations that could be restored. However, "small hydro is more technically challenging," Sviderska said. "You need to find the right river flow, turbines and so **BUSINESS ADVISER**

Energy-efficiency certification for buildings: a new step towards resource saving, or just a formality?



Alexander Burtovoy Partner of Antika aw Firm

The Law of Ukraine "On the energy efficiency of buildings" was adopted on June 22, 2017 after a long debate. The law enters into force 12 months after its publication, so both the state and business have some time to get prepared for the changes anticipated in 2018.

Advertisement

The main purpose of the legislation is to introduce energy efficiency certification for buildings and assigning a respective class to buildings. The law only has general provisions for certification - the methodology for certifi-cation still has to be developed and approved by the Ministry of Regional Development, Construction, and Housing and Communal Services of Ukraine

Fortunately, the most controversial provisions of the previous drafts of the law, in particular, such as the obligatory certification of all buildings and the need to obtain a certificate while concluding a sale purchase or lease agreement, were not adopted. The law states that certification

- when new buildings of the CC2 and CC3 classes are constructed, or existing buildings of the same classes are reconstructed or undergo
- for state-owned buildings with a heating area of over 250 square meters, that are frequently occupied and in all premises where government offices are located in;
- for buildings of municipal property with heating areas exceeding 250 square meters and in all premises where local authority offices
- when carrying out the thermo-modernization of buildings with attracting of the state funding.

It should be noted that the legislation remains quite debatable. Namely, the criteria for the need for all premises to be occupied by public authorities or local government are unclear. According to the logic of the law, if even one part of the premises is occupied by a state, municipal to the law of the premises is occupied by a state. pal or private company, or by an individual (e.g. under a lease agreement), this building is not subject to obligatory certification. The same applies when part of the building is simply not in use.

Obviously, trying to avoid creating excessive burden for the business, the legislator have limited the need for obligatory certification to such a level that the practical implementation of the main purpose of the law, which is to obtain information on the energy efficiency of as many buildings in Ukraine as possible, may take decades.

Another interesting element of the law is the fact that the validity period of the certificate is limited to 10 years. Moreover, the law does not in any way oblige a person to renew the certificate. In fact, there is a significant risk that the certificates will be issued exclusively for construction or capital repair projects

This issue becomes even more relevant given the fact that the law stipulates that at least once every five years minimum requirements for the energy efficiency of buildings have to be approved and reviewed.

In case of new constructions and reconstruction, this requirement is reasonable, but there are questions regarding capital repair works. On practice such provisions may prevent the carrying out of any works classified as capital repairs without the simultaneous thermomodernization of the building. Taking into account the condition of buildings, especially owned by state and municipalities, this could prevent making even absolutely necessary repairs in cases where the authorities simply do not have enough money to carry out a full thermal modernization.

One interesting norm of the law grants the buyer or lessee of premises in a new building the right to claim damages if the actual parameters of energy efficiency after the commissioning of the object are less than those calculated according to the design documentation. Theoretically, this should protect the rights of buyers/lessees. However, it is difficult to understand how the legislator pictured the implementation of this norm in practice. Obligatory certification during construction is based on calculations, and the certificate is included in the design documentation. But no obligation to confirm the certificate after the building is commissioned is set by the law. Taking into account the potential risk of receiving claims from buyers or lessees of apartments and premises, the owner is unlikely to be very motivated to re-certify.

In addition, it is hard to understand the need in provisions of the law on the examination of the engineering systems of the building. According to the law, such examination aims to calculate the energy efficiency of such systems, and its results are outlined in the corresponding report. According to the law examination of engineering systems is a different from certification procedure. It is obligatory in cases where it is planned to attract state support for the modernization or repair of engineering systems, but it's unclear why normal certification couldn't be used for this purpose?

The law also provides for the creation of a public database, which will include all energy certificates and reports on the examination of engineering systems, as well as responsibilities for placing an extract from the certificate inside the building and the obligatory indication of the energy efficiency class when advertising real estate. Nevertheless, it is unlikely that this information will be in-demand if there is no need for certification for the vast majority of existing objects, and without social advertising to explain what each class of energy efficiency means for a particular consumer.

In general, the law gives an impression of ambiguity. On the one hand, a positive point is that business will not be burdened with additional responsibilities due to the certification. On the other hand, energy certification is a necessary step to further reducing energy consumption and increasing public awareness about resource savings, but this goal clearly is not achieved in the current version of the law. Certification will in fact be more of formality, just another piece of paper among other required approvals necessary when drafting design documentation for construction.



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Ryanair's exit delivers blow to investment, travel hopes

BY VERONIKA MELKOZEROVA AND OLEG SUKHOV

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Irish low-cost airline Ryanair's withdrawal from Ukraine on July 10 dealt a blow to the nation's reputation and investment climate, at a time when the country desperately needs to burnish both.

The decision triggered a backlash as Ukrainians' hopes were dashed for cheap international travel, after receiving visa-free travel with the European Union on June 11.

Analysts differed on blame.

Pavlo Rjabikin, the CEO of Kyiv Boryspil International Airport, and tycoon Ihor Kolomoisky's Ukraine International Airlines, which has a near-monopoly, are considered the main culprits by many.

However, Ryanair's aggressive negotiating style also played a role.

Infrastructure Minister Volodymyr "Omelyan, Boryspil and Ryanair all face accusations," said Timofey Milovanov, honorary president of the Kyiv School of Economics. "But in fact, in this situation, everyone is pursuing their own goals."

Passenger fees for airlines in various countries

Ireland	\$2		
Germany	\$8		
The United Kingdom	\$10-17		
Ukraine	\$13		
Greece	\$14		
Australia	\$42		

Source: airport-technology.com and Infra-structure Ministry of Ukraine

Arrival, departure

Ryanair announced its entry to the Ukrainian market in October with four new routes from Kyiv to London, Berlin, Stockholm and Eindhoven, and seven from Lviv International Airport. It signed a contract with Lviv International Airport, but not with Boryspil airport and Kyiv Zhulyany International Airport.

Ryanair said on July 10 that Boryspil had not met its demands, and blamed the airport. It also canceled its contract with Lviv airport.

The airline accused Boryspil of protecting the interests of carriers, specifically Kolomoisky's Ukraine International Airlines.

"On behalf of Ukrainian visitors and consumers, we regret that Kyiv (Boryspil) Airport has demonstrated that Ukraine is not yet a sufficiently mature or reliable business location to invest valuable Ryanair aircraft capacity," said David O'Brien, Ryanair's chief commercial officer.

Ryanair spokesperson Ronan O'Keeffe said that the airline would only reconsider flying to or from Ukraine when agreements are honored. "However, capacity will be allocated to other countries," he

Omelyan said on July 11 that he would call for Rjabikin's resignation. He also accused Rjabikin of protecting Ukrainian International Airlines' interests, which Rjabikin denied.

The Cabinet of Ministers on July 11 decided to resume negotiations with Ryanair.

Prime Minister Volodymyr Groysman also said that the government had asked the National



Irish airline Ryanair's CEO Michael O'Leary poses during a press conference on June 27 in Rome. (AFP)

and the Anti-Monopoly Committee to audit the negotiating process.

Monopoly

Meanwhile, Ukraine International Airlines denied that it was to blame.

The airline denied having any connection to the negotiations and said it "is taken aback with the emotional and unreasonable rhetoric" of Omelyan. The company accused the minister of improperly attempting "to create preferences" for Ryanair.

Kolomoisky has been accused of using his clout and connections with top government officials to preserve the airline's near-monopoly status.

In 2014 and 2015, Ukraine's State Aviation Service was headed by Denys Antonyuk, an ex-top executive of Ukraine International Airlines. In Anti-Corruption Bureau of Ukraine 2015 he was charged with abuse of Petro Poroshenko and his associ-

power by obstructing competitors.

Despite Ryanair's exit, there will still be competition for Ukraine International Airlines.

Hungarian low-cost airline WizzAir said on July 11 it will expand. Other low-cost carriers operating in Ukraine include Flydubai, Atlasjet, Pegasus Airlines, AegeanAir, Vueling Airlines and AirBaltic.

Additionally, Qatar Airways said it will enter the market in August.

High connections

Rjabikin was head of Ukraine International Airlines' supervisory board and a member of the supervisory board of another Kolomoiskyowned airline, Aerosvit, from 2005

He is also linked to President

ates. Rjabikin, who studied with Poroshenko at Kyiv National University in the 1980s, told the Kyiv Post that he was acquainted with him. He was also a deputy of Kyiv Mayor Vitali Klitschko, the leader of the Bloc of Petro Poroshenko party, from 2014 to 2015.

Rjabikin has also been at the center of corruption scandals linked to the allocation of land and municipal contracts. He dismissed the accusations as "nonsense."

He said on July 10 that Ryanair's demands were unacceptable.

According to Rjabikin, Ryanair demanded: 35 percent of dutyfree income, a \$7.50 per passenger tariff (as opposed to the current \$13), tax-free aero-navigation, taxfree registration counters, tax-free parking space, allocation of land for construction of a hotel on the airport's territory, arbitration of disputes in London courts and other conditions.

Ryanair style

Experts say that Ryanair's loud withdrawal is typical. Ryanair has become the number one carrier and the most profitable low-cost airline in Europe by using scandals and threats.

Andriy Guck, an aviation lawyer at Ukraine's Ante law firm, told the Kyiv Post that the Ryanair's strategy is based on maximizing the number of passengers.

"They are confident they will bring thousands of passengers to the country. They say 'We bring you passengers, you make money on them,"

more **Ryanair** on page **14**

Balczun, CEO of unprofitable, bloated state railways, promises turnaround

Railways from page 2

I appoint people I do so with good intentions." he said. "But sometimes I make mistakes. And I feel like a soldier in a minefield - every decision can be fatal in Ukraine."

The CEO told the Kviv Post that he intends to hire a forensic audit team to clean up graft at "every level" of Ukrzaliznytsia, a step which he described as being "unprecedented" in Ukraine.

Big cuts, big plans

Ukrzaliznytsia employees face an uncertain future because the CEO is planning to make significant cuts to the monopolist's bloated 300,000-strong workforce. He thinks he can achieve reductions with cash incentives to encourage voluntary resignations. He is hopeful for a compromise with labor unions.

But the Railworkers Association in

2 that it has signed a memorandum of understanding with Balczun that there will be no mass layoffs.

Far from cuts, the union wants Ukrzaliznytsia to add another 50.000 people to run properly.

But Balczun has a different view. As the head of Polish State Railways from 2008 to 2013, he reduced staff by 50 percent over a three-year period. He describes the cuts as one of his "biggest successes" in increasing the enterprise's efficiency, and believes the same could be done at Ukrzaliznytsia. A smaller workforce would result in higher salaries. The average worker at the rail monopolist makes only \$269 per month.

Apart from personnel, the rail chief has big ideas when it comes to revamping Ukrzaliznytsia.

He says he is ready to embark on the biggest procurement of locomotives in history of the enterprise and

Ukraine told the Kyiv Post on June is in the United States this week with of the loss of the previous year. a delegation of five top managers for talks with some of the world's leading producers, including GE, Greenbrier and Amsted Rail.

> He says he hopes to establish joint ventures but will not allow them to fully realize their hopes of entering Ukraine's rail freight market as competitors.

> Balczun told the Kyiv Post he sees international firms as one source of investment Ukrzaliznytsia desperately needs. He is also hoping to secure financing on favorable terms from Ukrainian banks and international lenders like the European Bank of Reconstruction and Development.

> Above all he wants the monopolist to be able to fund itself through positive cash flow. That state of affairs is some way off, with an audit carried out by E&Y showing that Ukrzaliznytsia lost \$280 million in 2016. The figure was, however, half

The latest financial results provided by the state enterprise show it made a profit of \$4 million in the first five months of 2017, a significant improvement over the \$142 million loss it made over the same period in 2016.

Black PR

Balczun argues that such improvements in Ukrzaliznytsia's financial results are a testament to the quality of his leadership. And this, he says, is only the beginning. Now that the groundwork has been laid, given the chance to stay at the helm of the rail operator, he would be able to make further progress.

But he wants to be given time and space.

"These big, spectacular things that are expected from me will be done, but in the right way," he told the Kviv Post.

Meanwhile, amid the uncertainty

over his future, Balczun claims he has been the victim of a "black" PR campaign

His position as the frontman in a rock band has been a particular target for criticism, leading him to suggest that a small "mental revolution" is needed in Ukraine so that he receives the same treatment as public figures who are left alone to enjoy more "conventional" hobbies like fishing and running marathons.

Still. Balczun savs he is determined to remain CEO at Ukrzaliznytsia, not only to make the essential changes, but to protect his reputation as well.

"If I leave now and don't continue working until the company shows concrete results, I'll be in the position of a person who has done all the dirty work but gets labeled as the one who didn't succeed," he said. "This poses a personal risk to my reputation in Poland and all over Europe." ■

'So hungry' Juncker caves on anti-corruption court

Poroshenko from page 1

establishment of a new special anti-corruption court in Ukraine, but President Petro Poroshenko persuaded us that ... it would be better to create the special anti-corruption panel of judges, who would convict high-profile corrupt officials in Ukraine," Juncker said.

Civic activists have long called for the creation of an anti-corruption court, staffed with independent and competent judges, and recruited with the help of foreigners, to try graft cases. This is seen as a solution to the problem of Ukraine's notoriously corrupt and politicized judiciary.

Activists are not happy with the EU capitulation.

The Anti-Corruption Action Center and the Reanimation Package of Reforms says the anti-corruption panel will be as ineffective as Ukraine's current courts, as it will not be independent.

Reformist lawmaker Sergii Leshchenko said the issue is not Juncker's – or the EU's – to decide.

"I guess Juncker is not (familiar enough) with the topic, that's why he said this," Leshchenko told the Kyiv Post. "The anti-corruption chamber reminds me of the three years of so-called attempts to make cosmetic reforms to the General Prosecutor's Office. This is our fight. And we know better what we need - a new anti-corruption court. And we will continue to push for it."

Missed deadline

Setting up the anti-corruption court was one of the main conditions set by the International Monetary Fund and European Union to grant Ukraine further loans. In its latest memorandum, the IMF, which has already disbursed \$13.6 billion out of a \$17.5 billion bailout for Ukraine, set a strict June 14 deadline for the anti-corruption court bill to be approved by Ukraine's parliament.

Ukrainian reformist lawmakers submitted a bill on an anti-corruption court to the Ukrainian parliament in February. However, Poroshenko and Verkhovna Rada speaker Andriy Parubiy ignored the bill and the deadline was missed.

Ukrainian watchdogs urged the West to continue to push the Ukrainian government to create an anti-corruption court, as the regular courts have been blocking high- profile corruption cases investigated by the National Anti-Corruption Bureau of Ukraine – an independent agency. The bureau, which was created in under a previous IMF agreement in 2015, has attracted praise from the West and Ukraine's anti-corruption watchdogs.

"There is no political will to set up an anti-corruption court among Ukrainian officials, especially now, when they've already started preparing for the election campaign in 2019," Leshchenko said on July 11. "Nobody wants to be convicted of corruption or have his cronies accused of bribery while fighting for



President of the European Commission Jean-Claude Juncker speaks during a press conference with President Petro Poroshenko at the European Union-Ukraine summit in Kyiv on July 13. Juncker unexpectedly dropped longstanding demands in the West that Ukraine create an independent anti-corruption court. (AFP)

power."

U.S. State Secretary Rex Tillerson during his visit in Kyiv on July 9 also pushed Ukrainian authorities to speed up the establishment of an institution to finally bring concrete results in the fight against high-profile corruption.

Tillerson publicly warned Poroshenko and other Ukrainian oligarchs that if they do not clear corrupt judges out of the courts and guarantee rule of law, Western investors will stay away.

Activists say most of the reforms – the creation of the public procurement system, the electronic asset declaration system, and the National as well as other measures - only came about because of constant pressure from international donors and civil society.

But since the EU granted visa-free travel to Ukrainians on June 11 and approved the political and trade Association Agreement, the fight against corruption has stalled, they say. Even worse, Daria Kaleniuk, the Anti-Corruption Action Center's executive directors, said on July 11 that she has seen determined efforts by the authorities to sabotage, undermine and otherwise reverse previous anti-corruption achievements.

Transparency International, the international watchdog, condemned Junker's statement, saying there is no alternative to the anti-corruption court establishment in Ukraine.

"We are confident that Ukrainian government deceived European partners that the special anti-corruption panel of judges is the only quick and acceptable decision of the lack of rule of law problem in Ukraine," reads the statement published on Transparency International website on July 13. "These panels within the regular courts won't be independent but strictly controlled by the high officials. They would be formed from the old, corrupt judges and would become a real weapon in hands of high-profile corrupt officials."

Praising progress

Both of the visiting top EU officials -Juncker and Tusk — on July 13 praised Ukraine's efforts in trade and public procurement reform. However, they Anti-Corruption Bureau of Ukraine, also stressed that Ukraine's fight against corruption is faltering.

Juncker said Ukraine has shown "tremendous progress" in its reform agenda over the last three years, but that there's still a lot of homework that the country's elite needs to do. The Ukrainian authorities must fight corruption more decisively, Junker said, as this could be "Ukraine's main trump card" to advance its European aspirations.

'This issue is important for the citizens and you have to work with it," Juncker said. "There's been a dialogue between Ukraine and the EU, and Ukraine's reputation depends heavily on improvements in this area. If you didn't fight graft on the all levels, investors will not come to

Tusk spoke of Ukraine's further development plans, saying that the country could not now be defeated by an "external enemy."

"You are too strong," Tusk said. "You can only be defeated by yourselves. If you can bear the burden of reform, and not give up, then you will achieve your dreams and goals."

Juncker said he was very satisfied with Ukraine's securing visa-free travel with the EU, as more than 100,000 Ukrainians have already traveled to Schengen Area in the first month of the visa-free regime.

But the joint press conference didn't last long. Ukrainian presidential spokesperson Svyatoslav Tseholko allowed only two questions from the press. Junker wanted even less - just one question from the journalists.

"I'm so hungry!" Junker said three times during the press conference.

So after speaking to the press for less than 15 minutes, the leaders hurried off to a dinner waiting for them in the House with Chimeras, a historical building next to the Presidential Administration on Kyiv's Bankova Street.

The summit ended with no joint declaration, which is unusual for a meeting of this level. Instead, Juncker and Tusk merely commented that they both "support" Ukraine's European aspirations.



Kyiv's 'Baywatch' lifeguards keep city's swimmers safe

Play | Food | Entertainment | Sports | Culture | Music | Movies | Art | Community Events



BY ANNA YAKUTENKO

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Valeria Shelukhina, an 18-year-old student from Kyiv, came across a notice in spring advertising "the best summer job."

She applied immediately, passed the required tests and was hired in May. Her job equipment: a swimsuit, swimming shorts and a whistle.

That's because Shelukhina, a former professional swimmer, is now a lifeguard of the Kyiv's Beach Patrol, patrolling Venetian Beach in Hydropark, the island park on Kyiv's Dnipro River.

She hasn't had to pull anyone from the water yet, and for a lifeguard, that's a good sign, she says.

"We even have a saying: 'A good lifeguard is a dry lifeguard," Shelukhina says. "It's better to issue a hundred warnings than have to fish a drunk person out of the water."

This year, as of July 10, Kyiv's lifeguards and emergency service's workers have saved 64 people from drowning. Up to 22 people have drowned in Kyiv so far in 2017, according to the Emergency Service of Ukraine.

Shocking numbers

Last year, 57 people drowned in Kyiv, while Kyiv's lifeguards saved 114 people, 26 of whom were children. Countrywide, 1,300 people drowned

in Ukraine in 2016. However, that's a big improvement on just two years before, in 2014, when 2,220 people drowned in Ukraine's rivers, seas, lakes and waterways, according to Ukraine's Emergency Service.

But the numbers of drowning victims also depend on who you talk to: according to a report by World Health Organization, about 3,000 people drowned in Ukraine in 2014, which put Ukraine in an unenviable sixth place in the organization's list of 117 states by a number of drownings.

Compare that with the United States, which has oceans to the east and west, major rivers and lakes, and a population of 320 million people. According to the same WHO report,

4,812 people drowned in the United States in 2014, and from 2005 to 2014 there were an average of 3,536 drownings annually in the United States, according to U.S. government statistics.

July 14, 2017

The drowning numbers in Ukraine shocked Artem Galchuk, 27, when he returned to Ukraine from the United States, where he had spent four months working as a lifeguard for the Galveston Island Beach Patrol in Texas.

So in the summer of 2015 Galchuk, who moved to Kyiv and took a job with the reformed patrol police,

more **Baywatch** on page **13**

City Life

www.kyivpost.com

WITH ANNA YAKUTENKO

Theater project unites children from east, west

Editor's Note: This article is a part of the "Journalism of Tolerance" project by the Kyiv Post and its affiliated non-profit organization, the Media Development Foundation. The project covers challenges faced by sexual, ethnic and other minorities in Ukraine, as well as people with physical disabilities and those living in poverty. This project is made possible by the support of the American people through the U. S. Agency for International Development and Internews. Content is independent of the

If there is no shelling, 16-year-old Mykhaylo Abdulin from the frontline city of Shchastya in Ukraine's Luhansk Oblast, would normally spend the evening at home or hang out with friends outside. But the evening of June 30 was quite different: he was sitting in the Tchaikovsky National Music Academy of Ukraine in Kyiv, waiting for a play based on his script to start.

Abdulin is one of 20 participants in Class Act: East-West, a project that this year brought teens from Shchastya in the east and Klesiv, a village of 4,624 people in Rivne Oblast, in the west, to Kyiv, in the center of the country. Here, they wrote scripts for plays, which were then staged by professionals.

The project aims to unite teens from different parts of Ukraine and give them a close up view of the workings of theorem.

All of the participants came to Kyiv on June 20 and spent 10 days writing scripts, and attending various workshops on creative writing. The cost of travel was covered by independent donors and the U.S. embassy. Some of the kids, including Abdulin, were visiting Ukraine's capital for the first time, and they also did some sightseeing.

The teens, having been put in pairs – one each from Shchastya and Klesiv, co-wrote 11 plays that were then staged by famous Ukrainian theater directors and which feature popular actors.

The Class Act methodology was founded by a group of directors at the Traverse Theatre in Edinburgh, Scotland, in 1997 to attract more young people to working in theater. In 2016, the project was run for





Class Act theater project changes lives of war-affected teenagers

Class Act from page 12

the first time in Ukraine, bringing together 20 children from Popasna in Luhansk Oblast and Novovolynsk in Volyn Oblast.

Two wars

Ukrainian theater director Natalya

KyivPost

JOURNALISM of TOLERANCE

Vorozhbyt, the project's curator, called Shchastya and Klesiv "cities with two different wars.'

Shchastya, which in Russian means happiness, was seriously damaged during the fighting in 2014-2015, and the

teens from there say that they still hear shelling from time to time. Abdulin stayed in Shchastya during the most intensive shelling. He said that now the atmosphere in the city is much better, and he often goes out with his friends.

"We've all adjusted (to the shelling) already," Abdulin said, shrugging. "I mean, it's been going on for three years, after all."

Klesiv, located 290 kilometers west from Kyiv, was the scene of fierce fighting between the police and illegal amber miners last year. The conflict was caused by a largescale smuggling of illegally mined amber, which has already led to environmental damage affecting huge areas of forest in the region.

Denys Shadsky from Shchastya, both

15, co-wrote a play comparing both conflicts. The plot involves a teenage boy from Shchastya, who moves to Klesiv to escape the war, and becomes involved in illegal mining. At the end of the play, the boy leaves Klesiv, fearing for his life because of a conflict with other miners, and returns to Shchastya, saying that the

> "With my play, I wanted to reach the minds of people who are (mining) illegally, so they stop killing nature," Isniuk said after the premiere on June 30, bursting into tears.

real war is in the west, not

Shadsky said he wanted to raise the issue of illegal smuggling, because in his area many people smuggle drugs and weapons.

"They (Class Act organizers) said to write about things we're worried about," he said. "And we did."

Fighting stereotypes

One of the main goals of the project, according to the organizers, was to bring together teens from small towns and villages near the front line and those from western regions of the country that are not affected directly by the war, and to help them to fight stereotypes about each other.

All three teens the Kyiv Post talked to, Isniuk, Shadsky and Abdulin, admitted that they used to have Natalia Isniuk, from Klesiv, and preconceptions about people from the other part of the country.



Ukrainian actors Roman Yasinovskyi and Anatoly Marempolsky perform on June 30 in a play written by two 14-year-olds – Iryna Kolodko from Shchastya and Vladyslav Tsuman from Klesiv - during the Class Act project. (Anastasia Vlasova)

"I thought we'd be hanging out only with people from our town," Isniuk said, adding that what she enjoyed the most about the project was meeting new people.

Despite the teens admitting that their life was affected by war and illegal amber mining, Isniuk and Shadsky were the only ones who devoted their play to these topics. The other teens, like Abdulin, wrote stories about love, and relationships with parents, friends and classmates.

The project's goal of interesting young people in a career in the theater appears to have been achieved: many of children said they had started reconsidering their plans for a future job.

Abdulin, who said that in his town most people work as mechanics or at the power station, is now thinking about a career in theater. Isniuk said that during the project they'd found a donor who wants to build a theater in her hometown Klesiv.

The project also impacted the lives of the last year's participants.

Seventeen-year-old Maryna Dunay from Popasna in eastern Ukraine, who participated the in Class Act: East-West project in 2016, said that she and other children staged four plays in her school. She said that she would join a theater club to continue creating plays after she enters university.

Dunay said that the teens from her city who participated in the project broadened their minds about what they could do in life, and now want to pursue jobs that are unusual for small cities, such as a theater director or a journalist.

Some of teens have continued writing after the project: Bogdan Misan, 15, from Popasna and Oleksandr Vakuliuk, 15, from Novovolynsk, have each written a fiction book and presented them to Ukraine's writers for review.

The entire Class Act team, including organizers, actors and directors, hope that more teens can follow their dreams after participating in the project.

"If, after the project, at least a few guys stop thinking like 'I dream of becoming a photographer, but I'm going to be a commodity expert' and start doing what they really want to do, then our task is done," said the project's director, Alik Sardarian.

Kyiv's new lifeguard service now patrolling the capital's beaches

Baywatch from page 12

together with 30 volunteers started patrolling the city's beaches on weekends.

Kyiv's Baywatch

The Kviv authorities noted the team's effort, and invited the volunteers, who had already registered a non-government organization Beach Patrol Kyiv, to reform the state-owned municipal beach patrolling service.

Now the athletic lifeguards of the Beach Patrol, which has been informally dubbed "Kyiv's Baywatch" after the popular 1990s U.S. drama series "Baywatch," keep an eye on most of the capital's beaches.

This year more than 450 people applied for the position of lifeguard, but only 120 got jobs with the beach patrol.

The selection process was tough: those who wanted to join the Beach Patrol had to pass swimming tests and an interview. Those who got past that stage had to complete a two-week course training to work with various lifesaving equipment and on quickly identifying people in imminent danger of drowning.

Galchuk says that most of the lifeguards are students from Kyiv's top universities, such as Taras Shevchenko National University and Kyiv National Economic University.

According to him, students see this job as a way to help other people while making good money: a lifeguard in a full-time position earns up to Hr 10,000 a month, depending on how many hours they work.

For many, working in the Beach Patrol also looks good on their resume, because many international companies look for people who have experience in the non-government sector.

Grateful to be saved

Oleksandr Govorun, a lifeguard and a fitness instructor, said he decided to join the Beach Patrol because he wanted to make sure that children are safe on the beaches. A father of two, he didn't want his children to swim at Kyiv's beaches, because he was concerned about their safety.

Now Govorun's family often comes to the beaches where he works.

"What I appreciate most about the Beach Patrol is its professional approach," Govorun said, adding that lifeguards not only watch after the people in the water, but also keep order on a beach, including preventing alcohol abuse.

In fact, this could be the most difficult part of lifeguard's job, according to Shelukhina, because people continue to drink and smoke on public beaches, despite it being prohibited by the law.

She said that couple of times she had had to call the police because people reacted aggressively when told they were breaking the law and were asked to stop.

And according to Galchuk, this year a drunk woman attacked one of the lifeguards working in Kyiv's Holosiivsky district.

Galchuk also said that unlike last year, the police don't now always come when lifeguards call, saying that they have more important cases and don't have enough staff to come and to fine people for drinking on the beach.

Still, Shelukhina said that despite the occasional conflict, talking to people might be the most pleasant part of a lifeguard's job. The Beach Patrol often holds various sports events and alcohol-free beach parties to promote a healthy lifestyle.

"And I'm very happy when people come to me and say 'thank you for being here, and keeping us safe," Shelukhina said.



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A year later, no progress in Sheremet's murder

BY OLGA RUDENKO

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A year after leading journalist Pavel Sheremet was assassinated in a car bombing in Kyiv, the official investigation has drawn a blank.

The Belarusian journalist, who had lived and worked in Ukraine for years, was killed in a horrifying blast early on July 20 as he was driving to work as host of a radio show.

Despite the usual official pledge to solve the case quickly, no one has been arrested and no progress has been reported. Journalists suspect incompetence, or worse, a cover-up.

The failure of the authorities to properly investigate the case was highlighted again in a special report on the Sheremet case released on July 12 by the Committee to Protect Journalists, an international media advocacy organization.

After discussing the case with President Petro Poroshenko and other top officials, CPJ officials said it was hard to figure out who was leading the investigation.

"There is a big degree of confusion in who's doing what," said Nina Ognianova, Europe and Central Asia Program Coordinator with CPJ.

"Every time we asked, we were given a different name," said Christopher Miller, a Kyiv-based journalist and a former Kyiv Post reporter, who authored the report.

Finally, they were told Dmytro Storozhuk, the deputy head of Prosecutor General's Office, is in charge of the investigation.

On July 11, nearly a year after the murder, Poroshenko agreed to invite international investigators to work on the case.

1 year later

Immediately after her father was murdered, Elizaveta Sheremet thought that at least the people who carried out the killing would be found.

"But a whole year's passed," she says and shrugs. "It's a very long time. It's much harder to find them now."

A 21-year-old recent college graduate living in Moscow, she talked to her father the day before the murder. Later that week he was to fly to Moscow for her brother's birthday.

But as he was driving to host his morning show on Radio Vesti on



A photo of assassinated journalist Pavel Sheremet is at the site of murder, on the intersection of Ivana Franka and Bohdana Khmelnytskoho streets in Kyiv. He was killed on July 20, 2016. (Volodymyr Petrov)

July 20, a bomb underneath the driver's seat of the car detonated. CCTV footage later showed that the bomb had been planted the night before by an unidentified woman accompanied by a man.

The car belonged to Sheremet's partner, Olena Prytula, the co-founder and owner of Ukrainska Pravda, a popular online news publication, where Sheremet also worked. That prompted speculation that Prytula was the real target or that the murder was a way to intimidate her and Ukrainska Pravda.

The authorities said they were focusing on several lines of investigation, suggesting that the murder was ordered by someone in Ukraine, Russia, or Belarus, and a number of possible motives, including Sheremet's work, private life, and financial issues.

Journalists step in

"Killing Pavel," a film produced by the journalists of Organized Crime and Corruption Reporting Project, a Kyiv Post partner, and Slidstvo.info, and released in May, found several witnesses that were never contacted by investigators.

One of them was Ihor Ustymenko, a former officer of the Security

Service of Ukraine, who spent several hours loitering near Sheremet's car shortly before the murder. He was brought in for questioning.

The documentary's findings suggest that the investigation has been botched. And while it seemed at first that the new revelations could rekindle the investigation, hope dissolved again as weeks passed without progress.

Key report

Fresh impetus to investigators might come with the release of the 26-page report on the Sheremet case by the CPJ on July 12.

Several board members came to Kyiv to highlight the report's release and to discuss the investigation with Poroshenko, the Prosecutor General's Office, Ukraine's SBU security service, and the National Police.

But a series of high-office meetings left more confusion than clarity in the case. Several people in the meetings told the Kyiv Post that they struggled to figure out who exactly was in charge of the investigation or how far it got.

Still, CPJ Executive Director Joel Simon said that the meetings left him a bit more reassured about

the future of the case than before, despite the past failures of the investigation.

"I don't think anyone is happy," Simon said. "We don't have any suspects or leads. We don't even have any visible progress."

According to him, the top officials once again expressed commitment to solving the case, but also acknowledged that mistakes had been made during the investigation.

"We have to be optimistic, because what choice do we have?" Simon said.

Justice expected

On the evening of July 11, the late journalist's mother Lyudmila Sheremet, along with his daughter Elizaveta, came to lay flowers on the intersection of Ivana Franka and Bohdana Khmelnytskoho Streets, where Sheremet's car exploded.

People and cars were passing by as the two women placed white flowers next to a framed portrait of their late son and father.

"Of course, I want to know who did this to my son," Lyudmila Sheremet said. "But it is Ukraine's leadership that needs this investigation the most. They need to show that they can protect their people." ■

Government says it will keep talking with Ryanair

Ryanair from page 10

Ryanair operates in 34 countries and carries 100 million passengers a year. The airline had said it would bring 500,000 passengers to Ukraine.

"That was also a typical Ryanairstyle move. They withdraw from Lviv to get a powerful lobbyist in Ukraine. Now Lviv's authorities will pressure Kyiv to accept Ryanair's conditions," Guck said.

Ryanair has made the risky move because it couldn't push Boryspil to accept its main demand — an 80 percent discount on the taxes and duties on flights to London's Stansted Airport.

Guck said that, despite Ryanair's aggressive style, the company always leaves room for compromise.

However, Guck added that Boryspil is not ready to work with low-cost carriers.

"For that Boryspil needs to reorganize its work. The airport makes money on airlines, not passengers. It collects not only the passenger tariff but also a take-off and land tax. That is their model. But for Ryanair, it needs to change its policy," Guck said.

Other countries

Ryanair has previously had many disputes in other European countries.

Business strategy expert Victor Haydin, director of Product Strategy at IT company ELEKS, who has been monitoring the Irish carrier's business model for years, wrote on Facebook on July 11 that there are dozens of airports in Europe that have been in dispute with Ryanair.

Serbia's Belgrade Airport failed to make a deal. France's Airport Angouleme made a deal with the airline, by Ryanair later canceled it. Warsaw's Chopin Airport in Poland managed to strike a deal with Ryanair, but forced the Irish carrier to accept higher tariffs than it had wanted. Germany's Karlsruhe Airport had to submit to all of Ryanair's demands after the airline won support from the local authorities.

"Boryspil is not a unique case on their list, it has just had more publicity than previous ones," Haydin wrote. ■

Wind, solar, hydro, biomass add up to little in Ukraine

Renewable from page 9

on, and it can take half a year to find technically correct locations, while with solar you just need to talk to locals to get the land."

Some projects ran into opposition.

"One project was great technically and from a business standpoint, but then the village council didn't want it." Sviderska said.

Despite challenges, Sviderska said hydro projects are economically attractive, with some showing a return of up to 40 percent.

Biomass potential

Bioenergy, which is derived from organic materials, remains underdeveloped, and accounts for just 3.7 percent of renewable energy. It is primarily used in municipal heating. But the potential is enormous.

According to a report by the International Renewable Energy Agency, 80 percent of Ukraine's renewable energy potential is in biomass. Ozhel said most biomass operations are built by agricultural companies, such as a 5-megawatt project in Dnipropetrovsk Oblast operated by Mironovsky Bread Company.

"Other big agro-holdings are looking at biogas, but it is difficult and very resource-dependent," Orzhel said. "It's mostly just the owners of these resources who can consider such projects, because if you're trying to start up without access to materials, you're really dependent on the company providing you with this resource."

Weaker wind

After rapid growth from 2009 to 2014, the development of new wind power capacity has slowed.

But Andriy Konechenkov, chairman of the Ukrainian Wind Energy

Association, says investor sentiment is up.

"In the past year-and-a-half the market has been at a standstill," Konechenkov said. "But starting last year it livened up again, and we expect to add 70 megawatts of capacity in Kherson, Mykolaiv and Lviv oblasts before the end of this year."

Wind industry also took a blow with Russia's occupation of Crimea. But new projects are in the works, including two 100-megawatt projects from Rinat Akhmetov's DTEK energy company in Zaporizhzhya Oblast. Several others, including Stary

Sambir 2, backed by the European Bank for Reconstruction and Development, will start up this year.

Looking forward

"There are two options," Orzhel said. "Either we invest in traditional energy generation, or we make plans for renewables, and decide what the balance will be, and what the prices for final consumers will be. That's because as renewable energy operators, we understand we have to look at it from the consumer's point of view. For renewables to be competitive, the price has to be rather attractive."

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- Tailor and distribute information materials to different target groups

- · Participate in strategic planning for IIPU communications and in implementation of strategy
- Design, plan and implement communications activities
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- · Ability to work under pressure to tight deadlines
- Experience of working in an international team
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- Willingness to develop qualifications as required
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- Working knowledge of IT (MS Office, phone, email, internet, publishing software would be an asset)

We offer a full-time position with 40 working hours per week on a one-year contract (extension possible). Start date is 1 September 2017.

Please send your CV and a cover letter in English or German by July 28, 2017 to HR-ua@giz.de including the title of the position you are applying for in the subject of the e-mail



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Save Bohdan's Life.

In February, Bogdan Sherenok was diagnosed a brainstem tumor. His family is trying to collect money to save the 5-vear-old boy. Doctors say least 40,000 euros are needed for treatment.

Please contact Maksym (Bohdan's father) at (063) 582-01-02 if you have any questions his recovery

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Friday Free Style: Ofer Mambo & Swing Combo

Friday Free Style features passionate and smooth music for relaxing. The jazz band Ofer Mambo & Swing Company will play at the Caribbean Club, where guests can book a table, eat salmon or chicken Kyiv and listen to the concert. Every Free Style concert guest also gets a complimentary glass of wine.

Friday Free Style: Ofer Mambo & Swing Combo. July 14. 8 p.m. Caribbean Club (4 Petlury St.). Hr 100-300



Friday Free Style Music: **Fusion Trio**

Fusion Trio consists of drummer Oleksandr Murenko, keyboardist Ruslan Bolatov, and bassist Konstantin Ionenko. Aside from classical jazz, the musicians will play electric fusion – a mixture of jazz, rock, folk and funk Friday Free Style Music: Fusion Trio. July 21. 8 p.m. Caribbean Club (4 Petliury



Depeche Mode. Global Spirit Tour

Depeche Mode are finally returning to Kyiv. During the European leg of this 2017 tour, the legendary British electronic music band will also play in Poland, Hungary, France and Belarus. The special guest is DJ Maya Jane Coles. Depeche Mode have over their 37-year history sold 100 million records and won millions of fans.

Depeche Mode. Global Spirit Tour. July 19. 7:45 p.m. NSC Olympiyskiy (55 Velyka Vasylkivska St.). Hr 1,090-1,490



Jazz on the roof

Oleksiy Kogan is a noted jazz musician and promoter in Ukraine through his project "Jazz in Kyiv." Kogan, a bass player, will be playing with his band on the rooftop of Kyiv club Bel étage Café. This spot offers romantic views, wine and a cozy atmosphere.

Jazz on the Roof. July 16. 8 p.m. Bel étage Café (16A Shota Rustaveli St.). Hr 250-350



Dinner in the sky (Starfest festival)

It's not every day people get the chance to dine at a height of 50 meters in the sky. But this is one of the treats on offer at the Starfest festival at Sky Family Park, at which guests will be raised on a platform by a crane to dine from a great height. Apart from dinner, the organizers will provide an amusement park, a swimming pool, master-classes for children, and a concert. The event will last for two days.

Dinner in the Sky. July 22-23. 7:30 p.m. Sky Family Park (2T Vatutina St.). Hr 4,200



Music from movies in the garden

The Virtuosos of Kyiv orchestra will play music from the soundtracks of famous movies like "Amelie," "Midnight in Paris," "Forrest Gump" and "Ghost." The organizers promise comfortable chairs in the park, among the jasmine bushes, and a wonderful atmosphere.

Music from movies in the garden. June 23. 8 p.m. Hryshko National Botanical garden (1 Tymyriazevska St.). Hr 300

Compiled by Mariya Kapinos