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## Top officials stealing from nation at war?

BY YULIANA ROMANYSHYN and OLEG SUKHOV  
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Ukraine's Defense Ministry and its secretive procurement practices have long been suspected to be a hotbed of corruption. Those suspicions gained more currency with the Oct. 11 deten-

tion by the National Anti-Corruption Bureau of Ukraine, better known as NABU, of Deputy Defense Minister Ihor Pavlovskiy and the head of the ministry's procurement department, Volodymyr Hulyevych. They are the targets of an investigation in a multimillion-dollar embezzlement scheme. Pavlovskiy, who denies the accusations, is the highest-ranking military

official in Ukraine to be detained on corruption charges. The NABU has noted two other suspects in the case, but said one is an employee of the procurement department, while the other works for the Department of Internal Audits at the Ministry of Defense. The four are suspected of embez-



Deputy Defense Minister Ihor Pavlovskiy



Volodymyr Hulyevych, head of Defense Ministry procurement

more **Corruption** on page 6

# Anti-Corruption Court Moves To Top Of Reform Agenda



See Story on Page 10

Ex-lawmaker Mykola Martynenko attends an April 21 court hearing on accusations of embezzling \$17 million. Anti-corruption activists say judicial reform amendments recently passed by parliament could make it almost impossible to prosecute high-level corruption cases. Meanwhile, with the cases of Martynenko and others stalled in Ukraine's discredited courts, fears are high that President Petro Poroshenko will try to sabotage the introduction of new anti-corruption courts in Ukraine. (Volodymyr Petrov)

**Inside:**

Lifestyle 8, 9, 12 - 14 | Opinion 4, 5  
National 2, 3, 6, 7, 10, 11, 16  
Employment/Real Estate/Classifieds 15

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**CURRENCY WATCH**  
**Hr 26.9 to \$1**  
October 12 market rate





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# Reform Watch

*Editor's Note: The Kyiv Post tracks the progress made by Ukraine's post-EuroMaidan Revolution leaders in making structural changes in the public interest in a broad range of areas, from the defense and energy sectors, to taxation and pensions. Below are the main issues in focus from Oct. 6-13.*

## Summary

Ukrainian Finance Minister Oleksandr Danyliuk has gone to Washington, D.C. to attend the International Monetary Fund and World Bank Annual Meetings, which this year run from Oct. 9-15. During his visit, the minister is expected to propose a new gas pricing formula that would allow the government to sidestep a commitment to the IMF to raise natural gas prices for the population.

Ahead of the meetings in Washington, Danyliuk gave a series of interviews in which he tried to dampen fears that Ukraine will abandon the reform agenda ahead of the presidential and parliamentary elections in 2019.

## Security and Defense

As Ukraine prepared to tout its reform successes in Washington at the IMF and World Bank annual meetings, news broke in Kyiv on Oct. 11 that officers from the National Anti-Corruption Bureau, or NABU, and the Specialized Anti-Corruption Prosecutor's Office had detained two senior officials at the Defense Ministry on charges of embezzlement.

According to the NABU, Deputy Minister of Defense Ihor Pavlovskyi and the head of the ministry's procurement department, Volodymyr Hulyevych were detained in connection with a corrupt scheme to siphon off money from the defense budget during the procurement of fuel. The losses to the state were \$5.5 million, the NABU said.

While the case highlights the independence of new anti-corruption agencies, it also shows that, even after three years of war, corruption at the Defense Ministry may exist at the highest levels. Moreover, the ministry is directly subordinate to President Petro Poroshenko. The scandal thus also taints Poroshenko, especially as lawmaker Sergii Leshchenko has alleged that the company said to be involved in the scheme, Trade Commodity, is linked to lawmakers in the president's faction in parliament.

The case will also add to calls for transparency in defense procurement, which is almost entirely shrouded in secrecy. Deputy Speaker of the Parliament Oksana Syroid, who has access to classified information, says the overall situation is "shocking." Ukrainian Finance Minister Danyliuk has also spoken out against the excessive secrecy in defense procurement, calling it "fully non-transparent."

Zenon Zawada, a political analyst at Kyiv-based investment bank



A crow sits on a gate outside the Supreme Court of Ukraine on Oct. 12 in Kyiv. (Oleg Petrasuiuk)

Concorde Capital, wrote on Oct. 12 in the company's Ukraine Daily newsletter that the detentions are "a positive step in what's otherwise a large cesspool of ongoing corruption in the defense industry, as exposed by local media and activist politicians."

Defense spending in Ukraine has risen dramatically since Russia launched its war on Ukraine in 2014. This year, the budget is \$4.9 billion, which is more than 5 percent of Ukraine's gross domestic product. The defense budget is set to rise by another 26 percent in 2018, to \$6.3 billion.

## Judicial

Meanwhile, Ukrainian President Petro Poroshenko's plan to set up an anti-corruption chamber within Ukraine existing court system was roundly rejected by the European Commission for Democracy through Law, better known as the Venice Commission, on Oct. 9.

The commission recommended that Ukraine instead adopt legislation to create independent anti-corruption courts, as demanded by civil society organizations and Ukraine's major foreign creditors.

Poroshenko has balked at that idea, as this would make the judiciary effectively independent of the other branches of power. Ukraine's weak, politicized and corrupt judiciary has failed to convict any major figures since the EuroMaidan Revolution that drove President Viktor Yanukovich from power on Feb. 22, 2014. Poroshenko's critics say the president aims to keep control over the judiciary to prevent it turning on Ukraine's political elite.

But with the verdict of the Venice Commission now in, Poroshenko has had to change tack. Even before the decision of the commission was officially announced, details of its findings were being leaked, and Poroshenko on Oct. 4 announced he was dropping his opposition to anti-corruption courts and would set up working groups to explore how to create them.

However, the president's critics say this is yet another delaying tactic. Poroshenko may also attempt to sabotage the new system by making sure that appeals against anti-corruption court rulings are considered by the already existing criminal law panel of the Supreme Court, experts say.

Meanwhile, the long-awaited reform of the Supreme Court has also been sabotaged, critics of the president claim. According to them, the competition to appoint new justices to the court was rigged, and the recommendations of a civil society organization that vetted candidates were ignored. As a result, the new Supreme Court remains under the heavy influence of Ukraine's political elite, critics say.

## Financial

The National Bank of Ukraine began to publish the monthly financial statements of all Ukrainian banks for the first time since the institution's inception, the central bank announced last week. The move brings a level of added transparency to a banking sector that has been plagued for years by fraudulent capitalization figures, and where bank owners have managed to siphon off billions of dollars in deposits through insider lending schemes, while cooking the books of their institutions.

The NBU's information will show the structure of each bank's loan portfolio, along with its trial balance - a list of all the debits and credits on each bank's ledger. The central bank also promises to begin publishing information on each bank's regulatory capital structure.

The move, though likely to be applauded by investors and anti-corruption activists dismayed by the opacity of Ukraine's financial system, could be watered down by persistent allegations that the bank has, in the past, misrepresented the capitalization amounts of Ukrainian banks.

## Energy

Ukraine may try to bend its gas pricing rules in order to avoid having to raise gas prices for households until next July. According to Reuters, the government is to propose a new pricing formula to the International Monetary Fund that would see prices rise by 4.8 percent.

Under a previous agreement with the IMF, Ukraine can keep prices unchanged if the price rise calculated using the pricing formula is less than 10 percent.

The price rise calculated using the current, IMF-approved formula would be 17.6 percent - thus Ukraine will propose that the formula be changed, an unnamed source close to the matter told Reuters.

Ukraine's heavily subsidized gas prices have been a source of corruption and a huge burden on the state budget for years, and the IMF has made reform of the sector a condition for further disbursements of its \$17.5 billion loan package for Ukraine. The fund has already doled out \$8.4 billion under its current program with Ukraine, but there are fears that Kyiv might start to drag its feet on taking further painful reform measures in the run-up to presidential and parliamentary election in 2019, placing at risk the already delayed disbursement of another \$1.9 billion tranche of the loan.

These fears have been further stoked by Ukraine's successful \$3 billion Eurobond placement last month, which experts say could also encourage the government to put the brakes on unpopular reforms. ■

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# France's ambassador: Priority No. 1 is anti-corruption court

BY BRIAN BONNER  
BONNER@KYIVPOST.COM

If Ukrainian President Petro Poroshenko thinks he can drag out the process of creating a credible anti-corruption court without anybody noticing, he's got another thing coming.

People are getting wise to the president's ways of stalling on crucial reforms.

Backed on Oct. 6 by the European Commission for Democracy through Law, better known as the Venice Commission, the West delivered an unambiguous opinion to Poroshenko: Establish rule of law, a key component of which for Ukraine is the creation of an independent anti-corruption court.

Just ahead of the Venice Commission findings, Poroshenko switched sides. After denigrating the idea of such a court for a year, he came out in favor, at least nominally adopting the same long-held position of many Ukrainians and their friends abroad.

France is among them.

"We are supporting firmly the establishment of an independent, specific anti-corruption court," French Ambassador to Ukraine Isabelle Dumont told the Kyiv Post in an Oct. 10 interview in Kyiv.

Such a court can and should be set up by the end of the year, Dumont says.

## 'Top priority'

"If there has to be only one reform made until the end of the year, it is the creation of an anti-corruption court with judges who have integrity," Dumont said. "This is really the top priority. You won't have foreign investments until investors know that, if they are facing a problem, they have a proper judicial system. Take the population — people will not stay in this country if they feel that they cannot trust the justice system. The socioeconomic way forward in Ukraine is linked to the justice system."

The courts are only one facet of deep problems in Ukraine's legal system, including distrusted and ineffective police and prosecutors. As for the newly appointed 111-member Supreme Court, she said, it is too early to judge.

While Dumont praised successful reforms since President Viktor Yanukovich fled power in the EuroMaidan Revolution on Feb. 22, 2014, the failure to fight corruption and build effective legal institutions is a glaring omission.

"We do have to worry that it has not been done yet after three years," she said.

## No EU offer forthcoming

Without progress, Ukraine's politicians can forget about any offer to join the European Union, from France's perspective at least.

"This is not on the agenda," Dumont said. "EU membership cannot even be mentioned when the situation with corruption is what it is today in Ukraine."

Dumont said Ukraine's priority



French Ambassador to Ukraine Isabelle Dumont plays in the symphony orchestra of the Kharkiv Regional Philharmonic on May 12, 2016. (UNIAN)



Guilhem Granier, director of Sanofi-Aventis Ukraine.

with the EU should be fully implementing the political and trade association agreement that came into effect this year. "Believe me, there's a lot to do in this area," she said.

Some lawmakers in Ukraine are seeking EU approval for a "Marshall Plan," named after the post-World War II reconstruction program for Europe. They envision a multibillion-dollar annual aid and investment program for Ukraine.

Dumont says that it's hard to take such requests seriously while billionaire oligarchs like Ihor Kolomoisky are able to allegedly steal \$6 billion from PrivatBank, bankrupting the nation's largest private bank and forcing the Ukrainian government to take ownership and pay out the losses with taxpayer money.

Despite the accusations of Kolomoisky's bank fraud, from no less an authority than the National Bank of Ukraine, the politically powerful oligarch — who owns energy companies, media outlets and Ukraine International Airlines — is facing no legal consequences.

"We are not forgetting about" PrivatBank, Dumont said. "We know what happened. We are following very closely. People should not forget that a big part of the money given to Ukraine through the EU, International Monetary Fund and European Bank for Reconstruction and Development is money from the French taxpayer."

The Kolomoisky case and others

reinforce the conclusion that Ukraine remains an oligarchy. "What is at stake now is to transform the situation from an oligarchic economy to a more regular economy with rule of law and a functioning judicial system," she said. "There is no need for more money in this country. Ukraine is a rich country with poor people. The problem is getting the wealth better distributed to the population. The problem is keeping the wealth in the country and not evaporating somewhere else. The problem is having big businesses paying their taxes to the budget. The problem is to have rich people not using their money to buy judges in order to continue with impunity."

## Sanofi test case

After 26 years as a nation, Ukraine remains starved for foreign investment — attracting only \$50 billion, far less than many neighboring countries and not enough to lift millions out of poverty in a nation with an economy output of just \$100 billion.

Attracting investment requires strong rule of law, Dumont says, and French companies have had their share of bad experiences with Ukraine's corrupt courts and

bureaucracy.

One court case being watched by France as a bellwether of Ukraine's investment climate involves the Ukrainian division of Sanofi Group, a global pharmaceutical company.

Sanofi accuses a Ukrainian vendor of stealing nearly \$1.9 million through forged documents. A Kyiv business court of appeals upheld the vendor's claim on Oct. 5. Consequently, Sanofi is appealing the ruling to a higher court and has threatened to file an international arbitration claim against the Ukrainian government. The company alleges that the fraudulent actions took place with the help of representatives of the judicial system and law enforcement, Interfax-Ukraine reported.

According to STAT news, which covers the pharmaceutical industry, the Sanofi dispute involves a contract with a vendor that supplied promotional materials to pharmacies.

"The company hopes that the country's leadership will take all necessary steps to stop financial raiders, whose actions cause significant damage to the country's investment image and cause outflow of foreign direct investment from Ukraine," the company's press service said,



A scientist works in the biotechnology department of French pharmaceutical company Sanofi on Sept. 28 near Paris. (AFP)

quoting Guilhem Granier, director of Sanofi-Aventis Ukraine.

"The Sanofi case is very important," Dumont said. "It is a test case for Ukrainian justice. We will see what the court will decide in the end. Sanofi has given proof that this money should not belong to the firm that claims it. Ukrainian authorities are aware of the whole situation."

International litigation "would be quite bad news for Ukraine," Dumont said. "Sanofi is known internationally as one of the world's largest pharmaceutical companies. They are not facing this sort of problem in other countries. I hope Ukrainian authorities will understand the symbolic importance of this issue, for what it means for foreign investments."

## Investors 'waiting'

Such disputes, coupled with the lack of an independent judiciary, keep many French investors away, Dumont says.

"French investors are interested in the market. They would like to come," she says. "One message that comes regularly — and this is the core of the difficulty as I can see it — is that small business cannot afford to come into Ukraine. For most of them, it's too complicated. The big companies, they don't care. I say that with all friendship and love to Ukraine. But they don't need Ukraine to make themselves bigger."

Although Ukraine has "a big market and a big population," companies also worry that doing business in Ukraine will harm their reputations.

"They are waiting for green lights. One of those green lights will appear on the day when there will be a proper anti-corruption court functioning. It will be a signal for investors that they can come in."

## France's key role

Irritating France is not a good idea. Already, the French president has had to personally intervene in disputes involving French businesses in Ukraine, Dumont said.

France plays a key role in trying to bring an end to Russia's war through peace talks in the Normandy Format, along with Germany, Ukraine and Russia. On that score, French President Emmanuel Macron is solidly on Ukraine's side in supporting economic sanctions against Russia, holding Vladimir Putin accountable and refusing to accept Russian occupation of Ukraine's Crimean peninsula and eastern Donbas.

While the war turns four years old in April, Dumont sees the idea of creating an international peacekeeping force as worth pursuing.

"We're talking with Ukrainians, first and foremost, and talking also with the Russians." Defining the parameters of a peacekeeping force "is how we are going to be able to understand what the Russians have in mind: Is it a real step forward or is it not?"

But just as with the fight against corruption, no breakthrough has yet taken place on the war front, leaving Ukraine with plenty of domestic and foreign challenges ahead, enemies from without and from within. ■



Editorial

# Anti-corruption court

This week's arrests of two top Defense Ministry officials, suspected of scheming to steal \$5.5 million from taxpayers by inflating the price of state fuel purchases, is the latest call to action.

The accusations against Deputy Defense Minister Ihor Pavlovskiy and the ministry's head of procurement, Volodymyr Hulyevych, highlight unsettling and recurring realities that need to be urgently and courageously confronted. The suspects are innocent until proven guilty and Pavlovskiy has denied the charges.

Firstly, the accusations raise more questions about how well the nation's military budget, a record \$5 billion this year, is being spent. Ukraine's leaders, spurred by Russia's war against Ukraine since 2014, are spending 5 percent of the nation's economy on security and defense. Yet they shroud this spending in almost total secrecy, arguing that the Russian enemy shouldn't know anything. The problem with this argument is that, in most democracies, much more information is publicly available about defense spending, all without compromising national security. Other nations also put independent safeguards in place to prevent and punish abuses. In Ukraine, no such safeguards exist.

Moreover, we know from those familiar with defense spending practices that President Petro Poroshenko exercises great control through the National Security and Defense Council, whose deputy is his former business partner, Oleh Gladkovskiy, and Ukroboronprom, the giant state arms dealer run by another former business partner, Roman Romanov.

We also know that reputable people inside government, such as Finance Minister Oleksandr Danyliuk and Deputy Verkhovna Rada Speaker Oksana Syroyid, have been sounding the alarm about excessive secrecy — along with the inherent risks for corruption. Much the same case is made by nongovernmental watchdogs, who allege that companies run by Poroshenko allies are profiteering from the war and that state purchases are made in uncompetitive ways. Poroshenko denies the accusations.

All corruption is morally reprehensible, but stealing from the defense budget in a time of war is tantamount to treason when soldiers are fighting and dying at the front. This case alone underscores the need for greater transparency in what appears to be the new black hole of corruption — just like the energy sector before was the source of illicit riches.

Secondly, the case exposes the incompetence and complicity of the police, prosecutors and courts in the kleptocratic oligarchy that is blocking Ukraine's path to democracy and prosperity. Prosecutor General Yuriy Lutsenko, who has defended the absolute secrecy of defense spending, must answer for why none of his 15,000 prosecutors was able to discover the alleged crime. So must Interior Minister Arsen Avakov, who commands a 150,000-member police force, and Security Service of Ukraine head Vasyl Hrytsak, whose 40,000-member law enforcement agency plays a lead role in the war. Instead, the case was discovered by Ukraine's understaffed and frequently under siege 572-member National Anti-Corruption Bureau of Ukraine and the Special Anti-Prosecutor's Office. The problem, again, however, is that there are no credible judges among the 6,200 active on the bench to try such cases. This means the creation of an independent anti-corruption court is needed even more urgently than ever. Poroshenko's stonewalling on this issue is fueling corruption and continued impunity.

Thirdly, many in Ukraine are fighting against corruption with all their might. The Kyiv Post does so because corruption weakens a nation, and Ukraine's corruption is unacceptably high. Unfortunately, the voices are too few. Many business associations, ambassadors, entrepreneurs and others are complicit with their silence and their refusal to push for a genuine fight against corruption. They, instead, use their insider positions and closed-door meetings to lavish praise on Ukraine's politicians, even those blocking the fight against corruption. Ukraine's leaders and their paid agents instead attack messengers like the Kyiv Post, anti-corruption activists and reformist lawmakers to divert attention from their inability — or unwillingness — to solve the real problems. They do so under the misguided belief that ignoring or PR-ing Ukraine's problems will make them disappear. They're wrapping themselves in self-delusion, aided by an uptick in the global economy which also benefits Ukraine. They are also comforting themselves by the current low intensity of Russia's war.

Instead, everyone who loves Ukraine needs to be speaking out daily about the need to create an anti-corruption court and to start punishing officials and oligarchs who steal from a people at war.



NEWS ITEM: Lawmaker Yuriy Levchenko threw a smoke grenade inside the parliament session hall to stop the Verkhovna Rada from voting for two controversial bills on the war in eastern Ukraine. The parliament still held voting amid the smoke, before Speaker Andriy Parubiy closed the meeting. Parubiy, then an opposition lawmaker, himself set off a smoke grenade inside the parliament session hall in 2010.



NEWS ITEM: Kyiv Appeal Court on Sept. 28 upheld a ruling of the Pechersk District Court that obliged ex-Economy Minister Aivaras Abromavicius to withdraw his claim that lawmaker Ihor Kononenko, President Petro Poroshenko's close ally, was trying to secretly influence appointments in the Economy Ministry. A judge in the case refused to allow an email allegedly sent by Kononenko as evidence because the email address wasn't in Ukrainian.



NEWS ITEM: Turkish President Recep Tayyip Erdogan visited Kyiv on Oct. 9. During a joint press conference with Ukraine's President Petro Poroshenko, just as Poroshenko was speaking about Russia's aggression against Ukraine, Erdogan appeared to be falling asleep.



NEWS ITEM: Catalan President Carles Puigdemont has signed a declaration of independence from Spain on Oct. 10, following a referendum that Spain declared was illegal.

## KyivPost

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## Reformer of the week

## Dmytro Sherembei

Dmytro Sherembei, head of the All-Ukrainian Network of People Who Live with HIV/AIDS, on Oct. 11 became the latest anti-corruption activist to come under pressure from law enforcement agencies.

Police, prosecutors and the Security Service of Ukraine raided the All-Ukrainian Network of People Who Live with HIV/AIDS and the Patients of Ukraine, another healthcare advocacy group. The groups are accused of embezzling foreign grant money and using it to fund Russian-separatist forces.

Sherembei and the Patients of Ukraine see it as a fabricated case used by the authorities to take revenge on them for their anti-graft efforts in health care. They have pushed for government drug purchases to be transferred to international organizations.

The case appears to be the latest attempt by the government to put pressure on civil society, the opposition and independent media.

On Oct. 10, the police searched Hromadske television to find video footage of the crossing of the border by ex-Georgian President Mikheil Saakashvili and his ally David Sakvarelidze. Sakvarelidze and four other Saakashvili supporters have been charged in criminal cases related to what the government deems to be an illegal border crossing.

Meanwhile, Mykolayiv Mayor Oleksandr Senkevich from the Samopomich party was forced out of office on Oct. 5 by an alliance of the Poroshenko Bloc and the Opposition Bloc in the city council.

— Oleg Sukhov



(ua crisis.org)

## Anti-reformer of the week

## Serhiy Slynko

Serhiy Slynko, who was appointed as a judge of the new Supreme Court by the High Council of Justice on Sept. 29, participated in the political persecution of Yuriy Lutsenko, now prosecutor general, under ex-President Viktor Yanukovich.

In 2013 Slynko and Vyacheslav Nastavny, as judges of the High Specialized Court for Civil and Criminal Cases, supported a lower court's 2012 decision to give a 4-year sentence to Lutsenko, an opponent of Yanukovich, on theft and abuse of office charges.

The European Court of Human Rights and the Parliamentary Assembly of the Council of Europe have ruled that there were legal violations in the Lutsenko case. The European Union's parliament and five EU ambassadors have declared the Lutsenko case to be political, while in 2014 the Verkhovna Rada passed a law to rehabilitate Lutsenko and others as political prisoners. Nastavny, who also became a Supreme Court judge, and Slynko claim the case is not political.

Slynko's revenues do not match his expenses, while Nastavny has also banned journalists from filming court hearings, according to the Public Integrity Council, a civil society watchdog.

In September the High Council of Justice appointed 111 new Supreme Court judges, including 25 discredited judges deemed corrupt or dishonest by the Public Integrity Council. Their credentials have yet to be signed by President Petro Poroshenko.

— Oleg Sukhov



(Courtesy)

## VOX populi

WITH JACK EVANS



## Do you think President Petro Poroshenko and Defense Minister Stepan Poltorak knew about the alleged fuel procurement embezzlement scheme?



**Oleksandr Chena,**  
pensioner

"The defense minister knew, although I don't know the details. There's a fight with corruption

in this country, but this doesn't surprise me. High-ranking government ministers still take bribes... It'll take a long time but we can improve."



**Dmitriy Gozelonskii,**  
pastor

"The defense minister didn't know? Of course he knew. I'm not surprised though. I lived

through two, three maidans but little has changed."



**Oleksandr Lutsiv,**  
pastor

"The way our country works, the president might not know everything about these schemes, but

he lets them happen."



**Oksana Olegovna,**  
teacher

"At the minute, there's no facts, there hasn't been an investigation. We should wait until there's concrete information."



**Mykyta Samofalov,**  
law student

"The defense minister and president knew about it, 100 percent. All schemes like this run from

the top. I think it's awful they're stealing money while the country's at war."



**Dariya Bageinec,**  
political scientist

"Yes, they knew. Everything's linked in the system. It's humiliating.

While these ministers are stealing money, other people's wages are low. In the civil service wages should be three times higher."

— Euan MacDonald

## Ukraine's Friend &amp; Foe Of The Week

*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.*



(The Economist)

## Edward Lucas

RT, the sham news channel set up by the Kremlin to foist its propaganda on the world, on Sept. 28 published a bizarre article entitled "Russophobia: RT rates the top 10 Kremlin critics & their hilarious hate campaigns."

Top of RT's list was Senator John McCain of Arizona, Ukraine's Friend of the Week in the March 10 issue of the Kyiv Post. Also making it onto the list, at seventh position, was Morgan Freeman, our Ukraine's Friend of the Week in the Sept. 29 issue.

So British journalist Edward Lucas, who came in at sixth on the list, joins good company in becoming our latest Ukraine's Friend of the Week and recipient of the Order of Yaroslav the Wise.

But it is odd to refer to Lucas as a Russophobe. A senior editor at The Economist and a senior fellow and contributing editor at the Center for European Policy Analysis, a non-profit research institute, he has covered Russia extensively. He was The Economist's Moscow bureau chief from 1998 to 2002, and he is a regular commentator on televi-

sion and in print on Russia.

True, he has been sharply critical of Russian President Vladimir Putin and has been warning of Russian revanchism for at least 20 years. His book "The New Cold War," first published in 2008 (the same year Russia attacked Georgia), urged the West to be more wary of Russia under Putin, years before others saw the danger of the Russian dictator's growing power and confidence.

So it is fair to describe Lucas as a harsh critic of the Kremlin. But a Russophobe? Someone with an irrational fear of things Russian?

Lucas says he speaks Russian, enjoys its literature and music, and he lived in the country for years. The Russophobe label won't stick. RT tried to slap it onto him, however, because it simply has no factual, rational answer to his criticism of the Kremlin — and as far as the Kremlin is concerned, criticism of it is the same as criticism of Russia and Russians.

"This is a convenient trick; dismissing your opponents' views as personal prejudice spares you the difficulty of engaging with their facts and arguments," Lucas wrote in an article published on the website of the Center

for European Policy Analysis on Oct. 3, rebutting RT's accusations.

But Lucas, while rejecting the term Russophobe (and Russophile), suggested that if RT wanted to find some more fitting candidates to take place on its list, it should look no further than Moscow.

For there, behind the red, crenulated walls of the Kremlin, sit the real Russophobes, who kill critical compatriots, rob their people, and send their children abroad to live rather than see them grow up in Russia.

— Euan MacDonald



(AFP)

## Peter Szijarto

Hungary's Foreign Minister Peter Szijarto is one of the top public faces of Hungary's right-wing government, led by Prime Minister Viktor Orban, Russian President Vladimir Putin's water boy.

Even as Russia sent weapons, mercenaries and ammunition into Ukraine in April 2014, Orban talked of Hungary's neutrality with regard to Russia's war on Ukraine in the Donbas. Hungary also initially opposed sanctions against Russia in response to the Kremlin's war, fearing for its own energy security.

But the issue that has strained relations between Budapest and Kyiv most recently has been Ukraine's new law on education, which contains provisions that several of the country's neighbors have complained restrict the rights of speakers of minority languages in Ukraine.

One of those minorities is the Hungarian one, and it was while on a visit to Ukraine's Hungarian community in Zakarpattya Oblast on Oct. 9 that Szijarto earned this week's Order of Lenin.

Speaking to leaders of Ukraine's 150,000-strong ethnic Hungarian community, Szijarto said the new

law made conditions for linguistic minorities in Ukraine "worse than in Soviet times."

That is nonsense. The law allows teaching in minority languages in junior school, or for the first three years, but thereafter education must be conducted in Ukrainian, while minority languages can still be taught in individual classes. Moreover, this concerns only public schools. Ukraine insists the legislation is fully in line with the Framework Convention for the Protection of National Minorities and the European Charter for Regional or Minority Languages, and has submitted the law to the Council of Europe for study to confirm this.

Nevertheless, Szijarto said that if Ukraine did not change the law, he would during an upcoming meeting of EU foreign ministers ask the European Union to revise its association agreement with Ukraine. And earlier, in September, Szijarto said Hungary would block any moves to bring Ukraine closer to EU membership.

Threatening Ukraine's political and trade association agreement with the European Union is a particularly unfriendly move in the eyes of Ukrainians,

who, to ensure that agreement was signed, and to shake off Moscow's yoke and reorient the country towards the West, took to the streets in mass protests to overthrow the corrupt regime of former President Viktor Yanukovich in 2014.

Hundreds were gunned down in the protests, and the subsequent war unleashed by the Kremlin has killed at least 10,000 people. Ukraine's association agreement, along with the visa-free regime for the countries of the European Schengen Zone, are among the few tangible gains of the EuroMaidan Revolution. One would not expect a friend to threaten them.

— Euan MacDonald



Order of Lenin



Order of Yaroslav The Wise



# 2 top defense officials accused in \$5.5 million embezzlement

Corruption from page 1

zling Hr 149 million (\$5.5 million) in state funds through the purchase of fuel at inflated prices for the Defense Ministry.

Lawmaker Oleksandr Hranovsky, a top ally of President Petro Poroshenko, has also been accused of being involved in the scheme, although he also denies the charges.

The arrests underscore fears of pervasive corruption in Ukraine's defense procurement, made possible by its highly secretive nature.

Several associates of Poroshenko, including Oleh Hladkovsky, have been accused of profiteering from the massive increase in the country's defense spending that has occurred since Russia launched its war on Ukraine in 2014. All, including the president, maintain their innocence.

Pavlovskiy denied all of the charges against him at his pre-trial hearing. He said that the Defense Ministry had purchased fuel at the lowest price. The court on Oct. 12 placed Pavlovskiy under house arrest for two months. There was no information about a ruling on the detention of Hulyevych as the Kyiv Post went to press on Oct. 12.

Pavlovskiy's boss, Defense Minister Stepan Poltorak, said his deputy "has been performing his duties quite professionally" since Russia's war against Ukraine started. "But if he is connected to a crime, he should be held responsible," Poltorak said.

Pavlovskiy's lawyer, Rostyslav Kravets, said the evidence presented by the NABU did not point to any crime having been committed. In court, Pavlovskiy said he didn't sign any documents that increased the price of the fuel illegally, as the NABU claimed.



Deputy Defense Minister Ihor Pavlovskiy speaks at the pre-trial hearing in Kyiv Solomyansky District Court on Oct. 12. He and three other employees of the Ministry of Defense are suspected of embezzling Hr 149 million in state funds during the purchase of fuel. (Oleg Petrasiiuk)

"The fuel was bought at the lowest cost," Pavlovskiy said.

Poroshenko, commenting on the case on Oct. 12, said that the army was his personal concern and that he welcomed every corruption case sent to law enforcement.

### 'Cut off the hands'

"I will not allow anyone to steal in the army," he said. "I will cut off the hands of those who will steal from the army."

The fuel supplier in the case was Trade Commodity — a company

connected to businessman Andriy Adamovsky.

Adamovsky used to be a business partner of Hranovsky, a lawmaker from the Bloc of President Petro Poroshenko's faction in parliament. Hranovsky is also under investigation in connection with several corruption schemes.

Hranovsky, in comments made to online newspaper *Ukrainska Pravda* on Oct. 11, denied having any connection to Trade Commodity.

The case involving Pavlovskiy and Hulyevych goes back to early

2016. According to investigators, the Ministry of Defense auction committee called an open competition for fuel procurement. The committee selected the supplier that offered the lowest price, and the company and the Ministry of Defense signed 14 agreements together worth more than Hr 1 billion (\$37 million) for the supply of fuel.

However, the customer and supplier in the summer of 2016 amended the contracts, increasing the price by 16 percent. According to the investigators, the amendment was illegal.



Ukraine's Defense Minister Stepan Poltorak. (Ukrafoto)

The supplier received an additional payment of Hr 149 million. On account of that, Pavlovskiy and Hulyevych are suspected of misappropriation and embezzlement of state property, charges that carry sentences of from seven to 12 years in prison if they are found guilty.

### Shady deals

According to online procurement system Prozorro, Trade Commodity won 16 open procurement calls with the Ministry of Defense over 2015–2017. The company supplied gasoline, fuel for jet engines, and diesel fuel. The total value of the deals was Hr 2.2 billion (around \$80 million).

Overall, Trade Commodity won tenders worth more than Hr 5.4 billion (\$200 million), according to ProZorro.

Besides the Ministry of Defense, the company also supplied fuel to the Ukrainian state railway company Ukrzaliznytsya, the national nuclear energy company Energoatom, the

more Corruption on page 7

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### ON THE MOVE

#### Olga Balytska to lead Real Estate practice at PwC Legal Ukraine

**Olga Balytska**

On October 12, Olga Balytska has joined PwC Legal in Ukraine as a Head of the firm's Real Estate practice.

Olga is a well-known expert in legal issues dealing with real estate, construction and land use, with more than 15 years of record of accomplishment with leading multinational and domestic companies. She was repeatedly elected as a Chair of the Real Estate Committee of the European Business Association, as well Olga is an active member of the Commission on Urban Development, Architecture and Land Use.

Being a member of the Kyiv City Council, she came up with numerous initiatives aiming to resolve most of contrve developments in the city of Kyiv and draft ordinances that introduce fundamental changes to urban development.

She is the author of the first real reform designed to bring out of the shadows one of the most corrupt types of payments schemes - a draft ordinance "[On approval of] The procedure for raising, accounting and using funds contributed by stakeholders in the development of Kyiv infrastructure".

*"I am very thankful for the invitation to join the legal team of PwC Legal," said Olga Balytska. "I am deeply convinced, and this conviction is based on first-hand experience, that despite all the adverse conditions, well thought out and legally balanced domestic and international investments in real estate, construction, infrastructure projects, agriculture, alternative and renewable energy sources can serve as a guarantee of their successful implementation and security. I am convinced that close collaboration with tax and audit experts, business consultants and other teams within the PwC global network allows us to approach legal issues from different directions and offer our clients truly effective solutions covering all aspects of doing business".*

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# Activist: Simple corruption case will stall again in nation's courts

Corruption from page 6

state energy company Centerenergo, and also several seaports, namely Mariupol, port Yuzhny in Odesa, and the port in Bilhorod-Dnistrovsky.

Trade Commodity was founded in Dnipropetrovsk Oblast, in the city of Kamyanske (formerly named Dniprodzerzhynsk) in 1999. The company's main activity, according to the open private companies register, is producing petroleum products. The statutory capital of the company is Hr 7,400 (\$274).

The Kyiv Post couldn't reach the company director for comment.

## No convictions

Vitaliy Shabunin of the Anti-Corruption Action Center said the fuel contract embezzlement case would probably go to trial. However, he said he had little hope the suspects would be convicted, even though the corruption scheme in the case is simple. There have been no convictions in any of the big cases that has NABU sent to trial, he said.

"Nothing will happen with this case without the creation of anti-corruption courts," he said. "It will lie there (in the court), unmoving."

The Defense Ministry has been implicated in corruption cases before.

In July, the NABU and Specialized Anti-Corruption Prosecutor's Office detained army officials and the director and deputy director of Lviv Armor Plant on charges of stealing

Hr 28.5 million (\$1.1 million) in budget funds.

The officials were accused of purchasing used engines for T-72 tanks through a shell company, instead of buying new ones.

In another case in August, the General Prosecutor's Office served notices of suspicion to five current and former employees of the Defense Ministry on charges of negligence and abuse of power.

That case, dating to 2014 and 2015 concerned a deal between the ministry and a private company for the supply of helmets and bulletproof vests for the army. Despite the fact that similar deals were exempt from value-add tax because of the war, the ministry paid the tax to the private company and signed an additional deal, illegally paying Hr 34 million (\$1.6 million).

The state prosecution service has not revealed the name of the supplier company, but said its director and accountant were also suspects in the case. The assets of the suspects have been arrested and the case has been sent to trial, according to a statement from prosecutors.

Oleksandr Lemenov, an anti-corruption expert at the Reanimation Package of Reforms said corrupt schemes for the procurement of fuel were commonplace. However, this case is special as the NABU has a great deal of evidence. The detention of top officials is also a good signal for the public.

"UZ (Ukrzaliznytsya, another Trade Commodity client) and the Defense Ministry have always fed those who



A worker passes by a train car with fuel on a railway siding in Kyiv Oblast. Two senior Defense Ministry officials were detained on Oct. 11 on charges of embezzling \$5.5 million in state funds during the procurement of fuel for the military. (Kostyantyn Chernichkin)



Ukraine's President Petro Poroshenko. (Mykola Lazarenko)

are close to power," he said.

Even as more cases against the Defense Ministry become known, Lemenov said there was still a place in the ministry for honest officials. He said the likelihood of corruption depended on the position a per-

son held in the ministry, and their character.

## Other allies

Apart from Hranovsky, other Poroshenko allies have also been accused of being involved in corruption in the defense industry — charges that they deny.

Oleh Hladkovsky, Poroshenko's business partner and a deputy secretary of the National Security and Defense Council, said on Oct. 12 he was ready to vouch for Pavlovskiy during the hearing.

Hladkovsky is linked to Cyprus-registered company HUDC Holding Limited, which sold four used armored Toyota Land Cruiser V8 cars worth \$428,000 to state-owned defense company SpecTechnoEksport in May. The cars were allegedly overpriced, with the state overpaying by \$56,000.

Hladkovsky's office confirmed that he "used to have a connection to HUDC Holding Limited" but said he was not currently involved in

managing it.

Hladkovsky has also managed to receive several lucrative military contracts for his automaker Bohdan, which was formerly co-owned by Poroshenko. These include supplies of MAZ trucks, 60 military ambulances worth \$2 million, as well as Hyundai HD65 and Hyundai HD120 trucks, according to the Nashi Hroshi investigative journalism project. Serhiy Krasulya, a Bohdan spokesman, argued that there was no conflict of interest because Hladkovsky was not involved in the company's management, despite owning it.

Roman Romanov, a former Bohdan dealer and a political associate of Poroshenko, heads state defense firm Ukroboronprom.

Meanwhile, the Rybalsky Kuznia shipyard, which Poroshenko owns with one of his closest political allies, Ihor Kononenko, won government contracts, including military ones, worth \$2.5 million in 2016, and contracts worth \$560,000 in 2017, public data shows. ■


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Oct. 6 - 26



(Courtesy)

## Mobile Revolution

Visitors to the TsUM shopping mall can see a model of the first mobile phone and find out about the history of the cellphones at a pop up exhibition there called "Mobile Revolution." Apart from displaying old phones, the exhibition has information about the latest innovations in mobile technologies.

**Mobile Revolution (art exhibition).** TsUM (38 Khreshchatyk St.) Oct. 6 - 26. 10 a.m. - 10 p.m. Free

Friday, Oct. 13

### Classical music

**The Last Seven Words of Christ.** Music by Haydn, Gubaidulina, Rodin. National Philharmonic. 7 p.m. Hr 70-350

**Kyiv Virtuosi.** Music by Chopin, Debussy, Mendelssohn, Ravel, Dvorak, Bach, Grieg. Cinema House. 8 p.m. Hr 120-370

**Tchaikovsky. Romances.** Actor's House. 7 p.m. Hr 100-200

### Live music

**Star and Orchestra: Vladimir Tkachenko.** Funk, swing, R&B and jazz. Caribbean Club. 8 p.m. Hr 290-1,490

### Clubs

**Spaces: NFNR, Lonely Man, Diser Tape.** Mezzanine Club. 8 p.m. - 12 a.m. Price will be announced before

the event

**Helena Hauff** (acid techno). Closer. 11:55 p.m. Price will be announced before the event.

### Miscellaneous

**Fragile State** (art exhibition). Pinchuk Art Center. 12 - 9 p.m. Free

**Festival of Young Ukrainian Artists.** Mystetsky Arsenal. 11 a.m. - 8 p.m. Hr 60

**Anna Mironova. Between Strokes** (graphics). Ya Gallery. 10 a.m. - 7 p.m. Free

**Playing the Past** (interactive photo exhibition). Izone. 12 - 8 p.m. Free

**Service: USA, 2010 - Ukraine, 2017** (photo exhibition). America House. 12 - 9 p.m. Free

**Nikolay Karabinovych. Gypsy-Techno** (art exhibition). Closer. Gallery will be open only during parties in Closer and visitors have to show an entrance ticket to the cur-

rent event

**Trading Illusions** (art exhibition). Taras Shevchenko National Museum. 10 a.m. - 5:30 p.m. Hr 25

**Mobile Revolution** (art exhibition). TsUM. 10 a.m. - 10 p.m. Free

### Movies

**Ich und Kaminski** (drama, in German). Kyiv Cinema. 7 p.m. Hr 70

**Friends Evenings.** Screening of "Friends" series in English. Mercure Kyiv Congress Hotel. 8 p.m. Free. Register via phone +38044 205 3525

Saturday, Oct. 14

### Classical music

**National Academic Brass Band of Ukraine.** Music by Kolodub, Zhuliev, Kaminsky, Kabachenko. National Philharmonic. 7 p.m. Hr 70-250

### Live music

**The Most Beautiful Music From Movies.** Kyiv Virtuosi play music from famous movies. Cinema House. 8 p.m. Hr 120

**The Beatles Tribute Show.** Caribbean Club. 7 p.m. Hr 150-600

### Clubs

**Margaret Dygas** (minimal techno). Closer. 11:55 p.m. Price will be announced before the event

### Miscellaneous

**Fragile State** (art exhibition). Pinchuk Art Center. 12 - 9 p.m. Free

**Festival of Young Ukrainian Artists.** Mystetsky Arsenal. 11 a.m. - 8 p.m. Hr 60

**Anna Mironova. Between Strokes** (graphics). Ya Gallery. 10 a.m. - 7 p.m. Free

**Nikolay Karabinovych. Gypsy-Techno** (art exhibition). Closer. Gallery will be open only during parties in Closer and visitors have to have an entrance ticket for a current event

**Playing the Past** (interactive photo exhibition). Izone. 12 - 8 p.m. Free

**Service: USA, 2010 - Ukraine, 2017** (photo exhibition). America House. 10 - 6 p.m. Free

**Ukrainian Coat Days** (market). Vsi Svoi. 10 a.m. - 8 p.m. Free

**Mobile Revolution** (art exhibition). TsUM. 10 a.m. - 10 p.m. Free

**Kurazh Bazar. Birthday** (flea market). Platforma. 11 a.m. - 11 p.m. Hr 50 for one day, Hr 80 for both days

**Trading Illusions** (art exhibition). Taras Shevchenko National Museum. 10 a.m. - 5:30 p.m. Hr 25

**Ukraine - Belarus American Football Game.** Irpen city stadium. 1 p.m. Hr 50

### Movies

**Logan Lucky** (comedy, crime, drama). Kinopanorama. 3 p.m. Hr 50

**School No.3** (documentary). Screening in Russian with English subtitles. Kyiv Cinema. 7 p.m. Hr 70

### Shows

**Rún** (Irish, Scottish folk). Mezzanine. 7 p.m. Hr 120

**Cinderella** (sand animation). Cinema House. 12 p.m. Hr 100-200

### Theater

**The Magic Flute** (screening in

German). Multiplex (Lavina Mall). 7:55 p.m. Hr 175

**Zaporozhets za Dunaem** (Ukrainian folk opera). National Opera of Ukraine. 7 p.m. Hr 20 - 400

Sunday, Oct. 15

### Classical music

**Kyiv Chamber Orchestra.** Music by Vivaldi, Stankovych. National Philharmonic. 7 p.m. Hr 70-300

**Modern Classics for Everyone.** Kyiv Virtuosi playing Richter, Prokofiev, Stravinsky, Satie, Morricone, Glass. Cinema House. 8 p.m. Hr 120

**A Magic Evening With the Classics.** Music by Strauss, Tchaikovsky, Grieg and others. Petro Tchaikovsky National Music Academy of Ukraine. 7 p.m. Hr 120-390

**Candlelight Concert.** Kyiv Virtuosi playing Tchaikovsky, Mozart, Dvorak, Ravel, Bach, Rimsky-Korsakov and others. Cinema House. 8 p.m. Hr 120-320

### Live music

**Piano Concert.** Maksym Shorenkov playing crossover jazz. Actor's House. 7 p.m. Hr 150

### Miscellaneous

**Fragile State** (art exhibition). Pinchuk Art Center. 12 - 9 p.m. Free

**Festival of Young Ukrainian Artists.** Mystetsky Arsenal. 11 a.m. - 8 p.m. Hr 60

**Playing the Past** (interactive photo exhibition). Izone. 12 - 8 p.m. Free

**Ukrainian Coat Days** (market). Vsi Svoi. 10 a.m. - 8 p.m. Free

**Kurazh Bazar. Birthday** (flea market). Platforma. 11 a.m. - 11 p.m. Hr 50 for one day, Hr 80 for both days

### Movies

**Logan Lucky** (comedy, crime, drama). Kinopanorama. 3 p.m. Hr 50

**Manet Portraying Life.** Exhibition on Screen. Kyiv Cinema. 3 p.m. Hr 150

**Beuys** (documentary, in German). Kyiv Cinema. 7 p.m. Hr 70

### Shows

**The Korea** (metal). Sentrum. 7 p.m. Hr 220-460

**The Age of Jazz** (musical and dancing retro show). Dress-code: vintage style. Caribbean Club. 8 p.m. Hr 120-550

### Theater

**Aleko** (opera by Sergei Rachmaninoff). National Opera of Ukraine. 7 p.m. Hr 20 - 400

Monday, Oct. 16

### Classical music

**Mykola Rizol Quartet of Bayanists.** Music by Vivaldi, Bach, Tchaikovsky, Piazzolla. National Philharmonic. 7:30 p.m. Hr 100

### Live music

**Jazz Battle.** Jam session with participants in the battle and a stage band. Caribbean Club. 8 p.m. Hr 100-420

### Clubs

**Karaoke Monday: China Music.**

Oct. 21



(AFP)

## Iana Salenko and Stars of World Ballet

Kyiv-born Iana Salenko is a prima-ballerina of the Berlin ballet. She has won numerous dancing awards and is now coming to Kyiv along with the UK's Royal Ballet and the Berlin National Ballet to perform in the city where she was born and raised. Together with her fellow dancers, Salenko will perform a mix of her best parts from classical ballets. **Iana Salenko and Stars of World Ballet. Palace Ukraine (103 Velyka Vasylykivska St.) Oct. 21. 7 p.m. Hr 390 - 2,990**

**Trading Illusions** (art exhibition). Taras Shevchenko National Museum. 10 a.m. - 5:30 p.m. Hr 25

**Spivoche Wine Fest 2017** (wine and cheese festival). Gryshko Botanical Garden. 9 a.m. - 9 p.m. Hr 30

**Mobile Revolution** (art exhibition). TsUM. 10 a.m. - 10 p.m. Free

**English Speaking Club.** Laska. 3:30 p.m. (pre-intermediate). 5 p.m. (intermediate). Hr 80

SkyBar. 11 p.m. Free

### Miscellaneous

**Anna Mironova. Between Strokes** (graphics). Ya Gallery. 10 a.m. - 7 p.m. Free

**Playing the Past** (interactive photo exhibition). Izone. 12 - 8 p.m. Free

**Mobile Revolution** (art exhibition). TsUM. 10 a.m. - 10 p.m. Free

**Ukrainian Coat Days** (market). Vsi



Oct. 14, 15

(Kurazh Bazar/facebook)

## Kurazh Bazar. Birthday

Flea Market Kurazh Bazar celebrates its third anniversary and 18th market with a special Birthday Market on Oct. 14 - 15. Apart from hunting for rare goods, one can enjoy various meals at the food court, pet cute puppies, and dance to DJ sets.

**Kurazh Bazar. Birthday (flea market).** Platforma Art Factory (1 Bilomorska St.) Oct. 14 - 15. 11 a.m. - 11 p.m. Hr 50 for one day, Hr 80 for both days

Compiled by Toma Istomina, Anna Yakutenko, Daryna Kuzmenko, Mariya Kapinos



Svoi. 10 a.m. - 8 p.m. Free

Movies

Es War Einmal in Deutschland (comedy, drama, in German). Kyiv Cinema. 7 p.m. Hr 70

Tuesday, Oct. 17

Classical music

Seasons. Kyiv Soloists playing Vivaldi and Piazzolla. Actor's House. 7 p.m. Hr 250-350

Live music

Piazzolla and Tango. Music by Piazzolla, Petersburski, Gardel, Rodriguez. National Philharmonic. 7 p.m. Hr 70-250

From Madrigal to Romance. Sviatoslav Pikulskiy (tenor) singing. National Philharmonic. 7 p.m. Hr 50

Ricky Martin Tribute Show. Antonio Gomez Crus and Live Band. Caribbean Club. 8 p.m. Hr 120-400

Violin Concert. Damien Escobar. Palace Ukraine. 7 p.m. Hr 280-3,000

Clubs

Karaoke Tuesday: Love Song Party. SkyBar. 11 p.m. Free

Miscellaneous

Fragile State (art exhibition). Pinchuk Art Center. 12 - 9 p.m. Free

Trading Illusions (art exhibition). Taras Shevchenko National Museum.

Jazz, Mozart, and Cinema. Playing authentic compositions and jazz improvisations. National Philharmonic. 7 p.m. Hr 70-300

Gongs and Vocal Performance. Atlas. 7 p.m. Hr 250-700

Clubs

Karaoke Wednesday. SkyBar. 11 p.m. Free

Miscellaneous

Fragile State (art exhibition). Pinchuk Art Center. 12 - 9 p.m. Free

Festival of Young Ukrainian Artists. Mystetsky Arsenal. 11 a.m. - 8 p.m. Hr 60

Anna Mironova. Between Strokes (graphics). Ya Gallery. 10 a.m. - 7 p.m. Free

Playing the Past (interactive photo exhibition). Izone. 12 - 8 p.m. Free

Service: USA, 2010 - Ukraine, 2017 (photo exhibition). America House. 12 - 9 p.m. Free

Movies

Ich und Kaminski (drama, in German). Kyiv Cinema. 7 p.m. Hr 70

Theater

Who's Afraid of Virginia Woolf? (British Theater Live). Multiplex (Lavina Mall). Hr 175

Turandot (opera). National Opera of Ukraine. 7 p.m. Hr 20 - 400

Service: USA, 2010 - Ukraine, 2017 (photo exhibition). America House. 12 - 9 p.m. Free

Mobile Revolution (art exhibition). TSUM. 10 a.m. - 10 p.m. Free

Movies

Lady Macbeth (drama). Kinopanorama. 3 p.m., 9 p.m. Hr 50-70

Let's Play Two. Pearl Jam (concert film). Kinopanorama. 9 p.m. Hr 70-100

Theater

La Bayadere (The Temple Dancer). National Opera of Ukraine. 7 p.m. Hr 20 - 500

Friday, Oct. 20

Classical music

Antonii Baryshevskiy (piano). Music by Beethoven, Debussi, Chopin, Scriabin. Tauvers Gallery. 7 p.m. Hr 200

National Symphony Orchestra of Ukraine. Music by Wagner, Beethoven, Mahler. National Philharmonic. 7 p.m. Hr 70-300

Live music

Alexey Bogolyubov (piano). Playing authentic compositions. Cinema House. 8 p.m. Hr 50-250

Clubs

Vogue Fashion Night Out (DJ set).



Oct. 14, 15

'Logan Lucky'

The hilarious new heist movie "Logan Lucky" is to be screened in Kyiv in English. Directed by American Steven Soderbergh, the film tells the story of two brothers trying to reverse a family curse by executing a robbery. Starring Channing Tatum, Adam Driver and Daniel Craig, the movie is being distributed independently by its director without the involvement of any film studio, which is extremely uncommon today. Enjoy the funny story and support independent cinema this coming weekend at Kinopanorama.

"Logan Lucky." Kinopanorama (19 Shota Rustaveli St.) Oct. 14, 15. 3 p.m. Hr 50

'School No.3'

"School No.3" is a documentary co-produced by German and Ukrainian directors, which will be screened in Kyiv during the New German Cinema festival. It tells the story of 13 teenagers from Mykolaivka, a town in Donetsk Oblast, whose school was destroyed because of Russia's war but was rebuilt later. The teenagers share their feelings, hopes and fears. "School No.3" won the Grand Prix in the "Generation 14+" program for the best feature film at the Berlin International Film Festival in February, 2017. The screening will be in Russian with English subtitles.

"School No.3." Kyiv Cinema (19 Velyka Vasylkivska St.) Oct. 14. 7 p.m. Hr 70



Oct. 14

Club. 8 p.m. Hr 200-450
The Retuses (indie-folk). Atlas. 8 p.m. Hr 250-450
Johnny O'Neal (jazz, blues). Bel etage. 8 p.m. Hr 400-1,300

Theater

Tosca (opera). National Opera of Ukraine. 7 p.m. Hr 20 - 400

Saturday, Oct. 21

Classical music

Piano Extravaganza. Playing Grieg, Respighi, Nielsen, Skoryk. National Philharmonic. 7 p.m. Hr 70-300

Live music

Metallica Tribute Show. International Art and Culture Center. 7 p.m. Hr 150-950

Clubs

Free Mixer (party). Izone. 8 p.m. Free

House and Tech-House Music. DJ set by Djuma Soundsystem. Forsage Club. 10 p.m.

Drum and Bass Session, Neurofunk. Mezzanine. 12 p.m. Hr 100

Miscellaneous

Fragile State (art exhibition). Pinchuk Art Center. 12 - 9 p.m. Free

Festival of Young Ukrainian Artists. Mystetsky Arsenal. 11 a.m. - 8 p.m. Hr 60

Anna Mironova. Between Strokes (graphics). Ya Gallery. 10 a.m. - 7 p.m. Free

Service: USA, 2010 - Ukraine, 2017 (photo exhibition). America House. 12 - 9 p.m. Free

Nikolay Karabinovych. Gypsy-Techno (art exhibition). Closer. Gallery will be open only during parties in Closer and visitors have to have an entrance ticket for a current event

FuckUp Nights Kyiv (meetup). Fedoriv Hub. 7 p.m. - 11 p.m. Hr 599-899

Shows

Monatik (pop). Palace of Sports. 7 p.m. Hr 499-5,999

Cheshires (alternative rock). Mezzanine. 8 p.m. Hr 100

Sonya Sotnyk (rock). Caribbean

Strokes (graphics). Ya Gallery. 10 a.m. - 7 p.m. Free
Service: USA, 2010 - Ukraine, 2017 (photo exhibition). America House. 10 - 6 p.m. Free

Nikolay Karabinovych. Gypsy-Techno (art exhibition). Closer. Gallery will be open only during parties in Closer and visitors have to have an entrance ticket for a current event

Mobile Revolution (art exhibition). TSUM. 10 a.m. - 10 p.m. Free

Vsi Svoi Market. Kids. Vsi Svoi. 10 a.m. - 10 p.m. Free

Movies

Lady Macbeth (drama). Kinopanorama. 3 p.m. Hr 50

Shows

Brainstorm (alternative rock). Atlas. 7 p.m. Hr 600-2,000

Pippo Pollina (pop). Caribbean Club. 7 p.m. Hr 220-350

Twelve Foot Ninja and Jinjer (metal). Sentrum. 7 p.m. Hr 480-710

Iana Salenko and Stars of World Ballet. Palace Ukraine. Oct. 21 7 p.m. Hr 390 - 2,990

Theater

Nabucco (opera). National Opera of Ukraine. 7 p.m. Hr 20 - 400

Sunday, Oct. 22

Classical music

Dedication to Liszt. Performance of

compositions by Franz Liszt. National Philharmonic. 7 p.m. Hr 70-260

Live music

Classics in Jazz. The National Presidential Orchestra of Ukraine playing classical compositions in a jazzy style. Cinema House. 8 p.m. Hr 150-350

Miscellaneous

Fragile State (art exhibition). Pinchuk Art Center. 12 - 9 p.m. Free

Festival of Young Ukrainian Artists. Mystetsky Arsenal. 11 a.m. - 8 p.m. Hr 60

Mobile Revolution (art exhibition). TSUM. 10 a.m. - 10 p.m. Free

Vsi Svoi Market. Kids. Vsi Svoi. 10 a.m. - 10 p.m. Free

Movies

Lady Macbeth (drama). Kinopanorama. 3 p.m. Hr 50

Shows

Twelve Foot Ninja and Jinjer (rock). Sentrum. 7 p.m. Hr 480-710

BrainStorm (rock, indie) Atlas. 7 p.m. Hr 600-2,000

Tequilajazzz (rock). Sentrum. 8 p.m. Hr 470-900

Theater

Le Corsaire (ballet, live screening from Bolshoi Theatre, Moscow). Multiplex (Lavina Mall). 6 p.m. Hr 175 - 225

10 a.m. - 5:30 p.m. Hr 25

Festival of Young Ukrainian Artists. Mystetsky Arsenal. 11 a.m. - 8 p.m. Hr 60

Anna Mironova. Between Strokes (graphics). Ya Gallery. 10 a.m. - 7 p.m. Free

Playing the Past (interactive photo exhibition). Izone. 12 - 8 p.m. Free

Service: USA, 2010 - Ukraine, 2017 (photo exhibition). America House. 12 - 9 p.m. Free

Mobile Revolution (art exhibition). TSUM. 10 a.m. - 10 p.m. Free

Movies

Lady Macbeth (drama). Kinopanorama. 3 p.m., 9 p.m. Hr 50-70

24 Wochen (drama, in German). Kyiv Cinema. 7 p.m. Hr 70

Objects and Memory (documentary, history). American Library. 5 p.m. Free

Theater

The Night Before Christmas (ballet). National Opera of Ukraine. 7 p.m. Hr 20 - 500

Wednesday, Oct. 18

Live music

Kyiv quartet of guitarists. Music by Vivaldi, Boccherini, Verdi, Albéniz. National Philharmonic. 7 p.m. Hr 50

Thursday, Oct. 19

Classical music

Ingrid Fujiko Hemming (piano). Music by Chopin, Debussi, Beethoven, Liszt. National Philharmonic. 7 p.m. Free. Obtain an invitation at the National Philharmonic's cash desk.

Death and the Maiden. Schubert. Performance by Kyiv Virtuosi. Petro Tchaikovsky National Music Academy of Ukraine. 8 p.m. Hr 100-350

Live music

Freedom Jazz. Caribbean Club. 8 p.m. Hr 290-890

National Academic Orchestra of Folk Instruments of Ukraine (NAONI). Central House of Officers of the AFU. 7 p.m. Hr 220-350

Clubs

Karaoke Sunday: Cinema Night. SkyBar. 11 p.m. Free

Miscellaneous

Fragile State (art exhibition). Pinchuk Art Center. 12 - 9 p.m. Free

Festival of Young Ukrainian Artists. Mystetsky Arsenal. 11 a.m. - 8 p.m. Hr 60

Anna Mironova. Between Strokes (graphics). Ya Gallery. 10 a.m. - 7 p.m. Free

Playing the Past (interactive photo exhibition). Izone. 12 - 8 p.m. Free

Tsum. 7 p.m. Free

Xenia Beliaeva (DJ set). Heaven. 11 p.m. Free before 2 p.m., after Hr 200 for men and free for women

Monte (DJ set). Skybar. 11 p.m. Hr 300-400

Miscellaneous

Fragile State (art exhibition). Pinchuk Art Center. 12 - 9 p.m. Free

Festival of Young Ukrainian Artists. Mystetsky Arsenal. 11 a.m. - 8 p.m. Hr 60

Service: USA, 2010 - Ukraine, 2017 (photo exhibition). America House. 12 - 9 p.m. Free

Nikolay Karabinovych. Gypsy-Techno (art exhibition). Closer. Gallery will be open only during parties in Closer and visitors have to have an entrance ticket for a current event

FuckUp Nights Kyiv (meetup). Fedoriv Hub. 7 p.m. - 11 p.m. Hr 599-899

Monatik (pop). Palace of Sports. 7 p.m. Hr 499-5,999

Cheshires (alternative rock). Mezzanine. 8 p.m. Hr 100

Sonya Sotnyk (rock). Caribbean

Venues

- Classical Music
National Philharmonic of Ukraine (2, Volodymyrskyi Descent) +38044 278 1697
Petro Tchaikovsky National Music Academy of Ukraine (1-3/11, Arhitectura Horodotskoho St.) +38044 279 0792
Tauvers Gallery (6

- 235 2081
Cinema House (6 Saksahansko St.)
Palace Ukraine (103 Velyka Vasylkivska St.) +38044 247 2476
Central House of Officers of the Armed Forces of Ukraine (30/1 Mykhaila Hrushevs'koho St.)
International Art and Culture Center (1

- Nebesnoi Sotni Alley) +38044 279 7482
Clubs
Mezzanine Club (31 Nyzhnoiurkivska St.) +38063 873 7306
Forsage Club (51A Harmatna St.) +38063 497 9606
Closer (31 Nyzhnoiurkivska St.) +38067 658 8951
SkyBar (5 Velyka

- Vasylkivska St.) +38044 223 8888
Heaven Club (7 Borysa Hrinchenka St.) +38067 217 3113
Ya Gallery (49 Khoryva St.) +38044 492 9203
America House (6 Mykolyi Pymonenka St.) +38063 343 0119
Pinchuk Art Center (1-3 Velyka Vasylkivska

- St.) +38044 590 0858
Vsi Svoi Market. (12 Desyatynna St.) vsi.svoi.markets@gmail.com
Izone (8 Naberez'no-Luhova St.) +38050 477 2620
Platforma Art Factory (1 Bilomorska St.) +38044 338 5538
Gryshko National Botanical Garden (1 Tymiriazivska St.) +38044

- 285 4105
Taras Shevchenko National Museum (12 Taras Shevchenko Blvd.) +38044 234 2556
Mystetsky Arsenal (10-12 Lavrska St.) +38044 2885225
Tsum (38 Khreshchatyk St.) 0800 600 202
Laska Store (3 Vyacheslava Lyvynskogo St.) +38097 996 2714
Irpen city stadium (183 Soborna St., Irpen, Kyiv Oblast.)
Fedoriv Hub (27 Velyka Vasylkivska St.) +38044 281 4455
Kinopanorama Cinema (19 Shota Rustaveli St.) +38044 287 3041
Kyiv Cinema (19 Velyka Vasylkivska St.) +38044 234 7381
Multiplex cinema (Lavina Mall, 6D Berkoversta St.) 0800 505 333
American Library (8/5 Voloska St.) +38044 462 5674
Mercure Kyiv Congress Hotel. (6 Vadyma Hetmana St.) +38044 205 3520
Shows
Atlas (37-41 Sichovykh



# Activists say push needed for anti-corruption court

BY OLEG SUKHOV  
SUKHOV@KYIVPOST.COM

Ukraine's President Petro Poroshenko has opposed the creation of an anti-corruption court for more than a year, until he could no more.

Poroshenko's denouncing of the anti-corruption court – the final link required to prosecute corruption in Ukraine – has recently brought him criticism of the Western partners and outrage at home.

But on Oct. 4, the president nominally reversed course and supported the court's creation.

It happened when it became known that the European Commission for Democracy through Law, better known as the Venice Commission, would come out in support of such an institution days later.

The commission indeed backed an opposition bill to create an anti-corruption court on Oct. 9 and rejected Poroshenko's idea of instead creating anti-corruption chambers within Ukraine's discredited judiciary. The Parliamentary Assembly of the Council of Europe on Oct. 12 urged Ukraine to adopt all of the commission's recommendations.

But if the anti-corruption court is created, anti-corruption activists fear that Poroshenko will try to make sure that he controls the selection process. This is why Ukrainian activists are seeking foreign oversight of the competition.

Also, Poroshenko suggests that the appeals to the anti-corruption court's rulings be considered by the Supreme Court.

Ukraine's current judicial system, even after the appointment of 111 new Supreme Court justices, remains distrusted and discredited – failing to prosecute successfully a single corruption case. The new anti-corruption institutions are also ineffective because they have no reliable



State Fiscal Service Chief Roman Nasirov, a suspect in a corruption case, during a hearing at Kyiv's Solomyansky Court on March 5, with an officer of the National Anti-Corruption Bureau standing guard. The case is stalled. (Volodymyr Petrov)

courts to hear their cases.

## Protest pressure

However, many fear protests are the only way to convince Poroshenko to act swiftly. The creation of an anti-corruption court is among the key demands of a major rally that opposition parties plan for Oct. 17 in Kyiv, coming ahead of the March 2019 presidential and parliamentary elections.

Lawmaker Iegor Soboliev told the Kyiv Post that the president and other incumbent politicians live in fear of a third uprising, coming after the 2004 Orange Revolution and 2013–2014 EuroMaidan Revolution. The first one prevented ex-President

Viktor Yanukovich from coming to power while the second one drove him from power.

"The threat of a popular uprising scares Poroshenko the most," said Soboliev, who is the chairman of parliament's anti-corruption committee.

The International Monetary Fund could put pressure on Poroshenko by cutting off funding until the anti-corruption court is in place, lawyer Markiyana Halabala and Anastasia Krasnosilka, an expert at the Anti-Corruption Action Center, told the Kyiv Post.

The United States and the European Union can also demand that Ukraine fulfill its commitments to the International Monetary Fund,

including the promise to create an anti-corruption court, before they provide any non-IMF financial assistance, Krasnosilka added.

## Political influence

If the political will is there, a law on the anti-corruption court could easily be passed by November, and the court itself could be created by June or July 2018, Vitaly Shabunin, the head of the Anti-Corruption Action Center's executive board, told the Kyiv Post.

Experts argue, however, that Poroshenko's strategy will be to stall for time indefinitely.

"His proposal to create a working group means that he wants to

shift responsibility to parliament," Mykhailo Zhernako, a judicial expert at the Reanimation Package of Reforms, told the Kyiv Post. "And he can then say that the process is being delayed by parliamentarians."

Under the opposition bill, which was submitted by Soboliev and other lawmakers, the Verkhovna Rada, the president and the cabinet will each delegate three commission members to appoint anti-corruption judges.

The Venice Commission said, however, that members of the Competition Commission tasked with appointing judges of the High Anti-Corruption Court should not be designated by political figures and suggested that the High Qualification Commission of Judges should nominate members of the Competition Commission.

However, the High Qualification Commission has itself been criticized for being controlled by Poroshenko and the People's Front, the parliament's second biggest party – an accusation that the commission members deny.

The Public Integrity Council, a civil society watchdog, said on Oct. 3 that it had "grounds to assume that the (recent Supreme Court) competition was rigged" by the High Qualification Commission and the High Council of Justice, so that it would appoint politically loyal candidates.

## Foreigners' role

One crucial issue is whether Poroshenko will agree to the participation of independent foreign institutions in the competition to select anti-corruption court judges. Poroshenko hinted that he won't, saying that Ukraine can create an anti-corruption court "on its own."

The Venice Commission recommended that foreigners play an

more **Court** on page 11

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# Politicians, prosecutors, police and judges failing nation in corruption fight

Court from page 10

important role in the competition to select anti-corruption judges.

According to the opposition bill, foreign donors would nominate three of the Competition Commission's nine members, and they would be automatically appointed by the justice minister.

In May, a working group of Ukrainian civil society groups and foreign donors went even further and concluded that people nominated by foreigners should be in the majority on the Competition Commission, to guarantee that anti-corruption judges are independent.

## Other hurdles

Under Ukraine's Constitution, anti-corruption judges chosen by the Competition Commission will still have to be approved by the president-controlled High Qualification Commission and High Council of Justice, and be formally appointed by the president.

According to the opposition bill, the High Qualification Commission, the High Council of Justice and the president do not have a right

to refuse to appoint the nominees. However, Poroshenko may still give them the right to block the appointment of anti-corruption judges in his future legislation.

Public trust in the High Qualification Commission and the High Council of Justice is low. Twenty-five discredited judges deemed corrupt or dishonest by the Public Integrity Council were nominated for the Supreme Court by the High Qualification Commission in July and approved by the High Council of Justice in September.

Another way for Poroshenko to block corruption cases would be through the appeals.

He suggested that the appeals to the rulings of the anti-corruption court be considered by the yet-to-be-created anti-corruption chamber within the Supreme Court.

If the anti-corruption chamber is staffed by judges recently appointed to the Supreme Court, the Presidential Administration will be able to influence them, Mykhailo Zhernakov and Roman Kuybida, experts from the Reanimation Package of Reforms, told the Kyiv Post.

"The competition procedure should be the same (for the High Anti-Corruption Court and the Supreme Court's anti-corruption chamber)," Zhernakov said. "Otherwise all of this becomes meaningless."

The opposition bill and the Venice Commission, however, envisage a new competition to select judges for the Supreme Court's anti-corruption chamber, including the participation of foreigners to ensure their independence.

In a limited number of cases, the final instance for appeals would be the Supreme Court's Grand Chamber, which is part of the conventional discredited judiciary.

## Collapse of law

Another problem is that the amendments to procedural codes passed by parliament on Oct. 3 may kill any corruption investigations pursued either by future anti-corruption courts or by conventional ones, due to the limited term of investigations and other hurdles they impose.

According to the initial text of an amendment initiated by Radical Party lawmaker Andriy Lozoviy, pros-



Lawmaker Mykhailo Dobkin, who recently left the Opposition Bloc faction, at a hearing at Kyiv's Pechersk Court on July 15. Dobkin has been charged with abusing his powers during the allocation of land plots. (Volodymyr Petrov)

ecutors would have to file notices of suspicion for suspects in criminal cases within six months for grave crimes, and within three months for crimes of medium severity. Moreover, all cases must be sent to trial within two months after a notice of suspicion is filed, according to the amendment.

People's Front lawmaker Leonid Yemets said on Oct. 5 that the final version of the codes envisaged a term of one-and-a-half years for grave crimes, and one year for crimes of medium severity. The courts will be able to block investigations by refusing to extend their terms, and their decisions to close cases cannot be appealed.

Critics say the new terms are still insufficient. Shabunin and Sergii Gorbatur, head of the in absentia unit at the Prosecutor General's Office, said that, if they are applied to already-open cases, the amendments may also lead to the closure of ongo-

ing major corruption and murder investigations.

According to the amendments, which have yet to be signed by Poroshenko, corruption cases can also be blocked through appeals against notices of suspicion. The amendments also put an end to the judiciary's transparency by allowing judges to ban even open trials from being filmed.

Moreover, the amendments were adopted amid numerous procedural and legal violations, since the lawmakers were not given the final text to read and thus did not know what they were voting for, while some lawmakers were filmed voting for others, which is illegal.

"These amendments were falsified," Gorbatur said. "The Verkhovna Rada didn't vote for them. To assume that they will become law in this manner would mean a collapse of the law in the state, and of the state itself." ■



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## New businesses open up in liberated Donbas cities

### City Life

WITH DARYNA KUZMENKO



Dmytro Drizhd, 40, has his beard trimmed in Hardy barbershop in Sloviansk in Donetsk Oblast on Aug. 17. Local entrepreneurs in Sloviansk, a city of 113,000 people around 80 kilometers from the front line, follows urbanistic trends and open stylish cafes and barbershops. (Volodymyr Petrov)

Kyiv's markets offer homegrown food, secondhand treasures, books and much more

Compared to Kyiv's 50 shiny shopping malls, the city's markets might seem shabby and old-fashioned, but they do offer some treasures that can't be found anywhere else. Apart from home-grown organic fruit, vegetables and home-made cottage cheese, jams and honey, shoppers can come across rare books, vintage clothes or hand-painted Christmas decorations.

In fact, markets in Ukraine have always been more than just places where goods are bought and sold — they are also places to share the latest news and gossip, and to meet friends. Many people still go to them to socialize, as well as to stock up.

Here are the four best Kyiv markets near the city center for shopping for food, books, and second-hand goods.

#### Zhytniy market

Zhytniy market, nestled among colorful residential buildings in Podil, is hard to miss. It is a massive, gray construction built in 1980 and featuring a concave roof, although to Western eyes it seems older than its 40-or-so years. In fact, the market's history dates much farther back than the building, to the times of Kyiv Rus, when there was an outdoor market at the site.

The first floor of Zhytyi market resembles the inside of a supermarket, with display stalls covered with vegetables, fruit, meat, eggs, cheese, cottage cheese, jars of jams, nuts and dried fruit.

Some people don't even get as far as the interior though, as the sidewalk near the entrance has been also turned into a spontaneous market, with people selling produce from their own gardens: from flowers and mushrooms to fruit, vegetables and berries.

Volodymyr Polegenko has been selling his produce at Zhytyi market for 30 years. He is 52, and says that there are fewer buyers since modern supermarkets started to open in Kyiv at the beginning of the century.

"However, here one can surely buy products of high quality from the garden," he says.

Along with other vegetables, Polegenko sells the biggest

more Markets on page 13

BY ANNA YAKUTENKO  
YAKUTENKO@KYIVPOST.COM

**SLOVIANSK, Ukraine** — There are fewer signs that this city in Ukraine's Donbas, seized three years ago by Russian-led forces and then liberated three months later by the Ukrainian army, has been through a war.

Sloviansk, located some 530 kilometers southeast of Kyiv, now boasts brand new businesses — including fancy coffee shops and barbershops. In fact, while initially bringing devastation and ruin, the war has, strangely, become an impetus for the development of this city of 113,000 people.

One of the city's new businesses, Prosto Kava, a popular coffee shop, is located not far from the city administration building, which served as the headquarters of Igor Girkin, the

former Russian military intelligence officer who commanded the Russian-led forces that occupied the city between April and July 2014.

Unlike most cafes in the city, Prosto Kava resembles some of the trendiest spots in Kyiv: It has two rooms with a modern loft-style design, one of which has a huge bar where various types of coffee drinks are served, and another one with beanbags, board games and a projector screen for watching movies. One wall of the room with the coffee bar is entirely covered with hand-made toys, which are made by the café's owners and other craftspeople from nearby areas.

"Initially, it wasn't clear whether people would like this style of a café, or say it's just nonsense," café co-owner Julia Goriun told the Kyiv Post. "Variety among cafes appeared

only recently — before that, they were all the same."

Goriun opened Prosto Kava in May 2016 along with another local resident, Julia Cherkasova. Goriun, a native of the Luhansk Oblast city of Sorokyne, which is now occupied by Russian-led forces, settled in Sloviansk in the winter of 2015.

Cherkasova and Goriun worked at the same bank in Sloviansk, but both dreamed of finding a more creative job.

"I always wanted to do something with my hands, but I never had time for it. I used to basically live at work," Goriun said.

So when international donors offered them a grant, Cherkasova and Goriun jumped at the opportunity to open a café.

Overall, however, the rebuilding needs of the Donbas are vast. Some

government estimates put the cost at \$50 billion, including those areas still occupied by Russia. The money spent so far, from public and private sources, is estimated at \$4.5 billion, according to the Ukrainian government.

#### Business grants

After the fighting in the area stopped, Sloviansk received funding from various international organizations, helping people not only rebuild their houses, but also giving entrepreneurs in the region the chance to start new businesses.

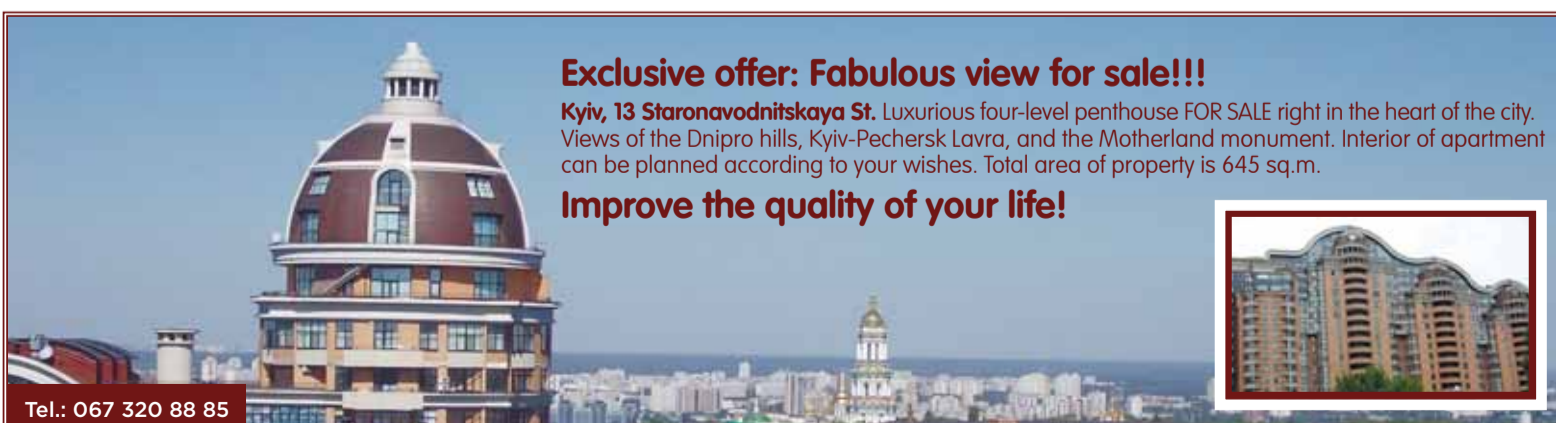
Sloviansk is just 30 kilometers from Kramatorsk, which is now the administrative center of the part of Donetsk Oblast that is still under the control of the Ukrainian government. Over

more Sloviansk on page 14

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# City Life: Kyiv's markets are great places to meet, not just buy stuff

Markets from page 12

pumpkins at the market — almost 40 centimeters in diameter. He says some Kyiv's restaurants order vegetables from him.

Back inside the market, the second floor features clothes, especially lots of Ukrainian traditional embroidered shirts and costumes. The market also has stands offering services like dry-cleaning, clothes and leather bag repairs, and tool sharpening.

The market is now being partially renovated, so the second and the third floors remain half-empty. Next year, cafes and houseware stores are expected to open there. The Soviet-era facade will also be modernized.

*Zhytniy market. 16 Verhniy Val, Mon-Sun 7 a.m.-7 p.m.*

## Bessarabsky market

There are two theories about the origin of the name of Bessarabsky market. According to the first one, the market was named after traders from Ukraine's southern region of Bessarabia. The other theory says the market takes its name from homeless people, called bessarabs, who used to live at Bessarabska Square several centuries ago.

While the origin of its name is uncertain, it is well known that Bessarabsky market is the most expensive market in Kyiv — prices here can be up to three times higher than at other markets or stores. The reason for this is probably the market's prime location in the city center, and its popularity among rich businessmen, lawmakers, and celebrities.

Iryna Gissar, 45, has been working at Bessarabsky market for 15 years. She owns a large garden in the suburbs of Kyiv and sells fruit and vegetables she grows there. Gissar used to work in other markets around the capital, but has settled at Bessarabsky and says it is the most exciting.

"Interesting events are held here. For instance, there was the opening party of this year's Yalta European Strategy annual conference, organized by oligarch Viktor Pinchuk. It showed foreigners Ukraine's agriculture," she told the Kyiv Post.

The best time to get a bargain at Bessarabsky market is to come after 5 p.m., when everyone's tired and some start packing. It's then that prices start to go down.

Bessarabsky market also offers



A woman waits for customers to buy fruit and vegetables from her at Bessarabsky market in Kyiv on Sept. 19. (Oleg Petراسиuk)

street food such as sandwiches, Vietnamese and vegetarian dishes, Georgian baked goods, coffee, craft beer and more.

The market works almost around the clock, from 6 a.m. until 4 a.m., but that mostly concerns flower kiosks and coffee shops. Many food counters work until 11 p.m., but some close earlier.

*Bessarabsky market. 2 Bessarabska Square, Mon-Sun 6 a.m.-4 a.m.*

## Petrivka book market

Petrivka book market is the biggest in the country for books of all genres and topics, including fiction, history, psychology, culture, painting, numismatics, the art of tattooing, classical literature, school books and more. Old and new magazines, newspapers, posters, maps, postcards, stickers and office supplies are also to be

found here.

While new editions are stocked on shelves in market stands, second-hand books are packed in boxes and piled in heaps around the stands.

Second-hand bookseller Dmytro Drobin, 48, has been trading among such piles of boxes for 18 years.

Drobin says his job is to spot printed treasures among mounds of literary trash. His family owns three kiosks at the market, where he and his partners stock about 10,000 books.

"The most remarkable book I have ever had was a two-volume gilded world history of pornography starting from ancient times to the Second World War. I got these books in the early 90-ies from the Institute of the Physical Chemistry. In the Soviet Union, there was a private library only for physicists and chemists, and there were a lot of foreign publications that were forbidden in those times. The books were published in Europe. I sold it the same day I brought it to Petrivka book market," Drobin says.

Aside from books, DVDs and CDs, Petrivka market offers a variety of other goods, including clothes, shoes, household chemistry, bath and toilet equipment, houseware, towels, bedlinen, tools, bicycles, travel equipment, electronics, souvenirs and more.

*Petrivka market. Petrivka metro station. Tue-Sun 11 a.m. — 6 p.m.*

## Kurenivsky flea market

This flea market looks shabby and is full of junk, but among the piles of

second-hand goods sitting on sheets lying on the ground, there are some real treasures hidden.

Vendors sell pre-war clothes and suitcases, vintage lamps, Oxford shoes, oil paintings, plates, spoons, cups, children's toys, guitars, loudspeakers, selections of old knives, jewelry, and more.

Kurenivsky pet market, located

next to the flea market, sells all kinds of animals, along with bird cages, toys and pet food. The market has come in for lots of criticism by animal rights activists, who accuse vendors of cruelty and mistreating animals, but the market vendors deny the accusations, and say all of the animals are well cared for. ■



Petrovka market in Kyiv on Oct. 10. (Oleg Petراسиuk)

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# Ukraine has one of world's top teachers

BY MARIYA KAPINOS  
KAPINOS@KYIVPOST.COM

When British Admiral Lord Horatio Nelson, with his fleet of 27 ships, defeated a French-Spanish fleet at the Battle of Trafalgar in 1805, capturing 21 enemy ships and destroying one without losing a single British ship, he was helped by knowledge of physics.

Students at Chernivtsy Lyceum No.1 in southwestern Ukraine learned that not during history classes, but from their 71-year-old physics teacher, Paul Pshenichka.

The gunners on the British ships were trained to aim their cannon fire at the waterlines of the French and Spanish ships, while their opponents aimed at the sails and rigging. While the French and Spanish gunners had bigger, easier targets to hit, the British fire tended to cause much more damage — if they could get their aim just right.

That's where the physics came in. "The British took Newton's formulas, and started to calculate the trajectory of the cannonballs," says Pshenichka.

Pshenichka, who has been teaching his subject for 47 years, has a host of other such facts about physics and its role in history. He is in love with his work and believes that knowledge of physics is necessary for any job, from aircraft designer, to moviemaker, to admiral of the fleet.

His efforts have now been recognized on a grand scale: On Oct. 7,



Paul Pshenichka receives "The Best Teacher Of the Year" award during the Global Teacher Prize Ukraine ceremony at Ivan Franko National Academic Drama Theater in Kyiv on Oct. 7. (Oleg Petrasjuk)

he won the first-ever Global Teacher Prize Ukraine competition, receiving Hr 100,000 and a trip to the Global Education and Skills Forum in Dubai, scheduled for March.

## Teachers also matter

The Global Teacher Prize Ukraine competition is an offshoot of an annual international award established in 2014 — the Global Teacher Prize. Teachers from more than 20 countries who work with children aged 5–18 years compete in that competition.

As a way to recognize and reward teaching excellence in Ukraine, the Ukrainian non-profit public association Osvitoria, in partnership

with the Ministry of Education and Science of Ukraine, launched a similar contest in Ukraine in 2017.

According to Osvitoria head Zoya Lytvyn, the motto of the contest is "Teachers also matter" since "in Ukraine, 82 percent of teachers are not satisfied with their social status."

"We want to popularize Ukrainian teachers and show the impact they have on society," she said.

In this year's inaugural competition, more than 600 Ukrainian teachers were nominated by themselves, students, colleagues or friends. Their teaching accomplishments were the most important factor.

The judges were: Ukraine's

Deputy Minister of Education Pavlo Hobzei; one of 2017 Global Teacher Prize winners from Kenya, Michael Vamaya; and 16-year-old international physics championship winner Roman Soletskyi.

Pshenichka nominated himself but didn't think he'd win, even though he has previously won such awards. In 2004, Pshenichka, along with three other teachers won a prize at the Intel International Science and Engineering Fair, held by U.S. tech company Intel Corporation.

"I received a call, and a man asked me in English whether I was sitting or standing," Pshenichka says.

"I was standing, so the voice said: 'You'd better sit down, because you've been named the best teacher in the world.'"

Soon after, Pshenichka went to the United States to give lectures on how to improve school systems and make lessons more appealing to students. The Massachusetts Institute of Technology also named 21389 Pshenichka — an asteroid discovered by the institute's Lincoln Laboratory — after the teacher.

## Asking questions

Pshenichka says that it's very important to teach students to ask questions.

"When I show them certain physics experiments, by the time I'm done I'll ask them whether they have any questions, and if it is a good question I will sometimes grant a student the

highest grade," he says.

He also believes that before teaching new rules, a student needs to see the practical side of a process. "When you learn to ride a bike, you are not instructed how to ride it, you just do it," he says.

## Starting a dialogue

When Pshenichka first started teaching 47 years ago, his students were only a couple of years younger than he was and sometimes did not take him seriously.

To earn their respect, he went hiking with them, taught them photography, demonstrated physics experiments, and eventually befriended them. His colleagues and students quickly become his second family.

Teachers are still confronting the same problems.

"When I was in Austria giving a lecture on optics, one young Austrian teacher asked me: 'How do you make students to listen to you?'" Pshenichka says. "I was talking about optics, yet people were interested in finding answers to the same old questions."

Pshenichka said a teacher has to come up with his or her own methods. The main trick, however, is to explain things, he said. According to Pshenichka, students have to understand why they are doing something during classes, and appreciate why knowledge of it will be useful.

"Only then will they take you seriously," he said. ■

# Ukrainian government, foreign aid help to rebuild war-torn Donbas

Sloviansk from page 12

20,000 people from separatist-controlled areas who were forced out of their homes in Russian-occupied areas have relocated to Kramatorsk.

The influx of internally displaced persons, local government workers (who moved from Russian-occupied Donetsk) and staff of international organizations has caused a mini boom in the local economy.

Goriun and Cherkasova won two grants worth a total of Hr 340,000 (\$12,800) from the United Nations Development Program in Ukraine, which they used to open their coffee shop.

"We were traveling across Ukraine and saw various cute shops and cafes. We thought the people of Sloviansk — especially young people — also needed places like that. When I was growing up in Sloviansk there wasn't much to do here," Cherkasova said.

In 2016, the UN granted about Hr 40 million (\$1.5 million) to more than 270 entrepreneurs from the government-controlled parts of Donetsk and Luhansk oblasts and those who had moved there from the Russian-occupied areas.

Overall, since Russia unleashed its war in Donbas in 2014, Ukrainian government has allocated \$3.6 billion from the state budget to rebuild the region, while international governments and foundations have transferred around \$890 billion for



An employee of Prosto Kava coffee shop in Sloviansk serves customers on Aug. 16. Prosto Kava opened in 2016, started by two locals on grant money from the United Nations in Ukraine, to help entrepreneurs thrive. (Volodymyr Petrov)

the purpose, according to Ukrainian Minister for Temporary Occupied Territories Vadym Chernysh.

Goriun said that they planned to open a shop with hand-made toys where visitors could also drink coffee, but switched their focus to coffee after Goriun took some barista courses in Kyiv.

The owners also wanted to make the second room in Prosto Kava an "anti-café," where visitors paid only for time spent there, but Goriun said that people in Sloviansk didn't like the idea. Instead, the second room is used to host handicraft workshops

for children, and to screen movies.

This summer, the two also opened an outdoor coffee spot in Shovkovychny Park, not far from the city center.

"Before the war, we didn't live for ourselves. We just did what we needed to do. After the war, everything changed, and we decided to do what really brings us joy," Cherkasova said.

## Barbershop duo

With new barbershops opening all across Ukraine, and Ivan and Marina Zhurba decided to follow the trend and open one in Sloviansk.

Inspired by barbershops in Lviv, the couple opened their first outlet, called Hardy, in their native city this spring.

"I didn't have a beard at that time, but my hair stood on end when I first entered a barbershop (in Lviv)," 38-year-old Ivan Zhurba told the Kyiv Post.

After they returned from Lviv in 2015, Marina Zhurba sold her car and rented premises in the city center, next to the closed Palace of Culture, which was damaged during the fighting in 2014. The couple completely refurbished the room, which now has stylish brick walls, leather sofas and an impressive bar with whiskey and other alcoholic beverages.

Zhurbas also hired students from the local college and sent them to study at a barbershop in Kharkiv, Ukraine's second-biggest city, located about 160 kilometers to the northwest of Sloviansk.

The couple said that many of local residents hadn't even been to barbershop before, so at first the Zhurbas gave them haircuts for free. Now they usually have around 10 clients per day.

Marina said that most of their clients were people who had moved to Sloviansk from other big cities, and who had already been to barbershops before.

"It's not just a hairdressing salon, but rather a men's club. People come here for a trim of their beard

and mustache and to communicate," Ivan said, adding that many of their clients drop by for a coffee or a glass of whiskey even when they don't need a haircut.

Ivan joked that they never run out of drinks, because most of their clients bring a bottle for them as a present.

Despite barbershops being considered to be "a man's place," the couple employs female hairdressers too. In fact, most of the hairdressers in Sloviansk are women.

"If a man wanted to become a hairdresser in Sloviansk, he would face various stereotypes. It's a problem in a provincial city that doesn't have a barbershop culture," Marina said.

The price of a haircut in Hardy is relatively low — Hr 150 or \$5. The couple said that the barbershop is still not profitable, because they spent a large amount of money on furniture and equipment. The family is supported by Ivan's main job at a local waste recycling company.

"Of course, it was easy for us to open, because we didn't have any competitors," Ivan said. "But we realized that if we didn't do our work well, we wouldn't have any clients."

"Now I think that if someone wants to open another barber shop in Sloviansk, it's going to be hard for them to compete with us," Ivan added, while pouring a glass of whiskey for his client. ■





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KfW, the German development bank, is recruiting a national Project Coordinator for its infrastructure programs in Ukraine. Within the framework of German-Ukrainian financial cooperation, KfW is consolidating and expanding its portfolio in the areas of, amongst others, urban water supply and sanitation, electricity transmission, and public transport. The Project Coordinator will report to the Director of the KfW office in Kyiv and work closely with the responsible Project Managers at KfW headquarters in Frankfurt am Main, Germany.

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- To provide organisational support to, and participate in, KfW missions visiting Ukraine.

**The required qualifications are:**

- University degree; specialization in an engineering- or an economics-related field with some practical understanding of the other sphere;
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# Lack of tax reform costs Ukraine billions each year

BY OLGA RUDENKO  
RUDENKO@KYIVPOST.COM

For a European nation of 42 million people, Ukraine's economy is remarkably small. According to some estimates, up to a third of it is in the shadows.

Ukraine collected Hr 650 billion, or \$26.5 billion, in taxes in 2016. But because of tax evasion and taxation policies, that number is \$13 billion too low, according to Finance Ministry estimates.

Making sure people and companies pay tax is the job of the State Fiscal Service, the state agency that oversees all tax and customs operations. But in its current condition — inefficient, corrupt and ill-reputed — the body is in no shape to close the tax gap.

So the Finance Ministry, which oversees the service, plans to reform it through cutting some jobs, filling the remaining positions with staff selected in a transparent competition, and transferring functions online.

If successful, the reformed fiscal service should not only collect taxes more effectively, but also inspire enough trust to make the public and businesses pay their taxes more willingly.

## Taking shape

The issue of reforming the State Fiscal Service has been on the

table since 2014. Some demands for changing the tax administration have been included in the memorandums signed by Ukraine and the International Monetary Fund.

But it wasn't until April that the first major changes came, with the Finance Ministry automatizing refunds of value-added tax, meaning that businesses no longer have to wait for months to have the money.

The ministry needs to have several more success stories like that, she says, to persuade the IMF and Ukrainian politicians that it is possible to reform the service. Now, there is no faith in it and therefore not much political support.

"They only want to support ideas that have a strong chance of coming to life," says Yana Bugrimova, an advisor to Finance Minister Oleksandr Danyliuk and the official overseeing the reform of the State Fiscal Service. "We need several small successes like the VAT refund case to get backing for fiscal service reform."

Meanwhile, plans for the reform of the service are finally taking shape. In September, the Finance Ministry and IMF outlined four areas for overhaul: online and phone services, tax audits, tax debts, and personnel.

## Go online

While it is impossible to completely remove the human factor from the tax and customs operations, corruption risks can be reduced, Bugrimova says.

The first step is to transfer more operations online. Today, 90 percent of the public's visits to tax offices concern 10 types of operations, nine of which could easily be performed online, according to Dmytro Kokhan, a Finance Ministry expert working on tax reforms.

Ideally, Kokhan says, only 20 percent of all the functions performed by the fiscal service should involve face-to-face contacts: the rest should



Yana Bugrimova, advisor to the finance minister, believes that the reform of the State Fiscal Service will take at least three to four years. (Oleg Petrasjuk)

be done online and through the service's call center. Today, 60 percent of all services are performed via face-to-face meetings with tax officers.

To reduce that number, the State Fiscal Service will move services online and increase the size of the call center: today, due to low capacity, only 50 percent of calls are answered.

## Fair audits

To make tax audits corruption-free and more efficient, the Finance Ministry wants to change the way businesses are selected for audit.

At the moment, a centralized algorithm assesses tax risks and determines which businesses should be audited. The names of the businesses are then sent to regional tax offices.

That's when things start going wrong.

As the number of candidates for audit is far above the capacity of the tax offices, inspectors select which ones to audit themselves, and can solicit bribes from companies to escape a tax inspection.

"We looked at Odesa Oblast," says

Kokhan, showing a recent report. "The tax risk simulator picked out 5,385 companies there for audit. The regional tax office started selecting, and got that number down to 285 companies — that's how much they can physically audit."

The plan is to improve the tax risk simulator so that it selects numbers of companies that can realistically be audited, leaving inspectors no opportunities to pick them themselves. A pilot project of the new system will start working in some regions within two months.

Remote audits, where an inspector doesn't show up at the company but instead analyzes its tax reports, can be partly automatized, say Bugrimova and Kokhan. That would decrease the inspectors' workload and again reduce the risk of corruption.

## Tax debts

Tax debts in Ukraine reached Hr 81.6 billion (\$3 billion) in September. Hr 12.5 billion of that is new debt that has accumulated since the beginning of 2017.

The tax office hasn't been effective

in collecting it. On the one hand, the tax inspectors lack freedom to solicit tax debts and need to rely on courts too much.

On the other hand, when it comes to debt soliciting, tax officials have been reluctant to apply even the limited authority they have.

The plan is to prioritize debtors who are still in business and whose debt is new, and to chase them actively. For this, a special unit needs to be organized within the tax office.

Staff shortages are part of the problem. In Ukraine, only 4 percent of tax officials are dedicated to debt soliciting, compared to 13 percent in other developed countries. Optimizing other operations could free up employees needed for the debt soliciting unit.

## People are key

New staff will be the cornerstone of the reform. Today, the tax office is so distrusted by the public that it both repulses taxpayers and feeds corruption.

Bugrimova believes that replacing the key employees with new people through transparent competitions will change the culture of the tax office. But it won't be easy.

"There is resistance to the reform coming from all the political forces," Bugrimova says. "It could be because some people paid to be appointed to certain positions and don't want to lose them."

With political elites not particularly fond of fiscal reform, the best hope is for the IMF to finally put it high on their agenda. While the reform has been a structural benchmark for the IMF, it's never been as high a priority as other issues.

That taken into account, the reform of the Fiscal Service will take at least three to four years.

"There is enough work here for us and for several governments to come," says Bugrimova. ■

## 10 steps to tax reform

1. Move many services online.
2. Increase call center capacity.
3. Develop a new IT structure.
4. Automatize remote tax audits.
5. Improve tax risk simulating system that selects businesses for audits.
6. Prioritize tax debtors.
7. Stimulate voluntary taxpaying.
8. Study employee satisfaction and the organization's culture.
9. Develop of non-monetary employee incentives.
10. Review staff distribution.

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