

POINTING YOUR BUSINESS IN THE RIGHT DIRECTION



Tel: 044 249 79 05

- Accounting outsourcing and IFRS
- Tax and Audit
- HR management
- Management consulting
- Legal services

www.ebskiev.com

FIRST TIME IN KYIV!

INTERNATIONAL BUSINESS SCHOOL "MINIBOSS"

STUDYING IN ENGLISH FOR KIDS AGED 6-15 YEARS

MINIBOSS'S 2015-16 APPLICATION IS NOW OPEN!

SUCCESS GUARANTEED!

ENTRY FOR AN INTERVIEW +380-97-683-10-92 16, S.Rustaveli St., Kyiv www.miniboss.org.ua, www.facebook.com/Miniboss.KIEV



SATURDAY STUDYING

KyivPost

20th Anniversary

SUBSCRIBE TO KYIV POST ONLINE. ONLY \$50 A YEAR.

WWW.KYIVPOST.COM

vol. 20, issue 37

INDEPENDENCE. COMMUNITY. TRUST

www.kyivpost.com

September 11, 2015

Past



Lithuanian President Dalia Grybauskaitė, ex-Ukrainian President Viktor Yanukovich and Yalta European Strategy founder Victor Pinchuk are among the participants who stand for a group photo at the 10th annual conference on Sept. 20, 2013, the last time the event took place in Crimea, which is now occupied by Russia following last year's military invasion of the peninsula. (AFP)

Yalta

European Strategy

Sept. 10-12, Kyiv Mystetskyi Arsenal

Future

Optimistic scenario

Welcome to YES-2040. Let's recall our success in joining the European Union 20 years ago, when Ukraine also reclaimed Crimea. This year's topics: Managing a booming economy, reinvesting budget surpluses and helping economic migrants attracted by Ukraine's prosperity.

Pessimistic scenario

Welcome to YES-2040. This year's topics: forming democratic institutions, reducing bureaucracy, fighting corruption, reviving the economy, getting Crimea back. We expect to achieve these goals by 2050.

Present



A woman walks past a wall with graffiti depicting Russia's President Vladimir Putin wearing a kimono in the Crimean port city of Yalta on Sept. 4. (AFP)



The spirit of optimism - year 2040



Victor Pinchuk

What will Ukraine look like in 2040? The optimistic scenario is of a democratic and prosperous Ukraine. The pessimistic one is of a nation still muddling through and struggling to find its way in the world.

Inside:

News → 2, 5, 10-18 | Opinion → 4
 Business → 6-9 | Lifestyle → 19-22
 Employment/Real Estate/Classifieds → 23

Follow the Kyiv Post on Facebook at www.facebook.com/KyivPost, and on Twitter at @KyivPost.

CURRENCY WATCH

Hr 23.3 to \$1

Sept. 10 market rate



4 820131 720013 3 7

Advertising: +380 44 591-7788 advertising@kyivpost.com

Subscriptions: +380 44 591-7788 subscribe@kyivpost.com

Editorial staff: +380 44 591-3344 news@kyivpost.com

The material published in the Kyiv Post may not be reproduced without the written consent of the publisher. All material in the Kyiv Post is protected by Ukrainian and international laws. The views expressed in the Kyiv Post are not necessarily the views of the publisher nor does the publisher carry any responsibility for those views.

Газета "Kyiv Post" видається ТОВ "Паблік-Медіа". Щотижневий наклад 11,000 прим. Ціна за домовленістю. Матеріали, надруковані в газеті "Kyiv Post" є власністю видавництва, захищені міжнародним та українським законодавством і не можуть бути відтворені у будь-якій формі без письмового дозволу Видавця. Думки, висловлені у дописах не завжди збігаються з поглядами видавця, який не бере на себе відповідальність за наслідки публікацій.

Засновник ТОВ "Паблік-Медіа"

Головний редактор Брайан Боннер

Відповідальний за випуск Наталія Бугайова

Адреса видавця та засновника

співпадають: Україна, м. Київ, 01004,

вул. Пушкінська, 31А, 6-й поверх.

Реєстраційне свідоцтво

Кв № 15261-3833ПР від 19.06.09.

Передплатний індекс ДП Преса 40528

Надруковано ТОВ «Новий друк»,

02660, Київ, вулиця Магнітогорська, 1,

тел.: 559-9147

Замовлення № 13-8040

З приводу розміщення реклами

звертайтеся: +380 44 591-77-88

Відповідальність за зміст реклами

несе замовник.

Mailing address:

Kyiv Post,
31A Pushkinska, Suite 600, 6th floor
Kyiv, Ukraine, 01004

Advertising

tel. +380 44 591-7788
fax +380 44 591-3345
advertising@kyivpost.com

Editorial staff

tel. +380 44 591-3344
fax +380 44 591-3345
news@kyivpost.com

Subscriptions&Distribution

tel. +380 44 591-7788
fax +380 44 591-3345
subscribe@kyivpost.com

Employment Advertising

tel. +380 44 591-3408
fax +380 44 591-3345
vasilko@kyivpost.com

Gaidar wants Odesa to be success story

BY OLEG SUKHOV
REAGANX84@GMAIL.COM

ODESA, Ukraine – Maria Gaidar's father, once the prime minister of Russia, dreamed of his country becoming a European-style democracy governed by the rule of law.

Over 20 years later, that dream is in tatters. Russia's liberal reforms of the 1990s, which were spearheaded by Yegor Gaidar, who died in 2009, have mostly been reversed by President Vladimir Putin's authoritarian regime. But his daughter has now found herself at the cutting edge of a movement to turn Ukraine into the kind of country that Russia has failed to become.

"I'm continuing Yegor Gaidar's cause in the sense that I'm committed to reforms and improving people's lives, even if it's difficult and unpopular," Gaidar, also the great-granddaughter of Soviet writer Arkady Gaidar, said in an interview with the Kyiv Post.

Since being appointed as an aide to Odesa Oblast Governor Mikheil Saakashvili in July, Gaidar has overseen efforts to make social services in the region more user-friendly, transparent and corruption-free.

But the nation still lacks a nationwide roadmap to improve social services, including health care, according to Gaidar. Every report from foreign organizations says that "health care reform in Ukraine has not even started," Gaidar said.

Health Minister Alexander Kvitashvili's reform envisages transferring drug purchases to international organizations, switching from funding based on the number of beds to financing based on the amount of services provided, and introducing electronic procurement.

In July, Kvitashvili offered to resign after being criticized for moving slowly on the plan, though he in turn blamed the delays on parliament. However, his resignation has yet to be approved.

Gaidar said that the measures included some necessary technical solutions but lacked a strategy for the future and a vision for how the healthcare system



Former Russian opposition leader Maria Gaidar, now an aide to Odesa Governor Mikheil Saakashvili, joins a human chain wearing vyshyvankas, traditional Ukrainian embroidered clothing, on Ukrainian Independence Day in Odesa on Aug. 24. (UNIAN)

will look like.

"I think it's quite dangerous not to answer these questions at the beginning," Gaidar said. "You can become hostage to technical solutions that would lead you to something that people don't want. I don't see where the health care system is going."

This contrasts with Russia, where a national health care model has been already chosen, Gaidar said. "There is a consensus there that they're building a universal health insurance model," she said.

Gaidar was a deputy governor of Russia's Kirov Oblast in 2009-2011 and an adviser to a Moscow deputy mayor in 2012-2013. She was in charge of social sector reform in both capacities. She has studied at Russian universities

and at Harvard, and until recently was a Russian opposition leader and critic of President Vladimir Putin.

Gaidar is proud of her work in Kirov Oblast, saying it had turned from one of the most backward regions in Russia in terms of social services into one of the most advanced ones in 2009-2011.

Russia has mostly scrapped the Soviet funding system on which Ukraine's still is based in favor of one based on the amount of services, according to Gaidar.

Another difference is that Ukraine spends very little on pharmaceuticals, with patients having to pay for drugs themselves.

But the upside in Ukraine is that there is demand for change, as opposed to Russia, where "most people want the

return of the Soviet Union," she said.

"Here, people are more ready for change and want this change, and they say 'give us an opportunity, remove obstacles, and we'll do everything ourselves,'" Gaidar added. "In Russia people believe in paternalism and think that the state should take care of everyone."

She said that the government "must become a conduit for people's wishes, open doors for them, and remove barriers."

But Ukrainian social services are non-transparent and chaotic, Gaidar said.

"Nobody can say what kind of free services the state should provide, where you can get these services, and how they should be funded," → 11

WHEN IT'S NOT JUST BOX

MOVE ONE

ukraine@moveoneinc.com
+38 044 369 30 77
moveoneinc.com

THE BEST WAY to reach the largest group of English-speaking Ukrainians

is to advertise in the

KyivPost

INDEPENDENCE. COMMUNITY. TRUST

Call the advertising department at 591 7788 or e-mail: advertising@kyivpost.com

AGS Worldwide movers, you deserve the best

International Moving & Storage

AGS, for moving with peace of mind

Safe, secure international and local removals, storage and archiving

AGS UKRAINE
Tel. : +380 44 502 39 23
manager-kiev@agsmovers.com
www.agsmovers.com

INTERDEAN RELOCATION SERVICES

THINKING RELOCATION? THINK INTERDEAN. "We make it easy"

Relocation | Immigration | Moving | Real Estate

Contact Interdean:
T: +38 (044) 576 7370
+38 (044) 384 2773
E: kiev@interdean.com

ISO FAIM FIDI IAM

www.interdean.com

GOT A NEWS TIP? QUESTION? COMPLAINT? SUGGESTION?

KyivPost

INDEPENDENCE. COMMUNITY. TRUST

Call the Kyiv Post editorial hotline at +38 044 591 3344 or e-mail: news@kyivpost.com

Advertisement



DEREGULATION IN THE PHARMACEUTICAL AND MEDICAL SECTORS OF UKRAINE. WHAT ARE THE REASONS FOR A DRAG?

While medical reforms that would change the health care system in Ukraine to make it patient-oriented are driven forward to seek relevant actions from the Ukrainian legislature, a number of deregulation issues, along with a number of merely critical issues related to medicinal and medical service quality and availability could be paid rather better attention from the side of the Government of Ukraine. That's what the Health Care Committee of the European Business Association (EBA HCC) highlights. The list of issues seeking solutions or practical implementation is rather long, with some of them being of utmost importance and unsolved for quite a long period, others emerging quite unexpectedly that recalls a period of 2011-2013 to the professional community.



GEORGIY VIKTOROV

Head of the EBA Health Care Committee and the Board Chairman

"At the moment we do not see that the long-awaited urgencies are 'completed' via clear decisions and their strong enforcement. Instead, we evidence a lack of political will for having some issues finally solved, with some of them dragging on for over one calendar year. A scope of bureaucratic instruments is applied right the same way it was applied in 2011-2013" — says Natalia Serhienko, EBA HCC Executive Director.

What are the reasons the system stays generally the same? What issues' solution could bring benefits for the health care?



ANGELA KUPYCH

Head of the EBA Registration Subcommittee

Simplification of the state registration for the EMA-registered medical drugs

Are there plans for the start of a period where the population of Ukraine will see a better access to the medical drugs, in general, and to the innovative treatment, in particular, via relevant deregulation actions?

The "cancellation of EU medicines' registration" declared by high government officials of Ukraine is rather forgotten now. However, it was an issue that added much popularity to the new regime of Ukraine. People who keep track of the health care regulatory tendencies could state for sure — there were no discrepancies between the health care legislative and executive powers in the end of December 2014-January 2015 which could prevent the advancing of the above-mentioned to make a better system a reality for Ukraine.

Notwithstanding the fact, this issue so frequently spoken about and generally supported by the professional community, has been rather put on a back burner.

Thus, the qualitative evidence-based treatment is still unavailable for our people, for there is a need of simplification of the EU medical drugs' path to Ukraine making them as available for the people of Ukraine as they have been available for the population of the European Community for years.

According to EBA HCC Head Georgiy Viktorov *"No political will seems to be the very reason of no movement in this issue to an extent that would go beyond the declarations, for the expert support used to be available from both the EBA HCC side and other stakeholders"*.



DEJAN NESIC

Elective Board member of the EBA Health Care Committee

Cancellation of "every-5-year-re-registration" of medical drugs

Unfortunately, it is still a question having no exact answer — when the pharmaceutical business will see the above-mentioned European practice in place in Ukraine? It is intended, inter alia, to bring a relief for patients by removing forever a situation at the market when a medical drug is withdrawn from the pharmacies over suddenly and made impossible for those with the prescribed treatments as a result.

While the necessary provision was enforced within the Law On Medicines, the sub-legislative act bringing this important and a long-awaited optimization of the registration process is still under inter-governmental consultations with "no exact finalization date" established publicly.

"The fact that it's been almost one calendar year for now that the issue is still not implemented in practice makes the EBA HCC member companies think that the Government machine doesn't operate effectively and is it evidently not that goal-oriented as it should have been" — says Angela Kupych, Head of the EBA HCC Registration Subcommittee.

At the same time, "no re-registration for Ukraine" was already reported to the general public by the health care authorities as an im-

plemented provision as far back as the beginning of 2015.

"Moreover — adds N.Serhienko — by legal terms, the provision of the law enabling unlimited re-registrations should have been practically operational since the day it was enforced, thus — 5 November 2014. Thus, companies get '5-year-re-registrations' instead of unlimited ones, as the system had stayed unchanged for over 9 months now. It would have been a fair decision that those re-registrations issued after 5.11.2014 are replaced with unlimited ones. An explanation from the state authorities for such a long protraction would be appreciated, bearing in mind that improvements in health care had been declared as one of the priorities".



NATALIA SERHIENKO

EBA Health Care Committee Executive Director

Import Licensing

The Working Group on the licensing terms for manufacturing, distribution and import of medical drugs, the legislative act that requires amendments and revision, will soon finalize its work.

It will make clarifications to a number of provisions making them more feasible and will introduce other postponements for those provisions that haven't proved to be feasible to date, based on a study of a correlation of a market model of 27 European countries and the one of Ukraine. These provisions cannot be replicated and operational simultaneously just by changing the wording.

"The working process to improve the licensing terms on the level of a sub-legislative act seems to go on. In case a number of provisions are not clarified and/or fully removed the system of medicinal provision in Ukraine can be much jeopardized. However, what would we think as an effective way to proceed with an issue is to reveal the full understanding of the very concept of the quality control of medical drugs in Ukraine and the health care authorities' plans in this regard, as a priority step" — states Georgiy Viktorov, the EBA HCC Head.

Since a so-called "attempt" of a replica of the EU legislation in import licensing was taken at the level of the Law of Ukraine in 2012, the import licensing, in its practical terms, could exist only in a form of re-signing the documents, already issued abroad, including the EU-issued, by Ukrainian residents entrusted with such a mission. However, no realistic basis for the Ukrainian market model transformation in full — meaning a sufficient network of laboratories to provide an importer with indispensable conditions for laboratory control and, simultaneously, cancellation of the state quality control regulation — proves that the import licensing legislation is currently ineffective and brings no reason at all. Thus, without any practical reason for the quality control procedures, this novelty, starting from March 2013 added nothing but complications to the regular activities of pharmaceutical market operators.

EBA HCC states that this issue evidently needs a full conceptual understanding by all stakeholders and market operators followed by a reasonable regulatory decision rather than proceeding to waste time, efforts and scarce resources of the health care authorities and the professional community for the development of an act of no practical reason for Ukraine. New provisions would just entail more headaches for the business activities impacting, inter alia, the final price for medical drugs, eventually.



ELIZAVETA VOLOBUEVA

Head of the EBA Medical Devices Subcommittee

Medical Devices' EU-issued Conformity Evaluation Certificates' Recognition

While there was some primary initiation of the deregulation process on the level of declarations in the Government of Ukraine towards, at least, the pharmaceuticals-related regulations, the unavailability of neither declaration no actions in the medical devices sphere demonstrates that allegedly, it doesn't need any changes.

In the meanwhile, the situation in the sphere is getting worse since the moment the transition from the system of registration of medical devices to the system of conformity evaluation (Technical Regulations, TRs) commenced. Eventually, the TRs came into obligatory force in Ukraine without any reasonable legislative conditions prepared to ensure the companies can pass through the new procedure smoothly.

The problem consists in a clear duplication of a new procedure settled out in the Technical Regulations in Ukraine for the importers who had already certified their products in the EU, for the TRs just replicate the EU Directives in the sphere.

Thus, the harmonization that is evidently needed for the Ukraine' domestic manufacturers to improve their export potentiality turns

out to be an obvious obstacle for the circulation of the high-tech imported medical devices in Ukraine, in particular, for those already certified by the EU bodies. With 80% of the medical devices market consisting of the imported products, a big number of companies find it difficult and irrational to proceed with supplies to Ukraine under the new duplicated conditions, for the neighbor countries propose a more attractive place for their business.

What happens at the moment? The companies with original certificates do not apply for the double certification in Ukraine making a risk of a gradual unavailability of medical devices for the population of Ukraine in the nearest year.

It is rather strange that the facts that a number manufacturers of high-tech medical equipment and devices, including orthopedic prostheses, cardio implants and others needed for surgery continue to revise plans not favouring the Ukrainian market doesn't seem to impact on the authorities.

The facts that potential investors would hardly see the reasons to invest into the medicine of Ukraine in case there is not a simple process in place to bring the highly technological equipment to hospitals doesn't bother them either.

As according to Elizaveta Volobueva, Head of the EBA HCC Medical Devices Subcommittee *"Unfortunately, this example demonstrates that the choice of providing the population of Ukraine with no due medical service further on, now that the reform of medical institutions is approaching, is just not a well-informed choice of the Government of Ukraine"*.

The EBA HCC expects more understanding in the issue from both the Ministry of Health and the Ministry of Economy and Trade as the major government decision-makers able to change the situation for the better.



KRZYSZTOF SIEDLECKI

Elective Board member of the EBA Health Care Committee

VAT 20%? No reimbursement?

An unexpected initiative from the Ministry of Finance within its draft Tax Reform presentation, delivered at the National Reforms Council, according to which VAT for medical drugs is 20% and medical devices — with no reimbursement for the tax-paying population.

It is notorious that there is no obligatory medical insurance in place in Ukraine, thus all Ukrainian people pay for both medical services and medical drugs/devices at their own expense. The EBA HCC reiterates about the need for reimbursement to the public over the coming years. However, the implementation of such a system in Ukraine that is operational for EU patients is subject to reforming the physical entities' taxation as a first step and is rather a far perspective.

Thus, VAT for medical drugs and medical devices in Ukraine makes up nothing but an additional financial burden for the population paying up the full final price for medicines insofar as they are able to do so, without having any support from the state.



SERHIY MYKHAYLOV

Head of the EBA Clinical Trials Subcommittee

At the moment VAT was established at the rate of 7% and, along with a recently introduced additional import tax and on the background of the UAH depreciation it added much to the final price for medicinal products, though the prices for medicines in foreign currency didn't change at all.

In case VAT is changed to 20%, with further UAH depreciation and potential resulting inflation tendency in mind, would patients be able to afford any treatments in Ukraine?

The EBA HCC calls on the Government of Ukraine to profoundly think over the prospective impact from the possible 20% VAT for these vital products. With 20% VAT and an additional import tax, no reimbursement, as well as no other possibilities provided by the state for even the seriously ill patients to get necessary treatment (for example, through expansion of patients' participation in clinical trials), the situation might deteriorate substantially, making sick people suffer a lot and bringing much tension to society.

The EBA HCC has appealed to the President of Ukraine about having a 0% VAT for medical drugs, medical devices and drugs supplied for clinical trials, as well as the cancellation of the import tax, given the current health care situation in the country.

Editorials

No surrender

French President Francois Hollande might as well build a replica of the armistice railway carriage in which France surrendered to Germany in 1940 to hold meetings in when Ukrainian President Petro Poroshenko visits Paris on Oct. 2 along with Russian President Vladimir Putin and German Chancellor Angela Merkel.

As soon as official Kyiv started reporting that fighting in eastern Ukraine had eased to its lowest levels since Russia's war started 18 months ago, Hollande decided to invite his three counterparts to Paris to discuss the Minsk truce.

Noting that the ceasefire has "almost been respected" in the Donbas, Hollande said: "I will ask for sanctions to be lifted" against Russia once local elections and decentralization reform is complete in Ukraine, the BBC reported on Sept. 7.

Despite Ukrainian military reports that enemy attacks have dropped to single-digit incidents over the past two weeks, international monitors on the ground are witnessing the opposite.

For example, a recent Organization for Security and Cooperation in Europe report stated that its monitors heard or saw 247 explosions and 15 separate shots fired on Sept. 8 in eastern Ukraine, classifying them as "ceasefire violations."

On the ground, Reuters on Sept. 9 reported witnessing a new military base being built near the Russian city of Belgorod, close to the border of Ukraine's Kharkiv Oblast. The huge base will house ammunition depots and barracks for several thousand soldiers.

The project suggests that the "Kremlin is digging in for a prolonged standoff with Kyiv," the news agency reported.

The news came a day after the UN said that the war's death toll has approached 8,000, a figure that the international institution cautions is "conservative." Russia continues to violate Ukraine's borders by sending convoys of vehicles that Kyiv says contains weapons and supplies for the Russian-separatist forces. Thirty-six illegal convoys have been sent across Ukraine's borders since August 2014, the latest one on Aug. 27, by the OSCE's count.

Thus, we see no evidence of Russia's willingness to comply with the truce deal. It has yet to start removing its soldiers and weapons from Ukraine's territory and it hasn't stopped building fortifications and other engineering obstacles near the front line.

Let's not forget why the West imposed sanctions on Russia in the first place: for annexing Crimea in March 2014. We would like to remind Hollande that until Russia starts to match actions with words, there should be no talk of removing the restrictive measures. Otherwise, he'd be surrendering – and persuading Poroshenko to as well – to Putin, in a war in which France isn't even a party.

Deadly harvest

As people in Kyiv enjoyed the hot weather of late summer and the pleasant early autumn sunshine, the war in the east could seem very far away.

Not so for one family in Volodarske near Mariupol, whose four-year-old child was killed on Aug. 24 after picking up an unexploded shell. Three other children aged from eight to 10 were severely wounded in the same incident.

And in an incident on Sept. 9, a 72-year-old pensioner was badly wounded when the hoe she was using while gardening struck a buried unexploded shell and set it off.

Unexploded ordinance and poorly marked or unmarked minefields can be found all along the line of contact between the warring sides in the Donbas. As the season for gathering crops approaches, Ukrainians risk reaping a deadly harvest of unexploded shells.

The massive amount of ammunition expended by Russian regular and proxy forces in the Donbas is also an under-reported piece of evidence of Russia's direct participation in the conflict in Ukraine. According to Ukrainian military sources, a single Russian artillery unit used 150 tons of ammunition in one day last February during the Russian army's assault on the town of Debaltseve.

Since it can be reasonably assumed that ammunition does not grow on trees in the Donbas, that huge amount of ordinance must have come from somewhere, and that somewhere was Russia. It is regularly supplied across Ukraine's open border with Russia in the Donbas - otherwise the Russian-separatist forces would have run out of bullets, and tank, artillery and mortar shells long ago.

A lot of that ammunition, having been long held in storage and being of poor quality manufacture in the first place, is dud. When fired, some shells impact the ground and bury themselves there without exploding.

But they can still be set off by an old woman hoeing the ground, or if they are picked up by a child. The recent incidents with the children and the old woman are a grim reminder that the war in Ukraine, even if the present ceasefire holds, will still be claiming lives for a long time to come.



NEWS ITEM: French President Francois Hollande said on Sept. 7 that since the "ceasefire has almost been respected" in eastern Ukraine, "I will ask for sanctions to be lifted" against Russia if local elections are held on Oct. 25 and decentralization reform is successful in Ukraine, BBC reported. In a telephone conversation on Sept. 9, Russian President Vladimir Putin, German Chancellor Angela Merkel, Ukrainian President Petro Poroshenko and Hollande agreed to meet in Paris to discuss the implementation of the Minsk II peace agreement, the Russian presidential press service reported.



NEWS ITEM: International Monetary Fund Managing Director Christine Lagarde visited Ukraine, meeting with President Petro Poroshenko on Sept. 6. Lagarde lauded the progress Ukraine's government has made toward stabilizing the Ukrainian economy. But while Lagarde is satisfied with the progress, many Ukrainians are dismayed with the lack of reforms and economic recession.

NEWS ITEM: Russian forces have begun participating in military operations in Syria in support of its government troops. While Russian authorities deny its military presence, soldiers posted dozens of photos in social media with geotags from Syria. The same position of Russian authorities was declared when first Russian soldiers appeared in Crimea to invade and annex Ukraine's peninsula.

KyivPost

INDEPENDENCE. COMMUNITY. TRUST
Mohammad Zahoor, Publisher
 Nataliya Bugayova, Chief Executive Officer
 Brian Bonner, Chief Editor

Editors: Euan MacDonald, Mark Rachkevych, Olga Rudenko
 Staff Writers: Mariana Antonovych, Olena Goncharova, Olena Gordienko, Oksana Grytsenko, Vlad Lavrov, Yuliana Romanyshyn, Bozhena Sheremeta, Daryna Shevchenko, Oleg Sukhov, Oksana Torhan, Nataliya Trach, Anna Yakutenko
 Photo Editor: Pavlo Podufalov. Photographers: Kostyantyn Chernichkin, Anastasia Vlasova
 Chief Designer: Vladyslav Zakharenko

Sales Director: Alyona Nevmerzhytska
 Sales Managers: Yulia Kovalenko, Elena Symonenko, Tatyana Vasilko
 Subscription Manager: Svitlana Kolesnikova
 Transport Manager: Mykola Andruska
 Chief Accountant: Galyna Rogachova
 Accountant: Vita Shvets
 IT Manager: Oleksiy Bondarchuk

To inquire about distribution of the Kyiv Post, please contact Svitlana Kolesnikova at subscribe@kyivpost.com or by phone at 591-3409

Feel strongly about an issue? Agree or disagree with editorial positions in this newspaper?

The Kyiv Post welcomes letters to the editors and opinion pieces, usually 800 to 1,000 words in length. Please email all correspondence to Brian Bonner chief editor, at bonner@kyivpost.com. All correspondence must include an email address and contact phone number for verification.

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 six key areas: economy & finance, security & defense, energy, rule of law, public administration and land. The following issues were in focus Aug. 15 – Sept. 11.

Overview

Parliament's autumn session began with tragedy on Aug. 31, as three National Guardsmen were killed in a grenade blast near the Verkhovna Rada after lawmakers gave preliminary approval to changes to the Constitution. Some claim the changes will lead to recognition of Russia's proxies in occupied Donbas. One of the junior partners, the Radical Party, left the governing coalition because of the vote. Parliament also approved other important bills like on e-commerce, media ownership and road-repair financing.

1

Economy & Finance

International Monetary Fund chief Christine Lagarde praised the government during a visit to Kyiv for avoiding default by reaching a debt restructuring deal with foreign private bondholders. The deal included a 20 percent write-down on the nominal value of the bonds, reducing Ukraine's debt burden by some \$4 billion.

Russia, which is owed \$3 billion in eurobonds by Ukraine, insisted that these bonds weren't part of the deal and threatened to obstruct further IMF lending to Ukraine if the bonds weren't serviced when they mature on Dec. 20.

A group of holders of Ukraine's shortest sovereign bonds, maturing on Sept. 23 and Oct. 13, want to block the restructuring deal, Bloomberg reported. Holding less than 5 percent of Ukraine's debt, the holders say the deal discriminates against them. The current deal split all the sovereign bonds maturing 2015 to 2023 into an equal set of nine new bonds that mature between 2019 and 2026.

According to Kyiv-based investment house Concorde Capital, the amount outstanding of the two shortest eurobonds is \$1.17 billion or 6.5 percent of the total sovereign eurobonds that are going to be restructured.

After the restructuring deal, the government decided on Aug. 31 to use the fiscal breathing space to raise salaries and pensions from Sept. 1, coming ahead of local elections on Oct. 25. The minimal post-taxation monthly salary will now be Hr 1,378 (\$63), compared to Hr 1,218. Critics said the 13 percent raise was insufficient.

Finance Minister Natalie Jaresko has been pushing for a comprehensive reform of the tax code in order to close the gap between taxation of various types of income. In particular, she wants to eliminate the discrepancy between the high tax burden on hired labor, and the low tax revenues from entrepreneurial activities. Jaresko proposed a 20 percent rate for payroll tax, value-added tax and personal and corporate income tax.

The parliamentary tax committee, however, wants more radical measures. To attract investors, committee head Nina Yuzhanina proposed to reduce value-added tax and corporate income tax to 15 percent instead of 20 percent and 18 percent, respectively; reduce personal income tax to 10 percent (currently, 15 or 20 percent), and payroll tax to 20 percent (currently 36 to 40 percent).

NEWS ITEM: Meeting with International Monetary Fund Managing Director Christine Lagarde on Sept. 6, President Petro Poroshenko emphasized his determination to eliminate corruption in Ukraine. "My priorities in the course of reforms are ruthless struggle against corruption," he says. Many Ukrainians would call the struggle toothless.



2

Rule Of Law

Ukraine on Sept. 8 accepted the jurisdiction of the International Criminal Court for prosecution of international crimes committed in Ukraine since February 2014. Foreign Minister Pavlo Klimkin described Kyiv's recognition of the court's jurisdiction as an "historic moment," fulfilling Ukraine's "moral responsibility." However, Kyiv has yet to ratify the ICC's founding Rome Statute, which would grant the court full authority in Ukraine in cases that fall under its mandate, including genocide, crimes against humanity, war crimes, and crimes of aggression.

A competitive process of selecting 700 local prosecutor jobs began throughout the country on Sept. 5. In this first wave of hiring, 6,000 candidates, 60 percent of whom have never worked as prosecutors before, undergo vetting. Meanwhile, 50 civic organizations will monitor the integrity of the process, according to President Petro Poroshenko. A total of 639 regional, interregional and local prosecutor's offices are to be consolidated into 178 local offices, and 2,250 managing positions reduced to 700 as a part of the reform.

The Constitutional Commission on Sept. 4 approved two competing draft bills of constitutional changes in the judiciary and submitted them to the Venice Commission. Notably, the president has backed the more radical of the two bills, which was drafted by the Reanimation Package of Reforms civic initiative. While the moderate proposals include vetting the nation's existing corps of judges, the new proposal envisages a complete overhaul of the judicial pool with open competitions for jobs.

Earlier, on July 24, the EU's Venice Commission called the changes "an important step forward towards the establishment of a truly independent judicial system." However, it also criticized the exclusion of parliament from the process of electing members of the High Council of Justice, a key judicial body that hires, fires and disciplines judges. It also is opposed to the president having the right to dismiss judges.

Meanwhile, the disciplinary commission of the Higher Council of Justice on Aug. 27 opened proceedings against 19 judges for hearing cases against protesters during the EuroMaidan Revolution.

And on Aug. 26, Ukraine's government filed a fourth claim against the Russian Federation in the European Court of Human Rights. Most of the claim concerns judicial abuses against filmmaker Oleh Sentsov and other Ukrainian citizens, "held hostages by the Russian Federation and illegally sentenced by 'pocket' Russian courts," said Ukrainian Justice Minister Pavlo Petrenko.

Earlier, on Aug. 25, Poroshenko approved a national strategy that aims to improve the protection of human rights.

3

Security & Defense

The National Security and Defense Council will review military spending in the 2016 state budget. "We have to ensure there is increased financial support of Ukrainian soldiers," Poroshenko said at a government meeting on Sept. 8, noting that the nation's military budget is "40 times smaller than the aggressor state (Russia's)." In view of Russia's ongoing war against Ukraine, parliament on Aug. 31 scrapped an agreement on industrial and scientific cooperation between the defense enterprises of the two countries.

On Aug. 25, Ukraine's Defense Ministry finalized a military doctrine and a five-year defense program for the development of weapons and military equipment of Ukraine's Armed Forces. The new doctrine declares Russia a "military opponent."



Ukrainian Prime Minister Arseniy Yatsenyuk (C) and Ukrainian Finance Minister Natalie Jaresko (R) speaking with the managing director of the International Monetary Fund Christine Lagarde during their meeting on Sept. 6 in Kyiv. (AFP/Prime Minister's Press Service - Andrew Kravchenko)

4

Public Administration

The Justice Ministry tops the ranking of reformist executive bodies, according to the Cabinet of Ministers. It has executed 63 percent of the government's action plan adopted on Dec. 11. The ecology and energy ministries were at the bottom, only fulfilling 4 percent and 14 percent of the action plan, respectively.

Deregulation of freight processing procedures took effect in the country's seaports on Sept. 8. The number of vessel inspections has been reduced and an electronic system was introduced to simplify freight registration and cut the opportunities for corrupt officials to extort bribes.

The reforms, initiated by the Infrastructure Ministry, are expected to save the country at least Hr 5 billion yearly.

Parliament on Sept. 3 passed a transparent media ownership bill that was recommended by the Council of Europe. The public can now link the ownership of media with their editorial policies. Moreover, Russian citizens are barred from owning online media outlets in Ukraine.

Via the passage of the law on e-commerce, parliament has now ensured that deals completed electronically have the same status as paper deals and purchase contracts.

According to changes that parliament made to the tax code on Sept. 3, three of Ukraine's westernmost oblasts will now be able to channel surplus funds from customs revenues into much-needed road repairs and improvements. However, the new funding method will only kick in if Volyn, Odesa or Lviv oblasts manage stamp out customs cor-

ruption and collect more funds than projected in the budget.

The State Treasury of Ukraine has made information on enforcement of court decisions public. It can be accessed at: <http://www.treasury.gov.ua/main/uk/docsearch/list>.

The Cabinet of Ministers on Aug. 26 reduced the number of licensing bodies from 33 to 26.

Starting from Aug. 21, the State Intellectual Property Service of Ukraine opened up online access to information on trademark applications, which will be updated on a daily basis. This will allow trademark owners to monitor applications that might violate their intellectual property rights, and to block their registration through appeal procedures, according to Alla Zharinova, the head of the Intellectual Property Service.

5

Energy

Ukraine's Naftogaz will receive \$300 million to purchase natural gas for the winter from the European Bank for Reconstruction and Development and International Finance Corporation. EBRD will lend \$300 million in the next few weeks, the financial institution announced, while IFC will lend the remainder, according to central bank governor Valeria Gontareva.

Ukraine had 14.9 billion cubic meters of gas in storage as of Sept. 9, 1.1 billion cubic meters less than a year ago. Ukraine's desired pre-winter level of stored gas is 17-18 billion cubic meters. "Naftogaz may still succeed in offsetting the shortage" when factoring in the financing from EBRD and IFC, Dragon Capital wrote in an emailed note on Sept. 10.

Kyiv Post editor Mark Rachkevych contributed to this report.

By Johannes Wamberg Andersen and Mariana Antonovych

EBRD remains a believer in Ukrainian investment

BY MARIANA ANTONOVYCH
ANTONOVYCH@KYIVPOST.COM

Despite war and recession, the European Bank of Reconstruction and Development sees value in Ukrainian assets and continues to invest. The EBRD, a multinational investment agency, is Ukraine's single largest investor with a portfolio of €5.1 billion and involvement in 344 projects, ranging from agriculture to energy and high technology.

The bank has pumped in an average of €988 million in investments over the last six years.

A major sector is agriculture, well on target to reach last year's figure of €250 million, EBRD director in Ukraine Sevki Acuner said. Agriculture accounted for 20 percent of EBRD's 2014 portfolio last year.

Nibulon, a producer and trader of grain and oilseeds, became the latest borrower last month when the London-based lender arranged a \$130 million syndicated loan for the Ukrainian grower, contributing \$45 million from its own account.

"I expect a very strong performance this year," Acuner said.

EBRD is also looking to close a deal with two information technology firms.



A Nibulon transshipment grain and oil seed terminal in Mykolayiv. The agribusiness, with more than 82,000 hectares of farmland, sells grain and oil seeds directly to buyers in 64 countries. The European Bank of Reconstruction and Development secured a \$130 million syndicated loan for Nibulon last month, contributing \$45 million of its own money. (Ukrinform)



European Bank and Reconstruction Development director in Ukraine Sevki Acuner. (UNIAN)

Acuner said one deal may involve equity and that the company "sells a very competitive service over the Internet... to industrial users" globally. He noted that it would be the "biggest IT deal in the history of EBRD in Ukraine... we want to capitalize and demonstrate to investors that we support such investments."

Ukraine's state-owned Naftogaz will get a \$300 million loan soon, according to Acuner, to purchase natural gas on the European market as winter nears.

Four to five municipal infrastructure projects should also conclude this year. "We're doing roads and trams in Lviv, trolleybuses in Odesa," and a heating project in Chernivtsi, the Turkish bank-

er added.

When Ukraine decides to auction the 300 state-owned enterprises for sale, EBRD will be involved. "We're looking at post- or acquisition privatization-related financing...we could look at a few of these assets together with a strategic investor to support it," Acuner said.

Ukraine had planned to fill state coffers with Hr 17 billion in proceeds from privatization this year. That target has since been reduced to Hr 1 billion, according to State Property Fund manager Ihor Bilous.

Ukraine postponed privatization to let parliament in September cancel the requirement to sell 5-10 percent stakes before the state can offer a controlling

stake in an asset. The change is necessary to prevent minority stakeholders from "thwarting other potential bidders" and capturing the asset at a much lower price, Acuner said. "From that perspective alone the new approach is much better."

Some prized assets Ukraine is looking to sell next year includes the Odesa Portside Plant, a huge fertilizer producer that exports up to 90 percent of its output. Another one is Centrenergo, the nation's second largest thermal energy company.

"Privatization has the potential that it would represent the spark that is needed for economic recovery," Acuner added.

Renewed lending to producers of

goods and services would help, he said. But that will only come once banks strengthen – currently the minimum capital adequacy ratio is set at 10 percent, with further equity injections needed. That will come only once Ukrainians "clean out" the banking sector and weed out the legacy of third-party lending at so-called "pocket banks," the banker said.

Although the central bank has liquidated 44 banks since 2014, Ukraine still has too many banks. "You cannot have hundreds of banks," Acuner said. "You gotta have a much more consolidated...banking system."

Entrepreneurs are still waiting for macroeconomic conditions to improve, the rule of law to prevail and the cost of financing to be reasonable, he said. "It's difficult to imagine the cost of borrowing at 25-30 percent; it is an irrational proposal to borrow money unless you're desperate to run your business," Acuner said.

He sees positive trends that could eventually restore trust in the hryvnia – which declined by more than 60 percent versus the dollar since the start of 2014 – after Ukraine secured a 20 percent write-down on \$18 billion of its bonds in late August.

If Russia's war in the east is contained and the "present trend of macro-reforms and privatization that we talked about can be properly executed...then it is by definition that people will start investing," the banker said.

Corrupt practices "must not be tolerated," he added. Acuner said the government is trying to combat graft structurally and aligning the country with Western, competitive democratic values.

"When you've taken over a complete wreck and mess literally ... people should give a little benefit of time to get this coherence in place," Acuner said.

The Kyiv Post's legal affairs reporter Mariana Antonovych can be reached at antonovych@kyivpost.com. Editor Mark Rachkevych contributed to this report.

In Partnership with

itera
MAKE A DIFFERENCE

NUCC
NORWEGIAN-UKRAINIAN
CHAMBER OF COMMERCE

Coming in the Sept. 18 edition of the Kyiv Post

WORLD IN UKRAINE: NORWAY



Please contact us at advertising@kyivpost.com or call +38044 591-7788

IT INDUSTRY:

SAVING UKRAINIAN ECONOMY & TALENT



STRONG AND STABLE GROWTH

GREAT POTENTIAL FOR FURTHER DEVELOPMENT



IT IS UKRAINIAN MIDDLE CLASS



74,000

professionals in IT in 2015

180,000

forecasted growth by 2020!

27 years

Average age

up to \$1.5B

per year spent in Ukraine

3-4 jobs

per IT specialist created in other industries

\$1.5B

IT services export in 2014

49%

CAGR³ of IT export over last 10 years

\$2.4B

share in GDP 2015

\$7.7B

cash flows can be generated by 2020

15,000

new highly paid jobs annually

HIGH DEMAND

for IT experts in the world

900,000

ICT vacancies may go unfilled in EU

TOP 3

Ukraine is in TOP 3 in Europe by IT market/talent pool

15000+

graduates from universities in IT related fields per year

7000+

graduates from IT independent educational initiatives

BIG TAX PAYERS

\$65M

taxes paid by IT professionals in 2014¹

\$490M

Tax levies can grow in 2020!²

Export oriented **IT companies** provide services to **Banking, Automotive, Healthcare, Telecom, Aerospace** and other industries. They serve as a **source for gaining world class knowledge** and experience, **developing Product Delivery expertise**, which can further be applied in **Ukrainian start-ups and e-government initiatives**



RELIABLE TAX-PAYER

FUNDAMENTAL PART OF HIGH-TECH ECO-SYSTEM



¹ – as private entrepreneurs, according to Tax Service of Ukraine

² – according to scenario for private entrepreneurs income tax gradual increase to 10% by 2020

³ – Compound Annual Growth Rate, annual growth rate of an investment over a specified period of time longer than one year

Privatization needed to lift burden from budget

BY OLENA GORDIENKO
GORDIENKO@KYIVPOST.COM

Does the state have to produce fertilizer and breed horses at taxpayers' expense? Common sense and the Economy Ministry strongly suggest the answer is no.

"I think Ukraine's history shows that when enterprises are in state ownership there is a significant room for mismanagement, inefficient management and other things that we all learned to experience," Sevki Acuner, director of the European Bank for Reconstruction and Development in Ukraine told the Kyiv Post on Aug. 31. "And that really brought Ukraine to an economic impasse that it faced in the end of last year."

Selling state companies would mean much more than the Hr 30 billion (\$1.4 billion) in revenue the state plans to receive.

The sale would end the bleeding of state enterprises via subsidies that get eaten up by mismanagement and corruption.

In 2014, the 30 biggest state enterprises incurred Hr 100 billion in losses (\$4.5 billion), having received Hr 13 billion in subsidies (\$0.59 billion) and having transferred only Hr 1.2 billion (\$54.5 million) to the budget in dividends.

Fourteen state horse breeding entities that occupy 40,000 hectares of land brought annual losses of \$10 million.

"Their privatization will help reduce budget expenditure, attract foreign direct investments, combat corruption schemes and create equal conditions for all market players," the Economy Ministry said in an Aug. 18 statement.

In addition to official losses, managers of state companies have been feeding on corrupt schemes for years. Only last month the Economy Ministry discovered that 250,000 tons of grain



State-owned fertilizer producer Odesa Portside Plant last year brought the state Hr 270 million (\$12.3 million) in losses. It is the first big asset slated for privatization in 2016 once parliament adopts new measures. (UNIAN)

is missing in the State Reserve, costing Hr 800 million (\$36.4 million), according to Liga news agency.

An inspection in July of the State Grain Corporation revealed around \$55.2 million in losses that the company caused to the state in 2013-2014. Meanwhile, the artificially bankrupted "Khib Ukrainy" (Bread of Ukraine) cost over Hr 500 million (\$22.7 million) in stolen assets at market prices since 2006. In total the Agriculture Ministry

has revealed embezzlements of Hr 9 billion (more than \$400 million). On Sept. 9, RBK Ukraina news agency published a contract purportedly between state-owned Elektrovazhmash and an offshore entity showing that the heavy machinery producer lost \$1.6 million in the deal.

As soon as parliament adopts changes to the privatization law, the State Property Fund will start the new wave of privatization of state enterprises,

with plans to receive up to \$1.4 billion in 2016.

Privatization could also go more smoothly if every government body involved did their part, head of the State Property Fund Ihor Bilous said in a Sept. 7 briefing.

Out of 302 state enterprises designated for privatization 174 are controlled by ministries, of which only seven have been already transferred to the State Property Fund for actual sale.

"The ministries should better transfer the assets to the fund and we will try to sell those under transparent procedures. Currently it's moving quite slow," Bilous said.

The Odesa Portside Plant is the first big asset slated for privatization in 2016 under new procedures.

"Success of further privatization will depend on the result of this sale and

the (sale) process itself," Abromavicius tweeted on Aug. 19. Centrenergo, Ukraine's second largest thermal power plant, will follow after the heating season next year.

There are already ten investors interested in Odesa plant and at least five of them will register for the auction, Bilous believes. The plant's value was earlier assessed at \$1 billion according to Prime Minister Arseniy Yatsenyuk.

The port's privatization was postponed to let parliament this month cancel the requirement to sell 5-10 percent stakes before the state can offer a controlling stake in an asset.

"Historically, five percent was thrown at the market allegedly to define the price of a majority stake. This was an instrument of manipulation and even raiding," Abromavicius wrote on Aug. 19.

The new legislation will ban companies in which the state has a 25 percent or more stake from participating in auctions. It also bans offshore-registered and Russian firms from privatizing companies. The buyer will also have to undergo financial monitoring as well as an inspection by the anti-trust agency and State Security Service.

Every entity will also be sold with mediation by a financial advisor or investment bank and potential buyers will have to pay a deposit of 20 percent of the deal to participate in the auction.

Bilous plans to also sell some minor assets by year-end. They include President Hotel and some industrial companies like the Sumykhimprom chemical plant. These sales can bring up to Hr 1 billion (\$46 million).

The U.S. Agency for International Development has offered \$5-\$7 million financial support to the State Property Fund for due diligence, data room creation and production of quality analytical materials on each of the big companies for privatization.

Preparation might cost up to \$1 million for a big enterprise like Centrenergo. Such a rigorous approach would allow for a "different quality of privatization and increased awareness of investors," Bilous said.

Kyiv Post staff writer Olena Gordienko can be reached at gordienko@kyivpost.com

Coming in the **Sept. 25** edition of the Kyiv Post

AIRFRANCE **KLM**
PARTENAIRES OFFICIELS OFFICIAL PARTNERS

WORLD IN UKRAINE: BRAZIL

Please contact us at advertising@kyivpost.com or call +38044 591-7788

Performance of enterprises slated for privatization

	Assets, Hr	Net profit, Hr (2014)
Ukrzaliznytsia state railway	245 billion	-8.2 billion*
Naftogaz	221.8 billion	-80.1 billion
Odesa Portside Plant	8.8 billion	-270 million
Centrenergo	5.3 billion	71 million
Yuzhnyi Port	2.5 billion	384 million
Konyarstvo Ukrainy (Horse breeding plant)	47.5 million	-6.8 million*
President Hotel	150 million	7.8 million
Ukrspyrnt	6.6 billion	-99 million
Sumykhimprom	N/A	-99 million

*for first nine months of 2014

Source: Ministry of Economic Development and Trade of Ukraine. companies' financial statements, Ukrainska Pravda

Ukraine sees breakthrough as China opens trade association

BY ILYA TIMTCHENKO
TIMTCHENKO@KYIVPOST.COM

Champagne-filled glasses and a full-band orchestra playing Chinese and Ukrainian folk music provided an upbeat opening to the Chinese Commerce Association in Ukraine on Sept. 7 at Kyiv's President Hotel.

Like other chambers of commerce, the association aims to promote Chinese business in Ukraine as well as bilateral trade. China is Ukraine's second-largest single trading partner after Russia, with \$8.6 billion of commerce last year. Eight percent of Ukraine's exports go to China, whereas 10 percent of the country's imports come from its Asian partner.

"This is another window for Ukraine and Chinese businesses," Deputy Prime Minister Hennadiy Zubko said at the opening ceremony. "The opening of the China Commerce Association is viewed by us as an opportunity for investment in Ukraine, as well as the possibility to export Ukrainian goods to China."

Weijian Zhou, the president of the association and general manager of electronics firm Lenovo Ukraine, talked up Ukraine's prospects in front of a capacity audience at the ceremony.

"Today is a very important day in the development of Ukrainian-Chinese trade relations," Zhou said. "We want to demonstrate our wish for long-term development in the Ukrainian market, and we're confident in Ukraine's future and the future of the Ukrainian people."

China's ambassador to Ukraine, Zhang Xiyun, said more could be done to increase trade between Ukraine and China, which is the world's second largest economy, with a GDP of \$11 trillion.

One way would be to include Ukraine in China's Silk Road Economic Belt, an initiative spearheaded by Chinese President Xi Jinping. The project foresees connecting China with Europe, the Middle East and Africa via upgraded infrastructure and free trade zones.

"Geographically, Ukraine is posi-



China's Ambassador to Ukraine Zhang Xiyun (R) and Deputy Prime Minister Hennadiy Zubko shake hands at the opening ceremony of the Chinese Commerce Association in Kyiv on Sept. 7. (Courtesy)

tioned very fortuitously," Xiyun said. "We're offering the initiatives of the Silk Road Economic Path."

No Chinese company has left the Ukrainian market in the past year, and more are expected to enter, the association's president told the Kyiv Post in an interview on Sept. 7.

"Certainly relations are going to improve," Zhou said.

To deepen cooperation, the association signed a partnership agreement with the Ukrainian Chamber of Commerce at the event. As their first mutual project, the two entities will hold a forum on the Silk Road project at the end of September.

"For us this is a very important sign that China sees and views Ukraine as an important economic and strategic partner," Ukrainian Chamber of Commerce President Gennadiy Chyzhykov said.

China has provided Ukraine with two loans totaling \$6.6 billion since 2012. One was a \$3 billion loan-for-corn deal and the other was a credit line in 2014 to state-owned Naftogaz to finance natural gas and coal projects.

And on March 26, Ukraine signed a \$15 billion memorandum of understanding with China's CITIC Construction firm to build affordable housing at a minimal interest rate over

15 years.

China is still waiting for more clarity from Ukraine's Energy Ministry on how it wants to approach energy projects, with the aim of substituting gas with coal using Chinese technologies.

These new realities include Russia's war against Ukraine, which has claimed 8,000 lives and caused billions of dollars of damage to infrastructure and industry.

When the Kyiv Post asked the ambassador if China needs to pick between Russia or Ukraine for economic cooperation, the ambassador replied that "China is China – choose us."

Apart from electronics firm Lenovo,

the other association co-founders are: Huawei Technologies, Sany Heavy Machinery, polyester staple fiber producer Eko-VTOR and engineering company CCEC-Ukraine.

Five people sit on the trade association's board of directors, and 15 members have joined so far, including Canadian, Ukrainian and Chinese businesses from such industries as information technology, agriculture, energy and transportation. Only two people have permanent jobs at the association, but it is looking to hire more people.

Kyiv Post staff writer Ilya Timchenko can be reached at timtchenko@kyivpost.com.

Ukrainian Catholic University
LvBS
Lviv Business School

MISSION IMPOSSIBLE?

New Program for owners and top managers of Ukraine's most ambitious companies from the world's leading business thinker **Adrian Slywotzky**

📅 Sep29 – Oct 2

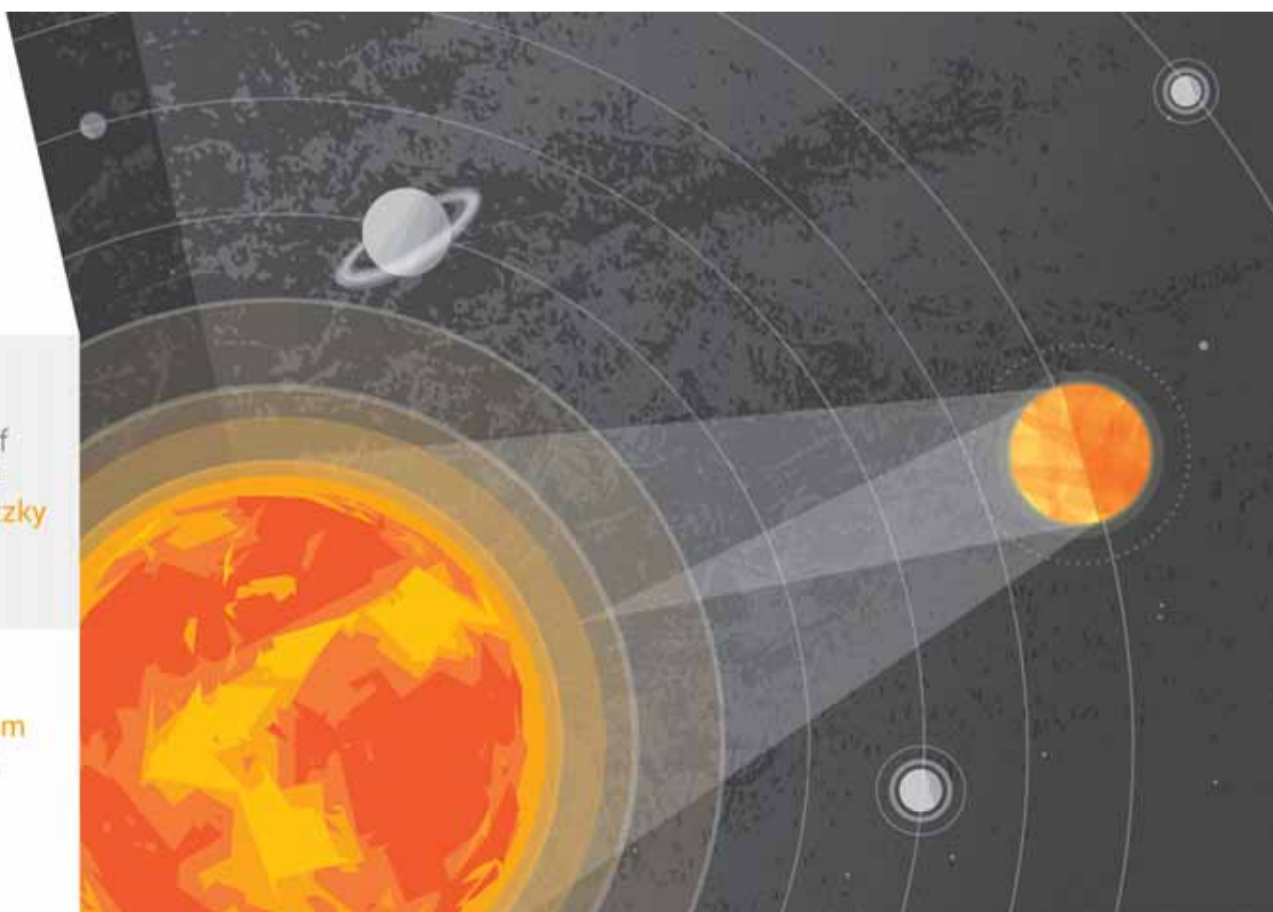
📍 Paris, France

DISCOVERY!

International Leadership Development Program
Make Leadership Your Competitive Advantage

📅 Start Date: October, 2015

📍 Lviv



Fact-checking Saakashvili: Claims true – up to a point

BY ALYONA ZHUK
ZHUK@KYIVPOST.COM

Odesa Oblast Governor Mikheil Saakashvili on Sept. 3 lashed out at Ukrainian Prime Minister Arseniy Yatsenyuk and the government he leads in an interview with Channel 5, owned by President Petro Poroshenko.

The former Georgian president accused the Cabinet of Ministers and Yatsenyuk personally of sabotaging reforms and lobbying for oligarchs' interests.

In three more specific claims, Saakashvili accused the Cabinet of protecting the head of the State Aviation Service, whom he said had taken decisions in favor of billionaire Igor Kolomoisky's Ukraine International Airlines. He then accused the government of blocking Economic Development and Trade Minister Aivaras Abromavicius' attempts to dismiss the heads of two state enterprises. And last, he alleged the Cabinet had foiled his plans to reform Odesa's notoriously corrupt customs service.

Yatsenyuk countered on Sept. 4 that Saakashvili's accusations were unfounded and claimed that the Cabinet had approved the governor's requests.

"We are all in one team here. I understand his emotions because he bears all the responsibility for Odesa Oblast," Yatsenyuk said. "But it is inappropriate for an ex-president to bring unfounded charges against the government."

The Kyiv Post decided to dig deeper into four of Saakashvili's claims, and see if there was any substance to them.

Claim 1: The Yatsenyuk Cabinet has protected the head of the State Aviation Service.

The Facts: On June 27, Poroshenko announced that Denys Antonyuk, head of the State Aviation Service, had been suspended after Saakashvili accused him of taking decisions in favor of billionaire Igor Kolomoisky's Ukraine International Airlines. Before his

appointment in March 2014, Antonyuk had worked for 17 years at UIA rising to director of network development and alliances at the airlines.

But according to Saakashvili, Antonyuk was soon back in his job.

"Antonyuk has emerged again; he's back in his office!" Saakashvili said angrily in his interview with Channel 5. "The infrastructure minister asked (Yatsenyuk) to review his report – a well-written report about Antonyuk's violations. But Yatsenyuk refused to review it, giving made-up excuses."

Natalya Terletska, the aviation service's press secretary, confirmed to Ukrainian Channel 24 on Sept. 1 that Antonyuk had indeed been reinstated after an internal investigation was completed.

But then Infrastructure Minister Andriy Pyvovarsky, who oversees the State Aviation Service, reported on Sept. 4 – the day after Saakashvili's interview – that the Cabinet had now dismissed Antonyuk, that the decision was final, and that the government "followed the whole procedure."

The Verdict: True

Claim 2: The Cabinet is blocking attempts to dismiss the heads of some state enterprises.

The Facts: According to Saakashvili, Economy Minister Aivaras Abromavicius hasn't been able to dismiss the heads of certain state enterprises for a month.

One of the enterprises in question is the United Mining and Chemical Company. Abromavicius wrote on his Twitter page on Sept. 2 that two weeks earlier he had asked the company's head to resign.

But company head Ruslan Zhurylo denied this the next day. The company's press service also said that the minister's statement was an attempt to take control over "a company with a big cash flow."

According to Saakashvili, the person effectively in control of the company is Mykola Martynenko, a Ukrainian lawmaker from Yatsenyuk's People's Front



Former Georgian President Mikheil Saakashvili, now governor of Ukraine's Odesa Oblast, lashed out at Prime Minister Arseniy Yatsenyuk and his Cabinet, saying that they are sabotaging reforms. The picture was taken at his press briefing in Kyiv on July 23. (UNIAN)

faction in parliament.

Martynenko's press service told the Kyiv Post that an attempt to link the lawmaker's name to the scandal was "just another informational attack made with the aim of discrediting him."

Although political analyst Taras Berezovets told the Kyiv Post that he couldn't say whether Martynenko was actually connected to this particular situation, he said that "Martynenko has been damaging the Cabinet's image for a long time."

The Verdict: True – technically. But while the head of at least one enterprise is indeed still in his job, the Kyiv Post couldn't find proof that the reason was because of cronyism among Yatsenyuk's political allies.

Claim 3: The Yatsenyuk Cabinet is foiling Saakashvili's plans to reform Odesa's customs service.

The Facts: According to Saakashvili's customs reform plan, an electronic system will be introduced to

drastically reduce the human element in customs-handling procedures, thereby cutting down on opportunities for corruption.

Under new legislation, the government must return some of the customs revenues raised in Odesa Oblast to the regional government if it manages to increase the amount of revenues it raises beyond government targets.

However, the Cabinet has now increased revenue targets for the region, depriving it of revenues from the energy sector, and set lower customs tariffs in other regions, Saakashvili said last week.

After Saakashvili made his claims, the Cabinet announced that customs tariffs in different regions would be equalized, which it said would reduce opportunities for corruption.

The Verdict: Somewhat true. While not sabotaging the plan per se, the Cabinet appears to be meddling by moving the goalposts, making it more

difficult for the reform to achieve its aims.

Claim 4: Yatsenyuk is in the thrall of the nation's biggest oligarchs.

The Facts: Political analyst Volodymyr Fesenko told the Kyiv Post it was no secret that "Arseniy Petrovych (Yatsenyuk) likes to make friends among the oligarchs," and that "there are reasons for such claims."

For instance, Fesenko said, it's a well-known fact that Yatsenyuk uses Akhmetov's former employees as advisers.

Moreover, Ukrainian lawmaker and former journalist Serhiy Leshchenko wrote on his blog on Ukrayinska Pravda news website on Aug. 25 that Ukraine's top oligarch Rinat Akhmetov might have sponsored Yatsenyuk's public relations trip to the United States.

Leshchenko said Yatsenyuk had hired the international agency APCO for the job. According to the company's reports, its bills – \$35,000 as of July – were paid by an obscure company called Communication for Change. One of the company's co-founders, Leshchenko said, was Oleksandr Kharchenko, who heads the EIR Center, an Akhmetov-funded think tank.

Akhmetov's spokesman rejected the allegations of having ties to Yatsenyuk or his Cabinet.

"SCM (System Capital Management, the holding company of Akhmetov's assets) is not involved in politics, and we receive no special preferences from the prime minister or his Cabinet," Akhmetov spokesman Jock Mendoza-Wilson said in comments e-mailed to the Kyiv Post.

Others suspect Yatsenyuk of being unable or unwilling to stop favorable subsidies and economic favors to oligarchs such as Akhmetov and Igor Kolomoisky.

The Verdict: Not proven. Direct ties between Ukraine's oligarchs and politicians are hard to pin down.

Kyiv Post staff writer Alyona Zhuk can be reached at zhuk@kyivpost.com

Part of the
ProCredit Group



ProCredit Bank

Join a reliable German bank
that supports your business

Our institution is focused on providing full range of financial services to small and medium-sized enterprises. We offer our depositors excellent conditions and guarantee the safety of their investments at a German bank. Ultimately, we rely on deposits from the broader public to finance our business clients

Our shareholders

Having two development-oriented, international financial organisations as shareholders assures ProCredit Bank's stability in Ukraine and inspires confidence among our customers



www.procreditbank.com.ua

Full range of banking services. NBU license №195 of 13.10.2011



Ukraine's Heroes

Editor's Note: Ukraine's Heroes looks at casualties of Russia's war, which has killed 8,000 people and wounded thousands more since February 2014.



Denys Goiko, 24, a lieutenant and a military journalist for the Defense Ministry, sits near the Kyiv Military Hospital on Sept. 8. (Volodymyr Petrov)

Injured 24-year-old lieutenant and military journalist does not want to quit working

BY OLENA GONCHAROVA
GONCHAROVA@KYIVPOST.COM

One of the things Denys Goiko worries about the most is that he won't be able to put on a suit at his own wedding.

His arm was badly broken and it's still difficult for him to walk as the shrapnel struck his back and legs after Russian-separatist forces opened fire on the city of Kramatorsk on Feb. 10 using Smerch multiple rocket launcher.

The 24-year-old lieutenant and military journalist for the Defense Ministry underwent at least 20 operations as the doctors tried to save his life. He said he can't be more thankful.

Goiko still remembers the day when Ukrainian-controlled Kramatorsk was shelled. It was his fifth trip to Donbas during which they filmed a life of Ukraine's army on the frontline.

"It caught me by surprise," Goiko recalls. "We went to Debaltsevo first, but it was impossible to work there. Then we moved to Kramatorsk, and when I heard strange sounds I couldn't believe it."

Goiko recalls he went to check on whether his fellow soldiers were left and saw one in front of him. He managed to push two soldiers to the shelter. Still, one of the soldier was left at the positions.

"I jumped to him and reached my arm to push him under our KUNG (a standardized military trailer system), but then I heard a massive explosion," Goiko says. "I wanted to rescue him, but it turned out that he saved my life. His death was instant – his head was merely smashed."

Later Goiko's colleagues told him that he had saved his fellows' lives. "I don't think I actually did," Goiko adds.

Goiko, a native of Zhytomyr Oblast, graduated from Military Academy of Taras Shevchenko National University in 2013 and shortly after enrolled in the Central Telecommunications Company for the Ukraine's Defense Ministry.

Being a freshman, Goiko didn't hes-

itate to travel eastwards to cover situation on the ground soon after Russia-inspired war broke out.

"My first assignments were safe enough," Goiko recalls. "The separatists didn't use tanks or self-propelled guns. During my second trip our commander raised a flag in retaken Sloviansk – it was so unusual for me as in the morning he was sitting next to us eating tomatoes!"

As the assignments became more difficult, he tried not to make his parents worry. They didn't know where their son works.

"I told my mom that I'm busy at Honcharivsk training camp in Chernihiv Oblast when in fact I was in Donbas. Once she just asked me – is your Honcharivsk in Luhansk or Donetsk Oblast?" Goiko recalls with a warm smile. "I had to tell the truth."

Goiko said he felt that something might happen before his February trip, but he went anyway. He never says "last assignment," as it's often seen as a bad omen for servicemen.

Seven months after his injuries that almost costed his life, he wants to go back to work. It's still a distant dream for him, though.

"My job is a part of my life. And I'm tired of doing nothing," Goiko says, as he touches his broken arm.

In late March he went to Germany for a treatment – his thighbone was used to repair arm fracture, but the bone grafting didn't work. His treatment still continues – now in Ukraine and will take at least three more months. Goiko confessed it's difficult for him.

"Denys, you should smile," Goiko's surgeon, Donetsk native Oleksandr Borzykh who moved to Kyiv from a Russian-separatists stronghold in 2014, suggests as he walks by in the hallway of Kyiv Military Hospital.

"We're blessed to have him here," Goiko said. "I knew that Ukrainian doctors are great, now I know it for sure."

He missed playing football, which was his life-long passion, but doesn't lose optimism.

"I'd like my future son to become a soccer player – that's something I won't be able to do," he says.

Kyiv Post staff writer Olena Goncharova can be reached at goncharova@kyivpost.com.

In Ukraine, Gaidar aims to achieve her father's failed dreams in Russia

→2 Gaidar said. "There are no clear mechanisms or rules."

When people apply for benefits, some get them and others don't, without any clear reasons being given, she said, adding that this lack of transparency leads to corruption.

That corruption includes unofficial payments paid for enrolling kids at kindergartens to jump the queue on others lining up for the service, as well as various informal fees paid by parents for school equipment and infrastructure.

Parents should either make such payments officially, or they should be funded by the government, Gaidar said. She added that her reforms in



Yegor Gaidar (R), leader of the Democratic Choice of Russia party, signs a petition on Feb. 3 in Moscow calling for an end to the war in Chechnya. (AFP)



Soviet writer Arkady Gaidar

Odesa Oblast would be aimed at "basic things: transparency, stamping out corruption, and fairness."

"Fairness is when, given a limited amount of resources, you make it clear on which principles and to whom these resources are being allocated," she said.

Gaidar also said she aimed to create a favorable environment in Odesa Oblast for private charities, including foreign charity groups. As an example, she said the regional government has found a private clinic in which to base the Caspian Compassion Project – an Azeri charity group focusing on

ophthalmology services.

Previously the Caspian Compassion Project wanted to come to the region but "not a single hospital let them in" due to bureaucratic inertia, Gaidar said.

The regional government is also holding talks on getting advice and funding for social services from foreign embassies, the U.S. Agency for International Development, World Bank, U.N. and the Organization for Economic Cooperation and Development.

Kyiv Post staff writer Oleg Sukhov can be reached at reaganx84@gmail.com.

You will not find articles about us on the cover of newspapers. Because we are stable.

Porsche Finance Group – reliable financial partner for Volkswagen, Audi, SEAT and Porsche purchase.



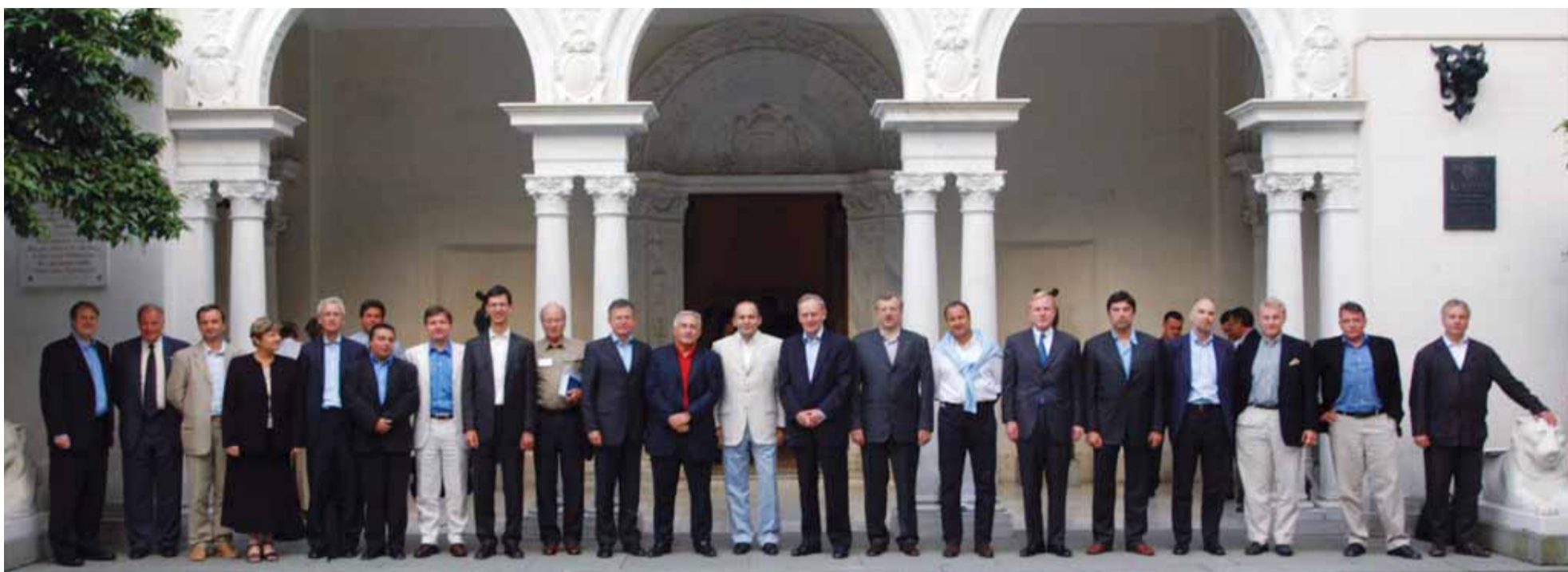
Find out more from the official dealer of Volkswagen, Audi, SEAT and Porsche

Credits are provided by «Porsche Mobility» LLC (certificates of State Financial Services IK 58 since 02.07.2009). Financial leasing services provided by «Porsche Leasing Ukraine» LLC (certificate of State Financial Services FL 387 since 24.07.2008).

www.porschefinance.ua

PORSCHE
FINANCE GROUP

To help Denys Goiko one can send money to his mother Svitlana Goiko. PrivatBank Card Number 6762 4683 1579 6767



First YES meeting in 2004 had only 30 participants

Leaders in the world and Ukraine mostly ignored the first Yalta European Strategy in 2004. Two years later, participants outlined a step-by-step strategy for Ukraine's acceptance into the European Union by 2020. That goal remains a distant dream, with EU expansion in doubt and Russia continuing to wage war against Ukraine following the Kremlin's seizure of Crimea last year. (YES)

July 2004

The Yalta European Seminar starts in Ukraine, taking place four months before the Orange Revolution that overturned a rigged presidential election, ultimately paving the way for Viktor Yushchenko's election as president over Viktor Yanukovich. Only 30 participants gathered in Yalta, no top Ukrainian officials among them. The Russian presence includes Andrei Kokoshyn, a member of Russia's parliament. German political analyst Alexander Rahr, who also attended, later became a YES board member. Participants also include former Canadian Prime Minister Jean Chretien, French lawmaker Dominique Strauss-Kahn and European Parliament member Marek Siwiec. They decided to promote Ukraine's entry into the European Union, transforming the event in the Yalta European Strategy.

July 2005

The gathering takes place seven months after the Orange Revolution. The reprivatization of state assets is prompting conflicts between President Viktor Yushchenko and Prime Minister Yulia Tymoshenko, who was fired in September. While Ukraine declares its ambitions to join the European Union, European leaders remain cautious. Investors await a transparent privatization process and reforms. Ukraine's top leaders are still not interested in the event. Participants included Verkhovna Rada speaker Volodymyr Lytvyn, Crimean Prime Minister Anatoliy Matviyenko and Ukraine's Deputy Foreign Minister Anton Buteiko. Other notable participants include Mario David, a member of the European Parliament who goes on to join the YES board of directors.

July 2006

Ex-Polish President Alexander Kwasniewski joins the board of directors for YES. The event presents "Ukraine in the European Union: Agenda 2020," a roadmap for Ukraine's accession to the EU, but European leaders don't see concrete steps. The initiative flounders as Ukrainian leaders are not interested in following the roadmap. Top Ukrainian and European officials take a greater interest in YES, which took place in Kyiv and in Crimea's Livadia Palace. The conference takes place as Ukraine's government is plunged into crisis when pro-Russian groups led by the Party of the Regions formed a coalition after Socialist Party leader Oleksandr Moroz betrays the pro-Western coalition agreement he had signed with President Viktor Yushchenko's Our Ukraine party and the Bloc of Yulia Tymoshenko. Two weeks later, Viktor Yanukovich, denied the presidency in the 2004 Orange Revolution, is set to become prime minister.

U.S. Ambassador to Ukraine William Taylor and his predecessor, Carlos Pascual, attend the event along with former U.S. Deputy Secretary of State Strobe Talbott. Russia's Boris Nemtsov, one of the co-founders of the Union of Right Forces, a liberal-democratic coalition, is also among the participants. Ukrainian delegates include Oleg Rybachuk, a chief of staff for President Viktor Yushchenko; Yuri Yekhanurov, prime minister; and Moroz, the Verkhovna Rada speaker.

June-July 2007

YES gathers its largest number of participants to date, about 170 people, compared to 150 in 2006. Former U.S. President Bill Clinton and ex-German Chancellor Gerhard Schroeder take part amid another political crisis in Ukraine. President Viktor Yushchenko, Prime Minister Viktor Yanukovich and Parliament Speaker Oleksandr Moroz agree to early parliamentary elections on Sept. 30 to end a political standoff.



Ex-U.S. President Bill Clinton:

"We have to think not about what divides us, but what unites us...We were once separated and paid the price. So I want everyone to remember the Yalta conference as the conference of the unification."



Russian Ambassador to Ukraine Viktor Chernomyrdin:

"I want to say that one day all of you will speak Russian...Our relations with Ukraine will always be normal, we want that and we'll do it. All political storms end in Ukraine and our relationship will be focused on successful development. Ukraine - Russia - European Union is a good alliance and we will always welcome it. (European leaders) should tell Ukraine when and what needs to be done to meet the

standards that enable the country to be in the EU. And Ukraine will be in the EU."



Ex-German Chancellor Gerhard Schroeder:

"Ukraine's development and territorial integrity are what interests Europe and it's also in Russia's interest because Russia, more than any other country in Europe, is linked to Ukraine's history, culture and language."



Ex-Polish President Alexander Kwasniewski:

"If (Ukrainians) want to make it (to the European Union) in 13 years, you have to work on European integration with no letups...I visited Ukraine so often, so I can say I'm desperate now! Ukraine is in permanent crisis, which started with the second term of President (Leonid) Kuchma. We Europeans can't accept this concept of a permanent crisis!"

July 2008

The 5th Yalta European Strategy brings together more than 200 participants, including British Prime Minister Tony Blair, Georgian President Mikheil Saakashvili and IMF managing director Dominique Strauss-Kahn. American political consultants Karl Rove and Robert Shrum also took part. The conference took place two months before the global financial economic crisis triggered a drastic devaluation of Ukraine's national currency. Notably, Ukraine becomes the World Trade Organization's 152nd member. Ukrainian President Viktor Yushchenko's conflict with Prime Minister Yulia Tymoshenko deepens. Russia would invade Georgia the next month.



Leszek Balcerowicz, former chairman of the National Bank of Poland:

"Ukraine shouldn't make the same mistakes Europe did. Ukraine needs to change its monetary policy and ease the tax burden. Do not copy Europe in what is that called "Euro-sclerosis." With such a tax pressure there won't be changes...With inflation above 10 percent, it's impossible to compete in a long-term perspective."



Victor Pinchuk, YES founder and member of the board of directors:

"Our politicians have to see things in a longer term than the closest election campaign. Still it seems that they are way too deep in a local context to climb over it and understand global challenges that Ukraine is facing."



Oleksandr Chalyi, deputy chief of staff for President Viktor Yushchenko:

"I thought that Russia would not interfere in our negotiations with the European Union. We have a good deal with Russia on free trade and it is very advantageous for our business, because it doesn't have such strict demands that the World Trade Organization has. But now Russia is getting very concerned about our negotiations."



Georgian President Mikheil Saakashvili:

"Certain forces in Georgia don't want reforms. They claim that the government opposes Orthodox and traditional values. However, they often meant corruption and nepotism when they talk about values. It's incompatible with democracy. They are the legacy of the Soviet era."



Karl Rove, American Republican Party consultant:

"Senator John McCain is quite skeptical in relation to Russia and its leadership in the region. His priorities are NATO expansion, development of relations with the European Union and building 'the line of democracy' with Ukraine and Georgia to become the key elements of it."



UK Prime Minister Tony Blair:

"It's not only Ukraine that needs Europe. Europe also needs Ukraine ... But you need to compete for the right to become a part of Europe. And you should see this fight not as a threat, but as an opportunity."

YES provides forum to lift global profile of Ukraine

Editor's Note: With research material prepared by the Yalta European Strategy, the Kyiv Post is publishing a summary of highlights from each year of the conference was held starting in 2004. The newspaper is a media partner of the 12th annual event, being held in Kyiv on Sept. 10-12.

BY BRIAN BONNER
AND OLENA GONCHAROVA

BONNER@KYIVPOST.COM
AND GONCHAROVA@KYIVPOST.COM

As the 12th annual Yalta European Strategy takes place in Kyiv for the second year, Ukraine is reminded again of its multiple challenges: winning the war, regaining Crimea and righting its economy through greater investment and stronger democratic institutions.

While the YES conference, started in 2004 by billionaire Victor Pinchuk, may not have solved any of Ukraine's problems, it has elevated the nation's profile in the world by bringing top business and political leaders together in the same room for informal and public talks with policymakers.



Ivanna Klympush-Tsintsadze, a member of parliament and former executive director of the YES forum.

To its ardent supporters, the event makes a difference.

"It is the go-to event each year if you want to know the state of affairs in Ukraine," Anders Aslund, an economist and author of "Ukraine: What Went Wrong and How To Fix It." He has attended the forum for the last 10 years. "YES is easily the best conference in Ukraine each year. It attracts a better selection of high-level speakers and participants than any other conference. It is very well composed in terms of themes and speakers, and it is superbly organized. It is fast, lively and intense."

At the other end of the spectrum, however, is political scientist and historian Taras Kuzio, author of "Ukraine: Democratization, Corruption and The New Russian Imperialism,"

Kuzio said he was invited to this year's forum but didn't accept because the event organizers, wouldn't pay his expenses.

"YES was always merely a talking shop rather than a serious brainstorming of intellectual minds on Ukraine's integration into Europe because its overriding strategic purpose is to flatter oligarch Victor Pinchuk's ego," Kuzio said, accusing Pinchuk of promoting Russian business interests in Ukraine, covering up his father-in-law and ex-President Leonid Kuchma's alleged role in the Sept. 16, 2000 murder of journalist Georgiy Gongadze and supporting ex-President Viktor Yanukovich and other anti-dem- → 14



President Petro Poroshenko, then a Ukrainian lawmaker, talks to Sergei Glazyev, an adviser to Russian President Vladimir Putin, during the 10th annual Yalta European Strategy in 2013. Poroshenko criticized Russia for politically motivated embargoes on Ukrainian exports in a bid to stop Ukraine from signing an association agreement with the European Union. "European integration is our future. And the (Russian-led) Customs Union, sorry about that, is our past," Poroshenko said, to which Glazyev responded: "It is your decision, your responsibility. Our job is only to warn you." (YES)

September 2009

All of the events of the 6th Yalta Annual Meeting take place in Yalta amid Ukraine's economic crisis ahead of the coming presidential elections in January. European countries are preoccupied with their own problems, threatening the prospects of future European Union expansion.



Israeli President Shimon Peres:

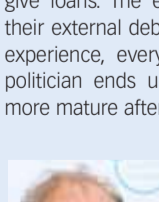
"Crisis boosts the development of high technologies which would lead in post-crisis world. Crisis is a fragile situation. But it's not an end. The main lesson is not to get depressed, look for reasons to be optimistic, look what you can use, how to apply this experience."

"I know you will have elections soon. So you may not like my words, but I call on the politicians not to look for popularity. It's like perfume that smells good, but is dangerous to swallow. Think about the future of your country."



Olivier Decamp, European Bank:

"I don't think Ukraine has found the way out of the crisis. Many problems remain. The banking system is frozen. They try to solve the problem of liquidity and don't give loans. The enterprises restructure their external debt. However, judging by experience, every businessman, every politician ends up being stronger and more mature after the crisis."



Anders Aslund, political analyst and author:

"For Ukraine, it would be better to become a parliamentary republic. Without constitutional reform, I do not see the opportunities for the rest of the necessary transformations."

not see the opportunities for the rest of the necessary transformations."



Alexander Rahr, a German political analyst:

"We should create such an organization where Ukraine and Russia would be together and feel secure."



Marek Siwiec, vice president of the European Parliament:

"Georgia-Gas-Obama problem is a new challenge for Ukraine," Siwiec said

Russia becomes confident in its impunity and willing to use natural gas as a weapon against Ukraine, while U.S. President Barack Obama will not pay much attention to the region.



Viktor Yanukovich, leader of the Party of Regions:

"The collapse of democracy is a major threat for Ukraine. This is unacceptable! The shift to the authoritarian power will slow the reform process."



Viktor Chernomyrdin, Russia's ambassador to Ukraine:

"Europeans, do not teach Ukraine how to live, better help it financially."

September 2010

The 7th Yalta European Strategy is called "Ukraine and the World: Re-Thinking and Moving On." Polish President Bronislaw Komorowski is among presidents in attendance. High-ranking Russian participants talk about energy and European Union-Ukrainian relations. President Viktor Yanukovich, when asked whether he would go to Brussels, says "he'd find his way even blindfolded." The conference takes place, however, amid Yanukovich's attempts to gain closer relations with Russia. He signs an extension of the Russian Black Sea Fleet lease in Crimea in exchange for a gas-price discount. Ukraine's Constitutional Court also ruled that Ukraine should revert to the 1996 Constitution, which strengthens presidential powers.



Polish President Bronislaw Komorowski:

"We can not accept the idea that Europe is tired, that they didn't need to keep expanding, that they shouldn't hurry and take their time to wait for another round of negotiations. Sometimes it is just an attempt to find an excuse ... Now it's time for work and achievements. It's not enough just to want and talk about that, the achievement should be demonstrated."



Štefan Füle, the European commissioner for enlargement and European neighborhood policy:

"We're ardent supporters of Ukraine's European integration process and we are ready to help. We will demonstrate flexibility, but we won't compromise on our common values - respect for human rights, democratic principles and the rule of law."



Carl Bildt, Swedish foreign affairs minister:

"Ukraine does have its potential. But you need such changes in the country that would be adequate to

the scope of changes all over the world. You should learn how to interact in the world in which an extreme interdependence reigns."



Aleksander Kwasniewski, chairman of the YES board of directors:

"Ukrainians should believe in their power and their future. You have potential. Eventually the time will come when we will ask you, Ukrainians, to join the European Union, as we will also at some point in time ask Turkey to join. Because we need you."



Alan Riley, law scholar, professor of the City University London:

"Ukraine does not necessarily have to rely on the incomes from oil and gas transit. It should develop its own resources. The Ukrainian gas will be more competitive in the European market than the Russian one. Both Ukrainians and Russians make use of a gas argument in the international relations on a continuing basis. However, they absolutely don't think on whether there is a demand for 'their' gas in Europe and whether it will exist in future. We must admit that the rules have changed, and they have changed forever."

Supporters: YES is 'go-to' conference for current state of affairs in Ukraine

→ 13 ocratic forces through the years. Kuchma has always denied involvement in Gongadze's murder.

YES spokesman Dennis Kazvan said that Pinchuk would not respond to what he called Kuzio's unfounded attacks.

Others were more in the middle, although Volodymyr Panchenko, head of the International Center for Policy Studies, is skeptical about the conference's value. "Even though 'kings' or 'queens' often visit the conference – because they are paid for it – it doesn't mean we're important for them," he said.

Panchenko said the event cannot mask Ukraine's absence of a clear strategy. "Our political and business establishment is too weak to take part in serious

discussions on country's future course," Panchenko said.

Ivanna Klymush-Tsintsadze, a member of Ukraine's parliament who served as executive director of YES from 2011-2014, said that Pinchuk deserves credit for his courage in bringing people with radically opposing viewpoints together for talks on tough issues that the authorities prefer to avoid.

Two exchanges vividly stand out during her four-year tenure in leading the event.

One took place in 2012, when ex-Deputy Prosecutor General Renat Kuzmin defended the imprisonment of ex-Prime Minister Yulia Tymoshenko, a conviction seen by most as politically motivated.

"I do remember how tough it → 15



Billionaire Victor Pinchuk, founder of Yalta European Strategy and ex-U.S. Secretary of State Hillary Clinton in 2013. Pinchuk has spent more than \$11.5 million on the event since 2006. (YES)



Former Polish President Aleksander Kwasniewski (C) speaks with Javier Solana, a former NATO secretary general, during the opening of the 11th annual Yalta European Strategy on Sept. 11, 2014 in Kyiv. (Yalta European Strategy)

September 2011

The 8th Yalta European Strategy includes participation by economists Paul Krugman and Lawrence Summers. Ukrainian President Viktor Yanukovich and Israeli President Shimon Peres spoke. Economic development prospects between Turkey and Ukraine were debated. Russians mostly ignored the conference. The conference takes place as the reform process in Ukraine stalls and Yanukovich's foe, ex-Prime Minister Yulia Tymoshenko, is arrested and later tried, convicted and sentenced for abuse of office, a conviction widely seen as political persecution. She remained in prison until Yanukovich fled power on Feb. 22, 2014.



Radoslaw Sikorski, Poland's foreign minister:

"Don't think that your geographic position, which is undoubtedly important for Europe, entitles you to ignore the basic European principles. You are to follow them if you are willing to join the European community. The second mistake is - don't think that integration into Europe means rupture of relations with Russia, and you are to choose between the EU and Russia."



Paul Krugman, economist:

"You do have the resources, people and excellent geographical location. It's an advantage to be part of the big European markets.

But if you take a close look at developing countries, almost all of them have risen mainly because of the decentralization and the creation of opportunities for regional development."

September 2012

The 9th Yalta European Summit is entitled "Ukraine and the World: Addressing Tomorrow's Challenges Together." Former U.S. Secretary of State Condoleezza Rice and former British Prime Minister Gordon Brown participate along with billionaire Richard Branson, founder of Virgin Group. This year saw the largest number of Kremlin officials. A Russian lunch took place for the first and last time in YES history. The Russian representatives include Viktor Zubkov, Russian ex-prime minister and chairman of Gazprom board of directors; Andrei Kostin, VTB Bank; Alexei Kudrin, former finance minister; Herman Gref, CEO and chairman of the management board of Sberbank; Deputy Russian Prime Minister Arkadiy Dvorkovich; and Vladimir Mau, the head of the Russian Presidential Academy of National Economy and Public Administration. A Ukrainian youth delegation is also the focus of the conference. One of the sessions is devoted to jailed ex-Prime Minister Yulia Tymoshenko.

The conference takes place in the runup to the October parliamentary election campaign. Participants, dismayed by the jailing of ex-Prime Minister Yulia Tymoshenko and ex-Interior Minister Yuriy Lutsenko, are skeptical about whether Ukraine still wants integration with the European Union.



Now Turkish President Recep Tayyip Erdogan:

"It's very important that incomes are distributed fairly all over the world."



Former U.S. Secretary of State Condoleezza Rice:

"Current events demonstrate very clearly: authoritarianism is unstable. Sooner or later people would demand the same rights as those that people enjoy in the democracies. People's wrath is an awful path of political reforms, this is a wrong path. Revolutions rarely are a positive scenario of development. Revolutions are ugly, cruel, and lead to incomprehensible, unpredictable, unstable results... If Europe goes deep in its problems due to isolating itself from the entire world – primarily, from Turkey, from Ukraine – nothing good will come of it.

Europe and those who share these values would lose."



Alec Ross, senior adviser on innovation to the U.S. State Department:

"The role of government in innovations and entrepreneurship is to set them at liberty, not to intervene there. Any intervention is a cancer for entrepreneurship... We should think not about how to regulate, but how to free, to set at liberty and support."



Carl Bildt, the former foreign minister of Sweden:

"Unfortunately, I don't see where Ukraine is going, what its vision, its strategy. Ukraine wants to have relations both with the European Union and the Customs Union, and the Shanghai Cooperation Organization and with other organizations. However, if you go every-

where you will be nowhere. Modernization can't be implemented unless you maintain commitment to some certain strategy or vision."



Kairat Kelimbetov, deputy prime minister of Kazakhstan:

"I don't think Ukraine is a priority for the European Union. But it is a priority for the Customs Union."



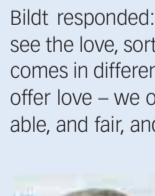
Javier Solana, former NATO Secretary General:

"Ukraine should look at itself, its values. The Customs Union is the customs that gives a green light. The European Union changes life, changes everything in the country. We, in the European Union, do not force you to make any choice. European doors are still open for you."



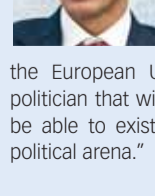
Russia's Andrey Kostin, a chairman of VTB bank, said to Carl Bildt:

"We, Russia, offer Ukraine real love. Without any prejudice and any preconditions."



Mykola Azarov, Ukraine's prime minister:

"You asked about my attitude towards European policy. OK, is there any European policy?"



Renat Kuzmin, Ukraine's former deputy prosecutor general:

"Tymoshenko's attorney is the person to blame for her imprisonment because he constructed the defense in a way that left his client without a chance."



Businessman and former politician Valeriy Khoroshkovskiy in 2012:



Arseniy Yatsenyuk, now Ukraine's prime minister, in 2012:

"54 to 60 percent of our population support movement towards the European Union. That means any politician that will go against this will not be able to exist for a long time in this political arena."



Arseniy Yatsenyuk, now Ukraine's prime minister, in 2012:

"He has to release Yulia, to stop this mess, to move the country forward in terms of European Union"

YES has its critics, but still draws influential speakers

→ **14** was to get these horrible people like Mr. Kuzmin and put him on a panel," she said.

To Klympush-Tsintsadze, Kuzmin's performance provided an "emperor has no clothes" moment, when the corruption of Ukraine's judicial system became obvious to participants. "They were horrified. They were feeling the times of the NKVD," she said, referring to the acronym of the predecessor agency of the Soviet KGB.

In retrospect, it also foreshadowed the public eruption that became the 2013-14 EuroMaidan Revolution. It was triggered not only by Yanukovich's rejection of a political association and free-trade deal with the European Union, but also by the regime's authoritarianism.

Another memorable exchange took place in 2013, the last year that the event took place in Yalta. Petro Poroshenko, Ukraine's president since June 2014, got into a heated debate with Sergei Glazhev, one of Russian President Vladimir Putin's advisers, on Russia's politically motivated embargoes on Ukrainian exports.

Glazhev was one of the few Russians in attendance that year. Other invited Russians cancelled two weeks before the start, Klympush-Tsintsadze said, amid strong Kremlin pressure to get Yanukovich to ditch the EU pact.

"There was a political game behind it," Klympush-Tsintsadze said. "Yanukovich's team was playing two ways, so to say, trying to blackmail Russia with their possible signing of the association agreement without their sincerely wanting to do so."

Glazhev warned Ukraine of severe repercussions if its leaders signed the EU agreement and predicted that Ukraine would regret doing so.

In retrospect, Klympush-Tsintsadze wishes that Ukraine would have taken Glazhev's warnings more seriously.

"We didn't think, as Ukrainians, something so illogical...and something so irrational as he was saying could actual be a real policy," she said. "None of us took it seriously enough."

Asked to recall memorable speakers over the years, Klympush-Tsintsadze cited former U.S. Treasury Secretary Lawrence Summers, former U.S. Secretary of State Condoleezza Rice and former Swedish Foreign Minister Carl Bildt.

This year's event is drawing more than 350 global leaders from 20 countries, including Ukraine's Poroshenko and Prime Minister Arseniy Yatsenyuk. Legendary singer Elton John will appear on Sept. 12. Full details can be found at the website yes-ukraine.org.

Still, little has gone according to the hopes of many YES participants, who as far back as 2006 created a detailed roadmap for Ukraine's entry into the EU by 2020. It was promptly discarded by Ukraine's political leaders.

Klympush-Tsintsadze still has hope, however, for bigger and better changes ahead for Ukraine. She said that events such as YES can help.

"I do think that it is our – I fear to say last chance, but very close to last chance, to get the country off the knees in economic terms and also in political terms in creating a system with rule of law and justice that these citizens really deserve," she said.

It all depends on "whether we have enough people capable of fighting the old system and willing to fight the old system among the authorities now," Klympush-Tsintsadze said.

She hopes it does. "It's not a prognosis," Klympush-Tsintsadze said. "It's a hope."

Kyiv Post chief editor **Brian Bonner** can be reached at bonner@kyivpost.com and staff writer **Olena Goncharova** can be reached at goncharova@kyivpost.com



Renat Kuzmin, ex-deputy prosecutor general and Hryhoriy Nemyrya, deputy Head of Yulia Tymoshenko's Batkivshchyna Party attend the second day of the 9th Yalta Annual Meeting on Sept. 15, 2012. (YES)

Victor Pinchuk Foundation's charitable giving

	Total	Yes
2006	\$2.3 million	
2007	\$15.6 million	\$1.1 million
2008	\$25.7 million	\$1.9 million
2009	\$13.8 million	\$897,000
2010	\$10 million	\$1.2 million
2011	\$14.5 million	\$1.2 million
2012	\$17.2 million	\$2.6 million
2013	\$14.1 million	\$2.6 million
2014	\$6.9 million	\$1.1 million
Total	\$102.2 million	\$11.5 million

Source: Victor Pinchuk Foundation.

September 2013

The 10th Yalta European Strategy is entitled "Ukraine in a Changing World." Lithuania President Dalia Grybauskaitė officially opens the conference attended by ex-President Bill Clinton, ex-U.S. Secretary of State Hillary Clinton, OSCE Secretary General Lamberto Zannier and physicist and futurist Michio Kaku. The conference takes place two months before the start of the EuroMaidan Revolution as Ukrainian awaits the Ukraine-European Union summit in Vilnius, Lithuania, where the association agreement was to have been signed. Russian delegates mostly cancelled their visits to Kyiv at the last moment while Yuriy Lutsenko, who was recently freed, takes part in the conference.



Carl Bildt, former Swedish foreign minister:

"We say that the doors for Ukraine are open – from our side – and we will welcome when Ukraine enters this door. But it's up to Ukrainians to make key decisions."



President Viktor Yanukovich:

"Ukraine lies between two vast monsters – the European Union and Russia – and we feel this every day." Question from audience: "Mr. President, will Ukraine sign the agreement in Vilnius in November?" Yanukovich answer: "Absolutely. We have no reservations."



Robert Zoellick, World Bank president:

"It's not only economy that is in question but also the political and sovereign future of Ukraine. That doesn't mean Ukraine shouldn't build good relationships with its neighbors. However, the pressure currently being imposed on Ukraine, especially lately, may evidence acute sovereignty issues to arise in the future, and Ukraine will possibly have to

fight for its independence all over again."



Dominique Strauss-Kahn, ex-managing director of the International Monetary Fund:

"The European Union is currently not in liquid state, but rather in a gaseous. Soon it becomes unable to take decisions...it is more and more difficult to reach consensus amongst 28 countries."



Lithuanian President Dalia Grybauskaitė:

"Europeans understand the pressure that Ukraine has been facing, together with the threat of sanctions imposed by countries which don't want an association of Ukraine with Europe. Europe is not pressuring Ukraine in any way, and will never do so."



Hillary Clinton:

"We, the USA, are for Ukraine's integration into Europe. Closer relations between Ukraine and the European Union will be of benefit both for Ukraine and Europe, and the whole world. The association and free trade agreement will mean modernization of trade

relations between Ukraine and the huge global market."



Radoslaw Sikorski, ex-foreign minister of Poland:

"You are a step closer to achieving your goal and I hope your finish will be successful. Now you are so close to the finish line it would be bad if you failed to take the last step over it. We have managed to take it and I am sure you will be able to do it as well."



Sergey Glazhev, adviser to Russian President Vladimir Putin:

"If Ukraine signs the association agreement, and it results in a deterioration of its trade balance, the question arises, 'who will pay for Ukraine's default?' which we believe is inevitable?"

In his closing remarks, **Alexander Kwasniewski**, former president of Poland, said: "Don't take a step back. Moscow is behind.... I hope that we will celebrate in our 11th meeting that the association agreement is signed, that the economy is going well and finally, among the panelists, we'll have Yulia Tymoshenko"

September 2014

The 11th Yalta European Strategy conference is entitled "New Ukraine, New Europe, New World: Building and Defending." The Yalta conference is moved to Kyiv because of the Russian occupation of Crimea. Many European and world leaders come to Kyiv in a show of support for the nation, which is paying a high price for its democratic choice. Another parliamentary election campaign is under way in Ukraine, with elections in October. Despite denials, the Russian army invades Ukraine and delivers a stinging defeat to Ukrainian forces in Ilovaisk, leading the the first of two Minsk peace agreements. Ukrainians and Western leaders demand faster reforms for Ukraine.



Toomas Hendrik Ilves, Estonian president:

"What seemed to be established in 1945 is ruined now - I mean the principle of borders inviolability. We saw something like Anschluss although we supposed this phenomenon had disappeared forever... Europe is the one that can stop all these things."

to stop its provocations, intimidations and incursions in the territory of the European Union countries."



Martin Schulz, president of the European Parliament:

"What is happening in Ukraine concerns all Europeans... as we may not just stand aside and watch things that breach the principles of the international commonwealth... The rules of peace concern everybody, we cannot accept the way the larger countries intimidate smaller ones and introduce such an order when the international law is applicable to some, and is not to some others... Russia has



Niall Ferguson, Harvard University History Professor:

"The USA could have taken urgent military actions to discourage Russia. There were opportunities in the Black Sea, naval, and in the Baltic region, but President Barack Obama decided not to use them... And this was the worst scenario for the West which enabled the annexation of the Crimea and rendered the Budapest Memorandum impossible. I am trying to say that the Russian position was weak and we didn't use that weakness..."



Jose Manuel Barroso, President of the European Commission:

"If the choice of Russia is to be a competitor, to be a rival, then you



Toni Blair:

"There should be three issues for the reconciliation. First, you need enough strength to achieve the balance of power, second, some reference system should be in place wherefrom to move forward, third, you should be ready to realize leadership, to lead the way."



Aleksander Kwasniewski

recalled the story of the Soviet Union's national anthem, whose music became the anthem of the Russian Federation. He even sang it. "Russia is a country that I respect very much, as many of you do, we all do, but you have to know, I insist on it very much: this country might change the words, the lyrics, the vocabulary, but it will never change the music."

Sakvarelidze plows ahead with prosecutorial changes

BY JOHANNES WAMBERG
ANDERSEN AND OLEG SUKHOV
JOHANNES.WA@GMAIL.COM AND
REAGANX84@GMAIL.COM

Forge ahead, pay no heed to your enemies. That's the best way to describe how Davit Sakvarelidze is moving to overhaul Ukraine's public prosecution system.

Prosecutors have wielded tremendous influence over who goes to prison and who gets investigated in Ukraine's highly corrupt and politicized judicial system.

The failure of prosecutors to file charges against high-level suspects involving billions of dollars in stolen state money have prompted a public backlash that has taken root in a petition drive by more than 100 members of parliament to oust Prosecutor General Viktor Shokin. He is seen as a Soviet-era holdover who will do nothing to create an independent and effective prosecutorial service that numbers about 18,000 people.

The prosecutor service was seen as one of the main pillars of Ukraine's "Blackmail State," extorting funds from businesses and demanding bribes for opening and closing cases.

Appointed deputy general prosecutor in February and given the daunting task of changing the system from within, Sakvarelidze soon came up against a brick wall of resistance from his co-workers in the Prosecutor General's Office.

In July, Shokin and his former first deputy Volodymyr Huzyr were accused of pressuring Sakvarelidze into halting a bribery case against two top prosecutors who had cash and diamonds stashed in their offices. There were also attempts to open criminal cases against Sakvarelidze. His comprehensive plan for remaking prosecution was stalled.

But Sakvarelidze has managed to regain his footing, albeit with a little help from President Petro Poroshenko.

Instead of firing Shokin for sabotaging reform, as some suggested, Poroshenko ordered him to back off.

"If it hadn't been for the president's will, the whole testing process (of new prosecutors) you see here wouldn't have taken place," Sakvarelidze, Georgia's first deputy prosecutor general from 2009 to 2012, told the Kyiv Post in an interview at the Academy of Prosecutors.

The testing process is a key part of Sakvarelidze's complete overhaul of the prosecution service. At the local level, the number of senior prosecutors is to be cut by two-thirds, while the total number of prosecutors is to fall from 18,000 to 12,000.

"But neither the form nor the structure (of the prosecution service) prevent corruption," Sakvarelidze said. "It's how we choose candidates, the guidelines and principles they comply with, a decent salary, and a system of internal control and discipline."

Sakvarelidze said all these elements were in place with the possible exception of decent wages. Monthly salaries for rank-and-file prosecutors are slated to reach around Hr 20,000 to Hr 25,000 if Sakvarelidze gets his way.

A total of 6,000 candidates are being tested for the 700 leading positions at the country's local prosecutor offices that would be left after structural reform. "Then we go for the oblast offices and the Prosecutor General's Office," Sakvarelidze said.

Once hired, the new local prosecutors will be free of pressure from above because they won't owe their positions to their bosses, as they were competitively chosen based on merit, according to Sakvarelidze.

"We don't have a magic wand, and there's been no revolution in the prosecution (service) before, so of course our efforts are not without difficulties," Sakvarelidze said. He said that corruption under ex-President Viktor Yanukovich had been systemic, with the top prosecutor demanding that a constant flow of illicit funds be passed up the ladder.

Support for reform has mostly come from prosecutors in the lower levels, he



Deputy General Prosecutor Davit Sakvarelidze in the Kyiv Academy of Prosecutors, where candidates for prosecutor jobs underwent testing on Sept. 8. Ukraine's 18,000 prosecutors are considered one of the nation's biggest problems. Prosecutors are not trusted by the Ukrainian public, who regard them as corrupt, ineffective and politically subservient. (Kostyantyn Chernichkin)

said, hoping they could help overcome the resistance to change.

Apart from reformers, Sakvarelidze's team also includes a six-person internal investigation unit. "If you have information about wrongdoing by prosecutors, come to me," he said.

But Sakvarelidze said his changes still faced sabotage from within. Altogether, 2,250 prosecutors will have to pass tests to compete for 700 jobs, and a lot of them are unhappy about that, he said.

"These are influential people, and behind them are high-ranking officials at the Prosecutor General's Office, political groups and lawmakers," Sakvarelidze said. "They are unhappy, and they'll try to discredit this reform."

One senior prosecutor accused of treachery is ex-Deputy Prosecutor General Volodymyr Huzyr. He was fired in July after evidence emerged that he

and that the prosecutor general was also trying to protect them.

Sakvarelidze said that he deplored the fact that officials accused of corruption are not prosecuted after being fired. "Someone can earn a million, and after he's fired, he has a ball, since he can enjoy his wealth," he said.

Huzyr's replacement, incumbent First Deputy Prosecutor General Yury Sevruk, has also come under fire for allegedly trying to scupper Sakvarelidze's reform. In August he lashed out at the testing system used by Sakvarelidze to hire prosecutors, and the process was put on hold.

Sakvarelidze told the Kyiv Post, however, that his disagreements with Sevruk were over.

Sakvarelidze agreed with the widespread public feeling that corruption cases against allies of Yanukovich and those into the murders of EuroMaidan Revolution protesters were being investigated very slowly.

"There were days and weeks when (prosecutors) should have reacted faster not to let the (suspects') trails go cold, and to prevent them from leaving the country," he said.

He said that the delays in the investigations could be attributed to corruption, a faulty management system, and other problems.

Ukraine's law enforcement system has also dragged its feet on freezing and seizing assets linked to Yanukovich allies. One of the reasons for this is imperfect legislation, Sakvarelidze said.

He said that in January parliament failed to support the notion of "related party" in legislation proposed by prosecutors that would make it easier to freeze and confiscate assets registered to suspects' relatives, friends or employees. "Maybe some of those who didn't vote for it saw that it could be used against themselves," Sakvarelidze said.

Kyiv Post staff writer Johannes Wamberg Andersen can be reached at johannes.wa@gmail.com. Kyiv Post staff writer Oleg Sukhov can be reached at reaganx84@gmail.com



The Tiger Conference

2012 WILL THE SLEEPING TIGER AWAKEN?

2013 UKRAINE'S FUTURE AFTER THE VILNIUS SUMMIT

2014 UKRAINE ONE YEAR AFTER THE EUROMAIDAN REVOLUTION

2015 DECEMBER 2. Mark your calendar

Whistleblower fired after accusing Poroshenko's ally of corruption

BY OLEG SUKHOV
AND ILYA TIMTCHENKO
REAGANX84@GMAIL.COM,
TIMTCHENKO@KYIVPOST.COM

Ukraine's customs offices, long a cash cow for corrupt officials, have come under attack from two directions – Konstantyn Likarchuk, deputy head of the State Fiscal Service, and Mikheil Saakashvili, the ex-Georgian president and reformist governor of Odesa Oblast.

The fallout from the affair has already cost Likarchuk his job. He was fired on Sept. 7 after accusing his boss, Roman Nasirov, of theft and restoring ex-President Viktor Yanukovich's corrupt customs schemes.

Meanwhile, Saakashvili accused Prime Minister Arseniy Yatsenyuk and his Cabinet of allegedly sabotaging measures designed to make customs in Odesa Oblast transparent and corruption-free.

Nasirov, who was a lawmaker in the Petro Poroshenko Bloc faction before being appointed to head the State Fiscal Service, denied Likarchuk's accusations. In turn, he accused the would-be whistleblower of incompetence and corruption.

To support his claims, Likarchuk published on Sept. 8 what appears to be a scanned copy of a property title to an apartment owned by Nasirov in London. Since Nasirov did not include this in his property declaration, he should be fired under Ukraine's lustration law, Likarchuk wrote.

Likarchuk also said in August

that Nasirov was re-introducing Yanukovich-era schemes by appointing allies of the ex-president and his former customs agency head, Ihor Kaletnik.

"These people are allies of each other for a very simple reason – they want to earn money by exploiting the state fiscal system of Ukraine," Likarchuk said in an interview with the Kyiv Post. "All of them have a common goal – to steal from the state budget."

On Sept. 5, Likarchuk published a graph showing that customs payments for container shipments had decreased under Nasirov, attributing this to the reinstatement of Yanukovich associates.

One of the alleged Yanukovich allies is Hennady Romanenko, an advisor to Nasirov who wields enormous power at the agency, according to Likarchuk. Romanenko held several top customs positions under Yanukovich and cannot hold any official government jobs under the lustration law, according to the Civic Lustration Committee.

"Several days after I was appointed, I was introduced by Nasirov to his advisor Romanenko," Likarchuk told the Kyiv Post. "Nasirov told me that I should discuss all issues regarding human resources with him."

On Sept. 5, Likarchuk published what he says is a document by the State Fiscal Service's internal security department according to which in 2014 the Interior Ministry opened a criminal case against Romanenko, accusing him of extorting bribes from importers. However, the case was halted after



Konstantyn Likarchuk, former deputy head of the State Fiscal Service, speaks to the Kyiv Post on Sept. 7, the day he was fired (Kostyantyn Chernichkin)

top officials intervened, the supposed official document reads.

According to the document, Romanenko owns a luxury house and five high-end cars.

Nasirov said on Sept. 7 that Romanenko had been working as his advisor for two months, but did not work at the State Fiscal Service. He added that he was not aware of any allegations of corruption against Romanenko.

Saakashvili supported Likarchuk's accusations on Sept. 3 by saying that customs offices are de facto controlled by lawmaker Vitaly Khomutynnik – an ex-Yanukovich ally.

Likarchuk told the Kyiv Post that he had been stripped of about 25 percent

of his authority in August due to his conflict with Nasirov, and of the rest during the first week of September.

Last week he was deprived of his remaining powers and given powers to run only a spa resort in Russian-annexed Crimea that Ukraine no longer controls. "That was an attempt to humiliate me," Likarchuk said.

Earlier this month Nasirov accused Likarchuk of corruption, without providing any details or evidence, and also claimed that he was unprofessional. "Instead of working and implementing reforms every day, he decided he should occupy himself with some special type of public relations and spend time on Facebook," Nasirov said on Sept. 7. "With his behavior he was

undermining all of the efforts we were investing in reforming the service."

Likarchuk said, however, that he had made improvements while in office, specifically by cracking down on smuggling in Zakarpattia Oblast.

"We managed to increase revenues," he said. "During these four months we added approximately Hr 2.5 billion to the state budget."

Likarchuk believes that one of the reasons for his dismissal was his stance on customs reform – he thinks that the State Fiscal Service should be split into separate tax and customs agencies. "Customs are viewed only in the context of tax reform, which is completely wrong, because customs and taxes have different purposes and tasks," Likarchuk said.

He said that the current system of merged tax and customs functions encourages corruption. "At a certain point in time you can't see where each flow is, and it becomes much easier to fish something out of this very murky and non-transparent water," he said.

To reduce corruption, Likarchuk has suggested increasing salaries, introducing incentives for fighting smuggling and raising revenues, hiring young, new people, computerizing the process to the fullest extent possible, and standardizing customs tariffs across the country's regions.

Kyiv Post staff writer Oleg Sukhov and Ilya Timtchenko can be reached at reaganx84@gmail.com and timtchenko@kyivpost.com. Kyiv Post staff writer Olena Gordienko contributed to this report.

EASE YOUR MIND!

Affordable Health
Insurance Plans



AMC Health Insurance Plans, starting at \$45 per month:*

- Physician and Specialist consultations
- 24-hour Outpatient and emergency treatment
- Radiology and Laboratory services (X-Ray, Ultrasound, Diagnostics)
- Child vaccinations (according to US schedule)
- Home or office doctor visits
- Supplemental dental services (at preferred dental provider)

AMERICAN
MEDICAL CENTERS

www.amcenters.com

Kyiv: (044) 490 7600

Lviv: (032) 253 7000

E. info@amcenters.com

*The AMC Health and Wellness Plan is a licensed healthcare delivery plan, paid on an annual basis, designed to provide primary and urgent care health and assistance services. The above price is AMC's basic Outpatient Plan, covering all outpatient services with a plan utilization limit of \$10,000 per person, per year. For more information about this and other health insurance products, please call us at (044) 490 7600 or visit us at www.amcenters.com

Together with Passion **RHENUS LOGISTICS**

RHENUS REVIVAL
your logistics partner in Ukraine and all over the world

<p>INTERNATIONAL TRANSPORTATION</p> <ul style="list-style-type: none"> - High and Heavy cargo transportation - International deliveries via road / sea / air / rail - Consolidation of all European cargoes in Frankfurt for CIS countries - FTL/LTL 	<p>WAREHOUSE</p> <ul style="list-style-type: none"> - Cold warehouse 9 000 m² t +4°C and +16°C - Warehouses, class A for storage FMCG goods - Bonded warehouses, class A - Warehouse services: picking, FIFO/FEFO, shrinking, labeling, etc
<p>DOMESTIC DISTRIBUTION</p> <ul style="list-style-type: none"> - Domestic Distribution all over Ukraine to more than 520 consignees, "door to door"; from one box to full truck; 	<p>CUSTOMS BROKERAGE</p> <ul style="list-style-type: none"> - All necessary services for import/export/transit procedures provided by Customs Brokerage Department - Consulting in Customs and bonded warehouse procedures

We are working in accordance to Standards ISO 9001:2008, HACCP, OHSAS 18001:2007

Rhenus Revival LLC +38 044 492 74 01 Affiliated branch of Rhenus Revival
Promyslova Str. 18 +38 044 459 03 22 Zhitomirskoye shosse, 21 km
08702 Obukhiv +38 044 492 74 10 08114 Stoyanka
e-mail: contact@ua.rhenus.com — web: www.rhenus.com



Kyiv Lions Club's Kozak Night raises \$38,000 for charity



→ The Kyiv Lions Club's Kozak Night took place on Sept. 5 outside of Kyiv, raising an estimated net amount of \$38,000 for charity on gross revenue of roughly \$70,000. The local chapter of the international service organization supports causes ranging from purchases of medical equipment for hospitals to refurbishing orphanages. The Ukrainian-themed event was emceed by Pavlo Shylko, also known as DJ Pasha. (1) Ani Nemickas with son (2) DJ Pasha auctions off a "Ukrainian Legends" portrait -- featuring boxer Wolodymyr Klitschko, singer Syatoslav Vakarchuk and soccer player Andriy Shevchenko. The prize was donated by sponsor Memorabilia. (3) Businessman Bjoern Stendel toasts women in Ukraine. (4) Iryna Jahn, head of the Kyiv Lions Club Donations Committee, enjoys the moment. (5) Dancers strut their stuff. More than a dozen corporations sponsored the event or donated prizes, goods and services. (Photos courtesy of Kyiv Lions Club)

KyivPost | **LEGAL** QUARTERLY | Your legal snapshot of the great political and business issues of the day

Interested in placing your advertisement in the Legal Quarterly?
Next issue: October 2, 2015

Contact us at advertising@kyivpost.com or +38044 591 77 88

Kyiv Post
EMPLOYMENT FAIR

October 10, 2015

#peoplesmatter

Find the best employees.
Reinforce your HR brand

Call us today to reserve your company stand
+38 044 591 34 08



5 castles to see in Ukraine this fall



WITH VERONIKA MELKOZEROVA
MELKOZEROVA@GMAIL.COM

Foreign filmmakers who focus on Ukraine

Ukraine's revolution and war have put the nation in the spotlight internationally, and foreign filmmakers are now turning their lenses on the country's recent events, as well as its history.

Canadian, French and Lithuanian directors have been working on feature films about Ukraine since 2014: two movies about Ukraine were made in Canada this year.

Filmmaker George Mendeluk, who made the TV shows "Highlander" and "Hercules: The Legendary Journeys," is currently doing post-production work on "The Devil's Harvest," a historical drama about a Ukrainian family's trials under the Soviet regime.

Mendeluk, a Canadian-Ukrainian, tells the story of artist Yuriy, whose parents are awaiting exile to Siberia. The life of his beloved Natalya is also in danger, as the Holodomor, Soviet dictator Josef Stalin's man-made famine of 1932-33, claims millions of lives.

"I grew up with my mother describing how she and her family survived the terror of the Holodomor... at a time when the world looked the other way," Mendeluk told movie website ramoscreen.com. "As you see in today's media, (Stalin's) long shadow still affects Ukraine today, but our story is essentially one of love triumphing over all that life throws at it."

"Hacker," another Canadian indie-drama by Kazakh movie director Akan Satayev, will also be in movie theaters by the end of this year.

The protagonist of the movie, Alex Danylyuk, a young migrant from Ukraine, joins a team of cyber-criminals, at first to help his impoverished parents. But he soon gets sucked into darker business. The film is based on the true story of a group of Ukrainians and Russians who steal credit card data. The fraud scheme was exposed in the United States two years ago.

Other movies about Ukraine in the works include one by Lithuanian filmmaker Sharunas Bartas, who presented his idea during the Odessa International Film Festival this summer. Teaming up with Ukrainian producer Valeriy Kalmykov, Bartas is to make a film about a Lithuanian volunteer in Russia's war against Ukraine. Shooting of the film, entitled "Frost," is planned for May. "Frost" producer Kalmykov said Bartas is still working on the script.

It will be the second movie by the Lithuanian direc → 21



The Radomyshl castle, which houses Ukraine's only museum of non-canonical icons, is surrounded by a small pond and a picturesque park where one can admire 17th century marble statues of Archangel Michael. (Ukrafoto)

BY NATALIYA TRACH
TRACH@KYIVPOST.COM

Ukraine's beautiful castles and fortresses have witnessed dramatic historical events, many of which have attained a shroud of mystery and legend over the centuries. Located in some of the country's most picturesque landscapes, their charm is highlighted by the rich colors of autumn. The Kyiv Post offers a guide to some of Ukraine's best castles and fortresses.

Palanok Castle

Palanok Castle – whose name in

Rusyn, an east Slavic language, means "oak paling" – annually attracts thousands of tourists to Mukacheve in Zakarpattia Oblast, where it is located. Perched on top of a 68-meter-high volcanic plug, Palanok broods over the flat land around, and is more like a formidable fortress than a fairytale castle. Dating back to the 11th century, Palanok is one of the oldest Ukrainian castles. The present structure, the first parts of which date back to the 14th century, has survived numerous attacks and sieges. Over the past millennium, the castle has been a royal residence, an Austrian outpost

and even a jail for political prisoners. Some parts of the castle are in disrepair, but others, including the impressive central courtyard, have undergone extensive refurbishment. A network of underground tunnels connects the 130 rooms in the castle, and it houses a museum on the history of the castle and the local area.

89600 Kurutsiv alley, Mukacheve, Zakarpattia Oblast. Take train No81K (Kyiv-Chop) or 023KO (Kyiv-Uzhhorod) from Kyiv to Mukachevo for Hr 429 – 999. The trip takes more than 14 hours.

Open Tues. – Sun., 9 a.m. – 6 p.m. Entrance fee is Hr 15 for adults, Hr 5

for children. Excursion costs Hr 60 per person.

Kamyanets-Podilsky Fortress

Situated on a bend of the Smotrych River, this medieval fortress blends into the fabulous landscape. The castle is one of the few medieval structures in Ukraine that is still relatively well-preserved. For centuries the residents of Kamyanets-Podilsky could take refuge from enemy assaults in this impressive fortress. Today, the complex history of the fortress is told via authentic exhibits located within the castle's → 20

Advertising: +380 44 591-7788 advertising@kyivpost.com

Editorial staff: +380 44 591-3344 news@kyivpost.com

Subscriptions: +380 44 591-7788 subscribe@kyivpost.com

"A Theatre Rather Than A Strip Club" the best
21:00-6:00
EROTIC SHOW
Strip Show
Lounge Bar
Karaoke Evolution Pro 2
Premier Palace Hotel, 8th floor
5-7/29, T. Shevchenko Blvd. at Pushkinskaya Str.
+38 067 240 85 08 +38 067 658 50 45
www.paradise-cabaret.com

ЧАЙХОНА БАЗАР
CHILL OUT CAFE
KARAOKE HALL - EVERY DAY
ENTER FREE
AHMATOVA STR 44 TEL: 044 331 52 30
KOMANDARMA-KAMENEVA STR 2 TEL: 044 331 53 07
WWW.CHAIHONA-KIEV.UA

Enchanting palaces for autumn visits

→ **19** towers and catacombs. But the tourist attraction of the Kamyanets-Podilsky Fortress is the atmosphere of the surrounding medieval city. To get into the spirit of days of old, visitors to the fortress can try on medieval clothing, fire an ancient arbalest weapon or attend a tournament of knights.

1 Zamkova St., Kamyanets-Podilsky, Khmelnytskyi Oblast. Take a mini-bus from Kyiv station (3 Moscovska Square) to Kamyanets-Podilsky for Hr 237.

Open daily from 9 a.m. till 6 p.m. Entrance fee is Hr 20 for adults, and Hr 10 for schoolchildren and students.

Vyshnyvetsky Palace

For centuries this palace was home to one of the most famous Polish-Lithuanian princely families – the Wisniowieckis. The palace is nicknamed the Volyn or Polish Versailles for its magnificent baroque and classical architecture, and its 80-meter-long mirrored hall, made to resemble the famous hall in the Palace of Versailles in France.

In form, the palace is a symmetrical U-shaped, two-level building surrounded by two splendid annexes. The nearby Orthodox Church, the sepulcher of the Wisniowiecki family, and a landscaped park complete the Vyshnyvetsky palace complex. The palace was severely damaged during World War II, but underwent extensive reconstruction during the 1990s.

5 Zamkova St., Vyshnivets village, Zbarazh district, Ternopil Oblast. Take a mini bus from Kremenets to Vyshnivets for Hr 47. While travelling by car from Kremenets take road M19 to Vyshnivets.

Open daily from 8 a.m. till 5 p.m. Entrance fee is Hr 20 for adults, Hr 10 for children. Guided tours cost Hr 50–80 and are available in Ukrainian, Russian and Polish.

Kurysy Palace

The architecture of Kurysy Palace in Petrivka village in Odesa Oblast combines Moorish style with Gothic elements, which is very unusual for Ukraine. The palace's minarets are visible from the far-off Odesa highway near the entrance to the village. The



Palanok, one of Ukraine's oldest castles, at different times used to be a royal residence, an Austrian outpost, and a political prison. (UNIAN)

refined estate was built in the 19th century as a private residence of Ukrainian nobility, the Kurysy family. The building was looted and vandalized after the Bolshevik Revolution in 1917, and now only a shell remains, although it gives visitors some idea of its previous majestic beauty. Despite the unsightly graffiti on the walls of the ruin, tourists are attracted by the crumbling beauty of the structure and the overgrowth of weeds and vegetation on its grand staircase and other parts of the building only add to the palace's mystery and sad air of past grandeur.

Petrivka village, Kominternivskyi district, Odesa Oblast. To get there take the daily minibus that goes from the Odesa bus station towards Yuzhnoukrainsk for Hr 137. If travelling by car take road P55 from Odesa and drive 64 kilometers northwest. From Kyiv take road E95 and go 479 kilometers south.

Radomyshl Castle

This amazing brick structure, sitting atop a foundation of rough granite blocks, started out in the 17–18th as a paper mill for the Kyiv–Pechersk Lavra, but also served as a defensive structure. The original structure had

fallen into ruin by the end of the 19th century, but it was reconstructed by a Polish architect at the beginning of the 20th century and was used as a flour mill until 1989, when the mill was closed and the building began to be used as a dump for the nearby town. In 2007 the building was acquired and reconstructed by Ukrainian doctor and member of parliament Olha Bohomolets. It now contains Ukraine's only museum of non-canonical icons, with more than 5,000 exhibits. The castle is available for hire for weddings, conferences and other events, and has several rooms for hotel accommodation. It also has several exhibition halls, a 150-seat concert hall, and a dining hall located inside a restaurant. The castle is surrounded by a small pond and a small picturesque park.

15 Shchorsa St, Radomyshl town, Zhytomyr Oblast. Take the E40 road from Kyiv to Kocheriv, then turn to the road Mo6 to Radomyshl.

Open Wed. – Sun. from 9 a.m. till 6 p.m. Guided tours cost Hr 50 for adults and Hr 25 for children.

Kyiv Post staff writer Nataliya Trach can be reached at trach@kyivpost.com



The abandoned building of Kurysy Palace attracts lots of tourists who are looking for some pictorial shots with Moroccan style architectural elements in the background. (Ukrinform)

Artist Serhiy Zakharov recalls the story of his captivity by Kremlin-backed separatists, as talks in Izolyatsia cultural platform on Aug. 31. (Kostyantyn Chernichkin)



Donetsk artist wants to turn horrific story of captivity into novel

BY VERONIKA MELKOZEROVA
MELKOZEROVA@GMAIL.COM

The first thing to notice about artist Serhiy Zakharov is his calm smile and the next is a black bracelet on his right wrist with the inscription: "Fuck you, Putin."

Zakharov's claim to fame is mocking gun-toting Russian-separatist forces in the Donbas with his street art. The Donetsk native's work has lampooned Russian officers, such as Igor Girkin, and Kremlin-backed leaders.

The separatists didn't like being ridiculed, so they kidnapped the artist outside his studio on Aug. 6, 2014. The father of three endured torture and faced three mock executions until his captors released him almost two months later.

Zakharov headed for Kyiv and found shelter and work at Izolyatsia, a formerly Donetsk-based platform for cultural initiatives. "We found each other for good. I'm a refugee artist, and Izolyatsia is a refugee art center from Donetsk," Zakharov told the Kyiv Post.

Izolyatsia was founded in 2010 at an old factory in Donetsk. On June 9, 2014, Russian-separatists took it over turned it into a prison.

"The end of September will be the anniversary of my release," said Zakharov.

He was first held prisoner in the basement of the Donetsk headquarters of the Security Service of Ukraine and then transferred to a military commissariat.

Apart from mocking Girkin, Zakharov poked fun at other separatists, notably Russian mercenaries Arseniy Pavlov, known as Motorola, and the bearded Alexander Mozhaev, whose nom de guerre is Babai.

His artistic collaborator is a photographer who still lives in Donetsk. The photographer took pictures of the artwork and posted them in social media to show that Ukrainians in Donetsk

were resisting the Russian invasion.

But the separatists "accused me of sabotage and terrorism against their so-called republic," Zakharov said.

He wants to turn his experience into a novel with reporter Ekaterina Sergatskova, who will write the text.

"The best therapy a man can get to is to draw everything that happened to him," the artist said. "It turns out that it's almost like making a movie, but on paper. It's rather difficult."

He will cover his prison life.

"I'm not angry and I don't want revenge. I just want to tell my story," Zakharov said. "Some of the people there were sadists, who liked to knock the tar out of me. But there were also kind and generous people, like one of our guards, who secretly removed our handcuffs and gave us hot tea every time he was on duty."

At first, the artist wanted to recreate the images of his captivity in traditional comic-book style of simple lines and colors. But then he decided that the book should be more in the style of the Codex Seraphinianus, an illustrated encyclopedia of an imaginary world that was created by the Italian artist Luigi Serafini in 1981. "I decided to use the shading technique. This made the sketches more emotional, as if I had drawn them while I was still there," Zakharov said.

The artist is getting used to life in Kyiv. He likes the city but finds it dirty and the abandoned historical buildings annoy him.

"Donetsk is way cleaner than Kyiv. Even these days they continue to clean the city center of the almost empty Donbas capital," Zakharov said.

The artist still hopes to return to his cozy house in Donetsk.

"If I lost hope I would feel ill," the painter said.

Kyiv Post writer Veronika Melkozerova can be reached at melkozerova@gmail.com



Two separatists beat a prisoner in a sketch from the future graphic novel about captivity made by Serhiy Zakharov.

Kyiv sees rise in co-working rentals as alternative to conventional offices

BY DENYS KRASNIKOV

Co-working places, essentially business studios for rent, are sprouting up in Kyiv as an inexpensive office space option. Students, tech entrepreneurs and administrative professionals rub shoulders in the spaces, without having to put up with the noisy atmosphere of working in cafes or the distractions of working at home.

Far cheaper than a stuffy high-rise business center, co-working offices usually offer such amenities as Wi-Fi, faxes, a conference room, kitchens and clean bathrooms.

Data Hub, Platforma, MediaHub and Chasopys are four companies now offering such services at hourly, daily or monthly rates in Kyiv.

Datahub, for example, offers printing and scanning devices and comfortable seating in private rooms. It has a spacious kitchen and even a separate

Where individuals can rent office space

Name	Datahub	Platforma	MediaHub	Chasopys
Prices	The first hour/Hr 30, each following hour/Hr 18, all day long/Hr 100, month/Hr 2,000	Month/Hr 1,800, month with a secured workplace/Hr 2,200, month with a private office/Hr 3,300	The first hour/Hr 35, each following hour/Hr 20, all day long/Hr 130, 5 days/Hr 600, month/Hr 2,500	Day/Hr 150, 5 days/Hr 725, 10 days/Hr 1,400, month/Hr 2,800
Working hours	9 a.m. – 10 p.m.	24/7	9 a.m. – 7 p.m.	8 a.m. – 11:30 p.m.
Website	data-hub.com.ua	coworkingplatforma.com	facebook.com/MediaHubUA	coworking.chasopys.ua
Address	1B Vadyrna Hetmana St.	1A Bilomorska St.	4/6 Suvorova St.	3 Tolstoho Lva St.

These are some of the options for people who want an office atmosphere and amenities, without the long-term commitment.

room for Skype calls. Most of the furniture is hand-crafted by the owners, out of large wooden spoons and shipping pallets.

Platforma offers monthly rates round-the-clock service. It provides high-speed Internet, lockers, flip charts, projectors, a relaxation area, show-

ers, hot beverages, snacks and free entrance to cultural events organized by Platforma's art project. Clients can also secure private office space for an additional fee.

Journalists from Hromadske Television, Ukrainska Pravda and non-profit group Centre UA inspired

the creation of MediaHub. The venue offers bicycle parking, showers, air-conditioning, Wi-Fi, drinking water, and printing and scanning devices. Since it's equipped with professional lighting and audio-video devices, it can be used as a venue for exhibitions, concerts and presentations.

In terms of decor, MediaHub looks sparse and functional, with white walls and concrete floors. Along with a large auditorium, it has a 69 square meter co-working area.

The co-working space Chasopys has been around the longest, since 2013. The venue offers wireless Internet, rental computers, meeting rooms, separate areas for Skype calls, and a hot beverage and snack station with a microwave oven. Professional consultations with lawyers, financiers, tax specialists and accountants are always available on Fridays from 10 a.m. until 1 p.m., free of charge for renters. Locker rentals and 24-hour access are offered for additional fees, and a personal assistant is available for hire. Chasopys also offers a one-day free trial of its services.

Kyiv Post staff writer Denys Krasnikov can be reached at denys.krasnikov@gmail.com

Film Critic: More foreign filmmakers focus on Ukraine

→ 19 tor about Ukraine. In 2005, after the Orange Revolution, he made "Seven Invisible Men," a film about life in post-Soviet Crimea.

Meanwhile, French filmmaker Jerome Enrico is taking a lighter look at Ukraine in his comedy "Cerise."

The film tells the story of a spoiled and eccentric French girl Cerise. Tired of her rebelliousness, Cerise's Ukrainian migrant mother decides to send her to Ukraine for re-education to her father, whom she has never met. Used to a comfortable life in France, the pink-haired Cerise is shocked by Ukraine, its misery and constant political strife.

Cerise first heads to a Ukrainian village to visit her grandmothers and then gets involved in the EuroMaidan

Revolution, where she volunteers to work in a kitchen preparing food for protesters.

The premier of "Cerise" was in April in France.

Ukrainian film critic and Oscar committee member Volodymyr Voitenko isn't surprised foreign filmmakers are intrigued by Ukraine, and are finding creative inspiration here.

"For some (foreigners) Ukraine is still a sort of a terra incognita, where two-headed men might live," he told the Kyiv Post. "So cinematographers try to explore the country in the best way they can – by making movies."

Kyiv Post writer Veronika Melkozerova can be reached at melkozerova@gmail.com



Cerise (played by Zoé Adjani), a 14-year-old French girl, molds clay with her Ukrainian grandmothers in a scene from the movie "Cerise" by Jerome Enrico, which takes place during Ukraine's EuroMaidan Revolution. (Courtesy)



MEXICAN DAYS AT INTERCONTINENTAL KYIV

SEPTEMBER 11 | 20:00

MEXICAN NIGHT
b-hush lounge bar

Celebration party with entertainment, Mexican food, Latin music and tequila.

SEPTEMBER 12 | 14:00

MEXICAN CUISINE
MASTER CLASS
Olivera restaurant

Special guest Mexican Chef Luis Felipe Barocio. Pre-registration is required. 950 UAH pp.

SEPTEMBER 13 | 12:00

MEXICAN
SUNDAY BRUNCH
Olivera restaurant

Enjoy our unlimited lavish Mexican buffet with welcome drinks, cocktails, beer and tequila. From 950 UAH pp.



For more information and reservations please contact us at: +80 044 219 19 19; +38 067 473 37 89



In over 170 locations across the globe including LONDON · MEXICO CITY · PARIS



Gogol Fest

Ukraine's premier multidisciplinary international festival of contemporary art includes presentations, screenings and exhibitions of almost every art form. Featuring theater, cinema, eco-art, music, dance, literature, and others. The 10-day program consists of almost 500 events at 14 different locations.
GogolFest 2015. Sept. 17-27. 6 p.m. – 8p.m. 1 Academica Hlushkova St. Other venues can be found at gogolfest.org. Hr 60-500



Aug. 30

Shakespeare's Globe Theatre on screen

Aug. 30



See a performance of William Shakespeare's play "The Merchant of Venice" filmed at one of the world's leading theaters in high definition and sound on the silver screen for one night only.
Shakespeare's Globe on screen. Sept. 15. 7 p.m. Cinema Kyiv (19 Velyka Vasylkivska St.). Hr 120

Aug. 29



Viktor Tsoi

Viktor Tsoi, the late Soviet bard and frontman of the the Kino band, is being remembered in Kyiv. The concert marks the birthday of the star, who sang of change, embracing the late Soviet era of perestroika. The only person who has an official license to perform covers of the singer's songs, Sergiy Larson, takes to the stage after working to emulate Tsoi's style for two months.
Viktor Tsoi concert. Sept. 12. 8 p.m. Sentrum (11 Shota Rustaveli St.). Hr 150.

Sept. 3



Street Workout 2015

Only one athlete from Ukraine can qualify for the Street Workout World Championship. The competition that selects the nation's sole representative takes place at Kyiv's People's Friendship Arch. Qualification events include push-ups, pull-ups, and weight lifting.
Street Workout in Kyiv. Sept. 12. Noon. People's Friendship Arch (2 Volodymyrsky Uzviz St.). Free

Cossack Day

Embrace the free spirit of the Cossacks with an ethnic show of folk dance and adventurous horseback riding, followed by rock concerts given by Ruslana, Tabula Rasa, Cometogether and Vinta, all evening long.
Cossack Day. Sept. 12. Noon. 1 Lavrska St. Hr 80



Aug. 30

Aug. 30



Star Legends by Cantabile Orchestra

Ukraine's Cantabile Symphony Orchestra offers a special evening of soundtracks from popular science fiction and space movies, including music from "Star Wars," "Doctor Who," "Stargate," "Oblivion," "Star Trek," "Interstellar," "Avatar," "The Fifth Element" and many others.
Cantabile Orchestra. Sept. 16. 7 p.m. Cinema Kyiv Rus (93 Artema St.). Hr 125-350

Aug. 29

Steak & Sauce

Ukrainian chef Andriy Borysenko promises to reveal the secrets of preparing a juicy steak and several sauces to complement it, as well as the philosophy behind it, and selecting ingredients.
Steak&Sauce master class. Sept. 11. 7 p.m. – 10 p.m. Culinary Academy of Hector Jimenez-Bravo (5-7B Studentska St.). Hr 1,200





Public Private Partnership Development Program (P3DP)

The Public-Private Partnership Development Program (P3DP) in Ukraine, funded by USAID and implemented by FHI360, is working with the Government of Ukraine, municipalities, and leaders of business to improve the legislative and regulatory environment for PPPs; increase the capacity of institutions and individuals to design projects; and implement projects that improve infrastructure and public services.

CONSULTING OPPORTUNITY – VENDOR'S DUE DILIGENCE OF STATE OWNED ENTERPRISE

At the request of the State Property Fund of Ukraine, P3DP plans to conduct a Vendor's Due Diligence on a high profile State Owned Enterprise (SOE) in Odesa as part of its preparation for potential investment, privatization or public private partnership. The SOE has been given top priority by the Government of Ukraine in its push to demonstrate its commitment to improving public services, battling corruption and instilling confidence in potential investors and the general public. P3DP wishes to engage an internationally recognized firm to conduct the vendor's due diligence.

The assistance will include:

- Completion of Information Memorandum containing legal, financial and tax due diligence information;
- Support creation of a Virtual Data Room for sharing of relevant information.

Once the assignment is completed, the selected firm will cooperate with P3DP in holding a seminar to share findings and engage stakeholders in discussions about lessons learned and the importance of the due diligence process.

For details on requirements please see the full Terms of Reference in the "Vacancies" section at www.ppp-ukraine.org/en.
Deadline for submission is COB, September 25, 2015.
Only candidate firms selected for the interview will be contacted.



MUNICIPAL ENERGY REFORM IN UKRAINE

The Municipal Energy Reform in Ukraine Project (MERP), with two years remaining, at the main office in Kyiv is seeking a qualified and experienced local person for the following position:

Senior Finance and Procurement Manager: Full-time


Responsibilities:

- Project financial management, cost control, supervision over accounting function
- Ensure compliance with USAID and project rules and regulations for finance and procurement areas
- Procurement planning and supervision
- Preparation and/or review of procurement documents: requests for proposals/quotations, contracts, consulting agreements
- Preparation of the grant agreements, agreement modifications and coordination of the agreement placement process
- Develop monthly, quarterly, ad hoc financial and procurement reports.
- Implement other functions relevant to the position.

Minimum Required Skills and Qualifications

- Master degree in Finance or Economics or its equivalent
- At least 8 years of progressive professional experience in finance area
- At least 5 years of relevant (finance, procurement) experience with large donor funded projects (preferably USAID);
- Good knowledge of USAID financial and procurement regulations
- Knowledge of Ukrainian regulations related to international technical assistance projects
- Fluent spoken and written English.

We offer challenging but interesting work with a team of Ukrainian and international experts, and compensation commensurate with experience.
Please send your cover letter, resume, and salary history to the following email: hr@merp.org.ua
Only candidates selected for an interview will be contacted. No telephone inquiries will be accommodated. Deadline for submission – September 25, 2015.



AMNESTY INTERNATIONAL

MEDIA AND COMMUNICATIONS OFFICER

Amnesty International Ukraine is looking for Media and Communications Officer, which is to be based in our Kyiv office.

Main responsibilities:

- Leading AI UA's media work in order to advance the organisation's human rights agenda and raise awareness of AI's work;
- Coordination of the external communication in the public domain to attract a growing number of supporters to the organisation.

Closing date: 20 September 2015

To apply, please send your CV and a covering letter in English to jobs@amnesty.org.ua with the message subject "Media and Communications Officer".
For further information, please visit amnesty.org.ua/materiali/jobs

Ukrainian Legal Group Law Firm is now looking for a highly qualified, energetic, proactive and experienced professional for the position of Senior Counsel

Key Requirements:

- 7+ years of relevant work experience as an associate in an international/local law firm or as an in-house lawyer
- Excellent academic credentials from a top Ukrainian law school
- An LL.M. or similar degree from a US or UK law school is an advantage
- Strong analytical, legal writing and research skills
- Excellent spoken and written English (including legal drafting), Ukrainian and Russian are a must
- Experience in handling a full legal due diligence process
- Experience in regulatory and antitrust areas
- Experience in drafting memoranda on corporate, business and tax matters;
- Strong time management and organizational skills
- Ability to work under pressure and overtime
- Ability to work with a junior lawyers team, reviewing and correcting their work
- Experience in the oil & gas sector is a plus.

Please, send your resume to address general@ulg.kiev.ua

The recruiter must be able to attest to the above qualities of the candidates not only based on their written qualifications, but also based on practical knowledge and practical application of their qualifications



Building Capacity and Opportunities for Change

Agriteam Canada Consulting Ltd., an International consulting company is seeking candidates to fill the following position on International Technical Assistance Project funded by the Government of Canada

- **Administrative Assistant**

The closing date for applications is September 20, 2015
Please, submit your CV and Cover letter to vesnad@agriteam.ca
For more detailed information about applying procedure, please visit our web-site: www.agriteam.ca/en/employment



Building Capacity and Opportunities for Change

Agriteam Canada Consulting Ltd., an International consulting company is seeking candidates to fill the following positions on International Technical Assistance Project funded by the Government of Canada

- **Communications Specialist**
- **Performance Measurement Expert**
- **Sector Lead**

The closing date for applications is September 18, 2015
Please, submit your CV and Cover letter to liudmylais@agriteam.ca
For more detailed information about applying procedure, please visit our web-site: www.agriteam.ca/en/employment

Place your MINI RESUME for 250 UAH

ATTENTION EXPATS

Some years ago, the Kyiv Post lost part of its print archive from 1995-2000. If you have any copies tucked away in an attic or storage, please deliver them to the Kyiv Post! We will scan them for our archives and return your copy! Thanks for helping to preserve the history of Ukraine's English-language newspaper since 1995! **CONTACT:** Brian Bonner, chief editor, bonner@kyivpost.com or call +38 044 591 33 44. The Kyiv Post office is at 31a Pushkinska St., Office 600, Kyiv, Ukraine, 01004.

Classifieds

REAL ESTATE\SERVICE

INTERPRETER
Pretty Female 30y.o. Assistant. Guidance — Geography/Cultural. Organise Travel & Accommodation Transfer Kiev/Ukraine. Tel., Viber +38-067-958-65-95 Irina kiev-assistant@mail.ru

Work permits RESIDENCE PERMITS Business set up
+380-44-237-72-76
www.accounting.ua

Practise your Russian in a friendly atmosphere. We meet every Sunday from 12 till 2 p.m. at Mafia on 27/1, B.Khmel'nitskogo str. Please confirm your attendance by phone: +38 098 094 39 18, +38 067 220 69 26

Marriage Agency
We can help you to meet your love.
+38 (044) 528-75-76
+38 (067) 408-20-20
www.ukraine4date.net

Legal service & Auditing **UKRAINE-EU TRADE**
Tel. +38 (067) 313-65-64
+38 (044) 209-98-91
info@lsc-ukraine.com
www.lsc-ukraine.com

WANT TO INCREASE YOUR TRADE WITH USA?

The Ukrainian-American Trade Association — www.ukramertrade.com — strives to match buyer and seller. Also send news of your organization to ukramer988@gmail.com for publication on our website, which has sections on Economics, Industry, Pharmaceuticals, Tourism, and Culture.

FOR RENT
Lon-term-rent UAH20,000 a month. Very secure and stunning brand new apt. (82 sq.m) 2 beds 2 bathrooms open plan living room and kitchen. Wooden flooring high ceilings. Pechersk 16 Anri Barbusa. Indoor parking. No agent fees. Owner +380675991145

HOTTINGHAM
Appraisal services
+38 044 569 19 62
www.ocenka.kiev.ua

Bit of happiness. Lyudmila. Balance of body & soul. 24 types of massages
Tel: +38097-551-58-47
www.massages.kiev.ua

HLB Ukraine
Audit & Tax Services
+38 044 569 19 00
www.hlb.com.ua

Professional body massage
+38 (096) 6904242

FOR RENT
"Tsarske Selo", Staronavodnytska 6B. On offer 2-, 3-, 4- room apartments. Details by phone 093 593 79 42, Mykhailo

FOR RENT
"Diplomat Hall" Zhylanska 59, One-bedroom studio apartment for long term rent. 63 sq.m. Fully equipped and furnished. Nicely decorated, cozy and quiet. Photos are available on request. 900\$/month. More details by phone +38 067 5000 288 — Taisia

REGISTRATION Business, NGO Foundation, Tax
+380(50)971 5567

Place your TEXT for Hr 120

18-26 years old girl (Blonde, full figured) for marriage to an American Citizen.
(Sent letter with photo(s))
My Name, Address, Phone number, E-mail are as follows:
Hermonth Shiimi
9425 Scott st. Apt.# 8
Houston Texas 77051 USA
shiimihermmonth@yahoo.com
830-621-9537

FOR RENT
Owner offers stylish 55 sq.m 1BR Studio in a Modern High Rise building for long term rent \$800. Located in Pechersk district, 5 minute walk to Druzhby Narodiv Metro station. First for rent, fully renovated and equipped. Details and photos by phone +380 95 780 40 90

FOR RENT
"Park Avenue" Holesievskyi prospekt 58. One-bedroom studio apartment for long term rent. 63 sq.m. Fully equipped and furnished. Bright and stylish. Wi-Fi and Satellite HD TV. Big balcony. Security and Concierge service. Big and secured courtyard, restaurants and shops on site. Two Metro stations nearby. Photos on request. 900\$/month. More details by phone +38 067 5000 288 — Taisia

Language Interpreting
Charming lady will help you with translation from English to Russian or Ukrainian.
ivanna.moro@gmail.com
+380996175398

BUSINESS ASSISTANT INFORMATION SERVICE TRANSLATIONS (eng-ukr-rus)
+38 073 409 65 67 Natalia businesslife2000@i.ua



Looking for a wife, 30-40 y.o. Contact: wifor@gmail.com

BEST BARGAIN!

Advertising in the Classifieds section +380 44 591 33 44 or advertising@kyivpost.com

TURKISH AIRLINES 

touristanbul



100 %
Free

Your layover turns into
a remarkable touristic experience

Discover Istanbul in hours with Touristanbul

istanbulinhours.com

WIDEN YOUR WORLD

TURKISH
AIRLINES 