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World in Ukraine: Cyprus

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Cyprus Charms

The Mediterranean island nation touts advantages as it moves to change reputation as money laundering haven

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An undated aerial view of Cyprus' southern port city of Limassol, among the most popular tourist destinations on the Mediterranean island nation. Before the COVID-19 pandemic travel restrictions, 100,000 Ukrainians visited Cyprus yearly. The nation is also a popular corporate headquarters for Ukrainian businesses, contributing to the island's status as the largest source of foreign direct investment into Ukraine.



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Subsoil use reform is key for Ukraine



Mikheil Saakashvili

Ukraine is a rich country resource-wise, but unfortunately, it is not using its potential to the full. Subsoil use is one of many areas that if liberalized could bring economic prosperity to Ukraine.

In the case of natural resources, there is also an important geopolitical corruption aspect to it. Russia is making it impossible for Ukraine to extract titanium. Every time a Ukrainian or foreign company wants to do it, Russian-paid corrupt officials organize protests to try to block it.

At the same time, Ukraine can achieve gas self-sufficiency in about five years, if the resource is extracted. But, once again, corruption has been getting in the way. Almost every Ukrainian leader was bribed by Russia through gas and transportation deals in order to prevent the extraction of gas in Ukraine.

Natural resources management is, therefore, a matter of our national independence and self-reliance. But the good news is that it is attainable. Ukraine has amazing resources such as beryllium, lithium, and 20 percent of the world's reserves of titanium. With pro-active private space exploration being undertaken and small nuclear reactor projects launched globally, it is extremely irrational of us not to utilize them.

Currently, mining is carried out only on 35% of all explored deposits of industrial significance in Ukraine. The subsoil user's path to the imme-

diated start of mining is a complex and bureaucratic process that takes 1–2 years and involves obtaining several permits from eight bodies. Trillions of hryvnias are buried in the rich lands of Ukraine, and we need to let businesses extract minerals and pay taxes, and that would be a win-win situation for all.

The existing procedure for providing subsoil plots is complex and overburdens subsoil users. Because of the shortcomings of administrative processes, it can take several years to go through all the steps and actually start to mine.

Together with the Ministry of Environment and the Environmental Committee of the Parliament, the Office of Simple Solutions and Results has developed a comprehensive reform in the form of a draft law that would enable miners to obtain a special permit in a 2–4 month period through one government body under a single permit. Additionally, we believe that it is necessary to digitalize the relationship between the state and subsoil users.

For potential investors, the information collection stage presents multiple challenges. In Ukraine, there is no online library of geological information, and access to primary geological data is unregulated. Furthermore, the initial price of subsoil at auction and the amount of compensation for exploration work is calculated in a complex and non-transparent way. All available

geological information of the state should be placed on the interactive map of minerals, and all documents will ideally be submitted through the electronic office of the subsoil user in electronic form.

With the introduction of the experimental procedure for conducting electronic auctions in October 2018, obtaining permits has become significantly more competitive. However, there are still a number of issues that have been turned a blind eye to. In particular, there is no deadline by which the decision to prepare for the auction should be made and when the start of the auction should be announced in the first place. As a result, such preparations are delayed indefinitely, and there is no way to effectively challenge the body organizing the auction and speed up the process. In 2019, according to the State Service of Geology and Subsoil of Ukraine in 2019, 65% of applications for the auction were returned with a refusal.

We propose to have a single body responsible for issuing permits that could assist prospective subsoil users throughout the bureaucratic process. Fast, convenient, and transparent provisions in the law of subsoil use would allow Ukraine to attract over 1500 new special permits by 2023.

Another problem is the heritage that lots of valuable deposits have been obtained through corruption schemes in an unfair way by interest groups. These are so-called sleeping permits, and about 30% of issued special permits are not used. In order to incentive tax measures based, we propose to opt for the "use-or-drop" principle which implies that if no

subsoil use is carried out, then no rent is paid. This would allow us to activate the subsoil use market, increase budget revenues, and create new jobs.

Although our draft law has been turned down in the Verkhovna Rada, Ukraine's parliament, another one that adopts 70 percent of our solutions is currently undergoing a second reading.

As part of the mining reform, we are also helping the president with the Ukrainian economic passport reform.

President Volodymyr Zelensky previously proposed introducing a Ukrainian economic passport, and we have been helping him bring that noble idea to life. The concept goes as follows: every child should have the right to accumulate in his account part of the state's sale of natural resources (subsoil, land, etc.). And after reaching adulthood, the child will receive these savings as start-up capital. This would allow children to have some certainty about the future. Our experts have examined relevant international experience to develop the most economically viable solution.

Overall, we at the Office of Simple Solutions and Results have been determined to stress the importance of Ukraine's astounding economic potential that needs to be utilized. Subsoil use would be an important step in that direction.

Mikheil Saakashvili has been the chair of the executive committee of the National Reform Council since May 7, 2020. He served as governor of Odesa Oblast from May 30, 2015, to Nov. 9, 2016. He was president of Georgia from Jan. 25, 2004, to Nov. 17, 2013.

Why no vaccinations yet? Critics blame infighting and corruption

By Veronika Melkozerova
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As the COVID-19 vaccination rolls out around the world, Ukraine still hasn't seen a single shot.

Bureaucracy, political infighting, and suspected corruption have delayed Ukraine's coronavirus immunization campaign.

As the result, some 40 percent of Ukrainians who are willing to get vaccinated will not be able to get the shot soon. The government's plan to vaccinate half the population may stretch into 2022.

Furthermore, a new criminal investigation into the COVID-19 vaccines contract may stall the procurement even more.

The secrecy that pharmaceutical companies impose on vaccine contracts fosters corruption, which is especially rife in Ukraine's medical procurement bureaucracy.

Critics point fingers at Health Minister Maksym Stepanov for failing to procure the vaccines swiftly. An official investigation is looking to see whether he rigged the procurement process in favor of a Ukrainian intermediary.

Stepanov is defiant. During an interview with the Kyiv Post on Feb. 11, he claimed that the government is doing everything it can to start vaccination.

But the promised date of the start of vaccination, Feb. 15, has come and gone.

A majority of Ukrainian lawmakers said they were willing to give Stepanov until the end of February to launch vaccination. Then, they would support replacing him.

But the problems with vaccine procurement are bigger than one person.

Left behind or dragging?

While Ukraine, a nation with 13 million COVID cases, is still waiting for the first batch of the coronavirus vaccines, more than 188 million doses have been injected around the world as of February, the World Health Organization reports.

Top vaccine producers such as Pfizer, AstraZeneca, the Serum Institute of India, Sinovac Biotech, and others are struggling to cover the tremendous global demand for COVID-19 immunization.

The European Union, U.S., U.K.,



People in face masks get off a bus in central Kyiv on Feb. 5, 2021. With more than 1.3 million COVID-19 cases, Ukraine is still waiting for the first party of the vaccine to arrive.

and others have started preparing to buy vaccine in the summer, allocating funds and often paying for doses in advance.

Ukraine, the ninth country in Europe by number of COVID-19 cases, has lagged far behind.

The Ukrainian government has allocated Hr 4 billion (\$142 million) for vaccines and created the COVID-19 immunization strategy to vaccinate 21 million Ukrainians — people in risk groups and essential workers.

That may seem like a lot, but it's not. Germany spent \$812 million just to finance the development of COVID vaccines in the summer. The EU set aside 2.7 billion euros to buy the vaccines on behalf of member states. Some member states order additional doses on their own.

Ukraine's neighbor Poland, which has a comparable population, announced that it ordered 60 million doses from six producers in December.

In the same month, Ukraine also signed its first vaccine contract, ordering just 1.9 million doses of CoronaVac, the Chinese vaccine produced by Sinovac Biotech.

For more than a month, that deal remained Ukraine's only vaccine contract. And even it proved dubious.

Instead of buying directly, the government made the deal through a Ukrainian intermediary, a pharmaceutical company Lekhim.

The National Anti-Corruption Bureau (NABU) has launched an investigation into the contract, and



specifically into Stepanov's alleged lobbying of Lekhim that could have led to Ukraine buying the vaccine at an inflated price.

Stepanov denies all accusations and calls the case against him a political vendetta. These allegations shake the trust of vaccine producers in Ukraine, he added.

Talks with big pharma

The Ukrainian government found it hard to reach deals with vaccine producers. The authorities said they have been "almost begging" biotech giants to sell the vaccine to Ukraine.

In December, Ukraine got confirmation that it will receive 8 million free doses of Pfizer vaccine from COVAX, the global initiative to ensure rapid access to the coronavirus vaccines. Ukraine's government presented it as a big win.

Another win came in early February, when Ukraine signed its second vaccine contract — for 12 million doses — with the Serum Institute of India. It produces AstraZeneca and Novavax vaccines under a license.

But none of these have been delivered to Ukraine yet.

Stepanov's critics say it's because

the government was dragging its feet.

"While other countries were conducting parallel negotiations and signed contracts with several vaccine producers at once, Stepanov did everything to stall the process," Oleksandra Ustinova, Holos Party lawmaker and anti-corruption watchdog told the Kyiv Post.

Stepanov denies it. He says that the government started negotiations with vaccine producers back in May but often was ignored.

There is no way to check whether that's true. In the months that led up to Ukraine's first vaccine contract in December, the government never said anything more specific than "the negotiations are ongoing."

"From the very beginning I said that Ukraine would start COVID-19 immunization in March or February if we are lucky," Stepanov told the Kyiv Post.

In some cases, Ukrainian officials had to interfere and ask for help from their foreign colleagues from the countries of vaccine producers, Stepanov said.

"The demand for the vaccines in the world is so high we almost have to beg companies to sell them to us. We are not an interesting market for them," the minister added.

But it's not just poverty or high competition that made vaccine procurement problematic.

Another reason was infighting in the ministry.

Stepanov's transparency

One of the reasons why the COVID-19 vaccination has not yet started in Ukraine is a conflict between Stepanov and a state enterprise called Medical Procurement of Ukraine (Medzakupivli).

Medical Procurement is a subsidiary of the Health Ministry, responsible for many categories of state health care procurement.

For a year, Stepanov has been trying to sideline the enterprise from doing its job and take personal control of it, Ustinova said.

Stepanov blames the enterprise for inefficiency, saying it has failed to buy crucially important medicines.

Ustinova, and other critics of Stepanov, suspect that some corrupt interests are behind Stepanov's wish to control the procurement.

"(He'd like it to be) just like in the old times of Viktor Yanukovich's Health Minister Raisa Bohatyryova. During her rule, all tender results were decided before the start of a tender," the lawmaker added.

Bohatyryova's tenure in the health ministry was extremely corrupt, with medicines procured at inflated prices, and the minister's family members pocketing commissions.

Stepanov calls the accusations baseless.

"I can't have a conflict with my subordinates. I have only one demand to my subordinates — to do their job effectively. They are supposed to buy those medicines the ministry's experts ask them to buy," Stepanov said, saying they have been failing to do so on time.

The Medical Procurement called Stepanov's accusations a manipulation. It said the Health Ministry has been failing to send documents it needed to start the procurement on time.

"The ministry does not want to bear responsibility for inaction," the statement reads.

Medical Procurement had to start buying medical supplies for 2020–2021 in March. However, the first Health Ministry orders came in June and September. The same delays hit COVID vaccine procurement.

According to Health Ministry's website, the COVID-19 vaccine procurement commission was only created in November.

On Dec. 10, the ministry officially

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A medical staff wearing personal protective equipments (PPE) treats a patient in the COVID-19 intensive care unit of Lviv emergency hospital on June 30, 2020.

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EDITORIALS

Selling out Ukraine?

There are big reasons to be alarmed by reports that U.S. President Joseph R. Biden Jr. is seeking to accommodate Berlin's mistaken desire to complete the Nord Stream 2 undersea pipeline, which bypasses Ukraine to allow Russia to directly transport an additional 55 billion cubic meters of natural gas yearly to Germany.

This pipeline, which is 90% complete, should never be built. "If completed, Nord Stream 2 would enable the Vladimir Putin regime to further weaponize Russia's energy resources to exert political pressure throughout Europe," four U.S. representatives wrote U.S. Secretary of State Antony Blinken recently.

Why is there no consensus yet in Europe that Putin's end goal is to destroy democracy?

One of the more ridiculous arguments floated for why the U.S. should drop sanctions to stop the pipeline is this: If the pipeline is built, Germany will have more leverage over Russia. If Putin commits more war crimes, invades more neighbors or tries to kill more domestic critics, Germany can simply shut off the gas flow. Fat chance. Firstly, German industrialists will never allow the gas to be shut off. Doing so would also undermine Angela Merkel's hypocritical (and false) argument that this is a private commercial project, not a public political project.

Secondly, how much more does Putin need to do to get the West to wake up to what is the only realistic policy — that of isolating the Kremlin through every means possible, including tougher sanctions? He's committed war crimes in Syria and Ukraine, illegally occupying both nations. He's waged a propaganda war against the West, interfered in elections, sabotaged institutions, hacked critical infrastructure. Domestically, he's demolished institutions and democratic opposition that threaten his mafia-state kleptocracy. What more would Putin have to do?

If the West really wants to test Nord Stream 2 as leverage over the Kremlin, now is the time — before it's completed. After the gas starts flowing, it's too late. The message to Moscow from the West should be: We'll build this pipeline if you get out of the Donbas & Crimea, as well as Syria.

Russia will, of course, refuse and has threatened to cut relations with whatever countries impose more sanctions. Let them. Isolation is their choice and, frankly, for the best. of things, the world needs nothing that Russia produces — not oil, not natural gas, nothing. The West can marshal its vast technological superiority to advance its green future.

The Biden administration missed a Feb. 16 deadline to issue Congress a report required by a recently passed law on companies helping Russia's Gazprom complete the pipeline. Sanctions work — and they've already prompted companies involved in the \$11 billion project to back out.

What's troubling also is that Ukraine seems to be shut out of the talks. resident Volodymyr Zelensky has done much to ingratiate himself with the Biden administration. He's imposed sanctions on Skyrizon to prevent the Chinese firm from taking over the Motor Sich aerospace engine manufacturer. Sanctions have been put on pro-Kremlin politicians, including the banning of three TV stations linked to Putin's agent in Ukraine Viktor Medvedchuk. An investigation has been launched into Ukrainians who allegedly interfered in the 2020 presidential election on behalf of defeated candidate Donald Trump.

In return, Biden has not given Ukraine anything tangible, at least that we're aware of publicly. He should pick up the phone and tell Zelensky he'll impose whatever sanctions are needed to stop Nord Stream 2. Anything less will be a sellout of Ukraine's interests. We agree with London analyst Timothy Ash: So far, Biden is missing in action on Ukraine.

Turning east?

When President Volodymyr Zelensky banned three pro-Kremlin television channels on Feb. 2, many thought it was his decisive turn towards the West. Now it's clear that it was not.

The International Monetary Fund (IMF) suspended talks on a \$700 million tranche with Ukraine on Feb. 13 partially because the Ukrainian government is against a decisive role for foreigners in reforming its corrupt judiciary.

On Feb. 15, the Cabinet of Ministers also submitted a bill seeking to fire Artem Sytnyk, head of the National Anti-Corruption Bureau of Ukraine (NABU), before his term expires in 2022 and to let Zelensky control the selection of a new NABU chief. This was a violation of the IMF's condition that the NABU should be independent.

The attempt to fire Sytnyk was a reaction to the NABU's high profile corruption cases into Zelensky's deputy chief of staff Oleh Tatarov and embezzlement during COVID-19 vaccine purchases, according to the Kyiv Post's sources.

Some of Zelensky's allies argue that accepting the IMF's conditions on the NABU and judicial reform would be tantamount to neo-colonialism and "selling out" the country to the West. This is nonsense and part of an irrational Kremlin-driven narrative.

First, this is just a stupid excuse for protecting corrupt vested interests. They essentially seek to protect their "sovereign right" to plunder the Ukrainian budget from foreign experts who want to introduce the rule of law.

Second, it's up to the IMF to dictate conditions because the money is theirs. If Ukraine doesn't want to accept the lender's conditions, the IMF doesn't owe it any money.

It's also a difference in values. The West and Ukraine's civil society want independent and honest institutions. Zelensky and his administration want loyal and subservient puppets at their beck and call.

If the Zelensky administration fires Sytnyk and fails to carry out genuine judicial reform, it will effectively opt for abandoning Western support and may look for help elsewhere — such as the aggressor country. This would be a fatal mistake.



NEWS ITEM:

A resident of Chernihiv Oblast on Feb. 13 called the police and said he killed his stepfather. He also asked to bring some snowplows, because communal service didn't clear the snow around his house and it's hard to get there by car. Only the man didn't kill anyone — he lied so that police clear the snow. Now he faces a \$2-4 fine.



NEWS ITEM:

Tymofiy Mylovanov, former economy minister and now a top aide to President Volodymyr Zelensky's chief of staff, hurled expletives at the International Monetary Fund, accusing it of obstructing negotiations with Ukraine. Criticizing the IMF in comments on Facebook, Mylovanov used a phrase that can be translated as "fucked up." The IMF mission on Feb. 13 concluded that Ukraine needs to show more progress on several reform fronts before it can get another installment of a \$5 billion credit line. Disbursement was frozen at \$2.1 billion last year. The Ukrainian government had hopes of getting a \$700 million tranche by March.



NEWS ITEM:

The State Executive Service in Kryvyi Rih — a city in Dnipropetrovsk Oblast 480 kilometers southeast of Kyiv — has seized a dozen pair of women's underwear from a debtor and is now trying to sell them one by one at a state auction for \$1-2 a pair.

NEWS ITEM:

Audio-chat social networking app Clubhouse blocked pro-Kremlin propagandist Vladimir Solovyov after he attempted to start a discussion on LGBT issues in Russia. In the app, he created a discussion titled "Why didn't Russia's queer revolution take off?" and Clubhouse blocked him for "potential breach of trust and security of service rules." Solovyov thinks Clubhouse was "scared" of him. "That's all you need to know of that outlet's 'free speech values,'" he tweeted on Feb. 15.

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Ukraine's Friend & Foe Of The Week



Friend

Lloyd J. Austin, U.S. secretary of defense

The new top defense official this week expressed his absolute support for NATO and American involvement for peace around the world. After Donald Trump's disregard of Western collective security, this is a good sign for Ukraine.



Foe

Vasily Nebenzya, Russia's representative to the United Nations Security Council

The Russian envoy cursed Ukraine, accusing it of failing to implement Kremlin-dictated Minsk agreements for the Donbas. He went as far as to call France and Germany "accomplices" of war crimes. He should look in the mirror for guilt of war crimes.

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 chief editor Brian Bonner, at bonner@kyivpost.com. All correspondence must include an email address and contact phone number for verification.

Baseless criminal case against me is part of dangerous trend



Simon Cherniavsky

The baseless criminal case recently opened against me for allegedly abusing my powers as the acting head of the State Food and Grain Corporation is part of a dangerous trend.

Its main purpose is to discredit the initiatives taken by a few reform-oriented managers and politicians who want to see Ukraine's state-owned enterprises succeed. It is also a signal to independent executives thinking of moving into the state sector in search of job satisfaction rather than money that they should stay away.

Yet Ukraine urgently needs to bring high-quality talent from the private sector to reform SOEs and contribute to attracting foreign investment and driving economic growth.

At the end of 2019, the reform-minded Oleksiy Honcharuk government invited me to lead the State Food and Grain Corporation (SFGC) out of crisis and attract investment into the company. The corporation faced a \$1.5 billion loan due for repayment in 2021 and had spiraling operating losses due to poor governance and unaccountability.

I had just completed the restructuring and sale of Mriya Agro Holding, one of Ukraine's largest agricultural companies. When my team took over at Mriya, it had a debt portfolio of \$1.1 billion. The one condition that I made for accepting this new challenge was that I should be able to hire a team of professional managers from the market at commercial rates. This was agreed and I hired 15 senior and middle managers within two months to take on the immediate task of auditing current assets and liabilities and

preparing a 90-day crisis action plan for the approval of the Ministry of Economic Development, Trade and Agriculture under Timofiy Mylovanov.

Our efforts and plans came to a sudden halt after Mylovanov's resignation. Since there was no longer government support for reforms at SFGC, I and my team left soon after.

Nine months later, I was summoned by the State Fiscal Service and charged with embezzling \$320,000 in salaries paid to the employees I recruited because I had hired them at market rates even though I was fully entitled to do so. The Fiscal Service did not interview me during the preliminary investigation and gave me no opportunity to refute the absurd charge.

Reform of Ukraine's SOEs cannot take place without honest, competent, properly paid managers who can ensure that the companies function free of political interference in line with the basic principles of corporate governance. Independent supervisory boards are also essential. Strategic investors require full financial transparency, protected shareholder rights, and political stability to make the long-term investments that the sector so urgently needs. Large SOEs are competing with the private sector in global capital markets.

The financial costs of implementing these changes are negligible relative to the value they will bring to the Ukrainian state.

To put numbers into perspective, SFGC should currently contribute \$10 million in annual operating profits and \$50 million of export VAT earnings (excluding payroll and



A combine unload wheat grains on a field Kharkiv Oblast on July 10, 2020.

other taxes) to the state treasury. Instead, the corporation reported a net loss of \$150 million in 2019, most of it from loss-making trading positions. With \$200 million of investments into infrastructure modernization and operational efficiency, operating profits would more than triple together with VAT earnings. The knock-on effect across the supply chain would be significant — from transparent grain origination to cheaper logistics and improved trading profit margins. By contrast, the cost of implementing basic governance is less than \$5 million per year.

There have been some success stories at SOEs that have embraced reform. Ukrposhta and

UkrOboronProm are notable recent examples in addition to the progress in the banking and energy sectors, and lately the privatization drive at the State Property Fund. Yet others such as SGFC have seen reform efforts stymied by a fight within the elites over access to the rents that they generate.

Finding a strategic partner to develop SGFC should be a top priority. This year the corporation must restructure the \$1.5 billion loan from a Chinese bank intended to finance grain deliveries to China. SGFC's assets are well located but run down and inefficient. The government should sell the company (even for a low price) to a global operator in exchange for significant investment commitments. In parallel,

an agreement should be reached with the Chinese to restructure the debt and possibly convert it into equity and contribute other assets to reach an agreement.

To deliver a deal of this kind requires demonstrating to an investor that SGFC has a professional management team that operates without political interference.

The criminal case launched against me is another crude attempt to subvert reform of entrenched corruption in SOEs. It is also a litmus test of how foreigners' legal rights are treated in Ukraine.

Simon Cherniavsky is a British citizen who has lived in Ukraine since 2010. He was head of State Food and Grain Corporation from December 2019 until April 2020.



A feline break in the war

Ukrainian soldiers smile as they call a cat in a trench line of Russia's war in Donbas on Feb. 16, 2021. The military guards a 420-kilometer front line in the seven-year-long war that shows no signs of ending soon.

ON THE MOVE

Advertisement

Law firm AVELLUM promotes Andriy Fortunenکو to counsel in dispute resolution practice



Andriy Fortunenکو

Andriy Fortunenکو has been promoted to counsel at AVELLUM's dispute resolution practice. Fortunenکو will now focus on domestic and cross-border commercial disputes, as well as fraud investigations and white collar crime.

Fortunenکو has regularly represented national and foreign companies of various sectors in high-profile commercial disputes. He has extensive expertise in debt recovery, enforcement of pledges, mortgages and guarantees. Fortunenکو's recent experience includes handling complex multijurisdictional disputes before English, Cypriot, and Austrian courts. He has also

successfully represented foreign companies before Ukrainian law enforcement authorities.

Fortunenکو is featured as a recommended lawyer for Dispute Resolution in Ukraine by reputable international ranking The Legal 500.

Fortunenکو obtained his Master's degree in Commercial Law from Kyiv National Economic University in 2012. He has been admitted to the Bar (Kyiv Regional Bar Association) since 2016.

Fortunenکو is one of the few experts in Ukraine holding a Certified Fraud Examiner credential from the Association of Certified Fraud Examiners, which is the standard of professional excellence in the anti-fraud profession.

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Cyprus offers Ukraine lessons about conflicts, EU readiness

By Brian Bonner
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Despite having the full weight of international law on its side, Cyprus has not been able to dislodge Turkey's claims to the northern third of the Mediterranean island nation since Turkish military forces invaded in 1974 and remain to this day.

Will Ukraine – which also enjoys international backing in its war against Russian invaders – still be trying to remove the Kremlin from Crimea and the eastern Donbas 47 years after the war started in 2014?

The sad answer is that, yes, indeed, Ukraine may still be trying to end the Russian occupation of its territory in 2061.

But there's also a more hopeful lesson to take from Cyprus: The nation of nearly 1 million people, mainly Greek Cypriots, did not let the ongoing conflict with Turkey prevent it from joining the European Union, unlike Turkey and, of course, unlike Ukraine. Cyprus joined in 2004.



Volodymyr Petrov

Cyprus Ambassador to Ukraine Louis Telemachou speaks with the Kyiv Post on Feb. 16, 2021, in the newspaper's headquarters in the KADORR building on 68 Zhylianska St. in Kyiv.

Veteran Cyprus Ambassador to Ukraine Louis Telemachou told the Kyiv Post that Cypriots today are some of the biggest fans of the 27-nation bloc, and proud to have been a net financial contributor to the EU budget rather than a net recipient.

"The level of Euro-skepticism is quite low on the island," Telemachou said. His fellow citizens have adopted the reasoning that within the EU's "big family, you have some kind of voice."

'Golden passport' scandal

Cyprus, a former British colony that gained its independence in 1960, has been trying to change its international reputation as a haven for money laundering and tax evasion. Besides the Turkish issue, Telemachou said one of his diplomatic goals is to "take away the bad name of Cyprus as a money launderer."

But progress was dealt a setback last year by an Al Jazeera investigation that exposed abuses in the Cyprus Invest Program, known colloquially as the "golden passport program."

Journalists discovered that wanted criminal suspects and criminal convicts bought Cyprus citizenship for 2 million euros, often through real estate investments, to obtain a passport that effectively grants EU citizenship as well. Among the beneficiaries were Ukrainian bank fraud suspect Oleh Bakhmatyuk and embezzlement suspect Mykola

izenship of 26 foreign investors, but he doesn't know their identities or what nations they came from.

"We are not talking about huge numbers," he said. "During the whole program, citizenship was given to approximately 3,000 people plus 3,000 members of their families since 2008." In 2018, for instance, Cyprus accounted for less than one-half of 1 percent of all citizenships granted by EU member states, he said.

Banking clean-up

In a March 18, 2013 article in The Atlantic magazine, author Matthew O'Brien wrote: "There are four things you need to know about Cypriot banks. First, they have assets equal to roughly eight times the country's gross domestic product. Second, they get a huge percentage of their deposits from tax-dodging Russians. Third, they invested a ton of money in Greece. And fourth, they are highly dependent on central bank financing to stay afloat. In other words, Cypriot banks are too big for Cyprus to save. But somebody needs to save them."

The sector's 2013 collapse, fueled by unsustainably high-interest rates offered depositors, led to a \$13 billion EU bailout along with another \$7.5 billion in taxes assessed against depositors, especially wealthy ones.

Telemachou blamed the sector's sordid collapse on "our bankers not being very clever and being very greedy."

He insisted that everything has changed for the better.

"Banking is not as important a sector anymore. This was a conscious decision by the European Union, the International Monetary Fund, the European Central Bank, and by the government of Cyprus."

He said that Moneyval, which monitors anti-money laundering efforts for the Council of Europe, has given Cyprus favorable ratings for its clean-up of the banking sector and efforts to combat money laundering and the financing of terrorism.

While a May 2019 Moneyval evaluation does indeed find many areas of praise, it also criticizes Cyprus for "not yet sufficiently pursuing money laundering from criminal proceeds generated outside of Cyprus, which pose the highest threat to the Cypriot financial system" and for not being "very proactive at freezing and confiscating foreign criminal proceeds at their own initiative, although they have been instrumental in assisting other countries," among other shortcomings.

But Telemachou said the banking

About Louis Telemachou

- Ambassador in Ukraine since 2017
- 27-year career diplomat
- Graduated from the University of Reading in the United Kingdom with an M.A. degree in European Studies and from the London School of Economics in the United Kingdom with an economics degree
- Speaks Greek, English, French & German
- Born in Nicosia, Cyprus

Zlochevsky, owner of Burisma energy company, journalists said.


The country made \$8 billion from the program since its inception in 2008, according to Al Jazeera's information.

After the sensational disclosures, Telemachou noted that Cyprus ended the Cyprus Invest Program on Nov. 1, 2020, and that an investigation is under way.


"We have to explore the weaknesses that gave room for abuse of its provisions," Telemachou said. "It gave a bad name to Cyprus. We have seen it. We have stopped it. We are having an independent criminal investigation." An independent Committee of Inquiry, appointed by the attorney general of Cyprus, is conducting the probe.

The investigation has already prompted Cyprus to revoke the cit-

Cyprus at a glance



Government type: Unitary presidential constitutional republic



President:
Nicos Anastasiades

GDP
\$23.2 billion (2020)

GDP per capita (current prices)
\$26,240 (2020)

Total area:
9,251 km²


Population:
1.2 million

World Bank's Doing Business Ranking: 54th

Credit ratings:
S&P – BBB- (stable), Fitch – BBB- (stable),
Moody's – Ba2 (positive)

Main economic sectors:
business and financial services, tourism, shipping, real estate, retail trade, manufacturing of pharmaceutical and food products, construction.

Trade: \$50.48 million



Exports from Ukraine to Cyprus: \$31.84 million. Ukraine exports cereals; food waste; vegetable and animal fats and oils, vegetable and animal waxes; mineral fuels, oil and products of its distillation, bituminous substances, mineral waxes.

Imports to Ukraine from Cyprus: \$18.64 million. Ukraine imports pharmaceutical products; nuclear reactors, piles, machines, equipment and mechanical devices, their parts; land transport (except railway and tramway rolling stock), their parts and equipment; alcoholic and non-alcoholic beverages and vinegar; animal and vegetable fats and oils, products of their splitting, edible fats, animal and vegetable waxes.

Cyprus' foreign direct investments: \$2.5 billion (2019)

Sources: World Bank, International Monetary Fund, World Population Review, State Customs Service, National Bank of Ukraine



Ambassador Louis Telemachou: People should shed outdated stereotypes of Cyprus

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sector is sound today, much smaller, and caters mainly to Cypriot depositors.

“Before 2013, there were some mistakes. We have learned from them the hard way and we have corrected them,” the ambassador said. “We cannot accept anymore the claim that our banks are corrupt. We are following the strictest of regulations.”

Cyprus No. 1 investor

Cyprus is the top origin of Ukraine’s low \$50 billion in foreign direct investment since independence almost 30 years ago, accounting for some \$10 billion. Of course, this money is not coming from Cypriots, but rather from Ukrainians with money in Cyprus.

The ambassador said that, while the origins of Ukrainian money in Cyprus banks may date back to the poorly regulated pre-2013 era, he

said his nation today is a safe place to invest and keep money.

He cited three reasons why wealthier Ukrainians and others still find Cyprus an attractive place to invest: A sophisticated financial services sector, tax and other benefits for setting up physical headquarters on the island, and a well-respected independent judiciary.

Cyprus, he said, is simply “a competitive destination for investments, with an excellent regulatory structure, strong business support services, and a positive economic outlook.”

Personal ties

Those who focus on Cyprus’ “outdated stereotypes” and scandals, he said, are missing out on the 9,251 square kilometer island’s many charms — including an innovative economy, a world-class tourism destination and a Mediterranean climate that makes real estate a popular commodity.

These advantages are not lost on



Protaras, a resort town in southeastern Cyprus, the Mediterranean island nation of 1 million people. Tourism accounts for at least 27% of Cyprus’ economic output. The GDP was measured at \$23.2 billion in 2020.

Ukrainians. Cyprus imposed a tough lockdown on tourists on March 20, 2020, because of COVID-19 and has kept it in place. Consequently, Cyprus has suffered only 225 deaths and 32,707 infections during the pandemic.

But pre-COVID, 100,000 Ukrainians would visit yearly as tourists. Some 10,000 Ukrainians live in Cyprus permanently, and the nation counts 3,200 marriages between Ukrainians and Cypriots. By contrast, possibly no more than 10 Cypriots live in Ukraine.

“We had about 16 flights per week, 24 during the summer” between Cyprus and Ukraine, he said. “That’s a lot for a small country. The people-to-people contact is quite big here.”

Tourism is clearly a huge part of Cyprus’ economy — accounting for 27% of total economic output.

“It’s in our genes to treat the foreign tourist well,” he said, noting that four million visitors came yearly — four times the island’s population.

But lesser-known sectors are also important. He said Cyprus’ network of highly ranked private universities, leaders in many areas of research and innovation, accounts for about 10% of gross domestic product.

Some 30,000 foreign students study in Cyprus, but very few of them are Ukrainian.

He also noted that Cyprus has among the largest shipping industries, which accounts for 8 percent of GDP and employs 50,000 Ukrainian sailors. The nation has also been at the forefront of “green shipping” with eco-friendly vessels, among other investments in green technology.

He also cited the popularity of the medical tourism industry.

Ukraine policy

As a member of the EU, Cyprus is fully supportive of the bloc’s sanctions imposed on Russia for its war in Ukraine. He also wants to impress upon Ukraine that Cyprus is a victim of international lawlessness by Turkey that should be condemned as well. Ukraine, however, has not imposed sanctions on Turkey over its actions in Cyprus and, to the contrary, is seeking closer ties with its Black Sea neighbor. Turkey, meanwhile, does not impose any sanctions on Russia.

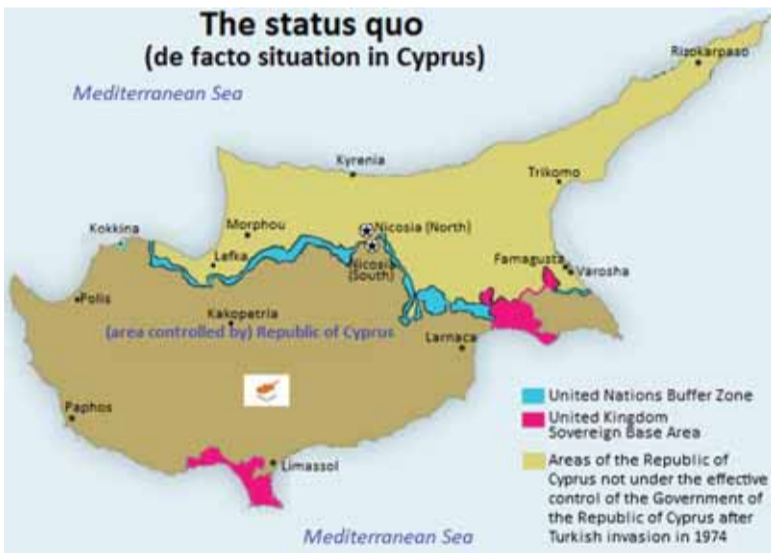
The main goal of Cypriot foreign policy is for Ukraine to be “a secure and peaceful neighbor.” To those ends, Cyprus is focused on helping Ukraine advance its European aspirations.

He brings extensive experience to the goal, including assignments in Brussels. Prior to coming to Kyiv, the ambassador served as Cyprus’ deputy director of the EU Department in Nicosia, the island nation’s capital.

“My career path was focused on the European Union. I was very happy to accept the challenge asked to come to Ukraine to bring all the knowledge of how the European Union works to Kyiv,” he said.

“The problem that I found here is that — this is, of course, normal within the Ukrainian establishment — is that they think that Ukraine is the only thing that the EU is concerned with in terms of foreign policy,” the ambassador said. “If you want to come out and make progress, you have to understand that Ukraine occupies only so much” of the attention of the EU, which is also focused on Syria, Libya, Lebanon, China, climate change, and a host of other foreign policy issues.

Cyprus policy on Ukraine will remain clear and consistent, he said. “Cyprus gives its full support to Ukraine for its reforms, not because they’re going to be better for the EU, but they will be better for the Ukrainian citizen,” Telemachou said.



Turkey invaded Cyprus in 1974 following a Greek Cypriot coup. Its forces still control the northern part of the Mediterranean island nation, where Turkish leader Recep Erdogan wants to create a separate state. Erdogan’s idea is condemned internationally.

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Island's tax, investment climate attract plenty of Ukrainians

By Alexander Query

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The Republic of Cyprus has been one of the largest foreign investors in Ukraine over the past years, bringing over \$10 billion to the country between 2011 and 2019, according to the State Statistic Service of Ukraine.

Cyprus accounted for almost a third of foreign direct investment to Ukraine in 2019.

However, much of this money invested in Ukraine might have been Ukrainian in the first place, coming from Ukrainian residents who established their companies in Cyprus.

An attractive tax regime, financial stability, and the stamp of respectability as a European Union member state have made Cyprus an attractive destination for Ukrainians over the years.

For years, Cyprus has served as a popular investment stop for Ukrainians, Dmytro Perevozchikov, a partner at Cyprus-based law firm Michael Kyprianou, which has offices in Kyiv, told Kyiv Post on Feb. 16.

"Traditionally, Cyprus has successfully served foreign investors as a stable go-to destination for investments and transactions in Ukraine," he said.

Attractive system

Roughly 6,000 Ukrainian companies were registered in Cyprus in 2020, according to YouControl, an open-source register for local firms.

About 30% of all the Cypriot companies are actually Ukrainian with foreign founders, and a staggering 94% of the investment Cyprus had attracted between 2011–2019 came from Ukraine, the data shows.

"The process of creating a company (in Cyprus) is fairly easy and straightforward," Perevozchikov said.

At least one shareholder must register his office in Cyprus and work with a Cyprus-qualified lawyer. For a compliance check, the beneficial owner has to provide copies of passports, utility bills, a detailed resume, his source of wealth and a business plan.

It takes only a week for the company to be duly registered with the Register of Companies in the

Cypriot firms that work in Ukraine

Logo	Company	Activity	Year founded	Representative in Ukraine	Contacts Ukraine	Website
	Elias Neocleous & Co	Law firm	2017	—	24/7 Instytutska St., Kyiv, 01021, Ukraine tel: +380442534495 email: kiev@neo.law	neo.law
	Andreas M. Sofocleous & Co	Law firm	1995	Alexia Ovdienko	36D Saksahanskoho St., Kyiv, 01033, Ukraine tel: +380444902003 email: kievfrontdesk@sofocleous.com.cy	sofocleous.com.cy
	Marlow Navigation	Crew and ship management firm	1982	Leonid Gerasymchuk (Odesa), Daria Bilan (Kyiv)	45 Troitskaya St., Odesa, 65045, Ukraine tel: +380482496174 email: marlow@marlow.od.ua 3 Richna St., Kyiv, 01135, Ukraine tel: +380445859766 email: kiev@marlow.kiev.ua	marlow-navigation.com
	Bank of Cyprus	Public bank	1899	Larysa Sverdlova	42-44 Shovkovychna St., Kyiv, 01004, Ukraine tel: +380444905696 email: rep.kiev@ua.bankofcyprus.com	bankofcyprus.com
	Hellenic Bank	Public bank	1976	Oleh Mikhno	8 Rybalska St., Kyiv, 01011, Ukraine tel: +380442887210 email: kyivrep@hellenicbank.com	hellenicbank.com
	Leptos Estates	Property developer	1960	Panagiotis Panagiotou	24 Zhylyanska St., Kyiv, 01001, Ukraine tel: +380506679518 email: sales@leptosestates.com.ua	leptosestates.com
	Medochemie	Pharmaceutical firm	1976	Oleksiy Beresnev	15 Ivana Franka St., Kyiv, 01030, Ukraine tel: +380442840414 email: nataliya.poddubnaya@medochemie.com	ukraine.medochemie.com

Cyprus doesn't have many businesses operating in Ukraine. Of these seven companies, two are law firms, two are banks, one is a property developer, one is a crew & ship management firm and one is a pharmaceutical firm — a reflection of bilateral trade ties.

Republic of Cyprus and to obtain a company registration number.

The island's tax regime added to the easy process also explains the popularity of Cyprus among Ukrainian businessmen. Cyprus is not officially considered an offshore jurisdiction, but it has one of the lowest corporate tax rates in the European Union — just 12.5%.

In Ukraine, meanwhile, the corporate tax rate is 18%.

Its business system also allows the creation of non-resident firms with management abroad, free from local taxation. These companies are not required to pay any taxes on profits derived from foreign sources, meaning companies potentially can avoid paying taxes at all.

"Cyprus has an exceptionally attractive tax regime, especially for holding companies," Perevozchikov said.

Window to Europe

Before getting citizenship, Ukrainian nationals also benefit from the tax system in place, Ukrainian Yevgen Stuzhnyi, who works for a tech company on the island, told the Kyiv Post on Feb. 11.

"He has a 20% tax deduction on his revenue during his first five years on the island, he said. "It's good for companies to move their employees to Cyprus," Stuzhnyi said.

Foreigners working in Cyprus don't pay taxes on their income at all if they receive under 19,500 euros per year. If they make 19,500–28,000 euros a year, they pay a 20% tax on their income, but with a 20% tax deduction. This means if a foreigner is paid 28,000 euros per year, he will have to pay 20% in taxes on 22,400.

However, Stuzhnyi said due to low-income taxes, the prices of apartments in Limassol, a city of 100,000 located 85 kilometers from the capital Nicosia, soared to the point he has to live in its outskirts.

A one-bedroom apartment costs 1,200 euros per month for rent, and the city doubled in the last five years.

Limassol is the biggest Russian-speaking city in Cyprus. It is growing due to the influx of Russians, Ukrainian and Belarusians in the city, Francois Albessard, a Belgian national living in Cyprus and working in the

IT sector, told Kyiv Post on Feb. 10.

This is also where Ukrainian businesses settle, he said, especially since Cyprus provides a window to Europe, Albessard said.

"The city is expanding because Cyprus attracted a lot of Ukrainian thanks to its taxes and the opportunity to have a European passport," he said.

Seven years after paying taxes in Cyprus, a Ukrainian citizen can obtain Cyprus citizenship, an opportunity for many Ukrainian nationals to travel and do business in Europe later on.

The end of secrecy?

Being a member of the EU, Cyprus opens the European market to Ukrainian entrepreneurs, Perevozchikov said.

"A Cyprus company can be used as a vehicle, facilitating business transactions with EU counter-parties, and can be the access point to the EU market for foreign investors," he said.

The other side of the coin is that Cyprus provides oligarchs with the opportunity to withdraw funds further to other jurisdictions.

Ukrainian oligarchs have been known to be behind some Cypriot-registered companies from Ukraine, like billionaire Igor Kolomoisky and his partner Gennadiy Boholyubov, who allegedly siphoned \$5.5 billion from PrivatBank between 2013 and 2016.

In 2016, the state took over the bank to save it from bankruptcy and protect its 20 million customers. The fall of PrivatBank would have destabilized Ukraine's economy because of its status as Ukraine's largest bank.

The money was moved through a PrivatBank subsidiary in Cyprus, and the National Bank of Ukraine claims it never detected that cash transferred to Cyprus was leaving Ukraine.

The system allowed billions of dollars to be pumped through the PrivatBank accounts held in Cyprus by offshore companies.

In April 2020, PrivatBank took its claim to a Cypriot court, because Ukrainian laws don't apply to a Cypriot jurisdiction. The court's decision hasn't been announced yet.

However, recent amendments in the Ukrainian law changed the game.

In May 2020, the Ukrainian government passed a law to stop the illegal flow of money out of the country, the so-called "BEPS" law — where BEPS stands for base erosion and profit shifting — aimed to fight offshoring by tracking and taxing profits earned by Ukrainian citizens worldwide.

Since January 2021, Ukrainian business owners have to declare their companies, trusts and partnerships abroad and pay taxes to Ukraine's budget.

Companies based in Ukraine also have to prove that they do not use foreign companies as empty shells, in compliance with international laws on transparency.

"In such circumstances, the Ukrainian tax resident should be ready to declare the ownership of a foreign company," Perevozchikov said. ☺

Tax system in Cyprus

The tax system of Cyprus offers numerous advantages to foreign businesses registered on the island.

- The lowest corporate tax rate in the European Union at 12.5% and no tax on dividends, interest nor royalties.
- No tax on interest income for non-residents
- Tax exemption on profits from sales of shares of a company
- Double Tax Treaty with Ukraine to avoid being taxed in Cyprus and Ukraine at the same time

The income of foreigners living in Cyprus also benefits from this system.

- Income until 19,500 euros per year — no tax
- Income between 19,500 euros and 28,000 euros per year — 20% tax and 20% tax deduction
- Income between 28,000 and 36,300 euros per year — 25% tax and 25% tax deduction
- Income between 36,300 and 60,000 euros per year — 30% tax and 30% tax deduction
- Income over 60,000 euros per year — 35% tax and 35% tax deduction

Source: P. Constantinou law firm

Ukraine has an 18% corporate tax, while in Cyprus, it's 12.5%. The income tax in Ukraine is fixed at 18%, while in Cyprus, it's changing based on how much one earns, but foreigners have access to as much as a 35% tax deduction from their wages.



Pawel Kazmierczak/Shutterstock



Tourist excursion ship sails near the sea caves in Cape Greco National Park near Ayia Napa, the most popular youth resort in southeastern Cyprus.

Tourist magnet Cyprus attracts 100,000 annually from Ukraine

By Yana Mokhonchuk
mokhonchuk@kyivpost.com

Sun-soaked stretches of sand, pleasant Mediterranean climate, delicious wine, olive and citrus trees make Cyprus one of the most popular tourist magnets in Europe.

And Ukrainians aren't trying to resist the temptation. According to Cyprus' Statistical Service, nearly 100,000 Ukrainians traveled to the island in 2019, making one of the biggest shares in the general number of tourists to the country.

Ukrainian Andriy Klymenko, who moved to Cyprus about 10 years ago,

says that it's the country's incredible warm climate and sea that makes it stand out among other European destinations.

"I have not yet found a warmer place in Europe – we swim almost all year round," Klymenko told the Kyiv Post.

The country benefits well from its travel attractiveness. In 2019, it welcomed nearly 4 million tourists with the travel sector making up for about 23% of its yearly GDP.

The numbers surely dropped under the influence of the pandemic. In 2020–2021, Cyprus went through two lockdowns, restricting the oper-

ations of businesses and limiting entrance to foreigners.

According to Klymenko, such popular resorts as Ayia Napa and Paphos, where the local infrastructure is almost entirely focused on tourism, remain empty now.

"Where thousands of tourists used to walk, now there is silence," Klymenko said.

But Cyprus is planning to go back to the previously booming tourist life soon. The Cypriot authorities are opening the borders to residents of 56 countries starting March 1. The members of the European Union, the European Economic countries and several third countries including Ukraine are on the list. The residents of these countries won't need to self-isolate upon arrival but undergo a COVID-19 test before or after arrival or both depending on the country category. Every country's category will be decided depending on the current epidemiological situation.

Beloved destination

According to Ukraine's State Border Service, Cyprus was one of the most popular "tourist countries" for vacations among Ukrainians in 2019 aside from Qatar, Egypt, Georgia, Turkey and the United Arab Emirates.

And the demand for tours to Cyprus grows every year, according to Ukrainian travel agency Join Up! The number of tours they provided in 2018 more than doubled in 2019,

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STRENGTHENING CYPRUS' POSITION AS AN INTERNATIONAL BUSINESS CENTER



Anna Tsyvinska,
Head of Representative Office
of Elias Neocleous & Co LLC

Cyprus forms a natural bridge between Europe, the Middle East, Africa and Asia. It offers not only a strategic location, but also a well-developed commercial infrastructure and benign tax environment. Convenient geographical location, mild climate, high service, as well as stability and security – all this allows Cyprus to receive a constant flow of tourists. Also due to its geographical location, Cyprus is attractive in terms of real estate investment and has a leading maritime infrastructure. In addition, Cyprus has a reliable health care system, genial people, low crime and a wide network of quality banking and legal services, which is important when buying real estate and doing business in Cyprus. In addition, Cyprus has one of the lowest income tax rates in the EU, 12.5%, with a VAT rate of 19%. As Cyprus has introduced strict rules for opening and maintaining bank accounts, this has ultimately made it a prestigious hub for international transparent business. The main advantages of doing business in Cyprus: business security, the possibility of cooperation with EU countries, transparency and the absence of corruption in public institutions.

As a consequence of the pandemic, given the level of government intervention both at the EU and local level, it is expected that during the course of 2021, there will be an increasing period of strong economic growth in Cyprus. However, it is very important to utilize the lessons learned during the pandemic to increase productivity and service delivery, especially with regards to the need to adopt technology and increase the pace of digitization of all sectors.

Close political, economic and cultural ties between Ukraine and Cyprus affect the development of business relations between the two countries. There are many areas of bilateral cooperation that are equally beneficial for both Ukraine and Cyprus. The following areas are the most attractive for Ukrainians: tourism, services, IT, shipping, real estate, etc. The Cypriot government is actively encouraging foreign investors and has numerous double taxation agreements.

The legal relations between Ukraine and Cyprus are, inter alia, regulated by the Convention between the Government of Ukraine and the Government of the Republic of Cyprus on the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes of November 8, 2012.

In order to bring the provisions of this Convention into line with the Model Convention of the Organization for Economic Cooperation and Development on Taxes on Income and Capital, the Protocol amending the Convention between the Government of Ukraine and the Government of the Republic of Cyprus on Double Taxation and Tax Prevention was signed on December 11, 2015 in Kyiv. On October 30, 2019, Verkhovna Rada of Ukraine ratified the Protocol. For Ukraine, the date of its entry into force is November 28, 2019.

The main provisions are the following:

- Taxation of dividends at a reduced rate of 5%. This applies if the beneficial owner of dividends is a company (other than a partnership) which directly holds at least 20% of the company's dividend-paying capital and invested in the acquisition of shares or other rights equivalent to at least 100,000 euros) and 10% of the gross amount of the dividends. In all other cases, it's the following:

- The maximum basic tax rate for the payment of dividends is reduced from 15% to 10%;

- The interest rate has been increased from 2% to 5% of the gross amount of the interest (the proposed rates correspond to the general practice of concluding such conventions and protocols to Ukraine with other countries (similar rates are contained in the vast majority of conventions and protocols concluded by our state);

- Amendments were made to the taxation of capital gains derived from the alienation of shares deriving more than 50% of the value directly or indirectly from immovable property (in the current convention, the relevant income is exempt from taxation in Ukraine).

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For many Ukrainians, Cyprus is the top place for sun, sea & fun

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hitting over 20,000.

The main reasons for the island's growing popularity among Ukrainians are the proximity, convenient flight connections and affordable prices.

A flight to Cyprus takes only about three hours and prices for plane tickets start at as little as Hr 900, or \$32.

Before the pandemic, low-cost airlines like WizzAir and Ryanair, as well as Ukrainian International Airlines, had Cyprus-headed flights scheduled four times a week.

The volume of flights is expected to gradually resume now. As Cyprus announced the opening of its borders, some airlines have already opened sales for trips in March and April.

Join Up! alone plans to order charter flights for its tours starting March three times a week with the plan to increase to four flights a week in May.

Just like other foreigners, Ukrainians mostly travel to resorts along the northwest and southeast coast, controlled by the Cypriot authorities. The most-visited resorts Ukrainians flock to are Paphos, Larnaca and Ayia Napa.

Vacationing in Cyprus is a pretty affordable pleasure, compared to Western Europe. Join Up! for instance, offers package tours for two nights, which cover flights, accommodation and meals, for Hr 6,589 (\$237) per person. The same tour for six nights would cost about Hr 19,000 (\$680).

Renting a car for observing the island through and through costs about Hr 1,000 (\$36) per day. And an average check for lunch with a glass of wine at local restaurants is around Hr 500 (18\$) per person.

Main attractions

Cyprus fits all types of vacations.

The neon lights of hundreds of bars and clubs make Ayia Napa the most popular youth resort in eastern Cyprus. There's also golden sand and a clear shallow sea. "This is a place for non-stop parties," Dmitriy



A WizzAir plane on Aug. 1, 2020 approaches Cyprus' Larnaca International Airport, flying over beaches in Larnaca, one of the most-visited resorts among Ukrainians.

Khromov, a department head at Join Up! told the Kyiv Post.

The embodiment of calmness, resort town Protaras, is a perfect match for a family vacation. Famous for its sandy beaches and picturesque bays, it is an option for those who seek solitude and unity with nature.

The locals say that the most magnificent sunsets in Cyprus are in the coastal city of Paphos. The choice of luxurious hotels here is greater than anywhere on the island. It is also the greenest area all around Cyprus.

Larnaca city is a real island of peace amidst the bustling resort life. Larnaca is the meeting point, from which it's easy to get to any attraction all around the island. The city's volcanic sand beaches have an unusual dark color, and the sea is shallow and safe for children.

The southern city of Limassol is the most popular resort in Cyprus after Ayia Napa. The resort is often called the Cypriot Riviera as it offers a whole package for a relaxing

vacation, including fascinating seascapes, top restaurants and a friendly atmosphere.

Offbeat routes

"There is no rush in Cyprus. Everything is calm," Masha Ledina, who moved from Kyiv to Cyprus four years ago, told the Kyiv Post.

Ledina lives in the small village of Latsi but often explores the island and organizes gastronomic tours for travelers.

Ledina recommends renting a car and going deep into the island, as Cyprus is much more than its perfect beaches.

The island offers a variety of other attractions from historical sites and scenic natural spots to famous wine routes and wild nightlife.

The legendary birthplace of the ancient Greek goddess of love Aphrodite, Cyprus is rich for Roman mosaics, mountaintop castles and Byzantine churches.

Local tours offer trips to Christian

shrines and monuments like Kykkos Monastery, the tomb of St. Lazarus in Larnaca known as the biblical village of Bethany, the Church of St. Paraskevi, the ruins of the ancient city of Salamis and the temple of the martyr Justina.

Another famous sight is the island's highest point, Mount Olympos, also called Mount Troodos, which reaches 1,952 meters.

Cyprus' wind and water conditions open up endless possibilities for sports such as windsurfing, sailing and kitesurfing, together with an underwater exploration of diverse marine life.

Marvelous sea stack in Paphos called Petra Tou Romiou, also known as Aphrodite's Rock, the mountain village of Agros and greenery oasis Atalassa National Park are known as the most Instagrammable spots of the island.

Gastronomic heaven

In addition to all the marvelous joys Cyprus offers to tourists, there is another one that would please international gourmets.

The centerpiece of every meal on the island is a selection of "meze," traditional small dishes that fill the table. Meze roots back to a lasting local tradition: When guests come to a host, he or she opens the refrigerator and puts everything available into small plates.

"Meze is hard not to gorge yourself on," Ledina jokes.

Heavily influenced by Turkish, Greek and Middle Eastern food cultures, Cypriots developed their own culinary delights: pork cooked in red wine called afelia, grilled sausages wrapped in caul fat called sheftalia and sticky baklava flavored with almonds and pistachios.

Other widely popular dishes are local kebabs souvlaki, baked lamb klefotiko and traditional Greek mousaka – baked eggplant layers with bechamel sauce, lamb, zucchini, mushrooms or potatoes. Traditional

halloumi cheese made of goat or sheep milk is served here in several variations.

But the gastronomic experience isn't limited to restaurants alone. Visitors never know where they can find a treat to taste.

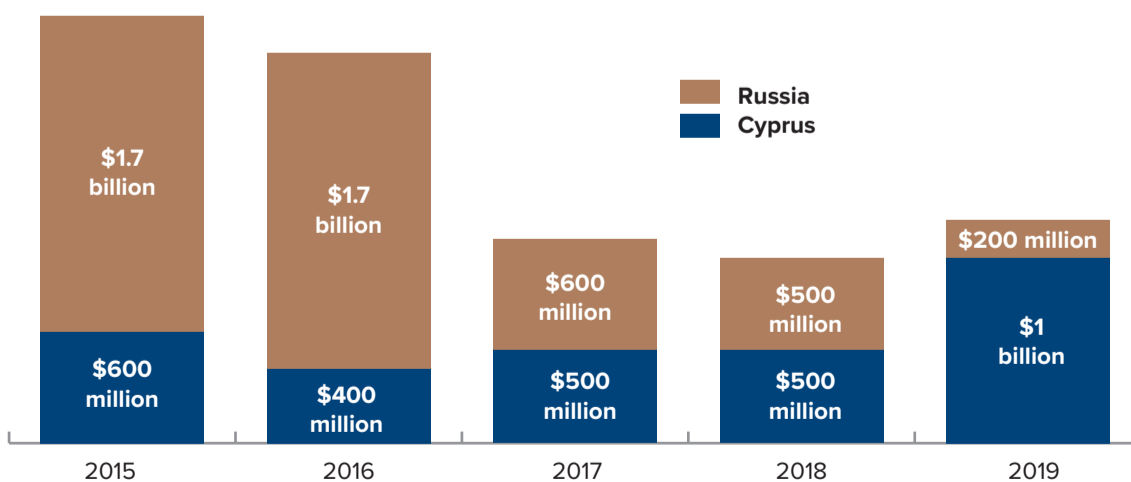
"Here you can park your car by the roadside and pick as many wild almonds as you can and drive on," Ledina said.

The southern and western areas are filled with vineyards and wineries. The most popular wine routes are Vasilikon Winery in Kathikas, Kyperounta Winery in Kyperounta village in the Troodos Mountains and many others.

And while Cyprus seems like a perfect destination that has it all, to enjoy a vacation to the fullest, Ledina says travelers need to do their part and dive into the island lifestyle.

"In Cyprus, they say do not worry, do not rush, everything will be fine," Ledina said. ☺

Foreign direct investment in Ukraine from Russia and Cyprus



In 2020, Cyprus was Ukraine's largest foreign investor with \$1 billion, bringing its cumulative total since Ukraine's independence to at least \$10 billion – 20% of Ukraine's total of \$50 billion. Much of the money comes from Ukrainians with bank accounts and investments in Cyprus. Russian foreign direct investment, one significant, has dwindled since the Kremlin's ongoing war against Ukraine started in 2014.

Sources: Slovo i Dilo, State Statistics Service

Cyprus ranks 54th

Cyprus ranked 54th out of 190 countries in the World Bank's Doing Business 2020 ranking. The island nation is 10 spots higher than Ukraine. The annual report rates the regulatory environments in nearly all of the world's countries based on reforms implemented between May 2018 and May 2019 according to 10 key indicators -- including starting a business, paying taxes and resolving insolvency -- on a scale of 100.

#1 New Zealand	— 86.8
#6 United States	— 84
#54 Cyprus	— 73.4
#64 Ukraine	— 70.2
#190 Somalia	— 20

Source: World Bank



Oligarchs used Cyprus branch of PrivatBank to move billions

Editor's Note: The following investigation by the Organized Crime & Corruption Reporting Project, a Kyiv Post partner, was published on April 19, 2019.

By Graham Stack

The former chairwoman of Ukraine's central bank dubbed it one of the biggest financial scandals of the 21st century.

Valeria Hontareva was describing the alleged theft of \$5.5 billion from PrivatBank, once the country's largest commercial lender. The suspected masterminds are the bank's two oligarch owners: Ihor Kolomoisky and Hennadiy Boholiubov, who stand accused of absconding with an amount roughly equal to 5 percent of the country's gross domestic product. According to court records, both men are said to have recently been living in Switzerland, though Kolomoisky appears to be spending time in Israel.

"Large-scale coordinated fraudulent actions of the bank shareholders and management caused a loss to the state of at least \$5.5 billion," Hontareva said in March 2018. "This is 33 percent of the population's deposits ... [and] 40 percent of our country's monetary base."

Now, for the first time, OCCRP has traced the mechanism that appears to have allowed Kolomoisky and Boholiubov to funnel such vast wealth out of Ukraine: The money was moved through a PrivatBank subsidiary in Cyprus.

The arrangement helped hide

the fact that cash was disappearing because the National Bank of Ukraine treated the Cyprus branch of PrivatBank the same as it would domestic branches. This designation meant officials never detected that cash transferred to Cyprus was leaving Ukraine.

Meanwhile, Cypriot regulators either failed to detect that the various bank transfers totaling \$5.5 billion were backed by bogus contracts, or didn't take the necessary action to stop them.

The system allowed billions of dollars to be pumped through the PrivatBank accounts, which were held in Cyprus by offshore companies.

This account is based on a forensic audit by Kroll, the U.S.-based corporate investigation and risk consulting firm. The report, which is based on PrivatBank's own records and was obtained exclusively by OCCRP, also reveals that there was little distinction between Kolomoisky and Boholiubov's corporate and personal accounts.

Ukraine nationalized PrivatBank in December 2016, saddling taxpayers with a \$5.9 billion bailout.

Privatbank launched its Cyprus operation in the late 1990s. No other Ukrainian lender is known ever to have received permission from the National Bank of Ukraine to open an overseas branch.

The head of the National Bank of Ukraine, Yakiv Smolii, said PrivatBank's Cyprus office didn't materially differ from the lender's branches in Ukrainian cities such



A woman leaves a PrivatBank branch on April 4, 2019 in Kyiv. When the bank was owned by billionaires Ihor Kolomoisky and Hennadiy Boholiubov, investigators found that \$5.5 billion allegedly stolen was funnelled out of Ukraine through a PrivatBank subsidiary in Cyprus. Neither Ukrainian nor Cypriot banking regulators caught the transactions in time. The state now owns the bank.

as Kharkiv or Lutsk, so cash being funnelled there didn't trigger any regulatory action. Ukrainian officials did nothing to stop the money from leaving the country. (Smolii spoke to OCCRP in his capacity as co-author of the book "Private Story: The Rise and Fall of Ukraine's Largest Private Bank.")

Once the funds reached Cyprus, they were transferred to various offshore companies using SWIFT, the Society for Worldwide Interbank Financial Telecommunication. The network lets financial institutions worldwide send and receive money safely. (The system was not required to move money from Ukraine to PrivatBank's Cyprus branch.)

Because Cypriot regulators viewed the PrivatBank branch in their country as a separate legal entity from the parent in Ukraine, they never flagged the money flows to Ukrainian authorities.

"This was what allowed the abuse, the concealing of transactions from regulators, tax and customs authorities," Smolii said.

The entire report can be read here: occrp.org/en/investigations/oligarchs-weaponized-cyprus-branch-of-ukraines-largest-bank-to-send-5-billion-abroad.

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Stepanov says Ukraine doing best it can to obtain coronavirus vaccines

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ordered the Medical Procurement to start drafting contracts with vaccine producers.

Corruption, again?

Ukraine's first vaccine contract turned into a scandal.

Normally, producers sign vaccine agreements directly with governments.

However, the Health Ministry chose private Ukrainian pharmaceutical company Lekhim to be an intermediary, which would purchase 1.9 million doses of CoronaVac vaccine by Sinovac. Lekhim first announced that it was negotiating a distribution contract with Sinovac in June.

On Dec. 30, the Ministry paid \$34 million to Lekhim, or nearly \$18 per dose.

However, it is unknown how much the company will pay Sinovac per dose, and how much it is pocketing. Even Stepanov claimed that he didn't know the price Lekhim was paying to Sinovac.

"How can I know?" Stepanov said. "I only hope the price is the same (the government is paying)."

The Kyiv Post reached out to Sinovac but got no response.

Stepanov said that at first, the Ukrainian government wanted to buy the vaccines directly from Sinovac. However, Sinovac preferred to sell them through Lekhim, its exclusive distributor in Ukraine.

"I repeat, Lekhim was not a favorite of Health Ministry. It was Sinovac's condition," Stepanov said.

This claim is impossible to verify: Neither Sinovac nor Lekhim talk to the press.

Later during the interview,



Health Minister Maksym Stepanov speaks with the Kyiv Post during an interview on Feb. 11, 2021.

Stepanov said that not a single private company has been conducting negotiations on COVID-19 vaccine purchase with the producers, as they communicate only with the governments.

"Only Chinese producers decided to do that," Stepanov rushed to add.

Lekhim refused to comment on the contract and has never revealed its pricing scheme

Investigation

However, on Feb. 12 the NABU launched a probe into the Lekhim contract, suspecting the Minister of

buying the Chinese vaccine, which is not yet registered in Ukraine, at an inflated price.

The case started from a complaint by Arsen Zhumalidinov, the Medical Procurement's director-general. In it, he claimed that Stepanov has illegally interfered in procurement.

The Kyiv Post obtained a copy of Zhumalidinov's complaint to NABU. According to it, on Dec. 21 Stepanov gave an illegal order to run the potential contractors by him. Soon, Medical Procurement sent two potential contractors to the ministry for approval.

One of the contractors was Lekhim. According to Ustinova, the other contractor was the Serum Institute of India.

Lekhim's price per dose was \$1 higher than Serum's.

Although the Medical Procurement was handling the contract, Stepanov personally met with Lekhim representatives to agree on the terms of cooperation on Dec. 29, according to the claim.

After that, the minister chose Lekhim, despite its higher prices. The deal was signed the next day.

Because Ukraine ordered 1.9 million doses, Stepanov's interference inflated the final deal price by \$1.9 million, according to the complaint.

Stepanov denied all the accusations, but had not provided clear explanations for his actions.

He said he didn't know the details of the contract with Lekhim, because it was signed by Medical Procurement.

The government signed its second vaccine contract in February, this time with the Serum Institute.

Corporate secrets

Stepanov's deal has another problem: utter secrecy.

Unsatisfied with the Medical Procurement performance, Stepanov turned to the foreign private firms that maintain a transparent reputation but keep the details of their deals secret.

The minister hired Crown Agents, an international non-profit company

that helps speed up medicines delivery to developing countries.

It was Crown Agents, that signed the contract with Serum Institute on behalf of Ukraine. The company will buy and deliver the vaccines to Ukraine and will be reimbursed for all operational expenses only after it fulfills the agreement, according to Crown Agents' press release. Crown Agents refused to give further comments.

Stepanov said that corporate secrecy is normal global practice.

All the COVID-19 vaccine negotiations are extremely competitive and the companies involved prefer to keep them secret.

A source at Pfizer Ukraine who wasn't authorized to speak to the press confirmed to the Kyiv Post that COVID vaccine contracts are normally secretive. The companies don't even reveal the dates when one or another country started the negotiations. The companies' capacities have been struggling to satisfy the high demand on a tight schedule.

"So we must not let any political speculations influence the process," the source told the Kyiv Post.

However, details of the negotiations leak from time to time.

In December, Eva De Bleeker, budget secretary of Belgium, posted the vaccine prices that the EU has agreed to pay. She deleted her tweet, but screenshots remain. According to Bleeker, the EU prices for a dose start from \$2 for AstraZeneca, \$8.5 for Johnson and Johnson, \$14 for Pfizer and \$18 for Moderna. UNICEF reported the vaccine prices to range from \$2.19 to \$40 per dose.

At the same time, Brazil's city of Sao Paulo signed a \$90 million contract to receive 46 million doses of a potential Sinovac Biotech Ltd vaccine — the same one that Ukraine bought.

This means Brazilians paid some \$1.96 for a dose of vaccine that Ukraine purchased for \$18.

Stepanov says there are no vaccines that cheap on the market.

Without naming the producers, Stepanov said that for Ukraine, prices for COVID-19 vaccines range from \$7 — \$33.9 per dose.

"The Ministry has no secrets," Stepanov said. "However, we are tied by the corporate secrecy of the producers."

Editor's Note: This report is part of the Investigative Hub project, within which the Kyiv Post monitors investigative reports in the Ukrainian media and brings them to the English-speaking audience, as well as produces original investigative stories. The project is supported by the National Endowment for Democracy.



Remembering Yanukovich's victims, 7 years later

A man pays tribute to the "Heroes of the Heavenly Hundred" memorial, honoring the more than 100 people killed by police snipers, on Feb. 18, 2021. Ukraine on Feb. 20, 2021, will mark the seventh anniversary of the bloody end of the EuroMaidan Revolution that ousted Russian-backed President Viktor Yanukovich. Most of the protesters were killed on Feb. 18, 2014, and Feb. 20, 2014.



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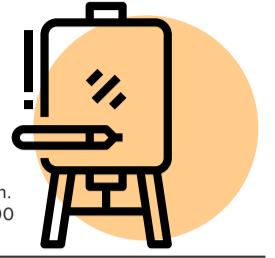
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Digital art exhibition reflecting on the consequences of the pandemic opens up in Kyiv's nameless club at 41 Kyrylivska St. running on Feb. 27-28 and March 5-7. Fri. 6 p.m. — 9 p.m. Sat-Sun. 1 p.m. — 8 p.m. Hr 100



City Life

With Daria Shulzhenko
shulzhenko@kyivpost.com

Kyiv Art Gallery exhibition calls attention to the deadly scourge of lung cancer

At first glance, there was nothing unusual about the new exhibition at the Kyiv Art Gallery.

Tetiana Klymenko was about to introduce her works — contemporary abstract paintings made in bright colors that immediately captured the audience's attention.

But Klymenko is not an artist, and the exhibited pieces were not paintings. They were enlarged snapshots of Klymenko's lung cells, affected by cancer.

"These artworks look beautiful, but there is a horrifying power that created them," Klymenko said.

She was diagnosed with lung cancer in 2019. It was in the early stages, and she has recovered. She was luckier than most. In Ukraine, around 70% of lung cancer patients are diagnosed in the late stages, making it extremely hard to treat.

Lack of acknowledgment of its symptoms and disregarding the regular medical checkups have made lung cancer the deadliest type of cancer in the country: It kills nearly 9,000 Ukrainians every year.

To raise awareness about the problem, the pharmaceutical giant Roche Ukraine has supported Klymenko's unusual exhibition. It opened on World Cancer Day on Feb. 4, and ran until Feb. 7.

Called "Deadly Beautiful Exhibition," it featured several pictures of Klymenko's lung cells, banners narrating her story and stories of others who also defeated the disease.

"It's more than an exhibition, it's a chance to talk about the problem that cannot be kept silent anymore," Klymenko said.

It starts with a cough

Kyiv architect Klymenko, 61, says she led a healthy lifestyle: She did sports and never smoked or drank alcohol.

But that couldn't save her from getting lung cancer.

Klymenko says she started coughing severely during her vacation in Egypt two years ago. When she returned to Ukraine, Klymenko immediately contacted her doctor. She thought it was pneumonia but the diagnosis hit her like a ton of bricks — adenocarcinoma of the left lung, one of the most common types of lung cancer.

"I kept asking myself: 'Why me?'" Klymenko said.

Ukrainian fashion survives pandemic with innovation

By Toma Istomina
istomina@kyivpost.com

When the pandemic hit Ukraine in March canceling mass events, one of the country's most successful clothing brands, ArtemKlimchuk, was caught off-guard.

ArtemKlimchuk's once sought-after fancy dresses, often spotted at big functions, were no longer relevant to clients who now spend most of their time in domestic slippers.

"You open the order list and it says 'canceled, canceled,'" the label's founder and designer Artem Klimchuk told the Kyiv Post.

The pandemic battered the fashion industry this year.

Sales dropped by 40% for most labels. Some lost as much as 80% of regular revenue, according to the Ukrainian Fashion Week. Fabrics became impossible to buy as factories stopped working. Events that normally give brands visibility and attract customers kept getting postponed.

Ukrainian fashion has been buzzing far beyond the country's borders in recent years. From milliner Ruslan Baginskiy to the denim masters behind Ksenia Schnaider, local designers have been spotted in the wardrobes of the world's top taste-makers, grabbing international headlines.

Just as it started gaining momentum, the industry was hit by the pandemic's changes.

Some young brands that hadn't built a stable clientele before the crisis fell victims to the new reality.

Still, most of the brands survived. But to do so, the players of the Ukrainian fashion scene had to transform.

No season, no audience

The change started with the industry's main event, Ukrainian Fashion Week, or UFW.

The biannual showcase has been a take-off platform for many Ukrainian designers throughout its 23-year history.

Iryna Danylevska, head of UFW says that the event's primary goal has always been to support local designers. When the crisis fell, UFW stepped up to help.

One of the first innovative decisions was dropping fashion's conventional seasonality. Its first event in the pandemic in August-September ran under the "no season" title. Instead of limiting brands to presenting spring-summer collections normally shown at that time, UFW



Models make the final walk down the runway during a show by designer Julia Postushna at the Ukrainian Fashion Week in Kyiv on Feb. 7, 2021. Because of the pandemic, the industry's main event had no live audience and streamed its presentations online.

allowed them to showcase any apparel they had to offer.

"No matter what collection you show, for current or next (season), you still stay afloat, you show your sustainability, stability, meaning your clients have greater confidence in you," Iryna Danylevska, the founder and director of Ukrainian Fashion Week, told the Kyiv Post.

The warm weather allowed UFW to hold runway shows physically with most of the audience watching the live broadcast on the big screens outside. Half a year later, its next event scheduled for February didn't offer the same privilege. So UFW experimented again.

The obvious decision would have been holding the event entirely online — like many other fashion weeks abroad — asking brands to film their own presentations and hand them in for screening. But that would have put an extra financial burden on designers already suffering from the crisis. So UFW set up its main location, Mystetskyi Arsenal gallery, and offered designers a team and equipment to film runway shows. The only difference — there was no live audience.

Another reason for what they called a "phygital" format, which combined physical shows and a digital audience, was the fact it could give more exposure through media

attention that brands desperately needed. That's why media were allowed access to the event.

"In the fashion industry, it's very important to have a constant influence on clients," Danylevska said. "Sales in the fashion business is a pretty emotional thing."

The UFW's shows reached over 370,000 views online, and Danylevska says, the format was praised by the foreign counterparts. And as UFW transformed to support local brands, it also set an example of flexibility and innovation for the fashion scene to follow.

Digitalization

The pandemic forced the world to go online and fashion was no exception.

When showrooms and stores had to close and fashion weeks postponed or canceled, brands focused on promoting themselves by digital means and selling online.

Some brands finally made time to develop their own websites, others polished their visual style on social media.

The highlights of the digitalization process were the elaborate film presentations that expanded designers' creativity through a new medium.

At the UFW in February, a number of brands showcased collections through video. Ivan Frolov, the mas-

ter of seductive apparel for women, got his models playing flight attendants wearing racy mini dresses and fitting jumpsuits. The "Love Airlines" collection film was shot on a plane, referring to an experience that has been missed much throughout the pandemic.

Another designer who made a video presentation was Klimchuk.

After experiencing a devastating drop in sales at the beginning of the pandemic, the brand reshaped its approach starting to craft clothes more casual rather than dressy.

Klimchuk's recent collection "Modern Talking" features hoodies and sweatshirts, knitted vests, sweaters and blazers for both men and women. The brand couldn't completely abandon its love for extravagance, so there are also leopard print tops and golden sequins dresses.

"Modern Talking" was in many ways a reflection on the past year. "What is freedom? What is modern? What is needed?" the film asks at the start. Klimchuk says these were the questions he had discussed with friends while sitting in the kitchen during the pandemic.

"These were conversations about what clothes people actually need," Klimchuk said.

The film was shot at the brand's

City Life

Every year, 13,000 Ukrainians diagnosed with lung cancer

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With her family's support and doctors' help, Klymenko defeated cancer. She was discharged from the hospital five days after the surgery as there were no complications and no metastases. Now, Klymenko undergoes medical checkups once every six months and lives her life to the fullest.

What saved Klymenko's life was that she contacted her doctor right after the first symptoms appeared.

In Ukraine, only around 28 percent of lung cancer patients detect the disease in the early stages, according to the national cancer registry of Ukraine.

Oksana Surtseva, the medical director at Roche Ukraine, says they decided to share Klymenko's story to show Ukrainians that it is possible to battle lung cancer, especially if it's detected early.

"We wanted to show that lung cancer is not just a disease of smokers, it concerns everyone who has lungs," Surtseva told the Kyiv Post.

Quit smoking

Lung cancer kills more people around the globe than any other type of cancer, according to the Cancer's Global Footprint website.

While smoking is one of the main causes of the disease, air pollution is another reason that often provokes lung cancer.

According to Yuri Kondratskyi, a surgical oncologist at National Cancer Institute, lung cancer has become one of the most common types of cancer around 150 years

ago. Before that, stomach cancer was the number one for both men and women. Meanwhile, breast cancer remains the prevalent type among women and prostate cancer dominates among men.

Just like in the rest of the world, lung cancer tops the list in Ukraine. Every year, around 13,000 Ukrainians are diagnosed with the disease, according to Kondratskyi. Stomach cancer, the second most common type for both men and women, is diagnosed nearly twice fewer times.

Unlike in other European countries, in Ukraine, lung cancer is most often diagnosed in the late stages causing death rates to follow.

Kondratskyi says that it is sometimes hard to detect lung cancer at the early stages since it can show no symptoms until the second or third stage.

Regular medical checkups could, however, change the situation. But nearly 46 percent of Ukrainians abandon the practice, according to the poll by international research agency IFAK Institut conducted in 2020.

"Unfortunately, there are many cases when the patient is already coughing with blood sputum but doesn't contact a doctor, thinking the cough will just stop at one point," Kondratskyi told the Kyiv Post.

There is a general issue with ignorance about lung cancer in Ukraine: Nearly 60 percent of Ukrainians don't know its symptoms, according to the poll by the IFAK Institut.

"Some patients ignore a mild cough for months because they



People stand next to the enlarged snapshot of lung cells affected by cancer as they visit the "Deadly Beautiful Exhibition" at Kyiv Art Gallery on Feb. 4, 2021. The exhibition raises awareness about lung cancer, the deadliest type of cancer in Ukraine that kills nearly 9,000 people every year.

think it is bronchitis, a cold or a consequence of smoking," Surtseva said.

Strong cough, pain in the chest, and weakness are among the first symptoms, according to Surtseva.

Kondratskyi says people over 50 and those who smoke are in the risk groups, so they should take better care of their health and regularly undergo medical checkups.

"First of all, quit smoking," the oncologist said.

Surprisingly, the coronavirus pandemic can improve the situation with detecting lung cancer in Ukraine.

Cough, which is one of the main symptoms of both COVID-19 and lung cancer, has urged people to do checkups more often since the start of the pandemic.

There are no new statistics yet, but Kondratskyi hopes they have detected more cases of lung cancer in the early stages than before.

The disease itself is difficult to treat, Kondratskyi says. Especially since not all hospitals in Ukraine

have access to modern laboratories, the newest ways of treatment and medication.

The price for lung cancer treatment in Ukraine starts from around Hr 20,000 (\$718) for the surgical treatment of the first stage, and Hr 70,000–80,000 (\$2,514–2,873) for one month of immunotherapy treatment of the fourth stage cancer — an immense sum of money for most Ukrainians.

For a while, most cancer patients were forced to pay for the treatment on their own.

In 2020, the National Health Service of Ukraine, an agency operating under the guidance of the health ministry, launched a state program to fund cancer treatment. This year, the agency is planning to spend over Hr 5 billion on cancer patients.

Kondratskyi, however, says that the state only pays for surgery when it's performed in the first stage of lung cancer.

The Kyiv Post requested a comment from the Ministry of Health of Ukraine but hasn't heard back yet.

Art can help

Kondratskyi believes that the more people talk about the disease and the more they hear of cancer symptoms and its treatment, the more people will get diagnosed in the early stages.

Surtseva agrees, saying they decided to teach Ukrainians about lung cancer in such an unusual way to attract as much publicity to the problem as possible.

But the "Deadly Beautiful Exhibition" is only one step in Roche Ukraine's effort to battle lung cancer ignorance in Ukraine. Their big project, The Year of Lung Cancer Awareness, launched in November 2020 with a lightning show at Kyiv's Olimpiyskiy Stadium. Throughout 2021, the company will continue the activity to raise awareness about lung cancer, hoping for the situation to shift.

"We need to detect lung cancer patients earlier to have better outcomes," says Martin Werschlan, the CEO of Roche Ukraine. 📌

Volodymyr Petrov

Pandemic forces rethink of fashion strategy

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showroom in central Kyiv. In the video, models walk back and forth through a large blue door painted with storks. The cutting-edge film with mysterious electronic music in the background was an instant sensation.

"We received many good reviews from foreign media," Klimchuk said. "Everyone's waiting for the sale to open."

Sustainability

Sustainability also shaped pandemic fashion. Customers didn't need as much new apparel. Brands couldn't afford to overproduce during the crisis.

"We fell out of trends for a year," Daria Marusyk, head of communications and sustainability at UFW, told the Kyiv Post. "Brands, just like customers, started thinking about switching to high-quality timeless fashion."

Shifting to sustainability is especially difficult for brands that have an established production but players like Litkovskaya that has been on the



Ukrainian designer Artem Klimchuk talks to the Kyiv Post in his brand's showroom in downtown Kyiv on Feb. 13, 2021. After the pandemic hit his business, Klimchuk underwent transformations, shifting production from fancy dresses to everyday clothes.

market for 12 years did so anyway. The brand launched the Artisanal line consisting entirely of pieces made from recycled garments from their previous collections. This new approach won Litkovskaya a Best

Fashion Award in the Sustainable Fashion category.

Though Roussin is a younger brand that emerged in 2014, it has been dedicated to consciousness all along the way.

In 2020, the label shot a lookbook at a recycling plant in front of piles of garbage. Featuring capes and jumpsuits made from production leftovers, the avant-garde project raised awareness about overconsumption and showed how waste can be turned into art.

The brand's recent collection "I Am" was crafted using recycled materials, mixed with their signature reflective fabric, leaving no waste.

Designer Sofia Rousinovich says that's just the beginning. She is now working on patterns that would use the entire piece of fabric with no leftovers.

"It may be harder to sew, but this will leave as little waste as possible," Rousinovich told the Kyiv Post.

The past year was a rollercoaster for Roussin. The brand lost orders for hundreds of pieces from foreign buyers, had its participation in Budapest Fashion Week postponed and its sales suffered. To release a new collection in February, the brand used a grant from the Ukrainian Cultural Fund.

Roussin's "I Am" was an unusual

show — it only featured one model changing street style outfits one by one and performing contemporary choreography on the UFW runway. The collection was a reflection on the pandemic's isolation that brought not only loneliness but also an opportunity for self-discovery.

The break from the fast-fashion rhythm allowed Rousinovich to rethink her brand's concept, logo and strategy.

"(We) were always in a hurry, competing with someone," Rousinovich said. "And then there was this quiet time. And everything in my mind calmed down and became clearer."

Danylevska says that those brands that invested time and effort in e-commerce and sustainability are already seeing an improvement in sales.

"The crisis hasn't become a critical point that pushed them on the verge of existence," Danylevska said.

"Ukraine, represented by Ukrainian Fashion Week, again showed its uniqueness and readiness to be groundbreakers." 📌

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USAID's Agriculture Growing Rural Opportunities in Ukraine (AGRO) Activity is a five-year cooperative agreement between the United States Agency for International Development (USAID) and Chemonics International, Inc. It began on November 15, 2019. The AGRO Activity is to accelerate the economic development of rural Ukrainian communities with the greatest need through a better governed agricultural sector that encourages more productive, modern, and profitable micro, small, and medium agricultural enterprises (MSMEs) that are successfully integrated into competitive markets both in Ukraine and internationally. AGRO operates on the basis of the market system conceptual approach (<https://beamexchange.org>).

Position Description:
To contribute to achieving AGRO's overall goals, the Procurement Specialist is to provide a wide range of professional support to the AGRO Activity activities through acting as the focal point for a wide range of purchases of goods and services. We expect that a new employee will join our existing procurement team (at the moment, this is one Procurement Specialist and one Administrative and Procurement Assistant) and enhance its capacity.

Principal Duties and Obligations (Essential Functions):
As Procurement Specialist, the Employee is responsible for the following principle duties and obligations:

- Assist technical and other staff with drafting procurement preparatory and other documents related to procurement contracts;
- Prepare and announce RFQs/RFPs, receiving proposals, and screening proposals and budgets for allowability and reasonability;
- Form selection committees and serve as nonvoting member to facilitate evaluation of proposals;
- Draft selection memos and sole-source justification and negotiation memos;
- Ensure that solicitation procedures as well as executed contracts are fully compliant with USAID regulations and Chemonics' policies and procedures;
- Prepare procurement contracts, ensure that they are compliant with USAID regulations and Chemonics' policies and procedures;
- Obtains proper signatures on contracts per field office signing authorities.
- Ensure execution and coordinate adherence to frame agreements while placing orders within their framework;
- Coordinate project's operational procurement and logistics, including, but not limited to, utilities, travel agency service, stationery, translation and editing, taxi, internet, business trip lodging for staff, courier delivery, seasonal cleaning, property and health insurance;
- Ensure that suppliers and contractors are fully compliant with contract terms and conditions in terms of reports and/or invoices, as well as with USAID regulations and Chemonics' policies and procedures;
- Check deliveries and invoices against purchase order for type, quantity, and condition.
- Drafting memos regarding service providers' and vendors' performance;
- Assist with record management by filing, scanning, and maintaining documents;
- Maintain and routinely update AGRO Activity's agreements database;
- Update procurement-related trackers;
- Contribute to monthly budgeting efforts and participate in budget check-ins;
- Use Microsoft Teams as needed to carry out tasks and collaborate with other activity staff.
- Participate as directed in collection and analysis of Monitoring and Evaluation (MEL) data.
- Prepare sections of reports, plans, success stories and similar documents as requested.
- Participate in regular activity Collaboration, Learning and Adapting (CLA) discussions.
- Comply with Chemonics' standards of business conduct.
- Perform other appropriate tasks as requested.

Terms of work, SOW Timing and Reporting Relations:
One-year fixed term employment agreement with possible extension each work year up to the end of the Activity implementation (November 14, 2024), subject to the inclusion of appropriate tasks in the successive Annual Work Plans of the Activity.
Primary Work Location: Kyiv, Ukraine.
Periodic travel to other parts of Ukraine, particularly the Activity's eight focus oblasts, will be necessary.
Procurement Specialist works in a Finance and Administration Team under a direct supervision of, and reports to the Finance and Administration Director or his/her designee, or other person(s) as designated by the Chief of Party.

Required Skills and Qualifications:

- Minimum three (3) years procurement experience, preferably on USAID or other donor-funded projects in a similar position in terms of the job tasks and responsibilities outlined above.
- Record of success achieved in dynamic, demanding, and structured environments.
- Graduate degree in law, business, finance, economics or related field.
- English fluency, with excellent writing and presentation skills.
- Proven ability to work professionally, constructively and collaboratively as part of a team, meet deadlines, communicate effectively, and deal with diverse partners (including government officials, entrepreneurs and international donors) in a challenging environment.
- Ability to manage daily activities and achieve expected results with or without direct oversight.
- Previous experience in procurement for international donor-funded projects preferred.
- Native speaker of Ukrainian.
- English sufficient for professional purposes and to understand written communications related to the work of the Activity such as emails.
- Experienced user of MS Office 365 applications.
- Demonstrated success working in a multinational, multilingual team under pressure and tight deadlines.

Standards of Business Conduct
Compliance with Chemonics International's standards of business conduct is required. The successful candidate agrees to perform her/his duties faithfully and to the best of her/his ability, to comply with local laws and customs, and to conduct her/himself in a manner consistent with Chemonics' standards of business conduct and appropriate to Ukraine. Chemonics' standards of business conduct are available in Chemonics' field office or upon request. If a candidate encounters ethical questions or issues when interacting with Chemonics, such as conflicts of interest, bribery or kickbacks, gifts, plagiarism, etc., please consult with the AGRO Chief of Party at ksydorkina@chemonics.com.

Application Instructions
Send electronic submissions to agro.hr@chemonics.com by February 28, 2021. Please submit your CV and cover letter with "Procurement Specialist" in the subject line; please do not forget to additionally indicate your name in the subject line of your e-mail. No telephone inquiries, please. Only finalists will be contacted.

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