Mikheil Saakashvili: The reform that could save Ukraine \$400 million yearly

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Soaring COVID-19 cases force Ukraine into another spring of lockdown; no end in sight

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UKRAINE'S GLOBAL VOICE · SINCE 1995

**Kyiv Post Legal Talks: State** banks should sell off their bad loans as soon as possible

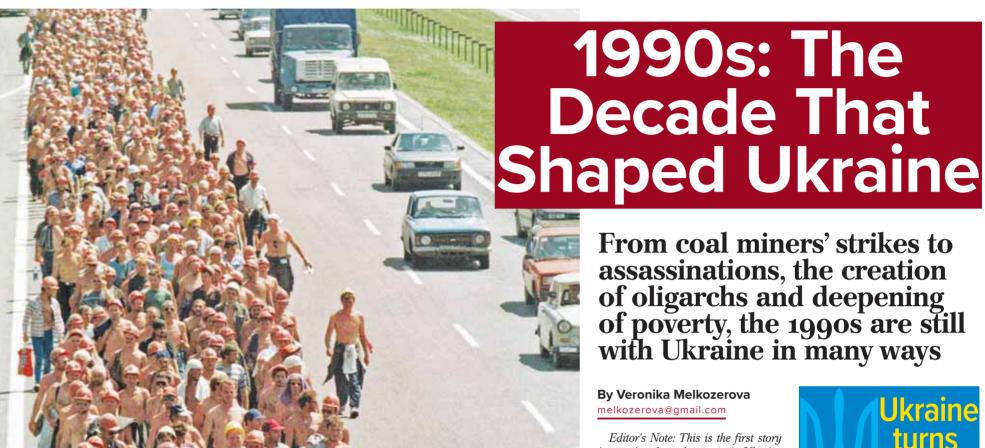
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Authorities use recent protests as PR opportunity rather than urgent call for judicial reform

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## FOST 26th year!



in a series about the 1990s in Ukraine and how that decade shaped the nation.

The Donbas constitutes 53,000 square kilometers, or nearly 9% of Ukraine's territory, in the Donetsk and Luhansk oblasts. It's long been a special place of heavy industry, coal mines and sunflower fields.

It gained favorable international attention when the provincial capital of Donetsk, which once had nearly 1 million people, hosted the UEFA Euro 2012 soccer championship. Thousands of foreigners came to the city, probably for the first time.

Two years later, the international spotlight shone on the Donbas again, not for the happy roar of a stadium crowd, but the frightening sounds of deadly missiles.

More than 13,500 people have been killed and 1.5 million have fled their homes since Russia invaded eastern Ukraine in 2014, leaving the Kremlin in control of 7 percent of Ukraine's territory – Crimea and parts of the Donbas.

But in reality, Ukraine's grip on the Donbas was shaky long before the Russian military invasion.

After decades of Russian influence, as well as indifference and corruption by Ukrainian authorities and local business elites, many economically desperate Donbas residents grew alienated from Kyiv's



central government - or perhaps never accepted its authority since the start of independence in 1991. Similar resentments were expressed on the Crimean peninsula, also heavily influenced by Russia.

#### **Turbulence**

To understand why the 2014 Russian invasion found fertile ground in the Donbas, the best place to start is the wild 1990s, the decade that does much to explain Ukraine's situation today.

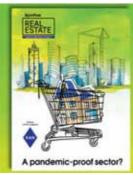
The Soviet Union, with its planned economy, collapsed. The newly independent Ukraine immediately fell into economic crisis. Several regions, including Crimea and the Donbas, started talking about federalization and gaining autonomy from Kyiv. Some local movements, like Interrukh of the Donbas, stood against "the nationalist rise in western Ukraine." The Communist Party did well in the Donbas for a long time - as did calls for the return of the USSR.

"Everyone saw that Ukraine was not a monolith by nature. We had

—> page 8

More than 1.000 coal miners march toward Kyly from the coal-producing Donbas in eastern Ukraine on May 15, 1998, protesting non-payment of wages. Frequent strikes, often for more subsidies, safer working conditions and higher wages from the central government, were part of Ukraine's first decade of national independence. So were assassinations, lawlessness, non-transparent privatization of Soviet assets, and the rise of the oligarchs. As independent Ukraine turns 30 years on Aug. 24, 2021, the Kyiv Post will look at the decade that shaped modern Ukraine - for better or worse

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Засновник ТОВ "БІЗНЕСГРУПП"

Головний редактор Брайан Боннер

Відповідальний за випуск

Адреса видавця та засновника співпадають: Україна, м. Київ, 01033, вул. Жилянська, 68, 2-й поверх. Реєстраційне свідоцтво Кв N° 23191-13031ПР від 29.03.2018. Передплатний індекс ДП Преса 40528 Надруковано ТОВ «Новий друк», 02660, Київ, вулиця Магнітогорська, 1, тел.: 559-9148 З приводу розміщення реклами звертайтесь: +380 44 591-7788 Відповідальність за зміст реклами несе замовник

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2 OPINION Kyiv Post | April 2, 2021 www.kyivpost.com



A Ukrainian border guard checks a car license plate at the Shegyni-Medyka checkpoint on the border with Poland, some 100 kilometers west of Lviv. If Ukraine simplifies the car customs clearance procedure, it will eradicate corruption and improve the well-being of Ukrainians, according to Mikheil Saakashvili, the chair of the executive committee of the National Reforms Council.

### What will car customs clearance reform entail?



Mikheil Saakashvili

🧻 tate customs reforms — identified as a priority by President Volodymyr Zelensky – is a key aspect of our work at the Office of Simple Solutions and Results. The simplification of the car customs clearance procedure lies at the core of this very timely reform. If implemented, it will eradicate corruption and improve the well-being of Ukrainians.

Average Ukrainians don't usually interact with customs much throughout their lives. However, car clearance is one of the rare cases when they have to engage with the customs system. Over 500,000 cars are annually cleared in Ukraine.

Corruption at customs runs deep. As a result of the existing customs clearance scheme, the state budget loses up to \$400 million annually only from car clearance, and about \$150 million remains in the pockets of vested interests. The price of a car is hugely underestimated and, conversely, the customs duties are not fully paid.

How much is paid for car clearance at the customs in Ukraine depends on the price of cars. There are quite a few ways to manipulate it. Some of these include the indication of non-existent damage and malfunctions of the car, change of car modification, forgery of sale contracts (merchants, invoices), change of odometer readings (artificial increase or decrease of car mileage). We propose to move away from the principle of customs clearance based on the cost of the car and to automate the processes.

With over half a million cars being cleared at the Ukrainian customs annually, there is a clear demand for regulatory change. The human factor during customs clearance has to be removed, and transparency must be introduced. We, therefore, propose to make it unnecessary to personally visit the customs service and to deal with customs brokers for the car clearance.

Digitalization is instrumental in helping us fight corruption at the customs. Car clearance procedure should be time and effort efficient, and in order to achieve that, we could leverage the Diia application. The process should be simple. Importers should not be required to fill out or declare anything. Instead, it should be enough to only provide a technical passport, and Diia will automatically calculate the price he needs to pay to legalize the imported car.

After the reform, to legalize the vehicle, it will be enough to provide the customs officer with a technical passport which includes the model code, manufacturing date, engine capacity, and fuel type and so in a few minutes importers should be able to leave customs. They will then have 30 days to pay the automatically calculated amount by card from any place. The car will be considered cleared then.

Compared to other countries, the price of car clearance in Ukraine is very high, and sometimes importers need to pay twice the actual price of the car just to legalize it.

Right now, importers have to pay a 10 percent customs duty, an excise tax, and VAT to legalize the car. We propose to have only two payments: excise duty, which must be calculated according to a fixed formula; as well as VAT in the amount of 20%, which will be charged on the amount of this excise tax. The customs duty, respectively, will be o%. The cost of customs clearance should be gradually reduced over the next five years. This will reduce the costs borne by importers by 30%. At the same time. the reform won't bring any losses to the state budget.

The draft reform was presented at the latest National Reforms Council meeting, and it was supported by Zelensky and other members. They provided us with valuable feedback on how to improve the formula, and we are currently working on incorporating their suggestions.

This will be very tangible reform and every citizen will believe that Zelensky and his team will kick off inevitable changes in our country and specifically in the customs. Our next step is to submit the relevant draft law to the Verkhovna Rada. We have already consulted with the stakeholders, so I hope that this law will receive the support it deserves and will be voted on and implemented as soon as possible.

The proposed set of customs reforms will allow us to prevent corruption at customs, make car customs clearance more affordable, boost car imports and reduce budget losses significantly. I am confident that the reform will be a success.

Mikheil Saakashvili has been the chair of the executive committee of the National Reforms Council since May 2020. He served as governor of Odesa Oblast from May 2015 to November 2016. He was president of Georgia from January 2004 to November 2013. ©

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### Kuleba: Ukraine hopes US will take a more active role to end Russia's war

#### By Illia Ponomarenko

ponomarenko@kyivpost.com

Foreign Minister Dmytro Kuleba spouts optimism about his early talks with U.S. President Joe Biden's administration. Everything points to a White House that means business when talking about opposing the Kremlin.

Ukraine needs this alliance as much as ever: France and Germany have apparently started to talk with Russian President Vladimir Putin about the Donbas war, without Kyiv's involvement, raising fears that Ukraine will be forced into a terrible peace on Moscow's terms.

Biden denounces Putin publicly, vows to keep sanctions to stop the Nord Stream 2 pipeline, boosts defense assistance to Kyiv and calls for the return of Crimea to Ukraine.

This helps, but Ukraine wants the United States to play an even stronger role in supporting Ukraine's security, as Russia beefs up its military near the Ukrainian border across Ukraine's eastern Donbas, where the Kremlin's war is heating up with more armed clashes and casualties.

"We are still waiting for the U.S. administration's specific and correct steps," Kuleba told the Kyiv Post in an interview. "One of Ukraine's key expectations... is a more active and, what's important, urgent American involvement in the de-occupation of the (Donbas) and Crimea."

Why should the U.S. care? Quite simply: Security in Ukraine means security for Europe and the whole Euro-Atlantic realm, Kuleba says.

#### Phone call will come

Kuleba was not surprised when, in an interview with ABC TV journalist George Stephanopoulos, Biden said he thinks that Putin, who has ruled Russia since 2000, is a killer. To Kuleba, it was a welcome signal that the U.S. president plans to actively counter Russian aggression around the globe.

"He has voiced his clear stance," Kuleba said. "President Biden knows Russia and Putin too well to say things like this inadvertently."

At the same time, Biden – who knows Ukraine well after six visits as vice president - is keeping his distance. President Volodymyr Zelensky is still waiting for a phone call, not to mention a personal meeting, with the U.S. president. The U.S. hasn't had an ambassador in Kyiv for near-

US readout of the March 31, 2021 phone call

**Ukrainian Foreign Minister Dmytro Kuleba** 

between US Secretary of State Antony Blinken and

Secretary of State Antony J. Blinken spoke by phone with Ukrainian

Foreign Minister Dmytro Kuleba today. The secretary affirmed the

United States' unwavering support for Ukraine's sovereignty and territo-

rial integrity in the face of Russia's ongoing aggression in the Donbas and Crimea. He expressed concern about the security situation in eastern

Ukraine and offered condolences on the recent loss of four Ukrainian

soldiers. Secretary Blinken highlighted the importance of advancing rule

of law and economic reforms to strengthen Ukraine's democratic institu-

tions and further its Euro-Atlantic integration. The secretary and foreign

minister also discussed efforts to counter the COVID-19 pandemic and to

advance our shared interests in combatting the effects of climate change.



Foreign Minister Dmytro Kuleba speaks with the Kyiv Post via Zoom on March 25, 2021. Kuleba was not surprised when, in an interview with ABC TV journalist George Stephanopoulos, Biden said he thinks that Russian President Vladimir Putin is a killer. To Kuleba, it was a welcome signal that the U.S. president plants to actively counter Russian aggression around the globe.

Iran, things look much more compli-

Painful negotiations have taken

place since Jan. 8, 2020, when

the Iranian Revolutionary Guards,

downed a Ukraine International

Airlines passenger jet over Tehran,

Iran eventually admitted guilt and

promised a fair settlement with Kyiv.

But what really followed was angrily

described by many Ukrainian diplo-

mats as Tehran's persistent attempts

to derail the crash investigation and

On March 17, 2021, Iran published

a final report blaming a Tor-M1 air

defense system operator who mis-

took the passenger jet for a hostile

Ukraine immediately denounced

the report, saying that it failed to

disclose the whole chain of Iranian

military command responsible for

the fatal error, let alone name that

Ukraine wants to see everyone

responsible face justice, but they

are trying "to escape responsibility

and find a scapegoat," Kuleba says.

"The investigation must continue.

We won't stop until justice prevails

Since Iran has failed to pursue

air defense system operator.

in this tragic story."

stymie the talks.

American target.

cated for Ukrainian diplomats.

killing all 176 people onboard.

Zelensky's Russian counterpart, Vladimir Putin, was among the first leaders to talk to Biden when he came to power, even though the conversation was mostly dictated by the need to extend New Start, a key nuclear arms deal between the two nations

Kuleba thinks the lack of direct president-to-president communication by no means indicates Biden's indifference towards Kyiv.

Yet the anticipation regarding the first Zelensky-Biden contact is natural. The American side confirmed the need for a call and Kuleba is preparing to make it "utterly substantive and fruitful." He says: "This is all about quality rather than urgency."

On March 31, Kuleba had the second call with his American counterpart, U.S. Secretary of State Anthony

The Kyiv-Washington contacts, he says, put the top priority on security affairs, particularly regarding Ukraine's requests to boost defense assistance – both in terms of its amount and range of military

Since the outbreak of Russia's war in 2014, the U.S. has given Ukraine

over \$1 billion in defense aid, including lethal weapons. Just on March 1, the U.S. Department of Defense reported allocating another \$125 million to Kyiv.

#### No pressure?

Many in Ukraine believe that Zelensky's recent steps, such as the financial sanctions on top pro-Kremlin power broker Viktor Medvedchuk, were designed to curry favor with the U.S. administration. In his vice presidential memoir, "Promise Me



But Kuleba says Zelensky's headline-making steps "have a domestic driver, rather than an external one."

"The lack of self-respect and disenchantment among Ukrainians is behind all the conspiracy theories saving that we do things exclusively for the sake of someone else or under pressure," Kuleba says. "This is one of the aspects of our low self-esteem."

Too often, he says, Ukrainians look to Moscow, Washington, Brussels or Beijing rather than to themselves.

for Iran and motivate it to take an honest stance," Kuleba says. In late 2020, Tehran promised to pay \$150,000 in compensation for each victim. But, according to

justice, Kyiv will take a harder

stance. Ukraine and other countries involved in the tragedy are consid-

ering measures "to create trouble

Kuleba, Ukraine is going to challenge that as well, as it considers the Iranian proposal unfair.

#### Vaccines wanted

A lot of work for Ukrainian diplomats comes from Europe these days, amid travel restrictions caused by the pandemic.

Western nations are considering whether to introduce new forms of entry control, such as vaccination passports. Many Ukrainians, spoiled by the visa-free regime with the European Union, feel increasingly worried.

Kuleba says the diplomat corps are in constant dialogue with the European Union to keep the new travel environment as accessible to Ukrainians as possible.

"But now the top priority is vaccination," he says. "Full-fledged international travel is not going to be renewed until the vaccination is complete and the pandemic is under control."

And this is where Ukraine feels exceptionally vulnerable. As of April 1, only two people in the country have been fully vaccinated against COVID-19 and 248,734 people have received the first of two injections.

Meanwhile, the U.S. has fully vaccinated nearly 100 million people and other developed countries are rapidly closing on their vaccination targets.

Kuleba says that vaccines are still a scarce resource globally and referred to certain countries as "vaccine nationalists" who prevent the export of life-saving doses until their own populations are fully protected.

Immunization is a huge challenge, but Ukrainian diplomats are working hard to make sure that friendly countries such as Poland help Ukraine get more shots, Kuleba says.

"Friends share things even in the darkest times. And Ukraine has friends, too," he says.

"We'd love to see the reign of 'vaccine liberal democracy,' but reality suggests a different picture, and we need to have an honest view of things."

Dad," and in almost every conversation with Ukrainian leaders, Biden has expressed his frustration with Ukraine's corruption.

#### **Problems for Iran**

On the other side of the globe, in



EDITORIALS

#### **Betraying Ukraine**

Berlin, Paris and Moscow walk into a bar. And talk about Ukraine behind its back.

That's what happened on March 30, when the leaders of these countries — Emmanuel Macron, Angela Merkel and Vladimir Putin — had a teleconference to talk about the war in Ukraine without Ukraine. The troika has reportedly even discussed a peace plan.

The Normandy Format peace talks were supposed to be the only way to end the war in the Donbas that killed over 13,000 people since Russia started it in 2014.

Now, it turns out that the main European powers, on whom Ukraine has relied, are happy to make decisions on its behalf. They do know that Russia wants to carve up Ukraine and destroy it as an entity, right? Admittedly, Macron, Merkel and Putin talked about other things too. But then why touch the subject of Ukraine at all? Did they gossip about Japan or Britain? Unlikely.

Such things happened before, when, during President Petro Poroshenko's tenure, France and Germany held negotiations separately with Ukraine and Russia. But such meetings usually mean the negotiation process is in crisis. France and Germany made fools of themselves and stepped on Ukraine's

toes. But it doesn't appear that they achieved anything.

What's the point of peace talks that don't include the victim that's been illegally invaded and brutalized? That's no way to achieve a result that won't play into Russia's hands. Russia wants to see Ukraine relegated to a status of a non-state that can't speak for itself. By talking about peace in Ukraine without Ukraine, France and Germany are making the gremlin in the Kremlin very happy.

Putin is trying to kill the Normandy Format and maintain the war in Ukraine indefinitely, to wield it as a geopolitical tool. Moscow is jubilant—that was clear when Putin's spokesman leaked the news about the meeting.

Ukraine needs to react to such a betrayal. The Foreign Ministry and President Volodymyr Zelensky need to show what they stand for — to send concrete signals that there can't be decisions made about Ukraine without Ukraine present at the table. And the West needs to finally connect the very obvious dots and embrace the uncomfortable conclusion that the Kremlin dictator can't be appeased.

#### Bank robbers roam free

The long-term consequences of corruption are clear everywhere in Ukraine. The Kyiv Post's March 31 Kyiv Post Legal Talks webinar on the banking sector zeroed in on how much Ukraine suffers because privileged elite were allowed to steal billions of dollars and get away with it.

The talk, available on the Kyiv Post's YouTube channel, was headlined "Ukraine's Mountain of Bad Debt: How To Collect?" The experts talked about what to do with the sector's bad hangover of bad loans — \$15 billion lent to customers who refused or were unable to repay. That's nearly 1/3 of the state budget. That's 41% of all loans issued.

Because of the high volume, mainly held by four large state-owned banks, bankers aren't able to lend as much money as they would normally. This credit would help fuel the economy and productivity. Instead, banks need to keep capital reserves high enough to cover these bad loans — basically sticking the taxpayers with the losses.

The state Deposit Guarantee Fund is responsible for liquidating the assets of nearly 100 banks declared insolvent by the National Bank of Ukraine, which did a poor job of regulating banks before 2014. By its own estimate, seven years later, the fund has recovered only \$1.4 billion of the \$20 billion in banking sector losses covered by taxpayers. That money could have paid for a lot of roads, schools, and health care.

Instead, a lot of that money went to lawmakers (one of whom borrowed \$800 million that he didn't repay), bank owners and their cronies. But the identities of most of the deadbeats are shielded by banking secrecy laws. Who knows what luxuries the loot was squandered on? The biggest losses, of course, were the \$5.5 billion allegedly embezzled by the ex-owners of PrivatBank, billionaires Ihor Kolomoisky and Hennady Boholyubov. But at least they face civil lawsuits.

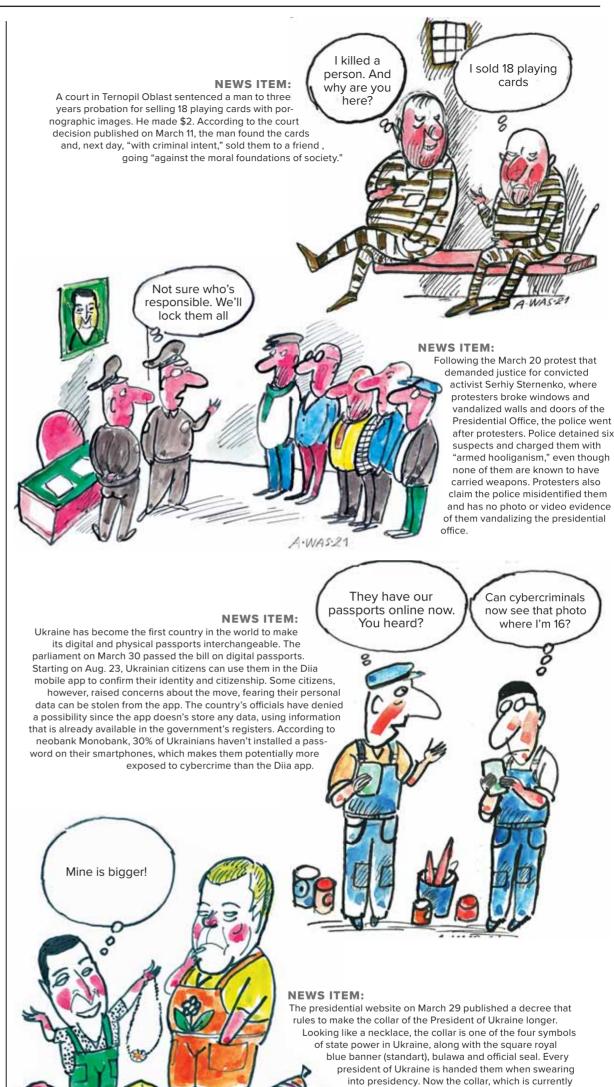
How did it happen? Well, while people like ex-President Petro Poroshenko were serving on the supervisory board of the central bank, no one was minding the store. People could open banks without disclosing who owned them. Banks lured depositors with ridiculously high interest rates. The owners then lent the money to themselves or their friends or their companies, often with no intention or ability to repay. Credit and asset valuation standards were poor and remain faulty.

These schemes collapsed in 2014, after Kremlin-backed President Viktor Yanukovych fled the EuroMaidan Revolution to Russia. It was left to ex-central bank governor Valeria Gontareva and others to clean up. She told the Kyiv Post that she wasn't surprised by today's events. "The quantity of NPL is 100% correlated with the rule of law in the country. Unfortunately, Ukraine is the country of complete lawlessness, so the high NPL loan level is not surprising for me. The main achievement of our reforms is that NPL in Ukrainian banks are 100% reserved and all banks are properly capitalized! But NPL resolution is located on the territory of rotten law enforcement agencies and courts, which require a complete transformation."

And there we have it: Regulation has improved, but this could happen again — especially when no one has been convicted of bank fraud.

America had its bank-robbing gangsters in the 1930s, including John Dillinger, Bonnie & Clyde, Alvin Karpis and Pretty Boy Floyd. They held up banks with guns.

But Ukraine's 21st century counterparts were much slicker. They knew that owning a bank was the best way to empty it. The roster of ex-bank owners who stuck taxpayers with gargantuan losses from their failed institutions and got away with it, besides the Privat pair, includes: Andriy & Serhiy Klyuyev, Oleg Bakhmatyuk, Dmytro Firtash, Viktor Polishchuk, Mykola Lagun, Kostyantyn Zhevago, Sergii Kurchenko and Leonid Klimov.



See these features online at Kyivpost.com

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



Timothy Ash, London-based analyst, took a strong stance against Ruchir Sarma's Financial Times op-ed that praised Russia and said US sanctions are useless. Ash debunked this myth. He's stood against rolling back Western sanctions for Russia's crimes.



Ruchir Sarma, investment banker at Morgan Stanley, wrote a column for the Financial Times that raised many eyebrows. In it, he praised "fortress Russia" and said that US sanctions against it are totally ineffective and useless. "Sanctions have made Russia stronger," he wrote. What a twit.

in possession of President Volodymyr Zelensky,

has been enlarged from 12 to 16 chains.

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

## Ukraine spends another spring under coronavirus lockdown

By Anna Myroniuk

myroniuk@gmail.com

It is déjà vu: Another strict lockdown, similar to what the country endured one year ago.

The previous lockdown started in mid-March and lasted for two months before authorities started easing the restrictions. A year ago, Ukraine used to record around 400 new cases and 10 deaths per day.

This time, the third wave of coronavirus has hit the country harder than ever before. Recently, daily new cases have shot up past 15,000 with the daily death toll topping 400 people for the first time on March 31.

Only one region, Kherson Oblast, remains a so-called yellow zone, meaning the epidemiological situation there is moderate and under control. The rest of the country is painted orange and red. Restrictions vary from region to region. There are no green zones.

Kyiv is one of the cities struggling mightily to curb the outbreak. The capital's hospitals were 110% full as of March 31.

"We have lines of ambulances in front of hospitals. We have no choice. Otherwise, there will be hundreds of deaths every day," Kyiv mayor Vitali Klitschko said on March 31 announcing the new tightened restrictions in the city.

Starting April 5, Kyiv will introduce new lockdown measures, closing schools and kindergartens and shutting down public transport for everyone except employees of critical infrastructural enterprises.

The new measures will be effective until April 16, at least. These are additional steps to encourage people to stay at home on top of the restrictions that have been in force since March 20.

These earlier restrictions limited restaurants to deliveries and takeaway orders, closed shopping malls and banned events and mass gatherings.

Rumors that officials are considering a 10 p.m. curfew in Kyiv are spreading across Ukrainian media outlets. According to Segodnya news website, parliament will consider a curfew during its session on April 6. If approved, it would be an unprecedented move.

This is Kyiv's third lockdown since the beginning of the coronavirus pandemic. The first two were nationwide lockdowns: Two months in March-May 2020 and three weeks in January 2021.

This time, red zone restrictions are effective in the city of Kyiv and as many as ten other oblasts including Kyiv, Lviv, Uzhgorod, Ivano-Frankivsk, Chernivtsi, Zhytomyr, Chernihiv, Sumy, Mykolaiv, and Odesa.

Ukraine has the 16th worst coronavirus situation in the world, according to Worldometers. It is also not alone in imposing a new lockdown. France, which sits in fourth place on the list, announced a month-long lockdown starting from March 20 in Paris and a few more regions in the south.

With the number of new coronavi-



Advertisement

People wear face masks as they wait for a bus in central Kyiv on March 22, 2021. Facing a surge of infections, Kyiv introduced additional quarantine restrictions: Starting April 5, public transport will only be open to employees of critical infrastructure. The measure aims to make people stay home more.

rus cases rising fast, Ukraine's efforts to vaccinate the nation remain slow.

As of April 1, only 248,734 Ukrainians have received their first vaccine shots, 0.59% of Ukraine's population of 42 million people.

The country started the vaccination campaign on Feb. 24. At the current pace, it will take Ukraine 10 years to vaccinate 75% of the population, according to Bloomberg.

Yet Ukraine does not have nearly enough vaccine to cover even its top priority groups — 3.4 million people — including medical workers treating COVID-19 patients, front line troops, people over 80, and social workers.

Ukraine only has 715,000 doses, including 500,000 doses of AstraZeneca vaccine and 215,000 doses of CoronaVac.

According to Ukraine's Health Minister Maksym Stepanov, Ukraine has signed contracts to buy 22 million vaccine doses as of March 30, enough to fully vaccinate 11 million people.

The Ministry's plan to vaccinate half of the population, 21 million people, by the end of the year, sounds unrealistic.

While rich countries like Israel, Chile, U.S. and U.K. are well on their way towards fulfilling their immunization plans, Ukraine is lagging behind and may only catch up in a decade.

#### **Kyiv Post joins Norwegian-Ukrainian Chamber of Commerce**



Brian Bonner, Kyiv Post chief editor, moderates a discussion in Oslo, Norway, at the Norwegian-Ukrainian Business Forum on Jan. 28, 2019

The Kyiv Post is happy to announce its new membership in the Norwegian-Ukrainian Chamber of Commerce. The NUCC has a substantial network that includes 130 Norwegian and Ukrainian members distributed across a wide range of sectors and activities. One of the major goals of the association is to increase trade and business between Ukraine and Norway.

At least 60 Norwegian companies do business in Ukraine. Bilateral trade stood at \$250 million in 2018. The Scandinavian nation of 5.3 million people is also one of Ukraine's best friends, supporting economic sanctions to halt Russia's ongoing war and providing at least \$25 million annually in assistance.

#### Why did the newspaper join? NUCC offers members:

- 1. Easier access to decision makers;
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and his van parked with a view over Geirangerfjord in Norway on July 30, 2018.



#### Kyiv Post

#### LEGAL TALKS

## Experts: Banks should speed up sale of non-performing assets

By Asami Terajima

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At least \$11 billion in non-performing loans from deadbeat borrowers is still on the books of the country's state banks, an amount that equals about 20% of the annual state budget.

The share of bad loans in the portfolios of these banks declined from 63.5% to 57.4% in 2020, but the struggle to shed them is far from over. The longer the banks take to sell their unneeded assets, the more their market value decreases, according to experts participating in a Kyiv Post webinar titled "Ukraine's Mountain of Bad Debt: How to Collect?'

The event was sponsored by Moris Group law firm, whose managing partner, Maryn Martynyuk, said investors are very interested in acquiring these assets when they are up for sale. "It's a huge market, actually," he said.

But he said that Ukraine's state banks have yet to put their large portfolio of distressed assets on the market, keeping investors waiting for "the next wave of the non-performing loans" to hit the market.

Martvnuk's law firm successfully represented the winning bidder of Odesa's Chornomorets Stadium for \$7 million at a state auction last year after it was repossessed from its former owner, Leonid Klimov, whose Imexbank collapsed, costing taxpayers \$165 million.

#### 25 banks in Ukraine with highest amount nonperforming loans

PrivatBank	\$6.5 billion
Ukreximbank	\$2.3 billion
Oschadbank	\$2 billion
Sberbank	\$1.3 billion
Prominvestbank	\$900 million
Alfa-Bank	\$615 million
Ukrgazbank	\$278 million
First Ukrainian International Bank	\$163 million
OTP Bank	\$151 million
Bank Credit Dnipro	\$135 million
Universal Bank	\$124 million
Idea Bank	\$92 million
UkrSibbank	\$65 million
Raiffeisen Bank Aval	\$60 million
TAScombank	\$51 million
KredoBank	\$49 million
Bank Pivdenny	\$46 million
International Investment Bank	\$41 million
A-Bank	\$37 million
ING Bank Ukraine	\$36 million
Megabank	\$35 million
ProCredit Bank	\$33 million
Bank for	
Investment and Savings	\$25 million
Bank Lviv	\$23 million

Ukrainian banks have \$15 billion in non-performing loans, representing 41% of the entire loan portfolio in Ukraine. Sources: National Bank of Ukraine



Kyiv Post Legal Talks on March 31, 2021, discussed "Ukraine's Mountain of Bad Debt: How To Collect?" Ukraine's banks have \$15 billion in non-performing loans — in other words, borrowers have stopped repaying their debts. From left, Kyiv Post chief editor Brian Bonner, ProZorro. Sale CEO Oleksii Sobolev, Moris Group senior partner Maryan Martynyuk and Olyana Gordiyenko, chairperson of the superivsory board of UkrExImbank.

Oleksii Sobolev, CEO of ProZorro. Sale, oversees the online bidding platform on which many of these assets from private banks have been sold competitively and transparently. He said legal safeguards have been put in place in recent years to reduce shady transactions and attract a better price for assets on the market.

But he said that, the longer the delays in selling off non-performing assets, the lower their value – and hence the less taxpayers will recoup from the banking sector collapse that cost taxpayers at least \$20 billion in the last decade.

Svitlana Rekrut, managing director of the Deposit Guarantee Fund, agrees that banks should act while there's still demand and while investors are ready to spend their money.

The Deposit Guarantee Fund owned assets worth an estimated \$20 billion in 2020 and 90% of them were bad loans. The fund has reduced that to \$3 billion, according to Rekrut.

"If you don't provide a pipeline to the market, the capital will go," Rekrut said. Once it's gone, it will be harder to bring the interest back to the market of non-performing loans and money will flow elsewhere, she said.

The managing director is confident that, by the end of 2021, the market will "vanish" unless stateowned banks make a move.

The Deposit Guarantee Fund has sold most of its bad debts. The priority was to sell them even if it meant to reduce the price significantly. The fund has recovered \$1.4 billion, according to Rekrut, for taxpayers. "Till the end of the year, our assets from banks will be zero," she promised.

#### Cleaning up the mess

Before major banking reforms started in 2014, even the National Bank of Ukraine didn't know the true beneficiaries of some of the



Maryan Martynyuk, senior partner of Moris Group law firm, speaks at the Kviv Post Legal Talks webinar on March 31, 2021, on the need for state-owned banks to speed up the sales of non-performing assets in their portfolios.

banks - they weren't required to the share of such loans to below disclose their identities.

This created a situation in which owners lent to themselves, their businesses, their friends and allied lawmakers with little to no intention of repaying the loans.

The mayhem of insider lending collapsed after Kremlin-backed President Viktor Yanukovych fled Ukraine, ousted by the EuroMaidan Revolution in 2014.

Private banks have done a better job of reducing their non-performing loans over the past several years, prosecuting insolvent borrowers and writing off bad debts that are more than 90 days past their due date. Today private banks have \$4 billion worth of non-performing loans.

State-owned banks have a bigger hole to fill.

To tackle the mountain of debt, the goal in the government's recent reform strategy is to have reduced

20% by 2025.

#### Fear of prosecution

Some loan borrowers are taking advantage of the fact that government banks rarely settle for liquidation of their assets, according to Olyana Gordiyenko, a chair at the board of the state-owned Ukreximbank.

Gordiyenko says the banks have been reluctant to take a proactive approach in selling the mountains of non-performing loans because of the "risks" associated with them. Assessing the assets' value is difficult, and prosecutors will question the reasons for sale.

"You cannot answer them (by) saving, 'I'm a banker, I have a professional discretion and you need to trust me," Gordiyenko said.

Before the government began allowing state-owned banks to sell such loans with discounts last year, there was a fear that it could result in criminal cases against the banks' governing bodies for mismanagement of state funds.

With the reform in place, the next step is to start selling them more

#### **Worthless debts**

Most of the shares of bad loans that Ukreximbank possesses are 10 to 15 years old, so "there is no hope" that someone will buy them today. Gordiyenko said that if the bank hasn't managed to collect them for that long, how can investors do any better?

Rekrut said the price of sale can be about 50% when it comes to collaterals with high market value. Nonperforming loans that have existed for more than 10 years are almost worthless, while "there is always competition" for other loans that are higher in demand.

Gordiyenko says that all regulations are "in place" for Ukreximbank to start selling bad debt, which is "huge in our bank" and which is freezing up credit. The state-owned bank needs to lend, but it cannot do so unless the problem is solved, she explained.

"If we are not lending, the bank shrinks and we will need to give up our license to the national bank and merge with the Deposit Guarantee Fund," Gordiyenko said.



Svitlana Rekrut, managing director of the Deposit Guarantee Fund, is responsible for liquidation of assets from banks declared insolvent. She said the state agency has whittled its portfolio from \$20 billion to \$3 billion. She participated remotely in the Kyiv Post Legal Talks webinar.

## Tensions high as Russian military masses on Ukraine's eastern border

By Ilia Ponomarenko

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he security situation in eastern Ukraine has hit a new low as Russia concentrated significant military forces near the Ukrainian border and refused to extend a moribund cease-fire in Donbas.

Fiery Russian rhetoric and concerns about the possibility of all-out war prompted the U.S. Department of Defense on April 1 to restate its commitment "not to leave Ukraine alone" in case of a large-scale invasion by Russia.

According to Dmytro Kuleba, Ukraine's foreign minister, the ongoing escalation "is systemic and the largest in recent years."

"With its actions, Russia has led the situation into a deadlock," the official said in an April 1 statement. "The only way out is diplomacy. Moscow must stop fueling the military frenzy and immediately and explicitly confirm its commitment to a diplomatic settlement and ceasefire."

The crisis escalated in late March when Ukraine's commander-in-chief Ruslan Khomchak told parliament that Russia was expected to mass nearly 25 new battalion task groups in addition to the 28 that are already deployed near the Ukrainian border and in occupied Donbas. Russia's assets include 28,000 militants and 2,000 Russian instructors in Donbas and 32,700 regular troops in Crimea.

According to Ukraine's top commander, the Russian buildup, in light of its Zapad-2021 strategic drills with Belarus, "pose a threat to the military security" of Ukraine.

On April 1, Ukraine's military intelligence also asserted that Russia was considering an armed provocation in Donbas to create an excuse for



A convoy of 122-mm self-propelled 2S1 Gvozdika howitzers of the Russian-backed forces passes near the town of Starobeshevo in Donetsk Oblast on Feb. 25, 2015.

an intervention to "protect Russian citizens" in the conflict zone.

According to Ukraine's delegation to the Minsk peace talks, Russia also refused to declare yet another ceasefire in Donbas after a series of armed clashes resulted in Ukrainian fatalities.

Later on April 1, Russia's Foreign Minister Sergei Lavrov was quoted as saying that "any attempts to start a new military conflict in Ukraine's war-torn east could end up destroying Ukraine."

According to the official, the confrontation between Moscow and the West has recently reached its nadir,

although he expressed a hope that "everybody understands the risks entailed by further escalation of tensions."

In his own address on April 1, President Volodymyr Zelensky accused Russia of "flexing its muscles" near Ukrainian borders.

"It tries to create a threatening environment and, at the same time, put pressure on negotiations concerning a ceasefire... Our military is not only about power and might. It is also about wisdom and reason. Our nation is unity. We're always ready for any provocations."

Earlier, on March 31, the senior

U.S. Armed Forces commander Mark Milley spoke with his Russian and Ukrainian counterparts. According to the U.S. military, the top generals "exchanged their views on issues of mutual concern."

The troubling events last week prompted the U.S. European Command (EUCOM) to raise its threat monitoring for Ukraine to its highest level.

Numerous Ukrainian media outlets on April 1 misinterpreted the announcement to mean that the U.S. military is imposing combat readiness in Europe, fueling public fears.

In reality, according to Pentagon

spokesman John Kirby, changes in the so-called WATCHCON scale only concern vigilance about "a potential threat and the ability to provide future warnings."

"We're discussing our concerns about this increase in tensions and ceasefire violations and regional tensions with NATO allies," Kirby said on March 31.

#### US readout of the April 1, 2021 phone call between US Defense Secretary Lloyd Austin III and Ukrainian Minister of Defense Andrii Taran

US Secretary of Defense Lloyd J. Austin III spoke by phone on April 1 with Ukrainian Minister of Defense Andrii Taran to discuss the regional security situation, according to a US Defense Department readout. " Secretary Austin reaffirmed unwavering U.S. support for Ukraine's sovereignty, territorial integrity, and Euro-Atlantic aspirations. He condemned recent escalations of Russian aggressive and provocative actions in eastern Ukraine and offered condolences to Minister Taran on the deaths of four Ukrainian soldiers on March 26. Secretary Austin reiterated the U.S. commitment to building the capacity of Ukraine's forces to defend more effectively against Russian aggression. Since 2014, the United States has committed more than \$2 billion in security assistance to Ukraine, including a recently announced \$125 million package that featured defensive weapons and other key capabilities to enhance the lethality, command, and control, and situational awareness of Ukraine's Armed Forces. Minister Taran expressed gratitude for the open dialogue and continued support." ®



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## How bigshots of Donbas came to rule Ukraine

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too many language, cultural and regional differences. So, we were searching for a way to keep such different regions together," Leonid Kravchuk, Ukraine's first president who served from 1991 until his re-election defeat in 1994, told the Kyiv Post.

Kravchuk remembers that it was hard to unite the country around an idea that had no financial stability behind it. In the first years of independence, Ukraine experienced hyperinflation, with prices rising by 1,000% per year. Companies did not pay workers their salaries for months. especially the ones employed by the more than 15,000 state-owned enterprises, most of which were flirting with bankruptcy.

"The times were definitely hard for everybody, but we remained hopeful about the future. Everybody was looking for new opportunities back then," Rinat Akhmetov, Ukraine's richest businessman and oligarch from Donbas told the Kyiv Post in a written comment.

While newly-made businesspeople like Akhmetov saw a window of opportunity in the early 1990s chaos, employees of hundreds of Donbas mines and factories that produced 15% of Ukraine's gross domestic product from the 1990s until 2013, were on the verge of

#### **Shaking Goliath**

In 1989, Donbas was a region of more than 6 million people, 90 percent of whom lived in cities, which suffered since the start.

Since 1989, local coal miners went on strikes, fighting for better treatment – and subsidies – from the Communist Party. Ironically, more than 500,000 protesting coal miners



Miners of Krasnolimanskaya Mine in Luhansk Oblast in the Donbas accept flowers marking a work anniversary in August 1999. The 1990s were hard on the miners and factory workers of the Donbas who often went without pay

in a region where many now claim to miss the USSR made a significant contribution to its downfall.

Workers at 173 out of 276 coal mines operating in the Donbas as of the early 1990s joined the protests,

fed up with the fact that they were not able to buy simple goods for their salaries. They were supposed to get priority provisions. But the reality was different. "After my shifts I was standing in

line in a basement to get my portion of meat, wrapped in a plastic bag," said Mykhailo Volvnets, who used to work for Myrnohradvugillya state mining company in Donetsk Oblast in the 1990s. "But instead, I often got a bone from a cow's leg with some tiny straps of meat on it."

Volynets, now the head of the Independent Coal Miners Trade Union, recalls that during the Soviet Union, the wages came, but miners had nowhere to spend their money.

"We had to travel to Donetsk or Moscow to buy some food or other goods. When in Russia, we passed on sightseeing and stood in lines for groceries instead. All that to get a very bad and salty sausage.

Donbas miners were among the first groups who felt they could demand changes from their government. After the authorities of the collapsing USSR did not arrest any of the protesters in 1989, they dared to call for the Soviet government to

"Those red directors still blame us for destroying their beloved Soviet Union," coal miner Oleksandr

"Red director" was a common name for the former communist directors of Soviet enterprises, stores and mines, mostly appointed by the Kremlin. Many of them, like Yukhym Zviagilsky, Oleksandr Yefremov and Yuriy Boyko, later formed the core of the now-disbanded pro-Russian Party of Regions. Ukraine's second President Leonid Kuchma was the "red director" of a rocket plant.

In the 2000s, Kuchma introduced Donbas native Viktor Yanukovych to big politics. That's how the rule of the so-called Donetsk clan in Ukraine was established.

But in the 1990s, the Donetsk clan was only starting to form.

#### New age

By 1993, Donbas elites understood that independent Ukraine was here to stay. They had to figure out how to keep their influence over the region and divide up the rich heritage it inherited from the USSR.

But they were not the only ones who wanted a slice of that pie. Hundreds of criminal gangs started rising from the streets of the Donbas, which was slowly slipping into an economic crisis.

Donbas mines, which employed most of the 800,000 people who worked in the coal industry in the 1990s, had already been exploited for more than 50 years without renovation

They could cover only up to 70 percent of their own spending and were demanding more and more subsidies from the state budget each year. The Ukrainian government started closing the unprofitable mines, leaving more and more miners without work.

"In the 1990s, a miner would sometimes get like Hr 10-15 a month. This was just enough to buy two bottles of horilka. So a miner was drinking his grief after work and beating his wife for daring to argue with him about his spending," Volynets recalled.

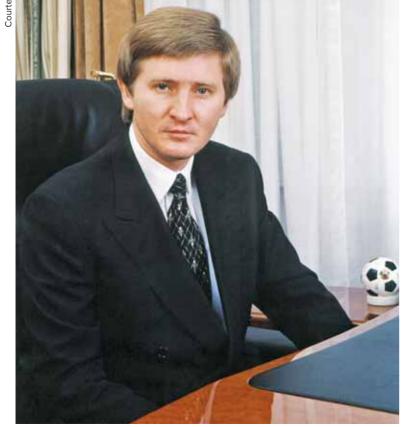
The decay of mines and factories contributed to the marginalization of the region and planted seeds of hatred towards central authorities, Donbas journalists Denys Kazansky and Maryna Vorotyntseva write in their 2020 book, "How Ukraine Was Losing the Donbas."

As of 2020, 148 mines remain in the Donbas, but Ukraine controls only 33 of them. Most are located on territories, occupied by Russianbacked mercenaries.

Many of those former miners and plants workers were searching for ways to survive in the new reality. Some of them were turning to business, which in the 1990s, with no proper laws and tax codes, was verv close to the criminal world.

#### Wild east

Donbas in the 1990s had its phase of post-apocalyptic looting. Locals



Young businessman Rinat Akhmetov poses for a portrait in his office in the 1990s.

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# Ukraine's top oligarchs all got their start in the 1990s

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were selling plants' equipment for scrap metal, raiding enterprises and paying the gangs for protection from other new entrepreneurs. They called themselves businessmen, but the police called them gangsters.

"There was no fully legal business back then. Everyone was stealing," recalls Serhiy Ivanov, a journalist who used to work as an investigator in the Luhansk Prosecutor's Office in the 1990s. "So-called businessmen were killing each other, fighting for control over the cities and towns."

Locals still remember that almost every day someone was shot or bombs went off in the Donbas. Law enforcers were finding graves of entrepreneurs who refused to give up their share of business.

"It was a time when police were either afraid of gangsters or working with them," said Oleh Solodun, the former head of the Kramatorsk police unit fighting organized crime. "Why should a regular police officer risk everything to catch a dangerous gangster, if his own chief is on the payroll of that gangster?"

Ivanov remembers that locals were generally not aware that gangsters were robbing the Donbas. Moreover, they tolerated and even admired the gangsters, who frequently solved local problems instead of the authorities. Luhansk and Donetsk oblasts had their own godfathers, and they were often at odds with each other.

"In Luhansk we had Valeriy Dobroslavskiy, the owner of the Imperial firm. He had such support from locals, he could have been elected mayor. But he was murdered in 1997 and that murder marked the day when Donetsk gangsters took control of Luhansk," Ivanov said.

#### Murders

Dobroslavskiy was only one man in the chain of murders of influential people in Donbas.

Before that, Yevhen Scherban, the most influential local businessman, was assassinated in Donetsk Airport in 1996.

Shcherban accumulated a business empire by buying the shares of local enterprises from their employees, who got them during the waves of privatization started by Kuchma in 1995.

Shcherban is often referred to as Ukraine's first oligarch.

In 1995, Shcherban's business associate Akhat Bragin was killed by a bomb at the Shakhtar Stadium in Donetsk. Bragin was the owner of the Shakhtar football team.

Bragin was also known as Alik Grek, the crime boss of Donetsk, Ivanov recalled. Bragin denied being a gangster.

In 1999, then-Prosecutor General Mykhail Potebenko said the killers of Bragin and Scherban were the members of one gang. Those who ordered the murders were never found.

One of the few Donbas bigshots who survived that period was Akhmetov. Today he is the richest Ukrainian by far, with a fortune recently estimated at \$7 billion.

"Akhat was a very close friend of mine," Akhmetov recalled in a written response to the Kyiv Post. "His death is a big tragedy for me personally."

Akhmetov recalls that he narrowly escaped the explosion himself.

"Many say that the bomb detonated in the box (at the stadium). It is a lie. The explosion happened in the tunnel (leading to the box area)," he said. "We arrived at the stadium together, five minutes late. His car pulled up first, mine was second. Because we were late, he left his car and rushed inside without waiting for me. The gap was like five seconds, no more than that. The explosion happened when I opened the door of my car."

After the death of Bragin, Akhmetov became the new president and owner of Shakhtar soccer club and inherited control over their common trading coal and coke business ARS. Another partner in the company was murdered earlier the same year.

"It was later, in the mid-gos, when I used the trading profits to establish Donetsk City Bank, which became my gateway to financial resources. Thus, I was able to buy the dying industrial enterprises no one cared about. I built a team and we started investing in those enterprises, developing them. In 2000, we created SCM which evolved from these companies," Akhmetov said.

Shcherban's son claims that at the heart of Akhmetov's empire are the companies he stole from the family of the murdered Shcherban. Akhmetov denies it.

In the mid-gos, the Ukrainian government managed to eliminate some gangsters and made deals with others, Ivanov recalls.

"It was war back then, and at war every weapon is good. The authorities were letting gangsters kill other gangsters. But then, instead of eliminating those who were left, the government let them infiltrate its structures and get high posts," Ivanov said.

This suited everybody back then as the gangsters were going legit, providing jobs and paying taxes, he added.

#### Giveaway

Kuchma, who was elected president in 1994, is often remembered as a reformer who managed to stabilize the currency and launched the first privatization drive in Ukraine in 1995.

Millions of Ukrainians got so-called privatization certificates, or vouchers — shares of Soviet enterpris-



Protesters gather at the October Revolution Square (now Independence Square) to support Ukraine's independence in Kyiv on Aug 24, 1991. The sign says "Ukraine leaves the USSR."

es. The government allowed citizens to sell their vouchers and did not control who bought the most shares. This allowed many of today's Ukraine's richest to accumulate assets. Enterprises were often sold in a non-transparent way to people close to the government.

Kuchma later said that he wanted big businesses to appear as a result of privatization because without them, "Ukraine would not have had capitalism." That was when oligarchs were born in Ukraine.

The biggest oligarch is Akhmetov. Although Akhmetov owns many businesses and media, and reportedly influences dozens of lawmakers in parliament, he doesn't agree he should be called an oligarch, preferring the title of "investor."

"The state is an inefficient owner. Kuchma was the first to understand that," Akhmetov said of the privatization campaign. "The enterprises

were barely alive. Private investors entered the market and started modernizing businesses. People received salaries without delays, and during Kuchma's presidency the economy grew by 12% annually."

Akhmetov added that Kuchma "deserves the deepest respect, because everyone benefited from the privatization — companies, regions, investors and the country."

Kravchuk also praised Kuchma's reforms. But despite that, Kuchma treated Ukraine as a director, not as president, Kravchuk said, meaning that people from Kuchma's inner circle used their ties with the director to get favors.

Akhmetov said he never needed any special privileges from Kuchma and only saw the president on TV in the 1990s.

Kuchma did not respond to a request for comment for this story.

"Those people were becoming bil-

lionaires so quickly. A person just could not make that much money in heavy industry in such a short time if he or she sticks to the rules of the market. But back then no market appeared yet," Kravchuk said.

Thus, oligarchy became inevitable in Ukraine, Kravchuk added.

"It is normal when a person wants to make good money to have a good life. But it is not okay when that person uses wealth to influence politics and society to make even more," Kravchuk added.

That is exactly what started happening in Ukraine.

#### Trading influence

A political clan from Donbas came out of the 1990s, united and powerful. Most of its members, including Akhmetov, joined the Party of Regions.

Kuchma made Yanukovych, the former Donetsk Oblast governor, prime minister and then his successor to the president's post. The new Donetsk elites made their way to the top.

"Kuchma did not do anything to unite the regions," Kravchuk said. "All the election campaigns held in Ukraine after the start of his presidency were built on pitting some regions against others. It's been 30 years and we are still there. We're at war with Russia, yet the (44) Opposition Platform For Life lawmakers frequently visit Russia to get some advice."

Every time Ukraine wanted to move away from their Russian overlords, pro-Kremlin lawmakers of the Donbas and east Ukraine, strongly opposed the new course and renewed calls for a split from Kyiv. This happened in 1993, 2004 and 2014, finally bringing war to the region, Kazansky and Vorotyntseva wrote.

Locals in the Donbas trusted their people more and generally thought Kyiv did not pay enough attention or respect to them, said the U.S. historian Hiroaki Kuromia, the author of the 1998 book "Freedom and Terror in the Donbas: A Ukrainian-Russian Borderland, 1870s-1990s."

Furthermore, the region has had many ethnic Russians, at least since the start of the 1930s. Some of them were searching for freedom, others were fortune hunters, Kuromia said.

"Many of those who moved from Russia, came here for work but didn't want to adapt to the country's rules, and denied everything Ukrainian," Kravchuk added. "This is the basis for what happened in 2014."



Chair of the Russian Supreme Soviet Boris Yeltsin (L) and chair of the Ukrainian Supreme Soviet Leonid Kravchuk stand together in the Verkhovna Rada during Yeltsin's visit to Kyiv on Nov. 20, 1990. In 1991, the Soviet Union collapsed, and Kravchuk became the first president of independent Ukraine.

## Authorities respond to radical protests with arrests of activists

By Oleksiy Sorokin sorokin@kyivpost.com

wo weeks later, the March 20 protest outside the presidential administration is

still in the headlines in Ukraine.
Hundreds of people protested near
the President's Office, demanding
justice for convicted activist Serhiy
Sternenko. They broke windows and
vandalized walls and doors, leaving
slurs on the building's facade.

Instead of addressing the reason for the protest — a broken court system — authorities and politicians have been trying to use the unrest for political gain.

"If the government would have successfully compelled judicial reform, there wouldn't have been a need for protests," said lawmaker Yaroslav Yurchyshyn, who represents the 20-member Voice party. He participated in the protest.

On March 30, the parliament called an extraordinary session amid a lockdown to pass a resolution condemning the protest and formally order the National Police to investigate it — even though it was already doing it.

Police detained six suspects — activists Roman Ratushnyi, Serhii Filimonov, Oleksiy Bilkovsky, Denis Mishchenko, David Gadzhimuratov and war veteran Vladyslav Hranetsky-Stafiychuk, better known as Vlad Sord.

All were charged with "armed hooliganism" even though none of them are known to have carried weapons at the protest.

Most were placed under house arrest. They are facing up to seven years in prison.

#### **Protest gets radical**

The protest near the President's Office wasn't the most violent that President Volodymyr Zelensky's presidency has seen, but it was the most politicized one.

Odesa's Primorsky District Court on Feb. 23 convicted Sternenko and another activist, Ruslan Demchuk, of robbing and torturing Serhiy Shcherbych, a local pro-Russian council member, in 2015.

The two were sentenced to seven



An activist poses next to a vandalized entrance to the Presidential Office during a protest on March 20. Protesters demanded justice for Serhiy Sternenko, an activist from Odesa who was sentenced to prison as a result of what his supporters see as an unfair trial led by a controversial judge.

years in prison and confiscation of half of their property. Sternenko appealed.

Sternenko, the former head of Odesa's branch of the right-wing Right Sector organization, became a popular figure among activists and nationalists. His popularity made the trial against him highly politicized.

The March 20 protest was triggered by what many saw as an unfair verdict reached with procedural violations and political motives by a controversial judge.

However, it wasn't all about Sternenko. His questionable conviction is just another symptom of a broken judicial system and Zelensky's failure to reform the courts and clear out tainted officials.

Sternenko and his supporters accuse the president of deliberately sabotaging judicial reform.

The protesters have also been

demanding the release of musician turned activist Andriy Antonenko, who has been kept in prison without a trial for over a year. Along with two other people, he was charged in 2019 with murdering Belarusian-born journalist Pavel Sheremet in Kyiv on July 20, 2016.

Since 2019, animosity has grown between the government and people demanding judicial reform, who often center their demands around Antonenko's and Sternenko's release. Still, the protests were peaceful for over a year.

That changed after Feb. 23, when Sternenko was sentenced. Twentyseven police officers were injured in the protest that followed, according to the National Police.

However, the March 20 protest was largely peaceful. Protesters gathered in front of the presidential office to mark Sternenko's birthday and demand justice for the activist. Some of them broke windows and painted on the walls. Someone wrote "sucker" on the sign saying "The President of Ukraine." Police didn't intervene and no people were injured.

"The protest has succeeded in drawing attention to this problem," said Yurchyshyn, one of the few lawmakers who publicly supported the protest.

#### Government PR

Yet the protest appeared to have touched the nerve for Zelensky's administration.

On the day after the protest, the president's office published a statement, estimating repairs to cost the state Hr 2 million (\$73,000). Critics ridiculed the apparently inflated sum. It ended up being much smaller.

Soon the police began arresting

those who took part in the protest. Most of those arrested were activists of right-wing organizations.

Critics say that it appears that the Interior Ministry was using the farright connection to discredit the idea behind the protest.

The government's response peak in absurdity when Deputy Interior Minister Anton Herashchenko brought the vandalized front door of the President's Office to a live political talk-show to discuss vandals and radicals.

Judicial watchdogs say that the charges of "armed hooliganism" against protesters are absurd since the protesters didn't have any weapons.

"What kind of weapon are they talking about—a flare? Spray paint?" said Mykhailo Zhernakov, head of Dejure, a legal non-profit tasked with promoting judicial reforms in Ukraine. "It's absurd. It's an obvious attempt to escalate the conflict."

Three of the people arrested for the protest, Filimonov, Bilkovsky and Mishchenko, are part of a low-profile right-wing organization called Honor. Most Honor members are former volunteers of the Azov Battalion, who fought against Russia in the Donbas.

In 2018, a provision in an appropriation bill passed by the U.S. Congress blocked military aid to Azov on the grounds of its white supremacist ideology. The battalion is currently part of the Interior Ministry.

On March 30, Zelensky's 245-member Servant of the People faction convened a special session of the parliament to pass a resolution condemning the protest. No opposition lawmakers supported the resolution.

Yurchyshyn believes that the Interior Ministry's zeal to go after the protesters is Interior Minister Arsen Avakov's attempt to justify the ministry's budget, which is growing every year.

"Avakov is trying to prove his critical importance to Zelensky," said Yurchyshyn.

Avakov has been the interior minister for over seven years, the longest in history. Analysts often allege that Avakov has kept his role by promising to protect Zelensky from street protests, something that neither the minister nor the president have confirmed.

#### **Broken courts**

Behind the protest and the government's reaction, one aspect remains forgotten — the need for judicial reform.

"If Zelensky comes out and says we are ready to start a dialogue with (activists') representatives, hear out what they have to say — that would already be an improvement," said Zhernakov.

However, two weeks after the protest, the government has remained silent about the problems that the protest was meant to highlight — corrupt judges and courts, lack of transparency in judicial appointments and the inability to get a fair trial

Zelensky's office made four statements about the cost to repair the president's office building. Judicial reform wasn't mentioned once.

Ukrainian courts are among the least trusted institutions, delivering questionable rulings regularly.

The most notorious Ukrainian courts are the Constitutional Court which attempted to topple Ukraine's anti-corruption institutions and Kyiv's Administrative District Court led by judge Pavlo Vovk, who is charged with organized crime, abuse of power and bribery. Vovk denies the accusations.

In late October, the Constitutional Court ruled to strip the National Agency for Corruption Prevention of its powers, leading to the closure of many high-profile corruption cases.

After a public outcry, anti-corruption activists saw a window of opportunity to push for much-needed reforms. However, nothing happened.

First, Zelensky's Servant of the People party appointed new judges to the Constitutional Court, tacitly supporting the institution that actively sabotages reforms in Ukraine.

Later, the party supported the revival of a tainted institution called the High Qualification Commission for Judges.

The bill has been lambasted by anti-corruption activists and legal experts. According to them, without proper judicial reform, creating a new judicial body with old judges will only legitimize and entrench the current corrupt system.

"Instead of lowering tension, the government is trying to put out the fire with kerosene," says Yurchyshyn. "I don't even know where this can lead." 

©



## The Normandy Four 'process' is dead, but what will come next?



**Bohdan Nahaylo** 

So now the cat is out of the bag. We now know a lot more of the truth about what has been happening behind the scenes in the dealings of Ukraine's "partners" in the Normandy Four quartet – Germany and France, with the aggressor in Crimea and eastern Ukraine, Putin's

Moreover, details have emerged of a proposed "peace plan" that Berlin and France have recently prepared and placed on the table for discussion in the Normandy Four format.

And what we are discovering is certainly distasteful and worrying. The implications are not good for Ukraine nor for that matter the unity of Europe, or even the Trans-Atlantic Alliance.

On March 30, the leaders of Germany and France did indeed hold talks with their Russian counterpart.

Initially, all three sides were very cagey about such an odd telecom taking place – though Moscow found it expedient to leak news about its preparation in advance, emphasizing it was not part of the Normandy

Four format process addressing the Russo-Ukrainian conflict in eastern

There was something strange and not quite correct about the way that they have jointly reached out to Moscow at this stage. And this transcends the purely Ukrainian dimension.

The leaders of two leading European counties speaking jointly with a third from beyond their circle, and in this case an adversary? Without making the purpose clear and ensuring endorsement from their partners, or those in whose interests they claim to be acting through their good offices.

In this case, the leaders of Germany and France are since 2014 not only Europe's self-appointed and monopolistic "peace-brokers" in the Normandy quartet regarding the Russo-Ukrainian conflict - like Russia, they have preferred to keep other interested or potential mediators, like Washington, London, or Warsaw out of the picture – but also key states in the European Union and NATO.

Yes, Berlin and Paris may claim to have taken a lead as mediators through the Normandy Four format. But just how well was this exclusive arrangement thought out by the then-new French president, Emmanuel Macron, and his German partner, Chancellor Angela Merkel.

What added advantage did they bring by keeping other potential mediators out and in effect playing along with the Kremlin's blueprint for peace – the so-called Minsk accords of 2014-2015 - to be imposed on a traumatized and desperate Ukraine? And by buying into the Russian line, and insisting ever since along with it, that these "agreements" and the Normandy arrangement are sacrosanct and "the only possible mechanism" for achieving peace.

Perhaps, but peace only on Russia's terms.

The last Normandy Four Summit held after much delay in Paris in December 2019, and with new presidents in both Paris and Kyiv, offered some ground for cautious optimism. Especially, when in the presence of President Vladimir Putin, Chancellor Angela Merkel agreed publicly with President Volodymyr Zelensky that some provisions of the Minsk accords warranted review.

But that critical moment seems to have been conveniently forgotten by



Ukraine's President Volodymyr Zelensky, German Chancellor Angela Merkel, French President Emmanuel Macron and Russia's President Vladimir Putin attend a press conference after a summit on Ukraine at the Elysee Palace, in Paris, on Dec. 9, 2019.

Berlin, Paris and Moscow. And so, we are back to pretending that the Normandy Four format is still alive.

A few days ago, the Russian publication "Kommersant" leaked the "new" Germano-Russian "peace plan.'

Germany and France have effectively re-hashed Russia's original and persistent terms, proposing that in return for a timeframe, broken down into clusters of activities, involving Moscow's concessions in the area of security (from ceasefires to the withdrawal of armed forces, obviously not described as Russian), Kyiv should agree to a whole range of debilitating political concessions weakening it as a sovereign state.

In their official statements about the telecom Berlin and Paris do not mention their "peace plan" and play down the significance of the Ukrainian element during their discussion with Putin. But the official Russian account makes it appear that the issue of the enduring conflict in eastern Ukraine was the central theme, with President Putin placing all the blame for the latest escalation of tensions on the Ukrainian side, and reiterating Moscow's standard "peace terms." Even now, he is clearly not prepared to budge a centimeter.

Conveniently for him, the Normandy quartet has separated the question of Russia's occupation of Crimea from its actions in eastern Ukraine.

Today, after seven years of war between Russia and Ukraine, and Moscow uninterested in peace, a new conflict resolution vehicle involving other actors actually committed to making Russia change its unacceptable behavior is long overdue.

Bohdan Nahaylo is a British-Ukrainian journalist and veteran Ukraine watcher based in Kyiv, Ukraine. He was formerly a senior United Nations official and policy adviser, and director of Radio Liberty's Ukrainian Service. This is an abridged version of Nahaylo's op-ed published on www.kyivpost.com on April 1. 10

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Treat yourself to a variety of delicious offerings from local restaurants by ordering takeout or delivery, while supporting businesses during the extended lockdown through April 16.



### Businesses meet lockdown No. 3 prepared but drained



The employees of Eastman restaurant prepare food in Kyiv on Nov. 4, 2020. From March 20 through April 16, restaurants cannot serve dine-in customers and are limited to providing takeout and delivery. The COVID-19 pandemic has forced nearly 4,000 restaurants to close, leaving only 14,700 in Ukraine as of January 2021, down from a high of 18,600 resturants, according to restaurant consultant Olga Nasonova

#### By Yana Mokhonchuk

mokhonchuk@kyivpost.com

As warm, sunny days arrived in Kyiv, hope was in the air for a more normal spring than last year.

But the record-breaking spread of COVID-19 pushed Kyiv authorities to delay carefree life in the capital.

Having gone through two lockdowns and multiple weekend and holiday restrictions, local businesses weren't surprised when the recent infection surge resulted in more quarantine measures. But the latest lockdown still came as a disappointment because of the short notice. Announced on March 18, the new restrictions came into force just two days later.

Restaurants went back to providing delivery and takeout, with no permission to serve tables. Gyms, cinemas, nightclubs and all other cultural venues and non-essential stores once more.

The restrictions were initially set to last for three weeks, but the city authorities recently extended the lockdown at least through April 16, also shutting down schools, kindergartens and public transport.

With delivery and online services on track, Kviv enterprises are meeting the new challenges prepared. But with the slow pace of vaccination and no significant state support, businesses face an uncertain future.

#### **Restaurants**

The pandemic killed nearly 4,000 restaurants across Ukraine by early 2021, according to restaurant expert and consultant Olga Nasonova, leaving 14,700 in January 2021.

Though the food scene suffered from the lockdowns and a lack of foreign visitors, the market proved to be sustainable in the face of the

shut down. Mass events were banned challenge. According to Nasonova, Though he didn't lay off any the worst forecasts predicted that as many as half of the 18,600 restaurants in Ukraine would close for good. But that didn't happen, and the expert says the third lockdown won't change the situation much

> "Only those who planned to close will close. Most have already developed the optimal working format," Nasonova told Interfax news agency.

Some who managed to adapt to the new reality were the eateries of Kyiv restaurateur Eugene Belousov. He is the co-founder of some of the capital's most popular cafes, Blur Coffee and Octo Tower, as well as Whai Thai Asian bistro and recently-opened Bread For.

Not only have Belousov's old eateries survived the crisis, but he also launched two new ones, which became instant hits despite the

employees, Belousov set up a system in which the workers' salaries weren't fixed but depended on revenue. The decision motivated staff and helped the business stay afloat, suffering only minor losses in 2020.

"We earn together and risk together," Belousov told the Kyiv Post.

The entrepreneur says that the third lockdown wasn't a surprise the worsening epidemiological situation suggested that a new quarantine was on the horizon. But this time, Belousov had a plan. With adapted menus, his eateries continued providing takeout and delivery through popular delivery services or on their

Though the crisis drained his businesses' financial resources, Belousov along with his partners continued to invest in new projects during the

#### **Book Critic**

With Elina Kent kent@kyivpost.com

#### 'Orthodox Chic' photo book shows bizarre aesthetic of makeshift churches troughout Ukraine

It starts with a cross.

No one knows who put it there, in this small Ukrainian town. Maybe it's just locals who are trying to strengthen their faith.

Unless that cross becomes a booth. Now it's a tiny makeshift shrine for worship. Since it doesn't take up too much space or draw too much attention, it stays put.

Until suddenly the booth is gone, replaced by a planned-out structure built around it, which grows larger and larger until it becomes a fullfledged church. The illegal takeover of land has succeeded.

This practice has been widespread across post-Soviet Ukraine, used as a tool to gain land and influence by the country's rival churches, businesses and locals.

The strange aesthetic of these improvised churches, sometimes set up in premises as bizarre as kiosks and trailers, has been captured in the "Orthodox Chic" photo book.

"These newer buildings don't say so much about how architecture has changed, rather about the country's social, political and economic development," the publication's introduction reads.

The latest addition to the "Chic" series by Osnovy publishing house, "Orthodox Chic" came out in 2020. With an introduction and captions in English, the book is available to buy online for Hr 500 (\$18) or \$39 if ordered from abroad with the delivery cost included.

#### Wonderful and odd

Osnovy is a well-known publishing firm at the forefront of edgy creativity in Ukraine. Almost 30 years old, the company considers all of its books to be works of art, focusing on off-beat niche topics, often spotlighting Ukrainian photography and architecture.

"We really try to seek content about Ukraine that is odd, that is weird," Dana Pavlychko, the director and owner of the publishing house, told the Kviv Post. "We find Ukraine wonderful and odd, and this is the content that we work with."

Osnovy launched the "Chic" series to collect visual research of local architecture and urban spaces. Its first book, "Balcony Chic," came out in 2019, documenting the infamous do-it-yourself balconies in all their beauty and ugliness in 92 photographs from cities all over Ukraine.

## With new round of restrictions, business sector in Kyiv faces debt and uncertainty

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pandemic. His Octo Tower, which opened in September is not only a sophisticated coffee shop but also a co-working and education space and photo studio, creating versatile sources of revenue. Meanwhile, Bread For was designed specifically for the lockdown, with food and drinks offered for self-pickup and delivery. His next goal is to launch another Blur Coffee.

Though the crisis limited his business, for Belousov, it also served as motivation to keep the service running and continue to grow.

"Only the strongest and highest-quality players in the market survive," he says.

#### **Gyms**

Gyms and sports studios weren't as lucky as restaurants. They're forced to shut down once again.

Throughout the crisis, gyms in Kyiv provided online training services, rented out equipment and sold merchandise to survive. But that

couldn't compare to pre-pandemic revenues.

The three-location gym chain EBSH (the acronym resembles a Russian profanity that means working one's ass off) suffered tremendously. To maintain the business, pay rent and salaries, the owners need Hr 13 million monthly. This March, they can cover only half of that sum.

To reduce expenses, EBSH cut employees' salaries individually depending on how much work they continue to do despite the lockdown.

To attract at least some income, EBSH launched three types of online group training sessions, charging Hr 100 (\$4) for each one. But despite being twice as cheap as regular sessions, they appear less popular among fitness enthusiasts.

The co-founder of EBSH, Julia Shum, says that she tries to stay optimistic and look on the bright side. For instance, recruiting a professional has become easier, as many coaches lost jobs.

EBSH now hopes that rent could be delayed or reduced for the dura-



Restaurateur Eugene Belousov speaks with the Kyiv Post inside of one of his eateries, Octo Tower, on March 25, 2021 in Kyiv. Other businesses he co-owns, Blur Coffee cafe, Whai Thai Asian bistro and recently-opened Bread For, have set their takeout and delivery on track to survive during the third lockdown in Kyiv scheduled to last at least through April 16.



People attend a music performance during Ukraine's biggest charity market Kurazh Bazar on Oct. 11, 2020 in Kyiv. The monthly event had to cancel six of its editions last year because of the quarantine measures, losing about Hr 1.5 million.

tion of the lockdown. Otherwise, the chain would hit a dead end, and Shum says she is still struggling to come up with a solution.

#### Events

The event industry had it even worse. Outside of small glimpses of normalcy between lockdowns, mass get-togethers were either banned or restricted to the point of not being worth the fuss.

One of Kyiv's beloved events, the country's biggest charity market Kurazh Bazar is normally held every month. In 2020, it was only held four times and suffered Hr 1.5 million in losses

The two-day event brings togeth-

er local manufacturers and sellers of various goods from clothes and accessories to decor. The market also offers street food, drinks and an entertainment program, attracting 12,000 visitors each weekend.

The event's founder, Alyona Gudkova was in the middle of preparing for the March event with her 12-member team when the third lockdown was announced. Three months since the last event, the staff felt devastated after realizing their work has been delayed again.

Soon after that Gudkova wrote a touching post on Instagram, which encouraged Kurazh Bazar's fans to buy 1,000 tickets for its next event scheduled for April 17–18.

"We saw what Kurazh means to people, not just to us," Gudkova told the Kyiv Post. "It's unreal."

Gudkova did no layoffs but cut the salaries by 30–50% during the months when no events were held. Still, when possible, the founder paid full salaries and even made bonus payments. They were mostly paid from Kurazh Bazar's reserves, which have now run out.

If things don't go back to normal by summer, Gudkova fears she would be forced to move to the worst-case scenario.

"I can no longer imagine that we do not work because then it is easier for me to close," she says. •



**Book Critic** 

### Recent hit book by Osnovy publishing mixes photos, architecture, political commentary

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Pavlychko says that there is something "super Ukrainian" about these horrible and strange balconies.

"There is no other country in the world where you will see such architecture," Pavlychko says. "And if we talk about 'Orthodox Chic,' this is something super super Ukrainian, when you have these random makeshift churches just pop out of nowhere.'

Osnovy plans to continue the "Chic" series with publications focusing on Ukrainian country homes called dachas, and on pigeon lofts.

#### **Upcycled churches**

The pocket-sized book invites the reader into the bizarre world of Orthodox churches right from first glance. Without its sleeve, the publication's striking blue cover shines, inspired by the shade often used in the design of local Orthodox churches. The title is written in gold script resembling Biblical passages, complemented by golden endpaper as if taken from the domes of the churches themselves

The carefully crafted introduction sets the reader up perfectly for a journey through Ukraine's Orthodox architecture, divided into six themed chapters.

The creators of "Orthodox Chic," architects and photographers Oleksandr Burlaka and Alex Bykov,



The Temple of the Holy Apostle Mark located in Kyiv is one of the churches photographed for Osnovy publishing house's 2020 book "Orthodox Chic." Without major funding from corporate churches to build a full-fledged church, some communities in Ukraine resort to transforming trailers and other spaces by simply placing a cross on the top of the structure.

alongside artist Sasha Kurmaz focused on churches built after Ukraine gained its independence.

The country has a long complicated history with religion. Orthodoxy is practiced among the country's majority of believers. They are, however, divided between the newly formed Orthodox Church in Ukraine and the Russian Orthodox Church headquartered in Moscow.

The architectural development of Ukrainian churches is no less complex, spanning centuries and including the Cossack Baroque style that was interrupted by the pseudo-Russian style and the Soviet Union.

After Ukraine became independent, the architectural and spatial organization of urban spaces was no longer centrally planned and there was no legal framework for regulation, resulting in a diverse pool of design and placement.

According to Burlaka, in the 1990s, architects that have never worked with churches discovered this new field and started experimenting.

"It's interesting to see what styles they use to show belonging to one or another ideological, political group," Burlaka told the Kyiv Post.

"It could be the Moscow Patriarchate with their specific forms, or other patriarchates trying to look differently architecturally, or the difference between corporate churches with money and churches made in small poorer communities that look more like balconies than monumental temples.

The strangely constructed churches popped up in unusual places such as the tops of buildings, at water pump stations and even next to McDonald's drive-throughs. More ordinary specimens can be found in the "Classic Revival" chapter.

Though people tend to be more religious in rural areas, there isn't much money going into building massive churches there.

"Religious buildings financed by the patriarchates or by private investors are not often built in villages or in the regions, even where there is a need for such places," art historian Asia Bazdyrieva writes in the book's introduction.

Small communities tend to upcycle

industrial architecture, using whatever materials they can find. The makeshift churches were set up in places as bizarre as old garages, train cars and storage tanks. Those are featured in the



2020 photo book by Oleksandr Burlaka, Alex Bykov and Sasha Kurmaz released by Osnovy publishing house. It features photos of Orthodox architecture from all over Ukraine.

### TOP OKYIV POST exclusives online this week

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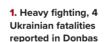




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War and faith

co-creator of the book Kurmaz did while growing up in Kyiv. Around 2008, he witnessed a church's life cycle as it grows from a cross in the ground to an actual place of worship and started documenting it.

"Changing the Function" chapter.

Churches in post-Soviet Ukraine

often begin with the placement of

Locals might first notice a cross set up in a green plot of land just like the

"This strangeness draws me in," he told the Kyiv Post.

A cross can mean multiple things. It could just be a cross that locals have put up for religious motives. It could also be a way to claim "dibs" for future construction projects by corporations, as they do not need to pay taxes for the "blessed" property. It could also be the seemingly innocent start of an invasion by the Moscow Patriarchate.

One of the most famous examples is the Russian Orthodox Church of St. Nicholas of Myra, built across the Ukrainian Orthodox St. Andrew's Cathedral on Andriyivsky Uzviz. The Russian temple is built within the grounds of a historic Ukrainian site. It stands next to the ruins of The Church of the Tithes, the first stone church built in Kyiv alongside the city's oldest linden tree, the Petro Mohyla Linden Tree, planted in the

The conflict between the Ukrainian Autocephalous Church of the Kyiv Patriarchate before it transformed into the Orthodox Church of Ukraine and the Ukrainian Autocephalous Church of the Moscow Patriarchate has spanned decades and continues to this day.

The Russian Orthodox Church has a deep relationship with the Kremlin and amplifies its rhetoric. In 2019, the Orthodox Church of Ukraine was granted independence, angering Russia further as Ukraine continues to fight for total independence in religious, political and social spheres.

According to Burlaka, this confrontation is reflected in the book. And Pavlychko says that aside from being a book of photography and architecture, "Orthodox Chic" is also "political commentary."

And while some churches are used as tools of influence, others, such as the bizarre "upcycled" ones. amaze with how little believers need to practice their faith.

"A temple can be in any place," Burlaka says. "It doesn't have to be beautiful. It can be in a cave, a room or a prison."

"Orthodox Chic" is available for purchase on Osnovy's webstore for Hr 500 (\$18) at www.osnovypublishing.



"Orthodox Chic" is a

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Ms. Letricia Nicole Lamb of 39 Fresh Pond Burrel Boom, Belize City, Belize has been appointed as a liquidator of the company. Dated 26th day of March 2021

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Vinsanto wine bar 20, Pushkinskaya Str. Wedenskaya Usadba 25, Vvedenska Str. Wine and people 11/11, Sergia Gusovskogo Str. Wolkonsky Patisserie 30V, L.Ukrainka Blvd. Wolkonsky Patisserie 1, Leo Tolstov Str. Wolkonsky Patisserie 15. Khreschatyk Str.

World of Coffee 12A, Ihorivska Str.

Wolkonsky Patisserie 5-7/29, Tarasa Shevchenka Blvd. Wolkonsky Patisserie 52A, Bohdana Khmelnytskoho Str Wolkonsky Patisserie 10, Heroes of Stalingrad Str. Wolkonsky Patisserie 31/19, Yaroslavov Val Str.

America House Creative Space 6, Pymonenka Str. Chasopys 3, Lva Tolstoho Str. Chasopys. Unit 3, Dorogozhitska Str. Creative State of Arsenal Arsenal Factory, 8, Moskovskaya

Fedoriv Hub 5, Velyka Vasylkivska Str. Hub 4.0 1/3, Yaroslavsky provulok Ihub 10. Khreshchatyk Str. Inveria 49A, Volodymyrska Str. Izone 8, Naberezhno-Lugova Str. Platforma Art-Zavod 1A, Bilomorska Str. Platforma Leonardo 52/17, Volodymyrska Str. Projector 51. Vozdvizhenska Str

TCEH Podol 15A/1, Kirilivska Str. Creative quarter BC Gulliver, 29th floor, 1-a Sportyvna sq. \infty CLINICS Creative quarter BC Senator, 14th floor, 32/2 Moskovska str.

#### HOTELS

Aloft 17, Esplanadna Str. Attache Hotel 59, Zhilyanskaya Str. BonApart Hotel 14-16, Druzhby Narodov Blvd. City Holiday Resort & Spa 5, Velyka Kiltseva Str. Crystal Hotel 13B, Khreschatyk Str. Dnipro 1/2. Khreshchatvk Str. Fairmont 1, Naberezhno-Khreshchatytska Str. FAVOR PARK Hotel 6, Marshal Konev Str. Gonchar 17-A, Goncharna Str. Grand Admiral Resort & Spa 116, Warsaw Str., Irpen Hermitage Boutique-Hotel 6, Simon Petliura Str. Hilton 30, Tarasa Shevchenka Blvd. Holiday Inn 100, Velyka Vasylkivska Str.

Hyatt 5-A, Tarasovoi Str. Impressa/Number 21 21, Sagaidachnogo Str. Intercontinental 2-A, Velyka Zhytomyrska Str. Kozatskiy 1/3, Mikhaylovskaya Str. Kyiv 26/1, Hrushevskogo Str. Matisse 56, Bohdan Khmelnytsky Str. Mercure 6, Vadim Hetman Str. Opera 23, Bohdana Khmelnytskoho Str Park-Hotel KIDEV 5, Boryspilska Str. Premier Palace 5-7-29, Tarasa Shevchenka Blvd.

President Hotel 12, Hospitalna Str. Pushcha Congress Hotel 20, Nikolaya Yunkerova Str. Radisson Blu 22. Yaroslaviv Val Str.

Ramada Encore 103, Stolichne Shosse Riviera House 15, Sahaidachnoho Str. Rus 4. Hospitalna Str. Ukraine 4. Institutskava Str. Vozdvyzhensky 60, Vozdvizhenskaya Str.

#### BUSINESS CENTERS

Cubic Center (1 entrance) 3, Sholudenko Str. Cubic Center (2 entrance) 3, Sholudenko Str. Europa Plus 33, Tarasa Shevchenka Blvd. Gooioord 34/33, Ivana Franka Str. Gooioord 36, Ivana Franka Str. Helios 7, Mykola Vasylenko Str. Illinsky 8, Illinska Str. Parus 2A, Mechnikova Str. Regus 42-44, Shovkovychna Str. Regus 4, Hrinchenka Str.

Regus Podil 25-B, Sahaidachnoho Str. Senator 32/2, Moskovskaya Str. Silver Breeze 1-V, Pavla Tychyny Ave. Toronto-Kyiv 100, Velyka Vasylkivska Str.

#### **BUSINESS ASSOCIATIONS** American Chamber of Commerce 12 Amosova St.

European Business Association 1 Andriivskyy Descent EBRD 16 Nemyrovycha-Danchenka St.

#### **EMBASSIES Embassy of the Kingdom of the Netherlands**

7 Kontraktova Sq. Consulate of the Republic of Austria 33 Ivana Franka St **Embassy of the Republic of India** 20-B Berlinskoho St **Embassy of the Unites States of America** 

#### **AIRPORTS & TICKETS OFFICES** Kiv Avia 4-B Horodetskoho St VIP Hall Boryspil Airport Airport Boryspil, Terminal D

#### SPORT CLUBS

4 Sikorskoho St.

5th Element 29 Elektrykiv St. Fitness Planet 10 Kropyvnytskoho St. Golf Center 20, Obolonskaya Naberezhna Str.

Americal Medical Center 1, Berdychivska Str. Cell Therapy Institute 3, Kosmonavta Komarova Ave Elast clinic 3, Leontovycha Str. KAMINSKYI CLINIC 8, Mykola Pymonenko Str. Porcelain 26, Otto Shmidta Str. Porcelain 29, Vozdvyzhenska Str. ROYAL BEAUTY CLUB 10A, Lutheranska Str. Selfie Life Novopecherskie Lipki Residential Complex. 16 Mykhailo Drahomirova Str.

#### **III LIBRARIES AND SCHOOLS**

American Councils for International Education 20, Esplanadna Str. Amerykanskava Byblyoteka Ym.v.Kytastoho, Otdel Natsyonalnoho Un-Ta Kyevo-Mohylyanskaya Akademyya' Instytut Zhurnalistyky Knu 36/1, Yuriy Ilyenko Str.

Kviv International School 3-A, Sviatoshynsky Lane Kviv School of Economics 92-94 Dmytrivska Str Kyyivskyy Tsentr Uku 10A, Ivan Mazepa Str. Mohyla school of journalism 8/5, Voloska Str. National Academy for Public Administration under the President of Ukraine 12/2, Puhachova Str., 20, Ezhena

**National Parliamentary Library of Ukraine** 1, Hrushevskoho Str. Pechersk School International 7E, Zabily Str.

#### REGIONS OF UKRAINE

#### Chekhov 84/2, Sumska vul. Iris Art Hotel 6-A, Sviatoduhivska St.

#### **RESTAURANTS**

Atlas Deluxe 27, Shevchenka Ave. Mons Pius 14, Lesi Ukrainky vul. Baczewski Restauracja 8, Shevska Str. Golodnyi Mykola 352/ Striyska St. Kumpel Gastropub 2-B, Chornovola Ave. Kumpel Gastropub 6, Vynnychenka Str. Cafe 1 5, Cathedral Sq. Veronika 21, Tarasa Shevchenko Ave. Svit Kavy 30, Rinok Sq. Kopalnya Kavy 10, Rynok Sq. Sugar RED 21, Brativ Rohatyntsiv Street MOREFISH 43/12. Brativ Rohatvntsiv Str. Epic Cheeseburger Café 15, Halvtska Str.

Sugar Black 3, Kriva Lipa Str.

#### **⊕** HOTELS

Premier Hotel Dnister 6, Yana Matejka Str. Central Hotel 10, Halvtska Str. Bank Hotel 8, Lystopadovoho Chynu Str. LH Hotel & Spa 1, Petrushevicha Ave. Modern Art Hotel 28, Shevchenko Ave. RIUS 12A, Gnatyuka Str. On The Square Guesthouse 13. Ploshcha Rynok Reikartz Medievale Lviv 9, Drukarskaya Str. Panorama 45, Svobody Ave. Swiss Hotel 20, Kniazia Romana Str. Gruner Lviv Boutique Hotel 5, Hryhorenka sq.

#### **SCHOOLS & OTHER INSTITUTIONS**

Bank Lviv 1, Serbska Str. Lviv Business School 35-A, Hutorivka Str. American Medical Centers 3, Bogomoltsya Str. L'vivs'ka Torhovo-Promyslova Palata 14, Stryj Park Business people club 3, Luhanska Str. English Language Club 21/8, Academician Rudnytsky

#### **TRESTAURANTS**

**UNO Design** 17, Rishelievskaya Street Traveller's coffee 14, Derybasivska St.

#### **⇔** HOTELS

ALARUS LUXE 82A, Velyka Arnautska Ark Palace 1B, Genuezka vulytsya Arcadia 24. Genuezka vulvtsva Palace Del Mar 1. Khrustalny Lane Marlin 13, Polskiy descent Wall Street 12, Vitse Admirala Zhukova lane Metro Hotel Apartments 12, Pushkinskaya St. Continental 5, Derybasivska St. KADORR Hotel Resort & Spa 66/3, Frantsusky Bulvar Otrada 11. Zatvshna St. Frapolli 13, Derybasivska St.

#### **⇔** BUSINESS CENTERS

Vuzovsky 140A, Lyustdorfska road