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World in Ukraine: Sweden

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Stalemate

Despite entreaties from G7, NATO & Biden, Putin shows no sign of changing course and ending Russia's war against Ukraine

AFP



U.S. President Joe Biden looks at Russian President Vladimir Putin prior to their meeting at the Villa la Grange in Geneva on June 16, 2021.

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World leaders call on Putin to back down

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The tensely-anticipated week of international diplomacy ended anticlimactically for Ukraine.

In rapid succession, Europe hosted meetings of the Group of Seven countries and NATO, followed by a summit between U.S. President Joe Biden and his Russian counterpart, Vladimir Putin.

All eyes were on the summit, seen as a "high stakes" meeting amid a "low point" in relations for the two countries.

Some observers saw Biden's sitting down with Putin as pointless.

"Summit was a nothingburger with wilted lettuce," tweeted Melinda Haring, the deputy director of the Atlantic Council think tank.

Others called it a positive development, praising Biden's support of Ukraine and laying out concrete grievances against the Kremlin.

"This was the best meeting between an American and a Russian president since Putin is in power," Roland Freudenstein, policy director at Wilfried Martens Center for European Studies located in Brussels told the Kyiv Post in an email.

"One can debate whether that was necessary to convey the messages that he conveyed to Putin. But the most important fact is that the messages were sent at all, and that they were sent after meeting with America's friends and allies in Europe," he went on.

Following the G7 and NATO meetings, international leaders rebuked Putin and called on him to stand down from his relentless seven-year assault on Ukraine that has left nearly 14,000 people dead. However, they mentioned no concrete steps to back up their request.

Ukraine's attention was also fixed on a possible membership action plan (MAP) for NATO, which the alliance has been promising since 2008. While membership is still on the table, NATO gave few guarantees besides a vague instruction for Ukraine to keep advancing reforms.

"Ukraine implemented enough reforms to get an MAP," Ukrainian Foreign Minister Dmytro Kuleba wrote on Facebook. He called NATO's new communique a good one, but added that concrete action should follow: to give Ukraine an MAP in 2022.

Commenting on Ukraine's possible accession to NATO following his meeting with Biden, Putin said "there is nothing to discuss," meaning Russia is firmly against it.

Russia-U.S. Summit

Biden rushed to meet Putin during his first foreign trip to Europe, after just five months in office. The American leader had said he wanted to make relations "stable" and "predictable."

While Biden said that results may take up to six months to materialize, there were no immediate breakthroughs. The parties agreed to return ambassadors to each other's countries, but this is hardly a sea change.



From left, European Council President Charles Michel, Japan's Prime Minister Yoshihide Suga, Germany's Chancellor Angela Merkel, France's President Emmanuel Macron, Britain's Prime Minister Boris Johnson, U.S. President Joe Biden, Canada's Prime Minister Justin Trudeau, Italy's Prime Minister Mario Draghi and European Commission President Ursula von der Leyen attend a working session at the G7 summit in Carbis Bay, Cornwall on June 11, 2021.

Speaking in an 18-century villa on the shore of Lake Geneva, Biden and Putin also agreed on further nuclear arms limits, echoing similar talks in Geneva between the U.S. President Ronald Reagan and Soviet leader Mikhail Gorbachev in 1985.

"I don't think he's looking for a Cold War with the United States," Biden said of Putin at his press conference following the June 16 meeting. Putin told the journalists there was "no hostility" from any of the sides.

The situation in eastern Ukraine was one of the subjects on the table. Biden said he had told Putin that he supports Ukraine's territorial integrity and sovereignty.

Asked about whether Biden considers any military response, he said: "We didn't talk about military response."

Biden also brought up Russia's persecution of opposition leaders including Alexei Navalny, cyberattacks on critical U.S. infrastructure, and meddling in the American presidential elections.

Putin did not take responsibility and responded in his usual manner to "always turn the mirror in the direction of the enemy and point out his weaknesses and miscalculations, without actually responding to his own actions," said Tatiana Kastoueva-Jean, head of the Russian Center at the French Institute of International Relations in Paris.

Putin's whataboutism

After the three-hour meeting, shorter than announced, Biden and Putin held separate press conferences instead of speaking jointly.

Biden said he did this on purpose as he did not want everyone to be "diverted" by "who talked the most." Meanwhile, Putin used this opportunity to turn all accusations back on the U.S. His press conference was

almost twice as long as Biden's.

Speaking to journalists, Biden said that he made it clear to Putin that the U.S. would react to any of Russia's misbehavior.

The American leader said that in the event of another hack attack, the U.S. will respond "in a cyber way." Putin later said that the majority of cyber-attacks are launched from the U.S.

Biden also vowed "devastating consequences" for Russia if Putin's fiercest critic, Alexei Navalny, dies in prison.

As always, Putin didn't refer to Navalny by name and said that the opposition leader voluntarily returned to Russia, knowing he'd be detained. Navalny was in Germany recovering from a nerve poison likely administered by Putin's agents.

Addressing criticism of persecuting his opposition, Putin brought up Jan. 6, when supporters of former president Donald Trump violently stormed the U.S. Capitol, leading to five deaths. "We are sorry for what happened in the United States, but we do not want this to happen in our country," Putin said, explaining his crackdowns on peaceful gatherings in Russia.

Biden called this comparison "ridiculous."

He also took Putin to task for meddling in U.S. elections, saying this "diminishes the standing of a country that is desperately trying to make sure it maintains its standing as a major world power."

"His credibility worldwide shrinks," Biden said of Putin.

Russia's president did not take responsibility for the interference, which heavily contributed to the decline in relations, the recall of the American ambassador from Moscow and a new round of sanctions against Russia.

"This summit was a very individualistic game of the two politicians. The fact is that from the very beginning there was no expectation of, say, any bilateralism or any cooperation," Oleksandr Kraiev, a political analyst at Ukrainian Prism think tank told the Kyiv Post. "Both talked from the position of power. Different positions."

When Biden said he wants "predictable" relations, Putin said it's the U.S. that is being unpredictable.

"What is stable in supporting a coup in Ukraine?" Putin said, referring to the EuroMaidan revolution that ousted the corrupt, pro-Kremlin president Viktor Yanukovich in 2014. Russian state propaganda

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In a tech-driven world, its all about the people

Astound Commerce's new CEO Michael Kahn on expansion in Ukraine, globally



After more than a year of quarantines and sitting at home, we're all excited about the lockdowns easing up. But this is especially true of Michael Kahn, Global CEO of Astound Commerce since September last year.

On a trip to visit the company's Ukraine-based centres, MK (as his colleagues call him) bounds around the corridors, chatting up team members excited to see the company leader.

"I basically haven't met anyone, except for online, since I became the chief executive last year," MK admits during an interview in Astound's Kyiv engineering centre.

But it's not just enthusiasm about the meetings that has the CEO fired up. With 40 years of experience in creative digital agencies, marketing and digital commerce, MK is taking the helm at Astound at a pivotal moment for the company.

Astound came into the pandemic strong and well-prepared to take advantage of booming demand for digital commerce solutions. It counts a collection of A-list clients, which include such global brands as Puma, L'Oréal, Under Armour, FLOR, TOMS, and Crocs.

While we're unlikely to see the COVID-driven boom persist at quite the same pace, digital commerce is now at a "new baseline" according to the CEO.

That's also good news to Ukraine, currently home to an impressive five Astound engineering centers. With maintaining and growing talent as his main priority, Astound's CEO is aiming to build on the company's presence across the country.

Left-brained solutions architects for digital commerce

According to MK, Astound's business boils down to four key elements or service lines: mapping users' digital commerce journey, designing a best-in-class experience, generating demand, and leveraging the technology that underpins the whole system.

"We are a left-brain leaning company," MK says, explaining that this contrasts Astound to much of the classical advertising and marketing sector, which tends to focus on creativity or right-brain aspects.

What that means is a greater focus on data and technical solutions, which is particularly handy for clients at a time of explosive growth and complexity across the whole digital commerce sector.

The features and solutions of ecommerce platforms that we use with customers in the B2B, B2C, and B2B2C space are constantly evolving, which can easily overwhelm company managers.

That's where Astound comes in, MK explains. As leading experts in the field – with more than 3,000 projects delivered over a period of 20 years – they have a detailed knowledge of the technologies and cloud platforms involved and can design tailored, integrative solutions.

"We're solution architects" MK sums it up.

A new post-Covid baseline

This understanding of digital commerce solutions has been at a premium since the pandemic hit. All of a sudden, businesses with scores of salespeople used to wining and dining clients found themselves stuck. They could not travel and win new deals the way they had for years.

When Covid first hit this resulted in a shock. Just like the rest of the business world, many of Astound's clients (and soon-to-be clients) were trying to figure out what to do next, MK explains. But then they realized the opportunity offered by digital sales – and jumped in with both feet.

Things turned around almost overnight, MK affirms, creating a huge spike in demand. All of sudden the company had to accelerate its growth exponentially. "In just three months of 2020 ecommerce adoption reached the level that it would have taken another 10 years to achieve," MK exclaims enthusiastically.

"It's like someone lit a rocketship," he sums it up.

That doesn't mean the boom will go on forever. "Physical will come back. It is already coming back," MK explains. "But the question is what the new baseline will be."

The Astound CEO likens it to Amazon's sales growth. Each year in December the company reaches a new high as people are making a bigger share of their holiday shopping online. In January, the sales numbers drop back down – but the benchmark, or baseline, is higher than it was a year ago.

MK predicts it will be the same when it comes to digital commerce – even despite the rise of all-in-one solutions. "There are companies at different stages," he notes. "The sector is marked by a great dynamism and is hugely fertile."

"The ability to deliver solutions has become foundational," he adds.

In a digital age, putting people first

While Astound may be "left-brained" MK's priority as Global CEO, perhaps counterintuitively, is very much focused on people. "My number one job is talent," he clearly states.

That means both maintaining the current pool of talent available to Astound, as well as growing and securing the talent of the future.

The first is trickier than it seems. Booming business and working from home have put a strain on staff, often in hidden ways. Even if they love their job, a lot of people are feeling tired.

MK aims to address this through a series of measures, including by ensuring people have the right rewards and compensation, incentivizing learning and development, and creating the right corporate culture.

That's no easy feat in an age where work means endless zoom calls. But MK believes that with the right culture and approach remote work can be even more effective – and engaging – than the offline version we've all grown accustomed to.

"We found that online conversations can be more engaging, people contribute more in the chat – the question is how to ensure this offline," he notes with some irony.

Getting new talent coming through the door is the other side of the equation. Companies from all over the world are ramping up their hiring efforts. Anyone with decent engineering or development skills is all of a sudden on a seller's market, something that MK does not expect will change anytime soon.

"In a tech-driven world, this will be the case for the next 5 years," he emphasizes.

Part of Astound's solution to this issue is a global outreach to areas with pockets of exciting talents, and specifically to university centres with the potential to educate the kind of experts the company needs. Historically, this has taken the form of training programs known as Bootcamps – ways to engage and identify the right talent early.

But the future might require greater collaboration with the universities themselves, MK explains. This means creating programs that target students directly, and even greater collaboration with university administrators themselves.

"We will be building into universities," he notes.

Employer branding is also important, the Astound CEO adds. A big part of his mission is building and conveying that brand – making sure the company has the right messaging and is able to effectively communicate the culture and values that make it such an appealing place to work.

Ukraine as a key part of the Astound future

Ukraine plays an important role for Astound – both in terms of the company's past and of its future. Indeed, the digital commerce player has historical ties with the country. Astound Commerce itself was initially launched by a group of entrepreneurs of Ukrainian origin – Igor Gorin, Ilya Vinogradsky, and Roman Martynenko.

The three founders emigrated from the Soviet Union in the late-1980s and early-1990s and met each other within 12 months of arriving to San Francisco in their high school years. Their entrepreneurial drive brought them together on various projects that eventually culminated in the creation of Astound Commerce.

Years later the story came full-circle. Astound was expanding into Ukraine, leveraging the country's booming supplies of digital and engineering talent.

Astound currently has 5 separate engineering centres in Ukraine – in Kyiv, Chernihiv, Lutsk, Uzhhorod and Vinnytsia. During his weeklong visit, MK toured four of the offices, praising the energy and passion of the team, that currently numbers close to 900 IT professionals.

Looking forward, MK is optimistic about growth in Ukraine – both for Astound itself and the sector overall. While there has been some concern over the past years about the boom fizzing out, the flip side is that the growing density of talent of expertise means that the level of professionalism of the market is continuously getting better.

MK noted that he was "optimistic about the talent base in Ukraine," adding that to fully take advantage of it, there would need to be more effort to build out the infrastructure to harness it all across the country.

Investments fuel capabilities

The past years have also been busy for Astound in terms of investments – both in the company and by it. In 2019 the company received an investment from Salesforce Ventures fund, the investment arm of the customer relationship management giant.

Less than two years later, in May 2021, private equity firm RLH – experienced in business services, healthcare and government services – announced its investment after months of in-depth conversations. The RLH managing directors, Rob Rodin and Ryan Smiley, highlighted that Astound was an "exceptional enterprise that is well-positioned to capitalize on the fundamental shift in consumer purchasing habits from brick & mortar to online."

The goal of this latest investment is the fulfilment of Astound's North Star plan, MK discloses. This initiative, launched in the beginning of 2020, has the target of making Astound the global market leader in digital commerce.

As part of that plan Astound has already begun to expand its breadth of capabilities, notably through the acquisition of Marketforce, a business unit within Digital River focused on digital performance marketing services.

As Astound Global CEO explains this investment will strengthen the business generation component – one of the four main areas of Astound's activities. As a result, the company will not only be able to build the right solutions for its clients, but also propel their digital marketing efforts.

"Combining Astound's experience, technology, design and demand capabilities with MarketForce's proven performance marketing business model and outstanding global services will enable us to move forward together as the most powerful end-to-end digital commerce specialist in the marketplace today," says Igor Gorin, the founder-turned-North American CEO.

The company certainly has ambitious plans. "We want to grow 3 to 5-fold by 2025," MK boldly states. The way to get there is by doubling down on the recipe that has worked so well in the past – creating state-of-the-art technical capabilities, focusing on solving client's problems by designing the right solution architecture and ensuring it has the best people to deliver.

EDITORIALS

Delusional West

Ukraine came out worse, not better, from the three big events of the week – the G7 summit in the United Kingdom, the NATO summit in Brussels and the Joe Biden-Vladimir Putin summit in Geneva.

Sure, Ukraine won a declaration from the G7 that Russia is a party to the war in Ukraine and that the Kremlin should get its armed forces out of the Donbas and illegally occupied Crimea. But that is merely stating the obvious. The fact that the G7 has no serious plan for getting Russia out of Ukraine, and has no interest in imposing tough enough sanctions to do so, is more evidence that the West is not willing to sacrifice for Ukraine, democratic values or international law. They will hide behind the fiction that the Normandy Format and the Minsk agreements are working. They aren't and they never will.

Then came the NATO summit in Brussels on June 14. The 30-nation political and military alliance merely copy/pasted its 2008 Bucharest declaration that someday Ukraine will join the alliance and someday will get a clear Membership Action Plan, or MAP. No dates or commitments, of course, were attached.

Then U.S. President Joseph R. Biden, ostensibly a friend of Ukraine, missed his chance to really help the nation when a journalist asked him for a yes or no answer on whether he supported a NATO MAP for Ukraine.

He showed what was on his mind: "The fact is they still have to clean up corruption...it will depend on the alliance and how they vote."

Nobody is a tougher on Ukraine's corruption than the Kyiv Post. But, as London-based analyst Timothy Ash wisely pointed out and we agree, Ukraine has lost 14,000 lives and 7 percent of its territory in the Kremlin's endless war. Ukraine spends 7 percent of its meager national budget on defending itself. It deserved a better defense from Biden and, yes, a MAP from NATO – which, in and of itself, is not a guarantee of membership.

Biden has committed other sins, in our view, including reports that he scuttled a more robust military aid program for Ukraine to placate Putin. He, of course, is letting the Russian-German Nord Stream 2 gas pipeline go ahead, with dire consequences for Ukraine's security, a concession for which he apparently got nothing in return.

"We're going to put Ukraine in a position to be able to maintain their physical security," Biden promised at the NATO press conference. Let's hope so, but Ukraine needs to see more.

And then there's the Biden-Putin summit. The Russian dictator wasted no time in showing the world that he has no intention of contributing to a more stable and predictable world, ending his war crimes, his military occupation of three nations, his targeting of political opponents for assassination and imprisonment, his support of cyber-attacks from Russian territory, his assault on democratic institutions and elections.

He made that clear and more during his post-summit press conference.

It's no wonder that President Volodymyr Zelensky, who will get his face time with Biden in late July, was feeling aggrieved in an interview with three international news agencies on June 14.

"I feel that everyone is afraid of solving the most difficult issues," Zelensky said. "We need to get security guarantees, I think that's fair. And the most important thing in security guarantees is the return of our territories."

More action please

Since President Volodymyr Zelensky was elected in 2019, there has been more bluster about anti-corruption reforms than action taken.

Legislation is either emasculated in parliament or dies during the implementation stage, obviously one of the reasons why Zelensky has been leaning on the National Security and Defense Council to enact his boldest moves thus far, including the banning of pro-Kremlin TV stations linked to mogul Viktor Medvedchuk, Vladimir Putin's friend.

In 2019, Zelensky submitted his first judicial reform bill. One and a half years later, no judicial reform has been implemented, and parliament is set to pass yet another controversial version. The legislation nullifies the role of foreign experts and has been criticized by Ukraine's Western partners.

In April, Zelensky also submitted a bill to liquidate the Kyiv District Administrative Court, headed by Ukraine's most notorious judge Pavlo Vovk, and marked it as urgent. However, the bill has been blocked by parliament's legal policy committee for two months.

Meanwhile, in October the Constitutional Court destroyed the entire asset declaration system for officials.

On June 3, parliament – which is nominally controlled by the president's Servant of the People party with 244 out of 422 seats – passed a bill reinstating jail terms for lying in asset declarations. But lawmakers inserted an amendment that allows officials not to declare the assets of their relatives, undermining its effectiveness. Zelensky vetoed the bill on June 15 but it's not clear if jail terms will be restored.

At the same time, the assault on the independence of anti-corruption bodies never ends.

In May the Verkhovna Rada also passed a bill seeking to fire Artem Sytnyk, head of the National Anti-Corruption Bureau of Ukraine, before his authority expires in 2022, which may eliminate the NABU's autonomy.

The selection of the chief anti-corruption prosecutor, who oversees NABU cases, has also faced a debacle. The selection of the prosecutor has been effectively blocked after the government's preferred candidate for the job was vetoed by international experts on June 4.

If this trend continues, Ukraine will lose a chance to become a Western democracy with the rule of law, Western funding and visa free travel with Europe.

Zelensky can always pass the buck to parliament, commissions or the Cabinet, saying that he has good intentions but his efforts are being blocked.

But the ultimate responsibility lies with the president. If his own party, his own Cabinet and his own law enforcement appointees fail to deliver, Zelensky is to blame. Two years into his presidency, excuses for failing to fulfill election promises to fight corruption are wearing thin. Zelensky needs to pull himself together and finally deliver.



NEWS ITEM: Ex-Chairman of the Constitutional Court of Ukraine Oleksandr Tupytsky continues to challenge his firing by President Volodymyr Zelensky in December. Tupytsky, who has the support of several of the court's judges, has recently said that he continues to participate in the court's meetings remotely since he is prohibited from entering the court's headquarters.



NEWS ITEM: When an NBC journalist asked Russia's President Vladimir Putin about the Kremlin concentrating troops near Ukraine's borders, Putin in response accused Ukraine of "constantly sending troops to the Donbas." Ukraine indeed sends troops to its eastern region to fight the Russian-backed militants in the war that the Kremlin unleashed in 2014.



NEWS ITEM: After months of infighting, the liberal Voice party is on the verge of breaking in half. Ten out of the party's 20 lawmakers announced on June 16 that they created their own unofficial parliamentary group and accused Voice's leaders of abusing their power.



NEWS ITEM: U.S. President Joe Biden and Russian President Vladimir Putin met amid what they agree is a "low point" in the U.S.-Russia relationship on June 16 in Switzerland.

See these features online at Kyivpost.com

Ukraine's Friend & Foe Of The Week



Friend

Goesta Ljungman
The four-year stint of the International Monetary Fund's resident representative is a good time to take stock of its mission. The Swedish national was the calm face of an organization that not only offers low-interest loans to struggling nations such as Ukraine, but also gives sound public policy advice.



Foe

Michael O'Hanlon
The senior fellow and director of research at the Brookings Institution's foreign policy program thinks Ukraine should not be allowed into the NATO military alliance and should remain non-aligned. That approach is how the Kremlin stole 7 percent of Ukraine.

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.

IMF's Goesta Ljungman exits Ukraine, assesses last 4 years

By Brian Bonner
bonner@kyivpost.com

Since 1992, when Ukraine joined the International Monetary Fund, the nation has borrowed roughly \$32 billion out of a possible \$74 billion in 11 separate programs.

Those numbers alone tell an unflattering story. They show that Ukraine has not been able to get its economic house in order well enough to live without the IMF's low-interest loans that come with public policy strings attached. The record shows that Ukraine's leaders, when confronted with financial emergencies, have a pattern of agreeing to the organization's conditions only to ignore them and drop out of programs once the financial storm clouds have lifted.

This long-running dependency may be one reason why the IMF is the lender that some in Ukraine love to hate. Populist politicians routinely stoke public resentment by portraying the IMF as an organization of meddling foreigners trying to dictate how Ukrainians should live.

President Volodymyr Zelensky, in a June 14 interview with foreign journalists, complained that the IMF was imposing unfairly tough conditions on Ukraine, a nation at war, with lending stalled at \$2.1 billion out of a possible \$5 billion in the current program that expires at the end of the year.

Finance Minister Sergii Marchenko has said that while IMF loans have been essential to Ukraine's financial survival, his goal is to do away with these credits by 2023.

Goesta Ljungman, who is departing this month as the IMF's resident representative in Ukraine after four years, has heard all of this before during his 14-year career with the organization.

To the declaration that Ukraine wants to stand on its own without IMF help, his reaction: "That's our goal as well, to in some ways make ourselves unnecessary so that Ukraine is like the vast majority of countries who don't have to turn to the fund to sort out economic and financial problems."

Ukraine, he said, has made major macroeconomic achievements and adopted sounder public policies in many spheres since 2014. He particularly gives high marks to the cleanup of the banking sector and the National Bank of Ukraine policies that have tamed inflation and stabilized the national currency, the hryvnia. Additionally, Ukraine's debt is lower than that of many nations.

Yet "the list of things that are necessary to address in Ukraine is long," Ljungman told the Kyiv Post in an interview before returning to IMF headquarters in Washington, D.C., for his next assignment. "Since independence in 1991, it's made slow progress in reorienting the economy from a planned one to a free market one. There are still a lot of things that need to be changed."

The interview steered clear of the question of whether Ukraine will likely meet conditions to tap the remaining \$2.9 billion in lending

Volodymyr Petrov



Goesta Ljungman, the International Monetary Fund's resident representative in Ukraine, talks with the Kyiv Post on June 14, 2021, in the newspaper's Kyiv headquarters at 68 Zhylianska St. in the KADORR building.



under the current program. But, given Ukraine's long to-do list and the lack of urgency helped by an IMF allocation of special drawing rights worth \$2.7 billion to Ukraine, most analysts bet the program will expire at year's end with no more lending.

In key sectors, Ljungman offered his assessment of the status quo and some prescriptions for sounder public policies.

Why low wages

"What Ukraine needs to be able to catch up is investment. That is going to generate higher productivity. Right now, Ukraine's productivity is a fraction of what it is in Europe. Productivity helps determine wages. That's why wages in Ukraine lag so far behind (at \$500 monthly on average)." According to the latest International Labor Organization data in 2019, Ukraine's labor productivity is 41% of Poland's, 30% of the European Union average and 28% of Germany's.

Why low investment

"Time and again, potential investors are concerned about rule of law, property rights, corruption, and overreach by government agencies." Also: "The dominance of oligarchs or business groups, that's a deterrent to investment...when there is dominance, that starts to impede competition. The first course in economics is that competition generates the best outcome. It stimu-

lates productivity and innovation and gives consumers the lowest prices and best products."

Banking sector

"Another focus over the past seven years has been to strengthen the banking system and bring it into line with the way banking systems are regulated and supervised in Western countries, so they don't take on too much risk and are well-capitalized to channel savings into (lending for) the most productive investments."

Ukraine's most recent banking crisis cost taxpayers \$15 billion, much of it through bank fraud that went unpunished, leaving only 73 out of more than 180 banks on the market. "People ask: Why aren't pensions higher? That \$15 billion would have

gone a long way."

Can it happen again? Nothing is certain. But Ljungman said that most banks today in Ukraine "are well-run and subject to a regulatory supervisory framework that is modeled on the Western world."

Pension reform

Nobody is happy with Ukraine's pension system. Pension costs are a big part of the government's \$50 billion annual budget, while recipients receive only \$126 monthly on average. But Ukraine is moving in the right direction by increasing the required years of service for receiving a full pension, which creates incentives for working longer. The retirement age is 60, lower than the United States and much of Europe.

"There is relatively little inflow from people who are working. People retire relatively early and they live for a relatively long time, which is excellent, but that means whatever inflows you have aren't enough to generate big pensions."

Taxing situations

Wouldn't Ukraine reduce tax evasion by lowering the payroll tax from 22 percent which, combined with 18 percent income tax, costs employers 40% for each official employee? "Unfortunately, there is little empirical evidence that is the case." That said, the IMF "has put a lot of effort and given a lot of advice and support" so that Ukraine can improve its tax collection to ensure the nation collects "all taxes that taxpayers owe."

Why change isn't so bad

Ukraine changes its presidents, ministers and governments regularly. "Ultimately what is important is the outcome, and that the necessary reforms actually happen. Stability is good if you start out with something you want to preserve. It's not good if you want to change things. For this reason, it is better to focus on the results, rather than individual personalities and changes in the administration."

Future of judicial reform

"There is still a lot that needs to be done in the judiciary system and in fighting corruption. To look at it from a positive side, the fighting or the turbulence or whatever word you want to use is probably a sign that those who are losing from court reform feel the heat breathing down their necks. They feel the need to fight back vigorously, to preserve whatever advantages they have from the current order. This is going to be a tough fight. It's going

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Kinstellar expands in Ukraine with the acquisition of DLA Piper's Kyiv practice

14 June 2021 – Kinstellar is very pleased to announce the acquisition of DLA Piper's market-leading Ukraine practice! Now comprising 60 lawyers, including 10 partners, Kinstellar is among the largest law firms in Ukraine and the leading independent international law firm on the market. The merger strengthens our key practice areas, including corporate/M&A, banking & finance, employment & benefits, litigation and real estate, and expands our coverage with new practice areas, including tax and intellectual property. We will scale our capabilities to undertake even more ambitious projects, bringing rich experience to complex matters, and providing cutting-edge expertise in niche areas.

The exceptional service expected by our clients is driven by our common core values: integrity, commercial judgement, teamwork, and a commitment to innovative solutions to complex issues. This merger allows us to accelerate our investments in talent and technology, providing our clients with even greater added-value.

Leadership & Partners

Kinstellar's Ukraine practice will be led by a Management Committee comprised of **Daniel Bilak**, Senior Counsel, and Co-Managing Partners **Margarita Karpenko**, formerly the Managing Partner of DLA Piper Ukraine, and **Olena Kuchynska**, the Managing Partner of Kinstellar's pre-merger Kyiv office.

Patrik Bolf, Kinstellar Managing Partner, comments: "We are very excited by the prospects of joining forces

with DLA Piper's market-leading practice in Kyiv. The combination of complementary practices greatly enhances Kinstellar's scale and our ability to deliver seamless, exceptional legal advice across all of our practice areas in Ukraine and the region. This merger is a major step in our growth strategy, the core of which is attracting and retaining top talent to support our clients in meeting their commercial objectives across all of our jurisdictions."

For more information please contact **Daniel Bilak**, Senior Counsel, at daniel.bilak@kinstellar.com, **Olena Kuchynska**, Co-Managing Partner, at olena.kuchynska@kinstellar.com, and **Margarita Karpenko**, Co-Managing Partner, at margarita.karpenko@kinstellar.com.

Note about Kinstellar

Kinstellar is a leading independent law firm in Emerging Europe, Turkey and Central Asia, with offices in **Nur-Sultan** and **Almaty** (Kazakhstan), **Belgrade** (Serbia), **Bratislava** (Slovakia), **Bucharest** (Romania), **Budapest** (Hungary), **Kyiv** (Ukraine), **Istanbul** (Turkey), **Prague** (Czech Republic), **Sofia** (Bulgaria) and **Tashkent** (Uzbekistan).

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World in Ukraine: Sweden



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Editor's Note: World in Ukraine takes a look at Ukraine's bilateral relations with different nations. All articles are written independently from advertisers.

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Swedish retailer IKEA attracts thousands of orders each day

By Natalia Datskevych
datskevych@kyivpost.com

On a June afternoon, a very soon-to-be mother closely examined an expandable, hanging clothes dryer, replete with 16 clips and resembling a child's mobile, at Kyiv's latest shopping hotspot.

"I can't stop, I want everything," Claudia Khodokovska said. "I'm finally getting to see IKEA in Ukraine."

Like the numerous other visitors, her eyes were hungry as it has been only four months since the iconic Swedish home furnishings retailer IKEA officially opened its first store in Ukraine.

Ukraine is the last European country where IKEA has set up shop. It took over 15 years for the Swedish company, with its strict, zero-tolerance corruption policy, to finally feel ready to open here.

"We finally did it and we are really happy," said Florian Mellet, head of IKEA in Ukraine.

However, there was no grand opening of a several-thousand square-meter blue warehouse with its giant, bright yellow iconic IKEA logo.

In May 2020, the Swedish retailer launched online sales prior to the opening of a physical store for the first time in the company's history. It was the best solution to opening a store amid a pandemic and lockdowns.

"Launching e-commerce was the



A couple choose furniture in an IKEA store in Kyiv on June 8, 2021. Following the official launch of the online store in May 2020, the Swedish retailer opened its first 5,000-square-meter store in Kyiv's Blockbuster Mall nine months later.

safest way to start our operations in Ukraine," said Mellet.

Unexpected demand

Once online sales began, IKEA couldn't handle the snowballing amount of orders. People had to wait for weeks to receive their items. "The demand exceeded our expectations," said Mellet.

But a year later, IKEA's 250-employee team in Ukraine can now handle over 1,000 daily orders, five times more than when they opened. The company plans to double the number of its workers by the end of this summer.

During the last month-long lockdown in April, the company hit a high of 1,200 orders in one day.

IKEA in numbers

- Year founded: 1943
- Number of stores: 350+ in 30 countries
- Visits per year: 706 million
- Visits to www.ikea.com: 3.6 billion
- Number of employees: 208,000
- Global retail sales: €38.3 billion (as of 2018)

Source: Ingka Group, Forbes

"These are really impressive figures," Mellet said. "It's a record."

Currently, the company delivers its goods within two days in Kyiv, and within 3–4 days across the country.

"It's very good because, believe me, in many other countries the delivery time is much longer," said Mellet, who added that IKEA also has four pick-up points across Kyiv.

As of May, people made a total of 8,000 purchases – one order every 10 minutes – in the Kyiv store, and 148,000 orders online. Shoppers mostly bought storage boxes, hangers, reusable bags, plates and tablet holders, according to an IKEA press release.

"Ukrainian people are looking for storage solutions to adapt to small spaces," said Mellet, who was surprised by how many Ukrainians live in small flats often together with several family generations.

Although the range of products in Ukraine is still far from the 9,000

products IKEA sells in France or Poland, the selection has already expanded from an initial 3,600 to 5,000.

"We have been growing quite fast and we have bigger plans to grow even more," Mellet said. "We are only at the beginning of the journey."

Although he didn't disclose any of IKEA's further plans in Ukraine, Mellet said that the company will add more locations "as soon as there are more opportunities."

City store format

Unlike in South Korea, where IKEA opened a massive, 59,000 square-meter store near Seoul in 2014, the Ukrainian store is ten times smaller, located close to the city center inside the giant Blockbuster Mall.

According to IKEA's estimations, almost 400,000 people have stepped foot in the store since it opened. "Nearly the population of Vinnytsia (a city 250 kilometers southwest of Kyiv) has already visited it," Mellet said.

Inside the store, the company has built a cozy, 55-square-meter apartment that shows how one can furnish a kitchen, living room, bathroom and bedrooms for adults and children.

"We are not only a furniture dealer, we also want to bring inspiration, a dream to our customers," Mellet said. "This is very important for us."

IKEA personnel also help customers to design their future kitchen or wardrobe as the store has a section equipped with computers and chairs. It is the place where "the magic is happening," Mellet said.

"It's always nice to see the smile on the face of people when they see the final result," he said. "You don't buy a kitchen every month, it's quite an investment."

A fully furnished kitchen made of particleboard with a sink and overhead lighting, but no appliances, costs \$1,600, as the price tag shows.

However, some customers looking for a new kitchen found it too expensive.

Roman Ruzhyntsev was looking at kitchens for a while, but ultimately decided not to buy one at IKEA. He said he noticed too many "small imperfections" like unpainted panel joints or pre-drilled holes for shelves.

"If you imagine cooking in a kitchen like this for the next 10 years, then it shouldn't cost so much," Ruzhyntsev said.

While the store isn't serving IKEA's famous Swedish meatballs and gravy yet, it does have a section called the 'circular hub'. There, Ikea

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Swedish-Ukrainian Grain Alliance practices sustainable agriculture

By Asami Terajima
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For Swedish-Ukrainian farm operator Grain Alliance, sustainability starts with little changes that can make a big difference in slowing climate change – as long as everyone does their part.

While it's hard to control what's happening on the other side of the world, the Grain Alliance is reducing its carbon footprint and adopting environmentally friendly agricultural practices here in Ukraine.

The 23-year-old Swedish-owned enterprise was among the first farm operators in Ukraine to build grain storage facilities that use heat generated from biofuels to dry and maintain the crops until they are shipped elsewhere.

In contrast, the majority of grain elevators in Ukraine use natural gas to dry their crops. In 2021, Grain Alliance expects to reduce greenhouse gas emissions by 7,000 tons of CO₂ equivalents thanks to their eco-friendly grain elevators.

"If everyone is doing what they can to make even a small difference or smaller changes in the area of their presence, then the whole country will be better," Tahir Musayev, company vice president, told the Kyiv Post.

Grain Alliance also curbs CO₂ emissions by using 3-in-1 field machinery that plows, plants and sprays fertilizers. This innovative technology allows the company to cut fossil fuel consumption by three times while also retaining soil moisture better by using the machinery less frequently, according to Musayev.

Leading by example, earning more

Despite the ban on cultivating genetically modified crops in Ukraine without the approval of the state, they are being grown "all over the place," Musayev said.

According to a study on Ukrainian



Grain Alliance workers load wagons with corn at a grain storage facility in Chernihiv oblast in March 2021.

soybean fields conducted by Romanian environmental organization Agent Green in 2018, genetically modified soybeans were detected in 48% of the samples collected from six different regions.

The scientists involved in the study estimated that genetically modified soybeans are being cultivated in approximately 600,000 hectares of fields in Ukraine.

Amid growing concern regarding the unknown consequences of genetically modified food, buyers in major soybean importing countries like China, South Korea and Japan specifically ask for non-GMO products, according to Musayev.

Grain Alliance's "constant non-GMO production policy" allows the company to earn more by gaining customer trust all over the world, said the vice president.

Farming to processing

Farm operators can increase profitability by entering the processing

arena – turning agricultural products into food products adds significant value. Today, selling processed goods instead of commodities is still a distant goal for Grain Alliance.

Musayev said in order to grab investors' interest in opening agricultural facilities in Ukraine, there needs to be a huge demand. If Ukraine's grain and oilseed harvest reaches a new record of 100 million tons in 2021, he believes this would be enough to stimulate such demand in the country.

In 2019, Ukraine reached a record of 74.7 million tons of harvest but it fell short the following year with 65.4 million tons instead. However, Ukraine is still one of the world's top agricultural exporters and the expectations for 2021 are especially high due to favorable weather conditions.

Most importantly, Musayev says that the government should make it easier to get the approval needed to build a processing plant in Ukraine. It takes at least a year to get the

approval and by that time, "global demand can change" and their business ideas may no longer be relevant, Musayev explained.

Grain Alliance currently has 60,000 hectares of agricultural land but the Vice President said "the next step for us will be processing (our agricultural crops)" once it is able to expand the field to 100,000 hectares.

Long-awaited land reform

Ukraine remains one of the six countries in the world where there is still a ban imposed on the sale of private farmland.

The landmark law finally allowing the owners to sell their property goes into effect on July 1, but legal entities including local agricultural companies will still be prohibited from making the purchase at least until 2024.

The longstanding ban on farmland sales from 2001 has been discouraging agricultural compa-

nies from committing to long-term investment in technology and higher value products.

Like most other farm operators in Ukraine, Grain Alliance mostly uses rented land for agricultural production. Musayev said the company relies on leases for land from 28,000 private individuals who could easily refuse to extend the contract if they feel like it.

The new land reform law, however, still bans companies like Grain Alliance with foreign beneficiaries from claiming ownership of agricultural land. Once the ban is lifted, Musayev said all eligible companies will run towards purchasing land instead of new technology because it's the "initial source of business."

While "it is a certain disadvantage" for the Swedish-owned enterprise, Musayev said this will not stop the company from investing more in Ukraine. During the last 12 years, Grain Alliance has made a total investment of more than Hr 1.5 billion (\$18 million).

Socially responsible

Grain Alliance may not be the largest nor the most profitable agricultural company working in Ukraine, but it has a much bigger goal in mind.

It wants to create a meaningful relationship with the local people in villages where their fields are located and has launched a charitable foundation mainly to develop healthcare, education and sports there.

The company has contributed a total of Hr 2.2 million (about \$80,000) just on healthcare and educational projects across Ukraine. Though "we cannot change everyone, we can make a difference to some individuals in small villages," the Vice President said.

"We start from where we are," he said. 🌱

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Lantmännen Cerealia – together we take responsibility from field to fork

Lantmännen is an agricultural cooperative and Northern Europe's leader in agriculture, machinery, bioenergy and food products. Owned by 19,000 Swedish farmers, we have 10,000 employees, operations in over 20 countries and an annual turnover of approximately SEK 45 billion (\$5.29 billion). With grain at the heart of our operations, we refine arable land resources to make farming thrive.

Everything we do in Ukraine and beyond helps minimize risks and build trustable business. The



Lantmännen's Plastic Strategy aims to reduce the usage of unnecessary plastics, create circular loops and get rid of single-use plastics.

The past year has been challenging in many ways, and we aren't through the global pandemic yet. But our main priorities remain: to protect our people, protect our businesses and practice social responsibility.

Plastic is used in packaging to protect products and extend durability. Its use has increased significantly over the past 50 years, with negative consequences for climate and the environment. Lantmännen's.

Plastic strategy ensures responsible and sustainable use. Lantmännen takes responsibility for its plastic consumption and is in the forefront of the transition to recycled and fossil-free plastic sources. We all need to make sure to switch to more responsible alternatives with significantly longer service life, such as porcelain, glass, reusable plastic mugs or other possible solutions.

In 2019, the European Parliament voted to ban single-use plastic items in a bid to tackle marine litter and encourage sustainable alternatives. With sustainability in mind, Lantmännen committed to ban single use plastics in all offices/sites by the end of 2020. In 2021 Ukraine's parliament



forbid the use of certain plastic bags starting from January 1 st, 2022. These are important steps in protecting the planet.

Going forward, we have started to make our work more sustainable by sorting all our waste into the following categories:

- paper/wastepaper;
- glass;
- plastics;

- wood;
- rubber;
- scrap metal;
- compost;
- residual waste;
- medical waste;
- electrical or electronic equipment;
- spent filters;
- mercury-containing materials;
- detergents and chemicals;
- paints, solvents, glues;
- batteries, accumulators.

"Demonstrating its commitment to reducing waste, the company recently helped clean up garbage on Trukhaniv island together with the Swedish Business Association, the Embassy of Sweden in Ukraine and Swedish companies. Last year, the company also switched from hazardous fluorescent (mercury) lamps to LED lamps", said Iryna Pronina, the legal director of Lantmännen Cerealia UA.

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Despite turbulence, Swedish businesses remain in Ukraine

By Max Hunder
hunder@kyivpost.com

Erik Liljengren, a Swedish entrepreneur in Ukraine and chief financial officer of Oium, an outsourcing consultancy, found it odd when Ukrainian businesspeople approached him with a proposal to build a monument to a long-dead Swedish monarch.

“They came from a region in southern Ukraine where local Cossacks had helped King Charles XII cross the river after fleeing the Battle of Poltava in 1709,” Liljengren remembers. The businessmen said they wanted his help getting in touch with Swedish entrepreneurs to raise money for the monument.

He politely explained that Swedish companies did not engage in such projects, and anyway, they were unlikely to sponsor a commemoration of one of the biggest military defeats in their country’s history.

Liljengren was equally surprised when he and a business compatriot attended a boisterous, vodka-fueled business lunch at which they found themselves being asked to sing their national anthem, along with a litany of drinking songs.

Despite these curious events, Liljengren says that he has observed Ukraine’s business climate gradually aligning with what he’s used to in Sweden.

He first visited Ukraine for the UEFA Euro 2012 football champions, and immediately became interested in the country.

He had previously studied and worked in Russia, but Kyiv captured his imagination and he decided to apply for a job here at Business Sweden, a commerce promotion agency co-owned by the Swedish government and businesses from the country.

Liljengren says that the championship changed not just his, but also

Ericsson Ukraine



An engineer installs Ericsson telecommunication equipment onto a phone mast in Ukraine.

many other Swedes’ perception of Ukraine, which they began to see as much more distinct from Russia.

Over 20,000 Swedish fans attended the tournament, which Liljengren says went a long way to change opinions in a small country of 10 million people.

“Thanks to football, many Swedes finally got to learn about Ukraine, and they now have a positive image of the country.”

Liljengren says that many Swedish companies become interested in sourcing raw materials from Ukraine when their Polish and Baltic suppliers start pushing up prices.

However, when firms want to source manufactured components

from Ukrainian suppliers, they are put off by high prices and poor industrial standards in the old, unreformed industries.

“The bosses of these factories, they have sometimes been there since the ‘80s or ‘90s. They have never studied abroad or even visited a French or German factory, so they don’t push for reforms internally.”

Even so, he feels that Swedish businesses will often unfairly dismiss Ukraine as an investment option due to the country’s lack of European Union membership.

“For some people, being part of the EU is seen as a mark of quality, which I don’t really understand because Ukraine has partly come further than (countries such as) Romania or Bulgaria.”

Before the global shutdown, the countries’ trade had only just recovered to the levels of 2013, before Russia invaded Ukraine. It has never returned to the peak of 2008, when it stood at \$801 million.

The Ministry of Foreign Affairs puts the total volume of Swedish

investments into Ukraine at \$563 million, but the Swedish Business Association in Ukraine says that the vast majority of this came in before 2014, with relatively little coming since.

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ON THE MOVE

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AVELLUM strengthens its litigation practice with hire of Mariana Antonovych



Mariana Antonovych

Mariana Antonovych has joined AVELLUM as Senior Associate in dispute resolution. In her new role, she will focus on the adjudication of complex multijurisdictional disputes in national courts and before arbitral tribunals under the procedures of international commercial and investment arbitration. Mariana represents clients in arbitration proceedings under various arbitration rules such as the London Court of International Arbitration (LCIA), International Chamber of Commerce (ICC), Stockholm Chamber of Commerce (SCC), and The Swiss Chambers’ Arbitration Institution (SCAI).

Senior Partner, Kostiantyn Likarchuk, noted: “AVELLUM has an extremely capable and strong team in dispute resolution and arbitration. The hire of Mariana Antonovych expands our capabilities further and puts us in a stronger position.”

For over 5 years Mariana Antonovych has represented clients’ interests in numerous litigation proceedings involving assets tracing and fraud investigations. She also advises on proceedings on recognition of foreign court orders in Ukraine.

Mariana Antonovych obtained her Master’s Degree in Law from the National University of Kyiv-Mohyla Academy. She also holds the LL.M. degree in International Dispute Resolution from Humboldt University of Berlin.

www.avellum.com



Room for growth

Despite the recent entry of Swedish giants IKEA, H&M and Spotify onto the Ukrainian business landscape, the country still punches below its weight in doing business with its Scandinavian partner.

Trade between Ukraine and Sweden is hardly prodigious. According to the Ukrainian Ministry of Foreign Affairs, the figure stands at \$648 million.


The Swedish Department for Trade however, puts the number at \$523 million. Of this, \$432 million flows from Sweden to Ukraine; only \$91 million goes the other way.

Nonetheless, both data sets agree on the fact that trade in 2020 saw a decline as a result of the COVID-19 pandemic. The Ministry of Foreign Affairs estimates the drop at 8.5%.


Ukraine’s primary imports from Sweden are nuclear reactor parts (from US company Westinghouse’s Swedish plant), cars, trucks, pharmaceuticals, and heavy machinery. Its main exports to the Scandinavian country are wood products, ferrous metals, furniture, clothing and plastics.

Sweden at a glance

Government type: **Parliamentary constitutional monarchy**




King:
King Carl XVI Gustaf




Prime Minister:
Stefan Lofven

GDP, PPP: **\$537.6 billion (2020)**

GDP per capita, PPP: **\$51,800 (2020)**



Total area:
450,295 square kilometers



Population:
10.18 million

World Bank’s Doing Business Ranking: **10**

Credit ratings:
S&P — **AAA (stable)**, Fitch — **AAA (stable)**, Moody’s — **Aaa (stable)**


Main economic sectors:
wood processing, paper, electronic equipment, food processing, pharmaceuticals, biotechnologies, telecom, IT

Trade including services:

\$647.9 million

Exports from Ukraine to Sweden:
Ukraine exports wood and wooden products, ferrous metals, nuclear reactor components, textile, plastics, furniture
\$72.5 million

Imports to Ukraine from Sweden:
Ukraine imports paper and cardboard, cars, chemicals, pharmaceuticals, vegetable and animal oils and fat
\$428.1 million.



Swedish investments in Ukrainian economy: **\$536.3 million (2020)**

Sources: World Bank, International Monetary Fund, State Customs Service, State Statistics Service



Ericsson has the best claim to being the longest-established Swedish business in Ukraine

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Bohdan Senchuk, the association's president, points out that there is still a great deal of room for growth. He says that while Poland and Ukraine are more or less the same size by territory and population, the number of Swedish companies in Poland is around 500, whereas in Ukraine, it's around 100.

"Taking this into account, we can assume that room for a big presence on the Ukrainian market still exists," Senchuk said.

The association president points to music streaming service Spotify as a recent example of a Swedish business successfully entering Ukraine, but maintains that in order to make progress in attracting Swedish investors, Ukraine needs to fix its problems around rule of law.

He also highlights Ukraine's public sector as an area where Swedish companies struggle to sell their goods, due to their high-quality, high-price business models.

"When price is the most important factor, then Swedish solutions don't really fit. Swedish solutions are not the cheapest, but they are much better than those which are initially cheap but whose operating and maintenance costs over five years will lead to higher expenditure."

Old friends, new tech

Some Swedish companies have been around a long time and show no signs of slowing down business in Ukraine.

The telecommunications provider Ericsson, whose equipment currently services roughly 50% of all phone calls in Ukraine, likely has the best claim to being the longest-established Swedish firm here.

Ericsson, a company with a 145-year history, built the first ever telephone switchboard in Kyiv in 1893. It left after the October Revolution in 1917, but returned in 1996.

Ericsson's reach spans almost 100 countries across the globe. Its General Manager for Ukraine,

Yaroslav Nitsak, boasts that the company "is the only supplier present simultaneously in the U.S. and China."

He believes that the firm's Swedish roots facilitate a free-flowing and respectful approach to its work.

"What is unique for Ericsson as a Swedish company is its transparency, as well as a collaborative and consensus-based corporate culture. It fosters innovation and creativity because there are no borders in the company. Every day, we talk with our colleagues all over the world."

The company is at the forefront of modernizing Ukraine's telecommunications, and is currently pushing for the development of a 5G network in the country.

They recently built the first 5G demo center in Ukraine and signed a memorandum in February 2020 with the Ministry of Digital Transformation, which Nitsak says was partly focused on developing strategies "to evolve organically to 5G."



Florian Mellet, IKEA's chief in Ukraine, speaks with the Kyiv Post inside the company's first Ukrainian store on June 8, 2021.

Kostyantyn Chernichkin

Kyiv shoppers make up for lost time with new IKEA store

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sells its used furniture with up to 50% discounts to give the items a "second life."

"We don't like to waste, we prefer to recycle," Mellet said. "We see a lot of people happy no matter the income they have."

Illegal logging

Last July, the U.K.-based non-profit organization Earthsight published an 18-month-long investigation alleging that IKEA was selling chairs made of beech wood illegally logged in Ukraine's Carpathian Mountains.

The company is the largest consumer of wood in the world, using an additional 2 million more trees every year. It has denied any accusations.

After the investigation, the Swedish retailer completed its own audit on both its internal operations and external supply companies.

According to IKEA, the company has eliminated any possibility of using illegally logged trees from Ukraine.

Mellet says IKEA has a special department of 40 people, including forestry specialists, who are "working hard" to prevent using illegal wood in the company's production.

"We have strong requirements, a due diligence process, and audits to ensure that at the end, all the wood that we are using in our supply chain and in production is the proper one," he said.

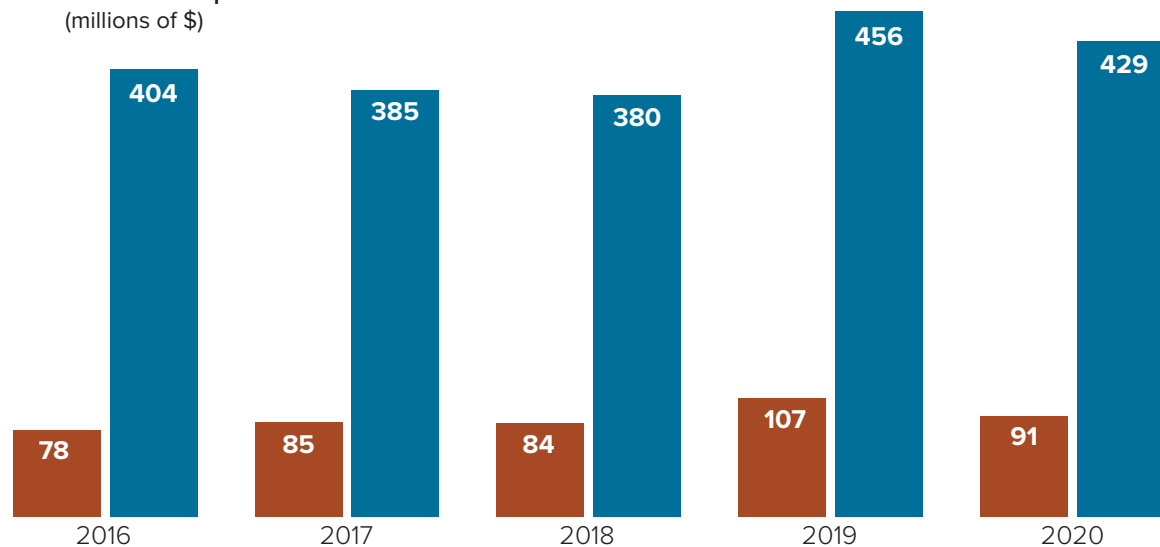
Mellet insists he has a new found love for Ukraine after living here with his family for the last three years.

"When I first landed in Kyiv I was really impressed, because it's not only a dynamic city, it's a very attractive and welcoming city," he said.

"Now I feel that I'm one of the strongest ambassadors of Kyiv and Ukraine across Europe."

■ Ukraine's exports to Sweden
■ Sweden's exports to Ukraine
(millions of \$)

Source: Statistics Sweden



Sweden and Ukraine are not major trading partners and the trade that exists is lopsidedly in favor of Swedish exports to Ukraine.

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Thyberg: 1,000-year Ukrainian-Swedish friendship marches on

By Olga Rudenko
rudenko@kyivpost.com

Tobias Thyberg's first two years in Ukraine were unlike any of his predecessors'.

Months after the Swedish ambassador started his four-year tenure in September 2019, the COVID-19 pandemic broke out, throwing Ukraine into a series of lockdowns and putting severe limitations on the embassy's work.

But as the world, including Ukraine, is largely returning to normal, Thyberg's days are full of traditional ambassador duties.

This week alone, he traveled to Poltava to present a Swedish-language audio guide at the local museum together with First Lady Olena Zelenska, and to the embattled eastern Ukraine, where he accompanied Sweden's Foreign Minister Ann Linde, the Organization for Security and Cooperation in Europe chairperson-in-office.

Sweden's chairpersonship of the OSCE in 2021 has been "a big thing for us this year," according to the ambassador. Through it, Sweden has had "a much more direct role" in the negotiations between Russia and Ukraine mediated by the OSCE in the Trilateral Contact Group.

"In the context of the conflict it has been a frustrating year," Thyberg told the Kyiv Post during an interview on June 17 at his residence on Ivana Franka Street in central Kyiv.

It's been nearly one year since Ukraine and Russia-backed militants entered a shaky cease-fire in July 2020. The ceasefire has been frequently violated, and 48 Ukrainian soldiers have been killed since it started, adding to some 14,000 people killed in Russia's war against Ukraine since 2014.

"(During the past year) efforts have been focusing more on maintaining the reduced level of violence that came after the cease-fire rather than achieving any substantive progress in the conflict as such," said Thyberg. "That, of course, is frustrating."

Thyberg said that it has become more apparent to him that peace will be difficult to reach unless Russia recognizes itself as a party to the conflict — something that it actively denies.

Russia's threat

Thyberg speaks with regret of the fact that the European Union has allowed the Russian-German Nord Stream 2 pipeline project to go forward, dealing a blow both to Ukraine and to the energy security in Europe.

"Sweden's position is that Nord

Oleg Petrasliuk



Swedish Ambassador to Ukraine Tobias Thyberg speaks with the Kyiv Post at his official residence in Kyiv on June 17, 2021.

Stream 2 can't be considered as either a purely commercial project or a purely bilateral matter between Germany and Russia," he said. "We regret that European institutions have not been able to have a greater influence on decision making regarding Nord Stream 2."

According to the ambassador, Sweden is now "working in the direction where in the future, projects of the nature of Nord Stream 2 will be subject to European, not national decision making."

"We believe that Germany now has a very serious responsibility to ensure that Nord Stream 2 doesn't result in a dramatic deterioration of security in Europe," he added.

COVID in Ukraine

While visitors from Western countries are sometimes shocked at how little mask-wearing there is in the streets of Ukraine, that's not the case for those coming from Sweden. The two countries surprisingly share this tendency in common.

While the ambassador refused to comment on the efficacy of Ukraine's government measures to battle the pandemic (although, he remarked, "every single person in the world seems to have become an expert on epidemiology"), he praised how remarkably well Ukraine's economy survived the pandemic.

While there may be many reasons for that, including a surprisingly

Tobias Thyberg

Position: Sweden's ambassador to Ukraine since September 2019. His tenure ends in August 2023.

Did you know? "I once got my nose broken by a stranger who thought I was hitting on his girlfriend."

How to succeed in Ukraine? "First I need to succeed in Ukraine, then I can tell."

good year for agricultural produce and world prices on Ukrainian exports, there is one "deeper and more important reason," in the ambassador's view.

"The reforms of Ukraine's monetary policy which were carried out after the Revolution of Dignity (that ended Viktor Yanukovich's presidency in 2014), and the strengthening of monetary institutions, not least the National Bank of Ukraine and its autonomy — these are the reforms that ensured Ukraine was in a better position to deal with the pandemic than it had been with previous economic shocks," he said. "This is a very important testament to the success of some crucial economic reforms in recent years."

Rule of law

There are roughly 1,000 Swedes living in Ukraine and some 90 companies, a number that hasn't changed in the past year.

From his conversations with Swedish business representatives, Thyberg says there is no clear picture as to whether the business climate in Ukraine improved in the past year. Rather, they keep repeating what they have always said: They want

a working, corruption-free judiciary system and efficient government agencies to implement the courts' decisions.

"Nothing is comparably important," Thyberg said. "Not infrastructure investments, not various incentive schemes to attract more investors, not monetary policy, none of that comes close to the importance of the rule of law reform for Swedish businesses."

In the past year, international confidence in rule of law reform in Ukraine was shaken because of a scandalous decision of the Constitutional Court at the end of October that essentially dismantled the architecture of anti-corruption agencies.

"It was a shock to everyone both in Ukraine and among Ukraine's Western partners and supporters, including Sweden," Thyberg said.

He believes that the extent to which the Ukrainian government fixes the damage done by the Constitutional Court will be one of the most important parts of its legacy.

Days before this conversation, President Volodymyr Zelensky vetoed a bill that sought to restore penalties for officials lying on asset declarations — something the Constitutional Court had eliminated in 2020. The bill was criticized for its loopholes and Zelensky's veto was welcomed.

Meanwhile, Sweden is watching Zelensky's efforts to curb the influence of Ukrainian oligarchs. On June 2, Zelensky filed a long-anticipated draft law that defines oligarchs and limits their influence on media and politics.

While Sweden is yet to assess the bill, Thyberg said that in general, Zelensky's "decision to deal with this problem in a fundamental way

is welcomed."

However, he notes that Ukraine should first and foremost reform the existing agencies that could restrain oligarchs.

"There's the Anti-Monopoly Committee, there's the judicial system, there's a very well-developed set of institutions for fighting corruption," he said. "If those institutions were allowed to function without interference and with the full resources that they need I'm not sure that additional measures would be necessary."

1,000-year friendship

Sweden is just months away from approving the next seven-year strategy for distributing foreign aid through its Swedish International Development Corporation, or SIDA, an agency of the Ministry of Foreign Affairs.

In the previous years, Sweden distributed some 30 million euros a year in Ukraine to support projects in the sphere of democracy, rule of law, civil society development, education, energy, and economic development.

In the new seven-year program, the volume of aid and its directions will largely remain the same.

Apart from its usual support, Sweden will do something entirely new for Ukraine this year.

The country will provide one of the key attractions of the upcoming celebration of the 30th anniversary of Ukraine's independence this August: The original Constitution of Pylyp Orlyk.

One of the first constitutional documents in Europe, it was written by the Ukrainian Cossack leader Orlyk in 1710. The constitution was never implemented in Ukraine. In fact, the document was never even seen in Ukraine.

Orlyk authored the Constitution when he, along with Ivan Mazepa and King Charles XII of Sweden, retreated from Ukraine after losing the Battle of Poltava in 1709. The Latin-language document has been stored in the National Archive of Sweden.

In August, for the first time, the Constitution will be brought to Ukraine and put on display.

"It's an absolutely unique monument to the Ukrainian statehood," Thyberg said of the Constitution.

It is also a symbol of the long-lasting relationship of Ukraine and Sweden, which goes back to Yaroslav the Wise of Kyiv, who married a Swedish princess. The Constitution appeared after the tragic Battle of Poltava, where Sweden and Ukraine joined forces against Russia.

"For me, it's a bit like a story of a phoenix," Thyberg said. "From the ashes and destruction of the Battle of Poltava rose this wonderful document, which became one of the founding elements of the idea of the Ukrainian state based on the rule of law. Going forward, I wish that Ukraine continues on the great tradition of Pylyp Orlyk which is, to build a European state based on the rule of law." 🇸🇪



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No concrete gains for Ukraine after an eventful week

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claims, wrongly, that the protests were an orchestrated coup.

“For the situation to be truly stable we need to agree on the rules of conduct,” Putin said, ignoring the international treaties already in place, like Geneva Convention and the Budapest Memorandum that Russia violates with its aggression towards Ukraine.

Biden said Russia should abide by international norms.

NATO, G7

Predictably, NATO and the G7 countries each chided Russia's aggression against Ukraine and other countries and called on Putin to back down.

“We call on Russia to alleviate tensions and act in accordance with its international obligations, and to withdraw the Russian military troops and materiel at the eastern border of Ukraine and on the Crimean peninsula,” the G7 countries said as part of their post-conference statement.

“We remain firmly of the view that Russia is a party to the conflict in eastern Ukraine, not a mediator.”

NATO said almost the same thing. It reiterated support for Ukraine's territorial integrity, condemned Russia's annexation of Crimea, occupation of Donbas, its numerous human rights abuses and recent military buildup.

It called on Russia to reverse the March buildup at Ukraine's borders, stop restricting navigation in the Black Sea and the Sea of Azov and Ukrainian ports.

In an article for Foreign Affairs, former U.S. ambassador to Russia, Michael McFaul, said that deterrence and containment will be required to halt Putin's belligerence, with NATO being the best forum for the job. Biden, he said, should coax NATO members to spend more on defense and help Ukraine and Georgia protect themselves.

NATO membership

NATO said that the alliance has not changed its mind on admitting Ukraine as a member but gave few details other than to urge Ukraine to continue reforms, especially of the defense sector.

Glen Grant, a defense expert with the Ukrainian Institute for the Future, said that the communique was clear that Ukraine needs to implement reforms and its failure to accept civilian control of the military shows that the government is not serious about meeting NATO values.

Many observers were dubious about whether the call for reforms was the real reason or just an excuse to keep Ukraine out. According to the Reanimation Package of Reforms, a coalition of Ukrainian anti-corruption watchdogs, Ukraine met more than 90% out of the 219 NATO standards that were supposed to be elaborated in 2018–2020. Ukraine has adopted more standards than Montenegro, which became a member in 2017.

Ukrainian officials and observers are well aware of this. In multiple

recent statements, Foreign Minister Kuleba expressed the opinion Ukraine has made enough reforms to get the MAP and Ukraine should not accept a situation where NATO members use reforms as an excuse to get around not trying to anger Russia.

President Volodymyr Zelensky was more blunt, saying: “Every day we prove that we are ready to be in the alliance more than most of the countries of the European Union.”

Timothy Ash, an emerging markets strategist with Bluebay Asset Management, was just as straightforward: “Corruption is now being used as an excuse not to grant Ukraine NATO MAP status.”

Both critics and supporters of membership for Ukraine agree on one thing: if Ukraine is admitted, the alliance will have to defend it and that means conflict with Russia. And this is something that multiple NATO members greatly want to avoid.

On June 16, the Kremlin reiterated that Ukrainian membership in NATO would be a “red line” for it. It would be within the Kremlin's interests to keep Ukraine divided and at war to interfere with its membership ambitions.

Minsk and Normandy

If there was any hope that foreign powers would curb Russia's aggression towards Ukraine, the past week has done little to kindle it. Putin repeated his mantra that Russia will not budge an inch.

He once again said that Russia would not accept Ukraine's way of implementing the Minsk agreement, a peace treaty Kyiv and Moscow signed in 2015. Ukraine wants first to regain control over its eastern border with Russia and only then hold local elections in the Donbas. Russia wants elections first.

Following the summit, Biden said both he and Putin “agreed to pursue diplomacy related to the Minsk Agreement.”

Kraiev believes the fact that the U.S. supports the Minsk agreements is a positive sign for Ukraine even though Russia has lost interest.

“Why we can still hold on to the Minsk (agreement), why it can be interesting to us from the pragmatic point of view, because we do not have an alternative to which sanctions (against Russia) can be tied,” he said.

Biden's interest in Minsk can give this peace process a new lease on life, Kraiev believes.

Ahead of the U.S.-Russia summit, Zelensky was worried that Ukraine's fate might be decided without Ukraine and said this is not an option. He said he was disappointed that Biden did not meet him before sitting down with Russia's leader.

During the phone call on June 7, Biden invited Zelensky to visit him at the Oval Office in July.

However, neither Putin nor Biden invited each other to visit following the Geneva summit. 🇺🇸

‘Ukraine today is still a lot better than it was’ in 2013

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to require a lot of support and a lot of political capital needs to be spent on this. You're taking on some powerful interest groups.”

Tangled energy policies

When the government keeps prices artificially low or uses state-owned enterprises to dispense subsidies or protect sectors from competition, “it benefits rich people and introduces corruption risks. The long-term solution is an open and competitive market.” Ukraine took steps in that direction by abolishing public-service obligations forcing state-owned enterprises to sell natural gas at below-market prices, for instance, but more needs to be done.

Harm of SOEs

Ukraine has an estimated 3,500 businesses owned by the national government and another 12,000 or more owned by local and regional governments.

“While others in Central and Eastern Europe got busy dealing with these enterprises — closing the ones that didn't have a future — many of the state-owned enterprises in Ukraine keep existing unreformed.”

Why is that so bad? “Any way we look at it, SOEs are not as efficient or as productive as their privately owned peers for both SOEs and SOBs (state-owned banks).”

SOEs also deliver public policies that distort the economy, including subsidized gas, electricity and transport.

They are, quite simply, a drag on the economy. “It's not a controversial statement that a large number of these SOEs should be privatized.”

Better SOE governance

If the government won't sell state-owned enterprises, the least it can do is ensure professional corporate governance. Government should



A woman passes by a sign with currency exchange rates in Kyiv on May 28, 2021.

delegate “management and powers to an independent supervisory board with clear directions and clear responsibility.” Well-qualified boards insulate from short-term political pressures and help ensure that the business is run in the long-term national interest.

Billions lost to corruption

A lot of money in Ukraine is lost to corruption or diverted through bad public policies. “It's billions of dollars each year,” he noted, more than IMF loans.

Overall assessment

“Something that I'm impressed by are the unsung heroes in Ukraine, all of the people working in public administration, people who are working under tough conditions, with low pay and who are very rarely appreciated. They slog it out and do their work. They are conscientious,” Ljungman said. “Ukraine today is still a lot better than it was at the end of 2013. It is important to recognize the work that has been done. It's important

because it shows you can achieve things in Ukraine, you can change things.”

About Goesta Ljungman

The Swedish national Goesta Ljungman joined the International Monetary Fund in 2007, working on diverse issues in several nations. In Georgia, he helped negotiate and oversee the implementation of the country's fund-supported program. During 2010-12, Ljungman worked on the IMF's Ukraine team, with a special focus on fiscal issues. Ljungman has also worked on fiscal reforms in Moldova, Montenegro, Ireland, Hungary, Serbia, Kyrgyz Republic, Kuwait, Oman and many other countries. He is a frequent lecturer at IMF's training institutes in Europe, Middle East and Africa. Prior to joining the IMF, Ljungman worked in the Swedish Ministry of Finance. He received his degree in economics from Uppsala University. He is married with two children. He enjoys long-distance running. 🇸🇪

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UNHCR representative: 'Asylum seekers in Ukraine should be allowed to work'

By Illia Ponomarenko
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The number of refugees and internally displaced people in the world has skyrocketed to 82.4 million, a new all-time record, recent United Nations estimates show.

This is roughly 1% of the global population and includes people escaping wars, extreme poverty and political crackdowns in the most difficult corners of the globe.

Ukraine, which suffered the internal displacement of 1.5 million people due to Russia's war in the Donbas in 2014, currently hosts just about 5,000 foreign asylum seekers and refugees, mostly coming from Syria, Afghanistan, the Caucasian region, and Central Asia.

According to Karolina Lindholm Billing, the representative of the United Nations High Commission for Refugees, known as the UNHCR or the UN Refugee Agency, Ukraine can do a lot more to help the people running for their lives.

Firstly, the admission rate is quite low: only 20% of applicants get the green light. Secondly, the process is painfully slow and complicated, taking between six months and three years on average, even though the country is not even close to facing a refugee surplus.

But most importantly, asylum seekers can't get legal jobs.

Asylum seekers in Ukraine want to stand on their own rather than rely on charities and UN aid. They want to work legally and join the community that they could call their new home. However, Ukraine's policies make that hard to do.

"We're advocating the possibility for asylum seekers to work," Billing told the Kyiv Post. "There could be even more opportunities for people to find a job in Ukraine than in some European countries where



Karolina Lindholm Billing, the UNHCR representative in Ukraine, talks to the Kyiv Post in her office in Kyiv on June 15, 2021. The Swedish national took over the post from Pablo Mateu, an El Salvadoran, earlier this month.

there may be more competition. Especially in sectors where refugees are looking for work."

"What we have seen in Ukraine is that when people are given a chance... they will contribute (to the economy)," she added.

Shelter seekers

Billing, a Swedish national, took charge of the UNHCR office in early June.

Before being deployed to Ukraine, she spent years as a UN humanitarian official in hotspots like Lebanon, Zambia and North Macedonia.

From her perspective, it's a complex question why in the past decade, Ukraine remained on the

sidelines of the greatest European refugee crisis since World War II.

Amid the raging wars in Syria, Iraq, Afghanistan and Libya, hundreds of thousands of people tried to escape and settle in European countries. But only an average of 1,500 people per year used to apply for asylum in Ukraine before 2014. In the following years, this has dropped to just 656 registered arrivals in 2016 and 597 in 2020.

This may be the tip of a much large



er iceberg. The agency finds it hard to tell the true number of unregistered arrivals. As of Jan. 1, 2021, there have been 822 Afghan nationals, 165 Russians, 491 Syrians, 220 citizens of Central Asian countries, 81 Somalians, 79 Iraqis, 72 Iranians, and 26 Belarusians living in Ukraine as refugees.

Even so, it hardly compares to the refugee populations in some of the countries near Ukraine. According to UNHCR's latest global contingency report issued by World Refugee Day on June 20, Turkey currently hosts 3.7 million (mostly Syrians) and Germany hosts 1.2 million.

As Billing says, in many ways, Ukraine has not become a destination for many shelter seekers not specifically due to the Donbas war or economic troubles but rather because many refugees seek to make it to European countries where they have relatives to welcome them.

Unlike many other European countries, the few legal refugees in Ukraine mostly live in a handful of state-sponsored dormitories in Yahotyn, Odesa, and other cities, or simply prefer to rent accommodation and try to get by on their own, which is uncommon.

Over the last few years, the Ukrainian procedure to determine refugees has somewhat improved, the UNHCR admits. Still, getting residency takes years, especially for Syrians — and some people are still eventually rejected.

Moreover, as UNHCR reports say, the Ukrainian state fails to provide asylum seekers with free emergency medical care, social assistance, and the most important

thing — employment.

Billing says this is one of the worst problems. While most able-bodied arrivals want to honestly earn their living, the local rules don't give them a chance.

"Currently in Ukraine, refugees are allowed to work," says Billing. "But if you're an asylum seeker, you're not. And because the procedure takes a long time — these are years when they could be working, supporting themselves. But not allowed to — they become dependent on assistance."

Asylum seekers would rather get a real job, Billings says.

As UNHCR's June 2019 report says, many asylum seekers are ready for Ukraine's labor market — 49% of people under the agency's protection have secondary school education, and 38% graduated from universities. Fifty-nine percent speak Russian or Ukrainian and 54% speak English. Their top three areas of professional experience include sales and business, housekeeping and office management.

Yet, they still need a more enabling legal environment from Ukrainian authorities.

"When you are welcomed and included in the community... your potential to contribute to the economy and innovation with your skills is so much bigger than when you're not," Billing says.

Dark future

Fresh UN figures suggest that the refugee situation in the world continues to deteriorate.

The UNHCR reports a record number of refugees worldwide. This number is likely to keep skyrocketing in the years to come. The refugee crisis will be one of the globe's top problems in the coming decades.

In 2013, during the peak of the Syrian Civil War, the UN had registered as many as 45 million refugees globally, and this was a shocking figure to many, as Billing recalls.

"It was the highest number since World War II," she says.

"Now it is pretty much twice the size of Ukraine's population. It's mind-boggling. And now it is probably a question of time when it reaches and exceeds 100 million."

Protracted conflicts that last for many years, as in Syria, make the situation worse. In the meantime, millions of refugees wait fruitlessly for the day they get to go back home.

"In Lebanon, I met families who had been refugees for 10 years since they fled Syria," Billing says.

"They had one to several children born in Lebanon. These children are now 10 years old... And maybe their children will grow up to be adults as refugees in Lebanon."

"And that is all individual stories of people who, for 10 years, have had to keep up with their hope. To get up in the morning, try and find a job, put on clean clothes, prepare breakfast — all the daily chores we all do — but in a situation when you have no visibility of how long you will stay in this poor, temporary condition." ❄

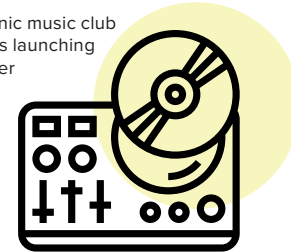
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Lifestyle

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The nameless electronic music club on Kyrylivska Street is launching a new series of queer parties called Lust. Don't miss the first event on June 18 at 10 p.m. 41 Kyrylivska St. Entrance - Hr 350. Details at www.stimulation.zone



Refurbished Mariinsky Palace opens its doors to public again

Oleg Petrasjuk



Mariinsky Palace is an 18th century baroque structure located in Mariinsky Park, right next to the building of the Ukrainian parliament, or Verkhovna Rada, in Kyiv. The palace is part of the presidential residence serving as a setting for ceremonies and official receptions that has recently opened its doors for the public to visit.

By Agatha Gorski
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Mariinsky Palace used to be nothing more than another distant government building that the public could only glance at from behind the fence.

The 18th century palace has been closed to visitors for almost 12 years, undergoing renovation to restore its baroque image with a distinctive turquoise facade.

Though the works finished in 2017, the building has since been mainly used for political receptions and inaccessible to the public. In 2020, Mariinsky Palace finally started welcoming visitors, but the operations were constantly interrupted by COVID-19 quarantine restrictions.

Located in the governmental quarter, the palace is still used by the president to host foreign delegations, but it also now offers tours. And they do far more than give curious eyes a look at the inner workings of the political kitchen, as Mariinsky has much to tell about the history of Kyiv and of Ukraine.

"It is the face of our country," says Kyiv guide and historian Lyolya Filimonova.

Three makeovers

Mariinsky is an exceptional case for Ukraine since the country is not historically known for royal palaces.

In the Russian Empire, Ukraine's capital was more of a provincial city which didn't attract the royal family living in St. Petersburg and Moscow.

But this suddenly changed in 1747, when Russian Empress Elizabeth commissioned the building of Mariinsky Palace and St. Andrew's Church located on Andriivsky Descent.

"Elizabeth saw something in Kyiv that touched her," Filimonova told the Kyiv Post.

Both buildings, intended for the royal family, were designed by Italian architect Francesco Bartolomeo Rastelli, who had previously worked on the Winter Palace and Vorontsov Palace in St. Petersburg.

Mariinsky's development finished in 1752. Elizabeth herself didn't visit the palace even once, while other royals barely lived within its walls, says Bohdan Kozhukhar, Mariinsky's guide and historian.

Since the time of Elizabeth's reign, the palace's architecture has been completely transformed and it's still unknown what it looked like to

begin with.

"How it was built is hard for us to imagine because nothing original has remained," Filimonova says.

Mariinsky was rebuilt twice: once in the 19th century after a devastating fire destroyed its wooden structures, and then after World War II when it was partly destroyed by a bomb.

Though the building underwent unrecognizable makeovers, these reconstructions actually add value to the palace, Kozhukhar believes. "Through its history, some of the architects who designed the palace and the people who physically built it were Ukrainians," he says. "It is our heritage."

The structure's recent reconstruction that started in 2004 dragged on due to budget interruptions, through four presidential administrations.

It cost the state nearly Hr 1 billion to complete this major makeover, which strengthened the foundations, replaced the utilities, and restored the facade, the interior design and the yard. More than a decade later, Mariinsky re-established its 19th century look: A two-story baroque building with turquoise facade walls, tall windows and light-painted pil-

lars, balusters and stucco. Once again, it shone in Mariinsky Park, standing right next door to the building of the Ukrainian parliament, or Verkhovna Rada.

The palace was finally used for receptions again in 2017, only to completely finish all the works two years later.

But it wasn't until 2020, as Mariinsky opened its doors to visitors, that a new chapter in its history started.

Clinton and Warhol

The opening in September was so hotly anticipated that tour tickets that went on sale two months earlier sold out in a few hours.

Though lockdowns led to closures, the buzz around the palace still hasn't settled down. People are continuing to buy tickets months in advance.

Visits come in the form of a 45-minute guided tour led by Kozhukhar and a fellow colleague from Friday to Sunday in Ukrainian, English and Russian.

The group tours offer a peek into the palace's political functions,

Millionaire transforms birth village with state of the art institutions

By Elina Kent
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Radowell, UKRAINE — When a Ukrainian child reaches school age, parents search all over to find the best schools possible by Sept. 1.

But parents often don't have much choice. Places in the best schools get snapped up quickly. In rural areas, the choices are more limited. Such is the case with the school in Radowell, a village of 1,300 people in Zhytomyr Oblast, 220 kilometers northwest of Kyiv. Children from as many as 10 surrounding villages come to Radowell to study.

But students here are luckier than many others. They have a benefactor. Businessman and philanthropist Mykhailo Veselsky, a native of Radowell, donated Hr 180 million (\$6.7 million) to renovate and reform the local public school.

Now around 400 elementary, middle and high school students not only get proper education, but also engage with international teachers, have access to the newest equipment and a variety of hobby classes. These opportunities offer hope for a better future.

"I would like us to make a social environment that creates conditions specifically to help the growth of a child," Veselsky told the Kyiv Post.

The school was just the first step. Veselsky has also funded a local hospital and developed a whole plan for Radowell to thrive and sustain in the future.

Philanthropy is still rare in Ukraine. Locals are used to businessmen and politicians helping their communities to win votes or to whitewash tarnished reputations.

Veselsky, 52, was elected to Radowell's local council in 2020. He says he wanted to help his community through public service, but soon realized he's not interested in a political career and quit.

Turning point

Veselsky spent the first 17 years of his life in Radowell, attending the same school his millions are helping now. It's official name is Radowell Biotechnological Lyceum. His mother was a principal of the institution at the time.

After graduating from Taras Shevchenko National University of Kyiv with a law degree, Veselsky immediately started his journey into the world of business. He soon founded Eurotek, a company that specialized in sunflower oil, wheat production and grain export. The company has since expanded into other markets such as vegetable oils, real estate and opening chains of

Lucky in Radowell: Native son uses wealth to revive his home village

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supermarket stores. More than 3,000 employees now work for Eurotek.

But his home village, especially the school, never left Veselsky's mind. A turning point came in 2014, right after the EuroMaidan Revolution ousted pro-Kremlin ex-President Viktor Yanukovich and started a new chapter in Ukraine's history.

"I understood we needed to develop as a country and all of it inspired me," he says.

By 2016, Veselsky had already grown into a millionaire. He delegated some of the company's management and dived deep into his new ambitious project of developing a dream village.

Renewed lyceum

When entering Radowell, the first thing people notice is the school. Its gates open to an enormous open space for the children to hang out and play in. A child-size chess board sits to the left and, to the right, sits the large sculptural composition of "Meeting of Dante and Beatrice" by Italian sculptor Adolfo Galli.

The lyceum acquired this new modern look after the 2017–2018 renovation funded by Veselsky, looking more like a private international school somewhere abroad rather than in a poor Ukrainian village.

Classrooms at Radowell have both standing and sitting desks that the children switch to throughout the day. Most classrooms are equipped with smartboards and computers and have a wooden climber jungle gym for the students to stretch. The ceilings are painted with movement arrows to allow them to take mental breaks with visual aids to rest. There is also an indoor gym with a boxing training area and a large music studio in the basement.

But the school's transformation wasn't just material. Veselsky joined the lyceum's supervisory board to participate.

It now has three main veins of development: formal academic knowledge, as well as physical and



Elementary pupils attend a class at the Radowell Biotechnological Lyceum on June 2, 2021, in Radowell, Zhytomyr Oblast. Thanks to the recent renovation and reform funded by businessman and philanthropist Mykhailo Veselsky, most of the classrooms have modern equipment including standing desks and jungle gyms.

Kostyantyn Chernichkin

creative development. All three aim to raise an open-minded and intelligent child. Educators' non-traditional methods include providing enough freedom for children to inspire themselves rather than only listen to instructions from teachers.

The school provides several hobby studios for design and sewing, robotics, art and ceramics, wood and metal workshops, and halls for Taekwondo and gymnastics. The children can also take calligraphy, theater, dance and various sports.

One of the lyceum's teachers, Blake Bull, who moved to Radowell from the United States in January, says that at most of the schools he has worked at before, the staff is

left on their own. "But here, I really feel like we are given the resources to help the students as best we can."

Ukraine's public schools often lack funding to provide students with hobby clubs. For Radowell lyceum to be able to help children develop creativity, Veselsky pours Hr 12 million (\$444,000) into it yearly, he says.

"I very much care about the essence of the project, that's the main thing, and the money spent is secondary," he says.

International community

Another unconventional approach of Radowell's school is bringing international teachers for children to engage with foreigners and learn

languages with native speakers.

Language teacher Inna Golovakha was in charge of the project when it launched in 2019. Though originally Ukrainian, she spent 27 years in the U.S. before moving to Radowell, inspired by the local development.

"Children in big cities have an advantage," Golovakha told the Kyiv Post. "Their parents pay for a tutor so they can go to international schools or travel internationally. They become much more advanced, but children in rural areas in Ukraine don't have those opportunities."

Golovakha joined the effort to help kids have those opportunities.

"My mission and goal were to help the foreign teachers assimilate there. I was teaching them Ukrainian, I was telling them a little bit about Ukrainian culture," Golovakha says.

Aside from the U.S., foreigners from England and Morocco moved to Radowell to give English classes among other activities. They are joined by Ukrainian teachers from all over Ukraine who, too, moved to the village in order to join the school.

U.S. teacher Vickie Nailing had previously lived in Ukraine as a Peace Corps volunteer and is now one of six foreigners living and teaching in Radowell. In addition to regular lessons, Nailing teaches cooking classes in English in the culinary studio where children bake and drink tea every Monday morning.

Nailing says that her background was in non-traditional teaching, which is why Radowell's approaches suit her perfectly.

"You can learn anything through anything else," Nailing told the Kyiv Post, "and whatever a child is interested in, it's important to incorporate that into your learning."

Just the beginning

Before the project started, the village was fading, according to Veselsky, but it has since grown.

The lyceum is only one part of a five-step plan that the businessman envisions for his home village.

The second phase is a modern hospital, which was just recently developed. It is set to open in July with a fully trained team of doctors and nurses.

The third goal is to make sure that Radowell prospers economically to support itself in the future. One way is by providing families with greenhouses, so they can grow their own vegetables and have enough to sell and make a profit, as the region is known for its quality berries and cucumbers. Several greenhouses have already been built and are seen throughout the village.

The fourth part of the project is to strengthen the infrastructure. It will include a system of composting and recycling trash at a nearby recycling center under construction.

The fifth phase is building new homes, where both locals and incoming specialists would be able to live comfortably.

So far Veselsky has spent around Hr 350 million (\$12.9 million) on the entire project in Radowell. He says that his efforts aren't an investment, as he doesn't expect to earn anything from them. Veselsky thinks that it will take a total of five years to see some growth, but for now it's still an experiment.

"I can't ensure it will 100% work," he says. "But I want to try."

The full Radowell development plan is available at www.radowell.org.ua.



Businessman and philanthropist Mykhailo Veselsky poses for a photograph in front of the Radowell Biotechnological Lyceum on June 2, 2021, in Radowell, Zhytomyr Oblast. Veselsky invested more than Hr 180 million (\$6.7 million) into the school and plans to provide more funds for the development of his native village.

Kostyantyn Chernichkin

After hosting royalty, presidents, politicians, anyone can now take a Mariinsky Palace tour for only \$5.50

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showing visitors the locations for ceremonies, awards, round table negotiations between delegations and even a banquet table with a sample Ukrainian lunch menu and Mariinsky's custom-made tableware from the 1980s.

"Every room of the palace is unique," Filimonova says.

These premises host important events like receptions for presidential inaugurations. Some of the world's most influential figures were guests at Mariinsky, from U.S. Presidents Richard Nixon and Bill Clinton to U.K. Prime Minister Margaret Thatcher.

Part of the exhibit offers a look at the presidents' gift collection featuring all sorts of goods that foreign visitors brought to Ukrainian leaders. There are various souvenirs, early works of iconic U.S. artist of Ukrainian descent Andy Warhol and more.

Apart from its political significance, the tour also introduces visitors to the palace's rich history through a look at the remaining traces of the 19th-century design – five paintings drawn by

Italian painter Kamill Alliaudi and a golden medallion with one of the royal's profiles located in two of the rooms. There's also a collection of Ukrainian art by some of the most prominent local artists, which is constantly updated.

This summer, the excursions have given visitors the opportunity to explore a small back garden of the palace, which was not previously open for public access. There, the visitors can observe a large staircase with two lion sculptures at its base.

Filimonova believes that the president's residence should be open to the people, just like it is all over the world. The former residence of the French monarchs, the state-owned Palace of Versailles in Paris, which draws millions of visitors each year, is one of the most striking examples.

And though Mariinsky is the first building of the kind in Ukraine, it might just become the starter of a new trend.

"This is a beautiful precedent," Filimonova says.

More to come

The team leading tours in Mariinsky is not planning to stop at making one government building accessible.



Courtesy

Since Mariinsky Palace opened up to the public in 2020, its 45-minute tours take visitors around its many baroque-style halls including the locations for ceremonies and receptions, round table negotiations between delegations and much more.

Their next goal this summer is another presidential residence, the House with Chimaeras. Constructed by renowned Polish architect Wladyslaw Horodecki, the building is widely considered one of the most extraordinary edifices of Kyiv's Art Nouveau. The structure is best known for its intricate sculpture decorations of mystic animals sitting all around the roof edges.

Located on Bankova Street, right in front of the presidential administration, like Mariinsky Palace, this building has remained shielded from

the public due to its political function. It also serves as a setting for the receptions of foreign delegations and festive ceremonies.

But plans for new tours and the recent opening of the entire Bankova Street for public access create hope that other government facilities, many of which are buildings of national heritage, will also be open to the public.

Filimonova says that it's unfortunate that access to these buildings was restricted to just the authorities, but that has to change, and just like


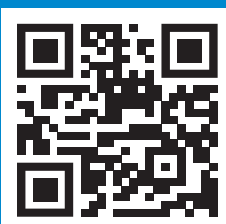
Mariinsky, the House with Chimaeras has to be made accessible.

"People have to see it because it's a masterpiece," she says.

Mariinsky Palace. 5A Mykhaila Hrushevs'koho St. Friday-Sunday entrance – Hr 150 (\$5.50). Group tours are held every hour from 10 a.m. until 5 p.m. and are available in Ukrainian, English and Russian. Book a place on a tour at www.m-palace.com.ua. The audio guides are available to get at the palace in both English and Ukrainian or can be downloaded through the Megogo app.

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