

Odesa mayor faces charges of stealing through land sales, overpriced services

→ Page 2

Russian-sponsored Babyn Yar memorial faces tough criticism from Ukrainians

→ Page 9

Ukraine needs \$12 billion yearly in investment to meet its infrastructure goals

→ Page 10

Italy's Wyscout revolutionizes football scouting worldwide – and does it from Ternopil

→ Page 13

Ukraine's lawmakers vote to remove Dmytro Razumkov as Verkhovna Rada speaker

→ Page 14



# Kyiv Post

26<sup>th</sup> year!

UKRAINE'S GLOBAL VOICE • SINCE 1995



World in Ukraine: Germany

In partnership with **GOLAW**

→ pages 6 – 9

# Spirited Away

## Ukraine is the Pandora Papers' champion with 38 politicians named in investigation



President Volodymyr Zelensky (R), Security Service of Ukraine chief Ivan Bakanov (to the left of Zelensky) and Zelensky's top aide Serhiy Shefir (second on the right) have created a hidden offshore network. A key issue is whether any wrongdoing was involved but their reluctance to declare the assets and income raises a lot of questions. The offshore firms have also received money from companies controlled by controversial billionaire oligarch Ihor Kolomoisky (L).

See coverage on pages 2, 4, 5



Level up your career with the Chevening programme, UK government's full scholarship for your master's degree in the UK.

Applications are open until **2 November 2021!** To find out more, visit [chevening.org/apply](https://chevening.org/apply)

[chevening.org](https://chevening.org) | #BeChevening





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

Газета "Kyiv Post" видається  
ТОВ "БІЗНЕСГРУПП".

Щотижневий наклад 7,500 прим. Ціна за домовленістю. Матеріали, надруковані в газеті "Kyiv Post" є власністю видавництва, захищені міжнародним та українським законодавством і не можуть бути відтворені у будь-якій формі без письмового дозволу Видавця. Думки, висловлені у дописах не завжди збігаються з поглядами видавця, який не бере на себе відповідальність за наслідки публікації.

Засновник  
ТОВ "БІЗНЕСГРУПП"

Головний редактор  
Брайан Боннер

Відповідальний за випуск  
Брайан Боннер

Адреса видавця та засновника співпадають: Україна, м. Київ, 01033, вул. Жилианська, 68, 2-й поверх. Реєстраційне свідоцтво Кв № 23191-13031ПР від 29.03.2018. Передплатний індекс ДП Преса 40528 Надруковано ТОВ «Новий друк», 02660, Київ, вулиця Магнітогорська, 1, тел.: 559-9148

З приводу розміщення реклами звертайтесь: +380 44 591-7788 Відповідальність за зміст реклами несе замовник.

**Mailing address:**

Kyiv Post, 68 Zhylianska St.,  
Kyiv, Ukraine, 01033

**Advertising**

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

**Editorial staff**

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

**Subscription & Distribution**

tel. +380 44 591-3344  
subscribe@kyivpost.com

**Employment Advertising**

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

**Adnan Kivan**  
Publisher

**Brian Bonner**  
Executive Director/Chief Editor

**Alyona Nevmerzhytska**  
Commercial Director

**News Editor**  
Igor Kossov

**Features Editor**  
Toma Istomina

**Photo Editor:**  
Pavlo Podufalov

**Multimedia Editor:**  
Austin Malloy

**Chief Designer:**  
Vladyslav Zakharenko.

**Staff Writers**

Daryna Antoniuk, Dylan Carter,  
Natalia Datskevych, Olena Goncharova,  
Max Hunder, Elina Kent, Artur Kornienko,  
Anastasiia Lapatina, Anna Myroniuk,  
Illia Ponomarenko, Alexander Query,  
Thaisa Semenova, Daria Shulzhenko,  
Oleksiy Sorokin, Oleg Sukhov,  
Asami Terajima

**Columnist:** Sergii Leshchenko

**Social Media:** Sofia Fedeczko.

**Website:** Victoria Petrenko,  
Helen Mukhina.

**Deputy Photo Editor:** Veronika Strashko.

**Photographers:** Kostyantyn Chernichkin,  
Oleg Petrasniuk, Volodymyr Petrov.

**Video:** Arsen Drobakha, Iryna Yavorska.

**Designer:** Yura Borovik.

**Sales:** Yulia Kovalenko, Vita Shvets,  
Elena Symonenko.

**Project Manager:** Yulia Krus

**Subscription:** Tetyana Garanich.

**Website Developers:** Roman Kryvenko,  
Dmitry Senchenko

**Digital marketing:** Daria Vashkulat

**Chief Accountant:** Galyna Bondarchuk.

**Accountant:** Aleksandra Lyfar.

**Transport Manager:** Mykola Andrusha.

**Office Manager:** Lena Veleshchuk.

**IT:** Oleksiy Bondarchuk,  
Oleksandr Slipachenko.

**Cartoonist:** Anatoliy Vasylenko.



President Volodymyr Zelensky (C) and his top allies exit Mariinsky Palace, a presidential residence, after his inauguration ceremony in Kyiv, on May 20, 2019. Zelensky and his team ran on the platform of breaking with Ukraine's corrupt past and shady dealings. But disclosure from the Pandora Papers' journalistic investigations suggest his team is continuing with business as usual in Ukraine. Like his predecessor, Petro Poroshenko, Zelensky and his associates have created and kept a hidden offshore network.

# Self-Servant of the People: Zelensky's offshore schemes

By Igor Kossov,  
Thaisa Semenova,  
Oleg Sukhov

[kossov@kyivpost.com](mailto:kossov@kyivpost.com),  
[semenova@kyivpost.com](mailto:semenova@kyivpost.com),  
[sukhov@kyivpost.com](mailto:sukhov@kyivpost.com)

Some things never change in Ukrainian politics, where power brokers with offshore wealth hold the reins. The Pandora Papers, the world's biggest leak of secret international finances, serves as a timely reminder.

President Volodymyr Zelensky got elected as the avatar of reform, popularized by his TV character Vasyl Holoborodko, purportedly the only honest man in Ukrainian politics.

Zelensky promised to take down the oligarchs with their untouchable offshore assets and break their magic walls of influence throughout the country.

The Oct. 3 revelation that Zelensky has his own impregnable offshore assets of ambiguous legality was yet another blow to his already damaged reputation.

The 12 million files analyzed by the International Consortium of Investigative Journalists revealed, among others, the international financial schemes of 38 highly placed Ukrainians, the most of any country.

These papers show that Zelensky and his friends set up their chain of offshore companies long before they ever considered going into politics.

When Zelensky was about to be elected president in 2019, he handed his share over to his closest adviser, Serhiy Shefir. But the papers revealed that under their arrangement, dividends would keep flowing to a company owned by Zelensky's wife Olena. Much of these assets went undeclared. Lawyers and experts said that the legality of this is dubious.

What's more troubling is that there's also evidence that Zelensky's offshore companies received payments from entities connected to Ihor Kolomoisky, the billionaire oligarch that airs Zelensky's shows.

Some of that money may have been stolen by Kolomoisky through PrivatBank from Ukrainians. Thus far, Kolomoisky has faced no criminal charges in the \$5.5 billion bank fraud that forced Ukraine to bail out the nation's largest bank and take ownership in 2016, although he faces civil lawsuits and at least one criminal investigation in the U.S.

These revelations show that far from being different, Zelensky is a lot like his arch-rival, the oligarch and former President Petro Poroshenko, who was revealed to

have a massive offshore network in the previous Panama Papers leak in 2016.

Zelensky is also not dissimilar to other oligarchs he vowed to take down.

## Offshore schemes

Zelensky and his colleagues in the entertainment company Kvartal 95 created about a dozen interlinked offshores in 2012.

The main entity was Maltex Multicapital Corp. Zelensky and his wife Olena allegedly owned 25% through the company Film Heritage. Each of the Shefir brothers, Serhiy and Borys, owned a quarter; Kvartal 95 manager Andriy Yakovlev had the remaining 25%.

In 2017, a company called Davegra Ltd became the nominal holder. It was owned by Zelensky's childhood friend Ivan Bakanov, who now heads the Security Service of Ukraine. Bakanov had signed a trust declaration, possibly to hide Zelensky's true ownership.

In 2019, Zelensky handed his share of Maltex for free to Serhiy Shefir, who became his closest aide when he assumed office. According to the leaked documents, Maltex would remit payments to Film Heritage Ltd, SHB Ltd, SHSN Ltd and Candlewood Investments Ltd.

The main payments would be paid to shareholders as dividends.

In 2019, Zelensky's wife became the sole shareholder of Film Heritage, according to the asset declaration registry, meaning Zelensky's family would continue to collect income despite ostensibly being divested of the firm.

The leaks don't contain any information showing whether any dividends have actually been paid.

Zelensky has not mentioned Maltex in any of his public asset declarations, not even in 2018, when he still owned 25% of the company.

Companies from the network also bought swanky London property, including several apartments worth \$2.28 million, \$2.3 million and \$3.5 million.

## The responses

Poroshenko exploited the revelations about Zelensky's circle during a meeting of parliamentary faction heads.

"Today, the entire world is talking about the international crimes of the top leadership of the state and personally Volodymyr Zelensky," he said, despite being in the same position five years ago. "Because of the actions of President Zelensky,



# Odesa mayor and his kingmaker are charged with organized crime

By Oleg Sukhov  
sukhov@kyivpost.com

The National Anti-Corruption Bureau of Ukraine (NABU) on Oct. 6 brought organized crime and abuse of power charges against Odesa Mayor Hennady Trukhanov and Vladimir Galanternik, an influential businessman from Odesa and a former ally of Trukhanov.

Local anti-corruption activists have accused Trukhanov and his alleged business partners Galanternik and Alexander Angert of having turned Odesa into their private fiefdom, awarding the most lucrative land and municipal contracts to their own companies. The properties allegedly linked to the trio are not officially owned by them, and it's often difficult to trace the links between the officials and the assets.

All three have denied the accusations of wrongdoing. Trukhanov did not respond to a request for comment, while Galanternik and Angert could not be reached.

An Italian police dossier from 1998 identifies Trukhanov and Angert as members of a mafia gang.

Galanternik is believed to have been the power behind the throne in Odesa for years, effectively controlling key top officials and the municipal budget, according to local activists.



Odesa Mayor Hennady Trukhanov (C) attends a mayors' summit in Kyiv on Sept. 28, 2021. Trukhanov has been charged in several corruption cases and has hidden his Russian citizenship but so far remains on his job.

"The investigators managed to document the unlawful activities of a broad range of people including the mayor, an ex-chief prosecutor of the region and a business-

man who... manipulated them any way he wanted like in a puppet theater," Prosecutor General Iryna Venediktova said on Facebook. However, in recent years

Trukhanov and Galanternik had a falling out, Odesa-based activists and journalists say.

### Charges

Trukhanov and Galanternik were charged with illegal acquisition of land plots, causing Hr 533 million (\$20 million) in losses to the municipal budget.

Specifically, they were charged as part of embezzlement cases concerning the purchase of Odesa's Krayan factory building and the Zastava military airfield, the unlawful acquisition of land belonging to the Shkilny airfield and the unlawful allocation of land to Greenwood, a firm allegedly controlled by Galanternik, according to the Slovo i Dilo online newspaper.

The NABU also charged another 14 people in the case. These include Oleh Zhuchenko, former chief prosecutor of Odesa Oblast; Oleksiy Spektor, head of Odesa City Hall's municipal property department; Inna Popovska, head of the city government's legal department,

and Vasyl Shkryabai, a member of the city council from Trukhanov's party.

### Krayan case

In 2018 the NABU brought its first charges against Trukhanov in the Krayan case. He was accused of organizing a city council vote to buy the old Krayan factory building for Hr 185 million (\$7 million) in September 2016, after it had been purchased at the beginning of the year by another firm for only Hr 4 million (\$150,000), suggesting the deal was a scheme to embezzle money from the city.

In 2019 Odesa's Malinovsky District Court acquitted Trukhanov in the Krayan embezzlement case. Local anti-corruption activists lambasted the court ruling as a political bargain aimed at whitewashing Trukhanov. They argue that the Odesa court was biased in his favor.

The High Anti-Corruption Court's appeal chamber overturned Trukhanov's acquittal in February 2021. Now the case is being considered again by the High Anti-Corruption Court, which may result in either a conviction or acquittal.

### Other cases

Trukhanov has also been charged and tried for failing to declare the property of his common-law wife Tetiana Koltunova. However, the case was closed in 2020 due to a controversial Constitutional Court ruling that effectively destroyed Ukraine's asset declaration system.

Trukhanov, then head of ex-President Viktor Yanukovich's Party of Regions' faction on the Odesa City Council, is also under investigation by the NABU for allegedly unlawfully selling Odesa International Airport in 2011.

Moreover, the Odesa mayor is being investigated for allegedly embezzling funds by inflating the price of road repairs and channeling the proceeds to offshore firms, a NABU source who was not authorized to speak to the press told the Kyiv Post.

Trukhanov has also concealed his Russian citizenship, which was confirmed by a Ukrainian court in 2019.

## TOP 10 KYIV POST exclusives online this week

Editor's Note: Most of the Kyiv Post's journalism is published online. Subscribe today at the low rate of \$45 annually for access to all articles, photos, videos, the PDF editions of the weekly printed newspaper and our complete archives dating to 1995.

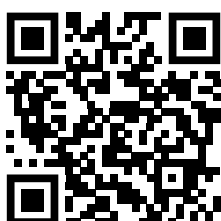


1. Ex-President Saakashvili arrested in Georgia (VIDEO)
2. OCCRP: Pandora Papers reveal offshore holdings of Zelensky and his inner circle
3. Slidstvo.info: Journalists confirm Zelensky's \$40 million tie with Kolomoisky (English-language video)
4. Gazprom halts gas transit to Hungary via Ukraine
5. Pentagon orders 6 more Mark VI patrol boats for Ukraine
6. Police arrest hacker who caused \$150 million damage to firms in US, Europe
7. Razumkov will likely be ousted for his disputes with Zelensky
8. One Ukrainian soldier killed, another injured after heavy shelling in Donbas
9. Suspicious deaths around Azov fighter remain uninvestigated
10. Zelensky seeks \$25 billion to rearm Ukraine's military

Subscribe! \$45 per year

### Online benefits include:

- Unlimited access to all exclusive Kyiv Post stories online
- Continuously updated feed of news stories, analysis, multimedia, opinions and more
- Archives dating back to 1997



www.kyivpost.com

Read the Aug. 17, 2018 Kyiv Post classic 'Odesa Mob Rule: Leaders in Black Sea port have unchecked powers' online



EDITORIALS

# Pandora's box

The offshore schemes of the wealthy are like a many-headed beast that wraps around the world. Every few years, when there's another leak, we're reminded of just how hard it is to kill.

The latest leak, poetically called Pandora Papers, exposed 400 leaders who use these schemes. Ukraine has the dubious distinction of being the home of 38 of them – more than any other country.

We already know that our powerful people like taking money and parking it overseas. But why are we in the lead? Are our people just that much worse at covering their trail? There are much bigger, more sophisticated kleptocracies out there, where every other dollar gets siphoned into some island bank, before becoming a piece of London real estate.

Either way, one of our 38 is none other than President Volodymyr Zelensky, the man who said he would end these schemes and Ukraine's domination by oligarchs. Instead, he followed their example, even before he entered politics.

If Zelensky had any integrity remaining after his first two years in office, the Pandora Papers are diminishing it. How bittersweet the news must have read to former President Petro Poroshenko, who lost his re-election after being exposed for doing the same thing.

But, as the number 38 shows us, it's not just Poroshenko and Zelensky. Oliver Bullough's excellent book Moneyland shows us that the powerful are adept at exploiting loopholes and ambiguities across dozens of jurisdictions to get away with tax evasion and money laundering on a grand scale.

Our failure to stop them is the fault of both Ukraine and every other country in the world. As offshore schemes evolved, every country has failed to evolve with them, and failed to do enough to slow them down. In fact, many jurisdictions have deliberately adopted trust laws that guarantee excessive secrecy and ask too few questions about the origins of the money simply to attract these lucrative investments. Tax collectors have no idea if the wealthy are paying taxes if they don't even know the money exists, where it can be found and to whom it belongs.

A consortium of hundreds of journalists around the world are doing their best to try to help expose these schemes to maintain the glimmer of hope that they can be at least partially reined in.

Ukraine must do more to prevent these schemes, from both ends. First, it must find ways to make it harder for Ukrainians to siphon money overseas. But it must also shut down the rapacious courts and raiders that drive some businesses to seek offshore sanctuaries. The glaring lack of rule of law and protection of property rights and safety from raider attacks – endemic in Ukraine's 30-year history – makes offshoring a normal business practice for the political elite and the rich.

But the other countries of the world must also do more to make it harder to squirrel money away in havens like the British Virgin Islands, Cyprus, Belize and many others.

This monster cannot be slain. It can only be driven into the sea. And we must always watch the waves for its return.

# Babyn Yar's legacy

This week Ukraine has been holding official 80th anniversary commemorations for the victims of the Nazi crimes against humanity at Babyn Yar in Kyiv which primarily targeted Jews. The presidents of Israel and Germany also took part in these solemn events.

It is heartening that a place associated with such an atrocious and massive hate crime has become a symbol of reconciliation, hope and cooperation.

We remember not only the victims, but all those brave individuals who during the dark Soviet era, when the truth about Babyn Yar was kept concealed or was distorted, revealed the truth. They include, among others, Mykola Bazhan, Yevgenii Yevtushenko, Ivan Dziuba, Viktor Nekrasov and Anatoly Kuznetsov, the author of the documentary novel "Babyn Yar."

It was they who called for honesty in dealing with the past as the basis for building a better future based on understanding and trust. And in Ukraine, with its complex history and diverse population, this was critical.

Speaking at the first big unofficial meeting in Babyn Yar in 1966, the Ukrainian literary critic and dissident, Ivan Dziuba, addressed the assembled as "my brothers in humanity." Babyn Yar, he stressed, "is our common tragedy, a tragedy first of all of the Jewish and Ukrainian people."

Instilling the values of tolerance and inclusion were crucial in building a modern democratic Ukraine, and the Babyn Yar lesson had a significant role.

But however important this tragic symbol remains, it signifies only the tip of the iceberg of what needs to be remembered and addressed.

The Nazi massacres of civilians in many other places in Ukraine, such as Koriukivka, Chernihiv Oblast, where 6,700 people were killed, should not be allowed to overshadow the horrific crimes of the Soviet terror apparatus.

Marked and unmarked graves of the untold number of Ukraine's inhabitants who were murdered by the Cheka, NKVD and KGB, whether by execution, hunger or other forms of torture, are everywhere. Near to Babyn Yar is the Bykivnia memorial site where thousands of victims of the Stalin terror were dumped in mass graves. Similar sites can be found all across Ukraine.

In independent Ukraine, there was never a process similar to de-Nazification in post-war Germany which would have brought those responsible for the Soviet crimes to account. Hence still differing perceptions of history given that Soviet killers and torturers lived out their lives with impunity and are even regarded as heroes by their offspring.

This is precisely what the current Russian leadership headed by Vladimir Putin thrives on. The distorted historical memory and glorification of Soviet imperialism and autocracy are used to justify not only his authoritarianism but also Russia's aggression against Ukraine, other neighbors and the West.

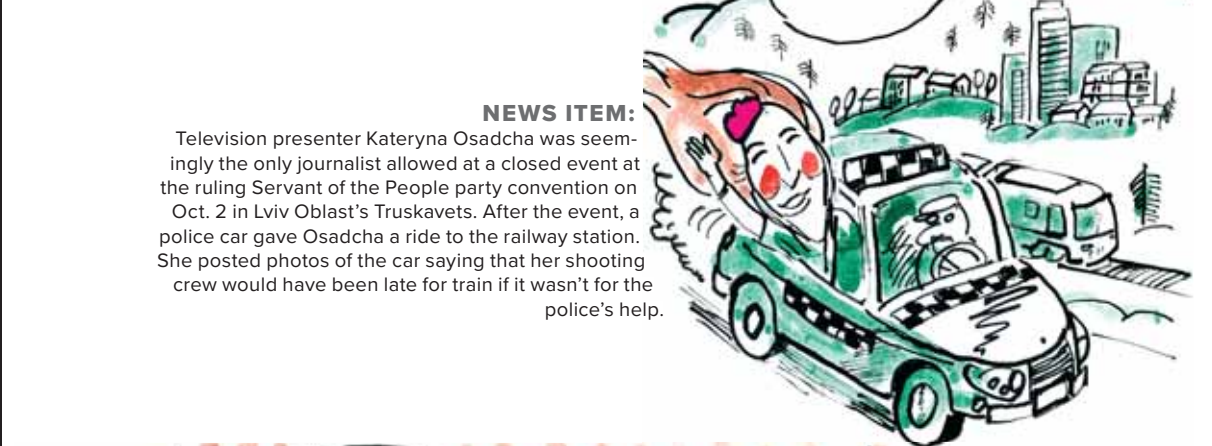
And look at the results in the Russian-occupied territories in eastern Ukraine and Crimea – killings, torture, imprisonment and ethnic cleansing. All this 80 years after the Nazi terror in Babyn Yar, when many began to believe that such horrific violations of human rights would never be seen again in Europe.

But, as we remember, we must continue to keep our guard and draw lessons.



NEWS ITEM:

The International Consortium of Investigative Journalists on Oct. 3 published the Pandora Papers investigation, revealing the offshore holdings linked to President Volodymyr Zelensky, his top aide Serhiy Shefir and Security Service of Ukraine chief Ivan Bakanov. Zelensky won the 2019 presidential election by running on an anti-corruption platform and taunting his opponent, then-President Petro Poroshenko, for owning offshore companies.



NEWS ITEM:

Television presenter Kateryna Osadcha was seemingly the only journalist allowed at a closed event at the ruling Servant of the People party convention on Oct. 2 in Lviv Oblast's Truskavets. After the event, a police car gave Osadcha a ride to the railway station. She posted photos of the car saying that her shooting crew would have been late for train if it wasn't for the police's help.



NEWS ITEM:

The ruling Servant of the People party presented "Oscar" awards to its members during the convention in Truskavets in early October. Some of the nominations were "Responsibility of the year" and "European integrator of the year." The party also jokingly awarded lawmakers for sleeping during a parliament session, making sexist comments and other debacles.



NEWS ITEM:

Speaker Dmytro Razumkov was fired by parliament on Oct. 7. Most votes came from the governing Servant of the People faction which the former speaker led during the 2019 parliament elections. Prior to his ousting, Razumkov was deleted from party chats on social media and wasn't invited to the party convention in Truskavets.

See these features online at [Kyivpost.com](http://Kyivpost.com)

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



Friend

**Jane Francis, the head of the British Antarctic Survey**  
Francis and the British Antarctic Survey gave Ukrainian science a shot in the arm by providing an Antarctic research station and a polar exploration ship to Ukraine for giveaway prices.



Foe

**Alexander Novak, Russia's deputy prime minister**  
Novak personifies Russia's tuggish attempt to blackmail Europe into certifying Nord Stream 2 by withholding natural gas so that prices soar.

### 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](mailto:bonner@kyivpost.com). All correspondence must include an email address and contact phone number for verification.



# Ukraine leads with 38 politicians using offshores in global leak

By Oleg Sukhov  
sukhov@kyivpost.com

Ukraine has the highest number of politicians named so far in the Pandora Papers, a giant investigation of leaked offshore data.

The investigation consists of 11.9 million leaked documents with 2.9 terabytes of data that the International Consortium of Investigative Journalists (ICIJ) started publishing on Oct. 3.

Ukraine tops the list with 38 people, while Russia has 19, Honduras and the United Arab Emirates have 11 each, and Nigeria has 10.

The revelations attest to the widespread use of offshore schemes, and in this case, most notably so far, by Ukrainian powerbrokers and businesspeople.

The reliance on offshore havens by wealthy Ukrainians partially stems from the desire to protect businesses from corporate raiders and corrupt officials in a country that still has no genuine rule of law.

However, offshore schemes are also often used by politicians, officials and oligarchs to hide ill-gotten wealth and evade taxes.

During the 2019 presidential election campaign, then-candidate Volodymyr Zelensky attacked his rival, then President Petro Poroshenko, for using offshore schemes.

But the Pandora leak has turned the tables on Zelensky himself, showing that he and his inner circle have owned a network of offshore companies which they failed to declare.

Vitaly Tytych, a lawyer and ex-head of judicial watchdog Public Integrity Council, told the Kyiv Post there is nothing illegal in offshore firms per se. However, it is the job of law enforcement to check whether crimes were committed in each specific offshore scheme.

"Investigators should determine this," Tytych said.

## Déjà vu

Before Zelensky, Poroshenko was hit with an offshore scandal during the analogous Panama Papers leak in 2016.

In 2014, Poroshenko set up an



offshore firm in the British Virgin Islands, according to the Panama Papers.

The failure by Poroshenko to declare the offshore company raised questions about what he might have been trying to hide and whether tax evasion was involved.

He denied the accusations of wrongdoing.

After the leak, Poroshenko claimed he set up the firm to transfer his assets to a blind trust — an arrangement that allegedly let Rothschild Trust manage his assets without his involvement while he was president. But Poroshenko's critics argued that the trust was not actually "blind," and he could influence decisions about his assets through his proxies.

Zelensky's offshore debacle is in many ways reminiscent of Poroshenko's offshore scandal in 2016.

Ironically, some of those who criticized Poroshenko's offshore firms defended Zelensky's behavior, and the other way around.

Zelensky's public image has been tarnished because during the election campaign he presented his political style as the antithesis of Poroshenko's secret under-the-table dealings.

## Post-annexation business

The Pandora Papers reveal that offshore schemes can also be used to hide assets in Ukraine's Crimea, which was occupied by Russia in 2014.

Oleksandr Gerega, a businessperson and lawmaker from the For the Future faction, and his wife Halyna Gerega owned five Cypriot offshore companies in 2015–2019. One of them, Edlagor Enterprises Limited, owns the Novatsentr K hypermarket chain in Crimea.

Novatsentr K is the largest taxpayer in Sevastopol in the Russian-annexed peninsula.

Gerega has failed to include the offshore companies in his asset declarations.

He claimed he lost control of his Crimean assets after the occupation.

Gerega is one of Ukraine's wealthiest people. He and his wife have a net worth of \$1.7 billion.

Gerega was a member of ousted ex-President Viktor Yanukovich's Party of Regions and voted for the so-called "dictatorial laws," which cracked down on civil liberties in January 2014 during the EuroMaidan Revolution.

## Akhmetov's jet

Offshore companies, it appears, are also a way to conceal luxury jets.

In 2015 a British Virgin Islands-based offshore company owned by Roman Bugayev, a board member at Akhmetov's SCM group, got a

Credit Suisse loan to buy a Falcon 7X jet, according to the Pandora Papers. Such jets are worth around \$50 million on the market.

The company was investigated by financial regulators in the British Virgin Islands, according to the Slidstvo.info investigative journalism project. SCM denied such an investigation took place.

Akhmetov has regularly used a Falcon 7X jet to fly between Ukraine and Europe.

Trident Trust, the company that helped Akhmetov set up the offshore firm, also worked with Paul Manafort, an ex-campaign manager for former U.S. President Donald Trump. Manafort was convicted in 2018 on fraud charges.

U.S. media have reported that Akhmetov introduced Manafort to Yanukovich before the U.S. lobbyist became a consultant for the former president.

## High-end apartments

The Pandora leak shows that Ukrainian officials and businesspeople routinely buy high-end real estate in London.

After Borys Lozhkin became Poroshenko's chief of staff in 2014, his daughter Anastasia bought a

\$4.6 million apartment in downtown London.

The apartment is located centrally next to University College London, where Anastasia studied.

To buy the property, she got a loan from a British Virgin Islands-based offshore firm owned by Lozhkin.

Lozhkin has confirmed the report, saying that his daughter expects to repay the loan within 10 years.

"She chose the apartment herself — the price is not high for downtown London," Lozhkin told Slidstvo.info.

He did not include the offshore firm and the loan in his asset declarations. Lozhkin argued that, as of 2014, the law did not require him to declare such assets.

Among other Ukrainian businesspeople and politicians known to own luxury real estate in London are Gennady Bogolyubov, a partner of tycoon Ihor Kolomoisky and former co-owner of PrivatBank, businessperson Alexander Yaroslavsky, the daughter of ex-lawmaker Serhiy Kivalov and Ihor Voronin, a partner of oligarch Dmytro Firtash.

## Putin's cronies

The Pandora Papers also added new details about the offshore empire owned by Russian president Vladimir Putin's cronies.

The daughter of Sergei Chemezov, a close ally of Putin and head of state conglomerate Rostech, has an offshore company called Trident Trust that owns an 85-meter luxury yacht worth about \$140 million.

The 2016 Panama Papers leak revealed that Chemezov's son Stanislav owned an offshore company that was benefiting from the construction of a \$550 million fiber-optic highway by Rostech.

In 2019, the Organized Crime and Corruption Reporting Project, a Kyiv Post partner, published a report that Chemezov's relatives and associates own luxury villas in the Spanish resort of S'Agaro. ☺

## Where Politicians Are Named in the Pandora Papers

Countries with the most politicians included in the Pandora Papers release



Source: ICIJ



statista

IN PARTNERSHIP WITH

# World in Ukraine: Azerbaijan

Coming in the October 15  
edition of the Kyiv Post

To advertise, contact us at +38 044 591 77 88 or advertising@kyivpost.com



# World in Ukraine: Germany

In partnership with **GOLAW**



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

To sponsor this news feature, please contact the Kyiv Post's sales team at [advertising@kyivpost.com](mailto:advertising@kyivpost.com) or call 591-77-88

## Steinmeier visit shines spotlight on Nazi massacre in Koriukivka

By **Oleksiy Sorokin**  
[sorokin@kyivpost.com](mailto:sorokin@kyivpost.com)

**KORIUKIVKA, Ukraine** — This Chernihiv Oblast town got a rare visit from German President Frank-Walter Steinmeier on Oct. 6. Unfortunately, the event that brought Steinmeier to Koriukivka, home to 12,500 people located 290 kilometers northeast of Kyiv, was grim.

In March 1943, German-Hungarian troops, assisted by local collaborators, murdered over 6,700 local residents and burned Koriukivka to the ground, a horrendous war crime that still haunts the town today.

"It's the deadliest reprisal raid during World War II," Andriy Naymenko, acting head of the local museum, told the Kyiv Post. "The event is largely unknown to the wider public."

Steinmeier's visit to this place of thick woods and deep swamps was meant to raise the visibility of Nazi crimes. A German-funded project is set to shed light on the largely forgotten massacre.

The joint German-Ukrainian-Hungarian project will document the testimonies of witnesses and their family members, dig deep into the archives and publish documents to better explain what happened over 78 years ago.

Koriukivka is expected to receive a new memorial site, something that the town has long desired.

"It's crucial to remember what happened, we are trying to fill in the blind spots and we should work together," Steinmeier told local high school students gathered for a 40-minute discussion with the president.

### Massacre memories

Retiree Halyna Popova, 84, has



German President Frank-Walter Steinmeier and German Ambassador to Ukraine Anka Feldhusen walk past the Koriukivka World War II memorial on Oct. 6, 2021 in Koriukivka, a town of 12,500 people 290 kilometers northeast of Kyiv.

horrific scenes from the massacre engraved in her memory. Popova was only five when, on March 2, 1943, additional German troops began entering the city. A day earlier, German and Hungarian troops began executing residents in the main restaurant near the city center.

"We lived on the far side of Koriukivka, and my mom was walking across the town to the library where she worked," Popova recalled. "She saw military trucks entering the city, she knew that something was about to happen."

Popova's grandparents lived on the same street bearing the name of famous Ukrainian poet Taras Shevchenko.

Popova recalled that her grand-

parents didn't want to leave their house, citing age and the need to look after cattle. Popova's mom rushed back to the house hiding Halyna and her three siblings in the snow behind the barn. Popova recalled that many residents didn't leave the town and stayed put even after the first executions occurred.

Popova said that she saw her elderly neighbors being shot by Nazis and their allies. Her grandparents also perished. After executing civilians, the perpetrators began setting houses on fire.

According to Popova, their hide-out was uncovered by a Nazi collaborator who spoke Russian, yet he allowed Halyna, her siblings and her mom to flee. Halyna and her family found refuge in a neighbor's basement where dozens of people were crammed, fearing for their lives.

The Nazis "saw that there were people in the basement, but everything around was on fire, so they didn't risk approaching," Popova said. "We sat there till sundown lacking fresh air to breathe, when we left the basement, the whole town was gone."

Naymenko said that since most houses had hay rooftops, the fire quickly destroyed the town. "Only about 10 buildings withstood the fire," he said.

According to Naymenko, the massacre was conducted by Hungarian troops stationed in Koriukivka under the command of Zoltan Algya-Pap. They were assisted by Nazi German

troops from nearby Snovsk and collaborators drawn from war prisoners. Historians agree that the massacre was committed as a reprisal for a guerrilla raid on a local prison in which many German soldiers were killed.

"In late February guerrilla fighters attacked a prison to free their relatives, the German garrison together with the local police was partially destroyed," Naymenko said.

In 1947, 13 Hungarians and three Germans were prosecuted in Chernihiv, among them was Algya-Pap and Bruno Frantz Bayer, the German military commander who oversaw the massacre.

"They were all sentenced to 25 years in prison," Naymenko said. "In 1955, Algya-Pap was handed over to Hungary where he was eventually released. He lived a long life, later becoming a Catholic priest."

### Poster town

Despite its horrendous past, Koriukivka is presentable today. Over the past three years, the town saw substantial investments from the Ukrainian government.

President Volodymyr Zelensky's road construction project has reached Chernihiv Oblast, tying Koriukivka to the provincial capital with fresh asphalt. The town itself has new roads with clean sidewalks and bike lanes that are packed with people traveling through the city.

The city's main school was renovated for \$3 million, adding a

new façade, modern classrooms and bicycle parking spots.

Today, only an old Soviet monument honoring "the sacrifice of Koriukivka residents in 1941–1943" hints that the town was a site of massive casualties during World War II.

The city was ready to welcome the German delegation, which also included German Ambassador to Ukraine Anka Feldhusen, journalists and historians involved in the historiographic project about the Koriukivka massacre.

"This is the most significant visit to Koriukivka since Ukrainian independence," said Mayor Ratan Akhmedov.

### Finding truth

Germany has invested time and money in finding the truth about Koriukivka.

"I think there's a lack of understanding of the extent of man's crimes committed then, especially in Ukraine, and we need to bring memory to those events," said professor Tanja Penter, who was part of the German delegation.

Olena Lysenko, a member of the National Academy of Sciences of Ukraine, said that the tragedy was deliberately muted by the Soviet Union. In her opinion, it was because of the role of Ukrainian guerrilla fighters, known as partisans. "The victims aren't properly commemorated, because there were never any concrete studies about this event due to the tabooing of this topic during the Soviet times," Lysenko said.

Naymenko agreed, saying that guerrilla fighters under the command of Major-General Oleksiy Fedorov outnumbered German-Hungarian forces in Koriukivka and could have prevented the massacre. But "they were preparing for their Volyn raid and didn't want to spend ammunition," he said.

According to Lysenko, historians want to gather all existing evidence of those events and publish a concrete account of what happened.

Today, only a quarter of those killed in the massacre are identified, with more than 5,000 victims lacking proper burials.

The project is set to be finished in December 2022. Local authorities have been vocal in their desire to see a memorial dedicated to the event that shaped the town's history.

The Germans are eager to assist.

"The president wanted to focus our attention to the forgotten places where Nazis committed crimes to make sure that these atrocities will never happen again," Feldhusen said. ☺



Halyna Popova, 84, holds her birth certificate issued in 1937. Popova is an eyewitness of the Koriukivka massacre and survived after her mother hid her in the snow behind the barn.





Armin Laschet, German Christian Democratic Union party leader, opens a green hydrogen plant run by oil giant Royal Dutch Shell in Wesseling, Germany, on July 2, 2021. Ukraine could receive funding for similar hydrogen electrolyzers from over \$175 million Green Fund set up by Germany and the U.S. after their July 21 joint statement allowing Nord Stream 2 pipeline to be built.

# After Nord Stream 2 promises, German fund lies dormant

By Max Hunder  
hunder@kyivpost.com

In late July, the world understood that the Nord Stream 2 pipeline was a fait accompli.

A joint statement between the German and U.S. governments condoned the project's construction, putting an end to years of the West's diplomatic pressure against the \$11 billion, 1,230-kilometer line.

The pipeline will double the existing Nord Stream route's capacity to 110 billion cubic meters a year, jeopardizing Ukraine's status as a gas transit country.

Natural gas transit is one of the few points of political leverage Ukraine has against Russia, which sent 55.8 billion cubic meters of the fuel through Ukraine last year while it illegally occupies the Crimean peninsula and controls parts of the eastern Donbas.

The German-U.S. statement promised a Green Fund for Ukraine. While not officially a reparation fund, it was widely regarded as a compensatory measure by the German government for imperiling Ukraine's energy security, as well as its gas transit fees from Russia, which totalled \$2.1 billion last year.

However, nearly three months after the announcement, there has been no movement on the fund.

"Because of (September's German federal) election, the talks were postponed on the German side," explained Alex Riabchyn, former deputy minister of energy and current advisor to the CEO of Naftogaz, Ukraine's state-owned gas company.

## Unilateral decision

The July joint statement promised an investment of "at least \$1 billion" into Ukraine's clean energy sector, but with the caveat that most of the money would come from private investors.

"Germany will make an initial contribution of at least \$175 million to the fund. The federal government will also aim to mobilize further funding by other states, companies and foundations," a spokesperson from the German embassy told the Kyiv Post.

Riabchyn expressed Ukraine's disappointment.

"We're losing \$2 billion annually and you're promising us \$1 billion, of which you're only putting up \$175 million? This is not how things are done."

According to Riabchyn, who also was previously an advisor to the Deputy Prime Minister for Euro-Atlantic Integration, Olha Stefanyshyna, the Green Fund is a copy of earlier plans discussed by Stefanyshyna's office with the European Union.

Previously, the Ukrainian side had lobbied for the creation of a jointly financed fund of \$20–30 billion to pay for upgrades to Ukraine's energy efficiency and its transition to net-zero CO<sub>2</sub> production.

"For us it was a real surprise when we were reading this statement that it would be a Green Fund not from Brussels, but from Berlin, and with one billion instead of 20 or 30. Nobody discussed it with us, it was a unilateral decision," Riabchyn said.

## Potential investments

The German embassy said that "hydrogen should be one of the focus areas of the fund. Since hydrogen production requires a further promotion of renewable energies, renewable energies should also be a priority."

While Ukraine needs fresh investment into green energy, the German fund will need to surmount the massive skepticism that investors currently have for Ukrainian renewables.

Green energy investors in Ukraine are currently owed more than \$700


million by the state. The European Bank for Reconstruction and Development said in July 2020 that it was "seriously concerned" about the situation in Ukraine's renewable energy sector.

According to Yuriy Kubrushko, CEO of energy consultancy Imepower, the fund can go some way to protecting green investments. "Germany, the U.S. and other countries can help a lot by providing additional guarantees, risk insurance or mobilizing bank financing," he told the Kyiv Post.

Still, the already existing green energy infrastructure leaves somewhat open the option of hydrogen: In August, Naftogaz and German energy company RWE signed a memorandum of cooperation on the production of green hydrogen (which is produced using renewable energy sources), with a view to make Ukraine an exporter of green hydrogen to Europe.

However, according to S&P Global analytics, green hydrogen costs need to fall "over 50% to be viable," and this likely won't be a profitable energy solution until at least 2030. Meanwhile, Ukraine's current \$7 billion gas transit contract with Gazprom ends in 2024, and there is no guarantee that another will be signed.

The Green Fund for Ukraine simply won't be big enough to provide more than minimal coverage of the transition costs. For its domestic hydrogen projects, Germany has announced a fund of \$9 billion of government money and a further \$38 billion of private investment. Germany has also earmarked \$400 million for hydrogen investments abroad, more than double its contribution to the Green Fund for Ukraine.

"I don't think it's reasonable to fund hydrogen infrastructure though the fund as it is not enough at all," Riabchyn said. 

## BUSINESS ADVISER

Advertisement

### Mechanisms for protection of investors' rights in Ukraine



Kateryna Manoylenko,  
Partner, Head of Litigation and  
Dispute Resolution practice,  
Attorney at law

A healthy business climate is the key to attract foreign investments to the country. The guarantees of protection of investors' rights is an important component of the country's investment attractiveness.

The provisions of the Law of Ukraine "On the foreign investment environment" stipulate that Ukraine guarantees the protection of foreign investments. At the same time, according to the United Nations Conference on Trade and Development (UNCTAD), Ukraine is among the leaders as the respondent-state in international investment arbitrations.

We propose the following ways in which investors can protect their violated rights and discuss the effectiveness of such mechanisms.

#### National Courts

Investors' rights protection is predominantly associated with arbitration. However, international arbitration, including investment arbitration, is an alternative method of dispute resolution.

According to Ukrainian law, as well as bilateral investment treaties (BIT), an investor has the right to apply to the national courts of Ukraine in order to protect their rights when they have been infringed. For instance, the BITs concluded between Ukraine and Argentina, Greece, India, Portugal, the USA, etc. provide for such a right.

It should be noted that an investor can lodge a claim with Ukrainian courts both against the state, as represented by public authorities, and against private individuals.

However, as a matter of practice, investors have a low level of confidence in national courts. According to the Investment Attractiveness Index for the first half of 2021, prepared by the European Business Association (EBA), 90% of the investors surveyed consider the judicial system in Ukraine to be inadequate. The level of confidence is especially reduced when the state acts as a party to a dispute in the national court. That is why many investors prefer arbitration to resolve a dispute.



Anastasiia Klian,  
Associate, Attorney at law

#### Pre-arbitration and amicable settlement

When the state violates the investor's rights, the latter is entitled to apply to the arbitration for dispute resolution. As a rule, the BITs signed by Ukraine oblige the investor to go through the pre-arbitration dispute settlement procedure by sending a written investment claim (notification of intention to commence the arbitration proceedings) to the state represented by the Ministry of Justice of Ukraine. The requirements for such claims vary depending on the BIT under which the document is sent. For this purpose, the filing of such a document does not require payment.

On the one hand, an investment claim is a prerequisite for initiating the arbitration proceedings; on the other hand, it is an opportunity to start negotiations with the state and a chance for an amicable settlement.

Frequently, the period for considering an investment claim ranges between 3-6 months. It is assumed that during this time, the parties can reach a compromise and avoid the arbitration itself. However, states are reluctant to conclude amicable agreements at this stage. Investment arbitration is expensive and not all investors can afford it. Also, statistically, the majority of investment arbitration disputes are resolved in favour of the state.

The state can afford to disagree with the requirements set out in the investment claim, hoping that investors will not go through with the arbitration in the future and incur significant costs.

It should be noted that Ukraine has a positive experience in considering investment claims, which ended in amicable settlement of the dispute. For example, on January 25, 2017, the Cabinet of Ministers of Ukraine approved the Amicable Agreement between Ukraine and Gilead Science, Inc. In this situation, the violation of the investor's rights was triggered by the illegal actions of the Ministry of Health of Ukraine, which registered a drug containing a unique active ingredient. At the same time, the investor had exclusive rights to supply drugs containing such a component to Ukraine for five years.

Another interesting example of an amicable dispute settlement is the agreement between Ukraine and Philip Morris companies, approved by the Cabinet of Ministers of Ukraine on December 5, 2018. Philip Morris did not agree with the tax decisions, which determined the monetary obligations in the total amount of UAH 635.3 million. The company perceived such actions of the State Fiscal Service of Ukraine as pressure. It is noteworthy that at the time of signing the agreement, the litigation on challenging the tax notifications-decisions was already underway. However, the case was closed shortly after the signing of the amicable agreement.

#### Arbitration proceedings

The international investment arbitration laid a foundation on March 18, 1965, the date when the Convention on the Settlement of Investment Disputes between States and Nationals of Other States, better known as the Washington Convention was signed. This Convention established the International Centre for Settlement of Investment Disputes (ICSID).

Ukraine became a party to the Washington Convention in 2000. Additionally, our country has also been a party to the Energy Charter Treaty since 1998, as well as a party to many BITs.

Relating to the arbitration proceeding itself, the BIT usually provides several options for the claimant. Thus, the overwhelming majority of Ukrainian BITs send claimants to the ICSID or to an ad hoc arbitration in accordance with the UNCITRAL Arbitration Rules. This is evidenced by the BITs, concluded between Ukraine and Spain, Serbia, USA, Finland, etc. The BIT between Ukraine and the Russian Federation allows dispute resolution in the Arbitration Institute of the Stockholm Chamber of Commerce (SCC).

It should be noted that the investment arbitration is an expensive and sometimes very time-consuming process. At the same time, Ukraine is among the leading states against which arbitration proceedings are initiated. One of the latest high-impact cases is an arbitration dispute initiated by Motor Sich JSC and considered by an ad hoc arbitration court.

#### Conclusion

The mechanisms for the protection of investors' rights in Ukraine are in line with international practice. The choice of a specific mechanism for protecting one's rights depends on the circumstances of the dispute, financial capabilities and the investor's personal discretion.

+380 44 581 1220  
info@golaw.ua  
19B Instytutska St., Office 29  
Ukraine, 01021, Kyiv  
www.golaw.ua

GOLAW





# Anka Feldhusen understands why Ukraine is disappointed

By **Brian Bonner**  
bonner@kyivpost.com

**A**nka Feldhusen, Germany's Ukrainian-speaking ambassador in Kyiv who first came to the country in 1994, is well aware of the current disappointment in Ukraine with Germany.

The two big reasons are clear. First, Germany pushed ahead with the \$11 billion, 1,230-kilometer Nord Stream 2 pipeline that — coupled with the existing line — doubles to 110 billion cubic meters the amount of natural gas that Russia can annually send directly to Germany via the Baltic Sea route. Even before the pipeline has become operational, it's clear that critics of the project have valid points: The Kremlin is using its stranglehold over European energy supplies to restrict gas exports and

reduce the amount sent through Ukraine's land-based pipelines, historically the main gas transit route from Russia to Europe.

The consequences are record-high gas prices as winter is approaching, leading Russia's Gazprom to pressure Europe to quickly certify Nord Stream 2 for operations.

Russian President Vladimir Putin, by deriding Ukraine's gas transit pipelines as inefficient and polluting, has clearly signaled little interest in sending gas through Ukraine after the current agreement expires at the end of 2024.

Meanwhile, Kremlin-friendly governments, like the one led by Hungarian autocrat Viktor Orban, are signing long-term contracts to receive Russian gas that also bypasses Ukraine entirely, through such pipelines as TurkStream.

Perhaps most crippling of all, Germany's support of the Nord



Volodymyr Petrov

Germany's Ambassador to Ukraine Anka Feldhusen speaks with the Kyiv Post from the German Embassy in Kyiv ahead of Unity Day, the Oct. 3 holiday celebrating the 1990 reunification of Germany.



**Germany at a glance**

Government type: **federal parliamentary republic**

**President:**  
Frank-Walter Steinmeier

**Federal Chancellor:**  
Angela Merkel

**GDP, PPP:**  
\$3.8 trillion (2020)

**GDP per capita, PPP:**  
\$45,730 (2020)

**Population:**  
82.9 million

**Total area:**  
357,386 square kilometers

World Bank's Doing Business Ranking: 22

Credit ratings:  
S&P — AAA/A-1+ (stable), Fitch — AAA (stable), Moody's — Aaa (stable)

Main economic sectors:  
automotive, mechanical engineering, chemical, pharmaceuticals, banking, tourism, optics, textile

**Trade: \$7.2 billion (2020)**

Exports from Ukraine to Germany:  
seeds, medicinal plants, textile, wood and furniture, ores, ferrous metals, grain.  
\$ 2.1 billion

Imports to Ukraine from Germany:  
Cars, pharmaceuticals, plastics, chemicals, optical devices, paper and cardboard, food products.  
\$ 5.1 billion.

Germany foreign direct investments:  
**\$ 2.3 billion**

Sources: World Bank, International Monetary Fund, Ukraine Embassy to Germany, State Statistics Service of Ukraine

Stream 2 pipeline has likely destroyed the possibility of meaningful Western sanctions against the Kremlin to get Putin to call off his eight-year war against Ukraine, which has left the nation bloodied and dismembered — with Russia in control of 7% of Ukraine's territory. Wounding Kyiv's feelings even more was U.S. President Joe Biden's refusal to sanction the Nord Stream 2 parent company or its CEO — seen by many in Kyiv as America choosing Germany over Ukraine.

**Kremlin intransigence**  
That leads to a second major grievance against Berlin: The passivity and uselessness, to date anyway, of the Normandy Four peace talks, which Germany leads along with France, in attempting to convince the Kremlin to end its war against Ukraine.

In the face of these related and stinging disappointments from the Ukrainian point of view, Feldhusen insisted in a Kyiv Post interview ahead of the Oct. 3 German Unity Day holiday that her nation will always support Ukraine and will never give up trying to get Russia to end its war.

Nothing in the Sept. 26 federal

elections in Germany, she said, will alter her nation's fundamental foreign policy principles.

**Berlin is 'most reliable'**  
"Having lived here for so long, I understand the Ukrainian 'disappointment,'" she said. "Yet Germany has been the most steadfast, most reliable and most sustainable partner of Ukraine since 2014."

Germany has also, among European nations, invested the most in Ukraine's development and, under the leadership of outgoing Chancellor Angela Merkel, has "worked hard to keep" European sanctions, such as they are, against Russia.

Germany is also, Feldhusen said, keenly aware of Russia's unending aggression.

"There's no spring in German-Russian bilateral relations now," she said. "Things haven't gotten any better. I would argue that more and more illusions have been lost with the ongoing war in Ukraine, with the Russian unwillingness to come to any compromise on the Minsk agreements."

The Minsk agreements she referred to came after Ukraine's two biggest battlefield losses, in Ilovaik

in 2014 and again in Debaltsevo in 2015. While the agreements require Russia to withdraw from the eastern Donbas region, the Kremlin falsely insists that it is not prosecuting the war — that the conflict is a domestic Ukrainian one and that it is simply upholding the rights of Russian-language speakers there. To the contrary, the uncontestable facts are that the Kremlin is firmly in control, directing the war, and giving out Russian passports by the hundreds of thousands to residents there.

**Looking ahead**  
On Nord Stream 2, Feldhusen said that "I again understand the Ukrainian disappointment." She acknowledged that "the political scene in Berlin has realized way too late that it has upset partners, not only Ukraine, but European partners."

She said that the certification process to complete Nord Stream 2 should take at least another seven months. She said that Germany will, in any case, remain committed to helping ensure that Ukraine is a transit country for Russian natural gas after its current agreement

→ page 15

## GERMAN QUALITY SERVICE

Security - Facility Management - HR

www.argus.ua    office@argus.ua    +380 (50) 366 46 66    +380 (44) 230 92 77





Oleg Petrasjuk



Tiberiu Dima, the managing director of BASF Ukraine, talks to the Kyiv Post about the multinational's plan to boost Ukraine's agriculture, at the company's office in Kyiv on Sept. 28, 2021.

# German chemical giant BASF wants to boost Ukrainian agriculture

By Asami Terajima  
terajima@kyivpost.com

German BASF, the world's largest chemical producer, is a household name in agriculture, where its pesticides are widely used. Even Ukraine's fertile lands require special care, which explains the company's success here.

Since its arrival in Ukraine in 1992, BASF (Baden Aniline and Soda Factory in German) has been bringing a wide variety of chemicals to Ukraine. Though also present in other industries, BASF's main business in Ukraine revolves around agriculture.

Tiberiu Dima, managing director of BASF Ukraine, believes products such as fungicides and pesticides can help farmers.

If more Ukrainian farmers start using the right chemicals to protect their crops from pests and diseases, a higher yield can be reached and help the country's economy in the end, he told the Kyiv Post.

"Running an agricultural business is always a challenge," the Romanian businessman said.

## Working with farmers

Founded in Germany near the Rhine River in 1865, the 156-year-old multinational company expanded from a small town to the biggest player in the chemical market, with sales worth roughly 60 billion euros in 2020.

Now present in more than 90 countries, BASF wants to strengthen Ukraine's agricultural potential. Known as Europe's breadbasket thanks to its highly fertile black soil, agriculture is one of Ukraine's best performing sectors.

In 2020, the agricultural sector's share of Ukraine exports amounted to 45%, accounting for more than \$22 billion, according to the Ukrainian Agribusiness Club, an association of leading agro-industrial companies in Ukraine.

To understand the needs of agricultural companies, BASF tries new chemical products on Ukrainian soil. The company tests various products to determine which methods work the best, then shares its findings with local farmers.

There are four BASF agro-centers across the country.

"We are making significant efforts to exchange and to get even closer to our customers," Dima said.

## Increasing crop yield

Despite the low use of yield-boosting chemicals, Ukraine is expected to harvest a record-high 80.6 million tons of grain this year, up from 65 million tons in 2020, according to World Grain, an international business magazine for grain industry.

Alex Lissitsa, president of the Ukrainian Agribusiness Club and CEO of Warsaw-listed agricultural company IMC, told the Kyiv Post that Ukrainian farmers need proper crop protection products to grow high yields.

Due to lack of money or knowledge, or simply not having the equipment needed, Ukrainian farmers historically use a lot fewer crop protection products than farmers in other European countries, Lissitsa said.

Ukraine's plant protection market is worth \$900 million in Ukraine, according to Lissitsa, which is a lot less than the German crop protection market, where sales totaled about \$1.5 billion in 2018.

## Looming danger

A large number of outdated pesticides, including glyphosate, threaten the environment in Ukraine, said Mariia Diachuk, an industry expert at Ecoaction, a local environmental conservation organization.

Pesticides can be used as long as farmers know which ones to use and in what quantity, she said. It's equally important to know the

timing, she added. Otherwise, it puts the environment, biodiversity, and human health at risk.

When these agrichemicals are improperly stored or disposed, it can lead to harmful contamination of water bodies, according to multiple studies.

The screening of Ukraine's longest Dnipro River, for example, revealed a very high level of pesticides, particularly ones banned in the European Union since 2004, according to Diachuk.

Improper use of pesticides, in addition to non-compliance with technological requirements, are to be blamed for the loss of Red Book bird species in the natural reserve in Kherson Oblast, and it's still threatening biodiversity in general, she added.

When used properly, however, crop protection products are a lot safer than in the past, according to a study by the European Parliamentary Research Service. They can be used to avoid reduction of yield losses caused by pests, pathogens and weeds.

## Further innovations

Dima wants to bring BASF's latest technology to further boost crop production in Ukraine.

BASF launched a joint venture with German engineering company Bosch in late June to develop smart technologies and improve efficiency in farming.

The new venture, registered under the name BASF Bosch Smart Farming, sells so-called intelligent spraying, which helps farmers avoid excessive use of crop protection products.

The device detects weeds so that chemical spraying can be better targeted. So far, the focus is on the Western market, but Dima said the technology might come to Ukraine as well.

"We plan to continue growing," he said. ☺

BUSINESS ADVISER

Advertisement

## Digitalization is a Key Enabler for economic Growth



Maciej Zielinski  
Siemens Ukraine CEO

Needless to say, the technologies of the Fourth Industrial Revolution are causing disruption in times of global pandemic crises. Corona has just speed up the process and forced companies to transform their business models even faster, than ever before.

Digital technologies make manufacturing more productive, less resource-intensive, and supply chains more resilient. They can also enable the widespread integration of renewable energy, make cities more liveable and our transport more efficient and sustainable.

### Digital Technologies for industrial Companies

What we call Industrie 4.0 enables manufacturers to create a "digital twin" of the entire manufacturing environment – from lab to factory floor, from showroom to service. Manufacturers can design, simulate, and test sophisticated products in the virtual world before making the first physical prototype, or starting actual production.

Software helps optimize every process and every task, whether performed by humans or machines. Once everything works in the virtual world, the results are transferred to the physical world, the machines, and they close the loop by reporting back to the virtual world.

Siemens is active in sectors that form the backbone of the global economy and offer great potential for digital transformation and enhanced sustainability – the major challenges of our time. It has the technologies needed to enable companies and economies to boost their productivity, efficiency, flexibility and sustainability.

The company is rapidly driving its technology portfolio: software and automation solutions and a leading IoT platform, plus core technologies in areas such as artificial intelligence (AI), digital twins, 5G, industrial edge and cybersecurity.

As a recent example, Siemens Ukraine is developing digital applications for Pharma industry. Company helps to embrace digital transformation for Ukraine's Pharma Leader Farmak. Siemens proven electronic batch record solution (an electronic batch recording - eBR) enables completely paperless manufacturing within regulated processes. It supports operational and manufacturing efficiency in both manual and highly automated environments - from the design of the batch record to the release of the batch report. Enabling a more detailed recording of process data, conditions and results, it helps build error-resistant processes that are more robust and less prone to deviations.

### Digital Technologies for sustainable Energy Transition

The energy systems of the future are increasingly decarbonized, distributed, and digitalized. This fundamental transformation is in full swing. Ensuring that the digital transformation succeeds in the energy sector requires decisiveness, flexibility, and intelligent investments in smart digital technology. Investments in innovative technologies today create future-proof power grids characterized by reliability, efficiency, and sustainability.

Last year Siemens Ukraine and NPC Ukrenergo signed a historic contract that aimed to completely renew the entire operational capability of the national energy operator. The Project includes the complete modernization and renewal of the national transmission control system (SCADA) and the National Dispatch Center (NDC).

The implementation of the project is one of the key technical requirements of the Catalogue of Measures for enabling synchronization of Ukraine's energy system with the European Network of Transmission System Operators for Electricity, ENTSO-E. The integration of the UES of Ukraine with ENTSO-E is a strategic goal of Ukrenergo and an important component of Ukraine's energy security provided by the Association Agreement between Ukraine and the EU.

SCADA will control active power flows within the system, optimize transmission losses in the network, automate generation dispatching, maintain switchover formats at the power system level meeting the requirements of ENTSO-E. The system will also exchange information with the software package of the new electricity balancing market.

Siemens Ukraine  
Yaroslavska str. 58  
04071 Kyiv, Ukraine



# Russian-sponsored Babyn Yar memorial faces tough criticism

By Artur Kornienko  
kornienko@kyivpost.com

While the presidents of Ukraine, Israel and Germany participated in the official Oct. 6 commemoration ceremony for the victims of Babyn Yar in Kyiv, many in the public were perplexed: Why is this event co-organized by a private institution with Russian sponsors?

The answer may be simple: It has the energy of \$100 million in promised investment.

Money helped the project attract world-class artists to create high-tech commemorative art pieces at the site where there used to be only a few scattered old monuments. This won the support of President Volodymyr Zelensky's government, eager to mark the 80th anniversary of the tragedy on the highest level.

"There were many statements, many promises, presentations, concepts, and in total — many years without a decent memorial complex in this place. I am happy that after so many arguments, obstacles, different 'buts' we finally started moving," Zelensky said at the ceremony.

But critics believe that the most important stakeholder was ignored in this arrangement — the Ukrainian public. Many Ukrainians, including Jews, don't want a private organization co-sponsored by Russian oligarchs to be responsible for how Ukraine remembers the largest Holocaust massacre on its territory.

"A private project that doesn't have transparent procedures and doesn't include the public should not monopolize such a sensitive subject for all Ukrainian society," Ivan Kozlenko, the project's vocal critic and former CEO of Ukraine's Dovzhenko Center film institute, told the Kyiv Post.

## Memory politics

There are many issues to consider: How will the project shape the public understanding of alleged Ukrainian collaborationism that helped the German forces gun down 33,771 Jews in the Babyn Yar ravine on Sept. 29–30 in 1941?

Or how inclusive will it be in memorializing other victims of Babyn Yar — Roma, Ukrainians, Soviet prisoners of war, psychiatric patients — and others among some 100,000 killed there with Jews during the next two years of occupation? Will it recognize the role of locals who risked their lives to save Jews?

The project's co-founder and major donor is Russian billionaire Mikhail Fridman, who has ties to Russian President Vladimir Putin as one of the country's richest oligarchs. Fridman says that the project will not downplay acts of collaborationism nor ignore the many Ukrainians who saved Jews.

"The most important is to adhere to historical facts as accurately as possible," Fridman said at a press conference of the project's supervisory board on Oct. 6.

Still, critics are skeptical. The most



A man interacts with the Crystal Wall of Crying, a commemorative art object created by famous contemporary artist Marina Abramovich, at Babyn Yar in Kyiv on Oct. 6, 2021.

forceful among them is Yosyf Zissels, a former dissident and a leader of the Ukrainian Jewish community. He sees the project as part of Russia's "hybrid war" against Ukraine, Putin's Trojan horse aimed at showing Ukrainians as anti-Semites and neo-Nazis unable to build their own memorial.

"How can it be that Putin, who fights us, killing people, committing violence and annexing territories, allows his subordinates to spend \$100 million in Ukraine on a cultural project?" Zissels told Ukraine World media.

## Money and prestige

The full name of Fridman's project is the Babyn Yar Holocaust Memorial Center. It was initiated in 2016 by Natan Sharansky, an ex-Soviet dissident and Israeli politician, with support from Kyiv Mayor Vitali Klitschko.

But money came from Fridman and his associate German Khan. Both are Ukrainian-born Jews, who claim to have real sentiments in commemorating the victims because they have relatives killed in the Holocaust on Ukrainian territory.

They created a foundation now also sponsored by Ukrainian-Jewish billionaire Victor Pinchuk and millionaire Pavel Fuks, and to a lesser extent by Ukrainian boxing champion Wladimir Klitschko and Ronald Lauder, U.S. billionaire and president of the World Jewish Congress.

The donors became part of the project's supervisory board with Sharansky as head. They invited highly respectable people to join: chief rabbi of Kyiv and Ukraine Yaakov Dov Bleich, former UNESCO Director-General Irina Bokova, former Polish President Aleksander Kwasniewski, former German Vice Chancellor Joschka Fischer and former U.S. Senator Joe

Lieberman. Later, the first president of Ukraine Leonid Kravchuk also joined in.

Zissels, vice president of the Ukrainian chapter of the World Jewish Congress who knows many supervisory board members, says that "they must think it's prestigious" and "don't understand that it's a part of hybrid war."

"I don't believe in the sentimentality of people with \$20 billion," Zissels told Time magazine about Fridman, whose current fortune is \$16 billion, according to Forbes.

## Scandalous overhaul

Critics believe that Fridman, by far the wealthiest among the supervisory board, is also the key decision-maker. According to former employees, Fridman was the one who imposed the appointment of a scandalous Russian film director Ilya Khrzhanovskiy as the project's artistic director in 2019.

This led to a scandal in April 2020. Many scholars who developed the project's mission, values and historical narrative resigned in protest against Khrzhanovskiy's ideas and overarching authority. Former chief historian Karel Berkhoff said that the project had lost its "moral compass."

Former chief of exhibition development Dieter Bogner called Khrzhanovskiy's vision of the memorial center a "Holocaust Disney World." In his draft concept, Khrzhanovskiy suggested that each visitor to the memorial would "go on a challenging and sometimes shocking emotional journey with ethical choices at its core."

Many also feared that Khrzhanovskiy would use some of the methods from his scandalous DAU film series that imitated a totalitarian Soviet "institute" in Kharkiv with scenes of unsimulated violence. In an open letter, activists

from Ukraine's cultural and scientific community demanded his dismissal.

The supervisory board refused to fire Khrzhanovskiy, but gave assurances that the ideas from his draft presentation were not seriously considered. Instead, Khrzhanovskiy presented his final concept in July 2021. The supervisory board also promised to restore the project's public council, inviting all critics to join.

## Public participation

In reality, none of the project's real critics joined the public council. Instead, it was filled with loyalists and accidental people with no expertise, says Kozlenko, who signed the open letter. Kozlenko himself wasn't personally invited and says that this council doesn't represent the public interest.

"It (Fridman's project) instrumentalizes democratic procedures, and they become a façade for a shadow management, which is typical for oligarchs," Kozlenko told the Kyiv Post.

Journalist Andriy Kulykov joined this public council upon an invitation from the project's management. He says there are few or none of the critics among the members and that it has a rather symbolic value.

"All public councils in Ukraine are created to divert, or draw the attention of society to the fact that they are there," Kulykov told the Kyiv Post.

When asked by the Kyiv Post why there are no critics on the public board of the memorial center, Sharansky emphasized that he openly invited all signatories of that open letter to join, but none of them gave a positive answer. The public can join any board, but without the ability to make decisions, he says.

"All of our boards are absolutely open for public participation at all levels. And for the government, we

also offer a role in making decisions," Sharansky says.

## Ambitious plans

By the time the Ukrainian public got to see Khrzhanovskiy's final concept for the memorial center, it was a done deal. He presented it on July 24 this year at the official governmental forum "Ukraine 30. Humanitarian Policy" as a concept that the government had already accepted without any real public discussion, the critics say.

Almost a year earlier, on the 79th anniversary of the Babyn Yar massacre, Oleksandr Tkachenko, Ukraine's minister of culture and information policy, and Ronald Lauder of the project's supervisory board signed a memorandum of understanding and cooperation between the state and the memorial center.

At the forum, Khrzhanovskiy revealed plans to build the largest museum complex in Europe at the site of the tragedy spanning over 40,000 square meters. This will include the Museum of Victims of Babyn Yar, Museum of the Holocaust in Ukraine and Eastern Europe, Museum of the History of Oblivion of the Tragedy, Education and Science Center, Media Center and other buildings.

To mark the tragedy's 80th anniversary, the memorial center has built three art installations: the wooden Babyn Yar Synagogue that unfolds like a pop-up book; the Mirror Field of reflective columns shot by bullets of the same caliber as those used in the massacre; and the Crystal Wall of Crying by famous contemporary artist Marina Abramovich. The first museum — Kurgan of Memory, shaped as an ancient Ukrainian burial mound, will open later this year.

While recognizing the artistic value of these objects, the critics are baffled by the speed with which the memorial center gets all the permits to build in the Babyn Yar, which is a national reserve territory. In February, Tkachenko appointed Rosa Topanova as the acting director of the site. Previously, Topanova worked in the law firm founded by the president's chief of staff Andriy Yermak.

There is also Jewish tradition that the project will have to maneuver, since it prohibits building on burial grounds, which are all over the Babyn Yar.

Critics led by Zissels believe that there was a Christian cemetery at the sight of the project's wooden Babyn Yar Synagogue. The government examination revealed that the cemetery wasn't used at least since 1929, and the memorial center was allowed to build the synagogue while not registering it as a proper building.

"This raises another important question: How can you realize things of a high moral order while doing it in an imperfect and immoral way? This is the main issue and negative aura that surrounds this private project," Kozlenko says. ☺



# Private sector investment key to meeting infrastructure goals

By Max Hunder  
hunder@kyivpost.com

Ukraine needs between \$10 and \$12 billion a year of infrastructure spending, but its government is only providing \$1.5 billion.

Arup Banerji, the World Bank's regional director for Eastern Europe, said so during the webinar "Ukraine's Infrastructure Needs: What's The Cost?" held in the Kyiv Post studio on Oct. 6.

Banerji and the other panelists agreed that more needed to be done to attract private investors to cover the gap.

"It is fundamental to Ukraine's future prospects to get infrastructure right and to invest adequately and efficiently in infrastructure," Banerji said, emphasizing the need for better maintenance of existing networks.

He also pointed out that Ukraine's level of public investment was far too low at 16% of its gross domestic product, or GDP. By comparison, the average sub-Saharan African country invests 21% of its GDP, he said.

## Large-scale privatization

The State Property Fund, responsible for managing public assets, intends to privatize 3,000 of the 3,600 enterprises currently under its control, said Taras Yeleyko, the deputy chairman of the fund.

For the first time in Ukraine's history, three state-owned seaports will be put up for auction in 2021: Ust-Dunaysk, Bilhorod-Dnistrovsky and Skadovsk.



"The state understands that, with big seaports, we can't relinquish government control in any way," said Yeleyko. "With small regional ports, we can make it a test, see the results and then decide."

Often, state-owned assets amount to rundown, semi-abandoned buildings and huge unpaid tax bills, Yeleyko said. "Unfortunately, often these enterprises don't even pay their land taxes," he said.

Yeleyko pointed to Kyiv's Central Bus Station as a positive example of infrastructure privatization.

In 2020, the station, which was in a dilapidated state, was sold to a private owner, who over the course of a year pumped \$3.8 million into its refurbishment.

"As far as I know, they've already attracted three new bus operators to the central station," Yeleyko said.

Yuriy Vaskov, deputy minister of infrastructure, said the state should be responsible only for strategic



The Oct. 6 webinar "Ukraine's Infrastructure Needs: What's The Cost?" took place in the Kyiv Post studio in the KADORR building on 68 Zhylianska St. Kyiv Post chief editor Brian Bonner (far left) moderated the discussion. The speakers, from left to right, were Arup Banerji, World Bank regional director for Eastern Europe; Taras Yeleyko, deputy chairman of the State Property Fund; Dmytro Martynenko, managing partner of Quarter Partners investment fund and Yuriy Vaskov, deputy minister of infrastructure.

assets. The government wants to privatize 12 state-owned stevedoring companies out of 13 over the next three years, he said.

"All the hinterland, such as stevedoring companies, machinery and warehouses, should be privatized," he said. The vast majority of this privatization is underway, Vaskov added.

But Dmytro Martynenko, managing partner at Quarter Partners investment fund, emphasized that investors required better rule of law before they will invest heavily in infrastructure.

"We need to know that the rules are transparent and equal," he said.

## Concessions

However, Martynenko also had some good news: he said that the new law on concessions opened many new investment opportunities.

A concession is an agreement to let a private firm take over the balance sheet of a state-owned asset and run it as a private enterprise for an agreed period. However, the state remains the owner of the asset.

Martynenko, whose firm currently has the concession to operate Kyiv's Sikorsky Airport, said that in the modern aviation industry, concessions were the only realistic way to run public-private airport partnerships.

"Unless you have a concession, it's almost impossible to attract financing."

According to Martynenko, increased investment into infrastructure helps expand connections with Ukraine's western neighbors.

"One of Ukraine's biggest advantages is its location," he said, high-

lighting the country's potential as a gateway to Europe.

The infrastructure ministry is also seeking to make inland waterways a more practical transport solution.

From Jan. 1, 2022, lock operation fees and inland port dues will be waived to lighten the load on the creaking rolling stock of the state rail operator Ukrzaliznytsia.

## Long-running issue

Panelists also addressed the perpetually thorny issue of the railway company, which is currently \$1.4 billion in debt and has had six different CEOs in two years.

Banerji hopes that a railway law, which recently passed its first reading in parliament, would be implemented successfully and unbundle Ukrzaliznytsia into

separate cargo and passenger entities.

Such a move would align Ukrzaliznytsia with European rules, and make the subsidies received by the passenger transportation service far more transparent. However, it would also mean that passenger trains will have to be subsidized directly from the state budget if ticket prices are to remain stable.

"Right now, railways contribute 4% of Ukraine's gross domestic product," he said, adding that this figure will only increase as the Green Deal is implemented.

At present, over 9,000 of Ukraine's 19,000 kilometers of railroad need to be refurbished, but in its current financial situation, Ukrzaliznytsia can only repair around 500 kilometers a year.

Meanwhile, Yeleyko highlighted the huge 10–15% annual rate of return on investment which many state-owned infrastructure assets offer, compared to the western European average of 4%. He hopes that this investment incentive will lead to large-scale infrastructure development.

"I believe that in 10 years, we will see a totally different country," he said.

Vlasov expressed hope that Ukraine will one day be in the top ten countries for quality of infrastructure, a table in which it currently holds 69th place.

Banerji concluded by stating that infrastructure improvements should not only be focused on the convenience of urban elites, but also of small farmers in central Ukraine.

"They should have the logistical opportunity to export, grow, and pass on a legacy to their community and their families." ❖

COMING IN THE October 22  
EDITION OF THE KYIV POST

Recycling &  
Waste  
Management

in partnership with  
L'ORÉAL  
UKRAINE

To advertise, contact us +38 044 591 77 88 or [advertising@kyivpost.com](mailto:advertising@kyivpost.com)





# Ukraine has no rule of law, so the rich transfer their money abroad

page 2 —>

Ukraine has gained a worldwide reputation of a state whose leader is involved in global corruption.”

Zelensky's side was quick to say that all this information has already been publicized and there's nothing compromising about it. Mykhailo Podolyak, who advises the head of the President's Office, told the Babel news outlet that the revelations have “absolutely nothing to do with money from the state budget or state positions,” he said, hence “there is nothing serious to comment on.”

Podolyak said Zelensky took his businesses offshore to protect them from “aggressive actions of the authorities at the time.” Indeed, the offshore network was created in 2012 under former President Viktor Yanukovich, when government-sanctioned raids and takeovers were rampant, making offshore schemes very attractive. Yanukovich fled power on Feb. 22, 2014, during the EuroMaidan Revolution.

“In fact, journalists once again confirmed the unconditional compliance on the part of the president with the anti-corruption norms of national legislation,” Podolyak told Babel.

Reached for comment by the Kyiv Post, Zelensky's spokesperson Serhii Nikiforov declined to talk about Zelensky's companies.

“This is a question for lawyers,” he said. “It's not something I'd be able to comment on.”

Shefir and Bakanov could not be reached for comment.

## Was it legal?

Graham Barrow, a U.K. based expert who tracks financial crimes and money laundering schemes, said this is a typical arrangement.

“This type of scheme works on the basis of trust between business associates or family members and it's very common,” he explained. “It is why virtually every country in the world has legislation which requires banks to check the bona fides of not just politically exposed persons (or PEPs), but their relatives and close associates, because it's so commonly used.”

Barrow added that there could be hidden powers of attorney covering the transfer of dividends and ultimate ownership. “It is not uncommon for ‘proxies’ to sign powers of attorney which gives the donor the right, at any time, to take back ownership or receive dividends. It's hard to tell if this is the case,” he said.

Martin Woods, a financial crimes expert, told investigative outlet Slidstvo.info that the dividends arrangement smacks of illegality. He also told journalists from the Organized Crime and Corruption Reporting Project that the transfer may have been a charade to hide Zelensky's stake in Maltex, allowing him to keep making money from it.

Ukrainian lawyer Vitaly Tytych agreed, saying it may have been a fake deal to let Zelensky remain the de-facto owner with Shefir as frontman. He said if any dividends have been paid to Olena Zelenska, failure to declare them may be a crime.

It's not yet clear whether the companies were involved in anything outright illegal. “There is too little information to draw conclusions,” Olena Shcherban, a lawyer at the Anti-Corruption Action Center, told the Kyiv Post.

Barrow thinks “It's a very difficult question to answer and walks the fine line between illegal and immoral.”

Shefir managed to get around declaring his offshore company thanks to a law that exempts “freelance” advisors from filing asset declarations. Shefir's status is unclear — Zelensky has never specified if he's part of his permanent staff.

“Shefir has a lot of influence but doesn't file declarations,” Shcherban said. “This is not a logical norm. He's a top state official.”

## Kolomoisky's money

During the 2019 presidential election campaign, Poroshenko's ally Volodymyr Arieiev alleged that Zelensky got over \$40 million from Kolomoisky's companies.

The investigation partly confirmed these claims. Leaked documents show that 10 companies match the ones described by Arieiev.

The financial flows appear to come from Kolomoisky-linked companies. For example, in May 2013, SVT Films Ltd, a company half-owned by



Serhiy Shefir, shown in this undated handout picture, is President Volodymyr Zelensky's chief aide and close friend. Shefir took charge of Zelensky's offshore companies when his boss was about to be elected president. The massive Pandora Papers investigation published on Oct. 3, 2021 revealed the structure of the scheme and the nature of Shefir's participation.

Maltex, was to be paid \$1.2 million in licensing fees by an offshore company linked to Kolomoisky's media holding 1+1 for the show “Make a Comedian Laugh.”

In 2015, company Gimentiano Holdings Ltd, owned by Zelensky's friend Iakovlev, got \$750,000 from the Cyprus branch of PrivatBank, which Kolomoisky owned at the time.

The Cyprus branch was the primary gateway through which Kolomoisky moved the \$5.5 billion he allegedly stole in Ukraine.

Barrow said that looking at the convoluted structure of these transactions made him suspicious.

“Wherever I see arrangements with unnecessary complexity, especially when that complexity involves additional time and expense, it raises a red flag,” he said.

“Why would a businessperson, usually driven by the need to generate profit, involve themselves in an arrangement which was complex, time consuming and costly, when a simpler cheaper method was available? Too often, the reason is that they want to avoid public scrutiny of an arrangement which is hard to justify.”

Prosecutor General Iryna Venediktova stated that anything related to PrivatBank has been examined under a microscope and the Pandora Papers have not revealed anything new on that count. If there was a crime related to the president, it would have been caught by now, she seemed to imply.

However, Venediktova has consistently been loyal and obedient to Zelensky, something which has been roundly criticized by legal watchdogs.

## Stained legacy

If the legality is ambiguous, the morality may be starker, observers said.

Zelensky had a “political responsibility” not to maintain shady offshore networks, said Anatoly Ohtysiuk, a political analyst at Democracy House. Zelensky came in saying he'd change things, but he revealed himself to be typical, which will dog the remainder of his political career.

“He's the same as Petya,” said Ohtysiuk, using the diminutives of Petro Poroshenko's and Volodymyr Zelensky's first names. “Vova's no longer an ordinary guy but an offshore crook like the rest of the old

elites. And this will be the main political narrative.”

Yevhen Mahda, director of the Institute of World Policy in Kyiv, disagrees that this will hurt the president's reputation.

“Pandora Papers will not significantly affect voter confidence in Zelensky. His rating will not fall so low as to allow his opponents to call for early elections,” the political analyst told the Kyiv Post.

Political expert Viktor Bobyrenko also believes that the Pandora Papers will reduce Zelensky's rating but will not bring him down. “Zelensky has a 15–17% stable electoral base, which will not be affected by anything,” he told the Kyiv Post.

He also does not expect the investigation to get much play in Ukraine's oligarch-controlled mainstream media.

As for legal consequences, they are equally unlikely, even if Zelensky's companies are revealed to have been breaking the law.

Poroshenko has been investigated for tax evasion using his offshore holdings but the former president, who leads the opposition faction European Solidarity has so far not faced prosecution. ☹

## Zeinable

### Types of services:

- business registration and registration work throughout the company's activities;
- preparation and conclusion of contracts, settlement of any contractual disputes;
- support in pre-trial procedures, preparation of claims, procedural documents at the stage of court proceedings;
- registration and protection of copyright and intellectual property rights;
- registration of bar codes for products.

We provide services within the city of Kyiv and Kyiv region.

### Contact

<https://zeinable.com.ua/>

[zeinable.ua@gmail.com](mailto:zeinable.ua@gmail.com)

+380988400910



A building in downtown London where President Volodymyr Zelensky's top aide Serhiy Shefir has bought a high-end apartment through an offshore company for 2.2 million pounds.



# Italy's Wyscout revolutionizes football scouting worldwide

By Max Hunder

[hunder@kyivpost.com](mailto:hunder@kyivpost.com)

In the old days, scouting for footballers used to be an arduous process involving constant journeys to remote provincial stadiums.

But an Italian company, Wyscout, has spearheaded a digital revolution in the field.

Many clubs now use the company's online database of a half-million players to view hundreds of thousands of hours of game footage overlaid with detailed analysis.

As Wyscout expanded over the years, they needed more and more analysts to go over the footage they received. Their solution was to open several production offices outside Italy, including one in Ukraine.

About 20 percent of the company's data is processed in Wyscout's production office in Ternopil, an oblast capital home to 220,000 people located 365 kilometers southwest of Kyiv.

Andrii Drychuk, Wyscout's country director for Ukraine, said that the company was attracted to Ukraine by the mix of lower wages and able staff.

"Our younger generation is totally football-oriented, and our skills are for sure not lower than those of our western neighbors," he told the Kyiv Post.

## Market leader

Wyscout is an unfamiliar name for many ardent football fans but the Italian company has changed how players are bought and sold in a global transfer market worth over \$7 billion in 2019.

Wyscout was founded in 2004 by three friends in the northern Italian town of Chiavari, 370 kilometers north of Rome, where the head office is still located.

At first, the company followed the same principle as all other scouts at the time: attending matches in person, shooting video and putting it on DVDs for review by clubs.

The breakthrough moment came when Matteo Campodónico, one of the three founders and the current CEO of the firm read that the sporting director of a top Italian team got upset because he received the DVDs of a promising Brazilian player too late to buy him.

"At that point, Matteo had the idea to create a database where one can download all the videos," Oleh Sahaydak, Wyscout's sales manager for its post-Soviet markets, told the Kyiv Post.

The first version of the web-based Wyscout platform was created in March 2008. Since then, the database has expanded rapidly. The platform currently contains footage of 210,000 games from 900 competitions in over 100 countries.

In 2019, the company was bought by American sports tech firm Hudl for an undisclosed sum, which Sahaydak says helped drive a further influx of users.

Wyscout is now used by over 4,000 clubs, as well as tens of thousands of individual subscribers who



Wyscout's country director for Ukraine, Andrii Drychuk, talks to the Kyiv Post at the company's offices in Ternopil, an oblast capital home to 220,000 people located 365 kilometers southwest of Kyiv, on Sept. 22, 2021.

pay either \$290 or \$700 a year, depending on their package.

Football clubs require much more footage and information than individual scouts or coaches, so their bespoke subscription deals can stretch into five-figure sums.

Representatives from Wyscout's head office refused to give statistics about the firm's share in the digital scouting market, but it appears to be the industry leader: Its main competitor is Russian company InStat, founded in 2007, which says it works with 1,500 football clubs, less than half of Wyscout's.

Because information on established stars is already easy to find, Wyscout's main value is in the vast collection of data it holds on players in youth competitions.

Adam Pate, a U.K. national living in Boryspil, a Kyiv suburb, juggles being a schoolteacher and a football scout. He discovered Wyscout while searching for data about little-known young Swiss player Griffin Sabatini, who used to play for a Ukrainian club. He now uses the platform on a regular basis, scouting for footballers playing in and outside Ukraine.

"I was really impressed with the level of detail for the Ukrainian under-21 leagues," he told the Kyiv Post.

## Ternopil office

This level of success required new analysts, which led the company to open its office in Ternopil in spring 2018.

Analysts make simple annotations of every action during a game. Wyscout's AI software then turns the data into easily digestible graphs, heat maps and tables, which go online within 24 hours of a game's final whistle in major leagues.

Over 100 analysts work in the company's nondescript but comfortable set of rooms on the fourth floor of a Stalin-era apartment block in the city center. The team is young,

with most of its employees under 25 and exclusively male.

Drychuk explained that while women have applied for jobs at the office, it was difficult to hire them because they weren't from Ternopil, or were deterred by the prospect of working in such a male-heavy collective.

The 25-year-old Pavlo Melnychuk is one of the most seasoned analysts in the office, having been at Wyscout for three years. Like most of the employees in Ternopil, he found the job through word of mouth.

He teams up with a partner to analyze two games a day — each match takes them four hours to annotate properly. Over 400 games a week are processed in the office.

"When I tell people what I do, they think it's some form of betting, it's hard to explain to them what we do with statistics," Melnychuk said.

The previously patchy quality of footage sent to them by clubs has improved since the introduction of ball-tracking unmanned smart cameras, but this method has its flaws, he said.

"They sometimes end up filming bald footballers, which gives us a laugh in the office," Melnychuk said.

Meanwhile, 21-year-old student Ekrem Arapoglu is the office junior, having only started in mid-September. "Most people here are students and footballers," he told the Kyiv Post.

Arapoglu was a youth player for several clubs including Karpaty Lviv, historically considered to be the biggest team in western Ukraine.

He now plays in the amateur leagues and says that his own tactical game has improved in the weeks since he has started his training.

"You watch professional footballers all day, so sometimes you can learn something," he said.

However, Drychuk conceded that there is currently no defined lad-

der for career progression up the Wyscout ranks for the employees in Ternopil.

"Sometimes it's not about the ladder, but about the way. If you enjoy the way, maybe you will find your ladder somewhere else," he said, adding that working for Wyscout could open doors to work in famous football clubs.

## Spotlighting locals

Wyscout also helps local clubs shine. This year, the scouting company signed an agreement with the Children's and Youth Football Leagues of Ukraine to put their players in the database.


Over the last two or three weeks, Wyscout has entered over 2,500 under-14 to under-18 players into their database, taking the total number of Ukrainian footballers on the platform to over 9,000, according to Sahaydak.

This means that young players in small towns and villages are far more likely to be seen by clubs and offered contracts, both at home and abroad.

Ukrainian clubs, driven in large part by digital scouting, have begun to seriously improve their recruitment setup over the last two years, Sahaydak believes.

"I think I will bring results, and we will see a big improvement in the quality of the game here." ❄️

SAM'S STEAK HOUSE




LEGENDARY  
BELOVED  
NOW,  
EVEN BETTER

NICE  
TO  
EAT

We are open from october 8

37, Zhylyanska str. Kyiv, Ukraine

+38 (067) 501 13 95





# Zelensky's party ousts Razumkov as Rada speaker

By Thaisa Semenova  
semenova@kyivpost.com

President Volodymyr Zelensky's Servant of the People party on Oct. 7 voted to dismiss parliamentary speaker Dmytro Razumkov, accusing him of not being a team player and of putting his interests above those of the ruling faction.

The firing followed Razumkov's clash with Zelensky and his party over legislation to tackle the influence of oligarchs. Razumkov did not support the president-created law and stopped short of endorsing sanctions against pro-Kremlin oligarch Viktor Medvedchuk in February.

The speaker's resignation was confirmed by 284 votes, including 215 from Zelensky's party. Razumkov first entered parliament as the number one candidate on the party's list.

Deputy speaker Ruslan Stefanchuk will be nominated to take Razumkov's place, Servant of the People party press secretary Yulia Paliychuk said.

The collection of signatures for Razumkov's resignation at the party's convention in the resort of Truskavets was "tense," lawmakers told the Kyiv Post.

When lawmaker Nelly Yakovleva, who supported Razumkov, reminded Zelensky that the speaker helped him get elected, the president reportedly replied: "Don't forget who got you elected."

Razumkov was a member of

Parliamentary speaker Dmytro Razumkov leaves the podium after giving the speech to lawmakers in anticipation of the vote for his dismissal on Oct. 7, 2021.



Kostyantyn Chernichkin

Fesenko, who is close to the current government, told the Kyiv Post.

## Razumkov's political future

Razumkov hinted that he might run for the president in the next election.

"Everyone says that none of the Verkhovna Rada speakers had ever become the president. We removed the obstacle today. Let us wait and see what happens," Razumkov said at a press briefing on Oct. 7.

Leonid Kravchuk, the first president, served as a parliament speaker for several months before the presidency.

However, experts are skeptical about Razumkov's presidential future.

"All the negativity people feel towards the parliament's decisions, and the low trust level to the (Verkhovna) Rada is always collected by the speaker," said Yevhen Mahda, director of the Institute of World Policy in Kyiv.

"Razumkov can only run for the presidency to get an electoral base and become an independent politician. He understands that the next election is not his," Bobyrenko said. "He can reach the 'major league,' where Yurii Boyko, Yulia Tymoshenko, Petro Poroshenko and Zelensky are currently playing and can become 'the fifth suit in a deck of cards.'"

"This is exactly his wish, and it can come true if he is put in the spotlight by the oligarchs." ❗

Zelensky's core election team when the president won a landslide victory in 2019. He took charge of creating the new pro-Zelensky political project named Servant of the People after the President's hit TV series. But as a speaker, Razumkov has seemingly been the only top official daring to publicly disagree with Zelensky and his party.

"If a person doesn't support the fight against the oligarchs ... I think

these people have different political views," Zelensky told journalists at the convention.

Experts agree that Razumkov's ouster was inevitable because he had distanced himself from the president.

"Zelensky was not satisfied with Razumkov's attempt to be not a decoration on the stage, not be a backing vocalist, but to have his own role. And we can have certain roles only with the permission of Zelensky,"

think tank head Viktor Bobyrenko, who first predicted Zelensky's political rise in 2015, told the Kyiv Post.

"Razumkov was distancing himself from the presidential team and was increasingly showing his position. The law on oligarchs became a Rubicon for both sides, as Razumkov took a tough political stance, and the presidential team realized that there would be no constructive work with him," political expert Volodymyr

**Kyiv Post**  
UKRAINE'S GLOBAL VOICE • SINCE 1995

**TOP 30**  
**UNDER 30**

**NOMINATE YOUR**  
**CANDIDATE 2021**







# German ambassador says Berlin will help Ukraine's green future

page 8 →

with Moscow – requiring at least 40 billion cubic meters of gas to go through Ukraine yearly – ends after 2024. The five-year deal will bring Ukraine at least \$7 billion in transit fees.

## Sanctions will stay

“German foreign policy vis-a-vis Russia will not change as long as Russia is violating international law and international rules by continuing the annexation of Crimea and by continuing the war in the Donbas,” the ambassador said. “There will be sanctions. We will continue to work in the Normandy format and on the Minsk agreements to try to push Russia again and again to implement those. We haven't been successful in these past years, but we will continue.”

As for the spike in gas prices, she did not rule out Kremlin mischief. But she said that, as the coronavirus pandemic has subsided, demand has increased – especially in Asia – which is getting some of the supply

that would have went to Europe.

Rather than cry over spilled milk, Feldhusen said Ukraine should focus on a future of green energy. In doing so, Kyiv will find Berlin to be a supportive partner.

Germany, which decided in 2011 to phase out nuclear power, plans to – by 2045 at the latest – also stop using natural gas as it makes the conversion to renewable energy.

“Gas is only a bridge until Germany will get out of carbon-based energy altogether,” she said.

## Green hydrogen future?

She said it's better if Ukraine also gets ahead of the curve by becoming a producer and exporter of green energy rather than a transit country for carbon-based fuel – a status, she said, that will always leave the country dependent on external forces. She said that Ukraine has great potential in producing and exporting “green hydrogen.”

“I am optimistic that we will find a way to make Ukraine one of Europe's biggest hydrogen producers,” she said, noting the launch of a

German-funded Green Energy Fund to help Ukraine's transition to clean energy. “Germany will be one of the largest importers of hydrogen very soon. We do want to work with a number of countries. Ukraine is the one we're most interested in.”

Green hydrogen is produced by splitting water using electricity generated from low-carbon sources, but the price of production is prohibitively high now. Potentially, however, Ukraine could transit hydrogen for export using the pipeline network that currently transports natural gas.

Germany is helping Ukraine in other ways on the energy front, including the phase-out of coal mining. As to whether Germany made a mistake by disavowing nuclear power by 2022, Feldhusen said that the long life of radioactive waste makes nuclear energy more dangerous, even though it's a carbon-free source of energy today.

## NATO membership

On other issues, she said that Germany is moving closer to spending 2% of its gross domestic product



Germany's Ambassador to Ukraine Anka Feldhusen lays flowers at a new memorial stone for a Babyn Yar survivor on Sept. 30, 2021 at 3 Frolivska Street in Kyiv.

on defense to meet the guidelines of NATO, to which Germany belongs. She defended her comments that as long as Russia keeps up its war against Ukraine, Kyiv will not be welcomed into NATO by all 30 members. She said she was simply stating reality.

With more than 2,000 German businesses in Ukraine and trade topping \$7 billion annually, the bilateral ties run deep.

As someone who started coming to Ukraine 27 years ago, she said “the country has changed incredibly. It's more modern. It's nicer to live in, not only for foreigners, but for many Ukrainians. Services are better. It's going in the right direction.”

## No. 1 problem

But the same major problem remains – the lack of rule of law, which is holding back Ukraine's

development. “Judicial reform is the most important reform. We are going to watch closely so that even if it goes slowly, it goes in the right direction.”

She's hopeful about Ukraine's overall progress, not least because the nation's civil society is forcing positive change.

“They're highlighting every problem,” she said. “Ukrainian politicians are not going to get away with bad things any longer.”

The West, she said, is not calling the shots in Ukraine, contrary to Putin's complaints that Kyiv's politicians are under “external control.” She said sometimes Ukraine's political leaders take their advice and “sometimes not.”

Either way, she said, Germany is “in Ukraine for the long haul, as we have been since its independence in 1991.”

## EMPLOYMENT / CV / TENDER

## Kyiv Post

UKRAINE'S GLOBAL VOICE

The Kyiv Post is seeking the public's help in recovering its **lost archives**.

Dig into the closets, attics and long-forgotten storage compartments to help us recover some editions that were not kept in the newspaper's archive.

The Kyiv Post is missing the following editions from the following years:

1995 – # 2, 3, 7, 8, 10 and 12-52

1996 – # 1-16, 19-21, 23-26, 28, 29, 31, 33-35, 48, 49, 51, 52

1997 – # 2-11, 17-21, 23-25, 27, 28, 30, 31, 34-36, 38, 40-43, 45, 46, 49, 50, 52

1998 – # 4-11, 13, 16, 19, 20, 23-25, 36, 38, 39, 42, 46, 49, 50, 52

1999 – # 1-35

2000 – # 10, 11, 12, 13, 14, 15, 16

2007 – # 8, 14

Please contact: [news@kyivpost.com](mailto:news@kyivpost.com) if you can help or Kyiv Post chief editor Brian Bonner at [bonner@kyivpost.com](mailto:bonner@kyivpost.com)

## THE BEST WAY

to reach the largest group of English-speaking Ukrainians



is to advertise in the

**KyivPost**

UKRAINE'S GLOBAL VOICE

Call the advertising department at (044) 591 7788

or e-mail: [advertising@kyivpost.com](mailto:advertising@kyivpost.com)

## alineia

Alinea International is one of the Canada's leading international development organization. It executes projects for the Government of Canada, as well as the World Bank, United Nations, Asian Development Bank, Inter-American Development Bank and others.

In October 2019, Alinea International launched a new five-year project in Ukraine: **Support Ukraine's Reforms for Governance (SURGe)**. SURGe is a technical assistance project in Ukraine, funded by Global Affairs Canada and implemented by Alinea International Ltd.

For the SURGe Project is looking for the following expert:

- **Senior Administrative Officer** to manage information requests from the partners, stakeholders and beneficiaries, manage office premises and logistics closely cooperating with the Project core team and local consultants as well as provide administrative support to the management team.

Deadline for the vacancy: **October 15, 2021**.

- **Sector Lead** to lead teams of consultants to support Ukrainian Ministries and other government agencies in implementing reforms of various type and scope.

Deadline for the vacancy: **October 22, 2021**.

Please, send your applications to: [valeriias@alineainternational.com](mailto:valeriias@alineainternational.com).

For more detailed information about preferred qualifications and skills, indicative duties and responsibilities, as well as applying procedure, please visit web-site: <https://edge.in.ua/vacancies/>

## BEST BARGAIN!

Advertising in the Classifieds and Employment section

+380 44 591 77 88 or [advertising@kyivpost.com](mailto:advertising@kyivpost.com)

## CLASSIFIEDS

### SERVICE

Здоров'я, стосунки, покликання, кар'єра.  
Цифровий код вашого успіху.  
Авторський метод, побудований на синтезі трьох дисциплін.

Записатися на консультацію нумеролога:  
(+38) 096 633 04 40 Ліана

English speaking  
well educated driver  
with comfortable and safely  
premium class car  
mob. +38 (067) 508 42 67

TEXT FOR  
176 UAH

Work permits  
RESIDENCE PERMITS  
Business set up, accounting services  
+380-44-237-72-76  
[www.accounting.ua](http://www.accounting.ua)

### NOTICE OF APPOINTMENT OF LIQUIDATOR AND COMMENCEMENT OF WINDING UP

Section 286 of the International Business Companies Act 2016 (the Act)  
VOLUNTARY WINDING UP OF Bloomfield Services Inc. (the Company), which is incorporated under the Act with IBC registration no. 31339  
Notice is hereby given of the appointment of Mr. Oleksii Tsybmal (resides at Apt.5, 8d Naberezna Str, Vyshhorod City, Kyiv Oblast, Ukraine) as the Company's liquidator and of the commencement of the Company's voluntary winding up and dissolution under Sub-Part II of Part XVII of the International Business Companies Act 2016 on [1st] day of [October], 2021  
Dated this [4th] day Of [October]2021  
Mr. Oleksii Tsybmal (resides at Apt.5, 8d Naberezna Str, Vyshhorod City, Kyiv Oblast, Ukraine)  
LIQUIDATOR



# Kyiv Post Digital

Most of the Kyiv Post's content is online. Here are some samples of the great journalism that readers will find daily at [kyivpost.com](http://kyivpost.com)

## OPINION

**David Kirichenko: The gravitas of the Kyiv Post and journalism in Ukraine**



**Andriy Boytsun: State-Owned Enterprises Weekly**



**Alexei Bayer: The real Little Russia**



## PHOTOS

**At least 2,500 march to demand better management of Kyiv (PHOTOS)**



## BUSINESS

**Ukreximbank chairman temporarily steps down after obstructing journalists**



**Nuclear giant Energoatom's accounts blocked over long-running debt**



## TECH

**Police arrest hacker who caused \$150 million damage to firms in US, Europe**



**KYIV POST EMPLOYMENT FAIR**



**OCTOBER 8 Osvitoria Hub**

2 Moskovska str.  
11 A.M. - 4 P.M.



**Seminar 12:30-13:00**

**Growth Agility is a key element of adaptation to new roles, new realities of work.**

**IRYNA SITNIKOVA**

The talent head at French company Danone in Ukraine

AMONG PARTICIPANTS AND PARTNERS



Contact us to learn more about participation:  
**[events@kyivpost.com](mailto:events@kyivpost.com), 044-591-7788**