



PREDATORY PEACEKEEPING. INSTEAD OF SETTLING CONFLICTS, RUSSIA FREEZES THEM IN ITS OWN INTERESTS

**GERMAN AMBASSADOR TO UKRAINE
ANKA FELDHUSEN: "CONSTITUTIONAL CRISIS IS
AN EYE-OPENER FOR ZELENSKY"**

**MEP JERZY BUZEK: "FURTHER REFORMS ARE A PRECONDITION
FOR UKRAINE'S SUCCESS IN THE EUROPEAN GREEN DEAL"**

**WHAT DO UKRAINIAN BUSINESSES EXPECT FROM
THE UNPREDICTABLE 2021?**

#STOPRUSSIANBRUTALITY

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EDITOR'S FOREWORD

WELCOME to the Brussels Ukraïna Review №5!

The Christmas and New Year marathon has just finished. It was a period of debriefing, attempts to forecast and program at least a foreseeable future, as well as seeking a source of energy and inspiration for the next 365 days.

The same is with this issue, which begins with the analysis of 2020: local elections, the challenges of the pandemic, the constitutional crisis in Ukraine. Then follows a series of materials that resonate with the events in Russia over the detention of Alexei Navalny: about the Crimea, about Russia's relations with the European Union, about conflicts and sanctions.

About the future: the best escape from any trouble is work. Business. Business in Ukraine. Business in the EU. Business in Ukraine and the EU. That is the leitmotif of several interviews (with the Ambassador of Germany in Ukraine, with the head of Office UkraineInvest, with MEP Jerzy Buzek), of the European

Business Association executive director's article, of presentations of successful ideas (“law firm-boutique”) and climate projects “Greening of Ukraine”).

You will also find the results of our recent survey and “Cultural Pages.” What are they about this time?

Read, please!

Marta Barandiy



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FIVE MOMENTS OF 2020

FIVE MOMENTS
OF 2020



**TARAS KOZUB IS
A JOURNALIST
AND POLITICAL
COMMENTATOR,
AN EXPERT OF
THE PLATFORM
“KYIVSTRATPRO”.**

THE UKRAINE AT
THE BEGINNING
OF 2021



Fight against COVID-19

In Ukraine, the fight against COVID-19 officially began on 3 March when the first coronavirus case was confirmed in the Chernivtsi region. Initially, the authorities took quite decisive measures, in particular, by launching a broad awareness-raising campaign about safety measures and creating a special fund to combat the epidemic. As of 6 November, UAH 39 billion or 59% of the fund was spent. A “severe” lockdown/quarantine was imposed from 12 March to 3 April, and then extended as “adaptive” quarantine.

The posts of health minister and chief state sanitary doctor were, perhaps, associated with the “amplest resources” in the country and at the same time were the shakiest. Almost all health-care officials ran the risk of losing their job. They had a multitude of troubles arising from public outcries, such as the one that erupted due to late payments to health-care workers. Doctors and junior medical staff were promised 300% bonus to salaries, but not all of them received payments. And then there were the statements made by Chief State Sanitary Doctor Liashko about “achieving a psychological effect” for which public places – parks and gardens – were closed for visits in the spring. Lockdown yielded results. The rate of the spread of COVID-19 in Ukraine was nearly the lowest among the European countries. But, at the same time, the lockdown exhausted its effectiveness, which is why experts began to compare it with “a powerful weapon that can be used only once.”

Moreover, a number of quarantine-related scandals called into question the equality of opportunity and raised the issue of corrupt links between the government and loyal businesses. These affected functioning of building material megastores and restaurants, linked with government officials, amidst the restriction on operations of restaurants, cafés and pubs.

Despite all the measures, as of 18 December, Ukraine ranked 17th in the world in the number of coronavirus cases. The situation with hospital bed occupancy was constantly deteriorating. There were no available beds in some regional centres, and the supply of oxygen necessary for seriously ill patients was insufficient at the end of the year. Prime Minister Denys Shmyhal and Health Minister Maksym Stepanov were mainly blamed for the inefficient use of funds allocated to fight the epidemic and the lack of preparatory work when the spread rate declined from May to September. The money from the COVID-19 Response Fund was spent on the Great Construction programme to improve the road network.

Poor results of the fight against COVID-19 undermined the level of trust in the central government. As evidenced by the 15-17 November 2020 poll conducted by the Rating sociological group, 60% respondents were dissatisfied with the activities of President Volodymyr Zelensky in this area, and only 35% appreciated his efforts.

Constitutional crisis

One of the most notable events of the year was the autumn constitutional crisis. In late October, the Constitutional Court of Ukraine (CCU), responding to a motion submitted by the members of the Opposition Platform – For Life faction and For the Future parliamentary group, repealed the article of the Criminal Code of Ukraine which criminalises false information in the asset declarations. The CCU also declared unconstitutional the powers of the National Agency for Prevention of Corruption (NAPC) to control and verify declarations, have round-the-clock access to the register of declarations and monitor lifestyles. That is, the NAPC was deprived of its main control functions.

The next day, the Agency pointedly closed access to officials’ asset declarations for a wide range of citizens. In its commentary, the NAPC pointed out the conflict of interest of the CCU judges. There was indication that two CCU judges entered false information. Although the judges’ vote was secret, the NAPC accused these two judges of voting “for” the abolition of powers. In the blink of an eye, hundreds of criminal cases became “suspended,” in particular, against Odesa city mayor Hennadiy Trukhanov over embezzlement of UAH 54 million.

The reaction was outrageous: “This is an anti-state revolt in its purest form in the interests of Kolo-moisky and the oligarchs from the Opposition Platform – For Life party as precisely the members of the For the Future group and the Opposition Platform – For Life faction who submitted motion to the CCU,” said Yehor Chernev, a lawmaker from the Servant of the People faction.

Ukraine’s Western partners made it clear that if the crisis is not overcome and, accordingly, one of the main reforms, anti-corruption reform, is abolished, Ukraine may lose support. After all, the adoption of the asset e-declarations law in 2014 was one of the main arguments for the further process of the European Union’s visa liberalisation with Ukraine. Authorities rushed to search for a way out of the crisis: Volodymyr Zelensky convened a meeting of the National Security and Defence Council, ordering the urgent restoration of access to the e-declarations, which was done. He issued an order to dismiss the CCU judges in the future. In addition, the President submitted a bill to the Parliament to restore criminal liability for false declarations. These offences would be punished with fines and penal custody.

On 4 December, the Verkhovna Rada restored liability by adopting a “compromise” bill based on the presidential one. The Venice Commission brought the situation to a close by releasing its opinion on the CCU’s decision on 10 December. European experts stressed that the decision has significant shortcomings and does not meet the standards of clear justification in constitutional procedures. The Commission recommended that Ukraine should reform the CCU.

The first recommendation was to limit the scope of Constitutional Court decisions. The second was to establish a screening body for candidates for the office of judge of the Constitutional Court, with an international component in a manner similar to other courts. Third, when conclusion is made that a legal provision is unconstitutional and should be annulled, confirmation from the Grand Chamber upon request by the President of Ukraine or the Parliament should be sought.

The following conclusion can be drawn from this crisis: despite the successful implementation of the reforms proposed by the West, there are still many forces in the country interested in curbing these novelties. Their influence may be so vast that it will reach central authorities, in particular the judiciary.

Local elections

Local elections were held in Ukraine on 27 October. Despite the extremely low voter turnout of 36.9% - the lowest voter turnout

ever in the independent Ukraine, which can only be partially explained by the coronavirus pandemic as the population clearly loses interest in voting - they have become a catalyst for several important processes.

The main one was the de facto victory of local authorities over the “central party apparatus.”

The main heroes of the election were self-nominated candidates, mayors and their political projects: the Successful Kharkiv Bloc in Kharkiv, the Proposal party in Dnipro, the Trust in Deeds party of incumbent mayor Hennadiy Trukhanov in Odesa; and the Ukrainian Strategy party of former prime minister Volodymyr Groysman, which took 34 out of 53 seats of the Vinnytsia City Council.

Small electoral “revolutions” also happened. For example, the era of traditional a “thumping majority” of local government ended in Mariupol town, and the Mykolayiv City Council membership was updated by 85%. Against this background, the results of parliamentary parties were weak. Despite the victorious statements, the Servant of the People Party, which used the mobilisation potential attained during the presidential campaign during the parliamentary elections a year ago, gained not a single mayoral post at the regional centre level, which can be considered a clear victory of local authorities.

Another conclusion: a consensus of local elites actually formed in each region and at the level of cities. This is evidenced by the formation of “coalitions,” non-formalised groups of local council members, with unusual participants. In fact, it is a “solitaire” laid out from local officials who are very indirectly involved in the central apparatus of the parties. For example, the Opposition Platform – For Life party and the European Solidarity party formed the coalition in the Starobilsk Town Council in the Luhansk region, leaving behind the team of

MP Serhiy Shakhov, another important participant in local political events. And the situation when the Servant of the People party formed a coalition with the Opposition Platform – For Life party in one local council and with the European Solidarity party in another, explaining the latter choice by impossibility of cooperation with “opposition and pro-Russian forces, was commonplace.

State budget for 2021

The budgeting process was closely linked to the risks Ukraine faced in 2020. The first one was the coronavirus crisis: Health Minister Maksym Stepanov insisted on increasing the Health Ministry spending up to UAH 296 billion. Nevertheless, the final amount is much smaller – UAH 162.68 billion, although there is a 22% increase compared to the budget for 2020. This may suspend the increased payments to medical staff. Doctors currently receive up to UAH 30,000; nurses, up to UAH 21,000. However, they will receive UAH 9,000 and UAH 7,000, respectively, from January 1.

The second risk is the need to balance the budget and reduce its deficit. This requirement was put forward by the Western partners, and it was a necessary condition for obtaining the next tranches from the IMF. By the second reading, the state budget deficit was reduced from 6% to 5.5% of GDP by UAH 24 billion. These parameters were agreed upon with foreign partners. “We propose a balanced budget that does not envisage an increase in taxes for business and, at the same time, provides for better spending on social sphere and medicine,” the Prime Minister explained in his Telegram channel in December.

Despite the large deficit, social expenditures were preserved and even increased in some areas. A gradual increase in pensions is planned throughout 2021. From July, the state will start paying UAH 400 more to pensioners aged 75-80 years. People aged over 90 years will receive a bonus of up to UAH 500.

The macroeconomic indicators of the state budget for 2021 are as follows: revenues – UAH 1.092 trillion (UAH 21 billion added by the second reading); expenditures – UAH 1.347 trillion. The average annual U.S. dollar exchange rate for 2021 is projected at UAH 29.1 per USD 1. The GDP growth is expected at 4.6%, the inflation rate – at 7.3%.

Education

The past year was very difficult for the education system workers. Teachers and professors had to master remote teaching strategies during the coronavirus quarantine and conduct external independent evaluation amid the epidemic. The last challenge was the appointment of Minister of Education Serhiy Shkarlet. Part of society has an issue with his professional, moral and ethical qualities.

However, as evidenced by the external independent evaluation results, schools performed well in 2020 despite the difficult learning environment. Last year, 91.7% of school graduates passed a test and overcame the threshold score in the Ukrainian language, compared to 84% in 2019. The mathematics test was passed by 87.3% of school graduates, compared to 81.5% in 2019, and the biology test was passed by 94.5% from 91% in 2019.



CONSTITUTIONAL CRISIS IN UKRAINE

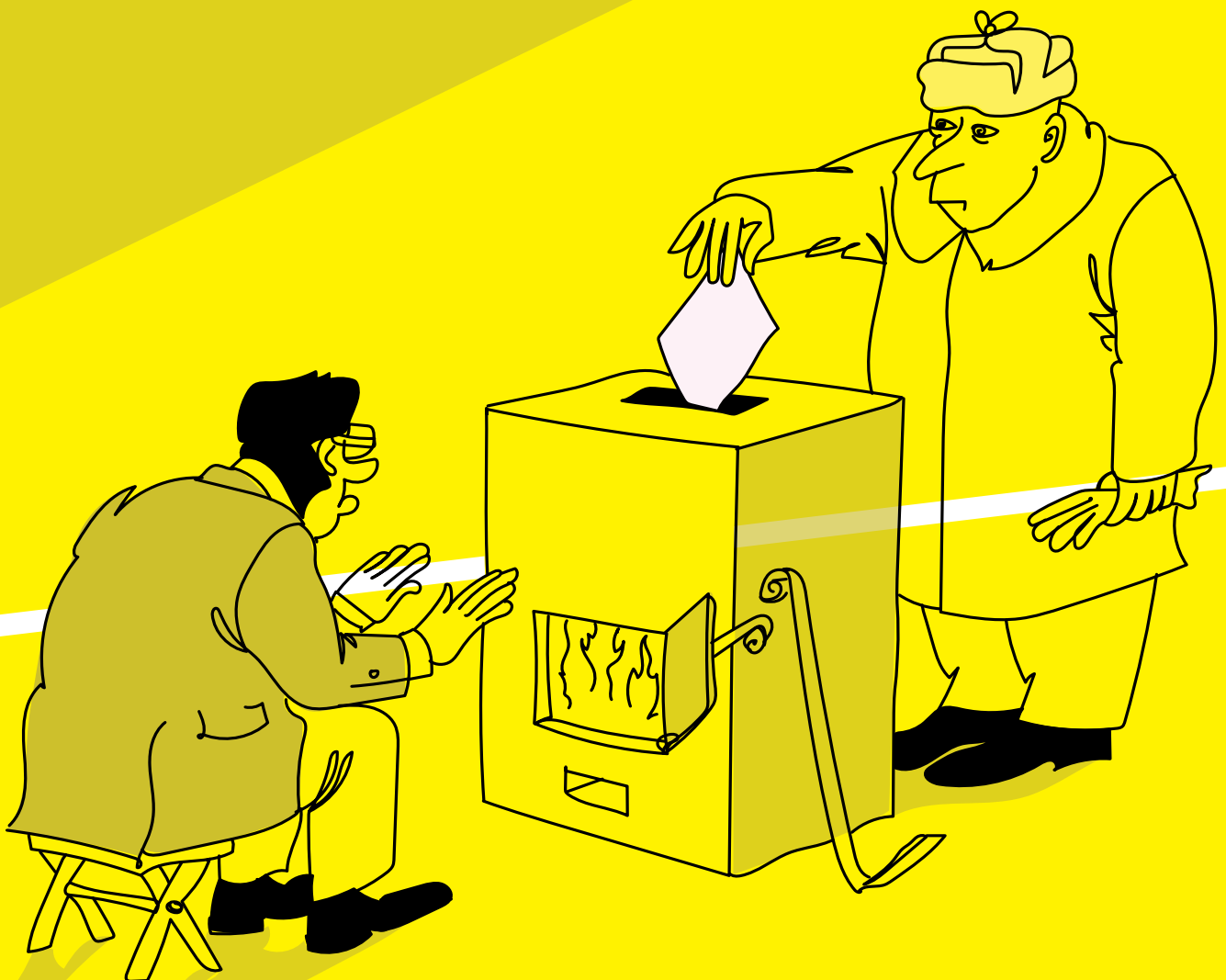
What happened?

This article has been written by Eduard Dudka, a student of political science at the Kyiv-Mohyla Academy and an intern of Promote Ukraine. This article uses quotes from the participants of the closed conference organised by Promote Ukraine and Vox Ukraine: "Constitutional Crisis in Ukraine. Expert opinion".

On 27 October 2020, the CCU, with its decision, declared article 366-1 of the Criminal Code of Ukraine unconstitutional. In other words, this article had been removed by the court. But why is this article so important? Shortly after the Revolution of Dignity in 2014, a large-scale process of

reforming in the socio-political sphere started in Ukraine. One of the biggest problems of Ukraine is corruption. Major problems arise due to the spread of corruption among Ukrainian statesmen. The article that was repealed by the Constitutional Court was one of the most important in the field of anti-corruption. This article defined the competence of The National Agency for Prevention of Corruption (NAPC), a special body created in 2015 to fight corruption. In addition, the article determined the punishment for providing false information in electronic declarations and punishment for illicit enrichment.

Labeling article 366-1 as unconstitutional had in fact removed the necessity for statesmen to provide in their declarations truthful and complete information about their property. This means that now they can lie about their property, income (including the nature of it) and so on. The con-



sequence of this is that great difficulties were created in the work of the above-mentioned NAPC. In fact, the agency was deprived of the opportunity to verify declarations, as its access to state registers was denied. Thus, the decision to repeal Article 366-1 was a real gift to the corrupt officials as it has paved the way for numerous financial manipulations.

"This was really a shocking decision by the CCU, which undermined much of Ukraine's achievements in anti-corruption policy, including electronic declarations, and undermined the credibility of the National Agency for the Prevention of Corruption."

Who is responsible?

The decision that triggered the constitutional crisis was made during a closed session of the CCU, at the suggestion of 47 deputies from the parties "Opposition Platform for Life" and "For the Future." It should be noted that these parties both stand on Eurosceptic, pro-Russian positions. Among the members of these parties there are many of those who had once been part of the "Party of Regions," led by Viktor Yanukovich.

It is worth noting that the decision to repeal Article 366-1 can be seen just as the last straw in a series of decisions previously implemented by the CCU that effectively nullified anti-corruption reforms in Ukraine by making them "unconstitutional." For

example, in July 2020, a group of 49 deputies (47 of whom were representatives of the aforementioned "Opposition Platform for Life") applied to the CCU to declare as unconstitutional the law that defined the work of the Supreme Anti-Corruption Court of Ukraine. In September, the CCU declared unconstitutional some laws on the National Anti-Corruption Bureau (NABU). Furthermore, orders were passed defining the appointment of Artem Sytnyk to the post of NABU chairman as unconstitutional (he was appointed in 2015 by president Petro Poroshenko).

The decision of the Constitutional Court was initiated by a group of deputies from two parties that are closely related in ideology and goals. As it is, we must pay attention to the problem that was described by both Ukrainian and Western experts. This problem is the politicisation of the CCU. Politicians have a wide influence on the activities of legal institutions. Experts have suggested different ways out of this situation. Quite popular is the idea of increasing the quorum required for decision-making in the CCU from 10 votes to 15. Also, there is a proposal to reduce the number of judges from 19 to 12.

"The problem exists in the election itself - judges are nominated by political parties. This is not right. They (politicians - ed.) should not be part of this process. The Verkhovna Rada (Ukrainian parliament - ed.) and the President mustn't appoint their judges to the CCU".

In addition, the very procedure of appointing judges is politicised. Politicians are trying to put forward the "right" people. As a result, judges became those people who will satisfy the interests of their "patron".

"The reason for this decision (on declaring Article 366-1 of the Criminal Code of Ukraine unconstitutional - ed.) is the qualification of judges of the Constitutional Court and the method of their selection.



Constitutional crisis has become a kind of examination for Ukrainian policy makers and society at large. Despite the fact that idea of dissolution of the Constitutional Court of Ukraine was not realised, it found support among some Ukrainians.

It is very politicised, and it is not based on human merits and qualities. A new procedure must be set up. In a few months, or at most a year, we will have a better Constitutional Court”.

What did they do?

The constitutional crisis has become a serious test for the current Ukrainian government.

“Volodymyr Zelensky and many officials have shown themselves well as people who create problems but not as people who solve them”. Two days after repealing Article 366-1, President Zelensky submitted to the Verkhovna Rada a draft law on the early termination of the competence of CCU judges. De facto this law should have legalised dissolution of the Constitutional Court. This proposal was negatively perceived by many deputies and after all rejected.

“The president’s proposal to dissolve the Constitutional Court is unfounded. This is not an ordinary court. We are dealing with the highest judicial structure in the country. You can’t just fire the judges who work there. In the end, it will have far-reaching negative consequences”.

Ukraine’s parliament has decided to compromise and reinstated anti-corruption laws that were repealed by the CCU on 4 December, although in legal terms it wasn’t the best solution.

“False information in declarations must be punished. It’s obvious”.

However, the confrontation with the Constitutional Court did not end there. At the end of December, President Zelensky signed a decree on the resignation of the head of the CCU, Oleksandr Tupytsky. He has been investigated on numerous charges of providing false information



The constitutional crisis has become a serious test for the current Ukrainian government.

to investigators and pressuring witnesses. In addition, Tupitsky is accused of not declaring a plot of land in the Russian-occupied Crimea.

What’s next?

Constitutional crisis has become a kind of examination for Ukrainian policy makers and society at large. Despite the fact that idea of dissolution of the Constitutional Court of Ukraine was not realised, it found support among some Ukrainians. Experts warn of far-reaching negative consequences» after dissolution of the CCU, for example manipulations with the judicial system to satisfy personal interests.

The crisis, caused by the decision of the Constitutional Court of Ukraine, jeopardised not only the domestic situation but also international relations of our state with western partners. Both partnership with the EU and grant aid from western partners were under threat.

“Decision (of CCU about acceptance of article 366-1 of the Ukrainian Criminal Code as unconstitutional – ed.) was not just directed against the anti-corruption achievements of Ukraine but also against the relationships between Ukraine and its western partners; fight against corruption is the cornerstone of our (Ukraine and the West – ed.) cooperation”.

The Venice Commission provided an assessment on the situation around the Constitutional Court of Ukraine. It considered that by taking such a decision the CCU de facto assumed power, which traditionally is a prerogative of parliament: to determine what is a crime and what’s not. The Commission recommended in this regard initiating a fundamental renewal of the anti-corruption system of Ukraine.

Within the context of what happened with the CCU, some experts highlighted problems with other courts in the country. Consequently, the verdict is unequivocal: it's not just the Constitutional Court of Ukraine but rather all judiciary requires reforms in Ukraine.

"Constitutional Court is one thing, another one (and it is important) is a rest of judicial institutions in Ukraine. The situation there leaves us to hope for better".

Despite Ukrainian parliament renewed laws that were repealed by CCU earlier, it's crucial to understand that another question remains open: a question of effective implementation of these laws in practice.

"It is a typical situation in Ukraine when decisions are taken but then nothing happens. Eventually decisions have no effect".

Western experts emphasised the same problem. They count on development of civil society, which would play the role of watcher for implementation of reforms in practice.

"We are afraid of the situation when amendments are adopted but nothing happens. In this regard, civil society and parties have to provide support and convey the message of importance of reforms to public".

Undoubtedly, the positive side of this crisis is that Ukraine can count on the support and help of our western allies.

"Whatever happens, Ukraine remains a partner not only for EU but for all the West".

Foreign experts suggest it's important for Ukraine to pay attention to the conclusions of the Venice Commission.



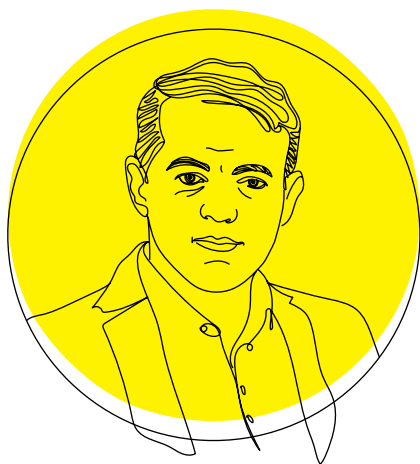
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defined the work
of the Supreme
Anti-Corruption
Court of Ukraine.
In September,
the CCU declared
unconstitutional
some laws on the
National
Anti-Corruption
Bureau (NABU).***

"Conclusions of the Venice Commission are an indicator of what the international partners think about Ukraine. In the EU we fight corruption with the rule of law, therefore reforms (in Ukraine – ed.) should be focused on creating a mechanism of preventing corruption. Without progress at the legislative level in the fight against the abuse of power, Ukraine wouldn't have any progress with international partners".

Despite support from the West, Ukraine has to understand that the constitutional crisis is primarily its own problem and an indicator of shortcomings that still remain and need to be resolved.

"Don't expect a resolving of this problem by any international organisation. The problem with the CCU is ours. We have to find the solution to this problem by ourselves, and we have to resolve this problem properly".

ABOUT LOCAL ELECTIONS



**ROMAN SUSHCHENKO
IS A FAMOUS
UKRAINIAN
JOURNALIST, FORMER
POLITICAL PRISONER
OF THE KREMLIN,
PUBLIC AND POLITICAL
ACTIVIST**

The first municipal elections in Ukraine with a record low turnout (the first round - 37%, the second one - 29%)

in times of a coronavirus pandemic together with the new, unbalanced and imperfect Electoral Code and incomplete decentralisation did not mark absolute winners. However, they demonstrated interesting trends that differ from the steady results of previous local campaigns.

Low turnout is a pan-European trend: the voter is less interested in municipal expression than in the national one. In addition, statistics shows that the desire to vote is traditionally higher in the first round than in the second one. Ukraine's updated election legislation has confused candidates and voters more than it has indicated an easy path to election.

PROMOTHOUGHT
SUSHCHENKO



In fact, none of the political forces became the only favourite of the electoral preferences. There is no single winner. The People's Servant party leads in the number of deputies of councils of all levels. Following slightly behind, there are two opposing parties at war with each other: the European Solidarity and the Opposition Platform "For Life." The top five also includes the Batkivshchyna and "For the Future" parties. But none of the mentioned political forces has a majority in the regions.

In the long run, the increasing demand for pro-Russian political forces is likely to be limited by the depletion of their electorate, which will never exceed a quarter of Ukraine's politically active population. Competition in the struggle for this part of the electorate will grow, but these political forces will never have the majority. It is an indisputable fact of modern Ukrainian politics. Local political projects, mostly performed in the pro-Russian electoral field, will work in favour of local business, and therefore will oppose Russian influences and will not support separatist sentiments.

The clumsy actions of the central government undermined the voter's confidence in the turbo regime know-how and pushed him or her to clear conservative decisions in favour of local leaders. The Ukrainian voter filled the ballots with significant confidence in local political elites and mayors. And this trend only strengthens local self-government and convinces of the success of decentralisation reform. It provided local leaders with the necessary powers, administrative and financial resources, which not all their predecessors have had since Ukraine's independence. Through appointments and redistribution of local budgets, the elites have increased their influence, and

having felt electoral support, will not restrain their political ambitions, and will unite in independent political projects to "capture" the parliament.

Non-parliamentary, local parties won elections in some cities and regions. Representatives of 110 parties became deputies of local councils with representatives of 46 parties among city, settlement and village mayors. In general, the 2020 municipal elections confirmed the triumph of party pluralism in Ukraine, from the point of view of democratic processes in Ukraine and the need to balance political and party interests, particularly in relations between central and local government.

Meanwhile, ranked political leaders and the parties they lead, will continue to play a key role in the national elections. A sufficiently mobilised electorate was demonstrated by European Solidarity, which was favoured by the loss of confidence in the Voice and the lack of real, new alternatives for the patriotic electorate. It is possible that such political projects are a matter of the nearest future.

Local oligarchic groups have consolidated power, but in my opinion, they are unlikely to go into open conflict with the central government, despite sharp contradictions. Instead, the central government will cooperate with the local government, regardless of their party affiliation. It will be a matter of time before the optimal balance of power is found between the central government and local self-government. Situational political alliances, based on personal or regional interests, will be formed in most regions of Ukraine. At the

same time, temporary tactical coalitions do not require formalisation. Therefore, at the constituent sessions, situational diverse alliances are formed in order to elect chairmen of local councils, secretaries of city councils and to form commissions. Eventually, those majority coalitions are doomed to reformatting.

Unbalanced and imperfect election legislation preserves the risks of active use of the technology of so-called "election tourism." The technology allows any citizen of Ukraine to change their voting address and exercise their right to vote in another region. In addition, according to NGOs, technologies with voter bribery mechanisms will remain serious challenges, i.e. transportation of voters to the polling stations by private vehicles, "carousel voting" or mass photographing of ballots. Given the low voter turnout, such anachronisms will be kept in use for bribing and activating the constituencies.

The main task of new political projects and traditional political forces in the upcoming national elections will be to experience new social trends and take advantage of this.

GERMAN AMBASSADOR TO UKRAINE ANKA FELDHUSEN: “CONSTITUTIONAL CRISIS IS AN EYE- OPENER FOR ZELENSKY”

The recent ruling of the Ukrainian Constitutional Court on anti-corruption reforms created new impetus for judicial reform, and the G7 Reform Support Group works closely with the Ukrainian authorities on that, says Ambassador of the Federal Republic of Germany to Ukraine **Anka Feldhusen**. In an interview with Brussels Ukraïna Review, she shared her worries about legal insecurity for investors and spoke about the support that Germany provides to Ukraine as well as about her love for this country where she is currently posted for the third time. “What never changes is the

warm-heartedness with which the Ukrainians receive me,” says the German Ambassador with a smile.



INTERVIEW

What is the best achievement and the worst failure of Ukraine under Zelensky?

That is for Ukrainians to judge. Many in the international community were impressed when President Zelensky came into office with an enormous amount of enthusiasm and willingness to implement change. He managed to push through very difficult legal projects that had been deadlocked for a long time. One of them is the unbundling bill for the gas sector that was adopted in November. Another one is the land market reform, which has been debated for an even longer time. In addition to these huge legal projects, there were many smaller, but similarly important initiatives. For us as long term partners – and also perhaps as Germans in particular (laughs) – the challenge posed by this energized and quick-paced work environment is a continuous staff rotation in government and state institutions.

What about the Constitutional crisis and anti-corruption reforms now? Ukraine is plunged into another crisis. How does it impact Kyiv's relations with Berlin?

It seems that the Constitutional Court ruling has, indeed, hit the anti-corruption structure in a sensitive spot. As EU and G7 Ambassadors, we have consulted with the Ukrainian side on quite a regular basis to help facilitate a solution. In any case, what I consider a real opportunity in this difficult situation is that the ruling has brought judicial reform into focus. As part of the EU and the G7 Reform Support Group, we have put together a few ideas for judicial reform and have presented them to the Ukrainian side.

For ordinary Ukrainians this crisis has also other implications. There is some information that the European Commission might suspend the visa-free regime because of failure to provide anti-corruption reforms. Do you think that Ukrainians will need visas to travel to Schengen?

I think the visa-free regime is one of the biggest achievements since the “Revolution of Dignity” in 2014. People-to-people contacts were already strong before, but the new rules have helped enormously. Can Ukraine lose this privilege? Anti-corruption structures were a certain precondition for the visa-free regime. For the time being, I think, the EU will certainly continue to monitor current developments. From our side, we will support our Ukrainian partners as much as we can to adapt the course. Personally, I am optimistic that Ukraine will keep the visa-free regime.

Mrs. Ambassador, one of the most pressing issues for Ukraine is the situation in Donbas. Do you see any changes, any positive signs in this development?

Progress remains slow. Still, from my point of view, there is no alternative to the Minsk process. President Zelensky and his team have clearly demonstrated that they are ready to take initiative. And they have been very active throughout the last year, indeed. The main achievement is the ceasefire that has been in place since last summer and that has saved the lives of soldiers and civilians alike. In addition, the lasting ceasefire contributes to people on both sides of the contact line getting used to this

relative stability and calm. Pressure will grow to secure this situation, since people crave for a normal life. Therefore, we should all fully support the continuation of this ceasefire. Among other achievements are the two prisoner exchanges and the opening of two more entry/exit points, unfortunately only by the Ukrainian side. These are concrete issues where a lot of progress has been made, and I believe once the pandemic is over, we will see more results. From a humanitarian point of view, and also with regard to “winning the hearts and minds of the people”, issues like pensions for those living in the non-government controlled territories remain, so does drinking water supplies, and so on.



From our side, we will support our Ukrainian partners as much as we can to adapt the course. Personally, I am optimistic that Ukraine will keep the visa-free regime.

This is where the implementation of the Minsk agreements can really make a difference in a shorter term. These issues are debated and can be solved in the Minsk working groups. We are working intensively to support that. In any case, a successful and economically attractive Ukraine will serve best as a role model and, thus, also as a magnet and also for those living in the non-government controlled territories.

What about Germany and France? Some experts say that representatives from these countries should be more involved in the process.

For the time being, I can hardly imagine where Germany and France could be more involved in mediating between Russia and Ukraine. Minsk has to serve as a long-term process because we are convinced that, in the end, there can be only a political and not a military solution for this war. And we continue working tirelessly for that.

We know that Germany supports Ukraine's European integration. But what does Berlin think about real chances of Kyiv joining the EU?

Yes, we want the closest possible degree of integration. And there is still quite a way to go. Ukraine can and should do its part - by implementing reforms, by becoming economically more successful, by creating fair and equal conditions for foreign and domestic investors.



We observe a relatively constant change of legislation in Ukraine. However, foreign investors are often bound by strict compliance rules and can thus not act the same way as their rival Ukrainian companies

Among other problems of Ukraine in the international arena is the construction of the Nord Stream-2 gas pipeline. Washington is apparently preparing new sanctions against the project. What is the reaction of Berlin to this?

Germany, together with the EU, firmly opposes extraterritorial sanctions. Unilateral sanctions against close allies are definitely not the right way. A concerted approach towards Russia's behavior could strengthen our transatlantic unity. Germany takes Ukraine's concerns very seriously. That said, we are already working with our Ukrainian partners on future sources of energy supply. One of our focus areas of support and cooperation with Ukraine is 'green energy' and energy efficiency. In order to deepen this cooperation, we have implemented an Energy Partnership last year. So, with regard to energy, Ukraine is and will remain an important partner.

What about the case with poisoning Alexey Navalny? Did the mood in Germany towards Russia change, also including Nord Stream 2?

Of course the German public took great interest in Mr. Navalny's case when he came to Germany for treatment. Many were shocked by the heinous poisoning. We were glad that he made a full recovery. And when laboratories in Germany, Sweden and

France found evidence – later confirmed by the OPCW (Organisation for Prohibition of Chemical Weapons) - of the use of a military-grade nerve agent, we came to be a bearer of bad news to the international community - about a grave breach of international law. On a European level, this then resulted in sanctions by the EU-27 against Russian individuals deemed responsible for this crime and breach of international norms, based on their official function, as well as an entity involved in the Novichok programme.

Germany is one of the biggest investors in Ukraine. What do German business people say about Ukraine's investment climate? What problems and obstacles do they have?

Indeed, Germany is a big investor in Ukraine. There are more than 2,000 German companies active in Ukraine, many of which have been here for a long time and most of which being quite satisfied. They are earning good money, and they are employing many Ukrainians. Some enterprises, especially the automotive ones in Western Ukraine,

are now even thinking about expanding further to the east in Ukraine in order to satisfy their demand for labor. By the way, one of the biggest German investments lately came from Kostal, that invested 39 million euros to produce automotive parts near Boryspil.

Nevertheless, both newcomers and those German companies that have been around for longer face problems that have not changed much throughout the last couple of decades. The first and foremost problem remains legal insecurity. We observe a relatively constant change of legislation in Ukraine.



However, foreign investors are often bound by strict compliance rules and can thus not act the same way as their rival Ukrainian companies. This is why we support local efforts in establishing clear and sustainable rules in order to enable investors for long-term commitments in Ukraine.

Investors remain interested in Ukraine - especially with what we have learned from the pandemic. There is the concept of “nearshoring”, which means that companies have understood that focusing exclusively on production sites in, let’s say, China or India may not be ideal when global supply chains are cut off by something like a pandemic. Many companies have therefore already expressed interest in building production sites in Ukraine, especially in the field of pharmaceuticals because of the pre-existing strong pharmaceutical industry in this country.

Quite recently Berlin made a voluntary contribution of EUR 1 million to support the implementation of the Council of Europe Action Plan for Ukraine to help the country in the areas of human rights, the rule of law and democracy. Can you give us other recent examples of Germany’s support to Ukraine?

That is my biggest “problem” – there are so many projects that I always find it hard to name only a few of them (laughs). Overall, our support is focused mainly on “3+1” sectors. We work most actively in, first, the area of decentralisation and good governance.

Our second focus is on energy efficiency and green energy, and the third being on support for small and medium enterprises. In these three fields, we have been active for decades and we have gained quite a lot of experience and established reliable partnerships with Ukrainian institutions.

Our “+1” sector is the support for the oblasts that have welcomed a majority of Internally Displaced Persons (IDPs) from the non-government controlled territories after 2014. Those smaller projects especially have an impact for people who live along the contact line and suffer

from war. For example, we have strengthened social infrastructure in these communities by helping to renovate kindergartens, hospitals, schools, and cultural centres along the contact line. We have supported local administrations in municipalities that have worked with IDPs. I have recently been to Kramatorsk and visited a hospital there where we were going to renovate a laboratory. Last but not least, Germany provides treatment to Ukrainian soldiers in Germany who have been wounded in the war in Donbas.

Personally, I am often touched by “little” projects that aim at people-to-people contacts on site. For instance, we carry out a project for female bloggers from both sides of the contact





line to exchange their views. I think these micro-projects are so important because they create platforms where people can still talk to each other after six, almost seven years of war.

You have been the German ambassador for over a year now. What are the best, the brightest moments during this period?

One thing that never changes is the warm-heartedness with which the Ukrainians receive me. It was like this in the '90s, it was the same from 2010 till 2015, and it has been exactly like that since I arrived in 2019.

Natalia Richardson

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Investors remain interested in Ukraine - especially with what we have learned from the pandemic.

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Yes, we want the closest possible degree of integration. And there is still quite a way to go. Ukraine can and should do its part - by implementing reforms, by becoming economically more successful, by creating fair and equal conditions for foreign and domestic investors.



CRIMEAN POLITICAL AND SEISMIC ZONE

CRIMEAN POLITICAL
AND SEISMIC ZONE

**INNA KRUPNYK IS A
FREELANCE JOURNAL-
IST, COMMENTATOR AND
COPYWRITER. SHE HAS
MORE THAN 15 YEARS
OF EXPERIENCE IN
MARKETING AND AD-
VERTISING BOTH AS A
PART OF STAFF IN SYS-
TEM COMPANY AND AS
A FREELANCE MARKET-
ING ENTREPRENEUR.
SPHERES OF JOURNALIS-
TIC INTEREST: NATION-
AL REVIVAL, REFORMS,
HISTORICAL PARALLELS,
CULTURAL PROCESSES,
MICROECONOMIC PRO-
CESSES IN UKRAINE,
GENDER EQUALITY. PAR-
TICIPANT IN CONFER-
ENCES, FORUMS AND
SEMINARS IN MATTERS
RELATED TO POLITICAL
PROCESSES AND RE-
FORMING THE ECONOMY.**

The issue of restoring the sovereignty of Ukraine and returning the territories of Crimea and Donbas temporarily occupied by Russia is as multi-vector as life itself. In addition to a need for the observance of international legal principles of territorial sovereignty and support for the world order, obvious to the majority, politics, diplomacy and economics collided here in a big way. On the one hand, Russia is an aggressor, condemned by numerous resolutions and economic sanctions; on the other hand, Russia is an economic partner and supplier of oil and gas. The economic weakening of the raw material colossus is perceived by many political leaders as undesirable due to the pro-Russian lobby in European political circles. Thus, the Crimean issue has political, diplomatic and economic aspects. Therefore, the international community, in particular the European institutions, must use both levers of influence on the Russian Federation.

CRIMEAN
POLITICAL
AND
SEISMIC
ZONE

The main task of Ukrainian diplomacy “here and now” is to convey the message that Russia’s presence in Crimea and Donbas is not only an internationally recognised fact of aggression against Ukraine but also a cause of destabilisation of the entire European region already with a wider geography of Russian influence. Since the arrival of the Russian military in Crimea in February 2014, international organisations have declared the occupation and annexation of Crimea illegal and condemned Russia’s actions largely due to Ukraine’s diplomatic efforts on the world stage. Western countries imposed economic sanctions, despite the resistance and lobbyist influence of Russia, which continues to deny the occupation of the peninsula and calls it nothing more than “the restoration of historical justice”.

However, the restoration of the only possible historical justice lies in the plane of international law, not in the legitimisation of the aggressor’s actions. Ukraine makes significant efforts on Crimea issues in the diplomatic field, in particular in international organisations, primarily the United Nations. In total, there were several resolutions of the UN General Assembly (UNGA) on Crimea, in particular, the resolution on Russia’s “militarisation of the Autonomous Republic of Crimea and the city of Sevastopol, Ukraine, as well as parts of the Black Sea and the Sea of Azov” and the resolution on the protection of human rights in Crimea, annexed by Russia. The latest resolution, approved on 7 December 2020 (“Problem of the militarisation of the Autonomous Republic of Crimea and the city of Sevastopol, Ukraine, as well as parts of the

Black Sea and the Sea of Azov”) is marked as “strengthened.” The resolution was supported by 63 countries (62 countries abstained, 17 countries, including Russia, voted against it). Sixty-three nations unequivocally condemned Russia’s temporary occupation of Crimea and identified it as a threat to international, not just regional security. In addition, the resolution calls for the withdrawal of Russian troops from Crimea and the immediate return of control over the territories to Ukraine. In contrast to previous resolutions, the third document of the UN General Assembly referred to Russia’s illegal seizure of former nuclear weapons storage facilities in Crimea and the establishment of control over them, the relentless militarisation of the peninsula, as well as the continued conscription of Crimean residents into the Russian armed forces as violation of international humanitarian law or the inclusion of Crimean educational institutions in the Russian “military-patriotic” education system. The resolution calls on Russia to put an end to this practice. In addition, the resolution mentioned construction of warships, conduct of military exercises and other military activities, as well as the implementation of the Russian transport project Tavrida as a tool for further militarisation of Crimea.

The disappointing dynamics and forecasts for the build-up of Russian military power in Crimea are evidenced by cold hard facts which may further become blood-stained. Thus, according to the website of the Ministry of Foreign Affairs of Ukraine, the number of Russian military personnel increased from 12,500 in 2014 to 32,500 in 2020; the number of tanks, from 0 to 195; of fighter air-

craft, from 22 to 100; and the number of artillery systems of various calibers from 24 to 283. And by 2025, the Russian military presence is expected to double at the very least.

The resolutions of the UN General Assembly of 2016-2019 on Russia’s human rights violations in the occupied Crimea were a separate instrument of political pressure on Russia. The latest UN General Assembly resolution contains information on the replacement of the population in Crimea, its militarisation, intimidation and political persecution of civilians, enforced disappearances and other illegal actions and human rights violations, especially against the Crimean Tatar population, of which Russia is accused. The resolution urges Russia to immediately stop gross human rights violations and to ensure unhindered access of the UN and OSCE international monitoring missions to Crimea.

However, the results of these diplomatically declarative levers of pressure on Russia are not very comforting and often illustrate the phrase “The dogs bark, but the caravan goes on.” And the caravan here, unfortunately, is Russia, with a firm conviction of its own truth and victory, which it demonstrates widely. The Russian authorities, as in previous years, criticised the document, calling it “anti-Russian.” And there were few mentions of the resolution in the Russian media outlets. In particular, First Deputy Permanent Representative of Russia to the UN Dmitry Polyanskiy tweeted statements reiterating Moscow’s claims about “Russian Crimea” and the current “Maidan regime of Ukraine,” “Maidan madness,” “Maidan fever” and “Maidan virus” in Kyiv.

As for the possibility of international monitoring missions' access to the peninsula, Russia, through Spokesperson for the Ministry of Foreign Affairs Maria Zakharova, stated that they were "ready for dialogue with relevant international human rights organisations in Crimea, but within the mandate of the corresponding structures and related procedures that can be applied to visit Russia." That is, on their own terms.

It is worth noting that whatever the UN General Assembly resolutions are, these are not binding documents. Indeed, it is an increase in legal pressure; indeed, it is a consolidation of international efforts; and indeed, it is a political and legal argument to promote the de-occupation of Crimea as assessed by Minister of Foreign Affairs of Ukraine Dmytro Kuleba. However, all these measures are a long-term prospect and Ukraine needs them "here and now."

Perhaps, the international summit for the de-occupation of Crimea within the framework of the international Crimean Platform, scheduled for May 2021, will become more effective diplomacy in terms of efficiency rather than effect. Turkey, the United States, Poland and the Baltic states have expressed interest in participating in the summit. Kyiv plans to invite Russia to the negotiating table. But, so far, this project is under development, so we will keep our finger on the pulse.

Another aspect of the Crimean issue is economic, and this is the question of the effectiveness of sanctions pressure on the Russian Federation. For quite a long time, there was overconfidence in Ukrainian society and politics that "Western sanctions" are a universal and very effective instrument of pressure that will force the Russian leadership to make certain concessions on issues of Donbas and Crimea or to return these territories to Ukraine, reimbursing the material damage caused, in the ideal case. According to forecasts, if Russia had refused to do this, it should have been prepared for an inevitable economic collapse in the near future. However, this has not happened; the effectiveness of sanctions in their current form cannot be proved, since the territories are still occupied, and Russia has recovered from the economic downturn of the first years.

The international sanctions against Russia began to be applied in 2014 and were supported by 41 countries. A phased sanctions pressure was envisaged: the first stage – restrictions on cooperation; the second – restrictions on the supply of certain types of technologies; the third – sanctions against certain sectors of the Russian economy. The sanctions of the first and second stages, imposed on the Russian Federation, were valid for 12 months and were regularly prolonged every year. The current sectoral sanctions of the third stage are reviewed every six months, they were last extended in December and will remain in force until 31 July 2021. To briefly list the mechanisms of pressure on Russia, they relate to the following sanctions: ban on doing business with Crimea; ban on the supply of tools, technologies and products for the development of oil and gas fields to Russia (however, this applies primarily to tools for deep drilling and does not apply to those used in the old technological process of exploration

and production in Russia); ban on the supply, purchase and sale of weapons and equipment; ban on cooperation with five Russian banks and nine enterprises of the Russian military-industrial complex; ban on the use of debt and financial instruments by three Russian oil and gas companies; and restrictions on trade, financial and other transactions with organisations registered in Crimea. The second package of sanctions, namely the sanctions "against actions that undermine the sovereignty and territorial integrity of Ukraine," applies to 183 individuals, mostly citizens of the Russian Federation and Ukraine; and 47 legal entities, including 22 "organisations" (in particular, Battalion Vostok, Battalion Somalia, Army of Novorosiia, Donetsk People's Republic, etc.). Despite the impressive number, there are few real companies on the list (no more than 25), including Techpromexport, Interavtomatyka, Almaz-Antey and other Russian defence enterprises.

However, according to Iliya Kusa, an analyst at the Ukrainian Institute for the Future (UIF), despite the large list of sanctions, there is no full-fledged pressure on the Russian Federation because the sanctions are not comprehensive and do not cover Russia's entire economy, often leaving Russia room for economic maneuvers. The ineffectiveness of the sanctions is also evidenced by the Russian Federation's GDP: the Russian economy grew by 0.3% in 2016, by 1.6% in 2017, and by 2.3% in 2018 compared to last year. The situation with the package [of sanctions] on Crimea is similar.

It would work if it was about the peaceful development of Crimea's economy by Russia. In fact, it creates a powerful group of troops there and conducts military rather than civil or economic modernisation. Therefore, sanctions are not critical to the implementation of these plans by Russia, as they more often relate to peaceful life, and not military restructuring. It is safe to say that the sanctions of the "Crimean package" affect the development of peaceful infrastructure of the Crimean peninsula and significantly increase the cost of maintaining the annexed peninsula for the Russian budget. However, given the general state of Russian finances, this is not a critical problem for the implementation of Russia's policy of militarisation of the region.

For some time, the "Ukrainian issue" was among the top three on the international agenda and really united several leading countries in putting pressure on Russia. We were already rejoicing at the victory and forecasts for a drop in the level of incomes of Russians, a decrease in export volumes, a collapse of the national currency and other processes that should have pushed the Kremlin to change its political course and, perhaps, even to a "palace coup" that would be carried out by oligarchs from Vladimir Putin's circle of close associates, who were dissatisfied with the sanctions affecting their business. But gradually the Ukrainian issue was put on the periphery of international politics from the top five on the agenda of the EU and the US, as it included Syria, Turkey, terrorist acts in Europe itself, the U.S. election and the pandemic. However, the Russian economy itself recovered after the first shock from the sanctions and began to

adapt to the new conditions. In particular, a technocratic albeit Putin-led government is gradually shifting Russia's economy to a new model. It lies in the fact that the Russian economy will henceforth be based on a predominantly domestic financial and monetary system and on its own monetary unit (rubles) both for lending to its own business and for accumulating wealth. When the transition to the new system is completed, the need for external "inflow" of capital will almost disappear, because Russia's wealth will be formed solely by domestic resources and agents. And there are already some results. Thus, according to the Bank for International Settlements (Switzerland), internal and external liabilities of banks and non-banking businesses in Russia are successively declining.

Sanctions have always been an effective tool when applied correctly, but they change the balance of power in the next 10-15 years and are ineffective in terms of the here-and-now influence, except for the first 2-3 years of "sanctions shock." Russia was fully shocked by the first peak of the sanctions impact - the country's nominal GDP fell by 3%, and exports (in monetary terms) by more than 40%. However, there is no need to talk about the exceptional influence of sanctions, since the Russian economy is highly dependent on oil and commodity prices. In 2014-2015, there was a collapse in oil prices almost twice. That is, the decline of the Russian economy is primarily associated with the situation in foreign markets, and only then with the impact of sanctions. This is noticeable from the change in the structure of foreign trade of



The main task of Ukrainian diplomacy "here and now" is to convey the message that Russia's presence in Crimea and Donbas is not only an internationally recognised fact of aggression against Ukraine but also a cause of destabilisation of the entire European region already with a wider geography of Russian influence.

the Russian Federation – a decrease in the share of the oil and gas component and an increase in the share of agro-metallurgical industry. Thus, we can conclude that the Russian economy has experienced a shock since the first years of sanctions and has already adapted to new conditions. According to Dmytro Nekrasov's report "Limits of Russia's Strength," published by the Ukrainian Institute for the Future in 2017, the decline in GDP stopped in the fourth quarter of 2016 and, according to various estimates, amounted to 0.3-0.5%. The ruble strengthened by 31% compared to the peak values of early 2016; stock indices grew by 35-40%. Net capital outflow by the private sector fell from USD 152 billion in 2014 to USD 19 billion in 2016. Inflation decreased from 12.9% in 2015 to 4.2% in early 2017. Russia's Central Bank cut the key interest rate from 17% to 9.5%.

We cannot talk about the complete ineffectiveness of sanctions. Russian President Vladimir Putin said in 2015 that the total impact of falling oil prices and sanctions cost Russia USD 160 billion. Bloomberg claims that over the five years of sanctions and falling oil prices, even after overcoming the first shock, the Russian economy has lost about USD 150 billion.

China, Germany, and the Netherlands were Russia's three major trading partners in 2018. More than a quarter of trade turnover falls on these countries. The sanctions did not affect the structure of trade with these countries in any way. It should be noted that large Russian companies such as Gazprom have not yet come under sanctions. That is quite understandable as they all do business in the EU and have support groups among the political elites of the European Union. The possibility of their falling under the sanc-



According to the website of the Ministry of Foreign Affairs of Ukraine, the number of Russian military personnel increased from 12,500 in 2014 to 32,500 in 2020; the number of tanks, from 0 to 195; of fighter aircraft, from 22 to 100; and the number of artillery systems of various calibers from 24 to 283.

tions is insignificant due to the fact that the imposition of sanctions requires the consent of all 28 members of the Council of the EU on each point of the decision for each company or for each person. In addition, EU sanctions primarily concern European companies and companies with a share of European capital. They do not extend restrictions to other Russian defence partners. On the whole, this suits Russia, since the market outlets for its weapons are located outside the EU, and the production process does not involve the use of a large number of European components.

A separate factor influencing the sanctions situation is the actions of another more flexible and independent player – the United States. The USA is not among Russia's top five foreign trade partners. It is a source of technology and technological equipment. In 2013-2017, the volume of supplies of technological equipment to Russian companies fell significantly both in price and quantity. That is, the main sanctions mechanism of the US is a restriction on the transfer of technology and technological equipment to Russia, which will affect the development of the Russian economy in the next 10-15 years. However, in practice, there are ways to circumvent the sanctions, in particular, to sell technological equipment through companies in third countries (Belarus as an example). It is important to understand that technological sanctions are a long-term prospect. The sanctions that restrict Russia's ability to import technology for scientific and technological development, primarily the oil and gas industry, may prove to be the most effective

of all above-mentioned packages. The first signs of industrial crisis due to technological backwardness are already visible in Russia.

It is worth changing approaches to sanctions. The standard approach assumes that Russia's economy is seriously affected by the lack of access to foreign capital, saying that it is an incentive for the Kremlin to normalise relations with the West and other countries and restore the "inflow" of capital by making concessions in the Crimean issue. However, statistics show otherwise. In addition to strengthening the domestic model of the economy, Russia does not rule out the possibility of enhancing the economy by actively attracting investment. All strategies approved in Russia for the development of certain industries (including energy, transport, technology, grain, etc.) are aimed at improving the business climate for investors (primarily from the US, Europe, Japan and China). In the Doing Business 2014 ranking (conditions were assessed from June 2012 to June 2013), Russia ranked 92nd, Ukraine, 112th. In the Doing Business 2019 ranking, Russia took 31st place, and Ukraine took 71st. After 2025, the Russian government expects a sharp increase in foreign investment, the influx of technology and the intensification of scientific and technical cooperation. That is, we can conclude that by 2025 the Russian Federation expects to enter the regime of canceling or suspending the main sanctions packages that are currently hampering the development of the Russian economy, especially technological development.

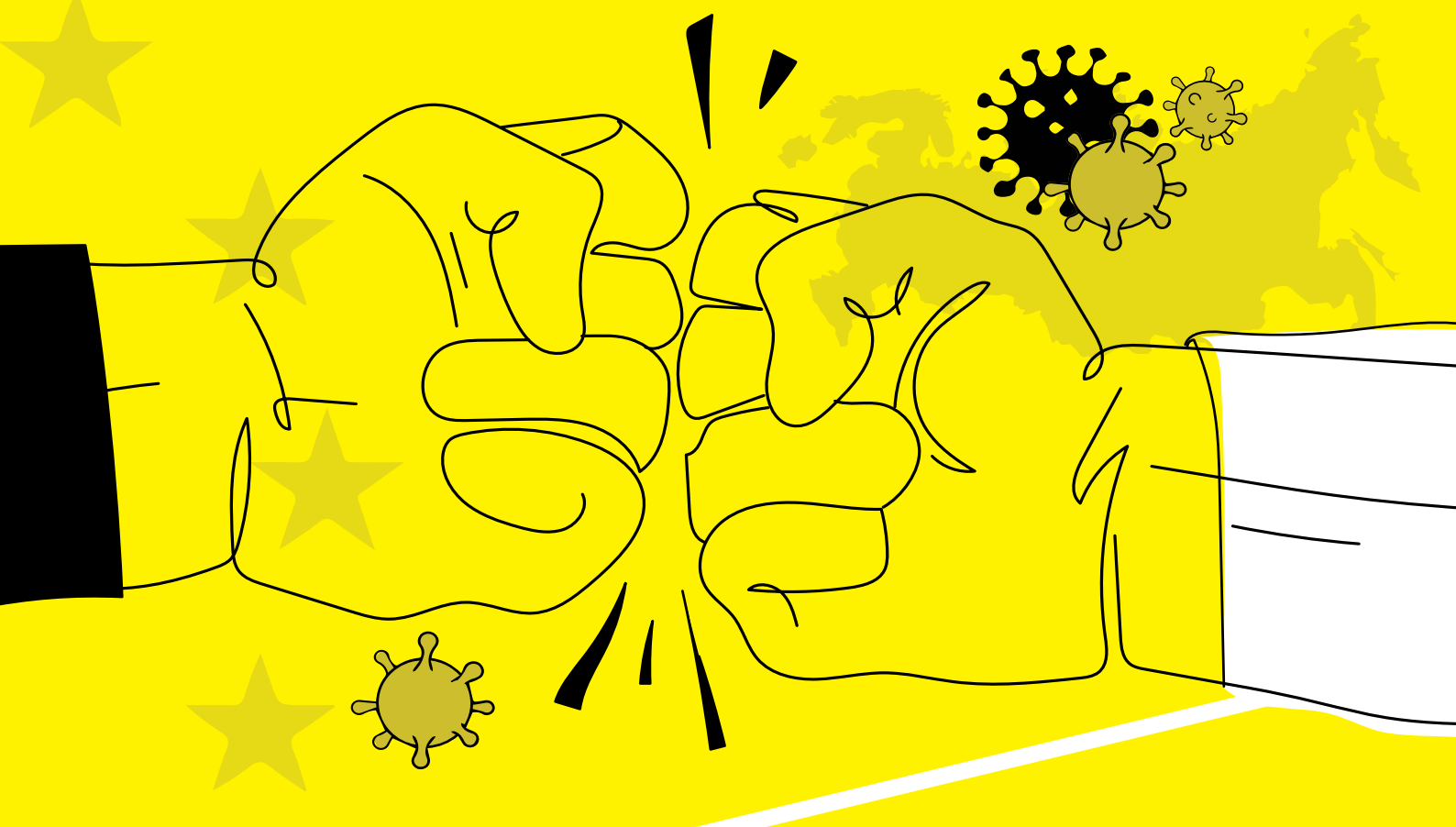
And here, in the eyes of world politics, the main target should be the Nord Stream 2 project, which contains opportunities for economic and technological pressure on Russia. There is a direct de-

pendence on whether Russia will cope with the construction of Nord Stream 2 solely on its own, without involving front companies. On 11 December, world news agencies announced the resumption of works on a 2.6 km section of up to 30 meters in depth between the Danish island of Bornholm and the Baltic coast of Poland. Formally, the construction is being carried out by private companies backed by Gazprom and with the involvement of exclusively Russian pipe-laying vessels. However, new U.S. President Joe Biden, with his tough stance toward Russia, intends to expand sanctions against construction contractors in January, expecting that Russia will not be able to complete the construction of another 160 km of gas pipeline without shell pipeline companies.

Opponents of the completion of Nord Stream 2 call for the need to develop alternative energy sources for Europe and warn against the danger of Russia playing on compromises with individual European countries, which may continue to cause controversy in the EU's joint actions. In addition, the growth in gas consumption is contrary to the Paris Climate Agreement. According to the German Green Party, the further construction of the pipeline will continue to split Europe, and Russia's intentions to ultimately abandon gas transit through Ukraine cannot be called an attempt to diversify supplies as they try to show. This is purely political pressure

or revenge for getting out of the political influence of Russia itself. Thus, the here-and-now decision on Nord Stream 2 will have a significant political effect.

Given how Russia has managed to maneuver and recover from the sanctions shocks of the first years, it is worth putting pressure on its most tender place right now, without waiting for the effect of sanctions in 10-15 years. The Nord Stream 2 project is almost 97% complete. The United States has already responded to this and is about to amend legislation to allow broader consultations with EU partners before a possible extension of sanctions against the pipeline, so that they are not unilateral, but multilateral in terms of nature and influence. Rapid and joint pressure on Russia is required not to close completely but to suspend the Nord Stream 2 project until the moment when Russia demonstrates its flexibility and is ready to reach a compromise on the de-occupation of Crimea.



NOW AND THEN: ASSESSING COVID-19 IMPACT ON EU'S RELATIONS WITH RUSSIA

RUSSIA –

**MARYNA YAROSHEVYCH
IS A MEMBER OF THE
BOARD OF DIRECTORS
OF THE FOREIGN
POLICY COUNCIL
“UKRAINIAN PRISM”,
DIRECTOR OF UKRAINIAN
WORLD CONGRESS
REPRESENTATION TO INTERNATIONAL
ORGANIZATIONS IN BRUSSELS (2017-2019),
COORDINATOR OF PARTNERSHIPS AND EVENTS.**



While the COVID-19 pandemic is still raging throughout the world, and its aftermath is far away from being readily available to take stock of, it is nevertheless a high time to pose a question on how the pandemic has already affected a geopolitical balance of power worldwide. The underlying assumption is that COVID-19 has become a major stress test for any given inter-governmental relations that has: 1) either exposed and accelerated existing tendencies; or 2) created additional complications and restraints in setting the record straight when relations had been previously compromised. In the sections below, this assumption will be verified based on the official documents, decisions and positions upheld by the EU and its Member States (MSs) vis-a-vis Russia overtime and, most importantly recently, in times of global epidemiological threat.

Quick overview of the past two decades: EU's growing distrust

In the last two decades, the EU's relations with global actors, such as the US, China and foremost Russia, have been put under the ultimate test. Towards the end of 2020, it is evident that EU-Russian Federation (RF) relations resemble anything but normalcy. Long gone are the days when both sides were mesmerized and addressed each other as "strategic partners" at the beginning of Putin's first presidential term in office in the

early 2000s. Following Putin's creeping suppression of independent media, persecution of political rivals and, finally, its brutal intervention in Georgia in 2008, no one in Brussels (both the EU and NATO) could any longer perceive Moscow differently from at best a "strategic threat." Russia, on its part, has also been quick in retaliating by blaming the EU for extending its own "sphere of influence" over Eastern Europe and South Caucasus via its Eastern Partnership initiative, which the former has discarded from the get-go. Economic ties, nevertheless, have been important for both sides and had been carefully maintained all along despite accumulating political cleavages.

Approaching the point of no return in EU-Russia relations, however, was speeded up by Russia's outrageous occupation of Crimea and military aggression in Eastern Ukraine since 2014 for which it has been sanctioned on four levels: political cooperation; economic restrictions, targeted at Russia's financial, defence and energy sectors; a near-total ban on EU-Crimean trade and investment and individual sanctions comprising visa bans/asset freezes of around 150 people and 40 organisations. Today, sanctions still are extended twice a year (in January and July) and no formal mitigation has been agreed upon despite descending voices of some of the EU member states' leaders.



To put its foreign policy, vis-a-vis Russia, into perspective, the EU decided in 2016 to come up with a framework based on five principles, which were confirmed by the new HR/VP in March 2020.

In addition to Ukraine being a bone of contention, over the years there have been multiple other obstacles preventing the improvement of EU-Russia relations. The list includes Russia's military intervention in Syria, Libya and the Central African Republic, to name but a few; torture in detention that led to death of Sergey Magnitsky; murdering of opposition leader Boris Nemtsov; the attempted poisoning of former Russian spy Sergey Skripal; and Russian "active measures" consisting of meddling in elections and referenda, spread of disinformation and instigation of cyberattacks aimed at destabilising the EU and its Member States.

To put its foreign policy, vis-à-vis Russia, into perspective, the EU decided in 2016 to come up with a framework based on five principles, which were confirmed by the new HR/VP in March 2020. They include: full implementation of the Minsk Agreements on eastern Ukraine as a precondition for lifting restrictive measures against Russia; attempts to strengthen relations with post-Soviet states; strengthening the EU's resilience to Russian threats; selective engagement with Russia on issues of common concern such as countering terrorism; and support for EU-Russia people-to-people contacts.

European Parliament, while supporting the adopted five principles, has been consistently even more vocal (albeit less potent to act) regarding the "true colours" of the Putin regime and the required course of action for the Union. Among other recommen-



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dations, its 2019 resolution provided that "the EU should stand ready to adopt further sanctions, including targeted personal sanctions, and limiting access to finances and technology if Russia's violations of international law continue."

Despite rapidly growing evidence calling for the EU's unambiguous response, the EU's concrete measures, after heated debates, have been boiling down to slow and piecemeal efforts. The widely cited East StratCom Task Force at the EEAS has remained overtime nothing more than a team of a dozen EU bureaucrats fighting multimillion Russian propaganda and disinformation machinery with the help of a single website containing videos, infographics and some disinformation debunking narratives. As for countering cyberattacks affecting the EU MSs since at least 2007, after years of working on Cyber security toolbox (2017), Council framework for new sanctions regime (2018-2019) etc., the EU applied its regulations for the first time only in July 2020. It sanctioned in total six individuals and three legal entities, among them from Russia four people and one company.

Examples of the EU's under-reaction to Russia's "active measures" described before could go on. The point remains the same: lack of the EU's adequate (strong and strict, effective and efficient) response to Russia's amassing threats to security and democracy in the EU and wider region has unequally harmed the two sides. EU sanctions allegedly cost the EU 0,2% of its GDP. Yet, the

damage done has been much greater. Besides, the EU's collective weakness allowed Russia to have an upper hand and benefit politically while admittedly suffering economically.

Role of EU MS's leaders in trying to mend relationships with Russia

In spite of the EU's generally uncompromising rhetoric over Russia's violations back, front and center, within the EU there have always been ample voices privileging engagement with Russia over hostility. Incentivised by Russia, itself or out of their own convictions, such EU leaders as Czech president Miloš Zeman and prime minister Andrej Babiš, Cypriot president Nicos Anastasiades, and Italian prime minister Giuseppe Conte, have argued overtime that sanctions are costly, ineffective and should be abandoned. In 2018, then German foreign minister Sigmar Gabriel suggested, albeit in covert language, that should fighting stop in Ukraine, some sanctions could be lifted before full implementation of Minsk Agreements.

The most worrying of all "appeasement crowd" voices, however, belongs to French President Emmanuel Macron. Driven by desire for the EU to get strategic autonomy from the US and distance itself from what he called a "brain dead" NATO, he sees Russia as at least a situational partner in achieving these aims. He acknowledges himself, though, that restoring relations with Russia will be a tiresome

process as there is and can be no quick fix for lifting up sanctions and betraying neighbouring countries, foremost Ukraine and Georgia. Being one of the most long-standing leaders on the entire European continent, Putin is masterfully playing tricks plotting "a new beginning" for EU-Russia ties in view of worsening economic realities and projections. The truth is that despite Moscow's intensification of economic relations with China, the EU remains its main economic partner accounting for 42% of Russia's export as of 2019. Therefore, it comes as no surprise that from portraying the collective West as its biggest external security threat, Russia is zooming in on the US while gradually warming up its citizens' public opinion towards Europeans. According to Levada Center, in 2019, the EU's approval ratings among Russians, reached more than 50% for the first time since Russia's military intervention, picking up from 20% a few years back. This upward trend is not apparently shared among EU MSs. A Pew Research Center study done in 2019 revealed that only three (Bulgaria, Greece and Slovakia) EU Members look at Russia rather favourably than warily.

COVID-19, recent developments and EU deadlock over relations with Russia

The COVID-19 pandemic and subsequent lockdowns have hit hard economically most of the countries around the world (with China being among the few exceptions). Neither the EU, nor Russia, have been lucky to escape the virus' detrimental effects. However, not only hasn't COVID-19 pacified Russia's aggressive

politics both inwardly and outwardly; seemingly it has brought up the ugliest of the Kremlin in a condensed form.

Over the course of 2020, Russia has actively engaged in "virus diplomacy" offering the so-called help to the most affected states, particularly Italy. The low quality of its produce has been rapidly uncovered. Nonetheless, it hasn't prevented the Kremlin from bragging about its benign motives while promoting its geopolitical and geo-economic motives. The irony is that throughout the pandemic Moscow has been actively busy with what it does best: sowing discord among EU MSs and distrust vis-à-vis EU neighbours, undermining EU unity and creating info-chaos by means of infodemia (stuffing media outlets with low-quality conflicting messages about the virus and its cures). Yet, Putin has not shied away from calling a general moratorium on sanctions claiming that any restrictive measures are counter-productive against the backdrop of the global pandemic.

While the claims regarding the effects Russian disinformation has had on the European public cannot be realistically measured, the EEAS in its report published in April 2020 concluded that coronavirus-related disinformation in the EU was predominantly stemming from Russia and aimed at spreading confusion as well as discrediting the EU's response to the crisis, and it had reached millions of European social media users.

By scattering the EU's attention over an unexpected wave of COVID-related challenges, Putin has "masked" the Russian Constitutional Referendum from international oversight. Meanwhile, for any Russian scholar it doesn't take being a genius to discern that under the pandemic pretext the Russian President has slipped in constitutional amendments that prolong and bolster his authoritarian rule in Russia and effectively turn him into a "tsar," according to some commentators.

It comes as no surprise that any attempted protests, including the ones in Khabarovsk over the detention of governor Sergey Furgal, were suppressed and international media was distracted from reporting on the true magnitude and intensity of popular discontent. Where international media attention could not be avoided is the attempt to take the life of another opposition leader, Alexei Navalny. The EU was relatively quick in adopting individual sanctions against six individuals, days after the Organisation for the Prohibition of Chemical Weapons (OPCW) confirmed that the substance used to poison Navalny was Novichok, a Soviet-era nerve agent.

This extension of sanctions is regrettably the only tangible measure taken by the EU following the events involving Russia over the months of pandemic. For the rest, the EU remained concerned about the growing list of “hot spots” with Russia’s footprint: now extending to Belarus, Nagorno-Karabakh (Armenia and Azerbaijan) and Kyrgyzstan, but again, as always, did little to materialise its concern.

Despite Russia’s own health-care system’s misery, the Kremlin cannot miss a race for developing a COVID-19 vaccine. According to Russian scientists, its Sputnik V (named after the first satellite launched into space by the Soviet Union in 1957) has a 95% effectiveness rate, and Russia would be happy to share its “recipe” with anyone willing and able to produce it. Thus far, out of all the Member States only Hungary has declared its willingness to test the Russian vaccine, paying little attention to EU’s plea not to risk “unknown substances.”



Incentivised by Russia itself, or out of their own convictions, such EU leaders as Czech president Miloš Zeman and prime minister Andrej Babiš, Cypriot president Nicos Anastasiades, and Italian prime minister Giuseppe Conte, have argued overtime that sanctions are costly, ineffective and should be abandoned.

By way of conclusion

As evidenced from this brief overview, the battle of narratives between the EU and Russia rages on. While the latter steps up its aggressive policies on many fronts, both at home and abroad, the EU keeps on trying to preserve its unity and clarity regarding Russia’s actions. Its “real politik” vis-à-vis Russia has been virtually absent while “soft power” tools are not bearing much fruit when it comes to attempts to change Moscow’s course of action. For its part, Russia deplores the EU’s continued adherence to its 2016 five principles, and it insists that relations can only be improved if the EU and NATO meaningfully change their policies. Thus, the ping-pong game goes on. The question is how much longer and how much more will the EU tolerate before putting its foot down and interrupting Russia from undermining it from within, inflaming the neighbourhood and other selected states around the world and critically harming the Russian state itself?

JOIN THE FLASH MOB

#STOPRUSSIANBRUTALITY

The seventh anniversary of the Ukrainian Revolution of Dignity has passed. At the same time, 2021 marks the seventh year of the occupation of Crimea, the war on the eastern border of Europe and the terrorist attack on the downing of the MH17 civilian aircraft over the Ukrainian sky.

The shameless invasion of Ukraine by the Russian Federation was preceded by the invasion of Georgia. It was followed by Kremlin interference in the internal affairs of nearly every country in the region of Eastern Europe and the South Caucasus. The United States, Norway, and Germany have reported numerous cyberattacks by Russia, and the EU has already imposed the first-ever sanctions for this crime.

Today, we are witnessing no less shameful behavior by Moscow in Belarus, along with the suppression of all possible acts of disobedience among its own citizens, including the practice of

brazen poisonings and assassinations of opposition leaders.

In addition, Russia fearlessly violates human rights.

According to the PrisonersVoice campaign, at least 99 Ukrainian citizens are imprisoned for political reasons in Russia and the occupied Crimea, and at least 251 are in the basements of the occupied Donbas.

During the period of Russia's armed aggression against Ukraine, about 4,150 Ukrainian servicemen and 3,367 civilians were killed. More than 20,000 people were injured. In addition, reports from the Special Monitoring Mission OSCE and Joint Forces Operation report that Russian militants, in addition to territories under the control of the Ukrainian authorities, are deliberately shelling the occupied Donbas to increase casualties and accuse Ukraine of the attacks.

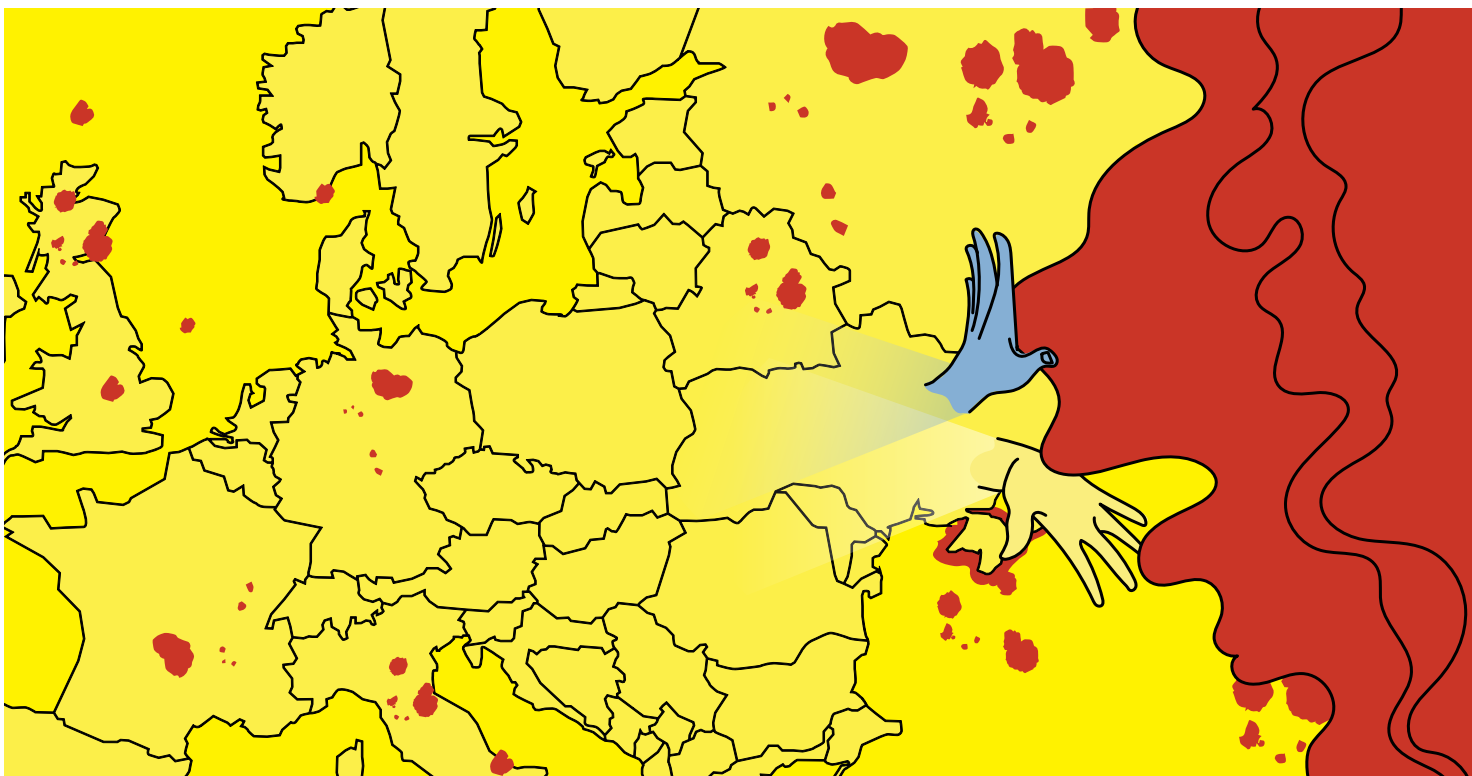
By destabilising the situation, both internally and externally, Russian mercenaries are shedding the blood of peace defenders and undermining European val-

ues. Not being sufficiently punished, President Putin's regime now ignores international law altogether, demonstrating its superiority over all European states, including yours.

We believe in your ability to be an agent of change and to help end the war, bring Russia to justice and restore justice throughout the European continent.

You can express your support, among other things, by joining the flash mob #StopRussianBrutality on 26 February 2021, the day of the seventh anniversary of the beginning of occupation of Crimea, by posting your photo with this card on all social networks where your accounts are registered and writing a few words of support for Ukraine and the world in the fight against Russian aggression.

Thank you for making a difference!
With respect and faith in our
common victory,
Promote Ukraine



**PREDATORY PEACEKEEPING.
INSTEAD OF SETTLING
CONFLICTS, RUSSIA
FREEZES THEM IN ITS OWN
INTERESTS**

RUSSIAN AGGRESSION





**STEPAN NAZARENKO
IS A UKRAINIAN
JOURNALIST,
PUBLICIST,
VOLUNTEER.**

The armed conflicts in the post-Soviet space may have different causes and different durations but almost always they share the same “depth of freezing”.

In Transnistria, fighting ceased in 1992. In Abkhazia, South Ossetia or Nagorno-Karabakh, volcano-like conflicts “fell asleep” in the early 1990s but periodically “awaken,” erupting with new waves of escalation. A relative “truce” has been prevailing in the occupied Donbas for less than six months. All these territories have common markers by which one can unmistakably recognise a self-proclaimed republic under the protectorate of Russia. The late USSR can be seen here at the level of symbols, place names, aesthetics of solemn events and rhetoric of local media. From an economic perspective, people live here in early 1990s style: the railway stations in Abkhazia covered with trees are the clearest illustration of these processes. The

cult of Russia reigns in each of these unrecognised (with rare exceptions) formations, proclaiming “forever together” slogans. Russia literally “feeds” these depressed territories in the middle of nowhere. And there are no hints that at least some thaw will come after the frost.

The fall of the Berlin Wall became the symbol of the collapse of socialism for the whole world, and the velvet revolutions in Eastern Europe gave rise to the myth of the “end of era” and, consequently, of the geopolitical confrontation inherent in the Cold War. Russia grandly withdrew a huge military contingent from Germany, which it had inherited from the Soviet Union, while its soldiers in Tajikistan and Moldova were becoming direct participants in local armed conflicts. The emergence of 15 new states on the political map of the world took the international community by surprise. By inertia, all former Soviet republics, with the exception of the Baltic states, found themselves in a zone of Russian influence. Therefore, Moscow undertook to settle all the wars that arose in this area, though in a very specific way. First, Russian paramilitaries (such as the Cossacks in Transnistria and Abkhazia) and regular units participated in the conflict and later took over the peacekeeping mission. Second, the alienated territories came under the hybrid occupation of the Russian Federation: local governments were tied to the Kremlin with an “umbilical cord” and the main display of social mobility here was the issuance of a Russian passport – a kind of pass to the outside world that also gives an opportunity to legally leave this “frozen ghetto”.

The presence of Russian troops never means the end of the conflict. According to the 1999 UN Istanbul Convention, Russia was supposed to withdraw its formations from Transnistria in 2001 but has not yet done so. Moldova’s newly elected president Maia Sandu called for the withdrawal of all Russian troops from the self-proclaimed Transnistrian republic. She suggests replacing Russia’s “blue helmets” with an OSCE civilian mission. As expected, the Ministry of Foreign Affairs of the Russian Federation met Sandu’s initiative with fierce opposition, saying it “undermines the peaceful settlement”.

The occupation under the guise of peacemaking does not give the main thing – peace. As the outbreak of military confrontation in Georgia in 2008 and the recent escalation in Karabakh have shown, no guarantees can be expected from Moscow. It will either stir up the conflict itself (as in case of Georgia) or take advantage of the resumption of hostilities (as in the case of Karabakh). Putin does not conceal his revanchist sentiments. He aims if not to restore the Soviet Union, then at least to return Moscow to the level of its influence of 30 years ago. He needs frozen conflict zones as instruments of putting pressure on countries leaving the Kremlin’s orbit. Transnistria for Moldova, Abkhazia and South Ossetia for Georgia, occupied Donbas and Crimea for Ukraine are safeguards against full integration into the EU and NATO. Moscow’s inability to create similar enclaves in the Baltic States greatly contributed to the successful European integration of the three states.

Russia has had its military base in Armenia since the 1990s but has expanded significantly its presence in the region during the recent outbreak of confrontation in Karabakh: 2,000 Russian fighters have entered Nagorno-Karabakh for the next five years. According to the investigation of the InformNapalm Ukrainian volunteer network, the Armenia-Azerbaijan conflict zone was invaded by the service persons of the 15th brigade of the Russian Armed Forces, which took part in the war in Georgia in 2008, as well as in the occupation of Crimea and fighting in Donbas. In addition to expanding its military influence, Moscow is gaining political weight: Armenia's pro-Western Prime Minister Nikol Pashinyan is likely to step down soon replaced by a most loyal possible politician (Russia still has helped contain the Azerbaijani offensive). As a result, the Kremlin will have another "safeguard" to keep Yerevan from rapprochement with the West.

The same fate may befall Donbas. The best-case scenario for Putin is to reintegrate the occupied territories on the basis of a special status with the prospect of further federalisation of Ukraine. In such a way, Moscow will receive not only a "safeguard" against Euro-Atlantic integration but also a chance to return the country to its orbit, dismember it and annex eight southeastern regions (the same ones where the *Russian Spring*, pro-Russian unrest in Ukraine, was defeated in 2014). At present, it does not seem that official Kyiv would agree to such a plan. Another thing is the freezing under the Transnistrian scenario. It is not a compromise or a settlement attempt. It is still a hybrid occupation. The legitimisation of Russian armed groups in the form

of peacekeepers is also the preservation of the status quo "post-Soviet space as a zone of geopolitical interests." Is there an alternative? It's a question to be put to Kyiv and its western partners. It is clear that the sanctions imposed on Russia are unlikely to have a diplomatic or security effect. They can weaken the Russian Federation economically but certainly will not force it to give up claims on Donbas. Moreover, the implementation of the Nord Stream 2 project clearly shows that Europe is not ready to stop using Russian gas (which is the main source of Russia's foreign exchange earnings). Therefore, if we talk about the peacekeeping contingent, it should be deployed on the eastern border of Ukraine, not on the current line of contact, and it is clear that these should be international formations without the participation of the aggressor country's troops.

The information sometimes appears in the diplomatic circles that Russia is allegedly ready to make some concessions on the Donbas issue, but only if the issue of Crimea is completely removed from the international policy agenda. Such a compromise could be a modern version of the Munich Agreement. First, there is the UN resolution of 27 March 2014 that states that the United Nations "calls upon all states, international organisations and specialised agencies not to recognise any alteration of the status of Crimea on the basis of this referendum and to refrain from any action or dealing that might be interpreted as recognising any such altered status." Second, the International Criminal Court should assess Russia's actions. On 11 December



The occupation under the guise of peacemaking does not give the main thing – peace.

2020, ICC Prosecutor Fatou Bensouda met with Deputy Prosecutor General of Ukraine Giunduz Mamedov in The Hague. During the meeting, it was reported that the Office of the Prosecutor of the International Criminal Court had decided to complete a preliminary investigation into the events in Ukraine related to the international armed conflict in Donbas and Crimea. "In the future, the Judicial Division of the ICC should approve initiation of a full-fledged investigation into the commission of war crimes and crimes against humanity in the context of armed conflict. These include killings, enforced disappearances, torture, political and religious persecution of Ukrainians, forced deportation of the Crimean population to mainland Ukraine and the colonisation of the peninsula. These serious violations of international humanitarian and criminal law have been analysed by the ICC Prosecutor's Office since 2015", the Office of the Prosecutor General of Ukraine informed.

The examples of Moldova, Georgia, Armenia, Azerbaijan and Ukraine are all sufficient to understand that each of these countries has fallen victim to Russia's aggressive "peacekeeping" policies aimed at maintaining its influence over the former Soviet republics.





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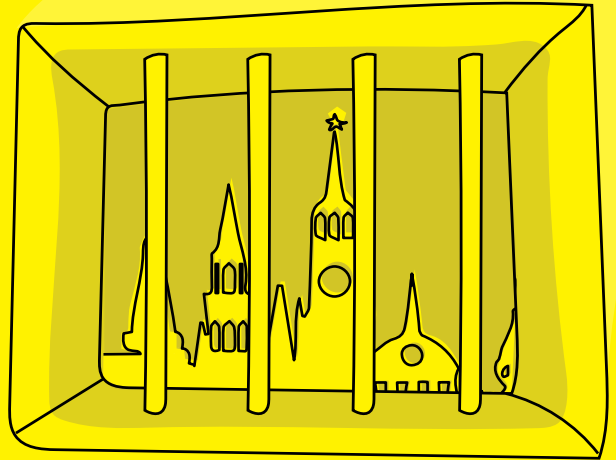
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"EUROPEAN UNION'S TEETH" ON UKRAINE'S SERVICE



LEONID SHVETS IS A FAMOUS POLITICAL COMMENTATOR AND PUBLICIST IN UKRAINE, HEADLINER OF THE MOST POPULAR ECONOMIC AND POLITICAL EDITIONS IN UKRAINE. REGULARLY HE TAKES PART IN TV AND RADIO PROGRAMMES, TALK SHOWS AS A POLITICAL EXPERT.



RUSSIA SANCTIONS

On 7 December, the Council of the European Union adopted a global human rights sanctions regime. The established legal framework provides for the EU travel ban and the freezing of funds applying to individuals and entities listed. Ukraine has to seize the new opportunities that arise in this regard to defend the national interests and protect its own citizens who have fallen victims to Russian aggression and persecution in the territories that are temporarily occupied by Russia.

The new mechanism is different from the previous legal practice as it allows sanctions to target specific individuals, regardless of whether a sanction regime has been imposed on the state of which they are nationals. In this sense, it is compared to the Magnitsky Act, a law passed in the United States in 2012 to impose personal sanctions on violators of human rights and the rule of law. Initially, it was applied to those involved in the death of lawyer Sergei Magnitsky, who exposed multibillion-dollar thefts of budget funds, in a Moscow prison.

A similar amendment to the law on sanctions and the fight against money laundering was adopted by the United Kingdom in 2018. Laws similar to the Magnitsky Act were already adopted in the Baltic states and Canada. Eight Nordic Council members – Denmark, Finland, Iceland, Sweden, Norway, Faeroe Islands, Greenland and Åland Islands – have declared their readiness to amend domestic legislation. This issue had long been discussed at the EU level, but the circumstances caused by the coronavirus pandemic delayed the decision. The assassination attempt

on Russian opposition leader Alexei Navalny accelerated the process in August. There is almost a symbolic coincidence in the adoption of the EU's global human rights sanctions regime and the publication of a major journalistic investigation by Bellingcat, CNN and Der Spiegel into the activities of the FSB poison squad, who had been tailing Navalny and his family, apparently with the consent and on the order of Russia's political leadership.

Back in September, EU's foreign affairs chief Josep Borrell proposed at the European Parliament session that a mechanism for human rights sanctions should be launched and named after Alexei Navalny, in the same way that the Americans called the human rights sanctions the Magnitsky Act after Russian lawyer and victim of the Putin's regime. However, it was rightly acknowledged not to limit the scope of the sanctions regime, which is intended to be global and universal. According to Dutch Foreign Minister Steph Blok, the European Union is now moving from condemnations and verbal reactions to human rights violations to specific punishments. European human rights policy "got its teeth to bite," Lithuania's Foreign Minister Linas Linkevičius told the Nu.nl online media outlet and expressed hope that the new regime would also be expanded to cover corruption cases.

The opinion is shared by the leadership of the European People's Party, which has the largest representation in the European Parliament, so the prospect of finalising and improving the new norm is quite real.

Critics of the EU's decision, primarily and obviously from Russia, point out that human rights are violated under the slogan of protection of human rights, as perpetrators are charged without judicial procedure and punished with an EU travel ban and prohibition on the use of the Union's financial system. However, this is not true. All those targeted will be able to challenge sanctions imposed on them in the European Court of Justice in Luxembourg, if there is a will.

The only somewhat weak point of the new framework is the consensus mechanism for decision making on sanctions. All 27 EU member states have to support the proposals, although initially a qualified majority was meant. This complicates and slows down the process, but the very existence of such a mechanism outweighs its shortcomings.

Sanctions lists will be drawn up at the request of an EU member state or the EU's chief diplomat, and the first candidates will appear already next year. First of all, it is easy to predict that these will be people involved in Navalny's poisoning and Belarusian security officers known for suppressing the protests. Allegations against human rights violators in Turkey and Venezuela are also expected.



The established legal framework provides for the EU travel ban and the freezing of funds applying to individuals and entities listed.

At the same time, the goal of Ukrainian diplomacy and human rights organisations should be to draw the attention of European partners to the human rights situation in the grey zone of the occupied territories, both in Crimea and in Donbas. Relevant experience has already been gained here. Thus, in November, the Third Committee of the UN General Assembly adopted a Ukraine-sponsored resolution condemning human rights violations in Crimea, including “discriminatory measures and methods; arbitrary detentions and arrests; torture and other cruel, inhuman or degrading treatment; sexual and gender-based violence, in particular to compel detainees to give evidence against themselves or to ‘cooperate’ with law enforcement agencies”. There are many examples of such violations, for example, in the occupied Donbas where the legislation of any state is not enforced at all and total arbitrariness and violence prevail. The scale and level of horrors are evidenced, in particular, by the memoirs of former hostage of the separatists and their Russian masters Stanislav Aseev entitled “Path of light. Story of one concentration camp” about his captivity in the Donetsk prison “Isolation”.

Ukraine is simply obliged to make every effort to launch a mechanism of the new EU sanctions regime in order to move from condemnations to specific punishments, as the Dutch foreign minister said. “Teeth of the European Union” must become our teeth.



The goal of Ukrainian diplomacy and human rights organisations should be to draw the attention of European partners to the human rights situation in the grey zone of the occupied territories, both in Crimea and in Donbas.

Ukrainian diplomats are fully aware of the opportunities that open up and the challenges that follow. The Ministry of Foreign Affairs of Ukraine noted in its commentary on the launch of the new human rights sanctions regime that “the EU has once again proved that it is a recognised world leader in the fight against human rights violations. We hope that the new EU sanctions regime will be an effective and systematic tool for punishing those guilty of violating fundamental human rights in the temporarily occupied territories of Ukraine and will encourage the occupation administration to stop these crimes... We expect that the implementation of the human rights sanctions regime will be part of our regular human rights dialogue with the EU as well as consultations on the legal consequences of the temporary occupation of the Autonomous Republic of Crimea and the city of Sevastopol.”

The Ukrainian citizens, both from the “mainland” and the occupied territories, also have great hopes for these prospects.

SERGIY TSIVKACH: “INVESTORS HAVE NOT LOST INTEREST IN UKRAINE DURING THE PANDEMIC”

Ukraine got with the coronavirus crisis new chances: foreign companies, particularly European ones, are disappointed in some manufacturers and look for new partners in proximity, says Sergiy Tsivkach, Executive Director of the Ukrainian Govern-

ment's investment promotion office UkraineInvest. In an interview with Natalia Richardson for Brussels Ukraïna Review, he said that now Ukraine has another possibility to prove itself as an attractive country for investment. According to him, there are many changes for the better, but many problems remain to be solved.

BUSINESS
INTERVIEW



Experts talk about a cold investment climate in Ukraine. Do you think that it became a bit warmer recently?

We have a lot of positive changes in regulatory reform; Ukraine has improved its position in the Ease of Doing Business index. Denys Shmyhal's government continues to working in this direction.

The investment climate improved in 2020 through many changes and reforms. These include deregulation and simplification of business conditions, reform of the agricultural land turnover system, launch of a competitive gas market model (reorganisation of Naftogaz, national oil and gas company of Ukraine), reform of the inland water transport system, completion of the main decentralisation phase, launch of urban development reform, liberalisation of the alcohol market and export, creation of the electronic portal "Diia" (Action) and large-scale digitalisation of administrative services, and creation of the National Intellectual Property Authority.

At the same time, it is necessary to understand the challenges faced not only by Ukraine but also by the whole world in 2020. So the growth may not have been as rapid as Ukraine needs. But investors have not lost interest in Ukraine due to the crisis. On the contrary, we see a lot of enquiries from companies that, as a result of a global, regional or national crisis during the pandemic, are starting to look at Ukraine as a promising country.

Mr. Tsivkach, how has COVID-19 changed these enquiries? Maybe new areas of cooperation have emerged? Or have the old ones disappeared?

Yes we saw some changes. For example, recently there are many requests for protective products – I mean, for the relocation of companies in this field. Statistics shows that one in five deliveries of gowns, masks and other protective products to developed countries in Europe during the pandemic was not made on time. These goods were produced in certain Asian and other countries. They did not expect demand to rise by as much and thus were unable to supply, but they processed all the orders that came to them. Now some countries are thinking about how to diversify production by locating it in different regions or parts of the world.

They are not planning to withdraw from those countries that have not delivered, but they want to have alternative contracts with other states, particularly in Europe. Just to be more secure in case of nextwaves of pandemic or economic crisis worsening.

We also see a growing interest in Ukraine in concessions, public-private partnerships. The new concessions law of 2019 contributes to this. Last year the largest concession in the history of Ukraine's independence took place - the signing of the contract for the transfer of Port Olvia in Mykolaiv to the Qatari group QTerminals for management. The amount of the deal is \$127m of investments. Also 80m hryvnias will be invested in infrastructure development. We see great investor interest in Ukrainian privatisation objects. In particular, the privatisation of the alcohol industry has been active.

A Moldovan company bought one plant of Ukrspyr for 120 mln hryvnia. Thus, we see that a foreign investor comes to Ukraine. State Property Fund of Ukraine is preparing many more objects for privatization, also in this field. This is an effective way to attract investment. We work very fruitfully with the fund and always promote companies that are ready for privatization.



We have a lot of positive changes in regulatory reform; Ukraine has improved its position in the Ease of Doing Business index. Denys Shmyhal's government continues to working in this direction.

However, we need to be proactive. We cannot be just satisfied with the fact that investors are paying to us more attention than earlier due to the crisis events in the world. Let us be frank: they are looking not only at us. They are also looking at other countries and beginning to change the paradigm of thinking about traditional investment partners. That's why they are looking at various options. We need to be productive here to ensure the development of investment policies, legislation, investment incentives.

We should ensure more comfortable conditions for investments of companies in Ukraine, both Ukrainian and foreign ones. After all, we do not need to make advantages for foreign investors, but we need to ensure equal conditions for doing business for all entrepreneurs in Ukraine. It will stimulate both domestic and foreign investment markets. International organisations estimate that about 170 countries in the world will have a drop in their gross domestic product. So you have to understand that all these countries will change, put forward new proposals and think about how to attract investors more effectively.

Among such initiatives in Ukraine, one can mention, firstly, the recent Presidential Law on incentives for significant investments. We are talking here about investments of over 20 mln euros to be realised within 5 years in Ukraine, which will create at least 80 jobs. In this case, companies can receive the state aid - up to 30 per cent of the investment amount. This aid includes exemption from certain taxes and import duties on new equipment required for the implementation of the investment project, provision of land plots in state or municipal ownership for use on preferential terms, construction

of necessary infrastructure at the expense of state and local budgets, assistance in connecting to heat, gas, water and electricity supply networks, engineering utilities. All this will be set out in a contract to be signed by the investor and the Ukrainian government.

The Verkhovna Rada passed this law on 17 December 2020, and it is now awaiting the President's signature. To implement the law, the Ukrainian Cabinet of Ministers will need to adopt a number of regulations: on the requirements for a feasibility study for an investment project and a methodology for calculating the amount of state support for the implementation of investment projects. State support for investment projects with considerable investments will help attract strategic investors, enhance Ukraine's investment appeal, and boost the competitiveness of the Ukrainian economy.

Do you think that Ukraine has transparent conditions of doing business with the state?

The new law stipulates that these conditions for cooperation between the state and a private investor will be spelled out in a separate agreement to be signed with the government of Ukraine. This is a big advantage for investors and quite a significant incentive for them to think of Ukraine as a long-term reliable partner.

We should take care of the development of regions, taking into account their specificities and competitive advantages.

We should develop innovations, support research centres and all projects that will ensure our growth in the future. After all, if we draw classical formulas to catch up with our neighbours, it might take us 30-40 years. We need to think in advance. It is clear that companies with innovations and digitalization approaches are better off. The Ministry of Digital Transformation has developed a lot of such initiatives. You can now register a company very quickly and obtain a license. Much less papers are needed - thanks to the "Diia" (Action) public services app. The government is also preparing a reform called «Diia City» (Action City). It envisages the creation of a virtual free economic zone for IT companies.

In other words, these companies will be able to do business in Ukraine with lower taxes, under simplified procedures. It will also attract attention to our country. We have to present Ukraine as an attractive country for the relocation of production companies in different fields, including agro-processing, light industry, technology enterprises, etc. At the same time, we need to think about companies which create high added value. The key priority, of course, is agro-processing. Our country has sufficient agricultural raw materials. Nevertheless, the amount of finished goods produced in our country is insufficient. Every year Ukraine imports finished agricultural products worth several billion USD. By analyzing specific indicators, we have seen that Ukraine can ensure - in the near future - the establishment of agro-processing enterprises on its territory for a total amount of about 700-800 million USD.

Also in other sectors of the economy, import substitution can attract investors when they think about a country. When set-

ting up their enterprises or investing in some financial structures, investors always look: where is the sales market? who will buy this product? the local market or the neighbours? are we talking about global markets? We can influence global markets indirectly, only through certain trends. But there is a local market, and we need to increase demand there.

If we take Ukrainian raw materials, manufacture them in a neighbouring country and then import them as baby food or semi-finished products, the added value by 80-90% remains in the neighbouring country. But jobs are not being created here, and taxes are not being paid, at the same time Ukraine has problems with fixing its roads, hospitals, etc. We are thinking about this too, and we are developing programs of industrial relocation and industrial outsourcing. The concept of such a programme has already been developed and we hope to present it by mid-February. Afterwards, we will organise a large-scale campaign to find investors. We need to talk about concrete projects that can be implemented today, showing how and where a domestic or foreign investor can earn money while creating jobs and paying taxes in Ukraine. And most importantly, developing Ukraine's international image.

Every investor who comes to Ukraine and has good profits will bring at least 3-5 more investors. They share information with each other. But an investor who comes out of Ukraine with a negative message will push probably 10-20 investors away

from Ukraine, if not more. Negative news spreads much faster than a positive one. And we need to change this paradigm.

Has the bureaucracy been reduced? When it comes to the paperwork for investment, for starting projects with investments? Has the procedure for foreign investors become easier recently?

The system of starting a business itself is more simplified, and it works. Opening a business is not a problem in Ukraine. Problems sometimes arise with getting a permit for some or other activities. It's a question of building a facility or getting some specific - for example, mining - license. There might be a grey area or misunderstanding between the parties. We have seen such problems, in particular with regions. I am not just referring to corruption. Yes, someone somewhere at the regional level might have a desire to influence the process with some advantages for himself. By the way, lately we don't hear about this very often. Local authorities need to create more comfortable conditions for investors, this will help to attract more investments in their regions.



Local authorities need to create more comfortable conditions for investors, this will help to attract more investments in their regions. They need to develop and understand that an investor comes to them not to ask for something, but to give - in the form of investments, jobs, and taxes to be paid in their region.

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UkraineInvest deals precisely with these issues. Foreign investors come to us, and we have a separate division that works with legal issues and regulatory policy. If necessary, we help them solve problems by contacting the relevant state authorities. We also cooperate with law enforcement agencies if investors have problems in this area. Over the past 3 months, we have managed to attract, unblock 275 mln USD worth of investments in Ukraine. This is our daily work. Also, by the end of this year Ukraine plans to introduce the digitalisation of the country, which will significantly reduce bureaucratic and corruption risks.

Recently there has been a problem with foreign investors in renewable energy, to whom Ukraine owes a debt. How is Kyiv going to resolve this issue?

This is a very significant issue. There has been some arrears since the tariff changes, but the government is actively working on this issue. We have also been engaging in the process and looking at how financial instruments can be used to find a solution. Now several options are being considered. We hope that the problem will be solved soon.



We have to present Ukraine as an attractive country for the relocation of production companies in different fields, including agro-processing, light industry, technology enterprises, etc. At the same time, we need to think about companies which create high added value. The key priority, of course, is agro-processing.

You said that regional development is extremely important for the Ukrainian economy. What about investments in Ukraine's coal-mining regions? How is the reformatting of these towns going? Are foreign investors showing their interest? There is information that Germany wants to invest in such projects.

Yes, this process is called "Just Transition of Coal Regions". We are working with the Ministry of Energy on this issue.

Ukraine and Germany have launched a new energy partnership in 5 areas (energy efficiency, decarbonisation, renewable energy, hydrogen energy, transformation of coal regions).

There are already agreements on 4 pilot projects for the transformation of coal regions, where coal mines will be physically closed. The first mines to be closed will be Velykomostivska (Lviv Oblast) and 5/6 (Myrnohrad in Donetsk Oblast), and their territories will be transformed into tourism and technology clusters. There is also an initiative to create a multi-partner fund to coordinate and mobilise international financial and technical assistance for pilot projects to transform coal regions and mines' closure.

We are getting involved in creating an ideology, an environment for the development of entrepreneurship, for attracting investment in towns where mines will be shut.

The manufacturing relocation programme will include a unit on the just transition of coal regions. This process is not easy. You have to understand that miners are a labour caste that will only work in certain industries. You cannot drastically change qualifications from working in a mine to, for example, picking vegetables or fruit, or the restaurant business. It is impossible. These people have worked in mines, which deserves respect. Our office, together with the government, should provide them with nice and decent job offers.

Are there any new investments in Ukraine's airports, including regional ones?

Yes, there are. For example, a tender has already been announced for the construction of a runway at Zakarpattia airport, and funds have been allocated for a feasibility study. UkraineInvest was approached by investors who were interested in participating in this project, namely in building the airport's infrastructure. Now the Ministry of Infrastructure and the Ministry of Economy are working on a list of facilities that should be the first to enter the public-private partnership system.

Thus, work is undoubtedly underway. We recently had a meeting with the Agency for Public-Private Partnerships in the framework of the Ministry of Economy. We talked about the need to increase the number of public-private partnership projects in Ukraine and their provision. Our office can facilitate this. We hope that this agency will have more capacity for feasibility studies and attract investors to Ukraine for cooperation.

Which countries are the most active in investing in Ukraine?

If we talk about real investors who do invest in Ukraine most of all, it is the Netherlands, the UK, Switzerland, Germany, Austria and France.

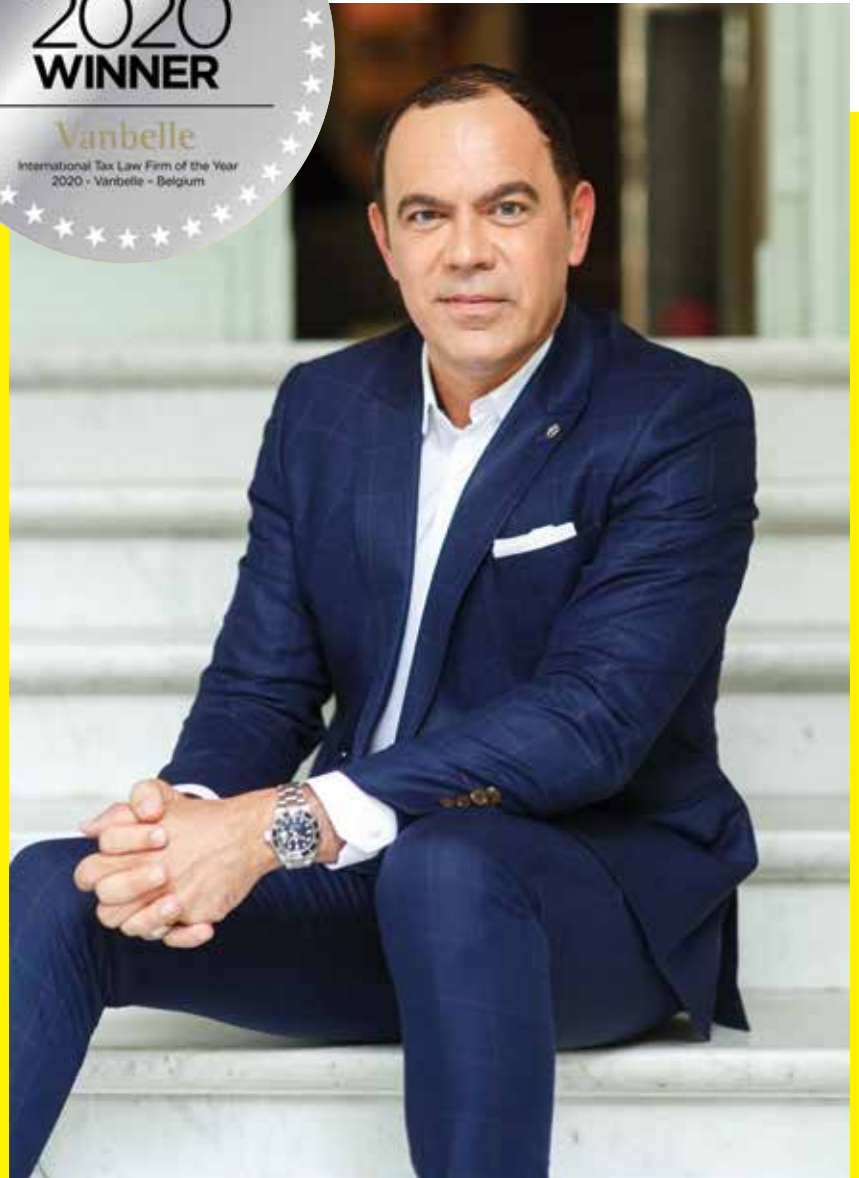
If you look at the statistics, then Cyprus is the leader. But we have to understand that the ultimate beneficiaries of Cypriot companies are often residents of other countries, including Ukraine. So, it would be an exaggeration to say that Cypriots are the biggest investors in Ukraine. Some companies just use this jurisdiction to optimise their taxation. In general, Germany leads the way. We have a lot of German enterprises. The German partnership is strategically important for us, their technology and pragmatic approach to building production and supply chains is a model not only for us but probably for the whole world.

Natalia Richardson



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“Small is beautiful,” begins Jo Vanbelle, managing partner of Vanbelle. The international law expert is joined at his Brussels bureau by a team of several highly qualified, trained and experienced lawyers, all of whom speak multiple languages. “It’s a simple and efficient structure with no complicated chains of command or communication,” reflects the lawyer. “Everyone is equal and the whole team works together.”

Thanks to the boutique size of the firm, along with its strong partnerships with specialists across numerous different areas and countries worldwide, Vanbelle offers a one-stop, personalised, legal concierge service to its professional and private clients. An entrepreneur who wants to set up a new business and needs a new company, but also an office to buy or to rent; tax advice about the most interesting place and way to establish the new activity; opening a bank account; obtaining an insurance policy for his staff, etc. A family living abroad wishes to move to another country but requires some advice and help, not only for legal or tax matters, but also in order to find a house and a school for the kids, to register at city hall or at a social or cultural expat club, or to simply receive good

introductions within the local community for a smooth, day-to-day life in a new country. All these services are provided just by ringing the Vanbelle doorbell...

“You can compare it to buying a watch. If you go to a department store, you can come away with a good model, but by going to a nice boutique you will find something extra special,” points out Jo.

The firm’s personalised approach is also reflected in its welcoming office, which is far cry from the often rather sterile environment that is typically found in law offices. “Ours is a warm, welcoming place that feels more like a family home. That’s why our clients often end up staying here longer than they planned to,” smiles the lawyer.

The firm keeps up with all the latest trends and also fully assists start-ups and young entrepreneurs in new or growing markets, such as crypto currencies and e-commerce. Vanbelle understands the importance of efficient and easy communication, even more so during the latest sanitary crisis, and, therefore, invests constantly in improving its web and social media tools, and privileges electronic communication through its web-

site, blogs, email and videoconferencing. Essential information (such as the client service agreement, the fee structure and the privacy and corporate responsibility standards) is immediately available on the website, guaranteeing full transparency on the firm’s DNA towards new visitors and clients.

Whether looking after young start-ups, high-net-worth individuals or international enterprises, Vanbelle always aims for solutions to match the needs and the style of each individual case. “Like the concierge service of a luxury hotel, we’ll take care of everything our client needs,” ensures Jo.

In addition to its Brussels office, Vanbelle has joint offices and partnerships in a large variety of cities and destinations, making cross-border operations easy to coordinate and to complete with well-established local partners, such as Asters in Ukraine and Navas & Cusi in Spain.

The law firm is recommended by several international groups and institutions and rewarded regularly for its international law department.

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BUSINESS. PROMO STARTING A BUSINESS IN UKRAINE: IS IT WORTH A CANDLE?



**SERGIY ALEXANDROV
IS A FOUNDER AND CEO
OF ASKIVAN.**

The time for summarising results of the past year has arrived. 2020 was tough but let's not dwell on negative things. It is better to make the right conclusions, plans for the next year and decide on how to realise them. This is exactly what we did when analysing tendencies of foreigners opening business in Ukraine.

Ukraine had struggled for investments even before COVID time, which made the situation worse. According to the State Statistics Service of Ukraine, the capital investments into Ukraine dropped by 34.9% in the first half of 2020.

The number of temporary residence permits in the first half of 2020 dropped in half – 44,176 in 2019 and 21,548 in 2020.

Even though it is a worldwide tendency now due to the epidemic, it is Ukraine's duty to rectify this situation.

A year ago, one of the Ukrainian Ministers asked the question on his Facebook page about what should be done to increase the number of foreigners coming to Ukraine and opening businesses here. This was a good sign that the Government was working on something aimed at bringing more foreign investments to the country. In 2020, they were going to eliminate some unnecessary bureaucratic procedures that would make the visa process

easier and cheaper, which would also make it easier to start doing business. Unfortunately, this did not happen.

Even though it is relatively easy, cheap and fast to open a business in Ukraine, there are several legal impediments that make the process unnecessarily complicated and sometimes impossible. As a result, the state budget loses much needed investments.

The first director

According to Ukrainian law, the company has to have a hired (employed) director from the first day of its registration. Another legal requirement – a foreigner's employer first has to obtain a work permit to hire a foreigner. There are a few exceptions to this rule but the director position is not one of them. Thus, when a foreigner wants to open a company in Ukraine, he must find some Ukrainian citizen to fill the director's office until the foreigner obtains a work permit. Imagine how difficult it is to find such a person in a foreign state, it is risky to entrust the business to this person and it is an additional expense to the foreign investor as a temporary director probably won't agree to take the office for free. It is not a problem for big companies coming to Ukraine, but for a small and medium business it is a problem. Allowing a foreign founder to become the first company's director of his own company will make a great difference, and by all means it may hurt any Ukrainian interest.

An overseas visa

Usually, when a foreigner opens a company and becomes its director, then he/she needs to stay in Ukraine to run the business and, for this reason, he/she needs to obtain residence. To obtain this residence a foreigner needs to get a special visa first that is issued only by an overseas consulate. It is not possible to obtain this visa in Ukraine. It is not relevant when a company is registered by a lawyer while the foreigner is abroad. But when a foreigner comes to Ukraine to participate in his company registration, then he/she will have to leave Ukraine only to obtain that visa and come back. There have already been two attempts to abolish this bureaucratic rudiment. The first attempt was a year ago when amendments to the visa process were passed, but later they were eliminated because the new rules could not be implemented in life. Then, a new bill was submitted to Verhovna Rada but the law has not been voted on by the MPs. The fact that the Government understands that the current situation with this visa should be fixed gives hope, yet it has taken too much time already to solve the problem, but foreign investors still have to travel to another country for a visa. It is not only expensive, it takes time (a visa is issued within 30 days), but now it is also not easy to travel when many countries have closed their borders.



Salary and social taxes

When a company is registered it is obliged by law to pay a wage to its director from day one. This requirement applies even when the company's founder and director is the same person and when the company does not have any income yet. This is a huge burden for a newly established business. The vast majority of our clients don't understand why they are obliged to pay a wage for themselves that is in fact the same as putting money from your one pocket into your other pocket. Of course, taxes are paid out of this wage, and this part is well understood by foreign businessmen. We are constantly asked if they can pay social taxes out of their salary but not pay the wage itself.

It also should be noted here that the same rule applies even to Ukrainians and not only to foreigners. Abolishing this requirement may result in tax

avoidance and some labor law violations indeed. But no doubt this legislation requirement slows down foreign small investors in their desire to come and start a business in Ukraine.

Prolongation of work and residence permits

A foreigner can get a work permit and residence permit for up to three years when he/she is both the company's owner and director. After that, both permits can be extended for the same period of time. These processes are not too difficult but require gathering and submitting basically the same documents. This creates an unnecessary workload both on the company and on the immigration and employment services. It would make everyone happy if the extension is done simply by notice, provided that all state duties and fees for the extension of the permits will stay the same. This way the state budget will keep getting money from the processes while businessmen will not waste time on gathering papers.

Private entrepreneur

The legal status of private entrepreneurs (aka FOPs) is very popular for doing business in Ukraine, and foreigners can do business as FOPs as well, but only when they have residence in Ukraine. But why shall we preclude foreigners from running a business in Ukraine as FOPs by which they will bring investment injections into the Ukrainian economy and will pay taxes? Ukraine must allow foreigners to register as FOPs without residence. Will Ukraine suffer if a foreigner is registered as an FOP, does business in Ukraine, pays taxes in Ukraine but lives in another country? The answer is evident.

At the same time providing residence to foreigners-FOPs, as it is provided to foreign workers, will be one extra impetus for foreigners to relocate to Ukraine and spend their money here. FOPs are entrepreneurs; these are people who create jobs and produce goods. They provide the foundation for the national economy that Ukraine needs so much nowadays.

Even though the number of granted residence permits dropped down twice in 2020, the request for legal services in opening and supporting business in Ukraine is still present. Providing legal advice to foreign small and medium businessmen on a daily basis, we clearly see that the above-mentioned legislation improvements would increase the number of foreign investments pouring into the Ukrainian economy.



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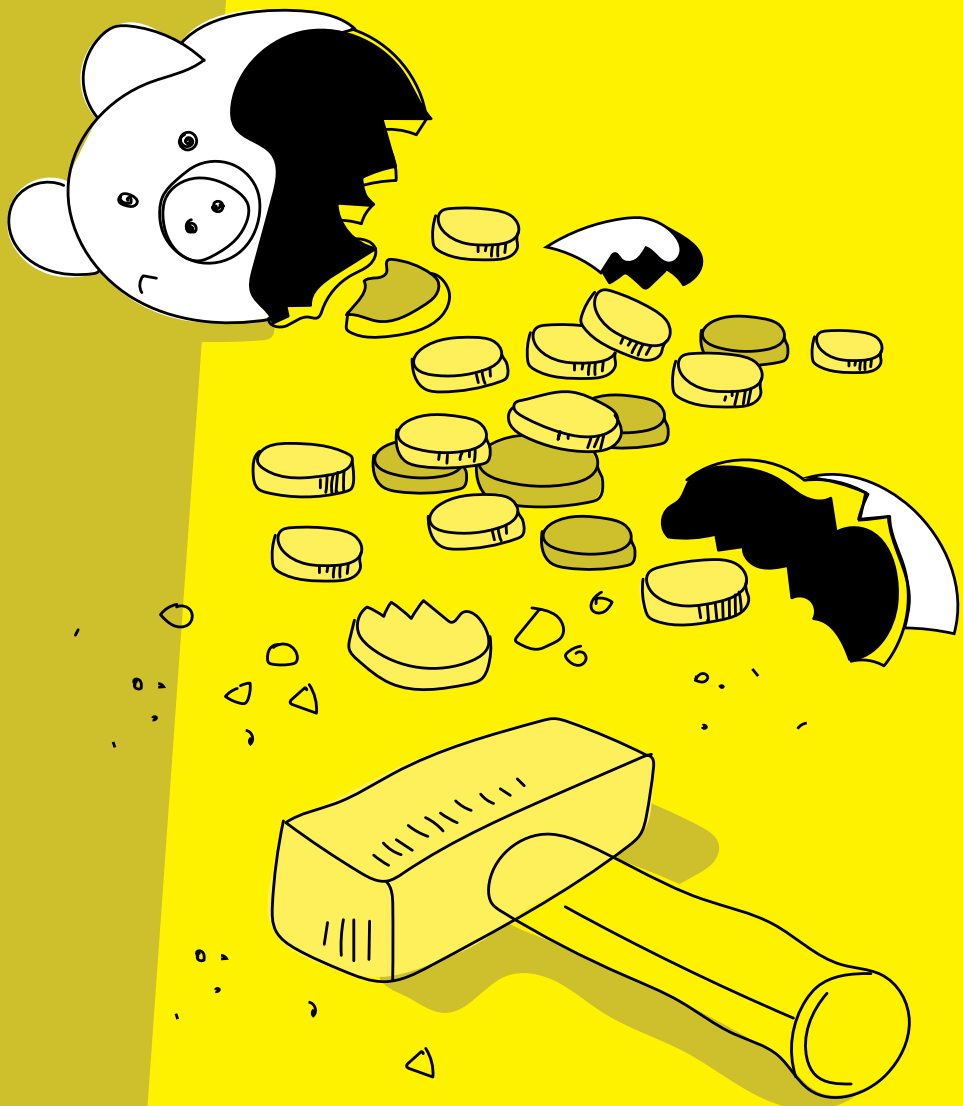
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WHAT DO UKRAINIAN BUSINESSES EXPECT FROM THE UNPREDICTABLE 2021?



ANNA DEREVYANKO IS AN EXECUTIVE DIRECTOR OF THE EUROPEAN BUSINESS ASSOCIATION SINCE 2003. UNDER HER LEADERSHIP, THE ASSOCIATION HAS GROWN ALMOST FOUR TIMES AND CURRENTLY INCLUDES 1,001 MEMBER COMPANIES. IT ALSO HAS EXPANDED TO 4 REGIONAL BRANCHES (DNIPRO, LVIV, ODESA, AND KHARKIV). TODAY, THE ASSOCIATION IS ACTIVELY INVOLVED IN THE IMPLEMENTATION OF BEST EUROPEAN BUSINESS PRACTICES TO IMPROVE THE INVESTMENT ATTRACTIVENESS OF UKRAINE.



The year 2020 has brought its fair share of challenges to all entrepreneurs. Although businesses in Ukraine are used to working in a fast-changing landscape, they still faced an incredible pressure caused by the Covid-19 pandemic.

Since the outbreak, the sentiment of CEOs has gradually leveled off after the stressful start of the year. According to the recent EBA survey, only 4% of respondents consider the business climate favourable in Ukraine. Prior to the pandemic, this number amounted to 17%. The majority, namely 62%, consider the current business environment unfavorable, and another 34% – neutral.

Before the crisis, CEOs were predicting better performance for their businesses and investment climate. At the end of 2019, 41% of directors expected that the investment climate will slightly improve over the next year. The most cited reasons for optimism were gradual stabilization of the political situation, the start of the reform of the land market, stable national currency, reform of the Tax and Customs services, decrease in inflation, increase in consumer buying power. However, 2020 has drastically changed all the positive expectations.

It won't come as a surprise that the effects of the pandemic and related restrictive measures have had a negative impact on the entrepreneurs' sense of optimism. However, Covid-19 outbreak is hardly the only reason for business moderate opinions. The negative impact of the forced quarantine measures was amplified by the government rotations and slow

pace of reforms. Moreover, we see that dissatisfaction with the current state of the court system in Ukraine has grown this year and business leaders consider it even a bigger problem than corruption for the first time in five years.

According to the recent report, presented by the EBA, Dragon Capital, and CES, the foreign investors consider debt default the top threat to the investment climate, followed by a shift away from democratic values and change of the foreign policy vector from west to east. Strategic investors also view loose economic policies as the main negative factor, while portfolio investors would negatively react to the failure to reach the agreement with the IMF on the next loan tranche.

An effective fight against corruption is viewed by business leaders as the top priority for improving the investment climate, just like the relaunch of the judiciary and appointment of credible reformers to top positions. The above-mentioned steps will help rebuild trust and give more confidence to both foreign and domestic investors in Ukraine.

In today's uncertain climate, CEOs are being very careful with their predictions, still we see the prevailing optimism in the directors' prognoses for their businesses. The majority of EBA member companies, particularly 60%, expect positive growth dynamics for their company in 2021. Meanwhile, 26% of CEOs expect to maintain business performance at the level of 2020, and another 14% say that their business situation will deteriorate. Also, one third of entrepreneurs plans to implement large-scale investment projects in Ukraine next year.

As discovered by our survey 'Business Forecast 2021' about a third of entrepreneurs expect an increase in income up to 10% in UAH due in the next year. More than half of the CEOs, namely 54%, plan to increase the salaries of employees by 5-10%. Another 21% will increase salaries by up to 5%, and 9% – up to 10-20%. Only 15% of companies will not increase staff salaries and no company plans to reduce it. This gives us a strong belief that caring about the wellbeing of employees remains one of the core business priorities.



According to the recent report, presented by the EBA, Dragon Capital, and CES, the foreign investors consider debt default the top threat to the investment climate, followed by a shift away from democratic values and change of the foreign policy vector from west to east.

Most companies will pursue a restrained HR policy next year. Thus, 60% plan to keep the company's staff unchanged. Only 28% of companies plan to recruit staff. Another 12% of businesses will have to resort to layoffs.

Looking ahead, 60% of the companies will need up to one year to recover from the lockdown as our surveys report. Obviously, over the next one or two years, we will have to deal with the consequences of the lockdown, therefore we have some catching up to do. Assuming that the epidemiological situation is favourable and businesses are able to enter the recovery phase, we hope that by the end of 2021 most large and medium companies will reach the pre-lockdown level of business development.

The pandemic not only brought obstacles and challenges, but it also compelled companies to innovate and adapt nearly all processes to the new reality. It would be unfair to claim that the lockdown had solely negative impacts on the business. The unprecedented circumstances forced companies to re-examine their costs and operations, interaction with customers, as well as proved digitalization to be a vital part of modern company's transformation.

Bottom line, there is still a huge amount of uncertainty regarding the recovery process of Ukrainian business. Nevertheless, entrepreneurs remain optimistic about their business despite both the unpredictable dynamics of Covid-19 spread and turbulent political and economical situation. Well, after all, optimists win in the long-run.

Being the largest and one of the most influential business communities in Ukraine, the European Business Association will continue to help our companies thrive. We are dedicated and proud to contribute to improving the investment climate in Ukraine to benefit the business industries, society, and the country as a whole.



In today's uncertain climate, CEOs are being very careful with their predictions, still we see the prevailing optimism in the directors' prognoses for their businesses.



MEP JERZY BUZEK: “FURTHER REFORMS ARE A PRECONDITION FOR UKRAINE’S SUCCESS IN THE EUROPEAN GREEN DEAL”

The European Green Deal is like a lift which could take us to a better future, with growth and prosperity and without endangering the environment, says Ukraine’s great friend Jerzy Buzek, former Prime Minister of Poland and President of the European Parliament, and a current Member of the European Parliament from the EPP group. According to Mr Buzek, if Ukraine decides to hop into that lift and follow on the EU

transformative path, it will have the chance to modernise its economy and become more competitive on the global scale. “But getting on the lift is not enough; one has to push the floor button, implement the reforms, and make the change happen”, Buzek reiterates in an exclusive interview with Natalia Richardson for Brussels Ukraïna Review.



In December 2019, European Commission President Ursula von der Leyen proposed a new ambitious growth strategy – the European Green Deal – which aims to make the European Union climate-neutral by 2050. Then, at the beginning of 2020, the European Union and the whole world were hit by COVID 2019. Did the pandemic and the current economic crisis make the EU change its approach to the Green Deal?

No doubt, the ongoing COVID-19 pandemic is one of the biggest and most serious threats we have faced in recent decades. The European Union and the whole world stood in dismay when suddenly the virus not only attacked our respiratory systems, but also jeopardised the jobs of tens of millions of people, our freedom of movement and assembly, and our habits and lifestyle. We were deeply shocked, and this is fully understandable. Still, all this could be just a bitter foretaste of what might await us soon if we do not stop global warming: waves of fires and droughts, hundreds of thousands of premature deaths annually due to heat and air pollution. Scientists have been alarming us about this for years. And recently we have witnessed many of these threats which became reality. Just to give you a couple of examples: bushfires in Australia, where 500 million species were killed, and half a million people dying from smog and air pollution every year in Europe.

Vaccines for coronavirus have already been found; however, a vaccine for climate change neither exists today nor will appear in the future.

Do we have enough resources to combat these crises in parallel – COVID-19, together with economic crisis and global warming?

Even the most heroic fight against a huge global challenge – COVID-19 – in no way relieves us from our duty and responsibility to combat global warming.

In this very context, the European Green Deal – the Union's new growth and development strategy and a tool to reach climate neutrality by 2050 – is becoming even more vital. This is why it has been placed in the heart of the EU Recovery Plan “Next Generation EU”. The proposed measures of the green recovery – a massive renovation wave of buildings and infrastructure, a more circular economy, rolling out renewable energy projects, cleaner transport and logistics and the Just Transition Fund – will not only repair the short-term damage from the crisis but also boost the European economy, make it more future-proof, sustainable, and competitive.

So, it is natural that the European Green Deal focuses mainly on the green recovery within EU borders. At the same time, we cannot neglect its wider goal: to promote the EU, which leads by example in the global fight against climate change. Do you think that the world would follow it?

It is indeed a historical program, our Apollo (Space Program, which put man on the moon – ed.): both for the European Union and worldwide. If we succeed, we will not only contribute to protecting our planet and ensure a better future for our children and grandchildren, but first and foremost we will prove to the whole world that it is really

possible to reconcile economic recovery and growth, technological and economic competitiveness, as well as to futureproof jobs creation with environment and climate protection. And then others will follow – I am sure they will. I am also sure that if we don't succeed, the consequences could be dramatic: from citizens losing trust in the entire European project to a complete climate catastrophe. A lot is at stake, so we just must make it happen.

Speaking about the greening effect of the Deal which goes beyond the Union borders. How will the Green Deal influence EU-Ukraine relations?

Let me start by a brief introduction of the history of EU-Ukraine cooperation in energy and climate fields. In 2011, Ukraine joined the Energy Community and took on obligations to follow the rules of the EU internal energy market. Signed in 2016, the Memorandum of Understanding on a Strategic Energy Partnership invigorated EU-Ukraine energy cooperation. Finally, the EU-Ukraine Association Agreement (AA) – one of the most ambitious cooperation agreements in the Union's history, which entered into force in 2017 – further reinforced Ukraine's alignment with EU energy and climate policy. The Preamble mentions the parties' commitment to implementing the Energy Community Treaty and the special chapters dedicated to energy and climate. And all this bilateral cooperation in energy and climate fields is carried out under a global “umbrella” of the common international commitments under the Paris Agreement, signed and ratified by both Ukraine and the EU.

Ukraine's adherence to European and international norms in energy field stimulated modernisation of the sector. It also opened for Ukraine a door to the big European market, for example, allowing it to sell electricity abroad. We should not forget about another important aspect of such cooperation – energy security. When, in 2015, the country stopped buying gas from Russia, the EU legal framework served as a base for the agreements on reverse gas flow from Slovakia and Poland to Ukraine.

What does Ukraine still have to do to fully implement its commitments in the energy field under agreements with the EU?

I mentioned it on a few occasions, and would like to repeat now: for me, Ukraine – along with other Energy Community contracting parties – is de facto a part of the Energy Union. Thanks to the framework of these international agreements, Ukraine's energy and climate commitments were very close to those of the EU. And here I would like to underline that "commitment" is not equal to "implementation". Any reform, without a real change on the ground, transforms into a piece of paper. Implementation is a long and complicated road with many obstacles. Just to give you an example, it took us five years to build the Energy Union within the EU. Given different starting points, naturally Ukraine needs even more time and resources to reform its energy sector. The process is ongoing and we do see many achievements, like the Gas Law, but there is still a lot to be done, especially when it comes to implementation of legislation.

Besides energy, what areas are included in the European Green Deal?

For the EU, the EGD is not just another policy proposal, it is an overarching transformative agenda covering almost all aspects of citizens' lives – from energy to agriculture, from circular economy to protecting biodiversity, from a new industry to a just transition. The EGD is like a kind of lift, which could take us to a future where innovative and sustainable solutions create growth and prosperity without endangering our environment. If Ukraine decides to embark on that lift and follow on the EU transformative path, it gets a chance to modernize its economy and become more competitive on the global scale. But getting on the lift is not enough; one has to push the floor button, implement the reforms and make the change happen.

The statement of the Ukrainian Government declaring its intention to join the EGD was welcomed at the recent EU-Ukraine Summit. The EU supports Ukraine's ambition to approximate its policies and legislation with the European Green Deal and continue the established sectoral dialogues, not only in energy, but also agriculture, transport, industry, and construction.

Does the success of the EGD have any other benefits for the EU and Ukraine?

For the EU, Ukraine's achievements in implementing the EGD commitments would be much more than an example of the structural transformations in the European Neighbourhood: it would be a great success story of

efficient Green Deal diplomacy and an excellent example for the whole world. As I mentioned, Ukraine and the EU are both parties to the Paris Agreement. Undoubtedly, for Ukraine, meeting its EGD commitments will be a huge step towards implementing this very important global climate pact – the Paris agreement.

What exactly does the European Green Deal mean for Ukraine? What impact could it have on its economy?

As with every new reform, implementation of the EGD in Ukraine could pose some threats, but first of all it creates opportunities. Paradoxically, Ukraine's low current energy efficiency and the high carbon intensity of its economy could become an advantage under the EGD. On the



I should be honest with you about the potential dangers of the EGD for Ukraine if it is not implemented timely and properly.

one hand, it would be easier to reach the benchmarks in decarbonising or energy efficiency. On the other hand, it might attract international “green” funding. After all, energy efficiency, new technologies, and innovation in the Ukrainian economy will be very helpful for the country’s future growth and prosperity. As an excellent example, adopting the industrial visa-free regime would be a way to facilitate the integration of Ukrainian businesses into the EU’s new industrial processes.

There are also opportunities in energy sector, for example, in hydrogen generation within the European Hydrogen Strategy, or batteries production within the European Battery Alliance. In agriculture, biomethane production from biowaste could be another sector with big potential for growth. Ukrainian organic farmers could find more clients in the big EU food market. The EGD could also become a key to unlocking EU financial and technical support instruments.

Are there any dangers if Ukraine decides not to go towards the green economy?

I should be honest with you about the potential dangers of the EGD for Ukraine if it is not implemented timely and properly. More stringent climate and environmental regulation could lead to restricted access of Ukrainian goods to the EU market. New non-tariff barriers for trade could become a real challenge for resource- and energy intensive branches, which account for a big part of omit Ukrainian exports, like metallurgy, the energy sector, heavy chemicals, and machine building. The Ukrainian agricultural sector might face problems related to re-

vised high environmental standards. Also, Ukrainian trucking companies might see a decrease in the number of contracts as the EU embarks on the ambitious goal of cutting emissions in the transport sector.

How can Ukraine avoid these threats, or at least better prepare to deal with them?

One cannot throw a seed in dry sand and expect a good harvest. Just the same, the EGD cannot be successful if not planted in the fertile soil of democracy and functioning institutions, including independent judiciary. Therefore, the continuation of Ukraine’s reform efforts – be it anti-corruption institutions or legislation in the renewables – is a precondition for the successful implementation of the EGD.

When it comes to concrete steps to mitigate the risks related to the EGD, anticipation and prevention are definitely better approaches than simple reaction. Let me repeat: the EGD is not only about energy or climate protection, it covers almost all sectors of the economy. Therefore, it is important that the Ukrainian authorities approach it in a systemic way. One step towards developing a wider implementation strategy for the EGD might involve preparing a comprehensive analysis of the Deal’s economic risks and benefits to be used as a basis for future dialogue with Ukraine’s EU counterparts. Another might be the appointment of a high governmental official to coordinate the EGD’s implementation in Ukraine.





What is the timetable for the preparation of the EGD?

The next year will be crucial for shaping the EGD. This is why it is important that Ukraine develops its position on the EGD and promotes it among its European partners. As we all know, deeds speak louder than the words. There is no better way to make Ukraine's voice heard in the upcoming negotiations than delivering on the existing commitments in the Association Agreement, continuing reforms (in particular in the energy sector), and decarbonising the economy.

Another important role for the Ukrainian authorities, civil society, and media is informing Ukrainian businesses and citizens about the EGD. Awareness-raising campaigns will not only help Ukrainians better understand the EGD but could also allow business actors to incorporate new approaches to their planning and better prepare for future compliance of their goods and services with EU climate and environmental requirements.

Indeed, information plays key role in the success of any reform as it helps to promote social acceptance of new measures. Is there enough information about the EGD in the EU? Do European citizens support the EGD? Do they see it as path to a new sustainable way of life, or rather as a threat to the economy and to their jobs and wellbeing?

The profound change brought about by the new transformative agenda will create many opportunities for growth, innovation, and competitiveness. But at the same time, it will bring big challenges to the coal- and carbon intensive regions. As you rightly mentioned, we can succeed in transforming the economy only when all citizens are onboard – be they from post-industrial cities or from small towns dependent on the coal industry. Obviously, different regions have different starting points, which influences their level of acceptance of the Green Deal. It is our obligation and moral duty to help those for whom transition is more complicated, and not to leave them behind. How? By providing financial resources to

support energy transition – from reskilling and upskilling workers to investments in gas or renewables. That's exactly why in autumn 2018 – as chair of the European Parliament's Industry, Research and Energy Committee (ITRE) – I suggested the establishment of the new Just Energy Transition Fund (JTF). Thanks to support of my ITRE colleagues and the whole European Parliament, this proposal has become a part of the European Parliament's official position on the Multiannual Financial Framework (MFF) 2021-2027. And, in May 2020, the new European Commission of President, Ursula von der Leyen, presented the Just Transition Fund proposal as one of the main parts of the Green Deal.

The legislation on the Just Transition Fund is now in the making. As JTF rapporteur in the ITRE committee, could you please give a short update on the current negotiations?

Following months of legislative work, in September the European Parliament has adopted its position on the JTF. As ITRE rapporteur, I participated in so-called trilogues – informal negotiations with the German Presidency representing the Council (EU Member States) and the European Commission. On 9 December we reached a compromise on the final text. This agreement will be voted in the plenary in the first months of 2021 and then will become a law.

The Just Transition Fund will finance projects in EU Member States. Does the European Union financially support a just transition in Eastern Partnership countries? Can Ukraine count on the EU's help in transforming and modernising its economy?

In May 2017, three years before the JTF was presented by the European Commission, we proposed – together with then-European Commission Vice President in charge of the Energy Union, Maroš Šefčovič – the creation of a special Coal Regions in Transition Platform. It was a structural action financed from the EU budget which aimed to help these regions in their transformation and mitigate its social impact. This initiative has been running through 2018 and 2019. And last year, when tabling an amendment to increase the Platform's budget in 2020, I also suggested widening its scope of actions as well as including the Western Balkan countries and Ukraine as possible beneficiaries. We managed to secure a record budget of €18 million and the opening of funds to Ukraine and the Western Balkans.

How exactly does the Platform help the coal regions in transition? Do Ukraine's coal regions participate?

The Platform focuses on building capacity (providing needs-oriented technical assistance and advice in developing strategies and governance, project identification, and project design and development) and developing support materials (toolkits, guidelines and reports). It connects stakeholders through facilitating good practices, cooperation, and collective dialogue among regions and the wider stakeholder community. The Platform also organises high-level political events.

On 30 July 2020, I had the honour of speaking at the launch of the Just Transition Platform, financed from the EU Budget for 2020. I was happy to see that the Ukrainian regions established cooperation with the Platform and took an active part in the Coal Regions in Transition Virtual Week on 16-20 November 2020.

Do you think that the Ukrainian regions are lagging behind in energy transition? Could this be an obstacle for the modernisation of its economy?

Paradoxically, the challenges of the coal regions in transition are so different and so similar at the same time. We should take into account that in Belgium, France, or Germany the transition of the coal regions began 40 years ago. In Poland, we started not so long ago and are not even halfway through the process.

The Platform creates a forum for exchange – of information, data, and good practices – which help participants learn about the other and inspires them to propose their own solutions. I am sure that the German, Belgian, or Polish experience will be very useful for the Ukrainian regions, which are only at the beginning of this long and complicated road. As one says, “viam supervadet vadens”: the road is made by walking, just put one foot in front of the other.

Jerzy Buzek (born in 1940) is one of the prominent Polish politicians in modern history. Buzek was an activist of the anti-communist movements in Poland in the 1980s, including the underground Solidarity trade union. He was elected to the Sejm, the lower house of the Polish Parliament, in 1997. From 1997 to 2001, he served as Prime Minister of Poland, introducing sweeping reforms in pensions, healthcare, local and regional administration, education and mining. During his term in office, Poland acceded to NATO and made key steps towards its EU membership.

In 2004, he became a Member of the European Parliament, and in 2009, he was elected President of the European Parliament (for 2,5 years) with the largest ever majority of votes. Buzek is the first person from the former Eastern Bloc to hold this position. Currently, he is a Polish MEP, Group of the European People's Party. Buzek is a member of Committee on Industry, Research and Energy (he also chaired the committee in 2014-2019). Over the last three parliamentary terms, among others, Buzek lead the legislative work on different energy issues, security of gas supplies, etc. On top of that, he deals with issues related to Ukraine and other Eastern Partnership countries. Also, Buzek actively participates in the discussion of the European Parliament on the situation in Belarus. The Parliament Magazine awarded him an annual award in 2020 in the Outstanding Achievement category.

**REPORT ON THE ONLINE
SURVEY RESULTS
ABOUT THE ATTITUDE
OF THE UKRAINIAN
POPULATION TO
RENEWABLE ENERGY
(CLEAN ENERGY), GREEN
ECONOMY AND OUR
PERSONAL IMPACT ON
THE PROTECTION OF
THE ENVIRONMENT BY
MEANS OF SUSTAINABLE
ENERGY SOURCES**

SUSTAINABLE ENERGY
SOURCES

**GREEN ENERGY
INTERROGATION**

PREPARED BY EVHENIA KOLOMIYETS-LUDWIG

Survey methodology: The survey was conducted in 08-14 January 2021 by means of the CAWI method and Google forms. The link to the survey was posted on the site of Promote Ukraine, Facebook, and has been mailed to the interested audience.

Development of the survey tools and information processing have been provided by the Institute of Sociological Research at Kyiv National Economic University named after Vadym Hetman. The questionnaire was compiled together with Oleksandr Sushchenko, PhD in Economics, an UNDP Expert on Green Economy and Financing, and Roksoliana Liubachivska, PhD in Economics, the author of the dissertation on "Formation of High Technology Clusters in the EU bioeconomy."

The sociological data obtained is descriptive in nature and reflects the general attitude of the Ukrainian population to renewable energy (clean energy), green economy and our personal impact on the protection of the environment by means of sustainable energy sources of the Earth.

The survey was completed by 277 respondents aged 18 and above. Of the respondents, 80.9% have higher education (Bachelor, Specialist or Master level). The most active audience is people aged from 41 to 55 (40.8%) and 29-40-year-olds (33.9%). The least number of participants (2.5%) is people aged from 56 to 65. There were no respondents of 65 and older.

More than half of the participants (59.6%) are men. Professional activity of 19.5% of respondents is related to ecology; 9.7% of respondents are employed in the sphere of traditional energy; and 7.5% work with alternative energy.

75.1% are residents of cities with a population of more than one million, 8.3% are country-dwellers; 2.5% are from small towns (settlements) with a population of up to 10,000 inhabitants. The remaining 14.1% live in small and big towns.

37.5% of the respondents mentioned that there are wind turbines, solar panels, etc. located either in the towns they live in or within a 10 km. radius. 25.6% have seen renewable energy installations in their regions. There are no systems of that kind in the territories where 24.5% of respondents dwell, and 12.3% did not pay attention to such installations.

29.6% would permit the installation of solar systems in their courtyard if they have no obligations of co-financing or maintenance. For 14.1%, the feasibility of installing such equipment in the backyard seems questionable, and the risks and problems are obvious. 2.9% found it difficult to answer this question. *A certain number of respondents commented that they would install such equipment to provide their households with energy and to be independent from electricity suppliers; others would agree to install it on the terms of certain compensation or on a commercial basis. It was also mentioned that the current green energy is not the means of protection the planet, but just a noxiousness for neighbouring regions.*

However, 46.6% of respondents would agree to install equipment on the roof of their houses to use alternative energy sources, as they want to be involved in saving the planet from environmental catastrophe.

62.5% of respondents discourage emissions from enterprises in Ukraine, as the most valuable thing in this world is human life and health. For 27.8%, emissions are the downside of industry. *The respondents also noted that "emissions are bad, but it is the responsibility of the state," "the amount of emissions matters!" and "the damage from emissions can be significantly reduced without reducing production."* 6.1% believe that escalating the situation with harmful emissions is an artificial problem.

The respondents' evaluation of alternative and traditional energy has formed the following ranking of "environmentally friendly energy sources":

Thus, solar energy is considered to be the least harmful for the environment (57% think so), though there are some clarifying remarks like *"solar energy is of a thermal and photovoltaic type. The production of photovoltaic modules is very harmful for the environment as it is based on rare-earth metals mining."*

The second place of our ad hoc ranking went to for wind energy (44.4%), and the third place is gained by the traditional source – the atom (31.4%).

Then, geothermal energy (29.6%) and biofuel (24.5%) follow. Regarding the latter, it was noted that *"it is important how biofuels are produced."* Because there is no guarantee that domestic biofuels' carbon footprint during the production is less than the one during the usage of the biofuels.

In general, 24.5% consider all renewable energy sources to be less harmful to the environment than non-renewable ones.

As just mentioned above, 31.4% of respondents do not consider the atom to be a harmful source of energy.

So, what is the best perspective for operating nuclear power plants (NPP)? 43% are convinced that nuclear energy is one of the most cost-effective, low-carbon energy sources, so this sphere should be developed, not abandoned.

14.1% believe that in Ukraine there are no alternatives to existing NPPs as energy sources, so it is necessary to support what exists and build new sources. 37.2% tend to abandon nuclear energy and switch to alternative sources, given the risks of operating nuclear power plants (the Chernobyl experience) and only 0.7% chose the answer "Ukraine is ready to decommission existing nuclear power plants." Among the comments on this issue, we got the following: *"We must renounce the NPPs, but there are no alternatives yet;" "The price [for renewable energy] is much higher than for NPPs;" "NPP operational life time in the majority of cases has expired, but 50% of gross electricity production can hardly be replaced especially with alternative sources;" "It is necessary to increase capacity at the expense of NPPs, because green energy is not as environmentally friendly, as it is presented;" "We need to calculate and plan the use of nuclear energy properly, because it is, in fact, an enormously powerful source of energy that can be environmentally safe."*

In general, **the source of energy used by respondents on a daily basis is important** for 78.7%, as energy production affects the environment (45.1%) and its cost depends on it (33.6%). It was also suggested that both factors mentioned

above are decisive and should be considered together. 9.4% did not think about the question, and for 8.7% the source of energy in everyday use does not matter.

In any case, 15.2% of respondents are **ready to pay more for electricity if it is obtained from alternative sources that are safer for the environment**. They consider it an investment in the future. 36.8% do not mind paying more, if the price difference is up to 10% or up to 20% (25.6% and 11.2% of respondents, respectively). A similar percentage of respondents - 36.8 - is not ready for the option "to pay more," in particular because "solar and wind energy should be much cheaper than thermal and nuclear, the price is inflated artificially." 6.9% of respondents found it difficult to answer the question, and 4.3% of respondents used the option "Other" and detailed their position: *"an environmental audit of production at all stages is required;" "the state must compensate for the difference in price;" "renewable energy should be cheap, as it is not necessary to pay miners for coal production, railway workers for its transportation, etc.;" "It's bullying! People won't be able to pay more [...], even if it's good for the environment."*

46.9% of respondents are **ready to "switch" to an electric car if the government supports such an initiative**; 2.9% already use electric cars, and for 20.9% a hybrid car is the best option. 18.4% do not have a car and do not plan to buy one, and 7.2%

are not ready to change their preferences for the "hybrid" vehicle.

Respondents noted that *"the electric car has a short driving distance and is too expensive;" "an increase in the amount of electrical goods leads to an increase in electricity consumption, which is currently not produced mainly from solar and wind energy;" "as easy government can support it, as easy it could decline its support then and implement triple tariff on electricity."*

By choosing the sphere of investment, survey participants are inclined to believe in its economical profit (45.8%), its influence on the health and environment (28.9%), trends and innovations (14.8%).

By contrast with 28.5% of respondents, 43.7% **are ready to invest in technologies of renewable energy or/and in its development**. That question emerged to be hard for 23.1% percent, whereas 1.4% have already invested and are receiving dividends, and 1.1% have already made an investment and are receiving profit. Some respondents pointed out that *they are ready to make an investment, but there must be guarantees from the state, however, the main deterrent is still an absence of free funds for investing at all*.

Those respondents who are ready to invest in technologies of renewable energy, demonstrate such priorities: 62.1% would like to invest in solar power plants, 36.% - in wind-drive turbines, 35.3% - in biofuels, 16.9% - in energy of geothermal waters, 14.7% - in hydroelectric power stations, while 16.2% of participants qualify that question as difficult to answer.

“The development of renewable sources of energy could be the basis for the agenda of the Ukrainian renovation after post-COVID crisis” - 34.3% of respondents agree with that statement and 20.9 rather agree. 13.4% would rather disagree and those who completely disagree is 20.9%.

For 37.5% of survey participants, the issue of green energy is urgent and strategically important for Ukraine. 34.1% agreed with that, too, but there are also more important issues that need a solution as fast as possible. 27.4% of respondents are convinced that there are more actual issues, that must be resolved first: *“we need to be conscious of war and epidemic...”*

The question of renewable energy sources is still prioritised on the background of the pandemic and economic recession in Ukraine and in the world for 38.6% of respondents; then, 28.9% would rather agree with this statement. Nearly 30% disagree; 10.1% responded “Rather no” to that question, 19.5% - “No”. 2.9% mentioned that they can hardly give an answer.

Only 9.4% of respondents believe that there is enough attention for issues of renewable energy in Ukraine; the same percentage of people said that “rather yes, the issues of renewable energy in Ukraine are taken into account enough.” In the same way, approximately the same amount of those surveyed said “no” and “rather no,” which means that 36.8% and 36.5%, respectively, think that there is not enough attention paid to the issues of renewable energy

in Ukraine. The comments for that question in the box “Other” are different: from *“Lately, I see a little information on to that topic”* to *“There is no constant attention, but from time to time it is enough attention being paid to that.”*

Just the same as renewable energy issues are not tended enough in Ukraine, the governmental support of development of alternative energy sources in Ukraine are too insufficient (54.5%). Only 16.6% think that it is one of few spheres that receives a high level of governmental support. 22.7% mentioned that it is hard for them to answer that question, and almost 6% of respondents’ comment it like: *“Ukrainians are predominantly supported by international donations according to that issue, and it is their funds that further the cause;”* *“Governmental support is excessive and useless;”* *“The state has completely delegated the support of green energy to consumers and granted that mechanism for future. It is a mistake;”* *“It is an alimentation of oligarchic structures under the pretence of helping in solving ecological problems.”*

What obstacles are the most substantial for the development of renewable energy sources in Ukraine?

The business climate – in the minds of 55.6% respondents; legal and regulatory framework – 18.4%; insufficient level of qualified staff members – 5.1%. 9% said that there are no difficulties, and almost 20% have their own versions of the reasons of the alternative energy development problems in Ukraine: *“Financial preconception and assertiveness of big players;”* *“Political risks*

and instability;” *“People and business are not mentally ready for changes, they just don’t understand that if they didn’t change, any money wouldn’t rescue them, their families and business;”* *“The key-note obstacle is big commercial groups that by ruling governmental marionettes, block the development of RES in Ukraine;”* *“President and his team;”* *“Ravenous oligarchs;”* *“Corruption, for instance, in the sphere of natural environmental protection, the absence of real forfeits and the small cost of it;”* *“Lack of governmental guaranties;”* *“Such factors as insufficient technical resources of electricity accumulation and low efficiency factor;”* *“Low effectiveness and inconstant generating;”* *“Financial poorness of Ukrainians.”*

So, what is green economy for Ukraine from our respondent’s point of view? For 49.1%, it is an inevitable future; 24.5% consider it like a theme for demagoguery and speculation; something comparable to space exploration of Elon Musk: exciting, useful, but fantastic for the earliest decades in domestic reality – for 18.8%. 2.2% mentioned that it is hard for them to give an answer, while 7.6 % chose the option “Other” and clarified their opinion: *“It is a possibility to decrease generation of electricity on TPP;”* *“There is a guaranteed profit for funders of ‘green’ energetics thanks to the deficiency of business struggling, for account of consumers;”* *“Extremely detrimental initiative both for economy and ecology;”* *“Supracompetitive fares. Economical machinations. Removing of financial sources abroad;”* *“Corruption and loss of energetic independence of the state;”* *“Bane of our life because of fees such as 5 and 15 kWe*year;”*

"Benefication of DTEK, severe contamination by TPP;" "Green economics is not an up-to-date issue because of unresolved energy crisis. However, considering renewable energy sources as an aspect of self-dependence for houses, villages, UTC – it could be very useful and beneficial for such core audiences."

"Feed-in tariff" (that is "stimulation by National commission, which implements governmental regulation in the sphere of energy and community facilities, production of electricity power from alternative sources") is regarded as an effective economical mechanism aimed to encourage that electricity generation be renewable energy – by 38.3% of respondents. For 40.4%, it is an instrument of commercial enterprises and households to consume budget and grant funds. 11.9% found it difficult to answer this question, and 9.4% expressed more personalised opinions on this issue: The Feed-in tariff is...

"Robbery of final consumers with the prospect of appearing in a dept pit for the next decades."

"Hidden subvention of large business groups;"

"Crime against Ukrainians, because it leads to increasing of energy prices for the population and enterprises. It must be abolished."

"The tool of robbing the population of Ukraine by oligarchs."

"Speculation of authorities together with the oligarchs."

"Pretending to be concern about environment;"

"Temporary measure that must be abolished when effectiveness of renewable sources will increase."

"A great initiative, insufficient regulation;" "A necessary component of energy policy."

49.5% of respondents are not acquainted with the **Energy strategy of Ukraine until 2035**, 16.6% found that this document is an attempt of being conscious without proper understanding of the order of things. For 10.8%, this Strategy is utopia; for 7.9%, it is a document that encourages optimism. 6.5% assess it as an objective document with real, achievable goals. 8.7% found it hard to answer this question.

Ukrainian participation in European Green Deal happened to be an even more mysterious issue than the Energy strategy of Ukraine: 57% are not aware of this yet, 12.3 are not interested in that field. 6.5% think that they are informed enough, and 24.2% just heard about it.

For 52.3% of the respondents, the **Ukrainian Strategy of implementing green energy** must be with the consideration of mistakes and other countries' experience. 28.2% see it just the same as in developed countries: there is no need to discover the continents again. 10.5% are convinced that the Ukrainian strategy of implementing green energy must be unique because we have black soil, an experience of Chornobyl and other natural special aspects. At the same time, 5.8% of respondents didn't think about it, and 3.2% find it hard to give an answer.

The question: **"Is it necessary to conduct educational work with the population on the theme of alternative energy sources?"**

made the audience the most cohesive (82.7%): 64.3% answered, "Rather yes." By giving comments they also mentioned: "Yes, it is important to explain full information about alternative sources including negative factors;" "Maybe more importantly will be the explanation of feasibility of energy efficiency and accumulation of cheap energy;" "Yes. To talk about its damage for nature and wallet;" and "Yes, especially about corruption (unjustified spending of taxpayers' money to cover expenses)."

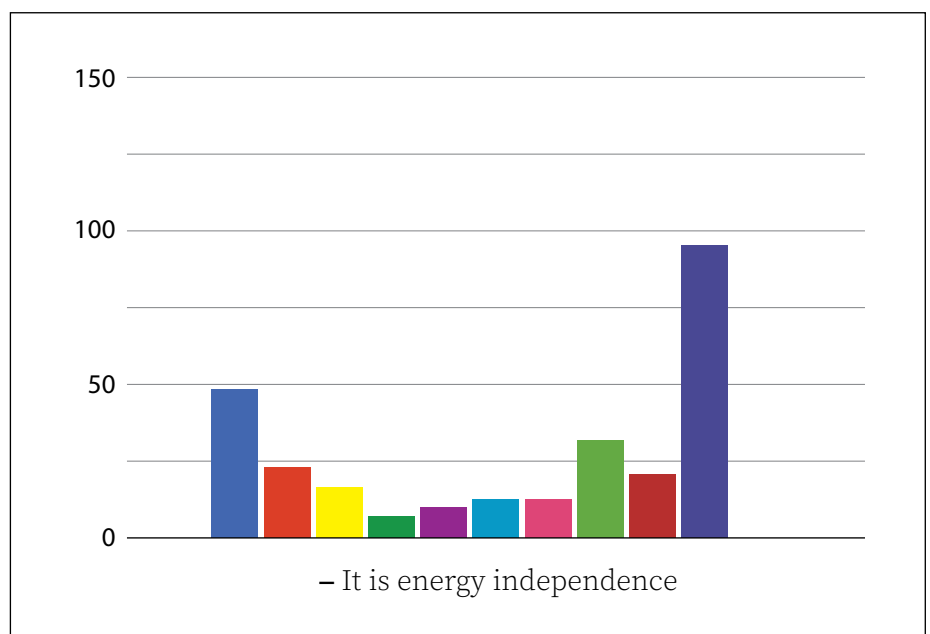
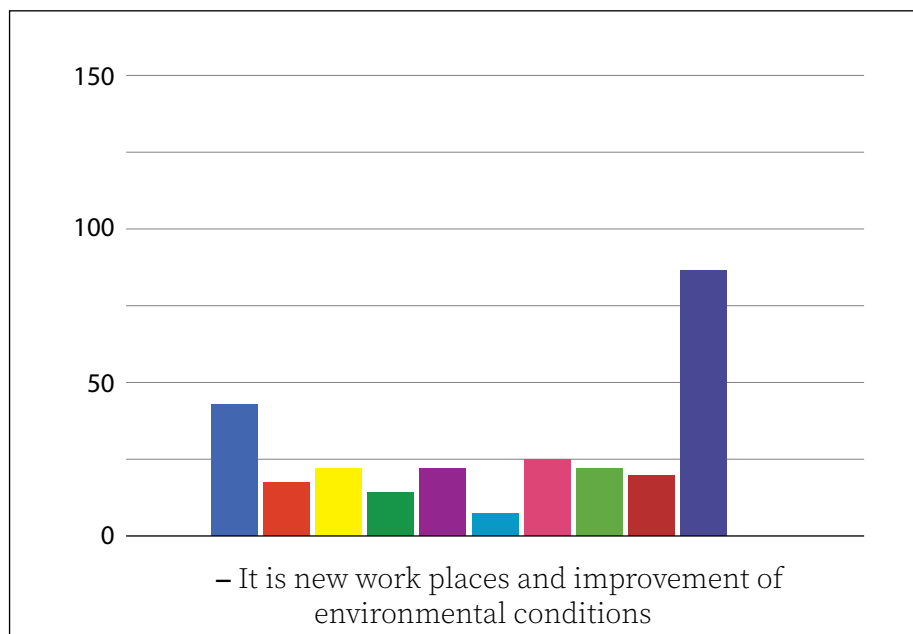
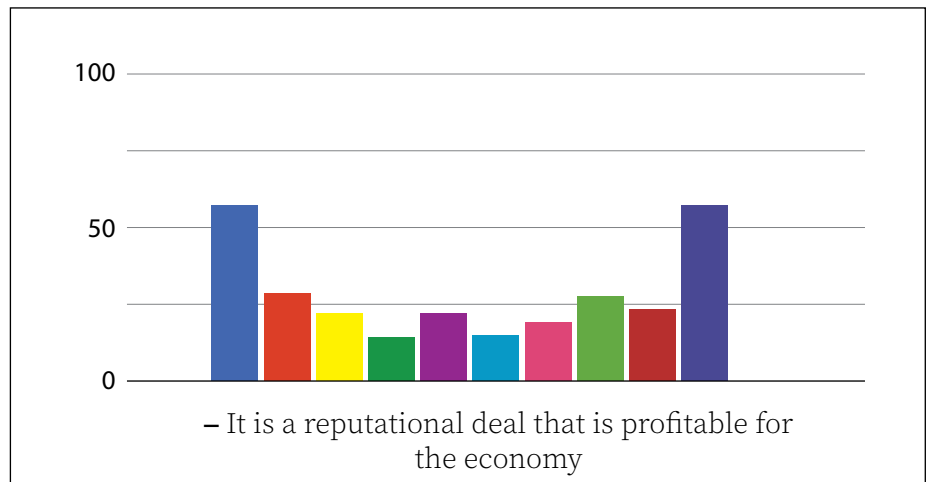
And finally, we have found out to what extent our respondents agree with the following theses on **alternative energy for Ukraine**:

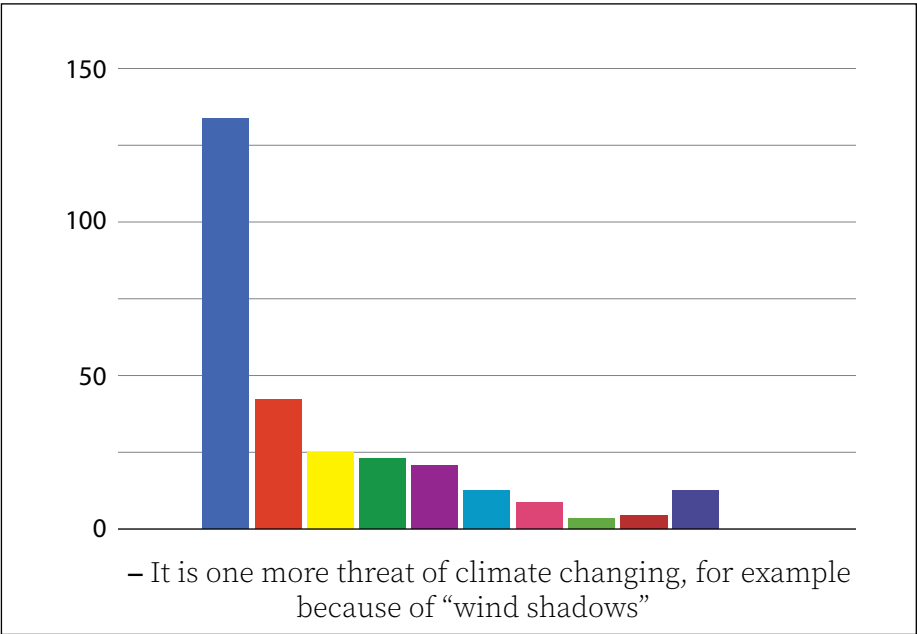
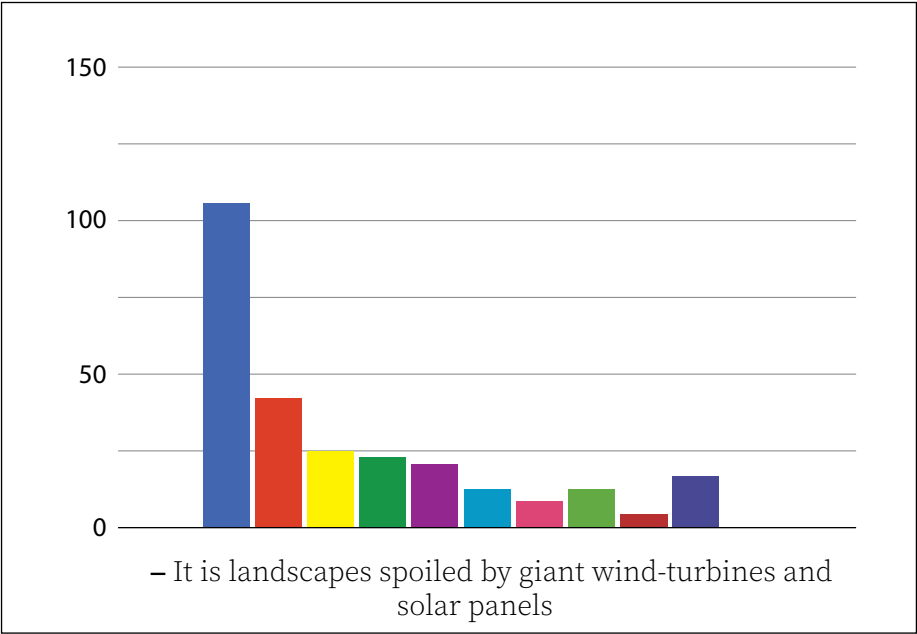
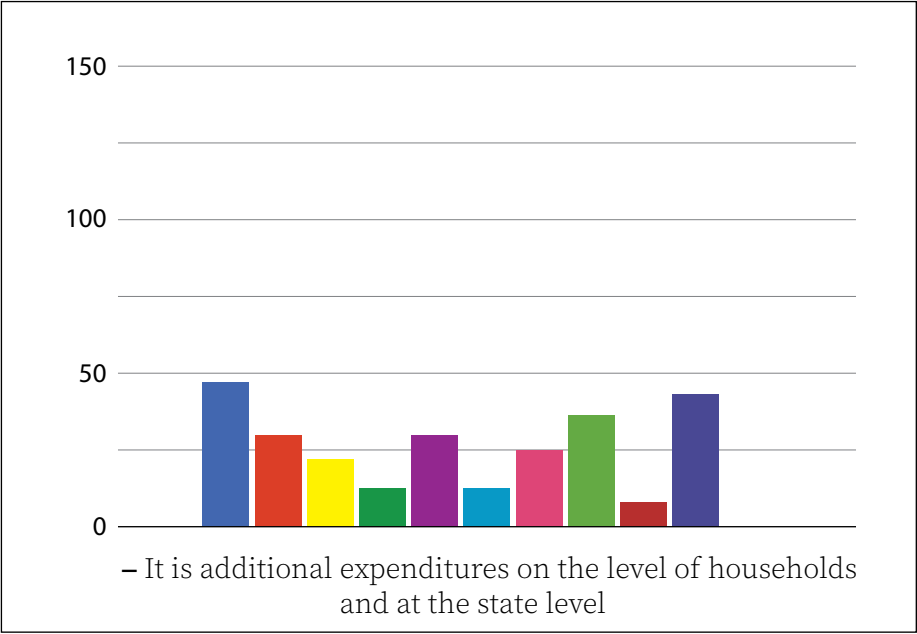


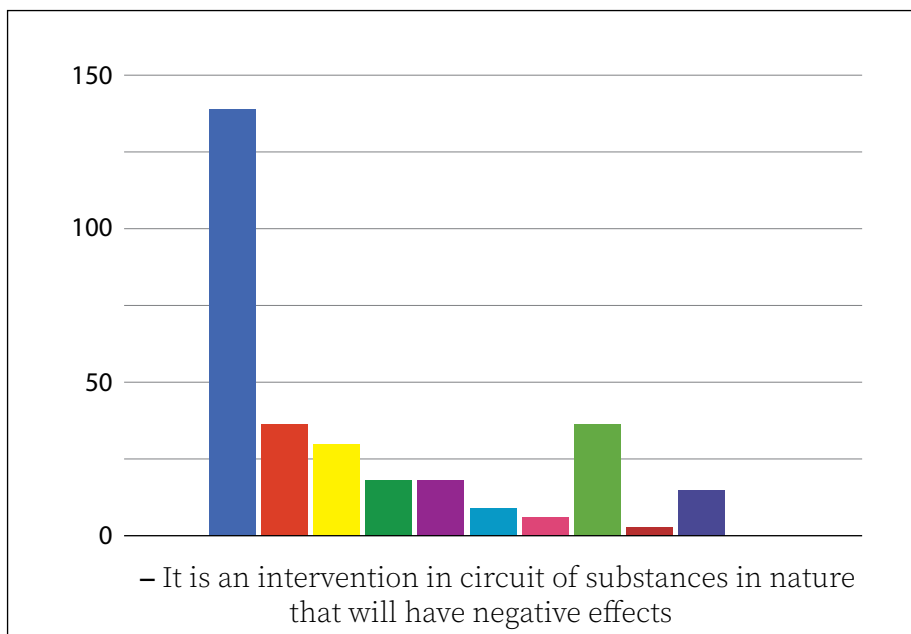
(1-disagree, 10 – completely agree)

The answers were distributed as follows:

“Alternative energy for Ukraine...”







In any case, 15.2% of respondents are ready to pay more for electricity if it is obtained from alternative sources that are safer for the environment. They consider it an investment in the future. 36.8% do not mind paying more, if the price difference is up to 10% or up to 20% (25.6% and 11.2% of respondents, respectively). A similar percentage of respondents - 36.8% - is not ready for the option "to pay more," in particular because "solar and wind energy should be much cheaper than thermal and nuclear, the price is inflated artificially."

"Brussels Ukraïna Review" readers and its editorial board are interested to know your opinion on the results of this survey. If you are one of the respondents, are you impressed by the point of view of other participants? If you did not take part in this survey, what impression do you have looking through this summary? Your feedback for the next issue of the Journal or on its web page <https://www.promoteukraine.org/journal/> is more than welcome!

*Compiled by
Evhenia Kolomiiets-Ludwig*

CIVIL SOCIETY.

THE UKRAINIAN COLLECTIVE SUCCESS THROUGH TREE PLANTING



October 17, 2020, became a day when the Ukrainian collective success story was created. It is the exact day when all regions joined together to preserve the ecosystem of the country and plant more than 1,000,000 trees in one day (24 hours), setting a Ukrainian record.

1,000,000 Trees in 24 Hours Action was held within the Greening of Ukraine global ecological project.

The initiative of the Greening of Ukraine belongs to Serhii Haidai-chuk, president of the CEO Club Ukraine, and Hanna Krysiuk, CEO of the Ukrainian Book of Records; implemented with the support of Roman Abramovskyi, Minister of Environmental Protection and Natural Resources of Ukraine, and Vasyl Kuzovych, Head of the State Forest Resources Agency.

The project aims at drawing attention to the problems of ecology and restoration of the Ukrainian ecosystem; forming a positive image of Ukraine in the world through the first Ukrainian collective success story.

At 8.30 am, October 17, the initiators of the project Serhii Haidai-chuk and Hanna Krysiuk, along with chief coordinators Nadiia Chystiak, Yuliia Bychai, Tetiana Rozvadovska and Vadym Parasochka, have planted first trees and announced the beginning of the Action in Holosiivskyi National Nature Park.

As at noon, more than 700,000 seedlings have been planted in Ukraine within the 1,000,000 Trees in 24 Hours Action. The most abundant amount of trees was planted in the following regions: Lviv, Chernihiv, Vinnytsia, Rivne and Zhytomyr.

Public, private, educational and diplomatic institutions, ministries, military, city and regional councils joined the Action.



In the Kyiv region, tree planting took place mainly in Klavdiievo-Tarasove and Kozyn.

In Klavdiievo-Tarasove, the planting was led by Minister of Environmental Protection and Natural Resources of Ukraine Roman Abramovskyi; in the process participated Deputy Chairman of the State Forest Resources Agency of Ukraine Yurii Bolokhovets, co-organizer of the Greening of Ukraine in Kyiv region Ilona Bauwens, representatives of political parties, coordinators, partners and participants of the project, including Yuliia Davydova, Hanna Korshunova, Yaroslava Boiarkina, Iryna Yankovska.

The planting in Kozyn was organized by the largest business club in Ukraine – CEO Club Ukraine – the president of which is Serhii Haidai-chuk. In the event took part members of the CEO Club Ukraine and their families, as well as national partners Yurii Shynkarchuk, Nataliia Yaromenko, Alo Streimann, Nataliia Filipchuk, Iryna Ivanova, Victor Makovenko, Kostiantyn Voitov, Serhii Pozniak, and Serhii Shulha.

“Today, we are planting trees with our families, friends and partners to support the first Ukrainian collective success story. It develops eco-culture, instils love and respect for nature, and shows others that we, Ukrainians, know how to unite. Furthermore, everyone can contribute to the restoration of the ecosystem of the planet. Global challenges do not make us think but push to act, consolidate and protect nature! With our actions, we have to show a good example for youth. For this reason, we plant 1,000,000 trees now – to draw both attention of the world and Ukrainians to international ecological challenges,” stated Serhii Haidai-chuk.

Each region has chosen certain types of trees considering its specifics. They were dedicated to war heroes, peace, friendship, family, and the restoration of abandoned recreation areas.



A total of 33 species of trees have been planted in Ukraine, most of which are Scots pine, European fir, oak, birch, apple tree, paulownia, walnut tree, maples and willows.

In Kyiv region, the central location for planting named trees of diplomats, organizers and national partners was in Holosiivskyi National Park.

Among guests who participated in planting named trees, the diplomatic and partnership allies were: Viktor Yushchenko, the third President of Ukraine; Olha Stefanishyna, Deputy Prime Minister for European and Euro-Atlantic Integration of Ukraine; Roman Abramovskyi, Minister of Environmental Protection and Natural Resources of Ukraine; Oleksandr Tkachenko, Minister of Culture and Information Policy of

Ukraine; Natacha Díaz Aguilera, Ambassador Extraordinary and Plenipotentiary of the Republic of Cuba to Ukraine; Serhii Haidaichuk, initiator of the Greening of Ukraine, president of the CEO Club Ukraine; Hanna Krysiuk, initiator of the Greening of Ukraine, CEO of the Ukrainian Book of Records, president of the Business Woman Club; Yurii Bolokhovets, Deputy Chairman of the State Forest Resources Agency of Ukraine et al.

At 5 pm Serhii Haidaichuk and Hanna Krysiuk – together with Roman Abramovskyi – have planted an iconic millionth tree. It became a symbol of Ukrainians uniting to create a collective success story.

The millionth tree was an oak donated by the owner of the Hardy ornamental nursery Andrii Pohribnyi. Ten years ago,

Mr Pohribnyi was on a business trip in Beverly Hills, USA. At the meeting, a colleague from the University of Oregon presented Andrii with a bunch of pin oak acorns. After returning to Ukraine, he sowed these acorns in the Hardy. Only one survived and sprouted. For ten years this oak had been nurtured; the higher and stronger it grew, the faster Hardy nursery developed!

On October 19, during a press conference, the organizers declared the results of 1,000,000 Trees in 24 Hours Action. It lasted since October 17, 9 am till October 18, 9 am. In one day 1,831,333 trees were planted in 24 Ukrainian regions. The number of tree species: 33. Also, in solidarity with the ecological project and Ukraine, 115 trees were planted in 10 countries.

These results were marked in the Ukrainian Book of Records as the first Ukrainian collective success story. Category: Ecology, mass events.

“Today we are celebrating the new Ukrainian record, as well as the first Ukrainian collective success story. People united in planting trees to preserve and restore the country’s ecosystem. We have set a worthy example not only for our children but also for adults throughout the world. And it is just the beginning,” said Hanna Krysiuk, initiator of the Greening of Ukraine, CEO of the Ukrainian Book of Records.

More than 50,000 people took part in the Action.

Most trees, seedlings and bushes were planted in the following regions: Zhytomyr, Rivne, Volyn, Lviv, Vinnytsia, and Chernihiv.

Vinnytsia region was the only one able to consolidate all its towns and villages to participate in the Action.

The largest number of locations for planting trees was in the Donetsk region: 70.

Regional organizers and coordinators of the project are: in Lviv – Ihor Dulyk and Iryna Hvozdz; Donetsk – Dmytro Lubinets, Mariia Honcharova; Odesa – Maksym Kutsyi, Olha Vanda; Khmelnytsk – Alina Skomorokhova; Harkiv – Mariia Mezentseva, Anastasiia Maiboroda; Ternopil – Tetiana Chubak; Ivano-Frankivsk – Lesia Aronets, Tetiana Rozvadovska; Vinnytsia – Hanna Davydenko, Olha Malynovska; Herson – Yurii Husiev, Olha Filina; Luhansk – Valentyna Ahafonova; Kyiv – Ilona Bauwens, Sofiia Omelchenko; Rivne – Iryna Tesliuk, Kateryna Yevushko; Zakarpattia – Hanna Melehanich; Poltava – Olha Makieieva, Oleksandr Kolosovskiy; Sumy – Dmytro Kulibabin; Zaporizhzhia – Borys Shestopalov, Svitlana Vaniukhina; Dnipro – Yurii Ostapi-

uk, Iryna Chernysh; Mykolaiv – Roman Burov, Tetiana Chekaliuk; Volyn – Yuliia Vusenko, Sandra Minenko; Cherkasy – Serhii Shmyhol; Chernivtsi – Olha Bauer, Pavlo Koliadynskiy; Chernihiv – Serhii Okhonko, Innva Kryvenko; Zhytomyr – Liliana Dmitriieva; Kropyvnytskyi – Tetiana Kotenko.

National Partners: A-Bank, Abipharm, Business Woman Club, Ukr-China Communications, LAMEL Professional, Rivian Owners Club, VIATEC company, TVK VECTOR-VS LLC, FGK Financial Group, Cronvest FinStream, SHEN company, Agrii Ukraine, EVA LAB, NGO White Bird, Brusviana LLC, NGO I CAN.



The project aims at drawing attention to the problems of ecology and restoration of the Ukrainian ecosystem; forming a positive image of Ukraine in the world through the first Ukrainian collective success story.



SVITLANA LEBIGA: ARTIST WHO TELLS EUROPE ABOUT UKRAINE

NATALIA RICHARDSON IS A UKRAINIAN JOURNALIST SPECIALIZING IN EUROPEAN AFFAIRS. SINCE 2001, SHE HAS BEEN WORKING IN BRUSSELS. SHE HAS BEEN A STAFF CORRESPONDENT FOR UKRAINIAN NEWSPAPERS EVENING KYIV AND DAY, DEUTSCHE WELLE RADIO, AND RADIO FREE EUROPE/RADIO LIBERTY. SHE HAS BEEN A EUROPEAN AFFAIRS CORRESPONDENT AT THE BRUSSELS OFFICE OF EURONEWS FROM THE BEGINNING OF THE UKRAINIAN SERVICE TO ITS CLOSURE FROM 2011 TO 2017. NATALIA WORKED ON TV 1+1,, THE FIRST NATIONAL CHANNEL OF UKRAINE AND OTHER MASS MEDIA. SHE HOLDS A MASTERS DEGREE OF EUROPEAN INTEGRATION FROM VRIJE UNIVERSITEIT BRUSSEL.



**CULTURAL
PAGES**



This painter, who lives in the Belgian town of Bruges, has a far-reaching goal: to tell Europeans about the traditions of Ukraine, its beauty and richness of nature. For 20 years of her life in Belgium, Svitlana Lebiga has been trying to deliver to Europeans an image of Ukraine that sometimes differs from the interpretation by the Western press. The artist is concerned that the ordinary Western citizens get mostly negative information about the Ukrainian state: about the war in Donbas, corruption, etc. Mrs. Lebiga is the founder and president of the Cultural Centre of Ukraine in Belgium; she organises Ukrainian Art Weeks and other events to help people learn about the history, art and customs of Ukraine - a country that the vast majority of Europeans overlook.

As a little girl, Svitlana adored drawing. In addition to her natural gift, the family had their influence. Her mother Lyudmyla was an artist of applied and decorative arts and a member of the National Union of Artists of Ukraine. Two children have followed in her footsteps, both daughter and son Svyatoslav. Both went on to compete and joined the Republican Art School, from which they successfully graduated. At a young age, the studio lessons of Viktor Zaretsky, a well-known artist and public figure, gave a lot for the development of Svitlana's artistic skills.

"When I think back to my childhood, I remember not some toys or friends, but exhibitions," smiles Mrs. Lebiga. "I am not a supporter of the Soviet times at all, but back then I witnessed very beautiful, bright exhibitions in huge halls in the Zhovtnevyj (October) Palace, the House of Artists. I remember it well."

"I really love Ukraine. I love Ukrainian people. It's true, it's not just words or a quote from books, it's life," says Mrs. Lebiga. This is the feeling the artist carries through her life, and her paintings are saturated with this love. And people feel it.





The “Ukrainianness” - which now runs like a golden thread through Svitlana’s artworks - was inherited rather from her father. According to Svitlana, Vsevolod Lebiga was a scientist, one of the founders of the People’s Movement of Ukraine in Kyiv. Even before Perestroika, he introduced his daughter to books that told the truth about the Holodomor and other terrible pages in Ukrainian history. She would get more into the national spirit later, during her studies at All-Ukrainian Art Institute, when the students did their artistic practice in the villages of Ukraine. There they were helped by ordinary people to learn the folklore, traditions and history of the country. “You stand with an easel painting a landscape and some old woman was walking by, carrying something in her apron. She says: ‘Child, spread a newspaper.’ And the woman pours pears. And then she invites you to have lunch at her house,” recalls the director of the Ukrainian Cultural Centre.

Both then, as a child and as a young girl, and now, Svitlana works hard: she considers the day lost without painting. The artist creates landscapes of the picturesque Ukraine and paintings, where embroidered towels, national costumes and other elements are made in a style that combines folk painting, Ukrainian avant-garde and realistic school. The painter emphasises and plays with colours,

and this fills her works with joy and light, but sometimes also with sadness.

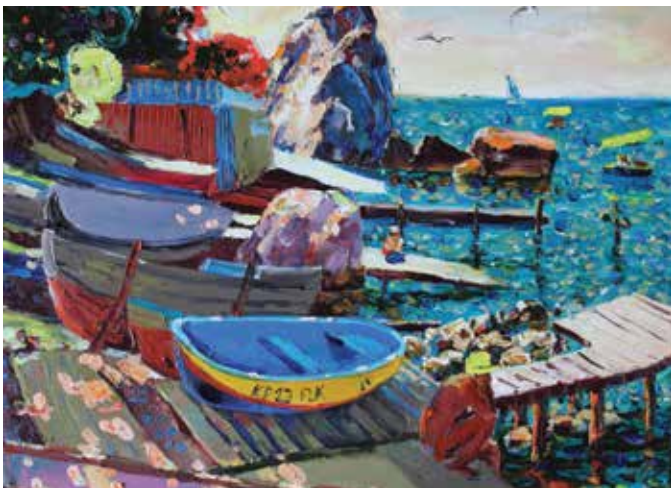
Why did the Ukrainian artist end up in Belgium? She did not even think about her move to this country, but oddly enough, it was her love for Ukraine that caused it. In the ‘90s, Svitlana focused on painting Ukrainian themes while listening to Ukrainian music. She made a lot of figurative paintings with folklore



plots and folk traditions. Many people knew about her work because the artist cooperated with patriotic and women's organisations. And isn't that a miracle? One day, Svitlana received a call from the Foreign Ministry of Ukraine proposing that she have a personal exhibition in Belgium dedicated to the 10th anniversary of Ukrainian independence. And then, a real success came: on the one hand, professionally, because Belgians were delighted with her works; on the other hand, personally, because Guillaume Vanbeckevoort, director of the West Flanders Art Academy fell in love with both the paintings and the painter herself. A bit later he became Svitlana's husband.



“Carols”



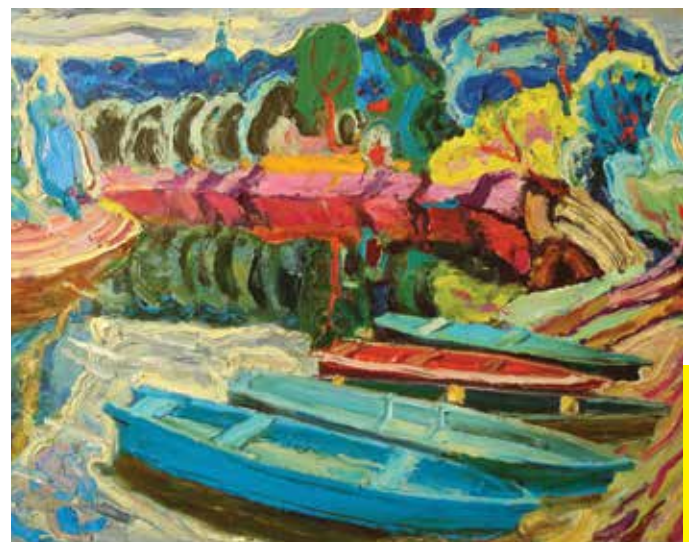
“Fishermen's boats”



“Clouds are approaching”



“Ukrainian dance”



“River Snow. View of the church”

Happy ending? Is it enough to live in a rich country with your beloved man and to work, if at all, only for your own pleasure? Yes and no. Mrs. Lebiga decided to fill in the gap in knowledge about Ukraine among Belgians and other Europeans. During her first years in Belgium, she organised her own or small group exhibitions with Ukrainian themes. Then, she started teaching at the Koksijde Academy on the North Sea coast, where she, with other prominent artists, gives lessons during school holidays. Svitlana tries to see talent in students and gives them an academic base in drawing.

There is also a Ukrainian leitmotif here: the artist talks about her homeland and love for it. In this way, the course participants also begin to like Ukraine, which was not known to most of them before the class. A striking example of this: after the outbreak of the war in Donbas, Mrs. Lebiga's students collected money to buy materials for the art-rehabilitation of war victims in the Carpathians. There is more to come. The painter organises Ukrainian-themed events at the Cultural Centre for Ukraine in Belgium, which she founded.

These include workshops for artists and exhibitions in various Belgian cities and towns. Started in 2019, the Ukrainian Art Weeks have a special significance. They bring together artists from different regions of Ukraine who work in various genres. Among the participants were Olena Klochko from Bakhmut (Donetsk oblast), Olexandra Kyrylova from Kyiv, Olga Adam

from Kharkiv, Yana Gudzan and Serhiy Savchenko from Lviv, and other masters. There were also works by two artists from Donetsk.

The first is Ihor Musin (now deceased), who was not a professional artist. He worked all his life in a mine, his parents having been repressed in the Soviet time. His father was shot, and his mother was in the camps. Mr. Musin started drawing graphics in later years, being in Bruges, where he was taken by his daughter for medical treatment. The second artist is Serhiy Zakharov, who was imprisoned in 2014 for his graffiti and installations that mocked separatists. Ukrainian artists from other countries - the Netherlands, Slovenia, even the United States - also come to the art weeks founded by Svitlana Lebiga.

She says that the geographical factor - the weeks and other exhibitions take place mainly in Bruges - is extremely important. After all, this town (which is called the "Venice of the North" for its canals) is very touristic; people from all over the world are attracted by the preserved medieval architecture. This is why many visitors come to Ukrainian events in the very centre of Bruges - both those who have planned their trip and those who happened to be there during a walk in the town. There is another bright event: the Vyshyvanka Days (vyshyvanka is an embroidered shirt). When Svitlana and other members of the Ukrainian diaspora walk around Bruges in national clothes, everybody looks at the charming women in beautiful vyshyvankas. Tourists react vividly and even take photos.

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