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### **1. Fund the U.S.-Ukraine Foundation (USUF) The Ukrainian Weekly, 20 September 2007**

Recently we learned that the U.S. Agency for International Development (USAID) has refused to fund the U.S.-Ukraine Foundation, known to our community and to Ukraine as one of the most effective non-governmental organizations helping transform Ukraine from a post-Soviet society into a democratic and transparent state governed by the rule of law and served by accountable public officials, according to the Ukrainian Weekly newspaper editorial.

That the Bush administration does not see the folly of this refusal is, frankly, beyond belief. The U.S.-Ukraine Foundation has an excellent track record - one that may be second to none in helping Ukraine by working with what the foundation likes to call its "democratic modernizers."

In the early 1990s, USUF was the first U.S. organization to provide hands-on technical assistance to fledgling democrats involved in local government and non-governmental institutions.

Some of these democrats of newly independent Ukraine received on-the-job training in Ukraine; others were brought to the United States to learn from counterparts in this country.

The successes have been many during USUF`s 15 years of work. O.P. Popov, a "graduate" of USUF`s programs who today is Ukraine`s minister of housing and communal services, recently wrote to Rep. Nita Lowey, chair of the House Subcommittee on States, Foreign Operations and Related Programs, urging her to support funding for the foundation so that it could "continue its significant contributions not only to the development of local democracy in Ukraine, but also to the strengthening of relationships between our countries both at the national level and at the level of people diplomacy."

Another beneficiary of the USUF's programs, Tymofiy Motrenko, who heads the Main Department of the Civil Service of Ukraine and has been tasked with reforming the public administration system, also provided a very positive assessment of USUF programs.

In fact, he suggested to Rep. Lowey that a new program "focused on the top 300 or so Ukrainian civil servants who will develop the mindset and skills to become the agents of change in their areas of responsibility" would "provide maximum benefits."

Clearly, there is much more that the U.S.-Ukraine Foundation can do in the area of democratic institution-building in Ukraine. The key, of course, is more funding - not a halt in funding.

Indeed, just last year, the U.S. Senate's Committee on Appropriations reported: "The committee is aware of the work of the U.S.-Ukraine Foundation, and commends the foundation for its support of democracy and the rule of law in Ukraine.

The committee directs USAID to continue to support the foundation's activities . The committee expects funding levels to exceed those of prior years." The counterpart committee in the House of Representatives expressed similar sentiments.

So why has USAID decided to simply refuse funding for USUF? And why are the wishes of the U.S. Congress being disregarded?

Is Ukraine no longer to be considered a strategic partner of the U.S.? These are questions that must be answered, questions for which the administration must be held accountable.

We strongly support the valuable work of the U.S-Ukraine Foundation and we urge the Congress to demand that its recommendations with regard to aid programs for Ukraine be followed.

Furthermore, we demand that the Bush administration back up its fine words regarding U.S.-Ukraine relations and democracy-building in general with the bucks required.

Since 2000, the U.S. Congress has directed the U.S. Agency for International Development (USAID) to support the U.S.- Ukraine Foundation.

In Fiscal Year 2007, the U.S. Senate directed USAID to fund the U.S.-Ukraine Foundation at the \$10 million level. USAID's response has been to cut off all funding to USUF.

USUF calls on to call or fax Representatives Nita Lowey (D-NY

Constant URL of article:  
<http://www.unian.net/eng/news/news-213121.html>

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## **2. Government endorsed State Target Program of Ukraine's rural development UNIAN, 20 September 2007**

At a government sitting on Sept 19, a draft resolution of the Cabinet of Ministers of Ukraine "On approval of the State Target Program on Village Development of Ukraine for the period till 2015" has been endorsed, according to the government's press-office.

It is an extremely important program social-economic document of inter-branch and regional character.

The Program provisions determine basic directions of the public agrarian policy, aimed at creating favorable conditions for stable development of the village territories, ensuring operation of the high-performance competitive agrarian sector at home and foreign market, strengthening food safety and

qualitative food production, increasing villagers' income, development of the agrarian science and education.

The Program includes a detail and fundamental analysis of the current situation in the village and agroindustrial complex of Ukraine, conclusions and action plan of basic directions of the Ukrainian village development for the period till 2015 which should be fulfilled by improving organization-economic mechanisms and strengthening state support of the agroindustrial complex and social sphere of the village.

Implementation of the Program will ensure:

- preserving village settlements and providing them with objects of social infrastructure according to the determined standards and norms on conditions of habitation for the villagers;
- raising efficiency of villagers' employment, increasing incomes and average monthly wages for agricultural workers up to the level not lower than average in the spheres of national economy;
- forming agrarian market due to the domestic agricultural production at the level guaranteeing food freedom of the country and encouraging development of export potential of the country;
- creating infrastructure of the home agrarian market, extending exchange trade, forming national network of the wholesale agricultural markets, information-communication networks and development of transport provision;
- establishing transparent and efficient for commodity producers channels of output advance from the producer to the consumer;
- annual update of the technical agriculture base by 15 percent;
- increasing production volume of gross output of the agriculture in 2015 1,6fold as against 2006;
- increasing export volume of agricultural output and foodstuffs twofold;
- providing organic output in general volume of gross output of the agriculture at least by 10 percent;
- increasing investments to the agrarian sector twofold;
- increasing load of the reprocessors, renewal of agriculture mechanical engineering, retaining work places in the partner-spheres of agriculture;
- increasing volumes of tax receipt and dues from the agrarian sector to the balanced budget 2,5fold;
- introducing the base agro-ecological requirements and standards into the practice, according to the EU regulations;
- bringing the level of foodstuffs consumption in 2015 to the scientifically grounded norms.

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<http://www.unian.net/eng/news/news-213038.html>

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### **3. More than half of foreign experts support early election in Ukraine – poll UNIAN, 20 September 2007**

More than half of foreign experts (some 58%) are convinced that the early election in Ukraine is a democratic way out of the political and constitutional crisis in the country.

According to an UNIAN correspondent, Serhiy Taran, chairman of "Socioizmereniye" center for sociological and political research and director of the International Institute of Democracies, claimed this to a press conference in UNIAN.

According to him, the majority of polled experts positively assess the meaning of the early election for Ukraine. Only some 32% of those polled give other definitions to the early election. In particular, a British expert noted that, in addition to the election, Ukraine still needs other measures to solve the crisis. Another two experts, both from Russia, are confident that the snap poll may cause a further destabilization in the country, with aggravating the crisis.

Speaking about the most acceptable system of rule for Ukraine, some 37% of the polled experts believe that the PM-presidential system is the best, some 32% preferred the parliamentary-presidential system, and some 21% supported the presidential system.

Besides, asked whether Ukrainian politicians may be called European, the overwhelming majority of those polled (some 61%) said BYuT front-runner Yulia Tymoshenko corresponds to notion "a European-style politician". Some 24% of those polled called Victor Yushchenko a European politician. An expert from Russia said the SPU leader Oleksander Moroz is a European politician. Two experts could not call European any of the Ukrainian politicians.

The poll was carried out in the course of the XVII Economic Forum in Krynica city of Poland during September 5-7 of 2007. 20 experts – forum participants from 10 countries were polled.

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<http://www.unian.net/eng/news/news-213129.html>

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#### **4. International Observers' Liaison Group Observes the Transparency of the Elections in Ukraine Distributed by PR Newswire on behalf of Party of Regions, 20 September 2007**

While the early parliamentary elections in Ukraine are just about to enter the finishing straight, the favourites in the race were already determined some time ago.

All polls reveal that the Party of Regions - the party delivering the foundation of today's ruling coalition - is clearly ahead.

Recent studies indicate that the Party of Regions is on course to repeat last year's success and is likely to even outperform it by winning about 33 to 35% of the votes. The Bloc Yulia Tymoshenko (BYT) is lagging more than 10% behind, and the pro-presidential political group "Our Ukraine - People's Self-Defense" (OU - PSD), which is headed by the former minister of the interior Yuri Lutsenko, is heading for a safe third place. Most analysts are unanimous that the fourth party to enter parliament will be the Communist Party, which is predicted to receive 3 to 5% of votes. The remaining participants (among them the bloc of former chairman of parliament V. Lytvyn and the Socialist Party of current chairman O. Moroz) are currently ranging in the "danger zone".

Forecasts suggest that the Party of Regions will clearly dominate the elections, thereby gaining the basis to repeatedly participate in the formation of ruling coalitions and that the party's chairman Viktor Yanukovich will continue to serve as the country's prime minister.

Meanwhile, the early elections are being held on an obviously insufficient and at times even frankly questionable legal basis. The underlying resolutions obviously have a political rather than a constitutional character. The elections became possible as a result of a situational compromise reached between the principal political forces, above all between the Coalition of National Unity, on the one hand, and the president and the united opposition, on the other.

It is common knowledge that the resources of the Ukrainian administration are deployed in the electoral race. Against the background of the artificially initiated parliamentary crisis, the Council of

National Security and Defence as part of the presidential administration began to high-handedly take over many government functions. Additionally, since May, the president and the people associated with him have actually been blocking the activities of the Constitutional Court that would have been able to act as arbitrator in the complex crisis.

In many regions, the heads of the regional and district administrations were also appointed heads of the electoral committees of the president's bloc, raising justified doubts concerning the legality and transparency of the elections in the regions headed by loyal and dependent followers of the president.

Text available on World Wide Web, URL:  
<http://www.prnewswire.co.uk/cgi/news/release?id=207873>

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## **5. Vimpelcom aims to double Ukraine market share** **By Ercan Ersoy** **Reuters, 20 September 2007**

MOSCOW - Vimpelcom (VIP.N: Quote, Profile, Research), Russia's second-biggest mobile phone services operator, aims to double its market share to 10-12 percent in two to three years in the Ukrainian market, a company official said on Thursday.

"If we reach that target figure in two to three years that will provide a lucrative level of business," the company official told reporters on condition of anonymity.

The official said Vimpelcom, the smallest of four players in the Ukrainian market with a market share of 5.2 percent, has 1.8 million subscribers. Ukraine is the second most populous former Soviet nation after Russia.

Vimpelcom is 44 percent controlled by Altim, the telecoms arm of Russian tycoon Mikhail Fridman's Alfa Group, and 29.9 percent by Norway's Telenor (TEL.OL: Quote, Profile, Research), which also owns Ukraine's top operator Kyivstar by 56.5 percent. Altim has the remaining 43.5 percent.

Telenor and Alfa have been on a collision course since the Russian company decided, against the Norwegians' wishes, to expand into Ukraine through Vimpelcom. Telenor has repeatedly said it wants a "divorce" from Alfa.

The official said Telenor was not happy with his company's entrance into the Ukrainian market, where mobile penetration is about 110 percent, because this triggered price erosion. "But we believe Telenor will most likely change its view and there will not be a big problem in future."

Kyivstar has 43.3 percent market share in the Ukrainian market, followed by UMS with 37.9 percent and Astelit by 13.2 percent, he said.

"Telenor wants to keep Vimpelcom as a regional operator because its share in Kyivstar is bigger than that in Vimpelcom," he said.

Telenor won a U.S. arbitration case in August against Alfa in which the court decided that Alfa sell its Kyivstar stake or divest from competing Ukrainian mobile groups within 120 days. But Alfa said the ruling would have no impact because it could not be enforced in Ukraine.

One divorce scenario would be a share swap between the two groups' holdings in Kyivstar and Vimpelcom.

Vimpelcom chief executive Alexander Izosimov told Reuters last week that despite the a long-running dispute, time and changing personalities mean the two will eventually forget their differences.

Izosimov believes that Alfa and its telecom arm Altimo's stated strategy of wanting to roll all their holdings into a minority stake in a major telecoms group is not just a dream. This could involve Telenor and TeliaSonera <TLSN.ST > combining assets in Russia, Ukraine and Turkey.

Text available on World Wide Web, URL:

<http://investing.reuters.co.uk/news/articleinvesting.aspx?type=media&storyID=nL20712030>

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#### **6. Ukraine PM says no gas spat with Russia Earthtimes.org, 20 September 2007**

Ukrainian Prime Minister Viktor Yanukovich said Thursday he would prevent problems with gas supplies to Ukraine and Europe.

"Ukraine is a reliable partner for Europe when it comes to transit of energy sources. The year 2005 with its very complicated situation will never happen again," he said in Ostrog, Ukraine. "We will never let this happen again."

The comments were reported by Interfax-Ukraine.

He said Ukraine accumulated 26 billion cubic meters of gas for 2007 in its underground storage facilities and noted that ties with Russia, strained in 2005, were now stable.

In late 2004 Russia temporarily cut off gas supplies to Ukraine over a pricing dispute, in turn causing shortages in Western Europe. Moscow wanted Ukraine, then headed by a pro-Western leader, to pay market rates for gas, which it previously bought at highly reduced rates.

Under their deal, Ukraine paid near-market rates for Russian gas.

Text available on World Wide Web, URL:

<http://www.earthtimes.org/articles/show/111243.html>

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#### **7. Ukrainian top legislator warns of possible recurrence of political turmoil People's Daily (Sinhua), 21 September 2007**

Ukrainian top legislator warned on Thursday that the political crisis that hit the country in the spring could reoccur and the upcoming legislative elections could be the trigger, the Interfax-Ukraine News Agency reported.

Parliament Speaker Oleksander Moroz said as the election campaign was fraught with malpractices like bribery and voter list forgery, street movements might be resorted to again for solving the political problems.

Moroz's remarks came one day after Prime Minister Viktor Yanukovich announced that his Regions Party would re-consider whether to participate in the advanced legislative elections if its political rivals continued their provocative actions.

Ukrainian First Deputy Prime Minister Mykola Azarov said on Thursday that if the Regions Party refused to take part in the elections, the vote would be cancelled.

However, the Central Electoral Commission responded that even if Yanukovich's party failed to participate, the elections would be held as scheduled on Sept. 30.

Ukraine's political crisis in early April was triggered by President Viktor Yushchenko's signing of decrees to dissolve the parliament and call for early elections.

He made the step after 11 lawmakers from pro-presidential factions defected to Prime Minister Yanukovych's ruling coalition, moving it closer to a 300-seat, veto-proof majority in the parliament that could allow Yanukovych's allies to change the constitution.

Yanukovych defied the presidential order to dissolve parliament and brought his supporters to the streets of the Ukrainian capital to protest.

Following arduous negotiations, an agreement was struck to hold early elections on Sept. 30.

Text available on World Wide Web, URL:  
<http://english.people.com.cn/90001/90777/6268287.html>

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#### **8. Moroz predicts political crisis ForUm, 21 September 2007**

Chairman of the VRU Olexander Moroz doesn't exclude the repetition of the political crisis, which happened in spring. He stated on Thursday during the meeting with the heads of diplomatic missions, accredited in Ukraine.

According to Moroz, "the crisis, which we had in spring, can be repeated again".

He has noted that "there are concrete evidences of possible further developments, because the main irritator is the campaign itself (election campaign – ed.), participation of the President in this campaign with his statements, his agitation work, and his orientation of executive structures on the corresponding result".

Moroz has claimed that meanwhile there is "ignoring of the laws and the Constitution". He has emphasized that such situation "causes anxiety".

Text available on World Wide Web, URL:  
<http://en.for-ua.com/news/2007/09/21/105750.html>

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#### **9. Investment promises in the pre election campaign Polish Radio, 19 September 2007**

Giving promises to investors has become of the most popular means for promoting their political powers. During long meetings with representatives of Ukrainian and foreign investors Viktor Yanukovych is explaining why foreign investors have been recently so reluctant to move to the Ukrainian market. According to the leader of the Party of Regions, an active flow of investments to Ukraine began with the new millenium, exactly when he became the prime-minister of Ukraine for the first time. It was the time, he says, when Ukraine gained some trust abroad. The questions which improve relations between the state and the investors remain actual at all times but already now, he says, we can see a lot of good changes in the sphere of investment in Ukraine:

**We can see that there is a certain movement forward. The Ukrainian legislation is being built. A whole system of attracting investments is being designed. This year we have an increase of investments in 32 per cent. It's a wonderful result. So, we have learnt to keep this sphere under our thumb.**

Thus, during the first 7 months of this year the size of investments into the Ukrainian economy has increased in comparison with the last year indicators. It made 2,5 billion dollars. Still, this number, according to the Minister of Economics, Anatoliy Knakh, is not satisfactory as for the Ukrainian scale. Therefore, he promised to make it bigger and higher. Meanwhile, an opposition leader Yulia Tymoshenko suggests investors a sort of treaty-in-advance. Her contract with investors which she has already signed, says about the creation of an even more attractive investment climate than Ukraine

has now according to the words of the present prime-minister. In case if a new government is formed headed by Mrs Tymoshenko she will be basing her policy on the strict obedience if law and transparency at all stages of concluding investment agreements:

**The experience gained during the privatization of Kryvorizhstal we will turn into a law, namely all the procedures, all the stages, all the details in agreements between the state and investors, all this will be rooted in law.**

At the same time, a representative of big business, the head of the directors' council of the Corporation Industrial Union of Donbass, Serhiy Taruta believes that the development of business in Ukraine is based mainly on personal relations, not on the legislation, and this problem, he says, is very difficult to solve quickly:

**Nothing has changed for better. We do not have less personal pacts, we do not have less problems with custom dues. There are lots of fundamental questions which remain actual for all companies.**

Anyway, as experts believe, it is very doubtful that any foreign investor would seriously perceive the optimistic promises of prominent Ukrainian politicians on the eve of elections.

Text available on World Wide Web, URL:  
<http://www.polskieradio.pl/zagranica/gb/dokument.aspx?iid=58808>

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#### **10. Tymoshenko Warns About Falsifications Ukrayinska Prawda, 20 September 2007**

Yulia Tymoshenko, the Yulia Tymoshenko Bloc (BYuT) leader, declares that preparation for falsification on the early parliamentary election started in Ukraine.

Mrs. Tymoshenko stated this at a press conference in Chernihiv on Tuesday, the BYuT press service reports.

"I can confirm that serious financial affairs are proposed to members of electoral district commissions if they sign empty protocols," reported Mrs. Tymoshenko.

She stressed that in Zhytomyr region 150 UAH are proposed to people if they provide passport data and do not vote in the election.

"I believe, that BYuT could form a powerful team of observers and commission members. They will help our country to hold the honest election," said Mr. Tymoshenko.

Text available on World Wide Web, URL:  
<http://www2.pravda.com.ua/en/news/2007/9/20/8942.htm>

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#### **11. PRU Named One More Reason for Election Derangement Ukrayinska Prawda, 20 September 2007**

If Constitutional Court recognizes statutes of the Law on Election of People's Deputies after September 30 unconstitutional, the results of elections might be repealed.

This was announced by Party of Regions (PRU) member Vasyl Kyselyov from the Verkhovna Rada rostrum.

Mr. Kyselyov explained that if Constitutional Court passes the decision on Mr. Yushchenko's application after September 30, "many citizens will appeal to courts and the courts will pass a

resolution that these citizens could not fully take advantage of their votes, because they came to Ukraine in less than three days before elections," he said.

"Taking into account that judges nominated by the President are very prejudiced, we do not exclude the possibility of decisions which repeal election results in some districts or even in the whole country.

That is why PRU demands from Constitutional Court to pass decision on the President's application before September 30.

Besides, PRU appeals to public security agencies and Office of Prosecutor General to examine information about instructions, given to Local Election Commission members from 'orange' team, not to sign concluding minutes.

PRU suggests all political powers that take part in election to sign an agreement on exclusion of election commissions' work destabilization.

"If any political power does not sign such document, PRU will evaluate this like an attempt to derange elections," Mr. Kyselyov stated.

It is known that Mr. Yushchenko applied to Constitutional Court to recognize unconstitutionality of law statute on excluding from election lists people, who have not crossed the state border three days before elections and have not returned to Ukraine.

Earlier PRU leader Viktor Yanukovich also claimed about possibility of election derangement.

Text available on World Wide Web, URL:  
<http://www2.pravda.com.ua/en/news/2007/9/20/8945.htm>

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## **12. Ferrexpo looks for partner for Ukraine mines** **By Rebecca Bream** **The Financial Times, 20 September 2007**

Ferrexpo has started looking for a partner to help it build new iron ore mines in Ukraine, as part of its aim to more than double its current production.

Mike Oppenheimer, chief executive of the mining group, said it had already planned to double its output of iron ore and iron ore pellets by 2014, "but now we are looking at opportunities to be more aggressive".

The Switzerland-based company, controlled by Kostyantyn Zhevago, the 32-year-old Ukrainian billionaire businessman and politician, listed in London in June.

Ferrexpo produced 14.4m tonnes of iron ore in the first half of the year, which it turned into 4.7m tonnes of iron ore pellets, which are used in steelmaking.

Revenues rose 39 per cent to \$328m (£164m), while pre-tax profits increased threefold to \$54.5m, thanks to a production increase and higher prices.

Ferrexpo's current operations are focused on the southern end of Ukraine's sizeable Poltava iron ore deposit, but over the next few years it plans to open up mines further north.

Mr Oppenheimer said only a small portion of the Poltava ore body had so far been exploited. "We are not limited by [iron ore] resources, we are sitting on iron ore, it's a question of how quickly we can get new projects up and running."

He said Ferrexpo could fund some of the expansion itself, "but if we want to push this forward aggressively we need assistance, financially and operationally".

Mr Oppenheimer said the group was "in the very early stages of contact with a variety of different parties" that could invest in the Poltava expansion projects and was especially interested in partnerships with companies "that can plan and execute big capital projects".

Iron ore prices have soared over the past four years because of rising demand for steel, especially in China. CVRD of Brazil and London-listed mining giants Rio Tinto and BHP Billiton dominate the iron ore market, controlling more than 70 per cent of supplies.

Ferrexpo shares rose 5p to 255p on Wednesday.

Text available on World Wide Web, URL:  
<http://www.msnbc.msn.com/id/20879493/>

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### **13. Regions Party statement on possible election boycott demoralizing their supporters, experts say Interfax-Ukraine, 20 September 2007**

Ukrainian political scientists believe a recent statement by the Regions Party that the party may leave the election race in protest against possible dirty tricks and vote rigging is demoralizing their supporters.

"The statement that the elections will be disrupted and that the elections are being rigged actually damages Yanukovich more. Such statements in the last week of the election campaign foresee the demobilization of their own voters," Serhiy Taran, the head of the board of the Sociovymir center and the director of the International Institute of Democracy, said at a press conference on Thursday.

He said the statement was a signal for supporters of Regions Party Leader Viktor Yanukovich that the elections would not decide anything and that they might as well not vote.

"[This is] a very dangerous statement for Yanukovich himself. I think that the Regions Party will very soon understand the threat of the loss of votes in the last week and will return to the thesis that the elections will take place," Taran said.

Another Ukrainian political scientist, Volodymyr Polokhalo, said such statements should be regarded as blackmailing BYT leader Yulia Tymoshenko and President Viktor Yuschenko.

Text available on World Wide Web, URL:  
<http://www.interfax.com.ua/en/news/main-news/68183/>

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### **14. Lytvyn: Stop Exhausting Donbas! Ukrainian News Agency, 21 September 2007**

"Ukraine is facing a choice: the complete exhaustion resources of Donbas, including manpower resources or the development of Donbas on the ground of the capacities of the region," Volodymyr Lytvyn said during his trip to Donetsk.

Lytvyn is confident of the necessity of the drawing up of a program to develop Donetsk region. He is opposed to the closure of coalmines that still have resources of coal. According to Lytvyn, Ukraine has enough coal to satisfy its energy demands for 400 years. "On the ground of the progress in coal industry we must get rid of dependency on natural gas imports. It will take us psychological and practical changes, but we need to end the 'gas' dependence," Lytvyn said.

Lytvyn further said that ecological problems of Donetsk region needed solution. To this end, he proposed to draw up an ecological map of each settlement and get large industrial companies compensate for damage to environment.

Commenting of the program of the regional development, Volodymyr Lytvyn emphasized the importance of the development of metallurgy and chemical industry.

"Donetsk accounts for 20% of the GDP, one fifth of the country's wealth. Ukraine has no future without the region!" Lytvyn declared.

Text available on World Wide Web, URL:  
<http://www.ukranews.com/eng/article/67711.html>

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### **15. CEC Registers 493 Foreign Observers For Parliamentary Elections Ukrainian News Agency, 20 September 2007**

The Central Electoral Commission (CEC) has registered 493 foreign observers for the September 30 parliamentary elections.

The CEC passed the decision at its meeting.

Specifically, the CEC has registered two observers from Russia, two from Kazakhstan, one from the United States, five from the CIS International Assembly, eight from the European Parliament, 67 from the Parliamentary Assembly of the Organization for Security and Cooperation in Europe, 244 from the Observer international non-governmental organization of assistance to public control over honest elections, 62 from the For Honest Elections international non-governmental organization of assistance to the development to election technologies, and 101 from the Canadian-Ukrainian Foundation.

Thus, the CEC has registered a total of 1,960 foreign observers for the parliamentary elections as of September 20.

As Ukrainian News earlier reported, campaigning in the early parliamentary elections started on August 2; voting is scheduled for September 30.

Text available on World Wide Web, URL:  
<http://www.ukranews.com/eng/article/67595.html>

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### **16. Moscow sends poison for Yushchenko probe AFP, 20 September 2007**

Kiev - Russia has agreed to send dioxin samples to Ukraine to aid the inquiry into the poisoning in 2004 of President Viktor Yushchenko, Ukraine's prosecutor general said on Wednesday.

Yushchenko, who at the time of the poisoning was a presidential candidate locked in a struggle with Moscow-backed opponent Viktor Yanukovich, had recently accused Moscow of failing to co-operate in the investigation.

"The Ukrainian prosecutor has received a response from the Russian prosecutor (agreeing) to send samples of dioxin," as well as inviting Ukrainian investigators to Moscow, prosecutorial spokesperson Yury Boychenko told reporters.

The pro-Western Yushchenko fell seriously ill on September 6, 2004, two months before presidential elections hotly contested by Yanukovich, due to what doctors later diagnosed as a near-fatal dose of dioxin.

The Ukrainian president told French daily Le Monde that he believed the dioxin had come from a Russian factory.

"Three laboratories in the world produce that type of dioxin... Two laboratories have sent samples, the Russian one hasn't. That's hampering the inquiry," he said.

Three years later, Yushchenko's face remains seriously disfigured from the poisoning, and he makes regular trips to a Swiss clinic to have the dioxin removed from his body.

Text available on World Wide Web, URL:

[http://www.iol.co.za/index.php?click\\_id=3&art\\_id=nw20070919224008837C263339&set\\_id=](http://www.iol.co.za/index.php?click_id=3&art_id=nw20070919224008837C263339&set_id=)

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**17. Ukrainian leader: Russia impeding poisoning probe**  
**By David Holley,**  
**Los Angeles Times, Boston Globe, 12 September 2007**

Ukrainian President Viktor Yushchenko charged yesterday that Russia has frustrated efforts to investigate a plot to kill him by dioxin poisoning during a presidential campaign in which Moscow backed his opponent.

In published remarks, Yushchenko did not explicitly accuse Russian authorities of involvement in the 2004 assassination attempt. But he implied that the dioxin came from Russia and said the Russian prosecutor general's office was protecting key Ukrainian suspects by ignoring extradition requests.

Yushchenko, a pro-Western leader seeking to steer Ukraine away from Moscow's influence, said Russia has not cooperated in an effort to determine the source of the dioxin.

"Three laboratories in the world were producing dioxin of this formula," said the Ukrainian president, interviewed by the British newspaper The Times and the French daily Le Figaro. "It is very easy to determine the origin of the substance; there is nothing magical about it. Two laboratories provided samples, but not the Russian side. This, of course, limits the possibilities of the investigation process."

The Times reported that when asked whether Russia was responsible for his poisoning, Yushchenko replied: "If I respond to that question, then the investigation will have nothing to do. We need to question the people who had direct involvement in the case."

Yushchenko said the probe has answers to many questions.

"The role of all of the individuals that might be involved in this case is already determined," he said. "The investigation knows who, when, where, which substance was used. There are three key people who are now in Russia. Ukraine has filed a request with the Russian prosecutor general's office about returning these people to Ukraine for the investigation."

Yushchenko said that although he had discussed the case with Russian President Vladimir V. Putin, "unfortunately there is no response to this issue whatsoever from the Russian side."

Viktor Chernomyrdin, the Russian ambassador to Ukraine, told reporters in Kiev that he was "really surprised" to hear that Yushchenko had accused Russia of hindering the investigation.

"Why should we investigate it?" Chernomyrdin said, according to the Russian news agency Interfax. "You sort it out yourselves. You're always looking for someone hindering you."

Chernomyrdin apparently did not address the issue of extraditing suspects.

Yushchenko fell ill after having dinner with then-Ukrainian Security Service chief Ihor Smeshko and his deputy, Volodymyr Satsyuk, on Sept. 5, 2004. The dinner was at Satsyuk's country home.

Both men have denied involvement in the poisoning. However, Satsyuk and an assistant reportedly left Ukraine after Yushchenko's victory in the presidential race and might be among the targets of Ukraine's extradition request.

Yushchenko reported having a headache about three hours after the dinner and by the next day had developed an acute stomachache. He later suffered pancreatitis and gastrointestinal pain. He then developed a facial rash, a symptom of dioxin poisoning. Analysis of blood samples confirmed severe dioxin poisoning.

It's not clear whether he will face long-term health problems.

He went on to defeat Viktor Yanukovich in a rerun of presidential balloting after initial results showing Yanukovich the winner were declared invalid because of fraud.

Yanukovich later made a comeback and is now prime minister. Conflicts between the two men led to a decision to hold an early parliamentary election Sept. 30.

Vadim Karasyov, director of the Kiev-based Institute for Global Strategies, said that Yushchenko's comments might be intended as a warning to Moscow not to back Yanukovich in the election.

"Kiev is not yet accusing the Kremlin of direct involvement in that crime, but it is clearly sending a message that such a possibility exists," Karasyov said.■

Text available on World Wide Web, URL:

[http://www.boston.com/news/world/europe/articles/2007/09/12/ukrainian\\_leader\\_russia\\_impeding\\_poisoning\\_probe/](http://www.boston.com/news/world/europe/articles/2007/09/12/ukrainian_leader_russia_impeding_poisoning_probe/)

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## **18. Who is there to vote against?**

**By Andriy Hromish**

**Kyiv Weekly, 19 September 2007**

How sweet it is when the followers of your political opponents are no-shows at voting stations on election day. The statements of politicians running in the current election race are difficult to qualify as canvassing their own platform or criticism of their opponents. The matter here is appeals to boycott the elections or vote "against everybody". As an election technique, boycotting does not bring additional votes to any political force. However, this method can effectively reduce the number of votes of one's opponent.

The Ukrainian regions clearly defined their sympathies during the last political battles: People in the East and the South, as a rule, support the "white and blue", while those in the West and Center are proponents of the "orange". So, appeals to boycott the elections in the Donbas region will result in a decline in the turnout of voters and in the loss of votes for the Party of Regions.

The implementation of the "demobilization" technology appears not only in the form of direct appeals not to participate in the voting. As a matter of fact, such appeals are prohibited by law. The electorate can easily be convinced that voting does not give the desired result – from an "unfriendly" region that "elections will change nothing" or "all parties are the same". This makes the competitor automatically loses the vote of another proponent.

A similar effect was observed in the elections in 2007. The representatives of the Socialist Party are actively placing an accent on the president's decision to sack the parliament and on the illegitimacy of the election campaign as a whole. For this reason alone, many voters may cast doubt on legitimacy of the voting procedure and not show up at the voting stations at all.

Despite this, a number of leading political analysts told KW that Socialist leader Oleksandr Moroz does not show a propensity for devising such sophisticated measures. But it is more likely that such

reproaches are the consequence of insulting the individual that was deprived of the position of VR speaker.

Not too many official appeals have been filed against a direct boycotting of the elections in this year's campaign. In particular, the radical pro-Russian organization that works in Crimea – the so-called Sevastopol-Crimea-Russia National Front – distinguished itself in this shady activity at the beginning of August. "To vote against everyone is the only possibility for Russian people to prove their national or civil position in Ukrainian society and avoid being used as an electoral biomass. In the last case scenario, boycott these elections by staying at home." This is the official position of radicals that are not that concerned about its compliance with Ukrainian legislation.

The Bratstvo Party led by the odious Ukrainian columnist Dmytro Korchynskiy also traditionally popularizes the notion of boycotting. The party was highly active during the last elections, organizing street events, demonstrations and lectures, while Korchynskiy had a series of articles published. Sources close to the party leadership said that the "anti-orange politicians" ordered such work. This is quite obvious since Kyiv is a recognized stronghold of the "orange" and boycotting the elections in the nation's capital would objectively reduce the presence of "orange" followers.

Prior to the elections earlier this year the position of Bratstvo was stated only on the party site in the form of a slogan "No elections! Long lives Freedom!" The opponents of Bratstvo attribute such "idleness" to the fact that the party did not shell out the needed funds.

The party clearly understands what is going on inside the Party of Regions. On September 13 its members indignantly demonstrated the examples of political advertisement to the press aimed at boycotting the elections in the eastern oblasts of the country with appeals to vote "against everybody".

The Party of Free Democrats led by former YTB representative Mykhailo Brodskiy offered an interesting approach to boycotting. Officially this political force is running in the elections, but its election campaign is not based on constructive appeals. The party "fights" against everyone and prefers using expletives to characterize their political opponents. This is the way the party convinces voters that "no matter whom we vote for, everything will stay the same". The party's billboards say that all politicians are "bastards". The accordant party canvassing is mainly concentrated in Kyiv, which open territory for the activity of Bratstvo.

Judging from the experience of the previous elections, appeals to boycott the upcoming elections (or "demobilization" of the opponent's voters) have a rather low effect of only 0.5% of the votes of proponents of a particular political party. However, the peculiar nature of the upcoming elections is that precisely these votes can be decisive and in the end determine where Ukrainian voters will wake up on September 30 – in NATO or in the Common Economic Space.

Text available on World Wide Web, URL:  
<http://www.kyivweekly.com/?art=1190210472>

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**19. Regions prove they cannot change**  
**By TARAS KUZIO**  
**Kyiv Post, 19 September 2007**

In the last three years US political technologists and other US-based consultants have routinely argued that Viktor Yanukovych and the Party of Regions have changed into a modern and democratic party. Little evidence has been shown to prove this argument but nevertheless the mantra has been chanted at every available opportunity.

Two factors explain such dogged claims. This first is the ideological support for an oligarch-controlled economy and lack of scholarly objectivity. The Yulia Tymoshenko government came under intense criticism by US think tank senior fellows in academic and media articles who used every speaking engagement to attack its record as "odious."

At the same time, these senior fellows have never criticized the Yanukovich government for pursuing anti-market reform policies: oil price capping, banning grain exports and non-transparent insider privatizations. They have never sought to criticize any aspect of the Party of Regions, which includes numerous senior deputies from the Kuchma era, such as energy mogul Yuri Boiko and former Central Election Commission Chairman Serhi Kivalov, as 'odious' in the same way as the criticism that they unleashed against the Tymoshenko government and BYuT.

Secondly, financial support. Ukrainian and Russian media have claimed that political technologist Paul Manafort's contract with the Party of Regions is worth millions of dollars.

Ukrainian oligarchs have reportedly distributed largesse to at least two think tanks and one democracy promotion NGO in Washington DC. According to an April 17 article entitled "How Lobbyists Help Ex-Soviets Woo Washington" in The Wall Street Journal, "A company controlled by Mr. Akhmetov donated \$300,000 in 2005 to a human-rights charity run by Mr. Jackson and his wife, an Internal Revenue Service document reviewed by The Wall Street Journal shows. Mr. Jackson said he was grateful for the support." Bruce Jackson is head of the Washington-based Project on Transitional Democracies who supported the Orange Revolution in 2004.

Beyond wishful thinking there is no evidence to show that Prime Minister Yanukovich or the Party of Regions have fundamentally changed from the Kuchma era.

Five policy areas prove that the Regions and Yanukovich have changed only cosmetically since the Kuchma era.

Firstly, the Party of Regions pursues a Janus-face approach to politics, just as did former President Kuchma. The nice image cultivated by the Regions in the West is very different from the reality on the ground in eastern Ukraine where the Regions are entrenched.

This can be readily ascertained from a communication recently received from Kharkiv: "The expansion of Donetsk capital in the Kharkiv region is very great. The 'Donetski' are also expanding their Soviet political culture into the Kharkiv region through the use of Soviet discourse, exploitation of the myths of the 'Great Patriotic War' and an aggressive stance towards Ukrainian nationalism and the 1933 artificial famine," explained my colleague in Kharkiv. He said that in his city, the Regions have aligned themselves with former local organized crime boss Hennadiy Kernes.

Secondly, the Regions' unwillingness to distance itself from discredited Kuchma-era officials. The Regions' Rada faction and the Yanukovich government are full of such officials who, if President Viktor Yushchenko had implemented his election promises, would have faced criminal charges.

Thirdly, continued non-transparency and corruption in the energy sector, as evidenced by the return of Yuri Boiko as Minister for Fuel and Energy. Boiko's links to the non-transparent, corrupt intermediary Rosukrenergo have never been in doubt.

In the 2007 elections Rosukrenergo majority shareholder Dmytro Firtash's representatives are in the Regions' list. Of the major parties likely to enter parliament this year only the Regions are in bed with Europe's biggest money launderer, Rosukrenergo.

Fourthly, the return to non-transparent privatizations: Renat Akhmetov's Donbas Fuel-Energy company, the energy arm of Systems Capital Management, was the only company effectively permitted to purchase shares in Dniproenergo, Ukraine's largest thermoelectric generator. The Odessa Portside Plant could be the next major strategic asset to be privatized by Regions' oligarchs in such a brazenly corrupt manner.

The two Yanukovich governments in 2002-2004 and 2006-2007 have never undertaken any clean privatization tenders. Akhmetov's and Viktor Pinchuk's privatization of Dniproenergo resembles that of Kryvorizhstal in 2004.

As the Kyiv Post pointed out last month, BYuT is the only political force that has questioned Akhmetov's takeover of Dniproenergo. The Tymoshenko government organized Ukraine's only transparent privatization of Kryvorizhstal in fall 2004 when it obtained four times the value previously paid.

Fifthly, continued pursuit of undemocratic policies. The official reason for failing to initially register BYuT rested on a legally dubious claim of lack of full information provided by candidates in the BYuT list submitted to the CEC. BYuT retorted that the method of preparation of the list was exactly the same as that used for the March 2006 parliamentary elections.

The refusal to register BYuT throws into doubt the evolution of the Regions whose members on the CEC refused to register BYuT.

Since the 2004 elections Prime Minister Yanukovich and the Party of Regions have worked through political technologists and consultants towards changing their poor democratic image in the West by claiming their adherence to the international principles of Western democracy. There is no evidence to show that the Yanukovich government and the Party of Regions are committed to four core principles: battling corruption, bringing transparency to the energy sector, holding clean privatizations and adhering to democratic norms and the constitutional balance of power.

Ukraine's elections later this month give the country a chance to introduce policies that were demanded by the one in five Ukrainians who participated in the Orange Revolution three years ago. These four core policies will never be implemented if the Yanukovich government and the Anti-Crisis coalition return to power after the elections. Ukraine needs real democrats and reformers in power who can only come from the orange camp.

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Text available on World Wide Web, URL:  
<http://www.kyivpost.com/opinion/oped/27404/>

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## **20. Europe's Greens criticize \$505 million Chernobyl plant shelter deal Ukrainian Journal, 19 September 2007**

Representatives of the Green faction in the European Parliament have criticized an agreement to design and erect a new safety shell over the damaged fourth reactor unit at the Chernobyl Nuclear Power Plant signed between the Chernobyl Nuclear Power Plant state company and France's Novarka.

"These funds could be used more efficiently," Rebecca Harms, a member of the European Parliament, said in an interview with Deutsche Welle on Tuesday.

Read more on World Wide Web, URL:  
<http://www.ukrainianjournal.com/index.php?w=article&id=5250>

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## **21. Money that does not smell politics By Andriy Kalynovskiy Kyiv Weekly, 19 September 2007**

Last week, the Council of the National Bank of Ukraine outlined its vision of monetary policy. Noteworthy is the fact that in the Main Guidelines of the NBU Monetary Policy in 2008, the council tried to ignore political factors and take into consideration purely economic trends. The predicted indicators of monetary policy show that the NBU is not expecting any 'shocks' next year.

Many experts claim that the disproportion between GDP growth and the quantity of money printed by the NBU is the main cause of inflation. Next year, the growth of money supply should remain within 25-31% of the current rate. In the past several years, this indicator was a minimum 40% annually. Within seven months, the amount of money in the economy grew 26%.

The NBU also kept the currency corridor next year at UAH 4.95-5.25/US \$1, which is another sign of the stability and predictability of the bank's policy.

The exchange rate of the U.S. currency has always been utterly important for Ukrainians, who prefer making payments, saving and borrowing in the American currency. "Dollarization" of the Ukrainian has already reached 40%.

NBU Council Chair Petro Poroshenko assured that the issues of hryvnia revaluation or devaluation are not on the agenda as "revaluation" would hit Ukrainian exporters very hard., so NBU would not dare to revalue Hryvnia.

In order to buy excess currency on financial markets next year, the NBU will continue emission, which could undermine the plans of limiting the growth of money supply.

The position of the NBU Council chair clarified the further trends of currency policy. Strengthening of the non-cash hryvnia by 0.3% in the first half of 2007 is clear evidence of this.

The revaluation trend could also be observed on the cash market with the hryvnia exchange rate reaching UAH 4.95/US \$1. It was expected that such trends would force the NBU to strengthen the official hryvnia rate. The country's central bank, however, decided not to act abruptly and preserved the status quo on the currency market, at least through next year.

At the same time, the NBU Council once again warned that in the long run it plans to abandon the practice of a fixed currency exchange rate and concentrate on stabilizing the level of inflation. Such an approach also stipulates abandoning pegging the money supply to dollar proceeds for Ukraine.

Next year NBU experts anticipate that inflation will drop to 6.8%, but the risks of an acceleration of inflation remain. The accumulation of money on the Single Treasury Account, the volume of which has already reached UAH 25 bn is the greatest threat. Poroshenko warned: "Considering the political realities in Ukraine, it cannot be ruled out." Overall, the NBU remains extremely skeptical about the forecast 7.5% inflation for this year.

Ukrainian bankers also seem to be ignoring the campaign. CEOs of the largest Ukrainian banks assure that no radical changes in their activity will happen after the elections. They say that the main reason for such confidence is the independence of the NBU in conducting monetary policy and the growth in the share of foreign capital in the structure of Ukrainian banks (based on the results of July 2007, the presence of foreign capital was 31.7%). Furthermore, a decrease in interest rates on loans in U.S. currency has been observed.

Meanwhile, because Mykola Azarov failed to attend the meeting of the NBU council, at which the Main Directions of NBU Monetary Policy in 2008 was to be approved, this document has not yet been rubberstamped. In this context, the government's vision of a monetary policy that rather predictably will not coincide with the NBU's opinion could spoil the optimistic mood of the country's central bank and bankers.

Text available on World Wide Web, URL:  
<http://www.kyivweekly.com/?art=1190209397>

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**22. Expert: Political menu offered to Ukrainian electorate is absolutely uneatable  
REGNUM, 19 September 2007**

Political forces seeking to get to the Ukrainian parliament are unanimous in their wish to change the constitution to some extent, head of the Center for Civil Society Issues Studies, political analyst Vitaly Kulik said at a news conference called "Social 'menu' of parties at the 2007 elections," a REGNUM correspondent informs.

According to the expert, platforms of all political forces are grounded on three foundations: increasing living standards, modernizing governmental institutions and changing the constitution, and protecting the freedom of speech. Kulik also noted that the produce offered by political forces today either has died out or is of low quality or just a fake of known trends. "The platforms of political parties have several common drawbacks. First, they are of declarative nature, because their authors believe naively that the electorate does not read party platforms. It is impossible to learn what the external function of political parties is and how they differ, because their platforms are practically similar to each other. Besides, all major forces participating in the elections are trying to leave as little as possible space for possible criticism, removing from their platforms everything that can cause opposition by any part of the electorate, and leave only the ideas that are perceived by society without any problems," the analyst said.

According to him, many slogans in the economic field cannot be implemented as neither of the parties would get 226 voted in the parliament; so, at best, they will be able to fulfill their programs only partially, within frameworks of a consensus with other political partners. "All authors of the party platforms comprehend that the programs cannot be implemented in a long-term perspective, so, they are deliberately choosing such phraseology that does not exclude political bargaining," Vitaly Kulik concluded.

Permanent news address: [www.regnum.ru/english/886304.html](http://www.regnum.ru/english/886304.html)

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**23. Ukraine hosts NATO exercise  
UNIAN, 19 September 2007**

A ten-day NATO command post exercise involving 45 participants from Allied and Partner countries has been taking place in Sevastopol, Ukraine, according to the NATO Ukrainian Office. The aim was to practise tactical planning for a crisis-response operation.

Exercise Cooperative Marlin 2007 involved personnel from six NATO member states (Canada, Germany, Greece, Italy, Romania and Turkey), five Partner countries (Albania, Azerbaijan, Croatia, Georgia and Ukraine), one Mediterranean Dialogue country (Israel) and two countries participating in the Istanbul Cooperation Initiative (Qatar and the United Arab Emirates).

The exercise, 11 to 20 September, was based on a fictitious crisis-response scenario.

After learning about standard NATO procedures, participants were given an opportunity to put theory into practice. Such exercises contribute to enhancing mutual understanding and interoperability among participating countries.

Constant URL of article:  
<http://www.unian.net/eng/news/news-213039.html>

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