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# Inside Ukraine

**October 16, 2014**  
**№33**

The logo for the International Renaissance Foundation, featuring the word "Benaissance" in a stylized, cursive font with a green swirl around the letter 'B'.  
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# The Government Policy

Experts' criticism regarding presidential administration's mistakes in information policy on Donbas issues has brought positive results. Communication between the President and citizens became more regular. Recently, he has summed up the first month of his peace plan implementation. Stopping the enemy along the frontline and decrease in the number of casualties have become the key achievements of the plan. Peaceful settlement of the conflict remains the only possible option for the President.

Nevertheless, the President took several regional trips in order to inspect the level of defense capability and made several appointments in security block. Russia's attempts to destabilize the situation in Kyiv using protests of radical groups and law enforcement officers can become a new challenge for the President.

This issue can be resolved by identifying and punishing those responsible for provocations and unrest.

The Verkhovna Rada has adopted a package of anti-corruption laws proposed by Petro Poroshenko and Arseniy Yatsenyuk. The package includes laws on prosecutor's office, determining final beneficiaries of legal entities, anti-corruption strategy, the National Anti-corruption Bureau and National Commission for the Prevention of Corruption. On the same day, the President established the National Council for Anti-Corruption Policy with similar functions as those of the National Commission. This testifies that the President and the Prime Minister will be trying to personally control the issue of combatting corruption. This also confirms the importance of this issue for Ukraine.

## The President summed up the peace plan implementation



On October 12, 2014, in his video address to citizens, Petro Poroshenko summarized the preliminary results of the peace plan implementation and outlined the next steps of the Ukrainian authorities in Donbas. The fact that communication between the President and the society becomes more regular is extremely

**The President improves communication with society**

positive. Such a communication will enable Petro Poroshenko to mobilize support groups for his initiatives, take the wind out of his critics' sails, counteract Russia's attempts to destabilize situation in Kyiv, radical groups' activities and anti-government protests.

As a result of Minsk agreements, according to the President, the enemy was stopped all along the front, ceasefire at a considerable length of the con-

tact line was achieved and the number of casualties reduced. 1500 Ukrainian military were released from captivity over one month of the nominal truce, a partial rotation of military personnel was carried out, military units were reinforced by equipment and several lines of defensive structures along the contact line were established in Donbas. As a positive result, the President also mentioned restoration of infrastructure and organization of social security in liberated cities.

Petro Poroshenko appointed veterans of law enforcement structures Hennadiy Moskal and Oleksandr Kikhthenko as heads of Luhansk and Donetsk regional administrations respectively. Taking into consideration threats of terrorist attacks and sabotage activities in the liberated cities and continuation of armed conflict in some front areas, providing law enforcement officers with posts in local executive authorities is a quite clear decision. This decision resembles the establishment of military commandant's offices in front-line zones. For the effective administration of the territory under control of Ukrainian authorities, it is reasonable to set new borders of administrative units in Donetsk region as it has been recently done in Luhansk region.

As for the next steps in peace settlement, Petro Poroshenko stressed the need for a complete ceasefire, establishing 30-km buffer zone and regaining control over Ukraine-Russia border by the Ukrainian side, including using drones, and increasing the number of OSCE monitors to 1,500 people. As part of Poroshenko's peace plan, local election in Donbas should be held on December 7, 2014 in accordance with the Ukrainian legislation and participation of OSCE observers. At the same time, the President stated that Ukraine would not recognize the results of the so-called election in separatists' republics scheduled for November 2, 2014.

The President also made a number of appointments in security block. Ihor Smeshko is appointed as a head of the Intelligence Committee. The Head

of State Border Guard Service Mykola Lytvyn has been dismissed. His dismissal was required by civic activists since the beginning of summer, when Luhansk border guard detachment had been captured and unimpeded armament's supply to militants through Ukraine-Russia border had been organized in this region. Another dismissal concerns the Ministry of Defense, where Valeriy Heletey was replaced by Stepan Poltorak, head of the National Guard. It should be noted that the National Guard is part of the Ministry of Internal Affairs, and not the Ministry of Defense. One of the reasons for such appointment may be problems with material provision of the Ukrainian army, while these issues were successfully solved in the National Guard.

On the eve of the appointment of a new Minister of Defense, some units of the National Guard, which used to be a part of internal forces and participate in the Maidan confrontations, held a protest in front of the President's Administration, demanding demobilization. The soldiers returned to their permanent stationing, but on the next day, there were clashes between radical groups and police officers near the Verkhovna Rada. These two episodes testify Russia's attempt to undermine the situation in the country by inciting anti-government sentiment.

In order to counteract such a scenario, Petro Poroshenko needs effective security structures without Kremlin's agents of influence. Any offences that can lead to destabilization of the situation in the country must inevitably lead to punishment in accordance with applicable law. The fact that many law enforcement officers, prosecutors and judges have not been punished for fulfilling criminal orders during Euromaidan contributed to problem freezing. As a result, there is a stratum of law enforcement officers that can be used by the Kremlin for its own purposes in the fight against the Ukrainian government.

The President made a number of appointments in security block

In Donbass governors will focus on the issues of citizens' security

Russia tries to destabilize situation in Kyiv

# A breakthrough in anti-corruption legislation

Fighting corruption is a system reform that will affect all aspects of society: public administration, law enforcement system, economy, and even defense. Its high priority has been repeatedly emphasized by the President and Prime Minister, as well as by all the principal foreign partners of Ukraine. The adoption of anti-corruption laws on October 14, 2014, provided a legal framework for combating corruption. Now everything depends on how effectively these changes will be implemented in life and who will head the newly established institutions responsible for dealing with corruption.

Anti-corruption reform will influence all spheres of life

The Verkhovna Rada adopted laws on anti-corruption strategy for 2014-2017, on the system of specially authorized subjects in the sphere of corruption counteraction, on the National Commission for the Prevention of Corruption, and on disclosure of final beneficiaries of the legal entities.

The success of the fight against corruption will also be influenced by adopted law on the prosecutor's office, which was passed in the first reading in October 2013 and then was defined as one of the prerequisites essential for signing the Association Agreement with the EU. Even after Victor Yanukovich's escape and signing the Association Agreement, the reform on prosecutor's office was postponed for a long time due to the prosecutorial lobby resistance. The law deprives the prosecutor's office of general supervision, which allowed the Office to carry out inspection of any business before, thus, significantly increasing prosecutors' punitive actions and corruption risks.

The prosecutor's office lost function of general supervision

The Verkhovna Rada supported the establishment of the National Commission for Prevention of Corruption, which will become the central executive body responsible for formulation and implementation of state anti-corruption policy. The Commission is appointed and accountable to the Cabinet of Ministers. It consists of five members appointed for four years by the results

of competitive selection. The Commission members are obliged to undertake a special assessment and not to belong to government bodies of political parties for at least one year prior to the appointment. The Chairman of the Commission is elected from among its members for two years. The objectives of new body are to analyze fighting corruption process in Ukraine, develop anti-corruption strategy, conduct research on corruption, introduce the unified register of officials' declarations and people who have committed corruption offences, and cooperate with whistle-blowers on corruption cases.

On the same day the President signed a Decree on the establishment of the National Council on the Anti-Corruption Policy as advisory body to the President. Significantly, the functions of the National Council

Functions of anticorruption commission and council overlap

and the National Commission duplicate in a lot of cases. The bodies differ in formation mechanism and accountability: the National Commission reports to the Cabinet and selection of the members is based on competition, while the National Council members are appointed by the President and accountable to him. The National Commission mainly aims at submitting proposals on anti-corruption strategy to the President, performing system analysis of anti-corruption efficiency in Ukraine, submitting proposals on the improvement of interaction between the subjects that fight against corruption, evaluating the progress in the implementation of recommendations from international organizations on combating corruption and providing scientific and methodological support for corruption elimination.

The above mentioned National Council and National Commission are not included in the system of specially authorized subjects in the sphere of corruption counteraction which includes prosecutors, the National Anti-Corruption Bureau and special units of Ukrainian Ministry of Internal Affairs which combat organized crime. The activities of all the subjects are coordinated by Prosecutor-General and authorized prosecutors.



The Anti-Corruption Bureau is a law enforcement body that consists of one central and seven regional offices which can hire up to 700 employees. Political parties are prohibited. The Director of the Bureau is appointed for seven years and dismissed by the President of Ukraine. The competitive selection of candidates for the position is held by the commission with three people from the President, three people from the Prime Minister and three more from the Verkhovna Rada.

The Anti-Corruption Bureau is a non-partisan law enforcement body

The Bureau executives have to go through a special assessment and psychophysiological interview with the polygraph test. They are forbidden to be members of political parties and be involved in investigations if there is a conflict of interest. At the same time, the internal control units monitor and measure the income of civil servants against their lifestyle. In case of discrepancy, a civil servant is liable to disciplinary responsibility. Office staff is provided with high salaries and significant social packages in order to decrease corruption risks in the agency.

The Anti-Corruption Bureau carries out search work and pre-trial investigations of criminal violations within its jurisdiction, verifies the officials and candidates for public positions, and cooperates with whistle-blowers. A considerable advantage of the law is providing protection of those who report on corruption incidents.

Despite all the accusations that the adoption of anti-corruption laws was imposed by the requirements of external donors and the desire of pro-governmental forces to “hype themselves” on the anti-corruption topic before elections, it is a considerable achievement for Ukrainian society. The anti-corruption laws provide a legal framework to combat corruption and create new apolitical institutions responsible for this area. After the elections it will become clear how the laws will be implemented and who will lead new institutions. However, the key point is that the basis of combating corruption has been laid and institutional transformation has started.

Adoption of anti-corruption laws is a victory for the society

# Economic Situation

The military actions in Donbass led to significant material losses, namely the destruction of transport and social infrastructure, housing and municipal objects, as well as industrial assets. Ukraine has also incurred heavy indirect economic losses related to the suspension of economic activities in Donbass and the disruption of industrial supply chains that link Donbass with other Ukrainian regions. An estimate of direct and indirect losses is hardly possible due to incessant military actions in ATO zone, which are

going on in spite of the nominal cease-fire. A total estimate of direct losses may reach USD 10 billion.

Leaders of the Luhansk People's Republic and Donetsk People's Republic negotiate with Russia on direct gas and electricity supply with the aim of ensuring "energy autonomy of Donbass". Coal deficit in Ukrainian energy "basket" leaves Ukraine no other choice but to purchase extra fuel from Russia. In addition, Ukrainian government allowed industrial companies to import gas independently.

## Donbass losses from Russian aggression



Military actions in Donbass, which began in mid-April 2014, led to both heavy human and material losses, including the destruction of infrastructure, housing and industrial complex. It was repeatedly stated that in order to draw up an estimate of costs for Donbass restoration and ensure financial and technical assistance, the exact estimate of mate-

**It is impossible to estimate losses in Donbas unless the shelling stops**

rial losses in Donbass was needed. To make an estimate of losses in Donbass under incessant hostilities is extremely difficult, as almost every day new housing, infrastructure and industrial objects are destroyed as a result of shelling. Accordingly, the preliminary estimate of losses is rather relative. It is also very difficult to evaluate indirect losses from the suspension of economic activity in territories where anti-terrorist operation was conducted.

The preliminary estimate of losses is constantly updated, with the figures increasing. In particular, in mid-September, the Deputy Prime Minister of Ukraine Volodymyr Hroysman stated that as many as 4500 houses, 4700 power supply facilities, 217 education facilities, 132 industrial facilities, 45 medical centers have been destroyed. A total estimate put the amount of direct losses at UAH 11.88 bln.

In an official statement last week, the Head of the State Agency for Donbass restoration Andriy Nikolayenko announced that a total amount of losses resulting from the destruction of social and municipal infrastructure was worth UAH 20 billion. However, Mr Nikolayenko did not include figures for industrial destruction as well as private property destruction, which is now difficult to estimate.

According to preliminary estimates of the Ministry of economic development and trade, about 80% of economic potential has been destroyed in Donetsk and Luhansk regions.

Unemployment rate rose from 50% for big companies to 80-90% for small and medium enterprises, which is indicative of nearly complete shutdown of SMEs in conflict zone. In particular, in Donetsk, more than 90% of hotels, restaurants and trade businesses suspended their economic activity.

90% of MSEs suspended their activity in conflict zone

An interesting question is the contribution of Donetsk and Luhansk regions to Ukrainian economy. The aforementioned regions occupy 9% of Ukrainian territory, their economic output accounted for 16% of Ukrainian GDP, 25% of industrial production, 25% of Ukrainian exports. From the standpoint of budget revenues, Donetsk and Luhansk regions were subsidized regions. According to the IMF, taxes collected from Donetsk and Luhansk regions accounted for 11% of state budget tax revenues. State subsidies for coal industry account for about 1% of Ukrainian GDP. In turn, the conflict-stricken zone occupies around 3% of Ukrainian territory, it accounts for 8-10% of Ukrainian GDP and about 15% of industrial output. The most important industrial resources that link ATO zone with the rest of Ukrainian industrial complex are coal (black and

Donetsk and Luhansk regions are dependent on subsidies

cooking coals) and iron ore.

The industrial recession in these two regions was the biggest one among all other Ukrainian regions and had a negative impact on general industrial output in Ukraine. According to the State Statistics Service of Ukraine, industrial production dropped by 58.7% in Donetsk region, whereas in Luhansk region it fell by 85%. However, the Statistics Service of Ukraine pointed out that the figures for Luhansk region were not accurate and needed verification. As regards economic sectors, the biggest fall was reported in coal industry, coking coal production, mechanical engineering, metallurgy, chemical, and light industry.

In general, the main armed conflict-related costs may be divided into the following groups.

Direct losses:

- The destruction of housing and municipal facilities;
- The destruction of transport infrastructure (roads, railway lines, airports, electric power transmission);
- The destruction of industrial objects, part of which is either completely destroyed or cannot be restored due to special technological processes;

Indirect losses:

- Losses incurred due to the suspension of economic activity in affected territories;
- Losses caused by the disruption of industrial supply chains;
- The loss of investment attractiveness of the region in particular and Ukraine in general

It should be noted that the costs for Donbass reconstruction should exceed the amount of the direct losses, as infrastructure as well as industrial objects were characterized by a large degree of wear. Wear and tear of many industrial companies in the regions prior to ATO was estimated at 60%. Donbass companies produce uncompetitive products for relatively narrow market — a considerable part of their products was exported to Russia. However, in the near future the Russian market will be closed for these products. In January-August 2014, Ukraine reduced its export to Russia by 25.5%, by the end of the year this figure may reach approximately 35-40%.

The wear of many industrial facilities before the ATO was estimated at 60-80%



The restoration of Donbass enterprises will not help them function effectively. Donbass companies need modernization and partial re-orientation towards other markets. Thus, it is reasonable to implement energy efficient, ecological and

The restoration of Donbass should be accompanied by large-scale modernization of industrial complex and infrastructure

innovative technologies, which will allow for increased competitiveness ability of the industrial complex and better investment attractiveness of the region. According to various experts, the situation in Ukraine is unique in international practice. Thus, Ukraine needs to search for new models for restoration of affected territories and social adaptation of internally displaced persons.

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## Separatists seek "energy autonomy"

While Ukrainian authorities are defending national interests in protracted negotiations with Russian "Gazprom", the so-called Donetsk People's Republic and Luhansk People's Republic are engaged in their own talks with Russia over the issues of gas supply. It is unclear under what conditions and, more importantly, who is going to pay for Russian gas supply to separatists. However, there are two possible scenarios. According to the first, Russia will keep increasing Ukrainian gas debt by adding the costs of hydrocarbons delivery to Donetsk People's Republic and Luhansk People's Republic. Under the second scenario, the Kremlin will be supplying gas to rebel-held regions as humanitarian aid. Why would Russia need this? Firstly, Russia will use it as an internal factor for upholding Putin's approval ratings, as Russian president may be seen by Russians as the saviour of Ukraine's East from humanitarian crisis and energy hunger. Secondly, the direct dependence of Donetsk People's Republic and Luhansk People's Republic on Russian gas will tighten Russia's grip on these Eastern Ukrainian puppet "republics".

Direct dependence of Donetsk People's Republic and Luhansk People's Republic on Russian gas will make them more manageable

According to the press secretary of the National Security Council of Ukraine, the Donetsk People's Republic leadership is looking for possibilities to connect distributing lines of the region to Russian gas supply lines by disconnecting northern regions of Luhansk region which are controlled by Ukrainian army. Theoretically, separatists have a chance to agree with the Kremlin on direct gas supply and secure "energy autonomy of Donbas". However, the intentions of separatists threaten stable func-

tioning of Ukrainian natural gas transport system. The gas pipeline "Souyz", which provides 25% of transit Russian gas to Europe, runs through the conflict zone. In addition to gas transit to Europe, this gas pipeline ensures gas supply to many Ukrainian regions. In conflict zone there are Verhunska and Krasnopilsk gas storage facilities, which allow for storing 200 mln cubic meters of gas and which were used to supply gas to Luhansk and Donetsk regions. There are also 71 gas-distribution stations in the rebel-held territory. It leaves no doubt that terrorists may block the stations at any time, which will allow Russian "Gazprom" accuse Kyiv of siphoning off transit gas and question the security of gas transit through Ukraine.

On October 8-9, 2014, following the massive shelling of Luhansk thermal power station in the town of Shchastya, two transport blocks were damaged. Severodonetsk, Rubizhny, Alchevsk, Perevalsk, Bilokuranivski and Lysychansk districts were cut off from electricity. Today, Shchastya thermal power station remains the only source of energy for the entire region. Terrorists' fiendish plan is to destroy this strategic object to paralyze big plants and coal mines, which operate on the territory controlled by Ukrainian army. At the same time, the leader of Luhansk People's Republic Ihor Plotnyskyi announced his plan to start the construction of transmission lines from Russia.

Due to the military actions in Ukraine's East, 80% of coal mines do not function. For this reason, most thermal power stations and power plants experience sharp gas deficit and are actually on the verge of their complete shutdown. Though the Ministry of energy and coal of Ukraine decided to import coal from South Africa and Poland, coal deficit is still at a level of 5 million tons. Russia

has raw materials for Ukrainian energy producers. Energy deficit makes national private energy producers purchase extra coal from Russia. As a result, Ukrainian energy holdings are forced to finance Russian coal industry, while Russia deliberately destroyed Ukrainian industry. Moreover, proceeds from coal import may be used for financing terrorists in Eastern Ukraine.

Ukraine is planning to purchase extra coal from Russia

On October 7, at the extended meeting of Ukrainian government Prime Minister Arseniy Yatseniuk announced that the government would not impede independent gas imports by industrial enterprises (earlier, all imported gas belonged to the NJSC “Naftogaz”). According to NJSC “Naftogaz”, the company is ready to provide gas supply transport infrastructure to companies in compliance with Ukrainian legislation and European energy regulations. Under such circumstances, the single gas supplier for energy demanding enterprises is Russia. The mechanism of cooperation is simple: the

company enters into agreement with Russia, than the transit agreement with “Ukrtransgas” is signed, and later on relevant agreements are concluded with regional or town gas distribution companies.

Though the energy consumption of industrial enterprises reduced by 20%, in view of the existing situation and limited reverse gas supply from Europe, Ukrainian government cannot meet the energy needs of industrial enterprises. The permission for industrial enterprises to solve issues related to short-term extra energy supply independently (tactical move) is acceptable, as it will allow for preventing the shutdown of enterprises and ensuring the full operating cycle as well as social stability in the region. However, given the ongoing hybrid and informational war against Ukraine, there is a danger that Russia might use energy factor as an instrument to discredit Ukrainian central authorities in the eyes of Southern and Eastern Ukraine.

The government will not impede independent gas import by industrial companies

# Political competition

During elections Ukrainian oligarchs traditionally invest in various political projects in order to secure their political and economic interests in future. Ihor Kolomoiskyi and Serhiy Lyovochkin come to the front in this electoral campaign. Though Kostyantyn Zhevago, Ihor Yermeyev and Viktor Pinchuk may potentially get 3-5 parliamentary seats, their influence will be considerably lower.

Ihor Kolomoiskyi's team focused on elections in the districts and may influence up to 20-30 MPs in the next Verkhovna Rada. Serhiy Lyovochkin switched to independent party projects. People, affiliated with the former head of presidential administration, are present in the top of "Block of Petro Poroshenko", "Strong Ukraine", "Opposition

block" party lists. At the same time the largest stake is placed on Radical Party of Oleh Lyashko, popularity of which started decreasing after information attacks of Kolomoiskyi's team.

While forming a parliamentary majority, Petro Poroshenko will have to level the interests of Serhiy Lyovochkin and Ihor Kolomoiskyi. Meanwhile, society wants both politicians to become more public figures, with a clear presentation of the vision how they see development of Ukraine and their place in Ukrainian politics. It may be achieved only when each of the oligarchs focus on one political project instead of investing into several projects of different ideological polarity, which is currently the case in Ukraine.

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## Diversification "Privat-style"



Having prevented separatist scenarios in Dnipropetrovsk region and contributed a lot to fight against terrorists and Russian soldiers during ATO, Ihor Kolomoiskyi's team managed to increase their political capital a lot. Influence of so called "Privat" group increased so much that most observers expected Kolomoiskyi to create his own political party. However, head of Dnipropetrovsk regional state administration and one of the richest businessmen in

Ihor Kolomoiskyi's team managed to increase their political capital a lot

Ukraine decided to place his stake on different parties. He delegated his representatives to "Block of Petro Poroshenko" and "People's Front" and nominated a number of strong candidates in majoritarian districts. In general, Ihor Kolomoiskyi may get an opportunity to influence 20-30 MPs in the future parliament.

Dnipropetrovsk is a basic electoral region for the group. Out of 17 electoral districts in the region Ihor Kolomoiskyi's people may win in 11: three of them were nominated by "Block of Petro Poroshenko", five are independent, and other three are



incumbent MPs from “Economic Development” group headed by Vitali Khomutynnik. Ihor Kolomoiskyi is believed to have influence on this group.

Kolomoiskyi’s team also nominated its majoritarian candidates in the regions where “Privat” has large enterprises — Volyn and Ivano-Frankivsk. Four representatives of the group may win here.

Ihor Kolomoiskyi has ties with three candidates in the top 100 of “Block of Petro Poroshenko”: Ihor Palytsia (33 place), Andriy Bohdan (74 place) and Vyacheslav Fridman (99 place). In “People’s Front” the affiliation may be tracked with two candidates: Yuriy Bereza (10 place) and Yuriy Savchuk (22 place). Pavlo Kravchenko, representative of “Privat” group, got 28 place in “Strong Ukraine” list.

Ihor Kolomoiskyi has a hidden reserve of influence, which lies in the fact that 23 MPs from “Economic Development” group will participate in the elections. Ihor Kolomoiskyi has a positive track record of cooperation with this group.

Ihor Kolomoiskyi placed stake on pro-government “Block of Petro Poroshenko” and “People’s Front” as well as on majoritarian districts. Usually, MPs who win under FPTP system join pro-presidential majority. It means that in mid-term “Privat” will continue supporting the President’s policy, at the same time reserving the space for maneuver through their majoritarian MPs.

Kolomoiskyi placed stake on pro-government parties and majoritarian MPs

## Increasing role of Serhiy Lyovochkin

At 2012 parliamentary campaign so called “gas group” of Lyovochkin, Boyko and Firtash focused on nominating candidates in majoritarian districts. Their quota in Party of the Regions list was insignificant, but representatives of the group automatically received high positions in the executive branch. At the same time, in 2012 journalist tracked relations between Serhiy Lyovochkin and people in the top of “UDAR” party list.

At the current parliamentary elections Serhiy Lyovochkin is associated not with individual MPs, but with whole party projects, the major of which is Radical Party of Oleh Lyashko. The party reached the peak of its popularity in July 2014 when ATO entered its active phase. After the cease-fire was announced in September 2014, it switched to the topics of fight against oligarchs and popular lustration, but the public gets tired of populism. It resulted in the drop of Radical Party rating. One of the reasons for such trend was a powerful information campaign of Ihor Kolomoiskyi’s media empire against Oleh Lyashko and Serhiy Lyovochkin. With current rating of 8% and downward trend Radical Party may count on the faction of 20-30 MPs. It is a serious argument in negotiations with Petro Poroshenko. Besides, most of the candidates in the list are not public figures. Therefore, they may become an obedient tool in securing interests of the mastermind behind this

Serhiy Lyovochkin is associated with a number of party projects

project. Representatives of volunteer battalions may become an exception as they are inclined to a more independent play.

Serhiy Lyovochkin participates in the elections as No. 12 of “Opposition bloc”. This reincarnation of Party of the Regions has rather low chances to make it to the parliament. However, if they manage to surpass 5% threshold, it will give them 13-15 MP seats. Two options

Serhiy Lyovochkin is No. 12 in “Opposition bloc” list

are possible: either Serhiy Lyovochkin is confident that this party will get to the parliament or through presence in the party list he wants to distract public attention from other projects of his. It is likely that both motivations may take place.

“Opposition bloc” is headed by Yuriy Boyko, an affiliate of former head of presidential administration. Party of Development of Ukraine became an organization spine of a new project. Creation of Party of Development was supervised by Yuriy Miroshnychenko and Serhiy Larin, who are also associated with Serhiy Lyovochkin and got places in the top of “Opposition bloc” list. Quarter of the top 20 in the block list may be associated with the former “gas group”.

The group has a powerful presence in “Strong Ukraine” of Serhiy Tyhypko. This party has better chances to get to the parliament than “Opposition bloc”. As both parties play on the same electoral field, their confrontation has got more



intensive recently. One of “Strong Ukraine” leaders is Valeriy Khoroshkovskiy, who is an independent politician and businessman, but always had a good relationship with Serhiy Lyovochkin. In the top of “Strong Ukraine” list journalists identified four people associated with Valeriy Khoroshkovskiy and three people associated with Dmytro Firtash.

MPs, who were in “UDAR” party list in 2012 as remote associates of Serhiy Lyovochkin, are present in top 100 of pro-presidential “Block of Petro Poroshenko”. Five candidates of this kind were nominated under “UDAR” quota.

Some of “gas group” representatives run in majoritarian districts, but their number is much smaller than in 2012.

If all the stakes of Serhiy Lyovochkin play, he may potentially influence 50 MPs in the future parliament. As the politician supports projects with different ideological polarity, he may get an opportunity to influence both pro-government and opposition parties. It strengthens already influential positions of Serhiy Lyovochkin in Ukrainian politics in the long term.

The politician will have influence on both pro-government and opposition parties

The aim of the publication is to provide objective information on current political events in Ukraine and thorough analysis of major tendencies in domestic politics. Such analysis will assist in setting priorities in the process of implementing reforms in Ukraine and in evaluating quality of state decisions from the viewpoint of their impact and sustainability. Special attention is paid to evaluation of political competition in Ukraine and ability of key political players to address challenges.

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If citing please give reference on the ICPS*

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This issue is made possible by financial support of International Renaissance Foundation. Views expressed in the issue do not necessarily reflect those of International Renaissance Foundation