

Inside Ukraine

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The Government Policy

The launch of the new patrol police in Kyiv is the first example in Ukraine in which changes to legislation have been combined with an attempt to create a new institution alongside innovations such as a transparent selection of employees, training processes based on new procedures, standards and skills as well as a respective financial package. One month will be enough to evaluate whether such a comprehensive approach will improve the crime rate, traffic safety and – what is more important – the trust of citizens in police officers.

Meanwhile, law enforcement agencies have a more ambitious task: to show tangible results from the ongoing fight against corruption. So far, the current pace of prosecution reform, the lack of punishment of corrupt prosecutors and the President's desire to use the Prosecutor-General's Office and new anticorruption agencies for political ends make such results impossible.

Regarding the situation in Donbas, Kyiv's lack of initiative has resulted in the fact that Ukraine's western partners have started to convince Ukrainian authorities to unilaterally fulfill Minsk agreements in terms of

constitutional reform and local elections in Donbas. Kyiv is combining political concessions to the West with a tougher economic isolation of DPR-LPR and Crimea. In a similar fashion, pro-Russian militants are agreeing to the presence of international observers at the local elections and the demilitarization of Shyrokyne, all while concentrating their troops near Donetsk for potential escalation.

Taking into account national interests, Kyiv may agree to a "frozen conflict" scenario only in exchange for serious economic and political concessions from its western partners. In order to avoid external pressure, Ukrainian authorities must improve communication with international players, offering its own agenda and demanding a step-by-step fulfillment of the Minsk agreements, which have been violated by Russia and pro-Russian militants many times over the last six months. As the signing of Minsk-2 gave western partners the illusion of a cease-fire, the investigation of the MH-17 tragedy with the subsequent punishment of those responsible for the crime may serve as a serious motivation for the West to change its rhetoric.

Patrol police vs corruption in prosecution



The launch of the patrol police in Kyiv is the first tangible result of long-lasting MOI reform. Almost

a year was wasted in solely discussing ideas for future reform and organizing a pilot project in Lviv re-

gion, which was doomed to fail without changes to the law on police and – more importantly – changes in standards and procedures within the institution. On the other hand, six months have passed since the competition to find new patrol officers through

their first patrolling. This proves once again that political will and a vision for changes are major prerequisites of reforms.

Reforms require political will and a vision of changes

The effectiveness of the new patrol police may be assessed in as early as one month. At this point, it is clear how eager the Ukrainian public is for changes and examples of real success. While previously citizens tended to avoid any contact with the police, excitement in social networks and the press have made real media stars out of the new police officers. This may be the first step to restore public trust in

law enforcement agencies. For this purpose, it is necessary for the patrol police in Kyiv to demonstrate its efficiency, especially in terms of improving traffic safety and curbing the wave of burglaries in the capital.

Careful attention of the society requires results and minimum of mistakes from the police.

The creation of patrol police differs from other government initiatives along several parameters.

Firstly, a new institution has been created, the selection of staff was transparent, but it should not be perceived as complete. As the Georgian experience shows, several waves of "sifting" is needed to select several thousand qualified and uncorrupt employees as the professional aptitude of many individuals may be assessed only based on their performance in real life situations rather than during testing and training.

Secondly, aside from new institutions, reforms require new procedures, standards and skills. While training new em-

Reform means new procedures, standards, and skills.

ployees, the focus was not on theory but rather on 500 procedural scenarios in which the officers are taught how to perform. Eka Zguladze, the author of the changes, looked to change the very principle of police functioning, having transformed the police force from a punitive to a service body.

Thirdly, the high quality of the police will be guaranteed by high levels of salaries and strict mechanisms of internal control. If the MOI leadership fails to ensure the proper financing of police officers (similar promises of the President to ATO participants remained unfulfilled), it will ruin all the progress made in the creation of the patrol police and destroy the willingness of employees to work in a new way.

In order to launch the new structure, the Verkhovna Rada approved the law "On national police" on July 2, 2015. A new agency will include criminal and patrol police, special and security police and a special task force. However, some experts criticize the launch of the patrol police before the respective law has come into force.

An important innovation is that the MOI will be granted only political functioning, whereas the head of the national police should be non-partisan. According to the law, he or she will be appointed and dismissed by the Cabinet of Ministers based on the

Separation of functions between MOI and national police is an important step to depoliticize law enforcement agencies.

submission of the Prime Minister and the proposal of the Minister of the Interior. However, it is important to design more efficient mechanisms to prevent the politicization of the police.

The confinement of the MOI to political functions will decrease the political struggle for the ministry, which has always been perceived as a powerful weapon to fight opponents. At the same time, a vague wording that "the minister fulfills other duties according to this and other laws of Ukraine", which is preserved in the bill, allows for the artificial increase of authority for the MOI head.

Significantly, in the case of the success of the patrol police, all the credit will go to the presidential administration and not to Arsen Avakov, who mainly conserved rather than reformed the ministry. This may explain why last week the minister showed hyperactivity, disbanding traffic police in Mykolaiv and Mariupol, though such PR-steps could have been done immediately after the Revolution of Dignity. This would have prevented the new government from losing the trust the citizens gave to it after Viktor Yanukovych's escape.

The creation of the patrol police is an important signal for the public, but it will not significantly influence the degree of corruption in the country. Addressing the latter requires systemic changes in the criminal police and – what is more important – in prosecution and courts.

Patrol police will not significantly affect corruption in the country.

The Prosecutor-General's Office with its current authorities remains a powerful weapon for the President. This fact and the prosecutors' interest in the preservation of a corrupt system are the main obstacles for changes within the agency.

Regional activists do not believe in the fight against corruption, as at the local level all cases are blocked by prosecutors or judges. At the national level, there are no success stories in which prosecutors finalized the cases against high officials.

The Prosecutor-General's activities against representatives of the former Party of the Regions ap-

peared to be nothing but a PR stunt. The most infamous officials of the Yanukovych period have avoided arrests and withdrawn their assets abroad. No legal assessment was made into the inaction of Oleh Makh-

Prosecutor-General's office is one of the most discredited law enforcement agencies.

nitskyi and Vitaliy Yarema, who failed to launch prosecution reform and progress in the investigation of corruption cases against the previous government.

The situation has deteriorated with the non-punishment of prosecutors who supervised the cases against Maidan activists and the recent revealing of enormous amounts of cash while searching the employees of the Prosecutor-General's Office. Under the circumstances when the Ukrainian prosecution has been totally discredited, the preservation of its right to delegate representatives to the Higher Council of Justice and a long parliamentary battle to ensure that

the Prosecutor-General influences the creation of a new specialized anticorruption prosecution demonstrate the presidential administration's desire to use the office for political ends.

According to the amendments to the law "On prosecution", adopted on July 2, 2015, the selection commission for administrative positions in the specialized anticorruption prosecution will consist of four delegates from the Prosecutor-General's Office and seven from the Verkhovna Rada. The number of prosecutors is intended to decrease from 15,000 in 2015 to 10,000 in 2018.

The implementation deadlines for the law "On prosecution" are constantly being changed: from April 2015 they were moved back to July 15, 2015, and now mid-September 2015 is discussed as a feasible date for the creation of 178 local prosecutors' offices and the revocation of the prosecution's general supervision function.

Unless political influence is minimized while recruiting employees for the National Anticor-

ruption Bureau and creating the anticorruption prosecution, the President will be personally responsible for the failure in the fight against corruption. Similarly, delays with the implementation of the law "On prosecution" and the lack of successful examples of the fight against corruption in the office will continue undermining public trust in state institutions.

The President's desire to keep influence on Anticorruption Bureau and use unreformed Prosecutor-General's Office for political ends closes a window of opportunities for reforms.

This would finally close the window of opportunities for reform in Ukraine, and the government will lose the support of both the public and its western partners.

More initiative from Kyiv may prevent external scenarios on Donbas

Trying to freeze the conflict in Donbas and remove the Ukrainian issue from its own agenda, the West is "working" with the only party, which, unlike Russia and DPR-LPR, is susceptible to its influ-

ence: Ukraine. Western partners have no other plan but Minsk-2. The rhetoric of American and European high officials has changed significantly over the last few weeks. There have been more official state-

ments from the European Commission, the OSCE, the German MFA and others in which the Ukrainian West makes Kyiv fulfill Minsk agreements unilaterally.

authorities are being persuaded to unilaterally fulfill the second Minsk agreements in regards to constitutional reform, the granting of a special status for certain districts in Donbas and the holding of local elections on the territory, without waiting for Russia and the militants it controls to fulfill their commitments. Thus, Kyiv has fallen a victim of its readiness to compromise and its inability to elaborate its own action plan on peace settlement, which may serve as a substitute for Minsk-2.

The unilateral fulfillment of the Minsk agreement by Kyiv will be harshly criticized by the public as a betrayal of the Ukrainian soldiers who have done their best to defend Debaltseve in order to strengthen the negotiating positions of Ukraine in Minsk in February 2015. Such a scenario is possible only in the case

of a potential escalation in Donbas, subsequent to which concessions by Kyiv are again justified by the desire to avoid further casualties.

Potential escalation in Donbas may be used to justify Kyiv concessions.

The most likely line of escalation is the area around Donetsk – from Avdiyivka to Maryinka. It experiences the most intensive shelling, and on June 3, 2015, there was a massive offensive of pro-Russian units. Separatists are strategically interested in the Kurakhiv water power plant, which may be reached through Maryinka.

At the same time, the DPR leadership "demonstrates" their good will, agreeing to the presence of international observers at the local elections and withdrawing militants from Shyrokyne. The real motives of the latter are large losses of pro-Russian gunmen in this settlement and the transfer of shelling more to the north from Shyrokyne.

This is a simulated rather than a concrete step toward de-escalation, which is evidenced by the creation of a Russian military base near Sontseve in June 2015, just 2 km from the frontline. The location of the military base on the mid-way between Donetsk and Mariupol means that it may be used for logistic support of the separatists' offensive both to the south and north.

In order to avoid Western pressure as regards the unilateral fulfillment of Minsk-2, the Ukrainian au-

thorities should more efficiently communicate with the international community both in terms of providing evidence of Russia's readiness to contribute to

Efficient communication may save Kyiv from western pressure on Minsk-2.

further escalation in Donbas and presenting a comprehensive Ukrainian plan for the conflict settlement.

The President's Office's vision of the conflict in the east is easily observed in the program publication "Five Scenarios for Ukraine-Russia Relations" by Dr. Volodymyr Horbulin, Director of the National Institute for Strategic Studies, which is the main analytic center under the President of Ukraine.

In the author's opinion, one of the most acceptable scenarios for Ukraine is the scenario of "no peace no war" or "limited war and permanent negotiations". This scenario oversees the deterrence of Russia in the east, a military build-up and a gradual transition to a policy of extrusion of the militants from the territories currently held under their control. The author acknowledges that such a scenario will demand serious political skills from the Ukrainian authorities, a reinforcement of their defense capacities, creative diplomacy and sophisticated propaganda. However, combining Kyiv's concessions to the West and an increase of pressure on DPR-LPR may potentially contribute to an explosion and another wave of escalation.

Meanwhile, the freezing of the conflict on the model of Transdniestria, whereby Donbas is left under Ukraine's jurisdiction, is the most acceptable scenario for some EU states and Russia. Kyiv takes the

Freezing of the conflict is the most acceptable scenario for Russia and the EU, but not for Ukraine.

burden of the restoration of destroyed infrastructure while the pro-Russian puppet government acts in the region. This line of development signifies a dead-end for Ukraine, as it will have to take on the factors of permanent destabilization, a disabling economic burden and a serious blow to its international image.

Horbulin does not exclude the possibility that under the pressure of internal and external factors, Ukraine will be forced to accept this scenario. At the same time, the presidential adviser considers that it is necessary to insist on risk compensation during the negotiations. In particular, he proposes to place the territories occupied by the militants under international jurisdiction for some period, limiting the

economic contact of these territories with the rest of Ukraine. Donetsk, Luhansk and border checkpoints that are not under Kyiv's control should be demilitarized and placed under international jurisdiction, while the joint military brigades of Ukrainian forces and those of NATO members should be located in Kharkiv, Dnipropetrovsk, Odesa, Mykolayiv and Zaporizhia. Further, "Ukraine is to receive economic compensation for its commitment to prevent a great continental or even world war at the price of temporal loss of its own territory". Political compensation following an unambiguous confirmation of Ukraine's chances for EU and NATO membership is expected as well.

If the abovementioned points make up a unified position of Kyiv regarding Donbas, it should be consistently promoted to international partners through all possible communication channels. Otherwise, the lack of a Ukrainian vision for peace settlement will be regarded as a passivity of the Ukrainian authorities as external scenarios are imposed.

The West has the false impression that Minsk-2 has brought a cease-fire. In reality, only the intensity of the fire has decreased while the Ukrainian army continues to suffer losses all the time. Kyiv consistently needs to remind interna-

Kyiv constantly needs to remind to the West about the violation of Minsk agreement by Russian and the militants.

tional mediators of the facts of the violation of the Minsk agreement: the capture of Debaltseve, the lack of progress in exchange of POWs, the recent militants' attempt to capture Maryinka, etc.

The investigation of the circumstances of the Boeing-777 catastrophe, which happened one year ago, should be another important component of the Ukrainian authorities' international discourse. It is given this accident, which fundamentally changed the attitude of the West to the events in Donbas, that the results of the investigation should be used to increase the international pressure on Russia. In particular, Kyiv should support the recent statement of the Netherlands' Prime Minister Mark Rutte regarding the establishment of the UN international tribunal

to prosecute suspects in the downing of the plane. In this particular case, the evidence that a Russian weapon was used by the Russian military to down the plane can provide the grounds for the international recognition of Russia as a sponsor of terrorism or aggressor.

A tragic anniversary of the Malaysian plane catastrophe may consolidate the West in the condemnation of the Russian aggression against Ukraine.

Moscow feels extremely uncomfortable in the role of the international pariah and seeks to build different communication channels with the West. The activity of Ukrainian diplomats will influence whether it will succeed. The maximum program for the Ukrainian MFA is to make the US and EU policy resemble the Canadian stance, as Canada remains the most consistent critic of Russia's violations of the international law and its non-observance of the Minsk agreement.

Economic situation

The Greek default and its unwillingness to comply with the requirements of international financial institutions could lead to its secession from the EU, set a negative example for other debtor countries of the Eurozone and challenge the viability of the EU as a political and economic union. Despite active efforts of the media to draw

parallels between Greece and Ukraine, the Greek default does not directly affect Ukraine, as the default potential for Ukraine is determined by other factors, including, in particular, the success of negotiations between the Ministry of Finance and private creditors, the size of the country's gold and FX reserves and its cooperation with the IMF.

Greece and Ukraine: things in common



On July 1, 2015, Greece allowed for its technical default by failing to repay the exposure EUR

1.54 bln. to the IMF. EU leaders did not make concessions and decided to terminate the program of financial aid to Athens. Thus, Greece became the first country with a developed economy to experience default.

Greece became the first country with developed economy that has experienced default.

The main reason for default and financial crisis is Greek economic policy, which ultimately led to the conflict with its three major international creditors: the IMF, the ECB and the European Commission. If "soft" scenarios providing conflict resolution without Greece leaving the Eurozone are not implemented, "tough" alternative will include a Greek exit from the EU and the introduction of its own national currency – the drachma. In terms of long-term effects, such a scenario is preferable neither for Greece nor for the EU.

The Greek crisis came as no surprise for the international community. International investors had anticipated such a result as they witnessed the economic policy pursued by the Greek government in recent years. However, the default announcement still had a shock effect. As a result, in the short term, the default has resulted in the volatility of stock and FX markets.

As for the long term, the Greek crisis may have a contradictory effect, first and foremost, in the geo-

political sense. . Greece does not play a significant role in the economic life of the Eurozone: Greece's share in the EU economy comes to 1.4%, and its population is only 11

Consequences of the Greek crisis may have ambiguous nature in the geopolitical sense.

mln., compared to 500 mln. in the EU. Thus, technically speaking, a Greek exit from the Eurozone should not cause significant economic problems, particularly for the European banking system.

However, as there were no such cases before, the Greek crisis may be a threatening precedent for the entire EU, putting a market of 500 mln. consumers at risk. It may be an additional factor to weaken the euro (up to 10%) and slow down economic growth for the entire Eurozone. Further, Italy, Spain and Portugal have similar economic problems, and an exit from the Eurozone may be considered by politicians in some of these countries to be quite an attractive solution for their respective debt problems. If the situation develops in such a way, it will further threaten the political and economic prospects of the EU.

The Greek default will not have direct consequences for Ukraine, which does not have close economic relationships with "the birthplace of

democracy." In addition, Ukrainians are not among the Greek creditors. Therefore, the impact of the Greek crisis on Ukraine's economy will be indirect – through the

Impact of the Greek crisis on our economy will be indirect – through the euro.

euro. On the one hand, Ukrainian consumers will benefit as the hryvnia will strengthen against the euro, and European goods will become cheaper for domestic consumers. On the other hand, Ukrainian producers who export their products to the EU will lose – their products will become more expensive for European consumers. It is difficult to predict which factor will prevail.

The Greek default will not affect further cooperation between Ukraine and the IMF, as the key issue here is Ukraine's continued commitment to reforms. At the same time, reputational risks should not be excluded due to close associations between Ukraine and Greece, given that both countries

are perceived in the light of the greater Orthodox world with its Byzantine traditions of governance and corruption problems.

As for the possibility for Ukraine to announce technical default, which will draw direct parallels with Greece, the difference in financing terms for both countries should be taken into account.

In terms of the default potential, Ukraine, un-

like Greece, mainly owes funds to private investors and not to international organizations. Unlike Athens, Kyiv conducts constructive dialogue with the IMF and may count on further support.

So far, Kyiv conducts constructive cooperation with the IMF and may count on further support.

In addition, the loan amounts should be taken into consideration: for Ukraine, these add up to about USD 20 bln compared to the over EUR 300 bln owed by Greece.

The key factors that will influence the country's default potential are the following: the success of negotiations between the Ukrainian Minister of Finance and creditors as regards the partial write-off of debts and the levels of gold and FX reserves that largely depend on relations between Ukraine and the IMF. The latter will determine the possibility for further funding by international organizations. The key issue that defines the terms of cooperation with the IMF is success in economic reforms.

As of July 1, 2015, the National Bank increased its gold reserves up to USD 10.264 bln. Thus, since the beginning of the year, reserves have doubled. This amount is sufficient to meet the ob-

Since the beginning of the year, gold reserves of the NBU have doubled up to USD 10 bln.

ligations and finance the current operations of the government and the NBU. It should be noted that recently Ukraine has repaid a regular tranche to service state and state-guaranteed debt and transferred the regular payment to the IMF (about USD 450 mln).

Even if Ukraine does not make arrangements with private creditors, the situation should not be dramatized. Firstly, in the case of Ukraine, it will be not about sovereign default, i.e. the complete renunciation of repaying all debts, but rather a so-called technical default, which occurs when a coun-

try violates one of the terms of the loan agreement (including the schedule of payments) but does not refuse to pay the whole debt. Secondly, a technical default, which now is extensively discussed, will block access for Ukrainian companies to interna-

tional capital markets. However, this market is already closed to Ukrainian business. The main resources that are available to Ukraine are funds from international organizations. So far, these are conditionally available.

Political Competition

The ruling coalition and the current configuration of political forces formed under the influence of the political situation in 2014 have exhausted themselves. The Parliament, which was elected during the escalation of hostilities in Donbas, is experiencing a systemic crisis and is unable to adopt effective legislation.

On the eve of local elections, the authorities did not manage to intensify the communication with voters in the frontline southeastern regions of Ukraine, where pro-Russian propaganda remains strong. The deteriorating economic situation and the impover-ishment of the people serve as the primary factors for the growth of opposition sentiment. While the situation with local elections is predictable in Kyiv and Lviv, the mayoral elections in Kharkiv, Dnipropetrovsk and Odesa are unfairly overlooked by leading coalition members. It is a dangerous miscalculation given the importance of these regions for Ukraine's internal stability and national security.

A possible scenario of power's reset in 2016



The upcoming local elections exacerbate contradictions within the Parliament. Trying to demonstrate their concern for the electorate, MPs have jeopardized further cooperation with the IMF, Ukraine's financial and banking system and the stability of the ruling coalition. The "Samopomich" and Radical Party of Oleh Lyashko began talking about the Parliament's political incompetence and a possible withdrawal from the coalition.

A scandalous vote on the restructuring of loan obligations once again divided the pro-presidential faction. Yuriy Lutsenko blamed colleagues for populism and resigned as head of the BPP faction. In addition to internal political risks, voting for "5 UAH/a dollar FX rate" has once again demonstrated that the Verkhovna Rada is guided not by national but instead by party and corporate interests.

This caused a strong reaction by President Poroshenko, who stated that "such a decision calls

into question the future of Parliament". The uncontrolled Verkhovna Rada increases the risk of early parliamentary elections in spring 2016.

It is getting harder for the President to control his own faction

The logic of a parliamentary reset is clear and built up in the following way.

In October 2015, the planned local elections are to be held in accordance with the current Constitution and legislation. After the entry of constitutional amendments on decentralization into force (according to the Minsk accords –

not later than December 2015), additional local elections will be held as the councils are elected

under other authorities. In addition, considering the contradictions within the coalition, some officials do not rule out the possibility of early local and parliamentary elections in spring 2016.

The upcoming local elections may be interim and will allow testing of the new electoral law and opponents' ratings.

Such a scenario is favorable to the President as local elections in 2015 provide an opportunity to check the ratings of his opponents, make changes in the government and test new electoral law.

The struggle for Dnipropetrovsk, Odesa and Kharkiv

Dnipropetrovsk, Odesa and Kharkiv are the key regions for Ukraine's internal political stability. Although volunteer organizations and NGOs have been active in these regions since the Euromaidan period, civil society representatives have failed to convert their social influence into political action. The new authorities have started to build their vertical of power with old cadres from the Yanukovych period, who are familiar with the system and control the situation in the regions.

In particular, former functionaries Oleh Kuzhman and Aina Tymchuk, who was responsible for organizing election campaigns in the times of Yanukovych,

remained to serve as Deputy Heads of the Dnipropetrovsk Regional State Administration (RSA). "Bloc of Petro Poroshenko" MP Ivan Kulichenko may be nominated by the pro-presidential party as a candidate for the mayor of

In Dnipropetrovsk, there is a political rapprochement of Opposition Bloc and BPP counteract the team of Ihor Kolomoyskyi

Dnipropetrovsk. He held this post from 2000 through 2014. Interestingly, "Opposition bloc" MP Oleksandr Vilkul announced that he is not going to run for mayoral elections, as he will support Kulichenko.

Sviatoslav Oliynyk or Borys Filatov are the most likely candidates from Ihor Kolomoyskyi. Previous-

ly, Kolomoyskyi's team negotiated with First Deputy Mayor Anatoliy Krupskyi as regards his participation in the campaign; however, according to the local media, no agreement was reached. Thus, there is

Ihor Kolomoyskyi have not yet decided on his candidate for the post of Dnipropetrovsk mayor

a joint candidate from the BPP and Opposition Bloc in Dnipropetrovsk –Kulichenko, who will be confronting a candidate from Kolomoyskyi who has not been determined yet.

Despite the appointment of Mikheil Saakashvili as Head of Odesa RSA, the region remains problematic for the President in electoral terms. The current Odesa mayor Hennadiy Trukhanov (representative of the Party of Regions), according to various polls, is ahead of the main contenders – Eduard Hurvits, Serhiy Kivalov and others. The important fact is that Trukhanov has business ties with the "Privat" group of Kolomoyskyi. Thus, there is a possibility

that, at the upcoming elections, the Dnipropetrovsk oligarch will continue supporting Trukhanov while other political players do not have influential regional figures.

The former member of the Party of Regions Hennadiy Trukhanov has the best chance to win in Odesa

The situation in Kharkiv is much more complicated. In fact, the city remains the last outpost for former government representatives Hennadiy Kernes and Mykhailo Dobkin. Kernes has a team that comprises the apparatus of the Kharkiv City Council and district administrations as well as a strong majority in the city council. The mayor of Kharkiv owns the most popular local media. The PR of law enforcement agencies as regards the initiation of criminal cases against him contributes to his image as a politician who is suffering from political repression.

The intrigue in Kharkiv may occur only when the name of Kernes disappears from the ballot should

he abandon the campaign due to the health reasons. However, the successors of Kernes may be Dobkin, who has rather a high per-

There is no real alternative for Hennadiy Kernes in Kharkiv

sonal rating in the region, his deputy and business partner Ihor Terekhov or even MP Dmytro Sviatash, the owner of the "AIS" corporation.

In addition, one cannot rule out the possible nomination of ex-MP from the Communist Party Alla Aleksandrovska, ex-minister Ihor Shvayka, Inna Bohoslovska and a candidate from the group "Renaissance", which is financed by Kolomoyskyi.

The local media consider Arsen Avakov as the most likely competitor of Kernes. However, Avakov is unlikely to have the desire to leave the post of Interior Minister and return to the region. Nevertheless, the Minister may delegate his people to participate in the elections. In particular, these may be Anton Herashchenko, MP, Ivan Varchenko, deputy of Kharkiv regional council, and Ihor Repeshko, former head of Kharkiv regional police. In turn, the nomination of Kharkiv ex-mayor Volodymyr Shumilkin, who enjoys certain popularity, could be a compromise for both the government and the opposition.

Thus, there is a high probability for the political revanche of Opposition Bloc representatives in

Odesa and Kharkiv. In Dnipropetrovsk, one can observe the joint efforts of BPP and the Opposition Bloc to fight against Kolomoyskyi.

In Ukraine's South and East, Bloc of Petro Poroshenko is going to cooperate with the Opposition Bloc.

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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