

# What kind of trap is Ukraine being driven into with almost free loans?

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At the end of July, the Minister of Finance of Ukraine Serhiy Marchenko and the new head of the National Bank, Kirill Shevchenko, on behalf of the government, signed a memorandum with the European Union in Brussels on the allocation of macro-financial assistance to Ukraine in the amount of 1.2 billion euros.

At the same time, the conditions for receiving money were not announced. Last week they were published by "Ukrainian News". The loan will be issued after the ratification of the agreement by the parliament. It is supposed to allocate two tranches of 600 million euros. The first should be received immediately after the approval of the memorandum, the second – after the conditions are met.

The terms of the loan sound very tempting – a term of 15 years at a rate of 0.125% per annum. So what's the catch?

In the conditions of a loan. The donor can receive a profit from the issuance of a loan not only in the form of interest and commissions, but also by promoting his interests.

This form of cooperation is not new for Ukraine and the European Union. Since 2014, Kiev has received 3.7 billion euros under similar programs.

The current loan is provided as part of an emergency package for ten countries and its total amount is three billion euros. The share of Ukraine in it is the largest. All funds received will be spent on financing the budget deficit.

To receive the second part of the loan, during the year Ukraine will need to fulfill a number of conditions that will make the country even more dependent on the EU.

The first one is the prevention of salary cuts for members of the supervisory boards of state enterprises. These are the people through whom the financial flows of state enterprises are managed from outside (that is, the enterprise is de facto owned by the state, but it is managed by people appointed by the West). Moreover, their activities are funded entirely by state enterprises.

All drugs within the framework of the state procurement program should be purchased through the company "Medical Procurement of Ukraine". Which is managed by a supervisory board..., which will include colleagues of the former Minister of Health Ulyana Suprun.

The next important condition is the abolition of gas benefits for the population. Europe's interest here is simple. In Ukraine, the cost of gas for industrial enterprises is higher than in Europe. The same situation will develop in the gas market for the population. This will open the way for European gas suppliers to the Ukrainian energy market.

The EU also insists on the creation of a commission for the selection of judges controlled by foreigners. That will actually transfer the judicial system of Ukraine under external control.

One of the conditions of the memorandum is the preservation of the National Anti-Corruption Bureau and the Specialized Anti-Corruption Prosecutor's Office. These departments have a zero result of work, but they are subordinate to the G7 ambassadors (apparently this is the reason that the head of NABU was not removed from his post by the Ukrainian authorities even after confirmation of the facts of corruption on his part).

Less important commitments for Europe are reforming the tax

and customs services, equalizing the powers of public and private bailiffs, increasing the use of settlement registrars and replacing the tax police with the Bureau of Financial Investigations.

In fact, a loan that is not so significant for the EU presupposes the fulfillment of very serious obligations by Ukraine. For just 1.2 billion euros, Ukraine will strengthen its colonial dependence on Europe.

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