

Ukraine's dangerous Winter Olympic obsession

On 16 September the Editor of the Ukraine Alert service of the Atlantic Council, Peter Dickinson, published an article entitled « *Why Ukraine's Olympic bid could be a very smart move* ». With all due respect, we cannot agree with his enthusiasm for the intention of the Ukrainian government to hold the Winter Olympics in the Carpathian mountains in western Ukraine.

On 13 September, the IOC News (International Olympic Committee) reported that « *IOC President Thomas Bach was in the Ukrainian capital Kiev at the weekend to celebrate 30 years of the country's National Olympic Committee (NOC) and to meet the nation's President, Volodymyr Zelensky. (...) President Zelensky informed the IOC President that Ukraine is determined to become a host for the Olympic Winter Games, and that his country would therefore enter into the dialogue phase with the IOC and send a delegation to the IOC headquarters in Lausanne as soon as possible. President Bach warmly welcomed the initiative...* »

Already in 2019 Zelensky had announced that « *we have the potential to become the Alps of Eastern Europe* ».

The problem is that Ukraine totally lacks the necessary infrastructure and would need to sacrifice one of Europe's most remarkable and biodiverse wilderness areas for new ski resorts in the Carpathians, in particular in the Svydovets massif. Plans for such a resort in Svydovets were first announced in 2017. For over four years, the European Civic Forum and the Bruno Manser Fonds, both based in Basel, Switzerland, have closely followed and supported the remarkable work of the Free Svydovets Group (FSG), one of Ukraine's most intelligent and active ecological movements.

In a clear and comprehensive report, « *The Svydovets case* », published in 2018¹, the FSG detailed the numerous negative impacts that the construction of a massive new resort would have on this massif. This is one of the most magnificent, largely untouched stretches of mountain forest and pasture land to be found in Europe, with glacial lakes and fragile alpine ecosystems immensely rich in biodiversity and endemic species.

The planned resort would involve creating a huge tourist complex high up in the massif with over 60 hotels, 120 restaurants, 33 ski-lifts, 230 km of runs, several shopping malls, medical and fitness centres, banks, multi-storey parking areas and even a landing strip. The future resort would be able to receive up to 28.000 tourists at the same time and would be one of the biggest ski resorts in Europe.

In its report, the FSG outlines the disastrous consequences. Construction of such a large-scale infrastructure would cause irreversible damage to this unique ecosystem. Dozens of endangered and often endemic plant and animal species would be severely affected. The vast quantities of water needed for the infrastructures, but also for artificial snow, would pose a serious threat to the region's water supply and to the water cycle of the international Tysa river. In addition, the estimated 5000 tons of sewage produced every day would have catastrophic consequences. It has been revealed that

¹<https://freesvydovets.org/en/>

sewage from the existing Bukovel resort ends up untreated in a local river. This will inevitably have a considerable cross-border environmental impact. In May 2018 the Hungarian government declared itself to be an affected party within the framework of the Espoo Convention. The Ukrainian authorities have never responded to the Hungarian demand and continue to ignore the need for a Cross-Border Environmental Impact Assessment.

Since the highest peak of the massif is below 1900m, the viability of the project in times of accelerating climate change is highly doubtful, even from a purely economic perspective.

By championing the project to hold the winter olympics in the Carpathians President Zelensky is sending out the wrong message. In its last annual report on the implementation of the EU Association Agreement with Ukraine adopted on 11 February 2021, the European Parliament clearly criticizes the « *unlawful Svydovets ski resort project*” and « *encourages Ukraine to invest in ecologically and environmentally safe and sustainable tourist infrastructure, and calls on the Ukrainian authorities to prevent future projects from harming the environment by improving scrutiny, transparency and the implementation of environmental impact assessments and due diligence* ».2

It is clear that the Carpathian region suffers from severe economic decline, high unemployment and emigration in search of work in the European Union. It is vital to develop new local economic activities. We are, however, convinced that this should in no way take the form of massive tourist infrastructures that will ruin the ecosystem and soon become unusable due to global warming. There is enormous potential for low-impact tourism, for high-quality agricultural products as well as the development of small-scale industries transforming the local timber which is at present being illegally logged and massively exported to the European Union. Several leading members of the European Parliament and representatives of the European Commission have expressed strong support for such sustainable development projects.

Another dark shadow hangs over the Ukrainian government’s plan to build ski resorts in the Carpathians, that of alleged corruption. At a press conference on 4 March, Prime Minister Denys Shmyhal confirmed the Ukrainian government’s intention to build new ski resorts, in particular at Borzhava where the highest peak is little over 1600 metres. The Prime Minister announced that the initiator of the project in Borzhava is Gernot Leitner, a highly controversial Austrian entrepreneur. He had to answer questions posed by "Schemes", a group of investigative journalists from Radio Svoboda. This team had conducted a thorough investigation into Leitner and his Ukrainian partners which was published on 28 January 2021³.

Leitner had already participated in the organization of the Sochi Olympic Games in Russia in 2014, where he developed close business ties with Russian government agencies. He is now one of the key figures in the Olympic plan of President Zelensky's office. In the Schemes report there is a photo from the summer of 2020 of a meeting in the office of the president with the presence of Mr. Leitner.

²§122, European Parliament resolution of 11 February 2021 on the implementation of the EU Association Agreement with Ukraine (2019/2202(INI))

³See https://freesvydovets.org/wp-content/uploads/2021/10/Borzhava_Radio_Svoboda.pdf The original investigation can be found here : <https://www.radiosvoboda.org/a/video-shemy-borzhava-kaskiv-lyovochkiny/31074770.html>

The "Schemes" investigation is full of details about the alleged corrupt and fraudulent practices of Gernot Leitner and his Ukrainian friends. They include Vladyslav Kaskiv who was the chairman of the State Agency for National Investments and Projects during the time of President Viktor Yanukovich who had already dreamed in 2010 to organize the Winter Olympics in 2022. A large budget was approved. The company "Masterconcept Consulting" of which Leitner is the president and owner, was involved in the preparation of Ukraine's bid for these Olympics. Ukraine did not, however, organize the Games and a significant part of the budget disappeared. According to the Kiev Post, *« over 14 million dollars of state money allocated for the project was siphoned to a number of foreign companies. This is a subject of an ongoing investigation by the National Anti-Corruption Bureau of Ukraine (NABU). According to the investigation, part of the stolen money returned to Ukraine. It was used to buy vast amounts of land in Borzhava (...). Some of the companies that bought the land belonged to brothers of Vladyslav Kaskiv, then head of Derzhinvestproekt state agency that distributed the state money. They are suspects in NABU's case. Since then, the companies that bought the land have changed ownership. At first, they belonged to an Austrian company, Teleferic Holdings. In 2019, a Slovak-registered company called Carpathian Mountaun Resort acquired the Ukrainian companies and through them, the land. Both Teleferic and Carpathian Mountain Resort belong to Gernot Leitner. »*⁴

All of this has not stopped Zelensky from publicly welcoming the Austrian entrepreneur and considering building a tourist complex, apparently on the confiscated land. It also did not prevent Vladyslav Kaskiv from being recently elected as a member of the Transcarpathian Regional Council. Mr. Leitner denies all allegations of wrongdoing. The presumption of innocence applies.

On 28 September over thirty Ukrainian NGOs wrote a joint letter to Prince Albert II of Monaco, President of the Sustainability and Legacy Commission of the International Olympic Committee, calling on the IOC to *« stop giving the Ukrainian government any kind of support for these highly problematic projects in the Carpathians. »*⁵

President Zelensky seems to be torn between the urgency of fighting endemic corruption in Ukraine and his desire to pursue his Olympic dream, which is plagued by controversies and which would irreversibly damage some of the most valuable mountain ecosystems in the country.

Nicholas Bell, International Coordinator, European Civic Forum, Basel, Switzerland
Lukas Straumann, Director, Bruno Manser Fund, Basel, Switzerland

nicholas.bell@gmx.net
lukas.straumann@bmf.ch

⁴« Austrian investor of Zelensky's Olympic Games dream project linked to embezzlement case », Anna Myroniuk, Kiev Post, 29 January 2021

⁵freesvydovets.org/en