



# Presidential election 2010

Storylines taking shape one week in

October 29, 2009

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- Last week marked the official start of the presidential election campaign in Ukraine; 80 days remain until the Jan. 17, 2010 poll
- Yanukovych still commands a lead of 10-13 pp according to the most recent public opinion polls. Tymoshenko has widened her hold on second place in recent weeks
- A second round of voting pitting the top two vote-getters head-to-head is likely in February; no one candidate looks set to capture over 50% of the primary vote
- Post-election stability depends on the new president finding a pliant parliament

Days left before the election 80

**Recent presidential survey results**

First round	R&B	KIIS
Viktor Yanukovych	31.4%	26.9%
Yulia Tymoshenko	18.4%	16.7%
Arseniy Yatseniuk	8.9%	6.2%
Sergiy Tigipko	3.6%	2.5%
Petro Symonenko	3.5%	3.2%
Viktor Yushchenko	3.5%	2.9%
Volodymyr Lytvyn	2.3%	1.4%
Against all	9.6%	12.1%
Undecided	9.0%	14.8%
Will not vote	6.8%	8.9%

Second round	R&B	KIIS
Viktor Yanukovych	41.9%	36.3%
Yulia Tymoshenko	29.8%	27.1%
Against all	15.1%	21.4%
Undecided	6.5%	7.9%
Will not vote	6.7%	7.3%

Source: Research & Branding Group (October 12-22), Kyiv International Institute of Sociology (October 6-23)

**Government overview**

Type	Democratic republic
Format	Presidential-parliamentary
Independence	August 24, 1991

**Presidential election watch list**

Party congresses	Oct. 20-Nov. 6
Last campaign day	Jan. 15, 2010
<b>First round vote</b>	<b>Jan. 17</b>
First round results	By Jan. 27
<b>Second round vote*</b>	<b>Feb. 7</b>
Second round results*	By Feb. 17
Inauguration*	By Mar. 17

\* If a second round of voting is necessary.

Exact dates subject to change.

Source: Central Election Commission

**Who can defeat Viktor Yanukovych?**

Viktor Yanukovych, loser in the 2004 presidential election, begins the campaign period with a comfortable 9-12 pp lead in recent polls. He has taken advantage of being in opposition and boasts a strong consolidated electorate in South-East Ukraine. Yulia Tymoshenko, current prime minister, is in second. Her support is strongest in Central Ukraine; in order to succeed she must remain ahead of former Rada speaker Arseniy Yatseniuk, incumbent Viktor Yushchenko and third-tier candidates in the most fragmented electorate in Western Ukraine.

**Runoff likely, with inauguration in March**

Since no candidate looks set to capture over 50% of the vote, according to the most recent public opinion surveys, a second round between the top two vote-getters looks likely. The runoff should take place three weeks after the first round, implying a February 7 date and mid-March inauguration. Yanukovych looks like a lock to make round two. In our view, Yulia Tymoshenko will also advance and looks very competitive in the runoff. As in 2004, when Yushchenko won the second round with 51% of the vote, we see another close race.

**Post-election reshuffle: Prospects for political stability**

There is reason to be cautiously optimistic that the deadlock that has plagued Ukrainian politics might be surmounted in short order after the final results. However, stability might be a long way off if the new head of state meets opposition in the Verkhovna Rada and is forced to call another pre-term parliamentary election.

**Fair game.**

Nationwide votes in recent years in Ukraine have created a new tradition of general adherence to international standards for democratic elections. We believe the influence of the media as a watchdog and a strong set of candidates ensures a fair system of checks and balances against manipulation and fraud. President Yushchenko set the tone early with the issuance of an order on October 19 to ensure the electoral rights of citizens are respected and the transparency and openness of the poll. We estimate the risk of legal challenges to the results as low, unless the final tally is very close.

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## Pre-election issues to watch

Ukraine is faced with several key issues in the run-up to the January election that have distinct political components:

- **IMF cooperation**

The International Monetary Fund mission left Ukraine last week after the third review of the country's USD 16.5 bln standby loan agreement and negotiations on the allocation of a fourth loan tranche. The mission reportedly reached a staff-level agreement on required policy discipline and corrective actions for the allocation of the next loan tranche. IMF representatives specifically called on President Viktor Yushchenko to veto the law on increasing social standards that was passed by the Verkhovna Rada. However, Yushchenko said yesterday that he would not veto the law, which casts a cloud over IMF cooperation before the election. Ukraine has already received USD 11.0 bln through the loan program in three tranches; the fourth tranche, USD 3.8 bln, is to be allocated in November according to the agreement.

- **Ukrnafta dividends**

Ukrnafta (UNAF) has scheduled another EGM for November 27. The agenda, once again, includes consideration of the distribution of profits and dividends for 2006-2008. The company has been unable to sit a shareholder meeting due to a lack of agreement on key issues between the state (50% shareholder) and Privat (42% shareholder) since May 2007. Despite pushes by the Tymoshenko government to obligate Ukrnafta to pay out dividends, we have yet to observe any movement by the state or Privat to bury the hatchet and see the chances of a dividend being approved at the November EGM as remote.

- **Oblenergo privatization**

In July, the Cabinet of Ministers ordered the State Property Fund to sell controlling stakes in 14 Oblenergos by December 31. In our view, the government's need to fill the budget deficit gives it impetus to push this initiative along. We believe there is still reasonable probability that one will be privatized before presidential elections in January: a 46% stake in Cherkasyoblenergo (CHON). Local news reports in early October said the Cabinet issued an order to privatize the company by December 1, though the exact timing of an auction is still unclear.

## Leading presidential candidate profiles

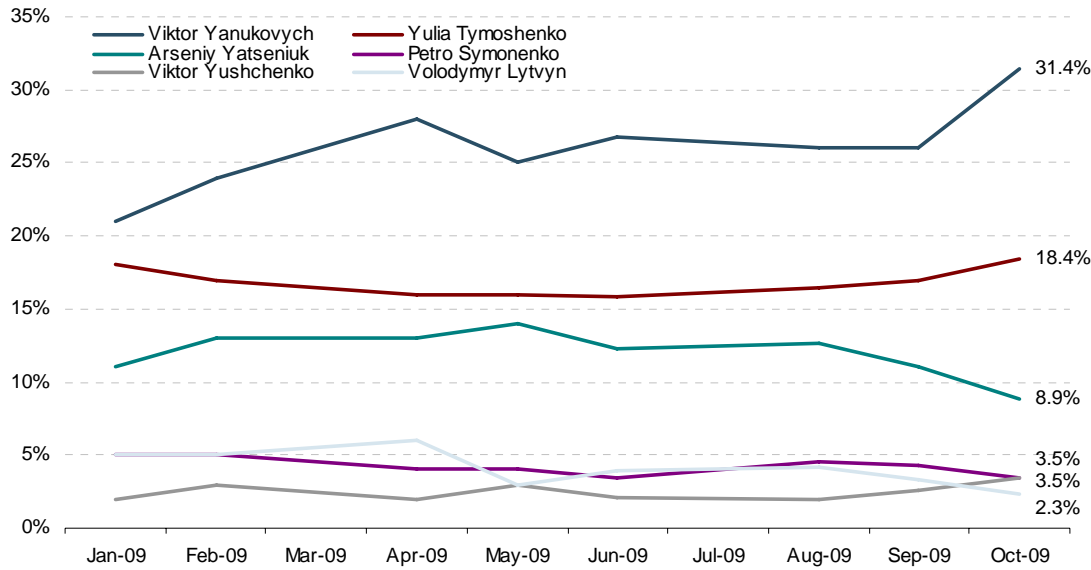


Candidate	Viktor Yanukovich	Yulia Tymoshenko	Arseniy Yatseniuk	Sergiy Tigipko	Petro Symonenko	Viktor Yushchenko	Volodymyr Lytvyn
<b>Concorde Capital view</b>	<ul style="list-style-type: none"> <li>• Likely to cruise into second round of voting</li> <li>• Consolidated electorate in South-East</li> </ul>	<ul style="list-style-type: none"> <li>• Likely to enter second round</li> <li>• Best campaigner in field, can mobilize electorate</li> <li>• Strong support in Center</li> </ul>	<ul style="list-style-type: none"> <li>• Low chance of entering second round</li> <li>• Polling numbers already declining</li> </ul>	<ul style="list-style-type: none"> <li>• Low chance of entering second round</li> </ul>	<ul style="list-style-type: none"> <li>• Low chance of entering second round</li> </ul>	<ul style="list-style-type: none"> <li>• Low chance of entering second round</li> <li>• Strongest support in West</li> <li>• Disappointment after Orange revolution</li> </ul>	<ul style="list-style-type: none"> <li>• Low chance of entering second round</li> </ul>
<b>Political affiliation</b>	Party of Regions	Yulia Tymoshenko Bloc	Front for Change	Labor Party	Communist Party	Our Ukraine	People's Party
<b>Financial sponsors*</b>	Akhmetov (SCM), Firtash (Rosukrenergo), Klyuev (Ukrpodshipnik), Boguslayev (Motor Sich), Yankovskiy (Stirol), Pinchuk (EastOne)	Zhevago (F&C), Vasadze (UkrAvto), Kolomoyskiy (Privat), Poroshenko (Ukrprominvest), Taruta (IUD), Pinchuk (EastOne)	Pinchuk (EastOne), Yurushev (Bank Forum)	(self-financed), Pinchuk (EastOne), Chernyak (Khortitsa)	Grigorishyn (Energy Standard)	Chervonenko (Kyiv official), Shulman (Privat), Firtash (Rosukrenergo), Kosyuk (MHP), Tarasyuk (MHP)	Ivanov (Kyiv Investment Group), Khmelnitsky (Kyiv Investment Group), Poroshenko (Ukrprominvest)
<b>Previous national government posts</b>	Prime Minister of Ukraine, 2002-2004, 2006-2007 Governor of Donetsk Oblast, 1997-2002	Prime Minister of Ukraine, 2005, 2007-Present Vice Prime Minister of Fuel & Energy, 1999-2001	Verkhovna Rada Speaker, 2007-2008 Foreign Minister, 2007 Economy Minister, 2005-2006 Head/Deputy Head of the NBU, 2003-2005	Co-head, Council of Investors (Cabinet of Ministers), 2008-2009 Head of the NBU, 2002-2004 Economy Minister, 1999-2000	-	President of Ukraine, 2005-Present Prime Minister of Ukraine, 1999-2001 Head of the NBU, 1990-1993	Verkhovna Rada Speaker, 2008-Present, 2002-2006 Aide to President, 1994-1999
<b>Previous business experience</b>	20-years as executive at regional automobile repair and transportation companies in Eastern Ukraine	CEO, United Energy Systems of Ukraine, 1995-1997 General Director, Ukrainian Gasoline, 1991-1995	Deputy Head/Loan Consultant of Postal-Pension Bank Aval, 1998-2001 President, Yurek Law Firm, 1992-1998	Chairman, Swedbank Ukraine, 2007-2009 Chairman of board, TAS, 2005-2009 Chairman of board, Privatbank, 1992-1997	Deputy Director, Ukruglemash, 1993-1991 Engineer, Donuglemash, 1974-1975	First Deputy Chair, Ukraina - Bank, 1990-1993 Dept head, Ukrainian Agro-Industrial Bank, 1988-1990	
<b>Personal data</b>	Age: 59 Place of birth: Enakievo, Donetsk region Married. Two children.	Age: 48 Place of birth: Dnipropetrovsk Married. One children.	Age: 35 Place of birth: Chernivtsi Married. Two children.	Age: 49 Place of birth: Dragoneshy, Moldova Married. Four children.	Age: 57 Place of birth: Donetsk Married. Three children.	Age: 55 Place of birth: Khoruzhivka, Sumy Married. Five children.	Age: 53 Place of birth: Sloboda-Romanivska, Zhytomyr Married. Two children.
<b>Education</b>	MA in international law, Ukrainian Academy of Foreign Trade	Candidate degree in economics, Dnipropetrovsk State University	Accounting & auditing degree, Chernivtsi Trade-Econ. Institute of the Kyiv Trade-Economics Institute	Engineer-metallurgist degree, Dnipropetrovsk Metallurgical Institute	Degree from Kyiv Political Science Institute	Candidate degree in economic sciences, Ternopil Finance and Economics Institute	History degree, Taras Shevchenko University
<b>Web presence</b>	<a href="http://www.yanukovich.com.ua">www.yanukovich.com.ua</a> <a href="http://www.partyofregions.org.ua">www.partyofregions.org.ua</a>	<a href="http://www.tymoshenko.ua">www.tymoshenko.ua</a> <a href="http://www.byut.com.ua">www.byut.com.ua</a>	<a href="http://www.arseniy.org">www.arseniy.org</a> <a href="http://www.frontzmin.org">www.frontzmin.org</a>	<a href="http://www.tigipko.com">www.tigipko.com</a>	<a href="http://www.kpu.net.ua">www.kpu.net.ua</a>	<a href="http://www.president.gov.ua">www.president.gov.ua</a> <a href="http://www.razom.org.ua">www.razom.org.ua</a>	<a href="http://www.lytvyn-v.org.ua">www.lytvyn-v.org.ua</a> <a href="http://www.narodna.org.ua">www.narodna.org.ua</a>

\* Information on financial sponsors is not purported to be accurate as by its nature it is based on unofficial information; it was culled from media reports, Concorde Capital sources and the blogs of Ukrainian political commentators and journalists. Note: Order according to results of most recent Research & Branding Group public opinion poll. Source: Selected data from candidate personal websites, party websites and media reports.

# First round: Yanukovych is in the driver's seat

Presidential poll dynamics, 2009



Notes: Sergiy Tigipko's ratings for Jan.-Sept. 2009 were not broken out by R&B Group. Tigipko's October 2009 rating was 3.6%.  
Source: Research & Branding Group

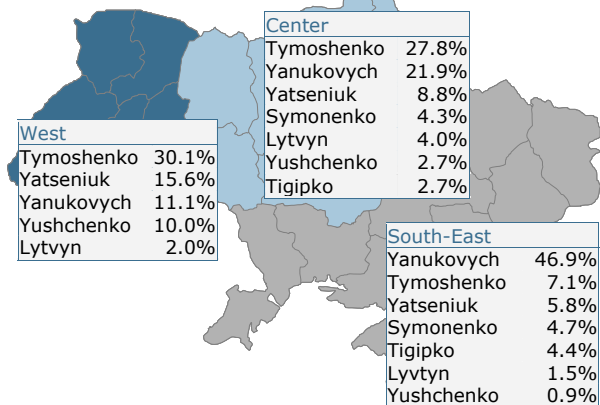
## Candidate registration status

**Already registered**  
 V. Yanukovich  
 A. Yatseniuk  
 P. Symonenko  
 V. Yushchenko  
 V. Lytvyn  
 S. Tigipko  
 A. Hrytsenko  
 O. Ryabokon  
 I. Bohoslovska

**Intends to run**  
 Y. Tymoshenko  
 O. Moroz  
 O. Tyahnybok  
 Y. Kostenko

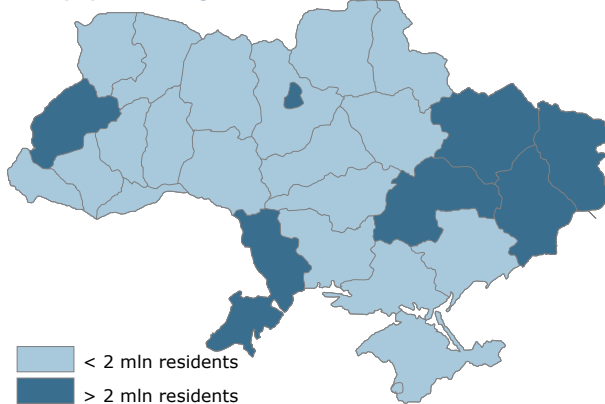
Note: Candidates registered as of October 29  
 Source: Central Election Commission

## Geographic breakdown of poll results



Source: Research & Branding Group, October 2009

## Most populated regions in Ukraine



Source: State Statistics Committee of Ukraine, as of Sept. 1, 2009

## First round overview

- Polls will be open January 17, 2010 from 8:00 to 22:00 Kyiv time
- If no candidate wins 50% or more votes, then the two highest polling candidates face off in a second round
- Campaign officially began October 19, 2009
- About 30 candidates are expected to compete
- Candidates must submit registration documents to the Central Election Commission by November 6
- Candidates must pay a deposit of UAH 2.5 mln (to be refunded only to the two candidates that make it to the second round) and submit an income declaration

Source: Central Election Commission, Law on Presidential Elections

## Poll conclusions

The most recent authoritative public opinion surveys are nearly unanimous in showing several key trends:

- Yanukovych has a strong foothold in Eastern Ukraine (Ukraine's most populated regions) and a comfortable lead. He should cruise into the second round of voting
- Tymoshenko has widened her hold on second place in recent months. She is Ukraine's best campaigner and is expected to keep distancing herself from the pack
- Yatseniuk, after his meteoric rise into third, has seen his polling numbers taper off. He was the earliest to start campaigning and is suffering from a love-it-or-hate-it militaristic campaign
- Yushchenko's ratings are still in the low single-digit gutter. He has yet to start his campaign, but widespread disillusionment after his failure to deliver on the promises of the Orange Revolution is a significant obstacle
- No candidate looks capable of drawing 50% of the vote, implying a second round of voting between the top two vote-getters from the first round

## Second round: Tymoshenko looks competitive

The most probable scenario for the second round is a face-off between Viktor Yanukovych and Yulia Tymoshenko. As in 2004, when Yushchenko won the second round with 51% of the vote, we see another close race. We look at each candidate's prospects for becoming Ukraine's fourth president since independence.

### Yanukovych is the early favorite

The most recent polls indicate that a majority of voters prefer Yanukovych in the second round over Tymoshenko.

#### Second round poll results round-up

Candidate	R&B Group	KIIS	FOM-Ukraine	SOCIS
Yanukovych	41.9%	36.3%	37.3%	40.3%
Tymoshenko	29.8%	27.1%	25.7%	32.6%
Against all	15.1%	21.4%	22.2%	17.0%
Undecided	6.5%	7.9%	7.7%	8.8%
Will not vote	6.7%	7.3%	7.1%	1.4%

Source: Research & Branding Group (October 12-22), Kyiv International Institute of Sociology (October 6-23), FOM-Ukraine (September 26-October 4), SOCIS (September 20-October 1)

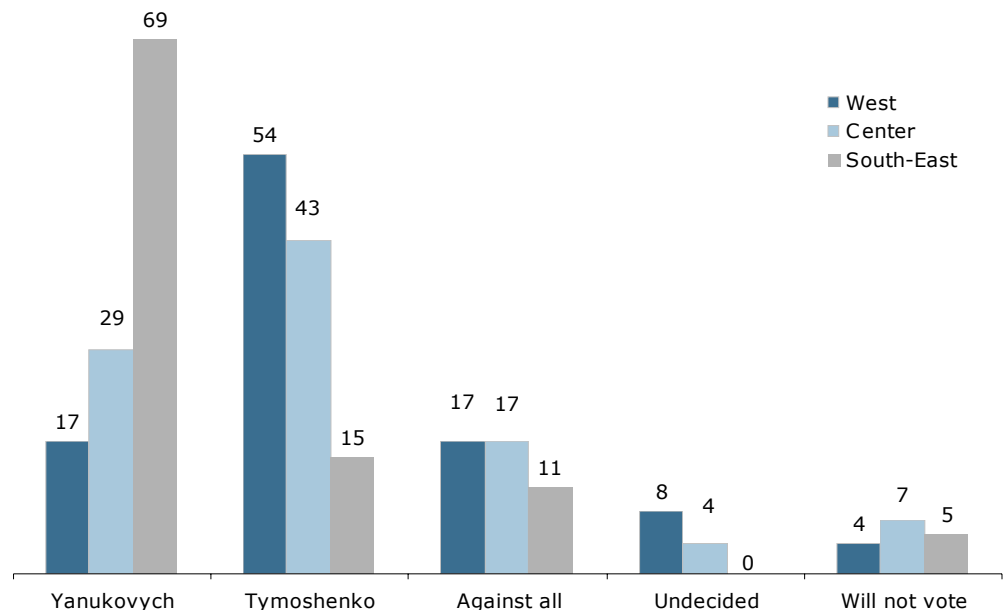
- **Strengths/Opportunities:** Working from opposition during economic crisis, strong consolidated electorate in most densely populated areas in Ukraine, sufficient financial resources, experienced advisors/team
- **Weaknesses/Threats:** More of a regional candidate, limited ability to convert votes in Western & Central Ukraine, voter turnout in Eastern Ukraine, Soviet-style propaganda campaign that is mimicking key issues from previous campaigns

### But Tymoshenko can't be counted out

In our view, Yulia Tymoshenko would be more competitive in the second round and, like Yanukovych, is also capable of drawing the slim majority of votes necessary to win.

- **Strengths/Opportunities:** High potential to convert votes from second & third tier candidates that do not make it to second round as well as undecided and against all voters, engaging modern election campaign, able to mobilize electorate, sufficient financial resources, experienced advisors/team
- **Weaknesses/Threats:** Blamed for economic situation as Prime Minister, must capture votes in fragmented Western & Central Ukraine

#### Geographic breakdown of second round poll results: Yanukovych vs. Tymoshenko, % of vote



Source: Research & Branding Group (October 2-12)

The runoff should take place three weeks after the first round, implying a February 7 date and mid-March inauguration.

## Post-election scenarios: Prospects for stability

There is reason to be cautiously optimistic that the deadlock that has plagued Ukrainian politics might be surmounted in short order after the final results, in our view. However, stability might be a long way off if the new head of state meets opposition in the Verkhovna Rada and is forced to call another pre-term parliamentary election.

In the event of a victory by either Viktor Yanukovich or Yulia Tymoshenko, note that both candidates will work to put in place a loyal team as soon as possible. In particular, at least one post the new president will nominate is the head of the National Bank of Ukraine, as the term of office for Volodymyr Stelmakh expires in December.

Importantly, both Yanukovich and Tymoshenko are expected to pursue broadly pragmatic policies that are: investment friendly and neither sharply pro-Western or pro-Russian.

Below we sketch out our view on post-election prospects for political stability if each candidate assumes office.

### Scenario 1. Yanukovich wins

If Viktor Yanukovich becomes president... he would be faced with a current majority coalition in the Verkhovna Rada, at least on paper, between the Yulia Tymoshenko Bloc, Our Ukraine and the Lytvyn Bloc; and a Cabinet of Ministers headed by Yulia Tymoshenko. We observe three likely outcomes in this event: (1) Yanukovich and Tymoshenko agree to cooperate on key issues and share power, (2) the Party of Regions secures a sufficient number of defectors from the Tymoshenko Bloc and Our Ukraine to form a workable majority coalition in the Verkhovna Rada and appoints a new Cabinet of Ministers, or (3) Yanukovich fails to negotiate for a friendly Rada configuration and dissolves parliament.

Of these three scenarios, we estimate that it is slightly more likely that Yanukovich would call for pre-term parliamentary elections in May-June 2010. In a live phone-in with daily Komsomolskaya Pravda Ukraine yesterday – Yanukovich said as much – hinting that he would call for a new parliament in 2010 in order to change the political situation and avoid elections for another five years. With early parliamentary elections, if Yanukovich-friendly parties can form a stable majority in the new Rada, we believe **Ukraine might see an effective and stable government as soon as July-August 2010.**

The other two scenarios, under which Yanukovich agrees with Tymoshenko to share power and she remains as Prime Minister or if the Party of Regions wins over defectors and forms a new majority coalition, present shaky prospects in terms of stability, and would be possible only after difficult negotiations. However, both scenarios might yield a workable government in April-May 2010.

### Scenario 2. Tymoshenko wins

If Yulia Tymoshenko becomes president... she would most likely find support in a rejuvenated majority coalition in the current Verkhovna Rada between her eponymous Yulia Tymoshenko Bloc, Our Ukraine and the Lytvyn Bloc. In addition, there is the chance the loss of Viktor Yanukovich in the election could lead to the formal splintering of the Party of Regions – with several deputies realigning with the majority coalition, further consolidating Tymoshenko's hold on power.

In terms of the post of Prime Minister – with the support of the Rada, Tymoshenko could see through the appointment of a Tymoshenko Bloc party member to the position of Prime Minister, or the post could be bestowed to a candidate from another party in exchange for their support.

With the Verkhovna Rada and the Cabinet of Ministers lining up behind Tymoshenko, we believe **Ukraine might see an effective and stable government in short order following inauguration in March.**

# Appendices

## Appendix 1: 2010 presidential election timeline

Date	Event
October 19	Election campaign officially began
October 20	Central Election Commission began accepting nominations for president
October 20 - November 6	Political party congresses
October 21-23	Constitutional Court to rule on constitutionality of contested articles in "Law on Presidential Elections" signed into effect in September
November 6	Central Election Commission deadline for accepting nominations for president
November 9	Deadline for candidates to submit registration materials to the Central Election Commission, which has five days to approve or reject nominations
November 11	Deadline for candidates to submit corrections to registration materials
November 13	Central Election Commission to finalize registration of nominations
November 18	Deadline for Central Election Commission to publish in official government newspapers list of registered candidates
January 2	Last day for public opinion polls to be published prior to election
January 15	Last day of official public campaigning
<b>January 17</b>	<b>Polling stations open from 8:00 to 22:00 Kyiv time</b>
January 27	Deadline for Central Election Commission to publish official voting results in official government newspapers. In the event one candidate wins outright in the first round, inauguration should take place no later than 30 days after the publication of official results
February 7	Potential date for second round of voting in the event one candidate does not win outright in the first round
February 17	Deadline for Central Election Commission to publish official voting results of second round in official government newspapers (if the second round of voting takes place on Feb. 7).
By March 17	Inauguration should take place no later than 30 days after publication of official voting results of the second round

Source: Central Election Commission



## Appendix 2: Recent presidential survey results

### Survey results round-up

#### First round survey results

Candidate	R&B Group	KIIS	FOM-Ukraine	SOCIS*
Viktor Yanukovich	31.4%	26.9%	26.8%	28.7%
Yulia Tymoshenko	18.4%	16.7%	15.6%	19.0%
Arseniy Yatseniuk	8.9%	6.2%	9.3%	8.2%
Sergiy Tigipko	3.6%	2.5%	1.6%	2.6%
Petro Symonenko	3.5%	3.2%	4.0%	3.6%
Viktor Yushchenko	3.5%	2.9%	2.2%	2.8%
Volodymyr Lytvyn	2.3%	1.4%	1.4%	2.8%
Against all	9.6%	12.1%	15.2%	9.4%
Undecided	9.0%	14.8%	13.9%	20.3%
Will not vote	6.8%	8.9%	6.7%	-

*Note: SOCIS adjusted their survey results to exclude respondents that did not intend to vote*

#### Second round survey results

Candidate	R&B Group	KIIS	FOM-Ukraine	SOCIS
Yanukovich	41.9%	36.3%	37.3%	40.3%
Tymoshenko	29.8%	27.1%	25.7%	32.6%
Against all	15.1%	21.4%	22.2%	17.0%
Undecided	6.5%	7.9%	7.7%	8.8%
Will not vote	6.7%	7.3%	7.1%	1.4%

### Survey notes

Research & Branding Group survey: Conducted October 12-22. 3,118 participants. Margin of error:  $\pm 2.2\%$ .

Kyiv International Institute of Sociology survey: Conducted October 6-23. 3,999 participants. Margin of error:  $\pm 2.3\%$

FOM-Ukraine survey: Conducted September 26-October 4. 1,000 participants. Margin of error  $\pm 4\%$ .

SOCIS survey: Conducted September 20-October 1. 5,009 participants. Margin of error:  $\pm 1.5\%$ .

## Appendix 3: The Orange Revolution

Ukraine's last presidential election in 2004 gave rise to the series of popular protests known as the Orange Revolution, which brought current Ukrainian President Viktor Yushchenko to power.

### Oct. 31, 2004. First round of voting

The initial vote of the 2004 presidential election was a near draw, with Viktor Yushchenko and Viktor Yanukovych neck-and-neck. As neither candidate exceeded the 50% barrier for an outright victory, a run-off was scheduled for November 21.

#### Top vote-getters in the first round of voting

Candidate	Total votes	% of the vote
Viktor Yushchenko	11,188,675	39.90%
Viktor Yanukovych	11,008,731	39.26%
Oleksandr Moroz	1,632,098	5.82%
Petro Symonenko	1,396,135	4.97%
Natalia Vitrenko	429,794	1.53%

*Note: Candidates that received over 1% of the total vote.*

*Source: Central Election Commission*

Irregularities in the voting process were observed during the first round, but as a run-off would be necessary in any event, the complaints were not pursued and both of the leading candidates turned their attention to the second round.

### Nov. 21, 2004. Second round of voting

In the follow-up vote, Viktor Yanukovych was pronounced the winner by the Central Election Commission. Notably, the results showed a clear east-west geographic divide in the support of each candidate.

#### Results of the second round of voting

Candidate	Total votes	% of the vote
Viktor Yanukovych	15,093,691	49.46%
Viktor Yushchenko	14,222,289	46.61%

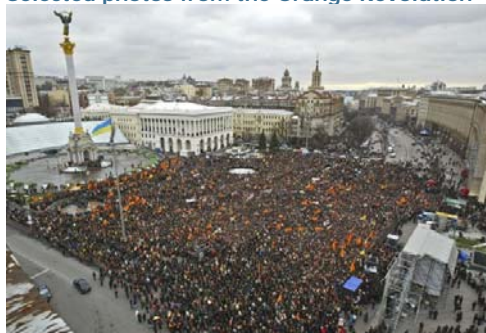
*Source: Central Election Commission*

International observers from the Organization for the Security and Cooperation in Europe (OSCE) cleared that the second round of voting fell short of international standards. Important irregularities were noted in the results: dramatic increases in turnout in Yanukovych-supporting regions vs. similar or lower turnout in Yushchenko-supporting regions, multiple absentee balloting, ballot stuffing, intimidation.

### Nov. 21, 2004. Popular protests begin

At dawn on election day, Viktor Yushchenko called for protests as rumors of fraud spread. The largest mass demonstration in support of Yushchenko took place on Kyiv's Maidan Nezalezhnosti (Independence Square), attracting up to a million participants at their height, according to media reports, in freezing weather; Yushchenko supporters remained on Maidan until his inauguration. Demonstrations in support of both candidates also took place in other Ukrainian cities.

#### Selected photos from the Orange Revolution



*Yushchenko supporters on Maidan*



*Yulia Tymoshenko symbolizing the peaceful protests*

### Nov. 26, 2004. Roundtable talks

Outgoing President Leonid Kuchma organized roundtable talks between Yanukovych and Yushchenko. International mediators such as Polish President Aleksander Kwaśniewski, Lithuanian President Valdas Adamkus, Russian Duma Speaker Boris Gryzlov, European Union's foreign policy chief Javier Solana and OSCE Secretary General Ján Kubiš also attended.

**Dec. 3, 2004. Supreme Court overturns second round results**

Ukraine's Supreme Court ruled on December 3 to throw out the results of the second round of voting due to widespread fraud. The Supreme Court ordered a rerun by December 26.

**Dec. 8, 2004. Verkhovna Rada votes on Constitutional reform**

The Verkhovna Rada voted on December 8 for sweeping Constitutional reform that moved the country from a strong presidential system to a semi-presidential system as part of a political compromise agreed to by Yushchenko, Yanukovych and Kuchma. The Rada also amended laws to provide for the legal basis to hold a rerun of the second round of voting.

**Dec. 26, 2004. Rerun of the second round of voting**

Yushchenko was declared the winner of revote. The OSCE and other local and international observers said the vote was free of massive irregularities.

**Results of the rerun of the second round of voting**

Candidate	Total votes	% of the vote
Viktor Yushchenko	15,115,712	51.99%
Viktor Yanukovych	12,848,528	44.20%

Source: Central Election Commission

**Voting by region in second rounds of voting**



Note: Colors represent regions where each candidate won a majority of votes  
Source: Central Election Commission

The Central Election Commission officially declared Viktor Yushchenko the winner on January 10 and published the final results on January 11. Yushchenko was inaugurated as Ukraine's third president on January 23.

## Appendix 4: Ukrainian political system

Ukraine is a semi-presidential republic. It declared independence from the Soviet Union on August 24, 1991. The government has three branches: executive, legislative and judicial. Ukraine has 24 oblasts (regions), one autonomous republic and two cities with special status. Ukraine's capital is Kyiv. Ukraine's current constitution was adopted June 28, 1996 and was amended December 8, 2004.

**Verkhovna Rada of Ukraine.** Ukraine's Verkhovna Rada (Supreme Council in Ukrainian) is a unicameral parliament with 450 seats. The Verkhovna Rada amends the Constitution of Ukraine, adopts laws, approves the state budget, ratifies and denounces international treaties, declares war and peace, and appoints officials and judges. The Verkhovna Rada can dismiss the Cabinet of Ministers. The Verkhovna Rada can override a presidential veto with a two-thirds majority. The Verkhovna Rada is presided over by a speaker. Seats in the Verkhovna Rada are distributed on a proportional basis among political parties based on the results of a nationwide vote (to parties whose vote total exceeds a 3% barrier).

**President of Ukraine.** Ukraine's president is the head of state. The Ukrainian president is elected by popular vote for a five-year term. The current president, Viktor Yushchenko, was inaugurated on January 23, 2005; his term expires January 23, 2010. The Ukrainian president has the power to:

- Guarantee independence, territorial integrity, national security, the Constitution of Ukraine and basic human rights and freedoms
- Disband the Verkhovna Rada if it does not form a majority coalition within a month, appoint the government within 60 days or convene for an ordinary session for 30 days
- Nominate several key government positions to the Verkhovna Rada for approval: the Prime Minister proposed by the majority coalition, the Minister of Foreign Affairs, the Minister of Defense, the Prosecutor General, Head of the Security Service of Ukraine (SBU), and Head of the National Bank of Ukraine
- Sign into effect or veto laws passed by the Verkhovna Rada
- Suspend acts passed by the Cabinet of Ministers if they contradict the Constitution of Ukraine and challenge the acts in the Constitutional Court

**Cabinet of Ministers of Ukraine.** Ukraine's Cabinet of Ministers is the highest body of executive power. Ukraine has 20 ministries and there are 25 positions in the Cabinet (including the Prime Minister and Vice Prime Ministers). Nominations to the Cabinet, made by the Prime Minister or President depending on the position, are affirmed by the Verkhovna Rada. The Cabinet of Ministers term is for the duration of the parliamentary convocation or coalition. In Ukraine, the Prime Minister is the head of the executive and presides over the Cabinet of Ministers. The Prime Minister is appointed by the Verkhovna Rada, following submission by the President of Ukraine of the nominee from the majority coalition in the Verkhovna Rada. The Prime Minister nominates the heads of government ministries, the State Property Fund, the Antimonopoly Committee to the Verkhovna Rada for approval. The current prime minister, Yulia Tymoshenko, was confirmed on December 18, 2007.

**Constitutional Court of Ukraine.** Ukraine's Constitutional Court is charged with interpreting the Constitution of Ukraine and decides whether laws and legal acts are unconstitutional. The court is composed of 18 judges, appointed in equal shares by the president, Verkhovna Rada and the Congress of Judges. Judges are currently appointed for a single nine-year term.

**Court system in Ukraine.** The judicial system in Ukraine has four levels of courts of general jurisdiction: local courts, appeals courts, high courts and the Supreme Court. High courts include the High Administrative Court of Ukraine, which rules on administrative cases, and the High Economic Court of Ukraine, which rules on economic and commercial cases. The highest level is the Supreme Court of Ukraine. Supreme Court appointments are made by parliament and have no term limits. The Supreme Court is regarded to be an independent and impartial body.

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