

## Beatings, framings and industrial chicken farms: a human rights briefing on MHP projects and international public finance in Ukraine

For more information

**Vladlena Martsynkevych**  
Caucasus & Central Asia officer  
vladlena@bankwatch.org

**Fidanka Bacheva-McGrath**  
EBRD policy officer  
fidankab@bankwatch.org

Ukrainian company Myronivsky Hliboproduct PJSC, typically known as MHP, is a long-term client of both the European Bank for Reconstruction and Development (EBRD) and the World Bank Group's International Finance Corporation (IFC). On 28 October 2015 the bank approved a USD 85 million Corporate Support Loan<sup>1</sup> to support agricultural working capital needs. Previously the company received USD 100 million from the EBRD in 2013 to finance acquisition of agricultural and grain infrastructure and capital expenditures related to agricultural equipment for MHP Group's agricultural farming operations in Ukraine, as well as USD 65 million in 2010 for the client's expansion strategy and to ensure market expansion and competition. The IFC has supported MHP with five loans totalling USD 321 million. MHP has been the IFC's client since 2003 with several hundred million invested in through a series of loans and equity investments providing support for activities including among others, chilled poultry distribution and sunflower feed technology development, expansion of existing and construction of new facilities in MHP's integrated poultry operations, cultivation of up to 120,000 additional hectares, a guarantee in connection with a 5-year lease made to MHP by ING LU for the purchase of farming equipment and machinery.

MHP development has faced local opposition in a number of communities. Activists leading the opposition to MHP operations seem to have been framed for drug-related offences and/or beaten. Information on the incidents listed below is available in the public domain, however, they show only the tip of the iceberg. Numerous allegations by critical voices and leading activists against MHP's expansion of intimidation, harassment and threats have been brought to Bankwatch's attention. The testimonies implicate both fellow villagers who support MHP and the company's employees and security personnel. This kind of pressure has rarely resulted in formal complaints. Bankwatch is, however, aware of at least one occasion when community activists explicitly requested from the company that it ensure that the pressure stop, and the company did not acknowledge this request or give a sign that it is acting on it, meanwhile the intimidation continued.

<sup>1</sup> <http://www.ebrd.com/work-with-us/projects/psd/mhp-corporate-support-loan.html>

## Opposition to MHP projects

Communities in the regions where MHP is present are regularly raising concerns about environmental and social issues around MHP operations. MHP is now planning expansion in four regions (Dnipropetrovsk, Vinnytsya, Cherkasy and Kyiv oblasts); its operations are set to impact new communities and local opposition has been building. In March 2015 in Yabluniv village (Cherkasy region), people at a village public hearings voted against the construction of the poultry farm<sup>2</sup>. MHP ignored the decision and went ahead with the construction of the poultry rearing house. In the summer of 2015 in the villages of Shandry and Maslivka (Kyiv region)<sup>3</sup>, signed a petition opposing MHP construction. In Chetvertynivka village (Vinnytsya region), at a public meeting the community voted against construction. MHP still attempted to build and locals responded with a road blockade on 3–5 November 2015.<sup>4,5</sup> Following sustained protests, the company finally agreed not to construct in Chetvertynivka without community approval and signed a Memorandum of Understanding to this effect.

## Spate of beatings and framings of activists opposing MHP projects

On the morning of 25 November 2015, shortly after resolution of the road blockade, a local farmer from Chetvertynivka village involved in the blockade, Volodymyr Sukhopara, was accosted by two unidentified assailants. The assailants knocked on the window of his vehicle at the Ladyzhyn city market and told him his car had a flat tire. When he got out to check the tire, he was attacked by the men using brass knuckles. He sustained injuries including a broken eyebrow bone and requiring stitches to his left eye.<sup>6</sup>

On 21 November 2016, a leading activist, who was travelling to a study trip on sustainable agriculture organised by CEE Bankwatch Network partners, was stopped at the Riga international airport following an anonymous telephone tip-off to the airport authorities coming from Ukraine. The Latvian airport authorities found amphetamines in his luggage and detained the activist on suspicion of drug trafficking. The authorities quickly concluded however that the drugs were more than likely planted on the individual and released him within 48 hours. The Latvian authorities are continuing their investigation into who was behind the anonymous tip-off.<sup>7</sup>

2 <http://dzvin.news/nasha-ryaba-oskarzhyt-provalni-sluhannya-za-dopomohoyu-lystiv-trudyaschyh-dokumenty/>

3 <http://www.mironovka.in.ua/maslivchany-pidgotuvaly-lyst-vidpovi/>

4 <http://lad.vn.ua/suspilstvo/chetvertynivka-zbuntuvalasya-proti-budivnictva-drugoi-cherghi-ptashnikiv-na-svoih-zemlyah.html>

5 <http://lad.vn.ua/skandaly/nn.html>

6 <http://lad.vn.ua/skandaly/pobito-aktivista-protestiv-proti-budivnictva-ptashnikiv-na-vinnichchini-peremirya-zirvano.html>

7 Unpublished, the name of the activist is being withheld while the investigation is on-going

On 13 October 2015, Andrii Skakodub, an investigative journalist and activist who has been working with and supporting the Ladyzhyn community members opposed to the MHP development was contacted by some unknown individual about information the individual would like to share on local election fraud – an unrelated issue that Mr. Skakodub has also been following as a journalist. The meeting was to be in the city in broad daylight right by a school. The person never showed up. Two unknown assailants in their mid-twenties approached Mr. Skakodub and, without saying a word, punched him several times with brass knuckles. They did not try to steal anything from him even though he had both a camera and money on him.<sup>8</sup>

According to witnesses, on 21 December 2015, Vasyl Tkachenko, head of the Yasnoziryia village local council was attacked by two unknown assailants in broad daylight in the building of the local administration. Mr. Tkachenko had been actively involved in opposing construction of an MHP industrial chicken farm in his Cherkassy county village. Mr. Tkachenko was hospitalised for nearly a month sustaining injuries including a broken nose, a concussion and bruises and swelling across his head.<sup>9</sup> As of the end of 2016, two boxers from Vinnytsya are on trial for a lesser charge of hooliganism for the attack of Mr. Tkachenko.<sup>10</sup> Mr. Skakodub and Mr. Sukhopara recognised the two suspects on trial from photos on facebook as the same people who attacked them. They have approached the authorities requesting a police lineup to identify the assailants.<sup>11</sup>

On 6 January 2017 Olexander Chaykovsky was acquitted by the Ladyzhyn municipal court of all charges that were brought before the court against him.<sup>12</sup> He had been accused of dealing in narcotics based on marihuana and money found in his home following a police search of the home on June 16, 2014. Hearings for an appeal filed by the prosecution against Ladyzhyn municipal court decision started on 23 February 2017<sup>13</sup>, the hearings are still on-going at the time of writing of this briefing. Mr. Chaykovsky was beaten by the police at the time of his arrest on the same day. Mr. Chaykovsky had been active in fighting for workers' rights and organising a labour union in MHP's factory in Ladyzhyn.<sup>14,15</sup>

MHP denies any connection to any of the attacks or framings listed above. At the same time, the only known and clear common thread among all the events listed is that they involve people who were unhappy with MHP projects and were prominent leaders in movements challenging MHP developments. The EBRD can no longer turn a blind eye to links between these abuses and its client.

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8 <http://lad.vn.ua/skandaly/ladizhinskii-pravozahisnik-andrii-skakodub-stav-zhertvoyu-nevidomih-zlochinciv.html>

9 <http://dzvin.news/nevidomi-sered-biloho-dnya-pokalichyly-holovu-sela-yasnoziryia/>

10 <http://dzvin.news/u-cherkasah-rozpochavsya-sud-nad-kryvdnykamy-holovy-sela-yasnoziryia/>

11 unpublished

12 <http://lada.fm/2017/01/10/sud-vipravdav-oleksandra-chaykovskogo.html>

13 <http://lad.vn.ua/blog/chaikovskiy/prokuratura-oskarzhue-virok-sudu-i-podala-apelyaciyu-na-30-arkushah.html>

14 <http://lada.fm/2014/07/17/u-ladizhin-zatrimano-mscevogogromadskogo-aktivsta-zapdozroyu-u-torgvl-narkotikami.html>

15 <http://khpg.org/index.php?id=1434919164>

## Recommendations to the EBRD and IFC

1. In recognition of the mounting evidence pointing to MHP, the EBRD and the IFC no longer accept the company's denials and order a thorough, transparent and independent investigation into the relationship between these and any other related attacks and framings and its client MHP,
2. Instruct their client to cooperate with relevant authorities in investigation,
3. The EBRD and IFC revise their protocols on how they deal with clients when allegations of intimidation or harassment occur by including a mechanism of independent verification and assessment of the allegations that looks to determine if there are possible links,
4. The EBRD and IFC strengthen their human rights due diligence of clients applying for loans for projects falling under category A or B, and request human rights and social impact assessment for both specific projects and the client's operations more widely,
5. No further disbursements be made to MHP or loan agreements be signed with MHP until a thorough, transparent and independent investigation has been carried out and, if links have been determined, a corrective action plan is in place to both bring to justice anyone responsible for abuses and compensate victims of those same abuses.