

11<sup>TH</sup> YALTA EUROPEAN STRATEGY  
ANNUAL MEETING

**NEW UKRAINE  
NEW EUROPE  
NEW WORLD**

**BUILDING AND DEFENDING**

MYSTETSKYI ARSENAL, KYIV, UKRAINE,  
September 11—13, 2014

**CONFERENCE REPORT**



### Dear Presidents, dear friends,

For ten years we have been meeting in Yalta, in Crimea, in Ukraine, in the historical Livadia Palace, and now history has come to us. Ukrainians died for the values, they died for our country. And this picture which was created by one of the most important artists of our times Damien Hirst reminds us about those who died for Ukraine. This flag in Ukrainian colours reminds us of their souls. And for the first time since the whole history of the YES Annual Meetings I ask you to commemorate with a moment of silence the memory of those who died...

Due to circumstances YES should become now an appeal to action for peace, rescue and building a new Ukraine. This YES meeting is aimed to discuss what kind of state Ukraine should become. From now Ukraine is a new country which can be built with the help of citizens, civil society and soldiers. The Yalta conference of 1945 was held at the end of the war to reorganize the post-war order. I pray for the end of our war. And we can help to build the post war settlement, much more just than the one concluded in 1945, for great successful modern Ukraine, Europe and the world.

I am grateful that our President, Petro Poroshenko, agreed to open our conference. Mr. President, your presence here today is very special, as no other leader in the world has such a responsibility on his shoulders as you have now. Thank you very much. I am also grateful to President of Estonia Toomas Hendrik Ilves and President of the European Parliament Martin Schulz - friends in need are the friends indeed. Thank you so much.

I wish everybody two efficient and successful working days of the conference.

*Victor Pinchuk, Founder and Member of the Board, Yalta European Strategy*



## AGENDA

11<sup>TH</sup> YES ANNUAL MEETING  
SEPTEMBER 11—13, 2014  
MYSTETSKYI ARSENAL, KYIV, UKRAINE

## NEW UKRAINE, NEW EUROPE, NEW WORLD: BUILDING AND DEFENDING

THURSDAY, SEPTEMBER 11

Moderator:  
**Chrystia Freeland**, Member of the Parliament of Canada

19:30-19:40

### WELCOMING REMARKS

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**Aleksander Kwaśniewski**, President of Poland (1995-2005);  
Chairman of the Board, Yalta European Strategy

**Štefan Füle**, Commissioner for Enlargement and European  
Neighbourhood Policy, European Commission

19:40-20:30

### WHAT DOES MAIDAN MEAN?

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**Vitali Klitschko**, Mayor of Kyiv; Head of the "UDAR" Party

**Serhiy Taruta**, Head, Donetsk Regional State Administration

**Sviatoslav Vakarchuk**, Front Leader, "Okean Elzy"; Founder,  
Foundation "People of the Future"

FRIDAY, SEPTEMBER 12

Moderators:  
**Chrystia Freeland**, Member of the Parliament of Canada  
**Stephen Sackur**, Presenter, HARDtalk, BBC World News

09:00-09:10

### Conference Opening WELCOMING REMARKS

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**Victor Pinchuk**, Founder and Member of the Board, Yalta  
European Strategy

09:10-10:30

**OPENING SPEECHES, CONVERSATION AND Q&A**

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**Petro Poroshenko**, President of Ukraine**Toomas Hendrik Ilves**, President of the Republic of Estonia**Martin Schulz**, President of the European Parliament

11:15-12:05

**GLOBAL ECONOMY AND GEOPOLITICAL RISKS –DISRUPTIONS FROM BATTLEFIELD UKRAINE**

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**Lawrence H. Summers**, Charles W. Eliot University Professor, Harvard University**Dominique Strauss-Kahn**, Chairman, Leyne Strauss-Kahn & Partners;**Managing Director**, International Monetary Fund (2007-2011)*Remarks:**Ronnie C. Chan*, Chairman, Hang Lung Properties Ltd.*Ruslan Grinberg*, Director, Institute of Economics, Russian Academy of Sciences*Working Lunch*

12:05-13:35

**MEDIA AND DIGITAL COMMUNICATION IN REVOLUTION AND WAR: INFORMATION AND DISINFORMATION**

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**Toomas Hendrik Ilves**, President of the Republic of Estonia**Yevgenia Albats**, Editor-in-Chief, The New Times, RF**Mustafa Nayyem**, Co-Founder and Editor-in-Chief, Hromadske TV**Gideon Rachman**, Chief Foreign Affairs Commentator, Financial Times**Jimmy Wales**, Founder, Wikipedia and Wikimedia Foundation*Remarks:**Shaun Walker*, Moscow Correspondent, The Guardian

- 13:35-14:35**
- War in Ukraine  
**CAN IT BECOME EUROPEAN? GLOBAL?  
AND HOW CAN WE END IT?**
- 
- Gen. Wesley Clark**, (US Army, Retired), President, Wesley K. Clark & Associates; NATO Supreme Allied Commander (1997-2000)
- Joschka Fischer**, Managing Partner, Joschka Fischer & Company; Vice Chancellor and Minister of Foreign Affairs of the Federal Republic of Germany (1998 - 2005)
- Ihor Smeshko**, President, Centre for Strategic Studies and Analysis
- Remarks:*  
*Judith Miller*, Contributor, Fox News  
*Yulia Tymoshenko*, Head of the "Batkivshchyna" Party; Prime Minister of Ukraine (2007-2010)
- 14:35-15:15**
- HOW CAN BUSINESS CONTRIBUTE TO FINDING PEACE FOR UKRAINE**
- 
- Richard Branson**, Founder, Virgin Group
- 15:45-16:45**
- FRIENDS, ENEMIES, ALLIANCES OF THE FUTURE – WHO WITH WHOM AGAINST WHOM?**
- 
- Ronnie C. Chan**, Chairman, Hang Lung Properties Ltd.
- Niall Ferguson**, Laurence A. Tisch Professor of History, Harvard University
- Joschka Fischer**, Managing Partner, Joschka Fischer & Company; Vice Chancellor and Minister of Foreign Affairs of the Federal Republic of Germany (1998 - 2005)
- 17:15-18:15**
- ENERGY SECURITY: NOW A QUESTION OF LIFE AND DEATH**
- 
- Miroslav Lajčák**, Deputy Prime Minister, Minister of Foreign and European Affairs of the Slovak Republic

**Carlos Pascual**, Senior Scholar and Fellow, Columbia University; Special Envoy and Coordinator for International Energy Affairs, U.S. Department of State (2011-2014)

**Yuriy Prodan**, Minister of Energy and Coal Industry of Ukraine

**Maxim Timchenko**, Chief Executive Officer, Chairman of the Management Board, DTEK

**Igor Yurgens**, Chairman of the Management Board, Institute for Contemporary Development

*Remarks:*

*Sandra Kalniete*, Member of the European Parliament; Vice President, Group of the European People's Party

*Graham Tiley*, Vice-President on Exploration and Production, Shell Ukraine Exploration and Production I LLC

18:30-19:30

## FROM YALTA VIA BUDAPEST TO YALTA – GLOBAL SECURITY BREAKDOWN?

**Valeriy Chalyi**, Deputy Head, Administration of the President of Ukraine

**Gen. Wesley Clark**, (US Army, Retired), President, Wesley K. Clark & Associates; NATO Supreme Allied Commander (1997-2000)

**Mohamed ElBaradei**, Acting Vice President of Egypt (2013); Director General, International Atomic Energy Agency (1997-2009); Nobel Peace Prize Laureate (2005)

**Leonid Kuchma**, President of Ukraine (1994-2005)

**Javier Solana**, President, ESADE Center for Global Economy and Geopolitics; Member of the Board, Yalta European Strategy

*Remarks:*

*Wolfgang Ischinger*, Chairman, Munich Security Conference

20:10-22:30  
Dinner Speech  
**WORKING TOGETHER FOR A UNITED UKRAINE  
IN A UNITED CONTINENT**

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**José Manuel Barroso**, President of the European Commission

**SATURDAY, SEPTEMBER 13**

Moderators:

**Chrystia Freeland**, Member of the Parliament of Canada  
**Stephen Sackur**, Presenter, HARDtalk, BBC World News

09:00-09:45  
Opening Speech  
**BUILDING NEW UKRAINE**

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**Arseniy Yatsenyuk**, Prime Minister of Ukraine

10:15-11:15  
Ukraine's Economy and Institutions  
**REFORM NOW - OR COLLAPSE**

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**Anders Åslund**, Senior Fellow, Peterson Institute for International Economics

**Valdis Dombrovskis**, Member of the European Parliament, Group of the European People's Party; Prime Minister of Latvia (2009-2014)

**Valeria Hontareva**, Head, National Bank of Ukraine

**Dmytro Shymkiv**, Deputy Head on Holding Administrative, Social and Economic Reforms, Administration of the President of Ukraine

*Remarks:*

*Paige Alexander*, Assistant Administrator, Bureau for Europe and Eurasia, U.S. Agency for International Development (USAID)

*Andrej Plenkovič*, Member of the European Parliament; Vice-Chair, Committee on Foreign Affairs of the European Parliament



11:45-12:45

### ASSOCIATION AGREEMENT WITH THE EU AND STRONG RELATIONS WITH RUSSIA – DIFFICULT? OR IMPOSSIBLE?

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**Cevdet Yılmaz**, Minister of Development of the Republic of Turkey

**Štefan Füle**, Commissioner for Enlargement and European Neighbourhood Policy, European Commission

**Pavlo Klimkin**, Minister of Foreign Affairs of Ukraine

**Igor Yurgens**, Chairman of the Management Board, Institute for Contemporary Development, RF

*Remarks:*

*Elmar Brok*, Member of the European Parliament;

*Chair, Committee on Foreign Affairs of the European Parliament*

12:45-13:00

### WIKIPEDIA AWARD CEREMONY

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Working Lunch

13:00-14:30

### TOWARDS RECONCILIATION

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**Tony Blair**, Patron, Tony Blair Faith Foundation; Prime Minister of the United Kingdom (1997-2007)

14:30-15:30

### STRENGTH VIA DECENTRALIZATION

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**Mustafa Dzhemilev**, Member of the Parliament of Ukraine; Chairman of the Mejlis of the Crimean Tatar People (1991-2013)

**Volodymyr Hroisman**, Vice Prime Minister, Minister of Regional Development, Building, Housing and Communal Services of Ukraine

**Yves Leterme**, Secretary General, International IDEA; Prime Minister of Belgium (2009 – 2011)

**Roger Myerson**, Professor of Economics, University of Chicago; Nobel Memorial Prize Laureate in Economic Sciences (2007)

**Timothy Snyder**, Professor of History, Yale University

**Serhiy Taruta**, Head, Donetsk Regional State Administration

16:00-17:00

### **FIGHT CORRUPTION, INTRODUCE THE RULE OF LAW: FINALLY WALK THE WALK**

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**Katya Gorchinskaya**, Deputy Editor-in-Chief, Kyiv Post

**Tomas O. Melia**, Deputy Assistant Secretary, Bureau of Democracy, Human Rights and Labor, U.S. State Department

**Pavlo Sheremeta**, Minister of Economic Development and Trade, Ukraine (2014)

**Vitaliy Shabunin**, Chairman of the Board, Anticorruption Action Centre

17:30-18:30

### **PARLIAMENTARY ELECTIONS: BREAKTHROUGH OR ENTRENCHMENT OF THE OLD?**

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**Anatoliy Grytsenko**, Member of the Parliament of Ukraine; Head of the "Civic Position" Party

**Oleh Liashko**, Member of the Parliament of Ukraine; Head of the Radical Party of Ukraine

**Yuriy Lutsenko**, Advisor to the President of Ukraine; Head of the "Bloc of Petro Poroshenko" Party

18:30-19:15

### **CLOSING SESSION**

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**Aleksander Kwaśniewski**, President of Poland (1995-2005); Chairman of the Board, Yalta European Strategy





## OPENING DAY

### Thursday, September 11 WELCOMING REMARKS

#### SPEAKERS:



**Aleksander Kwaśniewski**

President of Poland (1995-2005); Chairman of the Board,  
Yalta European Strategy



**Štefan Füle**

Commissioner for Enlargement and European Neighbourhood Policy,  
European Commission

#### MODERATOR:



**Chrystia Freeland**

*Member of the Parliament of Canada*

2014 was a year of dramatic shifts in both the internal and foreign political situation of Ukraine. The war in Donbas, following Maidan, created fundamental questions which are still unanswered. Aleksander Kwaśniewski stated that the main themes of the Yalta European Strategy Meeting would be peace, Ukraine's European ambitions, and relations with Russia.





*This will be our contribution to the political debate about the future of Europe, Ukraine and the world ... we want everybody to hear our voice: we need a dialogue, we need peace, we are against violence.*

**Aleksander Kwaśniewski**

*We have not forgotten about Crimea. It will always remain on the radar of our policy until international law is fully restored.*

**Štefan Füle**

As Štefan Füle noted, Maidan, the annexation of Crimea and war in Donbas share a perspective – all these events can be viewed through the lenses of democracy and rule of law. They are about people striving for a better life and some political leaders uninterested in establishing accountability and transparency. In this situation the EU supports Ukraine in making its sovereign choice. Prospects of Ukrainian crisis are not just about war and peace in a separate state, but about the future of Europe, united under the values of democracy, rule of law and human rights. Thus, Russia's denial of Ukraine's freedom of choice is viewed by Štefan Füle as to return to traditions of spheres of influence and zero-sum games, which he considers counter-productive and out-dated. Instead, Štefan Füle stated that respect could be regained through cooperation. He also urged Ukrainian authorities to maintain contact with the population of Eastern Ukraine, as Maidan values have been about uniting the country, not dividing it.

*...fast, decisive actions are to be taken, so as not to lose the moment created by Maidan, and the change in government in Ukraine.*  
**Serhiy Taruta**



## Thursday, September 11

# WHAT DOES MAIDAN MEAN?

### SPEAKERS:



#### **Vitali Klitschko**

Mayor of Kyiv; Head of the “UDAR” Party



#### **Serhiy Taruta**

Head, Donetsk Regional State Administration



#### **Sviatoslav Vakarchuk**

Front Leader, “Okean Elzy”; Founder, Foundation “People of the Future”

The role of Maidan was discussed during the session where mayor Vitaly Klitschko stated he believes Ukrainians had defended their right to live in normal European conditions, based on European standards. More than a hundred people gave their lives so that these changes could happen in our country.

He made the point that the current conflict in the East of Ukraine is artificial, as without external support, without arms from abroad, without mercenaries, this conflict would have never happened.


The regions of Ukraine need more financial and administrative autonomy, stated Serhiy Taruta. He believes that all regions should enjoy special status, not only Donbas. We have to transfer powers to the regions – and even to the local level right down to villages and districts, not just the regions – so that instead of seeking happiness in Kyiv or coming to protest to Kyiv, our people would strive for reform at the local level. It will be of benefit to all our people to really think about who to elect, who offers them the most efficient management, what kind of police they need, and what sort of public administration would best suit them.

Mr. Taruta also told the audience, that Donbas has split into two parts - the part under our control, where everything is quiet, and a part with a lot of suffering, very severe destruction, and people dying at the hands of terrorists and gunmen.

The Head of the Donetsk Region State Administration stressed that the world had to know the facts about what is happening in Ukraine. We must make sure that we come out of this trouble stronger, that the region is not left in economic ruin.


Our opponents do not really want any territory, rather they seek to destroy the key industrial centre of Ukraine, and leave us weak to be unable to attract inward investment and reform our country. Mr. Taruta underlined that to make sure this does not happen, we need to make decisions quickly, to make the changes needed for political and economic reform so we can raise the capital funds we'll need to refurbish the country.

The political elites must listen to the people of Donbas and pay attention to their fate in order to effect real, quality changes of Ukrainian society, summarized Sviatoslav Vakarchuk. He emphasized that nothing was done for 23 years to stop the situation that is happening today. He agreed with the previous speaker when he described in what disastrous conditions the people in the Donbas live and that their mindset has been affected not only by the propaganda but also by the irresponsible treatment of the local political and economic leaders. Mr. Vakarchuk also stated he believes it is possible to restore the infrastructure of the region and to stop the war, but he wonders how easy it would be to restore the faith of the population of Donbas, that has been suffering ruin not just for the past couple of months, but for 23 years, when the political elites were doing nothing but using those people.



*These people need a decent human future, but if we act the way we have been acting for 23 years, without caring about the fate of the people in Donbas, we will change nothing.*

**Sviatoslav Vakarchuk**



*I am sure that we, Ukrainians will be united... What matters is our European future, and I am confident that we will be able to make it happen.*

**Vitali Klitschko**

DAY 1

Friday, September 12

## OPENING SPEECHES, CONVERSATION AND Q&A

### SPEAKERS:



**Petro Poroshenko**

President of Ukraine



**Toomas Hendrik Ilves**

President of the Republic of Estonia



**Martin Schulz**

President of the European Parliament

The conference began with President Poroshenko's address emphasizing that we all should remember what price Ukrainian people have already paid for having an opportunity to live in a different country, Ukrainians passed one of the most difficult exams in their lives for being European, but he believes we have a lot to be positive about as the country has started to be more democratic and we have more freedom. We also have a much better relationship with our partners from the European Union. They started to be our real partners, demonstrating how close Ukraine is now for them, for each of the leader, for each European country. The European Parliament has passed in such a short time the preparation work for the ratification of our historic Association Agreement.



*I'm increasingly upset by the arguments made in Europe... that democratic liberal Europe of course, is part of Russia's sphere of influence. It's a tragedy of great powers talking like that; well, it was really Europe's fault that Ukraine is in that.*

**Toomas Ilves**





*...we are not defending only Ukrainian territory and Ukrainian sovereignty we are defending our values. And that is why we are stronger than anybody else.*

**Petro Poroshenko**

Mr. President underlined how important it is for Ukrainians to be together, to be united. We can win only when we are united under any circumstances. Understanding that we are not alone in this very difficult struggle for our freedom and democracy is crucial. President Poroshenko stressed that only now we are starting to understand how important security is, that is why we also hope to get a very important status for us in the near future,- major non-NATO ally. He pointed that the fight against corruption is as important as the fight for peace.

President Poroshenko completed his speech saying that he is absolutely sure that in the future we would have the possibility to return Yalta conference back to Yalta.

President Ilves continued the discussion underlying that the old rules unfortunately no longer apply and the fundamental architecture of security in Europe is gone. The annexation of territory on the basis of co-ethnics abroad, otherwise known as Anschluss, which we saw with the Sudetenland and now having thought this was gone forever. We have seen this happen in Ukraine. We have just seen in that annus horribilis 2014 the fundamental basic core tenets of security in Europe just thrown out of the window.

President Ilves underscored that it is impossible to have the reform process in the country when you have a war. It is an Herculean task to be able to try to reform your country domestically while you are fighting a war on your own territory, he added.

## DAY 1

President Schulz began his address with the statement that a year ago he could not have imagined that twenty five years after the end of the Cold War, the fear of war could return to Europe and that principles we have come to accept as self-evident could be put into question again. The President continued that he never could have imagined that people in Europe would be denied to decide their own destiny; that borders in Europe could again be redrawn by force; that the architecture of peace we had built together after the Cold War could come under attack. And that the principle “might makes right” could again take precedence over the rule of law.

The European Union rightly condemned the annexation of Crimea as a violation of international law. And the European Parliament has continuously urged Russia to stop all hostilities, to stop the flow of arms, equipment and personnel into the region, and to withdraw its troops from Ukraine without delay. President Schulz underlined that there is no choice but to keep on talking to Russia while making it very clear that there would be no return to “business as usual” with Moscow before a sustainable solution to the crisis is found.

Mr. President highlighted that the European Union is in to support Ukraine for the long-run. But this support does not come unconditionally - it is based on the expectation that Ukraine continues on the path of reform it has embarked on so courageously: strengthening the rule of law; reforming electoral law; engaging in comprehensive constitutional reform; eliminating endemic corruption; and guaranteeing human rights and minority rights.





*The peaceful revolution which started on Maidan will only be finished when the demands of the Ukrainian people have been heard and this ambitious reform program has been accomplished. Current Ukrainian leaders cannot afford to fail in this task and to waste this historic opportunity.*

**Martin Schulz**





*The economic challenges of Ukraine were not made in a short period and therefore cannot be solved quickly. In this case Ukraine could look more at reforming rather than quick fixes.*

*Lawrence H. Summers*

Friday, September 12

## GLOBAL ECONOMY AND GEOPOLITICAL RISKS – DISRUPTIONS FROM BATTLEFIELD UKRAINE

### SPEAKERS:



**Lawrence H. Summers**

Charles W. Eliot University Professor, Harvard University



**Dominique Strauss-Kahn**

Chairman, Leyne Strauss-Kahn & Partners;  
Managing Director, International Monetary Fund (2007-2011)

### REMARKS:



*Ronnie C. Chan, Chairman, Hang Lung Properties Ltd.*  
*Ruslan Grinberg, Director, Institute of Economics,  
Russian Academy of Sciences*

The state of the global economy was evaluated as not in very good health, and the consequences of economic weakness are still on board for most of the countries. Mr. Strauss-Kahn estimates that the US economy is in a better state than the European, and although Chinese growth rate in the coming years is not as big as in the past it still is reasonable. He also finds frightening the expected drop in investments and inflation, and therefore the situation might worsen in Europe. Due to the economic sanctions Russians might also face the economic decline. Dr. Summers stated that to realize the world's growth potential it is essential to have a comprehensive set of pro-investment measures directed in raising demand realization and supply potential.

Dr. Summers thinks that it is more important for Ukraine what happens in Ukraine and this region than the global economy state. He believes that the economic outcomes are most important. As an example, Dr. Summers mentioned the Cold War when the key role played success of the market economy, rising standards of living rather than the application of military force. And this is the case for Ukraine today.

Both Mr. Strauss-Kahn and Dr. Summers emphasized the importance to concentrate on what is done for Ukraine rather than what is done to Russia in response to the current events. Ukraine needs help with reforms, recent challenge on access to energy, the debt problem and other threats associated with the conflict with Russia. Mr. Strauss-Kahn thinks that Europeans and Americans are strong in doing things to Russia, but weak in helping in Ukraine.

According to Dominique Strauss-Kahn the challenge of access to energy resources and the conflict with Russia in general will worsen the economic situation in Ukraine (and in Europe). Dr. Summers thinks that to improve the economic situation in Ukraine it is critical to make a comprehensive strategy now, when the global focus is on Ukraine. Mr. Grinberg also supported this point and stressed the necessity for the plan to be created already. Mr. Summers has no doubt in Ukraine's potential, but underlined that it is Ukraine's obligation to use the resources in a right way.

Ronnie Chan thinks that although politically Ukrainians look at Europe, the economic future of Ukraine lies in Asian direction and China in particular.

Separate attention was paid to the question of economic sanctions against Russia. Mr. Strauss-Kahn underlined that he finds the sanctions effective and definitely legitimate, but at the same time he does not think that they might change Russian attitude dramatically.



*Economically Ukraine is on the East,  
although in their hearts Ukrainians  
are on the West.*

*Ruslan Grinberg*

## DAY 1

Different speakers also concentrated on what else the sanctions can influence. Mr. Strauss-Kahn believes that it has to be taken into consideration – the more sanctions are implemented the closer Russia becomes to China. Also Mr. Grinberg underlined that additional sanctions will increase anti American moods among Russians.

All the speakers and commentators were united in a thought that there is no military solution for the conflict between Ukraine and Russia, therefore the negotiations are vitally important and the solutions should be searched also in terms of economics.

Mr. Grinberg thinks that Donbas has to stay as a part of Ukraine otherwise it is impossible to forecast the scenarios. It should be given maximum autonomy (possibly unique) but he does not see till the end the technique of such decision, nevertheless he is absolutely sure that it will work out at the end.

Mr. Strauss-Kahn stressed that Europe is in solidarity with Ukraine, but no one in Europe wants to die for it and therefore Ukraine is fighting alone.



*Europeans and Americans are strong in doing things to Russia, but weak in helping in Ukraine. There are lots of expressions of support but not that much actual support.*  
**Dominique Strauss-Kahn**



DAY 1

Friday, September 12

## Working Lunch

# MEDIA AND DIGITAL COMMUNICATION IN REVOLUTION AND WAR: INFORMATION AND DISINFORMATION

### SPEAKERS:



**Toomas Hendrik Ilves**

President of the Republic of Estonia



**Yevgenia Albats**

Editor-in-Chief, The New Times, RF



**Mustafa Nayyem**

Co-Founder and Editor-in-Chief, Hromadske TV



**Gideon Rachman**

Chief Foreign Affairs Commentator, Financial Times



**Jimmy Wales**

Founder, Wikipedia and Wikimedia Foundation

### REMARKS:



*Shaun Walker, Moscow Correspondent, The Guardian*

Throughout the 21st century information remains one the most powerful political tools. Distortion of information is still commonly used by some governments and other political entities to impose “us-against-them” paradigm in order to accumulate public support. When the Internet was ascending, it was believed to have been able to ruin the dominance of top-down media, exposed to propaganda, such as television. But according to the majority of panelists, so far it has failed to do so.

Yevgenia Albats was doubtful of the Internet as a source of credible information. But, as Mustafa Nayyem fairly pointed out, the Internet is only a tool, while the society, which is using this tool, is the most important thing.

As Jimmy Wales noticed, although ‘top down propaganda appears to be more effective than we had hoped it would be’, there are limits to it, posed by the Internet.





*Although we would like to think that the arguments about the wrongness of what Russia has done are self-evident, actually there is much more of the global debate about it.*

**Gideon Rachman**

*Now when people are looking for the alternative to propaganda they go on the web and they face the environment of unchecked facts.*

**Yevgenia Albats**

*This incident of Russian government's IP address editing SU-25's capabilities is a fantastic triumph of Wikipedia model. This attempt of propaganda was caught very quickly, exposed and made public. [...] This kind of thing shows the limits of trying to issue propaganda.*

**Jimmy Wales**

*We are not happy with our (information) agencies [...]. We are saying that they are lying, when they are lying.*

**Mustafa Nayyem**



*Intellectual battle in favour of liberal democracy has been now challenged seriously.*

**Toomas Hendrik Ilves**

The main feature of the Internet, which provokes competition with TV in search of objective truth, is its peer-to-peer nature, compared to TV's top-down. It takes much more time and efforts for the internet users to navigate the abundance of information, but finally it may be crowned with success.

As Gideon Rachman mentioned, despite discomfort, such drawbacks of the Internet as trolling are not essential and do not blur the bigger picture that much.

According to President Ilves, the media may be used for creating and imposing a manufactured reality, which has nothing to do with objective truth. This propaganda trick is of maximum effect, when the audience does not have an opportunity to check information with reality and the Internet is being used in full scale to transmit such propaganda.



*He (Putin) is more likely to seek a peaceful solution if the door to military solution is closed.*

**Wesley Clark**

*If we do not start immediately to restructure our armed forces [...], we will not win the war.*

**Ihor Smeshko**

*From a strategic point of view, success in the economic development, in democratization, in the efficiency of administration is the key element in this confrontation.*

**Joschka Fischer**



Friday, September 12

## War in Ukraine

### CAN IT BECOME EUROPEAN? GLOBAL? AND HOW CAN WE END IT?

#### SPEAKERS:



#### **Wesley Clark**

General (US Army, Retired), NATO Supreme Allied Commander (1997-2000)



#### **Joschka Fischer**

Vice Chancellor and Minister of Foreign Affairs of the Federal Republic of Germany (1998 - 2005)



#### **Ihor Smeshko**

President, Centre for Strategic Studies and Analysis

#### REMARKS:



*Judith Miller, Contributor, Fox News*

*Yulia Tymoshenko, Head of the "Batkivshchyna" Party;  
Prime Minister of Ukraine (2007-2010)*

The issue of war in Ukraine remains one of the most urgent problems of European security. European countries face a choice between silent consent to Russia's policy or taking actions towards supporting Ukraine in political, military and economic terms. The space for diplomatic development remains narrow, as Russians continued presence in the conflict established rather high level of mistrust between sides.

Speakers presented different viewpoints on Russian strategy in the conflict. For instance, Joschka Fischer voiced his idea that the war was reaction to democratic processes within Ukraine. Hence, the main objective of Russia is to undermine Ukraine's economic progress, reforms and democratization.

On the contrary, Wesley Clark and Ihor Smeshko placed accent on the military capabilities of Ukraine. Mr. Smeshko urged for more intense military aid on the part of Western allies as well as restructuring and reinforcement of Ukrainian army. General Clark argued that better defense capabilities mean higher military costs for Russia and in turn mean lower probability of subsequent confrontation.

DAY 1

Friday, September 12

## HOW CAN BUSINESS CONTRIBUTE TO FINDING PEACE FOR UKRAINE

SPEAKER:



**Richard Branson**

Founder, Virgin Group

Business leaders remain one of the driving forces striving for peace in conflict situations. According to Sir Richard, a good number of Russian businessmen would be willing to voice their doubts about the rationality of the ongoing war campaign by Russian authorities, but are unable to because of existing political pressure.

On the other hand, European businessmen despite economic losses agree to maintain sanctions against Russia as long as they remain an effective instrument in deterring further Russian aggression.

Sir Richard believes that there are no economic grounds for the conflict, as friendly relations between Russia, Ukraine and the EU would be benefited by ordinary people.





*World business leaders should be involved  
in more than just making money  
and running businesses.*

**Richard Branson**



DAY 1

Friday, September 12

## FRIENDS, ENEMIES, ALLIANCES OF THE FUTURE – WHO WITH WHOM AGAINST WHOM?

### SPEAKERS:



**Ronnie C. Chan**

Chairman, Hang Lung Properties Ltd.



**Niall Ferguson**

Laurence A. Tisch Professor of History, Harvard University



**Joschka Fischer**

Managing Partner, Joschka Fischer & Company;  
Vice Chancellor and Minister of Foreign Affairs of the Federal Republic  
of Germany (1998 - 2005)

The importance of the world alliances and organizations together with the leading countries, focusing on the current situation in Ukraine were discussed at the panel. Mr. Ferguson, Mr. Fischer and Mr. Chan gave the arguments for the specific role of the USA, the EU and China respectively.

The Harvard University History Professor was rather critical about both the American and European policy towards Ukraine having no strategic concepts. He stated that if he had been told twelve months ago that there was going to be the annexation of Crimea [...], that a sovereign state, which had in fact its territorial integrity guaranteed by an international treaty was going to suffer the loss of territory as a result of force, he would have been aghast.

*The mood has changed in Washington.  
People realize the Obama option of the  
touchy, feely America let the scenarios like  
Ukraine to Syria, to ISS.*

**Niall Ferguson**

*Europe has to invest, increase its hard  
power, because America will not be  
there any time when you need America.  
And we see the threat for Ukraine is not  
only the threat for Ukraine,  
but for European state order.*

**Joschka Fischer**





*If you are sure that one of the parties would defend you, then surely take that side, however, if you are not sure, think and think it over again. Is the USA a big brother you can trust or is the EU a big brother you can trust?*

**Ronnie C. Chan**



Having no strategy is the worst possible thing a major international organization can do, he added. Mr. Ferguson was sure that the United States could quite easily have taken military measures to discourage the Russians as soon as it became apparent that a game was on with respect to Crimea. There were options in the Black Sea, naval options that were not exercised. There were options involving NATO that the President (Obama) chose not to take. According to Mr. Ferguson's opinion by allowing Crimea to be annexed the President (Obama) has sent another signal to the world comparable with the Serbian signal that the United States may have the capability but does not have the will. If we do not aim for that and of restoring the territorial integrity of Ukraine and reversing this act of aggression, then we will have sold the past, we will have thrown away the achievements.

Mr. Fischer had just the opposite position, because according to him, Europe makes mistakes, but if theoretically Europe wouldn't have acted towards Ukraine, it would not change Mr. Putin's strategy, as he reacted on Maidan, not on Europeans. Mr. Fischer believes Europeans were naïve, they had no strategic concept; they had a lack of strategic vision, but Mr. Putin at the same time took Europeans more serious than the Europeans took themselves. The European Union is not a super power or the leading power of the world, he added, it's different from the United States.

Mr. Chan was more philosophical recommending Europeans to learn the Asian philosophy of world perception as the things do not divide into black and white only. He also recommended Ukraine to be very careful in choosing the party to join.

## DAY 1

Friday, September 12

# ENERGY SECURITY: NOW A QUESTION OF LIFE AND DEATH

### SPEAKERS:



**Miroslav Lajčák**

Deputy Prime Minister,  
Minister of Foreign and European Affairs of the Slovak Republic



**Carlos Pascual**

Senior Scholar and Fellow, Columbia University;  
Special Envoy and Coordinator for International Energy Affairs, U.S.  
Department of State (2011-2014)



**Yuriy Prodan**

Minister of Energy and Coal Industry of Ukraine



**Maxim Timchenko**

Chief Executive Officer, Chairman of the Management Board, DTEK



**Igor Yurgens**

Chairman of the Management Board,  
Institute for Contemporary Development

### REMARKS:



*Sandra Kalniete, Member of the European Parliament; Vice President,  
Group of the European People's Party*

*Graham Tiley, Vice-President on Exploration and Production,  
Shell Ukraine Exploration and Production I LLC*

Yuriy Prodan characterized the situation in the energy sector as far from being simple, but Ukraine according to him has a plan how to survive this crisis. We should continue reforming the energy sector, stick to the European energetic legislative system, support the reverse supply of gas from Poland and Hungary. Now Ukraine receives 63% of total needed gas from Europe, and if we stick to the plan, we will survive this winter. Ukraine is ready to buy gas from Europe for a reasonable market price, but not for the imposed political prices.

Mr. Lajčák emphasized that the question of energy in Ukraine is not a question of life or death, but it is definitely one of the most important issues that will keep determinacy for Ukraine's future.





*We are witnesses of “energy nationalism” - when we sign transparent gas agreements with Ukraine, but then sign backroom deals with Russia. The cooperation won't be successful if we continue like this.*

**Miroslav Lajcak**



Russia will keep being the major gas supplier for the number of countries including Ukraine, Slovakia and some other European countries and we will continue depending on Russia's gas and oil. Russia's temptation to use its gas supply as a political tool is not going to disappear. We need to build new energy architecture, and for that we need to talk to Russia whether we like it or not. The main purpose of the conversation should be confidence that there are European rules for energy supply, not rules imposed by one particular party.

Igor Yurgens underlined that Shakespearean saga “King Lear” is just a joke in comparison with what has happened to bilateral gas relations between Russia and Ukraine. Mrs. Tymoshenko once signed the contract with Mr. Putin which was questioned by everybody. Nobody knew the details and everything ended with jailing Mrs. Tymoshenko. But what is being done now is much more of a transparent process: Mr. Gunther Oettinger, the European Commissioner for Energy, will decide the preliminary provisional price, which will be satisfactory for both sides for the moment.

Mr. Timchenko was not optimistic stating that we have a current situation of 1 million tons shortage of coal. We have a deficit because coal mines in Donbas region are either stopped, or the coal cannot be supplied to the power stations. There are two solutions of this issue according to Maxim Timchenko: the first, and the most important for the whole country, is to continue the ceasefire as long as it is possible, and bring the peaceful solution of the conflict.

## DAY 1

There is no way to bring the other half anywhere except for Russia - it is the only physically possible variant.

Carlos Pascual described the situation noting that Europe is dependent on Russia for third of its gas, half of which goes to Ukraine. But on the other hand, Russia is dependent on Europe as its principle market for gas. Europe has a market of 400 million people; it has leverage – its market capacity. And part of the solution is that Ukraine should be brought into this European energy community; as a sequence, Europe will have a broader leverage of the market, but not just leave the gas issue as the relationship between Russia and Ukraine.

Sandra Kalniete has made a remark recalling the words of Donald Tusk, Prime Minister of Poland that the energy crisis shows the real nature of the Union – the decision has to be made on whether bilateral relations with Russia or internal EU relations are more important. Remembering this, the European Union has to provide a unity policy. Another point is that it has to invest in the adequate energy infrastructure and dispose priorities correctly.

As a note of optimism to the discussion, Mr. Tiley stated that the UK started investing in the North Sea exploration and discovered a new hydrographic province and the revenue that came out of that sea has actually paid for the transformation of the UK into a sort of modern industries as it is today. Graham Tiley added that there are success-stories where this kind of shock to the system can lead to the kind of transformation you need.



*Meanwhile, Russia is just demonstrating that it takes political decisions and violates the technical requirements of the contracts it has previously signed by reducing gas supplies to Poland and Germany.*

**Carlos Pascual**




*Ukraine should not focus only on the shale gas, because there are also conventional gas and oil, and a lot of opportunities. Shale gas could play an important role, but the exploration of the approximate estimation of what we should have finished first.*

**Graham Tiley**

*Ukraine will be able to survive the heating season if it uses the truce in the Ukraine-Russia conflict in the country's east to rehabilitate its infrastructure.*

**Maxim Timchenko**





Now it is one of the biggest problems of Ukraine - to start the process of the peaceful settlement of this global conflict, and in this respect all international institutions should play a role.

*Leonid Kuchma*



Friday, September 12

## FROM YALTA VIA BUDAPEST TO YALTA – GLOBAL SECURITY BREAKDOWN?

### SPEAKERS:



**Valeriy Chalyi**

Deputy Head, Administration of the President of Ukraine



**Wesley Clark,**

NATO Supreme Allied Commander (1997-2000)



**Mohamed ElBaradei**

Acting Vice President of Egypt (2013); Director General, International Atomic Energy Agency (1997-2009); Nobel Peace Prize Laureate (2005)



**Leonid Kuchma**

President of Ukraine (1994-2005)



**Javier Solana**

President, ESADE Center for Global Economy and Geopolitics; Member of the Board, Yalta European Strategy

### REMARKS:



*Wolfgang Ischinger, Chairman, Munich Security Conference*

The modern security system is not functional on local, regional and global levels. The contradiction between the principles of freedom of self-determination and inviolability of borders, which are both laid down in the UN Charter, is still in place. Political coloration prevents international institutions, primarily UN, from adopting a unified position. The case of Ukraine is not unique, as Security Council failed to pass resolutions on a number of crucial issues, among which are Syria and climate change.

The speakers marked the return to Cold War logic to international relations. According to Mohamed ElBaradei, this fact forced countries of the third world to abstain from voting for resolution on Ukraine in the General Assembly, as they did not want to get engaged in the confrontation between US and Russia. Mohamed ElBaradei believes that the Ukrainian – Russian conflict is the result of the crisis of global governance. Hence, imposing sanctions on Russia will help on tactical, but not on strategic level.

Leonid Kuchma raised concerns about the level of Western countries' support of Ukraine in the conflict. He drew parallels between the modern situation and the signing of the Budapest memorandum. Valeriy Chalyi urged Western partners to show more commitment.

Javier Solana articulated alternative approaches to build trust with Russia. He suggested testing EU – Ukraine Free Trade Agreement in order to explore its influence on Russian economy, so that the trade relations between sides can be harmonized.

Wesley Clark added to a picture a notion of China's rise. He believes that the only way to gain sustainable progress in the security realm is to cooperate under the principles of international law.



*Nobody in this room can predict what will be in the next two months in this part of Europe.*

**Valeriy Chalyi**

*An invasion of one country by another is against international law, whether it is done by little green men with no patches or columns of tanks. It's wrong, it's against the law, and we need to say so.*

**Wesley Clark**

DAY 1

Friday, September 12

## Dinner Speech

# WORKING TOGETHER FOR A UNITED UKRAINE IN A UNITED CONTINENT

SPEAKER:



**José Manuel Barroso**

President of the European Commission

The President of the European Commission delivered a speech and presented his viewpoint on the Euromaidan' events as well as the ongoing developments in Eastern Ukraine in the context of relations between Ukraine, the EU and Russia. According to him, Euromaidan was a manifestation by a greater part of Ukraine's population to strive for political values, shared by 28 members of EU. The armed conflict in Eastern Ukraine was Russia's reaction to the EU and Ukraine having ignored Russia's intent to be engaged in the negotiations on the free trade agreement.

José Manuel Barroso explained why the EU refused to include Russia as a third party to negotiations within the framework of Eastern Partnership. In his view, this option would be an illustration of logic of spheres of influence, diminishing Ukraine's freedom of choice.

He also mentioned the two track approach, having been used by the EU to respond to the armed conflict. the EU remains open to any initiatives to come to the negotiating table. However, the EU reserves the right to take actions (impose sanctions) if the EU considers that the fundamental values and principles are violated. President Barroso reaffirmed the position on the preconditions of lasting peaceful settlement of the conflict. These are respected cease fire, disarmed rebels, withdrawn Russian troops, and established independent international monitoring of the border on the part of Russia and constitutional reform through nationwide dialogue on the part of Ukraine.



*Ukraine's best protection against any attempts to undermine its sovereignty is to build a strong democracy and modern economy.*  
**José Manuel Barroso**





11<sup>TH</sup> YALTA EUROPEAN STRATEGY ANNUAL MEETING







*So you believe that we had to surrender and give up?  
No! To no avail and never! And we will fight for our  
country, for our independence.*



## Saturday, September 13

### Opening Speech

# BUILDING NEW UKRAINE

#### SPEAKER:



**Arseniy Yatsenyuk**  
Prime Minister of Ukraine

#### MODERATOR:



*Stephen Sackur, Presenter, HARDtalk, BBC World News*

Prime-minister Arseniy Yatsenyuk narrated about the reform process in Ukraine, mainly covering the main risks, principal reform successes and failures. According to the Prime Minister, the main precondition of reforms is stable peace. In his view, he chairs a war-time government, the performance of which is bleak, but can hardly be better due to restraints posed by the security situation.

Arseniy Yatsenyuk admitted failure of the government in fighting corruption, but in the course of the interview he implicitly manifested his viewpoint that Russia's aggression is a greater threat to Ukraine's security than corruption.

Mr. Yatsenyuk stated that the goal of Vladimir Putin is not merely taking Donetsk and Luhansk, but the whole of Ukraine. Hence, the Prime Minister refused his alleged misjudgment of Russian threat, when trying to recapture the occupied territories in August 2014. In this context, the negotiation process appears to be an attempt to 'stop the massacre'.

The Prime Minister announced that Eastern Ukraine conflict has a complex solution, military aspect being a part of it. Later, he added that Ukraine has weak positions in dealing with Russia in both military and diplomatic terms. Therefore, he encouraged the Geneva format and appealed NATO to launch Ukraine's accession process.

As to parliamentary elections, Mr. Yatsenyuk said that he did everything he could to run with the president. But that prospect failed due to a number of complications. As a result, the Prime Minister decided to run in the elections with his own party.

As to Ukraine – EU Association Agreement, he said that it would be ratified and Ukraine would carry out all obligations regarding harmonizing Ukraine's legislation to EU standards. Alongside, he believes the decision of the EU to give Ukraine the opportunity to benefit from FTA without opening its markets to be 'not the bad deal'.

DAY 2

Saturday, September 13

## Ukraine's Economy and Institutions REFORM NOW - OR COLLAPSE

### SPEAKERS:



**Anders Åslund**

Senior Fellow, Peterson Institute for International Economics



**Valdis Dombrovskis**

Member of the European Parliament, Group of the European People's Party; Prime Minister of Latvia (2009-2014)



**Valeria Hontareva**

Head, National Bank of Ukraine



**Dmytro Shymkiv**

Deputy Head on Holding Administrative, Social and Economic Reforms, Administration of the President of Ukraine

### REMARKS:



***Paige Alexander**, Assistant Administrator, Bureau for Europe and Eurasia, U.S. Agency for International Development (USAID)*

***Andrej Plenkovič**, Member of the European Parliament; Vice-Chair, Committee on Foreign Affairs of the European Parliament*

Discussion about Ukraine's economy started with the summary of Anders Åslund that the situation in the economy is critical. The general expectation now is that GDP will fall by about 7,5%, the budget deficit according to the IMF latest forecast is 10% of GDP now, but the public debt will sky-rocket from 40% at the end of 2014 to 73% at the beginning of next year. Obviously, something radical has to be done (even more radical than what IMF demands), which is: new elections; reform of the state (fight corruption, get rid of regulatory agencies and corrupt judges); cleaning out of the fiscal situation; reducing Ukraine's energy dependence; cutting benefits and privileges of public servants, etc.; improving the functioning of education and health care. This all has to be done in terms of the Association Agreement with the European Union, you have the consensus for these reforms, as Mr. Åslund noted, so now it's just the question of how fast Ukraine can do it.

Valdis Dombrovskis noted we can't compare Ukraine's situation with Latvia because of the war and Russian aggression.



*This is a pre-default situation...Something radical needs to be done.*

*Anders Åslund*



The first short-term challenge to his opinion is a gas deal as we are facing the winter, this has to be settled in several weeks or even days. The end of violence is another short-term task. But speaking about the Ukrainian economy, the Latvian Prime Minister was more optimistic than the previous speaker, stating that the public debt of 40% is manageable, it's not 140% that Greece has, but measures should be implemented very quickly. He also supported low and flat tax rates in Ukraine, considering the tradition of avoiding taxes that has to be overcome as soon as possible.


Mrs. Hontareva stated the state operates with its liabilities, including Naftogaz Ukraine's bonds, and has a joint program with the IMF. At the same time, she admitted that the economic situation in Ukraine is heavy, as the country is exhausted by the war in the East. Mrs. Hontareva did not agree with the statement made on previous panels that the Ukrainian Government is not carrying out any reforms, saying that the relevant laws are being changed, the National Bank has implemented an absolutely new principle of refinancing and reformed the structure of the National Bank in general, which is a completely different approach.

## DAY 2

Rule of law and fight against corruption, judiciary and police reform are the necessary prerequisites to draw investments to Ukraine. This was the opinion shared by Dmytro Shymkiv, who emphasized that drawing investment to Ukraine is possible even in a situation of war.

Andrej Plenković in his remark noted that as the newly-elected chair of the European Parliament's delegation to Verkhovna Rada, he is sending a message that European parliamentarians are more than ready to cooperate regarding the tranches from IMF and micro-financial assistance. He compared Ukraine to Croatia that has also experienced aggression from a neighbor and a very hard economic situation, noting that his country was able to become a member of the European Union 12 years after the Association agreement had been signed.

Page Alexander rightly remarked that the U.S. government, IMF, EBRD, EU would not be making investment and giving financial guarantees to Ukraine if they did not believe that Ukraine was likely to be a success story. But she also agreed that reforms should be done both top-down and bottom-up. If the reforms are not made, Ukraine would not have any investment, if you don't listen to the civil society, those adjustments won't be made either.



*The most important task now is to  
value every person's life and reintegrate  
Ukraine's territories.*

**Andrej Plenković**



*I want Ukraine to be known for its economy, for its people, its opportunities and capabilities. The precondition for the economy is the rule of law, fight against corruption, deregulation, judiciary reform and police reform – there will be no investment otherwise.*

**Dmytro Shymkiv**

*There are no grounds to talk about Ukraine's default, despite the negative credit scores and negative prediction indicators.*

**Valeria Hontareva**





*We want to be clear that we will not be watching indifferently the violation of the international law in the way as we saw it in Crimea. Now, Russians, with their involvement, are adding to the escalation in the East of Ukraine. This is the role of the sanctions.*

*Štefan Füle*

**Saturday, September 13**

## **ASSOCIATION AGREEMENT WITH THE EU AND STRONG RELATIONS WITH RUSSIA – DIFFICULT? OR IMPOSSIBLE?**

### **SPEAKERS:**



**Cevdet Yılmaz**

Minister of Development of the Republic of Turkey



**Štefan Füle**

Commissioner for Enlargement and European Neighbourhood Policy, European Commission



**Pavlo Klimkin**

Minister of Foreign Affairs of Ukraine



**Igor Yurgens**

Chairman of the Management Board, Institute for Contemporary Development, RF

### **REMARKS:**



*Elmar Brok, Member of the European Parliament; Chair, Committee on Foreign Affairs of the European Parliament*

During the discussion of the consequences after Ukraine signing the Association Agreement with the EU the majority of the speakers expressed the view that it would be difficult to build strong relations with the Russian Federation.

This idea was supported by Mr. Brok who stressed that the Association Agreement was never against Russia and the EU is also interested in developing good relationships with Russia.

Mr. Yurgens pointed out that progressive Moscow would love Ukraine to flourish and he was absolutely sure that it would happen, however, he emphasized that there is a fierce fight between progressives and conservatives in the Russian government who have diametrically opposed intentions for Ukraine.

Commissioner Füle believed that the bilateral treaty was the ownership of those two parties and nobody would allow the third one to dictate to those two parties what should be the content of the agreement. The European Union would not allow Russia to dictate the conditions as for the EU's relations with Ukraine. Nevertheless according to Mr. Füle it is good to have ambitions and conceptual policy on the Eastern partnership countries and it should not end on their borders as we need to have an ambitious policy on Russia.

Mr. Klimkin stressed that one of the best options to guarantee Ukrainian security was the successful implementation of the Association Agreement because it is about strengthening Ukraine in the sense of ruling law, economic reforms which should be shaped up through the whole idea of European mentality and about Ukraine creating the whole entity.

Minister Yilmaz compared Ukraine and Turkey stating that two countries are very similar in their geopolitical positions and Turkish experience is very much relevant to the discussion, since on one hand Turkey being a NATO member, having customs union with the EU, on the other hand trying to diversify economic ties with the East, North Africa, Russia, and Asia because it is a part of the wider Eurasia, just like Ukraine. Mr. Yilmaz stressed that he did not see fundamental problems between developing economic, political ties in different parts of the world. On the contrary, he supposed that it was in Russia's best interest to have Ukraine with multiple relations. In the long-term overview between Europe and Russia, Ukraine may be a very important asset for the connection, for the link between Europe and Russia.

*Europe wants to have good relations with Russia, it is interested in good relations between Ukraine and Russia, but Russia has to respect the international law.*

**Elmar Brok**

*One of the best possibilities to guarantee Ukraine's security is a successful implementation of the Association Agreement between Ukraine and the European Union, even though Russia sees such an agreement as an intrusion into the RF sphere of interests.*

**Pavlo Klimkin**



## DAY 2

Saturday, September 13

### WIKIPEDIA AWARD CEREMONY

Inna, the sister of Igor Kostenko killed at Maidan and posthumously awarded the title of Wikipedist of the Year, got the diploma from the hands of Jimmy Wales. Mr. Wales also presented to the sister of the killed genuine the Wikipedia T-shirt signed by the community members, those people who knew and loved Igor.

The Wikipedia's founder emphasized Igor had worked much on the project to arrange a Wikipedia flash mob, so that hundreds of people someday created more than a thousand entry articles. Unfortunately, this his action was to be cancelled as he had died earlier than we had the opportunity to implement it, however, the flash mob took place in April: over one thousand articles were created simultaneously, over two hundred people took part in it, it had a great influence on our community, noted Jimmy Wales.

Inna thanked the founder of Wikipedia and the organizers of the 11th Annual Meeting of Yalta European Strategy for honoring her brother's memory.



*This way you cherish the memory in the hearts of Ukrainians and other people about Igor, the hero who gave his life for us to live, for the Ukrainian nation to live and for Ukraine to live. And to live a decent life.*

*Inna*



*This year our community had a dramatic turn when we heard Igor Kostenko, who cooperated with Wikipedia, went to Euromaidan and was killed there. This was a great tragedy.*

*Jimmy Wales*





*Reconciliation is one of the hardest acts of leadership.*  
**Tony Blair**



Saturday, September 13

## Working Lunch

### TOWARDS RECONCILIATION

SPEAKER:



**Tony Blair**

Patron, Tony Blair Faith Foundation;  
Prime Minister of the United Kingdom (1997-2007)

The three things are requisite for reconciliation – to have enough strength, a reference system to move forward and leadership skills, stated Tony Blair.

Mr. Blair reminded while he headed the government he “worked on the reconciliation” in Northern Ireland, and then in the Middle East. “There are three fundamental lessons I’ve learnt”, - he emphasized, adding that nevertheless every situation differs. “You need enough strength to achieve the balance of power, second, some reference system should be in place wherefrom to move forward, third, you should be ready to realize leadership, to lead the way”, – specified the founder of the Tony Blair Faith Foundation.

Blair added that the leaders engaged in reconciliation processes were usually criticized, so they should be ready for that. The Prime Minister also gave a practical example of how reconciliation worked in Northern Ireland: people recognized there was no military victory that was going to be possible; the leadership has created a good intellectual framework so that the nationalists agreed that Northern Ireland would stay part of the United Kingdom as long as the majority of people wanted it, and the unionists conceded there had to be justice and fair treatment for the nationalists and the republicans. So it worked there where leaders on both sides were prepared to reconcile.

Discussing the conflict between Ukraine and Russia, the Prime Minister said: “During all those years when I visited the Yalta European Strategy, my feeling has always been that Ukraine’s natural home is in Europe, in terms of values and society, and I don’t see it as opposed to Russia.”

DAY 2

Saturday, September 13

## STRENGTH VIA DECENTRALIZATION

### SPEAKERS:



**Refat Chubarov**

Chairman of Mejlis of the Crimean Tatar People



**Volodymyr Hroisman**

Vice Prime Minister, Minister of Regional Development, Building, Housing and Communal Services of Ukraine



**Yves Leterme**

Secretary General, International IDEA; Prime Minister of Belgium (2009 – 2011)



**Roger Myerson**

Professor of Economics, University of Chicago; Nobel Memorial Prize Laureate in Economic Sciences (2007)



**Timothy Snyder**

Professor of History, Yale University



**Serhiy Taruta**

Head, Donetsk Regional State Administration

The issue of decentralization in the case of Ukraine is connected to a number of problematic spheres, to some of which it somehow turns up to be a solution. Among them are the involvement of population into the political process and protest the potential in Eastern Ukraine; corruption; quality of leadership and governance; the efficacy of budget.

Volodymyr Hroisman stated that the main purpose of decentralization must be the introduction of a mechanism enabling local and regional authorities to save a substantial amount of financial resources.

According to Timothy Snyder, the process should not be called 'decentralization', but 'state-building'. Delegation of power from the center to regions will make the state more balanced and efficient. But this should not be confused with forced federalization, pursued by Russian leadership.

The latter is oriented on weakening the state.

Mr. Leterme argued that decentralization is not a solution to the war. Decentralization may stabilize the state system once the peace has been reached, but it is not a peacemaker itself.

Refat Chubarov reminded the audience of the biggest flaw of the constitutional status of the Autonomous Republic of Crimea, which may emerge again in decentralized Ukraine. Despite a chapter of the Constitution and a number of laws regulating the status of Crimea, the population could not fully exercise their rights.

Mr. Myerson argued that empowering local and regional authorities will contribute to the development of skilled political leaders and managers in the long run.

*One way to strengthen the state is to decentralize [...] Decentralization is an answer to Maidan [...] decentralization is the way to keep people's political views channeled into ways, which are taking influence.*

**Timothy Snyder**

*Decentralization is not a peacemaker. It can help to guarantee peace, once you have a peaceful situation and to cater for all kinds of conflict resolving approaches.*

**Yves Leterme**

*The loss of Crimea happened also because the most vulnerable ethnic community in the Ukrainian conditions happened to be the most fierce defenders of Ukrainian statehood, however they did not have any mechanisms of doing this.*

**Refat Chubarov**

*Responsible subnational government [...] giving municipal and provincial leader [...] real budgetary responsibility is the best to identify [...] those leaders, who do a superior job of serving the people, and then get elected to higher office.*

**Roger Myerson**





*The state should demonstrate zero tolerance to corruption, and these are the institutions to be lustrated, not persons.*

**Pavlo Sheremeta**

*Unless the institutional reforms are made the corruption fight cannot progress fast*

**Katya Gorchinskaya**

**Saturday, September 13**

## **FIGHT CORRUPTION, INTRODUCE THE RULE OF LAW: FINALLY WALK THE WALK**

### **SPEAKERS:**



**Katya Gorchinskaya**

Deputy Editor-in-Chief, Kyiv Post



**Tomas O. Melia**

Deputy Assistant Secretary, Bureau of Democracy, Human Rights and Labor, U.S. State Department



**Pavlo Sheremeta**

Minister of Economic Development and Trade, Ukraine (2014)



**Vitaliy Shabunin**

Chairman of the Board, Anticorruption Action Centre

Most of the speakers were rather negative about the state of corruption fight in Ukraine. For example, Katya Gorchinskaya thinks that although some progress was made, but only nominally. She underlined that Prime Minister Yatsenyuk acknowledged that they completely failed the anti corruption fight. Mrs. Gorchinskaya agrees with Pavlo Sheremeta that there are three elements in fighting corruption: leadership, policy and institutions, and Ukraine have failed to make major changes in all three of these areas. According to her, Ukraine does lack the leadership, and this leadership role is often taken by civil society groups. These groups do the government jobs, but they have no resources to do it in a long run.

Both Pavlo Sheremeta and Vitaliy Shabunin think that it is absolutely clear what needs to be done to fight corruption, and there is no need to invent anything. Also Mr. Shabunin emphasized that the key factor to fight corruption in Ukraine is the punishment that cannot be averted for corruption crime, corruption has the name – there is always a person who is responsible for doing or not doing steps that bring corruption. According to him it is easier to destroy and build a new system from the beginning rather than do repairs.

The question on international aid in the corruption fight was brought to discussion. Tomas O. Melia stated that Ukraine has all it needs to solve this problem, including friends like USA that are providing all kind of assistance to build the systems and he stressed that western countries are ready to do more than it is doing now. But at the end of the day it is only up to Ukraine to take the steps necessary.

Vitaliy Shabunin and Katya Gorchinskaya believe that the international society can do more. For example, the IMF should not give financial tranches unless Ukraine meets the necessary conditions.

Another factor that was underlined by Katya Gorchinskaya is that there is a need for obeying the laws in other countries and “cleaning their homes”. Mrs. Gorchinskaya concentrated on the facts of huge amounts of money going through offshore destinations covered by international law and impossible to penetrate, and this is how corrupt officials hide their wealth and their properties. Mr. Shabunin thinks that corruption kills not only Ukraine, that it has almost killed European freedom.

*The citizens of Ukraine have to unite in the fight against corruption in the state, since they can't overcome this phenomenon severally.*

**Tomas O. Melia**



*Big political corruption was and is the fastest and most profitable business in Ukraine and this can be changed only by the means of political will.*

**Vitaliy Shabunin**





DAY 2

Saturday, September 13

## PARLIAMENTARY ELECTIONS: BREAKTHROUGH OR ENTRENCHMENT OF THE OLD?

### SPEAKERS:



#### **Anatoliy Grytsenko**

Member of the Parliament of Ukraine; Head of the “Civic Position” Party



#### **Oleh Liashko**

Member of the Parliament of Ukraine;  
Head of the Radical Party of Ukraine



#### **Yuriy Lutsenko**

Advisor to the President of Ukraine;  
Head of the “Bloc of Petro Poroshenko” Party

During the discussion the speakers paid much attention to the situation on the East of Ukraine and its possible solutions after the parliamentary elections.

To Mr. Grytsenko’s opinion there is no military solution on the East of Ukraine as well as there is no diplomatic one, only the combination of both can help to solve the situation. One of the issues he stressed is that Ukraine used only 30% maximum of its potential for protection, for example Ukraine asked its partners to apply sanctions towards Russia, and Ukraine so far applied zero sanctions against Russia itself. Also Mr. Grytsenko thinks that there should be no bilateral talks between Ukraine and Russia, the EU and the USA should take part in the negotiations.

Mr. Liashko was more radical and stated that Ukrainians have only one way out – to fight. He also stressed that he did not agree with Russian arbitration in Ukraine – EU relations, that there should be no Russia as Ukraine is an independent state. He insisted that everyone who was connected to separatism should have no right to be elected or appointed at governing positions.

*There is no diplomatic solution. If we have the aggression, if we indeed have a profound conviction that this is our country, our integrity, our freedom, then we should fight. The diplomatic efforts could have been stronger if they had been supported by military resistance.*

**Anatoliy Grytsenko**





*The new Parliament of Ukraine will have to use the pause in the Russia-Ukraine conflict in Donbas to raise foreign investment, to fight against corruption and to modernize the army.*

**Yuriy Lutsenko**

*I believe the non-aligned status is a strategic mistake.*

*The non-aligned status today has led us to the war against Russia.*

**Oleh Liashko**



All the speakers were stressing the necessity to fight corruption. Mr. Lutsenko supposes that one of the barriers is that the ministers and other high level authorities have been changed, but the mentality of whole system has not been changed yet. And this is one of the tasks to work on in the nearest future – to fight corruption and make administrative changes so that large investments could come in the country. Also he underlined the importance for all the democratic forces to unite into one powerful force to become one team and move towards reforms. The panelists emphasized that finances of their parties' electoral campaign were absolutely transparent. And they all stand for cancelling MPs immunity.

Although according to Ukrainian laws the election legislation cannot be changed during the campaign, this question was widely discussed during the session. Replying to the suggestion to have a proportional voting system with open lists Mr. Lutsenko underlined that as the elections had already been launched and any changes to the elections legislation could question the legality of all the elections in Ukraine.

Mr. Grytsenko raised a problem of voting in territorial constituencies. He thinks that due to the situation in Crimea, Luhansk and Donetsk regions, these territories have fewer chances to be represented in the Parliament and therefore the results will legalize the split in the society, and part of the country will not be represented correspondingly. Although most of the parties have the representatives of the east of Ukraine in the parties' lists, it still does not give an opportunity for equal representation. Furthermore, around twenty seats in the Parliament are expected to be empty due to a lack of possibility to have the elections. Nevertheless, Mr. Lutsenko sees a positive side of this question, as voting in territorial constituencies is the only social lift for the new faces in Ukraine. Mr. Grytsenko expects the change in the names and quality of members of parliament, but not to a decisive extend.



Saturday, September 13

## TALENTED STUDENTS AT THE 11TH YES ANNUAL MEETING

MODERATOR:



**Olesya Zhulynska**

Public Affairs and Communications Director, Coca-Cola Ukraine Ltd.

This year 100 best selected students from the Zavtra.UA, WorldWideStudies scholarship programmes and all over Ukraine had a wonderful chance to engage in dialogue with international guests at the 11th YES Annual Meeting – Jimmy Wales, Richard Branson, Tomas O. Melia, Timothy Snyder, Lawrence H. Summers, Tony Blair, Paige Alexander, Anders Åslund, Carlos Pascual, Ronnie C. Chan, etc. Not only had the students a chance to discuss global problems with authoritative experts and politicians, but they also received inspiring advice on personal success, as the speakers shared their life experiences with the young Ukrainian leaders. Success is about living for the future and not the past, being open to new trends and alternative points of view, developing oneself as an expert and cooperating with other people.

DAY 2

Saturday, September 13

## CLOSING SPEECH

SPEAKER:



**Aleksander Kwaśniewski**

President of Poland (1995–2005); Chairman of the Board,  
Yalta European Strategy

During the closing panel Aleksander Kwaśniewski thanked all the facilitators of the summit. He thanked its organizer for the timely idea to convene such an event that was articulated in 2004 before the Orange revolution.

Throughout these years, Ukraine's potential to obtain EU membership was changing. Nevertheless, the key topic of the summit has always been Ukraine's European integration. The objective of Yalta European Strategy has always been to accelerate this process.

Sovereign and independent decision of Ukraine is confronted by Russia as the latter, according to President Kwaśniewski, wants Ukraine on its side. Russia's resources exceed Ukraine's. But Ukraine possesses the strive of the majority of its population to be free and independent. In this context, efforts to liberalize the economy as well as to reform army and public administration may be as important for Ukraine's integrity and independence as fighting in Eastern Ukraine.

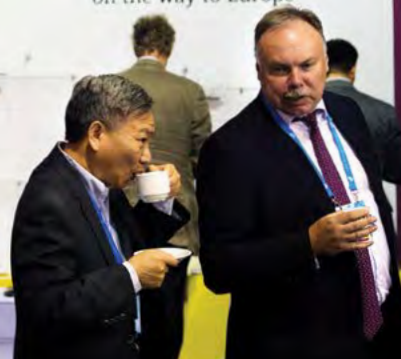


*Putin has on own side history, language, culture, tradition, gas, oil, money, military forces, propaganda and a fifth column [...] we have our values, we have our standards [...] and we have first of all the wish of the majority of Ukrainians to be independent, to be sovereign, to be free.*  
**Aleksander Kwaśniewski**





Rebuilding Ukraine's economy  
on the way to Europe



## ACKNOWLEDGEMENTS

We are grateful to the Victor Pinchuk Foundation for the continuous support and cooperation that has made the 11Th Yalta European Strategy Annual Meeting happen.

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