9th YALTA ANNUAL MEETING
UKRAINE AND THE WORLD
ADDRESSING TOMORROW'S CHALLENGES TOGETHER

CONFERENCE REPORT
SEPTEMBER 13 – 16, 2012, LIVADIA PALACE, YALTA, UKRAINE
Dear Friends,

Today, countries are in a global race that gets faster and faster. I am not a political scientist - as an art collector I like to use art when I speak about global challenges. Let me use the famous photographer Andreas Gursky’s “Boxenstopp” as an analogy. A pit stop in Formula 1. One team is blue and yellow. This is Ukraine; these are Ukraine’s colours. What is the Ukrainian team doing? I believe - reforms.

In the global race, reforms are pit stops allowing you to change and speed up. Some countries which were slow before improve their position. Like cars that put on the right new tires and fill up with the right amount of gasoline, they can overtake others. Others put on the wrong equipment or lose too much time in the pit stop and fall behind. I hope Ukraine’s team will be successful.

And I hope for all of us this conference will be an intellectual pit stop where we refuel and re-equip ourselves, take in new energy and ideas, to help all our respective countries become smarter, better, more productive, more just.

For this, we have fantastic speakers with us in Yalta, political leaders, business leaders, social leaders, intellectuals. I look forward to our discussions.

Victor Pinchuk,
Founder and Member of the Board, Yalta European Strategy
9th YALTA ANNUAL MEETING

Ukraine and the World: Addressing Tomorrow’s Challenges Together

AGENDA

Thursday, September 13

21:20 – 21:25  Welcoming Remarks

- Aleksander Kwasniewski, President of Poland (1995-2005); Chairman of the Board, Yalta European Strategy
- Viktor Zubkov, Chairman, Gazprom Board of Directors; Prime Minister of the Russian Federation (2007-2008 and May 2012)

21:25 – 21:50  Dinner Remarks

- Štefan Füle, European Commissioner for Enlargement and Neighborhood Policy
- Kostyantyn Gryshchenko, Minister for Foreign Affairs of Ukraine

Friday, September 14

09:00 – 09:10  Conference Opening

  Welcoming remarks:
  - Victor Pinchuk, Founder and Member of the Board, Yalta European Strategy

09:10 – 10:20  Opening Speeches, Conversation and Q&A: Ukraine, Turkey, and the Future of Wider Europe in the 21st Century

- Viktor Yanukovych, President of Ukraine
- Recep Tayyip Erdoğan, Prime Minister of the Republic of Turkey
- Aleksander Kwasniewski, President of Poland (1995-2005); Chairman of the Board, Yalta European Strategy (moderator)

11:00 – 12:15  The Future of the World Economy

- Alexei Kudrin, Professor, Dean, Saint Petersburg State University; Minister of Finance of the Russian Federation (2000-2011)
- Petro Poroshenko, Minister of Economic Development and Trade of Ukraine
- Dominique Strauss-Kahn, Managing Director, IMF (2007-2011)
- Robert Zoellick, President, World Bank (2007-2012)
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<td>The Future of the Global Order and Security</td>
<td>Dr. Condoleezza Rice, Štefan Füle, Eugene Kaspersky, Shashi Tharoor</td>
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<td>14:00 – 16:00</td>
<td>American Lunch: the Presidential Elections and the Future of the United States</td>
<td>William Daley, Newt Gingrich, Elmar Brok, Hannes Swoboda</td>
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<td>17:30 – 18:30</td>
<td>The Future of Capitalism</td>
<td>Richard Branson, Muhammad Yunus</td>
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<td>09:00 – 09:30</td>
<td>Ukraine in Global Transformations: Vision and Strategies. Speech and Q&amp;A</td>
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<td>• Mykola Azarov, Prime Minister of Ukraine</td>
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<td>9:30 – 10:45</td>
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<td>• Egemen Bağisoğlu, Minister for European Union Affairs and Chief Negotiator of Turkey</td>
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<td>• Gordon Brown, Prime Minister of the UK (2007-2010); Chancellor of the Exchequer of the UK (1997-2007)</td>
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<td>• Niall Ferguson, Lawrence A. Tisch Professor of History, Harvard University</td>
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<td>• Mani Shankar Aiyar, Member of the Upper House, Parliament of India</td>
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<td>11:15 – 12:15</td>
<td>Energy – Uniting Europe? Dividing Europe?</td>
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<td>• Matthias Bichsel, Executive Committee Member, SHELL</td>
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<td>• Dr. Condoleezza Rice, 66th Secretary of State of the United States</td>
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<td>• Andrei Kostin, Member of the Supervisory Council, President and Chairman of the Management Board, JSC VTB Bank</td>
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<td>• Tomas O. Melia, Deputy Assistant Secretary of State, Bureau of Democracy, Human Rights and Labor, US Department of State</td>
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<td>• Javier Solana, EU High Representative for CFSP (1999-2009); Secretary General, NATO (1995-1999); Member of the Board, Yalta European Strategy</td>
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<td>13:45 – 16:00</td>
<td>Russian Lunch: The Future of Russia</td>
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<td>• Herman Gref, CEO, Chairman of the Management Board and CEO, Sberbank (moderator)</td>
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AGENDA

- Alexei Kudrin, Professor, Dean, Saint Petersburg State University; Minister of Finance of the Russian Federation (2000-2011)
- Vladimir Mau, Rector, The Russian Presidential Academy of National Economy and Public Administration
- Konstantin Remchukov, Chief Editor and Director General, "Nezavisimaya Gazeta"
- Ksenia Yudaeva, Head of Expert Department, Presidential Executive Office, Russian Federation

16:00 – 17:00  The Tymoshenko Case: Views and Assessments
- Inna Bohoslovska, Member of the Parliament of Ukraine, Party of Regions
- Mario David, MEP, Vice President of the European People's Party
- Renat Kuzmin, First Deputy Prosecutor General of Ukraine
- Hryhoriy Nemyrya, Deputy Head of "Batkivshchyna" Political Party, Vice Prime Minister of Ukraine (2007-2010)

17:00 – 17:15  TV link
- José Manuel Barroso, President of the European Commission; Prime Minister of Portugal (2002-2004)

- Vitaliy Klitschko, Member of the Parliament of Ukraine; Leader of the Political Party "UDAR of Vitali Klitschko"
- Nataliya Korolevska, Member of the Parliament of Ukraine; Leader of the Political Party "Ukraine-Forward"
- Leonid Kuchma, President of Ukraine (1994-2005)
- Serhiy Tigipko, Vice Prime Minister of Ukraine – Minister of Social Policy of Ukraine; Deputy Head of the Party of Regions
- Arseniy Yatsenyuk, Member of the Parliament of Ukraine; Head, Council of United Opposition "Batkivshchyna"

18:30 – 18:45  Closing Remarks
- Aleksander Kwasniewski, President of Poland (1995-2005); Chairman of the Board, Yalta European Strategy

20:30  Ukrainian-Indian Dinner Party
Welcoming Remarks

Speakers:
- **Aleksander Kwasniewski**  
  President of Poland (1995-2005); Chairman of the Board, Yalta European Strategy
- **Viktor Zubkov**  
  Chairman, Gazprom Board of Directors; Prime Minister of the Russian Federation  
  (2007-2008 and May 2012)

Aleksander Kwasniewski began by outlining the range of discussion topics ahead, including the global financial and economic crisis, the political situation in the run up to the parliamentary elections in Ukraine and presidential elections in the USA, and the future of the world economy and world science.

He welcomed the participants and promised all present a fascinating time at the historic Livadia Palace.

Viktor Zubkov opened his welcome remarks conveying greetings and wishes for a successful forum from the President of the Russian Federation Vladimir Putin. Mr. Zubkov emphasized that the Yalta European Strategy plays an important role as an international platform for the discussion of various complex and burning issues. Mr. Zubkov added that he looked forward to the active participation of the numerous representatives of the Russian Federation.
DINNER REMARKS

Dinner Remarks

Speakers:

- Štefan Füle
  European Commissioner for Enlargement and Neighborhood Policy

- Kostyantyn Gryshchenko
  Minister for Foreign Affairs of Ukraine

YES is a great platform to discuss issues relating specifically to Ukraine, its place in the global order and its ability to provide input into the great European project, according to Kostyantyn Gryshchenko.

Minister Gryshchenko added that a range of people could be found here – accomplished statesmen, creators of new ideas and the next generation of world leaders; all with the opportunity to engage in an open, free, transparent discussion. He called it a recipe for success.

Štefan Füle recollected his three visits to the Yalta Annual Meeting and summarized the development of relations between Ukraine and the EU during those three years. On the one hand a promising start with enthusiasm and the setting out of key reforms demonstrating real possibilities for EU assistance, ambitious and firm European aspirations of belonging to a European family, discussions concerning the liberalization of the visa regime, the EU offer of political association finalized in the text of the most advanced association agreement the EU has ever envisaged with a third partner and economic integration with a deep and comprehensive free trade area. On the other hand, Ukraine still needs to take steps to redress the effects of selective human rights and justice - freedom of expression, association and media are still not fully respected. The EU wants but cannot move forward with Ukraine until these problems have been addressed.

“The EU continues to repeat its message – no compromises on values.”

“I firmly believe that by strengthening its democracy Ukraine can reach the point of no return on its path to the European Union.”

Štefan Füle
The economic model that has worked in past decades is now losing its effectiveness. According to the President of Ukraine Viktor Yanukovych, with the changing architecture of the global economy, the countries which at times of crisis opt for radical but constructive reform will have historic opportunities. Ukraine has the intention and a real chance to join the competition for the future.

Among the key reforms mentioned were the liberation of entrepreneurial initiative, radical approaches to attract investment, improvement of the investment climate and judicial reform. It is also extremely important, noted President Yanukovych, to actively seek paths to economic integration, association and alliance with all countries.

Prime Minister Erdoğan argued that economic and social justice must become one of the key items on the global agenda.

According to the Head of the Turkish government, the principle of justice should be extended to include not only relations between social groups, but also between countries.

In the Prime Minister’s opinion, “It is very important that incomes are distributed fairly all over the world. These issues should be included into the global agenda. The developing economies have been influencing the global economic processes more and more. They should take more responsibility for the fairer distribution of wealth in the world.”
“Attempts to renew economic growth within old paradigms do not work. The previous model of development has exhausted its resources. In order to overcome the crisis we must tread a long and difficult path of reform.”

Viktor Yanukovych

“We must ensure a just global system - a system that will include everybody. A system that does not take into account aspirations of personal welfare and safety can’t be just.”

Recep Tayyip Erdoğan
The Future of the World Economy

Speakers:

- **Alexei Kudrin**  
  Professor, Dean, Saint Petersburg State University; Minister of Finance of the Russian Federation (2000-2011)

- **Petro Poroshenko**  
  Minister of Economic Development and Trade of Ukraine

- **Dominique Strauss-Kahn**  
  Managing Director of the International Monetary Fund (2007-2011)

- **Robert Zoellick**  
  President of the World Bank (2007-2012)

Over the next ten years, Ukraine has the opportunity to join the world’s economic leaders because of its unique position, possession of vast resources and developing agricultural sector, Petro Poroshenko claimed. This depends, however, on whether Ukraine is able to take advantage of the situation. The key objectives for Ukraine, the Minister believes, are to offer comfort to investors, secure property rights, combat corruption and adhere to the rule of law.

According to Alexei Kudrin, European countries should be seeking more drastic remedies to combat the debt crisis. Otherwise, the debt load will hamper economic growth in the eurozone and result in economic stagnation. Mr. Kudrin believes that as a result of the debt crisis, the European economy may face lower growth and stagnation for five to seven years unless economic policy is changed.

The tactics employed by financial institutions and governments to combat the economic problems must be altered, followed Dominique Strauss-Kahn. In his view, fiscal collapse and the growth of public debt in the U.S. remain serious problems, along with the debt crisis in the eurozone. Traditional tactics advocated by the IMF in Greece have failed to meet expectations. He believes rescue-measures were justified during the acute phase of the crisis, but today the focus should be recovery.

Robert Zoellick pointed out that the future of the world economy depends more on the politics of countries than the quality of their financial experts. No economic reforms can be implemented without political will, and this becomes harder to secure as each day passes. He also emphasized the international dimension of this issue and described the historic changes in the international economy, suggesting that after 50 years of a trilateral directory between the US, Europe and Japan, the key roles are now being played elsewhere.
“Ukraine has certainly not only become independent but has achieved its independence over 20 years. But the question is whether Ukraine becomes a new Poland or a new Belarus.”

Robert Zoellick

“To resolve the debt problems of the leading countries, growth must override the debt increase. But this is not expected within the next three to four years.”

Alexei Kudrin

“The economy must be restarted in an innovative way…We haven’t accepted the fact that it is better to suffer losses now, if they are unavoidable.”

Dominique Strauss-Kahn

“The world has been ruled by the countries possessing oil and gas, but in the next decade the leadership will pass to countries possessing food and water.”

Petro Poroshenko
The Future of the Global Order and Security

Speakers:

- **Dr. Condoleezza Rice**
  66th Secretary of State of the United States *(special speech)*

- **Štefan Füle**
  EU Commissioner for Enlargement and European Neighborhood Policy

- **Eugene Kaspersky**
  Founder and CEO, Kaspersky Lab

- **Shashi Tharoor**
  Member of the Lower House of the Parliament of India;
  UN Deputy Secretary General (2001-2007)

The world has recently undergone three “global shocks” that have changed it dramatically, Condoleezza Rice stated. The first was the events of September 11th, 2001, changing US citizens’ perception of physical safety; the second was the 2008 financial crisis that so challenged global economic security; and the most recent has been the revolutions in the Middle East.

Eugene Kaspersky suggested that cyber terror could become the fourth shock. In his view, the life of any country depends on its cyber systems, which are both powerful and vulnerable to attack, whether by hackers, terrorists or governments. Cyber attacks are unique in that they can be easily and cheaply arranged, not requiring too many human or financial resources.

Dr. Rice believes that in a time of such dramatic change, it is important to focus on the fundamentals, “how we can secure more liberty, more safety and a better world”. She emphasized that once Europe locks down its current borders and isolates itself from the rest of the world – primarily from countries like Ukraine and Turkey – crucial democratic values will suffer. Dr. Rice called for all countries to be attentive to human resources, education and innovation, which directly depend on the degree of freedom a nation enjoys.

This notion was supported by Commissioner Füle, who stressed the increasingly important role of values in world politics and their power to determine national policies like never before. According to Mr. Füle, the former discrepancy between the civil societies of developed and developing countries is becoming "a thing of the past."

Shashi Tharoor underlined that a world order based on the dominance of superpowers is disappearing, and global challenges, "problems without passports", require the participation of a broader range of countries. He believes that another Cold War is impossible, as power diversifies to nations such as his own, India.
“We are moving to a world beyond superpowers…India, a country that has always followed the rules now becomes a country that makes the rules.”

Shashi Tharoor

“If Europe turns inward as a result of the Euro zone crisis, we will lose one of the most powerful magnets for the further development of a democratic not just Europe but a democratic world.”

Condoleezza Rice

“The idea that interests and values are treated as opposite notions in politics should be dismissed.”

Štefan Füle

“Not a single country in the world is safe from a cyber strike.”

Eugene Kaspersky
Newt Gingrich opened the discussion with a reminder of the importance of the US Presidential elections for Europeans - “You may not be interested in American politics, but your life will be affected by the outcome of this election.” With fifty days remaining, former White House Chief of Staff William Daley suggested that Governor Romney had failed “to move the ball” and to make himself more likeable and better understood. Speaker Gingrich commented that if the election was held today, Obama would win due to his challenger’s failure to stress the “Romney recovery”, and in no small part to Bill Clinton’s performance at the Democratic convention. If however, Romney was able to demonstrate a “moral force and intellectual clarity” over the coming month, he would have stood a good chance of convincing voters that the Obama administration has little to offer other than stagnation. “He doesn’t have to be likeable, he has to be serious,” commented Speaker Gingrich.

The economy was the unsurprising centerpiece of policy discussion, Mr. Daley asserting that it’s the economics that make this election so close. The President’s courage to reform the financial sector and seek a stronger banking system would be the firm foundation of a deal next year, and the American people, he said, did not blame Obama for the country’s economic woes. Yet Speaker Gingrich alleged that “a negative campaign doesn’t build any capital.” He claimed that the choice before the American people is whether they are willing to gamble on a successful job maker and manager, despite the “fundamental risk” of changing presidents.
Innovation for the Future

Speakers:

- Eric Lander
  President and Director, Broad Institute

- Salman Khan
  Founder and Executive Director, Khan Academy (via TV link)

- Yuri Milner
  Founder, DST Global (via TV link)

- Alec Ross
  Senior Advisor on Innovation to the Secretary of State of the United States

Yuri Milner and Salman Khan joined the 9th Yalta Annual Meeting from Silicon Valley and were quick to convey the importance of the Internet in innovation. Milner stressed the rapid growth and reach of online brands and the impact of e-commerce on the job market. Khan focussed on the role of the Internet in the transformation of education. Knowledge and social skills acquired in the classroom could be enhanced by the wider promotion of online materials, allowing “ability and not age” to determine progress. Eric Lander entered the discussion by offering an overview of the stunning advances in the field of genetics, claiming that the young innovators will soon be writing DNA as they do computer code today. The urgency of medical issues merits as much attention as the immediacy of economic crises, and they are in any case closely related with a sixth of the US economy consisting of healthcare. Alec Ross urged government to unleash innovation and not attempt to control it. Failure should not be a barrier to future success and should be embraced by ever younger entrepreneurs who will change the world with innovation.
“The sorts of things that innovation does have impacts on timescales like ten years, but huge impacts.”

Eric Lander

“The government’s role in innovation and entrepreneurship should principally be to unleash it.”

Alec Ross

“What I have personally seen in the last twenty years is a gradual slowdown in investment levels in fundamental science.”

Yuri Milner

“We can move to a reality where we can start to rethink this Industrial Revolution-inspired model of education that we all grew up in.”

Salman Khan
After an afternoon discussing innovation and the future, the dinner speech concentrated on the Steve Jobs' story. Walter Isaacson spoke of curiosity and creativity, and how crucial they are for development. He drew his evidence from the lives of Steve Jobs, Albert Einstein and Benjamin Franklin and suggested that what they all share is a passion beyond what most can sustain. He described Einstein's fascination with a childhood compass that gave birth to a lifelong commitment to the problems of electromagnetism. He admired Franklin's tolerance and enthusiasm for the flow of ideas, which gave the constitution a grace that furthers free thought today. A grace that exists in the blend of art and technology that Jobs so lovingly pioneered, and as Isaacson suggested, will shape so much of tomorrow's world.

“Smart people don’t usually amount to much. It’s the innovative, creative and imaginative people who really count.”

Walter Isaacson
The Future of Capitalism

Speakers:

- **Richard Branson**
  Founder and Chairman, Virgin Group

- **Muhammad Yunus**
  Nobel Peace Prize Winner (2006); Founder, Grameen Bank; Chairman, Yunus Centre

The panel addressed the effectiveness of capitalism, its influence on people's thinking and relationships within the society. Muhammad Yunus shared his conviction that the capitalist system works only when businesses are solely focused on maximizing profit. Richard Branson agreed that things are not perfect, however, the positive aspect of capitalism is that many businesses are built to improve on what already exists, whilst “the money issue is further down the list.” Nevertheless, he agreed that “capitalism should be more debated” and it could be improved by sharing more, being “more encompassing” and thinking more about society and global challenges.

Both speakers shared the view that people are over reliant on governments for solving problems and both speakers offered different approaches to overcoming this. Prof. Yunus thinks that the huge potential of human beings is being underused, and the “creative power of people should be used for solving problems.” Moreover, Prof. Yunus claimed that the current capitalist system is not providing sufficient opportunities for entrepreneurs.

According to Sir Richard, companies should worry about planet and people as much as profit, like business leaders are usually entrepreneurial and can “think of entrepreneurial ways to tackle the world’s problems.” Government could be more efficient by contracting private companies for tackling specific problems.

The audience responded with comments on the crucial role of governments (Javier Solana, Eric Lander), stressing that some unique achievements would have been impossible without public spending and interest, as private industry is quite often unable to mobilize sufficient capital for specific goals.

According to Prof. Yunus, the system needs to be reshaped urgently. Social and capitalist businesses alike can and should solve problems. He believed the goal to be addressed is the disappearance of unemployment. Sir Richard supported this, whilst noting that there are already fresh perspectives on how to solve problems like unemployment.
“The problem of capitalism is that it does result in the extreme wealth of a few people. If those people are benevolent people, they’ll use that wealth constructively; they’ll reinvest it and do great things.”

Richard Branson

“Poverty is not created by the poor. Poverty is externally imposed on them. Poverty is created by the system that we built…Poverty should be in a museum, not in human society.”

Muhammad Yunus
Prime Minister Azarov underlined that change and reform is being implemented in Ukraine. He admitted that there had been mistakes, but taking into consideration the difficulty of the situation - economic crisis, elections and criticism of the government - he believes the administration has coped well.

According to Mr. Azarov, the second wave of crisis will only be overcome if Ukraine takes an unconventional approach to finding solutions for the challenges it faces, namely energy supply, food security and wider environmental issues.
The future of Europe will be of decreasing importance to the world lest its leaders work with the global economy in mind. So suggested Gordon Brown at the beginning of what became a largely economic discussion on Europe’s place in the world order. Egemen Bağis advised that for Europe to look outwards rather than inwards, it must continue to strengthen its enlargement. Mani Shankar Aiyar took this a step further by proposing a Yalta Eurasian Strategy to ensure truly global development. Niall Ferguson preferred to talk of contraction as Europe’s output and population becomes a smaller share of the global sum. He focused on the need to reform and not abandon the single currency experiment, but praised Gordon Brown for keeping the United Kingdom out of the euro.
“We talk about the future of Europe and don’t talk about it in the context of the global economy.”

Gordon Brown

“I fear that by failing to solve our institutional problems we Europeans are condemning ourselves to be in a stationary state for a generation.”

Niall Ferguson

“The most important formula for the EU’s success is now being blamed for all its problems – enlargement.”

Egemen Bağış
Energy – Uniting Europe? Dividing Europe?

Speakers:

- **Matthias Bichsel**  
  Executive Committee Member, SHELL

- **Yuriy Boyko**  
  Minister of Energy and Coal Industry of Ukraine

- **Arkady Dvorkovich**  
  Deputy Prime Minister of the Russian Federation

- **Dr. Condoleezza Rice**  
  66th Secretary of State of the United States

- **Maxim Timchenko**  
  CEO, DTEK

Condoleezza Rice defined energy as one of the most important inputs into the modern world and stated that it should go together with reliable sources, economic growth and effective storage. As the world’s dependence on hydrocarbons shows no sign of weakening, Dr. Rice emphasized the role of energy security, explaining its importance for democracies.

Mr. Dvorkovich agreed, stating that growing energy consumption demands enormous investments and alternatives. He underlined that the Russian government fully understands that it needs to invest in alternative energy to keep its stake in the global energy market, and expressed his hope that we will soon be able to overcome all difficulties, allowing for a new form of energy policy.

Mr. Boyko mentioned vital changes in the energy world, focusing on the Fukushima tragedy, the shale gas revolution, the problem of hydrocarbon emissions and the global need to find a balance between traditional and alternative energy resources. He went on to explain ambitious plans for Ukrainian energy independence over the next decade, based on increasing domestic production, liberalizing the energy market, attracting new investments, changing traditional energy sources into alternative energy and market diversification.

Matthias Bichsel followed by stating that the energy sector should unite and not divide the world. Today in the energy sphere, “the world struggles against itself, and barriers are created for ideas and technologies.” Alternative energy is still too costly, preventing the replacement of hydrocarbons. At the same time, shale gas production offers prospects of an “energy revolution.” According to Mr. Bichsel, the only acceptable approach to apply in this sector is a holistic one.

Mr. Timchenko emphasized the Ukrainian inheritance of huge energy potential, explaining the reasons why the energy sector is not yet progressing as we expected it to, namely technical problems, regulations and socio-economic restraints.
“Gas is not just a transition fuel to a new energy future; it is actually a destination fuel, when we think about 2050.”

Matthias Bichsel

“With the help and participation of our European partners we can overcome all obstacles and make the energy sector a real driving force for Ukraine’s integration into the EU.”

Maxim Timchenko

“To be safe in the current environment we need to have real dialogue based not on politics, but on real economic considerations.”

Arkady Dvorkovich

“The balanced mix of developing nuclear, traditional and alternative energy will give Ukraine a new level of energy security in the next decade.”

Yuriy Boyko

“Gas is not just a transition fuel to a new energy future; it is actually a destination fuel, when we think about 2050.”

Matthias Bichsel
Russian Lunch: the Future of Russia

Speakers:

- **Herman Gref**  
  CEO, Chairman of the Management Board and CEO, Sberbank (moderator)

- **Arkady Dvorkovich**  
  Deputy Prime Minister of the Russian Federation

- **Alexei Kudrin**  
  Professor, Dean, Saint Petersburg State University; Minister of Finance of the Russian Federation (2000-2011)

- **Vladimir Mau**  
  Rector, The Russian Presidential Academy of National Economy and Public Administration

- **Konstantin Remchukov**  
  Chief Editor and Director General, "Nezavisimaya Gazeta"

- **Ksenia Yudaeva**  
  Head of Expert Department, Presidential Executive Office

The Russian lunch stressed the importance of building relationships to prevent a bipolar globe. Whilst Russian domestic and foreign policy were the major focus of interests, a wider reflection of current international relations was discussed with input from Speaker Gingrich, Mr. Aiyar and Kazakhstani Deputy Prime Minister Kelimbetov. Political reform, corruption and the modernisation of the economy were identified as Russia’s key challenges and China’s growing influence was shown to be the country’s main foreign policy concern. The role of the middle class was debated, and how Russia can keep innovation within its borders. Vladimir Mau suggested that despite the recent unrest, “today it’s easier to leave the country than to change on your own.”
“If we talk of foreign policy, we need to be treating our partners as strictly as we do ourselves.”

Arkady Dvorkovich

“It’s optimistic to presume that the middle class (of Russia) will go out onto the streets to protest their rights. Realistically speaking, it’s cheaper for them to leave the country than stay.”

Vladimir Mau

“The middle class in the Russian Federation has neither a deciding vote nor representation in the parliament.”

Alexei Kudrin
Valeriy Khoroshkovskyi declared that EU integration still remains a priority for Ukraine. In today’s Euro-Ukrainian relations, the political aspect is at the top of the list. Mr. Khoroshkovskyi emphasized that Ukraine’s relations with the Customs Union are not a matter of strategic choice, but a matter of building effective and mutually beneficial relationships with Ukraine’s immediate neighbors.

Mr. Bildt suggested Ukraine clearly define its integration priorities, lest it find itself internationally isolated. The eurozone may be in crisis, but the sufficiently fast growth of Eastern European countries proves that the European integration model remains viable and promising. Ukraine, in his opinion, should fit into the European integration model under the condition that there is no procrastination in the integration process.
Kairat Kelimbetov objected, claiming Ukraine should be working in a fully-fledged manner with partners both from Europe and the Customs Union. It is integration with the CU, however, that offers the most benefits to Ukraine, - he said. Mr. Kelimbetov warned against the excessive politicization of Ukraine’s potential integration into the Customs Union, expressing his conviction that this is a purely economic process.

Javier Solana agreed with Carl Bildt, stating that Ukraine should come to a decision for itself whether it is ready to move towards the EU and share its underlying values. He questioned the notion that CU integration was a good and purely economic choice for Ukraine. He stressed the qualitative differences between the two interstate associations and called upon Ukraine to think over its values and priorities.

Thomas O. Melia clarified the U.S. position, explaining that the US want Ukraine to be sovereign, prosperous and strong. Being well connected in all directions is a good principle to follow and having friends in both the East and West is important. According to Mr. Melia, a crucial moment of choice stands before Ukraine. He called for significant steps to be taken to improve the election environment, starting with media constraints and political prosecutions against certain opposition candidates, and finishing with the quality of election commissions and their selection.

Andrei Kostin started his speech with the statement that “the West is offering Ukraine a marriage of convenience while Russia offers real love without any prejudice or preconditions.” He continued this line with reasons why the Customs Union with Russia, Kazakhstan and Belarus is much more attractive and beneficial for Ukraine than integration with the EU which he saw on the verge of collapse. Mr. Kostin believes that the Common Eurasian Economic space is mutually beneficial for all of its members. To gain as much as possible, as he advised the Ukrainian government, Ukraine should look east.
TV Link

Speaker:

- **José Manuel Barroso**
  President of the European Commission; Prime Minister of Portugal (2002-2004)

President Barroso joined the conference via video link from Germany, starting his speech with the statement that Ukraine, the EU and the world face very important challenges that will be better to overcome together.

He emphasized that the EU and Ukraine have been successfully working together on many issues which are as economically necessary as they are politically indispensable. In President Barroso’s opinion, cooperation would be ever more effective if the same principles and values – respect for democracy, rule of law, fundamental freedoms - were espoused.

Mr. Barroso stressed that the EU remains firmly committed to advancing the relationship with Ukraine, emphasizing the unprecedented steps taken by the EU to strengthen it. He pointed out, however, that political conditions are missing for the signing of the Association Agreement. Mr. Barroso also reminded the conference of the importance of the parliamentary elections and fair and transparent legal system, avoiding selective justice against opposition leaders of Ukraine, as a demonstration of Ukraine’s commitment to democracy.

“The intensity of our cooperation will be determined by the intensity of Ukraine’s commitment to our values and to reforms.”

José Manuel Barroso
The Tymoshenko Case: Views and Assessments

 Speakers:

- **Inna Bohoslovska**
  Member of the Parliament of Ukraine, Party of Regions

- **Mario David**
  Member of the European Parliament; Vice President of the Europeans People's Party;
  Member of the Board, Yalta European Strategy

- **Renat Kuzmin**
  First Deputy Prosecutor General of Ukraine

- **Hryhoriy Nemyrya**
  Vice Prime Minister of Ukraine (2007-2010); Deputy Head of “Batkivshchyna Party”

Renat Kuzmin’s opening statements laid out his view on current trials against opposition leaders. Mario David shared the European perspective on the case. Inna Bohoslovska focused on the details of the charges against Yulia Tymoshenko which Hryhoriy Nemyrya was quick to refute, suggesting the political motivation behind the case was overwhelming.

The floor was eager to share the discussion and contributions were made by, among others, Carl Bildt, Tomas O. Melia and Kostyantyn Gryshchenko.
“We, European friends of Ukraine, will not give up seeking a democratic and prosperous Ukraine.”

Mario David
The Nearest Future of Ukraine: October 29, 2012

Speakers:

- **Vitali Klitschko**
  Member of the Parliament of Ukraine; Leader of the Political Party "UDAR of Vitali Klitschko"

- **Nataliya Korolevska**
  Member of the Parliament of Ukraine; Leader of the Political Party "Ukraine-Forward"

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

- **Serhiy Tigipko**
  Vice Prime Minister of Ukraine – Minister of Social Policy of Ukraine;
  Deputy Head of the Party of Regions

- **Arseniy Yatsenyuk**
  Member of the Parliament of Ukraine; Head, Council of United Opposition "Batkivshchyna"

Vitali Klitschko pointed out the drawbacks of the current government's policies. He emphasized that "Udar" would demonstrate new standards in politics, fight for democracy and secure a better future for Ukrainians. Nataliya Korolevska continued by saying that nowadays Ukraine was passing a political test when a new power without a political past has a chance to serve the country. She stressed that nobody can win in the political war and urged everybody to show they can work together for Ukraine, rather than against each other. Arseniy Yatsenyuk described the challenges that lie before Ukraine, paying particular attention to what he described as a political and economic monopoly of the President and the Party of Regions, the Tymoshenko case, a demolished system of checks and balances, the crackdown against key democratic values and the corrupted political system.

Serhiy Tigipko, as a representative of the ruling party, pointed out concrete successes achieved by the government, such as an increased average and minimum salary, an increased average and minimum pension and a decreased budget deficit. According to Mr. Tigipko, the Party of Regions is ready for cooperation and constructive dialogue with the opposition after the elections.

Leonid Kuchma urged all parties to avoid populism in the election campaign and concentrate on their suggestions on concrete policies to improve the investment climate and the economic situation.
“Whoever wins, try to understand that we have only one country – Ukraine. Try to find compromise. Let’s be honest with ourselves and with the voters.”

Leonid Kuchma

“You should have the united idea that will be supported by all political parties that will keep your country on a single path.”

Chrystia Freeland
Closing Remarks

Speaker:

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

President Kwasniewski summarized the main issues of the conference, underlining its global character. He stressed that the real challenge is change, which to some extent is visible and predictable, but more often than not is unpredictable, and poses questions the world is unable to answer.

President Kwasniewski paid special attention to the European Union, which he deems to be the most important political project in the history of civilization and which still has outstanding potential to be further developed.

Aleksander Kwasniewski called upon Ukrainians to make an effort to understand what is of real advantage to the country; to make a choice, determine clear goals and organize cross-party support for them. In his opinion, accepting European standards for Ukraine would mean joining a long-established model of democracy, development, justice and human rights. These are the means, he said, to move Ukraine forward.

“It would be something impossible and absolutely unbelievable to miss this greatest opportunity to integrate Europe further, deeper and, at the end of the day, to have Europe as really one of the strongest, most important players in the world in the next decades.”

Aleksander Kwasniewski
Ukrainian students at Yalta

As is now tradition, Ukrainian students and young professionals took part in the 9th Yalta Annual Meeting. They were selected on the basis of an essay contest on the theme of global challenges, open to the two thousand scholarship holders of the educational programmes of the Victor Pinchuk Foundation.

Over the two plenary days of the Yalta Forum, these representatives of Ukrainian youth had meetings with the key speakers of YES-9. Among those to engage in lively and frank discussion with the students were Richard Branson, Gordon Brown, William Daley, Walter Isaacson, Eric Lander, Newt Gingrich, Alec Ross, Serhiy Tigipko, Robert Zoellick and Muhammad Yunus.
WHO CAME TO YALTA?

- Businessmen: 25.30%
- Experts / analysts: 27.47%
- Government officials: 5.78%
- International institutions’ officials: 12.77%
- Journalists: 20.00%
- Politicians: 8.67%

PARTICIPANTS’ GEOGRAPHY

- EU: 54.36%
- Turkey: 17.07%
- Russia: 12.89%
- India: 6.62%
- Ukraine: 0.70%
- USA: 5.92%
- Other: 2.44%
Главные внутриполитические вызовы для России в этом десятилетии:
1. Проблема информации (система пропаганды и противоположная)
2. Эффективность госуправления
3. Демография
4. Коррупция
5. Социальная политика
6. Национальная система образования
We are grateful to the Victor Pinchuk Foundation for the continuous support and cooperation that has made the 9th Yalta Annual Meeting happen.

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