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SWITZERLAND–UKRAINE: RELATIONS REVISITED

– *Your Excellency, it will be no exaggeration to say that the month of July this year has become a milestone in Swiss-Ukrainian relations thanks to the visit of Simonetta Sommaruga, President of the Swiss Confederation. What are the results of the visit?*

– First, it was the first visit ever by the Swiss head of the Federal Council to Ukraine. Second, it was the first bilateral visit of such a level in Europe since the outbreak of coronavirus. Our two countries pioneered the resuming of normal activities by heads of state. As a matter of fact, the event itself was quite interesting because most of the agenda had to be discussed with masks on, including for the guard of honour, which is not what we are accustomed to, but, perchance, this will be the new normal. I guess both of our delegations inaugurated that in a way, thus making it historic in a sense. It has to be told that it was not a brief visit to Kyiv for half a day or so. Instead, our delegation spent almost four days in the country engaging in intensive activities in Kyiv itself and Donbas, a very important region for the country, where hostilities are still raging. During the visit, we covered two government-controlled parts of Donetsk and Luhansk regions. Hence, the meeting was very meaningful, its purpose being to, first, continue to show the willingness to be Ukraine's partner in transition in our fields of expertise, such as health reform, judicial reform, further democratisation, decentralisation, and digitalisation. In all of these areas, numerous projects are being implemented within the framework of our four-year programme worth £27 million in Swiss public money annually. This makes us the fifth biggest bilateral donor as a country to Ukraine, of which I am quite proud. Second, the purpose of the visit was to continue our political and humanitarian contribution in the settlement of the armed conflict in Donbas. Politically, we are closely involved in the Trilateral Contact Group, the OSCE and its Special Monitoring Mission. Equally important is our humanitarian aid. Since 2015, Switzerland has already sent 12 convoys, mainly with water-cleaning equipment on both sides of the contact line. The issue of clean water concerns four million people in the area, thus making it important to ensure the availability of chemicals to have drinking water cleaned. To that end, related equipment is supplied along with medical aid for hospitals. During the meeting, both presidents expressed the

wish that this cooperation be continued. One more goal was to discuss the topic of investments. Here, too, we are among the ten biggest contributors of foreign direct investment to Ukraine. At some point this year, Switzerland even ranked fifth by this measure, now occupying the seventh spot. In this vein, investment attraction and protection are crucial dimensions for both our countries. Being aware of the material element of reforms, the President of Switzerland also met with the ministers of infrastructure and energy to discuss the relevant challenges facing Ukraine. Also discussed were mutually beneficial opportunities that we have here in the country, now that Ukraine has the Association Agreement with the EU covering exports. This is of particular interest for our investors because it enables us to invest here and produce Swiss-quality Ukraine-made products with destinations both in the Ukrainian market and in the EU, thus making it a win-win situation. What is more, such activities generate jobs: Let me remind you that Swiss foreign direct investments have resulted in creating 30,000 jobs in Ukraine. I believe this is where we might be looking at future domains of our interaction, such as scientific cooperation. During the Covid crisis, we launched a joint project to use Swiss institutions and engineers at the Federal Institute of Technology in Zurich to create a low-cost lung ventilator. By the way, the said university ranks sixth globally according to the QS World University Rankings, and the project itself is implemented in cooperation with the state enterprise Novator in Khmelnytskyi, which has the necessary industrial capacity. The device was sorely missing at the peak of the Covid crisis, but it can also be useful in case of any respiratory disease in a non-acute phase. The matter of using this industrial capacity for developing the prototype of the device marked the beginning of our cooperation in the field of science.

Therefore, the agenda of the meeting was comprehensive with many officials involved in presidential talks, including the Chairman of the Verkhovna Rada and the Prime Minister. Besides, a joint business event was held attended by our President and the Prime Minister of Ukraine, the first business event live after the outbreak of Covid-19 initiated by Switzerland and the European Business Association. One more agenda item was a visit to UNIT.City, the Ukrainian Silicon Valley, which is, however, not sufficiently known in Western Europe or North America. Still, its potential is amazing, and it opens a lot of mutual benefits. We also met with writers, representatives of civil society and media, especially independent Ukrainian media, whose existence is very important. On the global scale, media currently tend to be part of monopolies of wealthy people, and your country has not been spared either. I believe that independent media serve as a good balance to this phenomenon. The programme of the visit also involved visiting the surrounding area of Kyiv together with Mayor Vitalii Klitschko and the minister of regional development, where we discussed an energy efficiency project on how to rehabilitate heating systems and other com-

mons in old Soviet residential units. We support the existence of these schemes and assist the associations of house owners in getting bank loans. In addition, climate change and possible cooperation in the sphere of renewable energy were also discussed. The entire third day of the visit was dedicated to Donbas, where the two Presidents visited the Voda Donbasu pumping station of Sloviansk, where a Swiss humanitarian convoy was delivering water cleaning devices and chemicals and where the strategic importance of water distribution in Donbas was discussed. Also in Sloviansk a round table was held with humanitarian partners from the multilateral system, including the UN, the OSCE, and the ICRC, which all had a chance to address the two presidents on how to deal with the problems on the ground. With this in mind, I believe this was a rather innovative format of discussion at such a high level.

It was followed by a meeting with the participation of several members of the Ukrainian delegation at the Minsk process and civil society representatives. Afterwards, we took a helicopter flight to Stanytsia Luhanska to take stake of the road rehabilitation project, which is of crucial importance for producers in the government-controlled area who have lost their markets in Luhansk region following the outbreak of hostilities. This is an eloquent confirmation that the incumbent President and the Government are willing to invest in these regions. The visit to the renewed bridge at Stanytsia Luhanska, where the OSCE is operating and where so much suffering was inflicted, had a symbolic meaning and will contribute to the safety of the people living in the area. Both presidents going to the very limit of the government-controlled area was a huge symbolic moment too. All in all, the visit turned out to be a success and also a significant occasion for our delegation to understand the challenges and opportunities in Ukraine.

– *On 20 October 2019, the federal parliamentary election was held in your country. As Mr Rybchenko, Ambassador Extraordinary and Plenipotentiary of Ukraine to Switzerland, put it, the political cycles in our countries have coincided, which allows us to compare notes and give a new impetus to interparliamentary cooperation. Do you agree with your counterpart and which opportunities open up for Swiss-Ukrainian cooperation following the election?*

– I am a staunch believer in parliamentary diplomacy as a complement to official diplomacy. Diplomacy is not only about words and agreements – it is also about human beings and contacts. All members of parliament come from different regions of their countries, thus paving the way for cross-pollination of information and knowledge. Put otherwise, they can bring the official-born contacts from Kyiv into the regions. Through these contacts new opportunities for cooperation can be brought up, and the parliamentarian can develop his or her own niches of cooperation, which then can either have their own life or have some relay in the business community by connecting two enterprises. In that

case, their interaction does not need to be controlled by us. What is more, they can put forward some useful ideas that we can build on through our development or cooperation programme. Thus, it is a huge opportunity for action at a high level, given that all parliamentarians are also in a way connected with the government even if a clear separation of power is there. These people know each other, they sit in commissions where ministers have to report, thereby tightening the relations between countries even closer. The fact that we are having a parallel parliamentary life span is also conducive because if the political cycles of countries are not synchronized, the ties built previously might be interrupted by a new election, which makes you start from scratch with a new parliament. In our case, both parliaments have a window of opportunity of four years, which is a long enough period to deliver solid results.

I have to say that I am impressed with the fact that the Ukrainian parliament got ahead of us in reestablishing the friendship group, a really huge one, consisting of 70 active parliamentarians with whom we have already held a number of events. In this respect, adopting with Swiss expertise is a promising step in drafting the law on referendum.

Talking about other examples, I myself have organized an exhibition in the Verkhovna Rada on Swiss democracy and its different features. In turn, some parliamentarians have visited the embassy as soon as quarantine measures allowed it to have live events. The latest of them took place a fortnight ago, when we had an information event about our cooperation programme and the visions for its future. Unfortunately, there was an ambitious event planned between parliaments called the Day of Ukraine in the Swiss Parliament that was to have been held in March but eventually had to be postponed because of the coronavirus pandemic. However, just before that we nevertheless managed to have an official visit of the chairman of the Verkhovna Rada to Switzerland on 9 March. In fact, it was the last high-profile visit in our country before the lockdown, and it is interesting to note that the first post-Covid, if I may say so, presidential visit in Europe after the easing of restrictive measures was also organised by our two countries. That is a very fine coincidence, which shows that while being cautious and responsible we are also ready to take risks for the sake of deepening our relations.

– As early as 2006, the Ukrainian city of Vinnytsia signed a memorandum on cooperation with the Government of Switzerland regarding the project Zurich Trams for Vinnytsia. The second memorandum in 2011 resulted in the largest energy efficiency project in Ukraine and in June, Serhii Savchuk, Head of the State Agency for Energy Efficiency and Energy Saving of Ukraine, took part in the discussion on new energy opportunities in our bilateral relations. Does the Embassy of Switzerland intend to further implement similar projects in Ukraine and what are the prospects for the future in this field?

– This is a success story indeed. The two examples you have mentioned have made a difference for the people of Vinnytsia. If I am not mistaken, around 90 percent of trams in the city came from Zurich free of charge, which allowed the local authorities to free up resources for other purposes and rethink their urban policies. Vinnytsia is indeed one of the leading cities in Ukraine in terms of introducing energy efficiency measures, greening policies, renewing public transport, and so on, which is also the result of the cooperation with Switzerland. There is also a strategic dimension to it. Very importantly, the Swiss energy efficiency project does not run on gas, eliminating the need to import more of it. Hence, I believe that Ukraine's strategy of not being totally dependent on one supplier needs such alternatives, which is a very salutary side effect. It is also about a responsible approach towards climate. The city of Vinnytsia has even received the European Energy Efficiency Award. This provides ample evidence that a bit of support and the talent of Ukrainians geared into responsible policies can yield outstanding results. To my mind, this is an example of what we can do by just being a partner who induces a little thing to be then taken over by people and politicians.

– *In April this year, President Volodymyr Zelenskyy signed the Law on Amendments to Certain Legislative Acts of Ukraine on the Conditions of Circulation of Agricultural Land. Switzerland is one of the EU's leading agricultural partners with valuable expertise in the field. In this respect, would you please comment on whether such changes bode well for Ukraine. What risks may be in place?*

– First of all, we respect whatever our partners decide. Switzerland refrains from giving lessons saying whether a certain initiative is good or not. But I believe that the decision at question is a responsible one, as it was proposed and adopted in a democratic manner. It being a huge change, there certainly are fears attached to it. It is absolutely legitimate to think that whatever you do should not be done in excess, a basic truth for in every sphere of life. Similarly, doing something in the right proportion is better than not doing anything. Proceeding from these common sense phrases, the decision made open possibilities with positive effects that were not available before. My point is that it entirely depends on smart implementation to ensure that it does not lead to abuse. Be that as it may, this is Ukraine's sovereign responsibility to deal with this new opportunity it has opened for itself. From Switzerland's point of view, we are one of the key donors supporting the development of agriculture in Ukraine. Over the last 15 years, we have been closely involved into such areas as organic agriculture, dairy market, access to finance for farmers via crop receipts to ensure that small farms are not crushed by big agribusiness. We have also been engaged in the development of extension services, helplines, and providing support to agricultural business associations. We are exerting efforts to make this sector ever more responsible, fair, productive, and capacitated to

generate and distribute wealth in Ukraine through a proper use of land. Therefore, we laud the introduction of the land market, which will help to attract new investments and contribute to rural development by bringing additional resources. We believe it is wise to have an introductory period, where one entity can own only a limited amount of land, as it allows mitigating the risks and is a part of the aforementioned responsible approach.

– In September 2019, Switzerland’s digital giant Syngenta purchased the assets of the Cropio Group located in Ukraine, therefore becoming the only agricultural company to have access to leading management platforms in the top four agriculture markets in the world including the US, Brazil, China, and now Eastern Europe. Many people believe that agricultural sector of the economy is obsolete. Given the development of digital farming, could this be the beginning of a new tech revolution for Ukraine and a source of cooperation between our countries?

– For sure, smart land and agricultural management with up-to-date technologies is an important asset that has to be administered properly by the Ukrainian authorities, foreign direct investors concerned, and those producing goods thanks to the investments. As you will know, Syngenta is not primarily about IT – it is also about crop, seeds, and fertilizers. Besides, Syngenta is one of the world’s leading agricultural innovation companies, which makes it a coveted partner that can help Ukraine in agricultural innovations. With its roots tracing back more than 250 years, the company currently employs 48,000 people in 100 countries. Let me be clear: the headquarters is in Switzerland, but it is a Chinese-owned company for two years now. It still remains to be seen what decision will be taken in the future with regard to the headquarters – whether it remains in Switzerland or not. No information is available on that so far, but I believe it is an important evolution in the company’s activities compared to how Syngenta worked before. As for the structure of the company, it comprises four business units, namely Syngenta Crop Protection located in Switzerland, Syngenta Seeds headquartered in the US, Adama based in Israel, and Syngenta Group China in Shanghai, which provides leading industrial ways to serve consumers everywhere. This makes it a truly worldwide-integrated group.

As for the Cropio Group, this is an agricultural and technical company represented in more than 50 countries with the office located in Kyiv. Its main focus is Eastern Europe. The Cropio Platform is an equipment-integrated end-to-end software solution that provides imaging, record-keeping, and equipment-tracking. Approximately 10 million hectares of crops are currently managed by using this platform. By acquiring Cropio, Syngenta gained a hub for agricultural technology innovation in Europe that will be useful in increasing farmer sustainability, productivity, efficiency, and profitability. With this acquisition of Cropio, Syngenta will be the only agricultural company

to have access to leading management platforms in the top four agricultural markets, which you have already mentioned. Consequently, a Syngenta digital tool will now be used to manage more than 40 million hectares all over the world with a plan to double before the end of 2020.

– *For several years now, the Swiss State Secretariat for Education, Research, and Innovation has funded the initiative called Ukrainian Research in Switzerland aimed at developing Ukrainian studies in Switzerland and contributing to international networks of Switzerland-based university research on Ukraine. There is also the SCOPES (Scientific Cooperation between Eastern Europe and Switzerland) programme. Can these projects be considered successful so far? More generally, what is the source of such Switzerland's interest in Ukraine and in the region as a whole?*

– It bears mentioning that the cooperation in developing the prototype of the lung ventilator was a speedy decision at times of crisis, which has already delivered good results, thus making science diplomacy an object of interest to us. This is part of the real world consisting of several ‘bubbles’. The real world is not limited to the diplomatic bubble, it also comprises the corporate bubble, civil society bubble, and science bubble. Indeed, interactions among diplomacy, corporations, civil society, and academia or research are THE reality. Oftentimes, diplomacy relies too heavily on its own bubble: diplomats can spend ten years negotiating a multilateral convention watered down to please everybody and then not ratified for years. Even if ratified, its proper implementation still remains a problem. As a result, so much energy passes without any meaningful impact. Thus, if you establish real-life connections with those who make the reality, you have to reconnect the diplomatic bubble with the other elements, which give the society an impetus to move forward. These scientific grants are aimed at students, who will be the next leaders in corporations, political parties, and governments, and are, therefore, the smartest investment one can possibly think of. I can definitely say that these projects have been successful.

However, it is worth mentioning that the SCOPES project has ceased to exist in 2016 and was supplanted by a new framework. In addition, Ukrainian Research in Switzerland at the University of Basel is just one of many projects done with different universities. There are also research projects on forests, snow, and territory management designed in cooperation with Lviv Polytechnic National University with a view to observing the special natural conditions you have here in Ukraine with primary forests and so on. This can be a very rewarding experience elsewhere in Europe. There is also a platform with the University of St Gallen and several other universities exploring stereotypes in Ukraine. One of them is the infamous East-West dividing line, according to which Eastern Ukraine is more leaning towards Russia, while Western Ukraine is closer to the West. When people refer to it during TV shows, it is rarely based on scientific data. Hence, the task is to create the relevant data to monitor the trend. In fact, Ukraine is

a diverse society with its own identity. This information is especially important for Ukraine in terms of nation-building, a phase your country is going through now. What is said on this subject should be based on scientific data. Mention should also be made of the European Institute of the University of Zurich and the National University of Odesa Law Academy receiving grants from Switzerland for research on the topic of European integration. Both our countries are European, without being either EU or NATO members – for different historical reasons, but the fact is that today institutionally we are very similar. It is thus perfectly understandable that the topic of European integration is important for both our countries, and it is all to the good that we can exchange our experience through our students and professors visiting each other's country. The last thing I would like to mention in this respect is the project at the University of Basel entitled Ukrainian Research in Switzerland that provides for funding to professors coming to Switzerland to teach Ukrainian history and language at Swiss universities, which, I believe, is also a new aspect. The University of Basel has always been famous for its progressiveness in capturing the reality of being European, and is thus poised to invest into new trends on the continent. What is meant is that after the collapse of the Soviet Union new independent countries emerged, which are now shaping new realities in Europe. That is the reason we would like to understand what this process means for this country and for us. I find it quite progressive and I am glad that my country contributes to the development of such schemes. As you can see, our work in this field is not limited to only one project, and it will be my duty to try to do even more in terms of educational and scientific exchanges.

– *Recently, the Ukrainian government and President Volodymyr Zelenskyy have announced plans to legalise cryptocurrencies in a bid to create a favourable framework for blockchain companies to work in. To that end, a team of Swiss experts was invited for assistance. With its Crypto Valley, Switzerland is an emerging leader in the sphere. From this standpoint, what is your opinion as for the prospects of the initiative, why is it important? What is to be done to make it successful?*

– There are only a few countries in the world where cryptocurrency turnover is not overregulated. Switzerland and Ukraine both belong to this short list. I would say that it gives considerable leeway for this new technology, although then again, we have many proponents of the current system who are quite skeptical because there is a lot of fear associated with more liberty and the existence of a non-controlled competitive currency. Be that as it may, blockchain also offers numerous opportunities that can make life easier. In a move to give it a chance, our Government has early recognised the tremendous potential of this new technology and set for our country a strategic goal to become a high-tech nation, which is also related to technological advancement in the financial system. Being a financial hub, it is incumbent upon us to grasp the reality

of this state-of-the-art technology. If to rely on old model, we might suddenly end up losing the leading role. It reminds me of how coal industry was gradually supplanted by gas and electricity. Just like now, there were those who stood in stark opposition to it and those who claimed that this was the future. Every new technology undergoes the moment when people resist it, until it eventually finds its way to the new reality. In general, our plan is to be cautious about possible abuses but also remain open-minded to give this innovation a chance. Our Government's proactive attitude has led to extremely favourable conditions for blockchain companies, which has created a flourishing ecosystem that has already been applied in practice. In 2015, Zug, the capital of the eponymous Swiss canton, became the first city to accept bitcoin tax payment. Zug has also excelled at developing a blockchain-based digital identity. In cooperation with the Luzern University of Applied Sciences and Arts, this identity was successfully tested in a vote in the summer of 2018. The same university allows invoices to be paid in bitcoin. Thus, it is fair to say that we in small parts of Switzerland are already living in this new reality without any problems. What is important about the blockchain concept is that it is highly decentralised, which is exactly how Switzerland works. It is not only about unity in diversity but also a state which holds only the most necessary power at the federal level with the rest being decided locally. It holds true for taxes too. If you pay taxes in Switzerland, 85 percent of the money stay in your region. Only the remaining 15 percent are sent to the centre to finance the army, diplomacy, national roads, tunnels, railways, etc. Therefore, it is very much in our spirit. The technosystem centred in and around the Swiss canton of Zug has grown into one of the world's leading ecosystems for such cryptographic technology as blockchain. Switzerland has become one of the centres for new business ideas in the field of blockchain. Since 2017, the embassy has invited experts from Switzerland to provide keynote speeches from different podiums in Ukraine, including iForum, BlockchainUA, etc. Whenever an international event concerning this topic is organised in Ukraine, we are there to bring in our people for sponsoring and partnership purposes. In 2020, we have also provided a recommendation to the Ministry of Digital Transformation about potential Swiss experts in taxation of crypto assets. Here, too, we are engaged in a partnership with Ukraine on using the most modern technologies. In this respect, we are part of many related initiatives that have been realised by the Ministry and Deputy Prime Minister Mykhailo Fedorov. We also believe that digitalisation and direct communication with the authorities is a good way to combat corruption by eliminating unnecessary intermediaries abusing their powers. In other words, it is not only about making things more efficient for citizens but also about combating the problem of corruption. It is not endemic in Ukraine but is certainly recognised as a major impediment on the way to speedy reforms.