

Unknown Speaker - ladies and Gentlemen please welcome our next panel from crisis to opportunity how the US government and private sector can support Ukraine reconstruction our moderator is Steve Clemons, Founding Editor-at-Large, Semafor, he's joined on stage by Stephanie von Friedeburg, Managing Director and Global Head of Development Finance Institutions Strategic Partnerships, and Bridget Gainer Global head of public affairs and policy Karl Jensen, Executive Vice President for National Governments, AECOM and Richard Wilkins, Global Head of Export Agency and Finance Origination and Head of Europe, Middle East, and Africa, JP Morgan

Steve Clemons, Founding Editor-at-Large, Semafor - Exactly hello everybody I feel like we're the ball team being announced in a major stadium so I was expecting the walk- on song right well that's great uh can I just say give another big round of applause to Oksana Markarova you know the Ambassador and I um I mean everyone feels like a great friend of Oksana I feel like I'm a great friend of Oksana I'm a great friend of Ukraine uh she was the Minister of Finance I don't know if that was mentioned uh and I often ask her when I interview her to take off her Ambassador hat and to talk through some of what we're going to be talking about now which is to look at you know what are the Contours of recovery and also when your country is basically blown apart and you're putting it back together with the Goodwill of other people how do you rewire the place to make it better now and tomorrow than it was in the past and she's the best at it so thank you to Ambassador Markarova we have a fantastic um panel here to discuss the topic of from crisis to opportunity how the US government and private sector can support Ukraine reconstruction but what this is really about in my view and I've gone to a you know half of my life has spent going to conferences that are about how are American values doing around the world or how are you know Universal human values doing around the world in my belief is that unless there's Market power behind them they don't often do too well so as we think about Ukraine reconstruction one of the things I want to think about it what are the values we have to get right tomorrow but how do we s you know seriously put Market power and Market footprint and part of what we have done to help the people of Ukraine help that have something that's not one and done but is a continuing uh continuing activity so let me just start with Stephanie of city and just ask you as you look at the Reconstruction demands of a Nation that's still at War how do we frame it and get it right because you know I you know I love City but I know that you know they you know if I did certain things they would look at me at as a risky investment and so how do you manage the risk dimensions of reconstructing a country that's under such stress today.

Stephanie von Friedeburg, Managing Director and Global Head of Development Finance Institutions Strategic Partnerships, Citi - Yeah it's a great question but let me

first start by saying for everyone in the audience Ukraine is open for business city's been on the around for 25 years we have run our corporate bank and our Commercial Bank throughout the war all 604 days we have 500 corporate clients and about 70 commercial clients so city has actually seen that Ukraine is open for business and I want you all to know that um we're going to come I think later to war insurance which is a critical piece for how do you continue to bring Capital um so I want to park that aside I think there are two other things that we need to focus on so first you know kind of before the war uh lack of transparency and Corruption were high on investors lists when they looked at Ukraine so I think the first thing that we need to acknowledge is the Ukrainian government throughout the war has done a lot to improve the environment they've created Five anti-corruption bodies they've digitized big pieces of government and they're going to continue to do that so I want to make sure that that message gets out there and that people realize that that the government is serious about pivoting to the values that you mentioned the us the European values in joining the EU that's critical um and then the second thing I think which is immediate is today International arbitration is not recognized in Ukraine so we need the Ukrainians to recognize International arbitration and we need Ukrainian courts uh to actually then so take it a step further what does that mean in in in real terms what are the it means if you have a business dispute you end up in Ukrainian court and they don't have a commercial court and you know quite frankly in almost all International and those of you who deal with EXIM know when you work in different markets you use London and you use New York and you settle

Steve Clemons, Founding Editor-at-Large, Semafor - so in a scale of 1 to 10 if they fix that what would how big an impact would that have on the level of investment going into Ukraine.

Stephanie von Friedeburg, Managing Director and Global Head of Development Finance Institutions Strategic Partnerships, Citi - I think it would be very substantial because it would actually you know they've done changes to the court systems but it takes a long time to get all of that and they still don't have a commercial Court, I think it would make most of the big US and Western European companies more comfortable coming in

Steve Clemons, Founding Editor-at-Large, Semafor - and be before I jump uh to our other colleagues here just when you look at the scene right now and it's something I know Penny spritzer our former Commerce Secretary but now uh the envoy to basically look at how you Jin up particularly us support I should also acknowledge that I know this room is PE filled with people from around the world who believe in the role of the EXIM Bank who are tied into business so I don't want to make this a narcissistic American discussion but when you look at the kind of broad players that are uh at play

in the financial world in the Reconstruction Redevelopment world where are the Europeans uh are they bigger than we are where are the Chinese how are they doing in Ukraine and you look at the terrain you know who are the other uh you know National costumes that you run into

Stephanie von Friedeburg, Managing Director and Global Head of Development Finance Institutions Strategic Partnerships, Citi - so I'm glad you asked the question because it gives me pause when I hear my European counterparts say the us is going to pay for the war and the Europeans are going to pay for the Reconstruction because I think that does not help American no companies get the leg up that they deserve for the amount of money that we've thrown into the war so 88 to 83 billion dollars has come from the United States thus far and you know 90 billion across the whole of Europe and not all of it has flowed so we need to make sure that us EXIM and DFC are properly funded to be able to help American companies I do not see that today I see UK em that gets 100% cover and has a special pocket of money off of their balance sheet to be able to do more for UK companies the French just announced a 95 % cover um for French companies the Germans are doing the SE the same you're seeing the middle shunt across Austria and Germany already moving in right uh and so I think we collectively and anyone in the audience you know who's in US Congress is listening to this we need support for DFC and for EXIM to actually bring American

Steve Clemons, Founding Editor-at-Large, Semafor - so Bridget you're one of the biggest insurers in the world you're in this is everything going um you know smoothly and humming do you need any I mean is do gravity just taking us the right way by way of ensuring major projects in Ukraine

Bridget Gainer - Well I mean look like most difficult problems in life it doesn't solve itself it be a little louder yep so I said like most difficult problems in life it doesn't solve itself so I'm Bridget Gainer I'm with Aon we're a risk and insurance broker and work globally um you know like City Bank as Stephanie mentioned we've been uh on the ground with the largest field staff every day of the war in fact I spoke to our team this morning and you know sometimes I talk to these guys they in offices they're riding business from their car one time they were in a bunker they're incredibly dedicated because I think it's exactly what you're saying which is it's not going to solve itself one of the biggest impediments to not just waiting till the war is over but starting now with rebuilding there are a myriad of American companies International companies Ukrainian companies that invested before the war invested during the war and are still there and are continuing to invest but there are limitations on their ability to invest in the economy if they cannot be protected and I'll I won't go too deep in the Weeds on how Insurance works but you know people can get property insurance and people can get cover for a variety of things but there's a piece of the policy that's called War risk

which means if your factory falls apart because of a hurricane they'll pay but if it falls apart because of a bomb they will not and barring that you're really getting in the way of both Bank financing but also other types of insurance to underwrite and protect the Investments that you're making across do you fix the company so what you know like in all things post 911 say thing there was no terrorism insurance that was available it stopped all construction the government the US government came in they created kind of a first loss that says we'll take the first losses because we know this is really risky and then the private Market can fill in afterwards there is a tremendous opportunity for EXIM and especially for DFC to put their balance sheet at risk you know not write a check and put the money in in the country right at this moment right but Dev vote say \$50 million of their balance sheet to say we will back up the war risk it's almost like acts like reins Insurance there are local Ukrainian insurance companies on the ground right now writing really small policies but they don't have the capacity to expand and I think to underscore one of the other things that Stephanie mentioned the Ukrainian Insurance Market is 65% of the size it was at the beginning of the war it's smaller but it's still functioning there's a lot of activity that's happening and we've got this barrier that's standing in between the economy now and much greater growth and so I think that ACC and DFC have an absolutely pivotal role to play in being the first people to push down that wall because that's what we need to see happen you cannot wait until the war is over to then say okay now how are we going to get organized you take small pieces you take small covers 50 million is a lot of money but it's a start and it's look it's just like baseball it's like on base percentage you have to start having small hits to in order to reinvigorate the economy and to keep it moving.

Steve Clemons, Founding Editor-at-Large, Semafor - thank you Carl uh you know one of the wraps on me is that I'm very cynical and skeptical sort of a Nixonian realist you know darkness and Intrigue are very comfortable for me um but Boards of directors of firms and associations are very much usually in that same space and trying to justify action to try to look at how do you put together you know a credible plan uh for Ukraine to look at where things are going how do you convince given what you're doing that this is uh the right play to make we just heard a little bit about war risk and War Insurance I I'd love to hear from you a kind of Nixonian take on What's Missing From the picture that needs to be there to make this a Sounder bet and direction is that is that a fair question

Karl Jensen, Executive Vice President for National Governments, AECOM - yeah I think uh I mean that's a very complex question let me let me try my best so you know from a board of director's perspective from a leadership perspective of any Corporation what we really look for is stability right we want predictability stability consistency in all the things we do my company is involved in infrastructure we do some of the largest design engineering and management of projects around the world and we focus on

Ukraine we focus because that's the right thing to do uh when Russia invaded we made decisions as a corporation that this was going to be a priority for us and you know it goes to what we believe as an organization we want to be able to deliver a better world and raise up communities but there are challenges before the war our company was actually exiting Ukraine and it was exiting Ukraine because the lack of transparency and the lack of consistency there and I think Stephanie and Bridget have uh you know hit those points and talked about the things that are needed from that perspective um but I also want to follow a theme that Bridget talked about but this is idea of preparation it is now that we really have to help prepare Ukraine for reconstruction so having the systems the processes and the procedures in place to be able to do major reconstruction is one piece of it and then the financial the insurance and the other instruments to allow for these large Investments to progress in a stable and a consistent environment are critically important for the success so that's what we're trying to do we're trying to teach them you know how to make their systems better convert their systems from the Soviet era to the Western standards Europe UK the United States and that's a big process it's a journey for everyone.

Steve Clemons, Founding Editor-at-Large, Semafor - thank you Richard at JP Morgan I mean I love I love JP Morgan great hear you cover Europe the Middle East and Africa covered a giant part of the world so thank you for giving us a small sliver of your time very happy I want to ask you before we get into you know the Ukraine sub for a minute you're one of the major Global players in fact everyone up here City I want to make City feel yeah City's actually my bank for like 35 years so there you go but um you know I just every great job time but I you know I want to ask this question which is really as we look around this question we're sitting at this amazing Conference of the EXIM bank I moderated a forum yesterday uh in Bucharest um I was online at 5 am and they were in Bucharest but the topic of the EXIM bank and the role that it played in a nuclear power facility in Romania came up and I was stunned I was so excited to hear that because they didn't know I was going to be here but I am interested in your purview of being the sort of Wizard of Oz and seeing a lot of things around different parts of the world does EXIM does Reta Joe Lewis have enough resources to really make to solve those gaps where the private sector can't go alone does it have enough resources and is America robust enough in this role and so we don't have to worry about it or do you see us running a deficit of presence in the areas around the world that you have responsibility for.

Richard Wilkins, Global Head of Export Agency and Finance Origination and Head of Europe, Middle East, and Africa, JP Morgan - Well it's nice you gave it to the British guy to answer this question so thanks a lot an off preps I'm hoping that chair Lewis whatever I say if she's listening I'll be on message I think it's fair to say you know since EXIM came back in in 2019 it's done a great job in identifying gaps policies to help push

um the US agenda and primarily around job creation and export of newer Industries too and I think you know it's fair to say most people in this room will know bandwidth has been a bit of an issue y um and I think that's acknowledged by EXIMs got a lot of very you know talented people but there was a gap that was that came after being shut for you know about five years and it takes a while to build that back and my understanding that recruitment is about to really take off the job ads are apparently coming out in one or two weeks um so I think anyone who's interested should be really looking at it because as you mentioned there are large projects like the nuclear bills that are happening in Central and Eastern Europe Romania being one Poland being another right Ukraine obviously has its own Dynamics the support that you know has come from the US is fundamental to the war effort you know Europe is doing its part as well but doesn't have the have the Shia power there she ability to produce what's needed and I think going back maybe to Ukraine a little bit one of the key aspects I mean let me just ask you how big is your portfolio in Ukraine um as a bank honestly I couldn't tell you right now but cities I'm expect as bigger because they're on the on the ground we did a we did an export Finance transaction just before um The Invasion um I know Citi's done one since then um we're competing hard the US Banks in particular are Keen to be doing projects there you know having credit risk appetite is difficult for any private Enterprise and.

Steve Clemons, Founding Editor-at-Large, Semafor - so it's very important are you bigger than JP Morgan in Ukraine

Stephanie von Friedeburg, Managing Director and Global Head of Development Finance Institutions Strategic Partnerships, Citi - absolutely how big is your portfolio so like I said we you know we Bank the 500 largest corporates right globally in Ukraine um we cover all the UN agencies anyone who has presence in Ukraine and to me though the more interesting pit of bit of our business is actually the Commercial Bank which we opened in Lviv one month before the war started and we continue to see growth there and these are really interesting companies kind of midcap companies 100 to 500 million in Revenue all kicking off cash they are not a credit risk it gets back to can we actually wrap our own exposure in you know for war Insurance because my RIS teams are saying yeah they might be good credit Stephanie but you know what happens if a bomb hits them so the war insurance is critical.

Steve Clemons, Founding Editor-at-Large, Semafor - and Richard if you were to redesign things and we were make you King for the day a month you know in a Royal day probably enough like a little bit more power than Charles has yeah um what would you do to improve the scene for investment into Ukraine.

Richard Wilkins, Global Head of Export Agency and Finance Origination and Head of Europe, Middle East, and Africa, JP Morgan - Well I think the first point to

recognize is Ukraine is a large land mass right and so yes there's a war going on but there are going to be people can be hanging out doing business in a normal way in corners of Ukraine and if you're looking at it from I guess a traditional how do you approach risk perspective the country is on risk so that then impacts everybody looking to invest because if you're looking for insurance or any kind of cover it doesn't matter if there's something that's working really well in a corner if it's being treated as risk someone very wisely mentioned to me last night it was like be like Canada invading Maine and then saying the whole of the US is off cover and so you know I think the way to look at it is to try and strip the down a little bit and focus on where things are happening there's a lot of preparation that's needed in order to really have that ball rolling after this war ends and there's a lot of things that can be done until then and part of it I think is in the war Risk insurance is a key aspect of that

Stephanie von Friedeburg, Managing Director and Global Head of Development Finance Institutions Strategic Partnerships, Citi - can I can I throw a number out because there's a really interesting number so if you go back the 10 years before the war average inbound FDI was 1.4 billion we need somewhere between year a year somewhere between 350 and 750 billion to rebuild Ukraine okay that's 100 years that we're going to be waiting right so over 100 years that second number again it somewhere between 350 and 750 billion and there's with rank stage.

Steve Clemons, Founding Editor-at-Large, Semafor - so what basically Ukraine is going to become the biggest project in the entire world.

Stephanie von Friedeburg, Managing Director and Global Head of Development Finance Institutions Strategic Partnerships, Citi - it's a huge opportunity for everyone in this room but what we're going to need is massive collaboration across public and private sector so that we leverage every single dollar to the best of its ability.

Steve Clemons, Founding Editor-at-Large, Semafor - let me ask Karl and Bridget here for a minute um I know this is going to be outside your lane a little bit but you're human beings and I'm interested in how you look at it you know we have a semi European on the panel depending on how you count in the UK um but Europe's becoming messy I mean I mean Poland seems to have gotten into a slightly different place geopolitically or politically domestically with its recent election Slovak Slovakia you know fit to the likely maybe potential next prime minister of Slovakia small country but important is very pro-Russian and you know wants to bring their how harded is it to see that geopolitical undependability and that's not to mention before we get to Victor Orban and Hungary does that create a complexity when it comes to business competition and making the case for the Investments you're making look.

Bridget Gainer - of course and from a macro basis it's complex and then we haven't even spoken about Israel and how like volatility is contagious and all of that but I think it's to something that Richard said which is you can't step back you know first of all people don't live in macro economies people live in individual economies and so if you look at Ukraine as an example the eight Western oblasts businesses like healthcare and Retail and farming and agro those are thriving they are investing there's you know very little of any incident of course it's riskier because it's adjacent but rather than kind of step back and say well this is all too confusing you know our people on the ground some of them they just think about Lviv and then some of them just think about and you know so if you think about eight Western oblast top four industries that really impact people's day-to-day lives the ability to focus on war risk to open up the economy so rather than pull the aperture back too big that it looks like all a mess you really want to focus on what can I do right now and again I'll just stress that the US government has a massive role to play because to Stephanie's point the EBRD is about to make an announcement about you know a huge implication for World which is great but let's not forget the US government funded \$500 million do last year for the EBRD for these issues you know we have a role to play our Positive Growth oriented orientation as a country that goes into somewhere to say let's not focus on right now let's focus on tomorrow.

Steve Clemons, Founding Editor-at-Large, Semafor -Karl.

Karl Jensen, Executive Vice President for National Governments, AECOM - yeah I guess one of my biggest concerns is what I've been labeling the peace stamp Stampede right so when peace breaks out it will someday peace will break out you're going to have a rush of every country who wants to be able to participate in Ukraine every company every Bank every insurer it's going to be this massive influx of Interest into a country that is going to be recovering you know from a very long conflict so that for me from a geopolitical perspective is you know we are trying to build relationships with you know different nations.

Steve Clemons, Founding Editor-at-Large, Semafor - let me I Stephanie she mentioned corruption yeah it is easy for me to see um a situation happening where Oksana Markarova and her friends are saying we need to do what's right by the Ukrainian people the solvency of these relationships long-term investment whereas all the big players that come in can say look at what we did for you in the war look at what we did to support you which are nonmarket decisions has to do with friendship or commitment how do you navigate that so that you're not actually spinning up another relationship based industry as opposed to one that's you know financially and economically responsible and we have like three minutes and Def so

Karl Jensen, Executive Vice President for National Governments, AECOM - well let me just start P I think it's collaboration it's collaboration with all these industries you see here and the various difference we all have our system so you're going to set the rules and habits and Norms we are going to use international Commerce as the basis for rules and arbitration moving forward but having the investment in the uh the fiscal transparency important understanding the risks and insurance is important and then as we deliver projects having transparency of every aspect of that as well that's how business operates and that's how I think we'll be a.

Stephanie von Friedeburg, Managing Director and Global Head of Development Finance Institutions Strategic Partnerships, Citi - Yeah so that's what I meant about the collaboration between public and private making sure that we actually have a commercial court that functions right um and then leveraging other things so somebody mentioned PGI earlier today I think the blue dot network is another really interesting initiative that the US has underway that tell people what that is so it's actually I consider it like the Good Housekeeping stamp of approval for infrastructure so that you get back to your question is it China or is it Europe and the US right Blue Dot actually speaks to the quality of infrastructure that us and European companies can build these are the kinds of things that we need to make sure get built into the process but the other thing I would add is that competition is actually a good thing we know that from the American economy so if there is a mass rush and everybody follows good commercial practice competition will make it better for Ukraine to rebuild.

Bridget Gainer - Well I would just say that look you know the example we think of is after the war in Iraq was over and there was this peace sample also it was really hard to run it and there wasn't an existing government so there's an order of complexity which is you're right of course they're going to Ukraine is going to want to set these decisions to go forward but Stephanie made a really good point earlier based on how the procurement and all this stuff is set up it is incumbent upon us also to make sure that that American companies don't lose out because decisions are being made either by the World Bank the EBRD others you know I think that we need we're better together.

Stephanie von Friedeburg, Managing Director and Global Head of Development Finance Institutions Strategic Partnerships, Citi -Richard.

Richard Wilkins, Global Head of Export Agency and Finance Origination and Head of Europe, Middle East, and Africa, JP Morgan - yeah, I mean it's a commitment needed to the rule of law macroeconomic stability and through that you know trust and partnership

Steve Clemons, Founding Editor-at-Large, Semafor - the rule of law seems so flexible lately you know I mean I mean I don't mean to be factious but when we talk about these

structures and you talk about you know enforcement of trade rights I'm very interested I think one of the big ideas of this panel and discussions as you were talking about commercial courts and bringing it in but I just sort of see you know come to basically Carl's point a stampede coming I see this discussed all over the place and people beginning to look at non-market reasons why they're going to be the big players session is going to help with that say again.

Stephanie von Friedeburg, Managing Director and Global Head of Development Finance Institutions Strategic Partnerships, Citi - the EU session is going to help with that I mean the European Union is going to hold the Ukrainians to a standard you know they have seven criteria now which they've met they've got five more to go to begin conversation and if you look at Poland I mean you know Poland sat in the same place people said oh it's really corrupted really complex look at it today people don't say that they went through the process of accession and I think that will help Ukraine as well

Steve Clemons, Founding Editor-at-Large, Semafor - Well I promise you all a fun and interesting and edgy discussion and I think we got that I want to give a big round of applause to Richard Wilkins of JP Morgan, Karl Jensen of Acom Stephanie von Friedeburg of Citi and Bridget Gainer of Aon. Thank you all very much happy to do this with you anytime you and congratulations again Reta Jo Lewis and EXIM bank for this great.