

# INVESTING IN UKRAINE'S FUTURE

**Announcer 00:00**

Please welcome the panel on investing in Ukraine's future, moderated by Chair Editorial Board, Editor at Large, US, The Financial Times, Gillian Tett.

**Gillian Tett 00:26**

Well, good morning, everybody, and welcome to all of you to the session on the future of Ukraine. And thank you to all of you who've come along this morning. I know the Milken conference is absolutely crazy. You have lots of things you could be doing. But the fact you're here shows our shared collective interest, concern, and perhaps hopes for Ukraine's future. So we have an incredible panel to talk to you today about what is happening in Ukraine, and in many ways, the timing is really important, because we have both good news and bad news. The good news is that this morning we've had Treasury secretary, Scott Bessent talking about the minerals deal he has just signed. We'll talk about it in a moment, but the issues in the world. [Inaudible] white masses that. [Inaudible] are the the police and deliver the suicide and domestically to have a peace COVID Action COVID as maybe to describe the piece as a matter once done, because as broad and strong for drones and other forms of Congo military supplies, has given prominence to some of the criminal leaders that they can at least hold the defensive line, if not the offensive. ]We are in a political moment, and we have a number of people who are going to talk to us about where they think the situation is going, and what investing in Ukraine's future could or should not mean.] On my immediate left or your right is Phil Bennett from the EBRD, which is the European Bank of Reconstruction and Development, pioneering European efforts to provide infrastructure support and investment in Ukraine, and a group that's very keen to partner with private sector partners, as well as he should tell us. Next to him is Xavier Bettel, who is the deputy prime minister of Luxembourg, who has just come back from Kyiv for meetings with President Zelensky. He's going to tell us what the mood is like there, and he's also just about to go back to Ukraine, in fact, very soon, to coincide with Russia's Victory Day or military day, and there's going to be a big meeting of the European leaders in Ukraine in a few days' time. Next to him is Wladimir Klitschko, who is not the mayor of Kyiv, although, of course, his twin brother is. He is an entrepreneur and philanthropist who's also previously known as a sportsman and has been a key voice championing the opportunities in Ukraine. Next to him is somebody who is

remarkably brave, Oleksandra Matviichuk, who won the Nobel Peace Prize for her work on human rights and reminding us of the horrors that Russia has inflicted on Ukraine in the last few years. And at the end, is Yuriy Vitrenko, who is former CEO of Naftogaz, and he's now a prominent executive and entrepreneur and reformer with particular expertise in energy and finance and international negotiations. He spends his time shuttling between Munich and Kyiv and elsewhere, dealing with a lot of international organizations. So, a fantastic group of people to tell us where they think Ukraine is going. But before we do that, I want to start by asking all of you to give me an indication of what you think is happening, simply by a show of hands. I'd like to ask first of all, who in the room thinks that we will have peace in six months' time? One. Well, let's hope you're right. Who thinks we will have peace in three years' time in Ukraine? Oh, right. Rather more, okay. Well, that's a useful framework to start with, because I think as we talk about what the opportunities are for investment, and the needs for Ukraine for investment from the world. We need to obviously distinguish between investment and engagement in conflict times and in peace times. Because although the country is obviously very different right now, depending on where you are geographically, that's quite a useful framework. But perhaps I can start with you, Xavier, and ask you—you've just got back from Kyiv: What is the mood like in Kyiv right now? You saw President Zelensky. Are they celebrating the minerals deal or not? And where do you see the situation going in the coming weeks?

#### **Xavier Bettel 05:36**

So yes, I was in in Kyiv, and I was there today. In fact, the government decided for the mineral deal. So we spoke, but I was not allowed to say anything to the Luxembourg press when they were there, because it was—you have to know the deal which is signed now—it's not a deal same as the one they had at the beginning, first thing. The second thing is just to say about the deal. The only fear that I have is now that the United States signed a deal with Ukraine—but I don't know, because we have some unpredictability too, that we should avoid that United States are going to sign a deal with Russia, about Lugansk and Donetsk, because there is a risk, and this would be a big problem for, I think, the recognition ipso facto of these regions. The mood is, as you can guess, one where it's incredible when you know Ukrainians, because during the day, they try to live without fear, but they know that during the night there is a risk. Also, during the day, I visited the hospital for children. I visited a whole area where children were playing, where a bomb killed over 10 people just last week. And so it's something you do not realize. And when you're in the middle of Kyiv, you think, oh, this is okay. And then you see all these things destroyed around. And this is not the front line. This thing is, too, we had discussions about the ceasefire. Because, as you know, President Putin proposed a ceasefire for three days. This was more, in fact, to have a show without anxiety. And the Ukrainians are ready for permanent ceasefire, not a three day ceasefire, and they had it already set. So for the moment, everything is in Russian hands to stop this massacre. I was prime minister between 2013 and 2023 so, at the beginning of the war, I did something which you can say it's good or not good, but having good contacts with Putin and Zelensky, I negotiated with both during the weeks, and had phone calls every Saturday, with one and then with the other, and then we advanced. We are moving on. We are moving on. We are moving on. But then President Putin wanted the Europeans to take away the sanctions, and also Ukrainians to

give away Crimea, to have a special statute, but also to change the constitution without taking away his troops. So we saw that there was no will, and always that they were Nazis, that they were preparing biological weapons etc. And then Bucha happened. And then I really realized that there was no will to have peace from the Russian side. I really realized I'm not—I hope I was not naïf, trying to think that I wouldn't have slept well if I had not at least tried. But I realized then that there was no will from the Russian side to have a ceasefire. So the support is important. The Russians thought that they would go over Ukraine in three or four days. The Ukrainians are strong. We need to support them, because it's Ukraine today who will be the next tomorrow. And saying this in this country where I come from, Luxembourg, which is not the biggest on the map. But during Second World War, this country liberated me with Canadians and with the Brits. And General Patton, who is a hero from WWII, is buried in Luxembourg, and we have 5,000 (US Soldiers) guys buried in Luxembourg. They even didn't know where my country was. And it's not because we have no border or we are not close to a country that we should not take care about defending values. And I just can tell you that the Ukrainians are impressively resilient, but really heroic. And when you see that Zelensky was considered even as a dictator from some people—politicians—but who is ready to resign if he gets security guarantees for his country, and who is also able to do the first step after what happened in the White House: I don't know. I don't know a lot of politicians who would do this, because being Prime Minister for 10 years, I know most heads of state and government, we have a certain ego, and to be ready to say, "I don't have an ego, but my country is more important than myself," I don't know many would have done. And so "Chapeau!" how we say in French for the Ukrainians, and they need the support, and they do in fact, also fight for us, for values. And I can't speak now about all discussions I had also with Putin three years ago. But for me, what is so sad, it's that we built so strong relations with Russia, about culture, politics, economics, and everything is destroyed, right? Destroyed.

#### **Gillian Tett 1 10:06**

Well, I think chapeau in French probably translates as [Inaudible] in Ukrainian. But I'd like to ask you, Wladimir, how do you see the current mood in Kyiv, and do you welcome the mineral deal or not?

#### **Wladimir Klitschko 10:22**

Good day here in Los Angeles. It's interesting. Gillian, you did ask question about—you know, do you expect peace? (raise your hand) in the next six months and three years, yes or no, and probably rewinding back, who would have thought that we're going to withstand in the first three days and not fall? Please raise your hand if you thought that we were going to fall in three days. Probably most of you, maybe some of you too shy, but I think, look, you're sure, even we in Ukraine, thought probably we had three days, but we decided to fight. We decided to fight and not given up, still not given up. So even though the war is still going Putin's, Russia has lost already. 2014 when Peninsula of Crimea was captured in the east of the country, he could have taken the whole country because he had the president on his side, Yanukovich, that fled to Russia. But I believe he was not sure if that's going to be

all right, and he just want to see the reaction of the so-called free world. Since that didn't happen, obviously, 2022 was revenge, and he tried to capture the whole country. And that was too late, way too late, because we did realize that the war will continue, and we did warn so-called free world that Russia is not going to stop. We were not listened to, unfortunately, 2022 showed it again. 2022 Putin's Russia lost again as [in] 2014, so the plan didn't work. And you know what there is —it doesn't matter how much time is going to pass. It does matter, but it doesn't matter how much time is going to pass, we will not give up to protect our lives, to build and live in the [love Davis] theory, not the strongest and not the smartest going to survive, but someone who is adapted to the environment, and we've been showing it to the world that we're adapting fast. We learn fast. The number of their army is big. One million soldiers have been killed and injured in the past three years, Russian soldiers; not speaking, unfortunately, of Ukrainians as well. The number is unknown, but every single life counts, and unfortunately still going. Even though it's the war still going, we adapted, and we're showing the world that we're the most digitalized country still, thanks to Elon Musk. Controversy with Elon Musk, you know how it works in his empire and so on, and how he is himself, but thanks to him, and thanks to his technology, Starlink, we can communicate fast and build our digital infrastructure and save the data. That is extremely important, to save the data and save the history. What Russia is trying to destroy, Ukraine and destroy the history. That's why they're attacking universities, because universities holding the history in their libraries on paper, facts. But digitalization helps us to prevent it, right? So, and we continue to progress in digitalization a lot. So I do believe that you trust us Ukrainians, that we cannot only build helicopters as Igor Sikorsky, Ukrainian, the first helicopter was launched in Kyiv, in the capital. Probably everyone is using a [Inaudible] or typing on your phone and stuff. Probably one of these, or many of you using WhatsApp and created by Ukrainian Jan Koum so we've been showing on and on that we are talented nation, and we can, we can protect ourselves, right? It doesn't matter how complicated. Now we're going to get to the answer. [brief inaudible passage] I think it's a win-win. To sign the mineral deal is a win-win, because we do need investment in the country. The devil is in the details. We don't know the details public; generally, we know what it is, but you know, in the contracts and the way it's done, I think it's a win-win, because we need to get to those goods. We need to invest and I think—I think it's a good deal for Ukraine, it's a good deal for the United States, and I do believe it gives us additional security guarantee protection, because this war we're not going to lose, right? So we're not going to lose our land and our country and our nation.

#### **Gillian Tett 16:06**

Well, thank you. That's very, very interesting, and I would echo, by the way, the extraordinary resilience and inventiveness that Ukraine has shown the last three years is quite remarkable. I mean simply the degree to which it's completely transformed the future of warfare and shown what drones can do, and is now building the drones inside Ukraine, and has become the second-biggest drone maker in the world is absolutely astonishing. Yuri, I'd like to ask you, you spent a lot of time looking at the energy sector. You were running Naftogaz. You were looking at the government policy as well. What do you make of the minerals deal? Do you welcome it or not?

**Yuriy Vitrenko 16:47**

First of all, it's wider than just minerals deal, because it also includes hydrocarbons, oil and gas, and it's bigger in Ukraine than minerals, frankly. So currently, it's more like oil and gas deal rather than minerals deal.

**Gillian Tett 17:00**

We will rename it as the oil and gas deal. Then, yes.

**Yuriy Vitrenko 17:04**

Second, I would say that it's just the first step, probably in the right direction. But as any first step, sometimes what's important is that, again, somebody stepped in the right direction. I would say that, hopefully, it increases the chance of a peace deal. Call it an armistice or a Korean kind of modified scenario, but still, again, it will be a peace deal. I would say that the chance now is more than 50 percent—but of course, it's not guaranteed with this—but at least within a year. I would also say that, since we all know that Putin responds to strengths and power, with the United States behind Ukraine, as well as with Europe behind Ukraine, Putin will see the strengths and the power of the free world. It also means that with some kind of adjustments to the US policy, we can discuss it, but sometimes it's just, for example, getting China involved or engaged in the right way, instead of doing, for example, like reverse Kissinger, why not to do a straight Kissinger? Then also with some kind of smart moves in terms of addressing Putin's concerns about the root of the war, not as Putin wants it, but based on the international law, we can get him to appreciate the deal and to sign it again. I have my own experience of negotiating with Putin, a successful one. We made him sign a transit deal in 2019—but nobody believed it would be possible—with the help of the Trump administration, by the way, because first there were sanctions on Nord Stream 2. So again, he could see the power like behind us. And then he signed the deal. He also paid \$2.6 billion in cash and 2 point something just as an offset. But nobody believed it would be possible. Putin started these negotiations with saying, "You'll never get it." And then in half an hour, he agreed to the deal. So my point is that many things can be done, and especially if prominent UE [EU] businessmen like the ones we have here in this room and in this conference, will use their experience. They will use their connection to the US administration to help the US administration to get there, to get the right deal, and to get it faster. That's why I'm a little bit hopeful,

**Gillian Tett 19:49**

Right. Well, it's good to be hopeful. Olexandra, I'd like to bring you in because, you know, amid these glimmers of slight hope, amid the focus on the economic and business aspect: Do you think there's a risk that we're losing focus on the human-rights horrors, and the kind of sense of—you know, despair, fury among many ordinary Ukrainians. I mean, how do you think the current mood is among Ukrainians?

**Oleksandra Matviichuk 20:21**

I'm a human rights lawyer, and I'm documenting war crimes in this war, which Russia has launched against Ukraine. While this war turns people into the numbers, what we are literally doing, we are returning people their names, because people are not numbers. The life of each person matters. We have in our database more than 84,000 episodes of war crimes. So I know a lot about human cost of this war, and I want to share with you three things. First, Putin started this large-scale war, not because he want to occupy just more part of Ukrainian land. Putin started this large-scale war because he wants to occupy and destroy the whole country and move further to Europe. His logic is historical. He dreams about his legacy. He wants to forcibly restore Soviet empire. So I hope that President Trump will demonstrate strengths to make Putin understand that it's impossible for him to dictate its rules and to achieve its goals, not just to postpone it in time. Second, we have no luxury to postpone recovery and development after the post-war time, because Putin doesn't want peace, and we have no idea whether we are in the end of the war or still just in the middle of the war. And this war has not just military but economic dimension. And you are totally right. Ukrainians express unbelievable resilience. We are ready to start all recovery and development process now, and we are grateful for all support, but we need long, lasting partnership. And joined business projects to return a press to destroyed communities. And third, last weeks we heard a lot about natural minerals, but we don't hear about people and it's not okay. We still have a lot of questions. What will be with more than 20,000 Ukrainian children separated with [from] their families and brutally deported to Russia? What will be with thousands and thousands of illegally detained civilians, men and women. I interviewed hundreds of them. They told me how they were beaten, raped, smashed into wooden boxes. Their fingers were cut, their nails were turned away. Their nails were drilled. They were electrically shocked through the genitalia. One woman told me how her eye was taken out with a spoon. Knowing this, we have a clear understanding some of these people have no chance just to be alive until the end of all this political process. What will be with millions of Ukrainians under Russian occupation? Russian occupation is not just changing one state flag to another. Russian occupation means enforced disappearances, torture rapes, denial of your identity, forcible adoption of your own children, filtration camps, and mass graves. It's a real war. What does it mean, "Russian occupation" for people? And I'm sure we must return human dimension in all this political process. This is the only way how to ensure growth and sustainable peace.

**Gillian Tett 23:51**

Thank you very much indeed, Olexandra, and as someone who has friends in Ukraine, I'd echo your words very strongly. It's far too easy, particularly at an event like this, to forget about the horrific human

cost, partly because it has been occurring so constantly that we're almost becoming numb to the absolute horror. And I say that as a journalist. So thank you. I mean, you make the point that we need to start thinking of many of you about support and reconstruction. And I'd like to bring you in, Philip from the EBRD, because not everyone in the audience may necessarily be entirely familiar with your work, but you are the big reconstruction bank, big group bank from the European Union, that essentially is at the forefront of efforts to try and build infrastructure. I think by last count, you've already invested 7 billion euros since the war started, and have plans to invest many billions more. Can you tell us, what exactly can you do now, in the situation of conflict, to support Ukraine, and where you see the big infrastructure opportunities and needs being in the future, because the Marshall Plan, which many people see as a model for Ukraine, in some ways was thrown together too late to be particularly effective, and there's lots of discussions about the need to be much wiser this time around and start planning well in advance and to try and work with private investors like those in the room. But tell us how you see the current situation.

**Philip Bennett 25:32**

Well. Thank you, Gillian. First of all, I must nod to my panel members for the inspiration that they bring to this conversation, this topic. I'm going to bring it back to slightly more boring, investing in Ukraine's future. The EBRD, the European Bank for Reconstruction and Development, has been investing in Ukraine's future since 1992—since the fall of the Soviet Union, since the end of the Cold War. Ukraine, throughout this period, has been in the top three investment destinations for the EBRD. Now I'm going to take two seconds, because I dare any of you to say that you actually do know who the EBRD is, because it's hard to find people in the US that really are comfortable with it, but it is a modern, multilateral development bank fit for purpose, focused on creating market-driven, market-based, competitive, sustainable economies, focused on rule of law and good governance. And the way EBRD does that is through private investment and on behalf of private investment. And I think the bottom line message I want to get to any investors, whether they're direct investors or financial investors in the room, is that we are very much open, very focused on enhancing opportunity for US business and US investment in Ukraine, as well as the other 45 countries we operate in. And you know, we feel that we are the best in class, and we feel that we can unlock opportunity for US investors in a way that nobody really, truly understands. Since the beginning of this second phase of the war, we have invested around seven and a half billion of our own balance sheet in Ukraine. Now, when I say balance sheet, this is not with fudgy numbers with others. We have, in fact, blended in two and a half billion of donor money with us to increase the impact, but seven and a half billion of our own balance sheet in co-investment, direct investment, to try—and we'll go back to the word resilience—to try to keep the Ukrainian economy resilient during this period of conflict. So we've had five different areas of focus, energy security, fuel security, vital infrastructure, private sector, and trade facilitation. Scott Bessent this morning was talking about energy as being the lifeblood—and it is, in fact, the lifeblood—of keeping an economy alive during a war. And last year, for example, we did about 2.7 billion USD in Ukraine, and a third—more than a third was in the energy sector and more. Most of that was targeted at attacking or undermining the Russian strategy of attacking the energy grid of Ukraine. So through any number of counterparties, we were

creating distributed, small-scale gas generation, rebuilding the dams, advanced purchases of gas. So energy security, to us, is a key component, but we can talk about any number of the other aspects of what we do there. But you mentioned it as a European institution. I need to come back to all of you to recognize that the EBRD has 75 shareholders. The United States is the biggest shareholder of the EBRD at 10 percent. So view EBRD as very much a creature of the G7, the United States, the EU. It's at that level, and it's a unique institution, because it combines that essence. So we are very focused on US business. The US government is very focused on our facilitation of US business. And let me just say one thing, investment is only one side of the question. We can co-invest at any level of the capital stack, debt, equity, anything in between. But it's really about risk mitigation. The flip side of investment is risk mitigation. When we co-invest, when we invest with a company like Coca Cola or Ford or AES or Cargill or KKR or TPG in Ukraine, what are we doing? We are lowering their risk profile. We are enhancing their risk-adjusted returns, and that's all too often. The problem with US investors so far away is they're not really aware of how operating with a partner like us can lower the risk profile and can enhance risk-adjusted returns. So I would love to be able to talk to people about, you know, in that context, but thinking about Ukraine's future, I unfortunately am a little bit of a pessimist. I want to win the peace, but I guarantee you Putin doesn't want us to win the peace. But from our point of view, we want to invest, whether it's conflict or not conflict, and we are continuing in this period to be able to put roughly 2 billion and a half USD to work year in and year out in conflict. We are ready and able to raise that investment amount to 3 to 4 billion if we do get into a non-conflict situation. But we view Ukraine as a unique opportunity for investors, US and others. Human capital is amazing. The energy opportunity is amazing. The agribusiness is a superpower. The private sector, you know—defense, high tech, whatever is—you know, the opportunity for investment is dramatic. So please, if you ever think about financial or direct investment, remember that EBRD is a critical partner for risk-adjusted enhancing returns, lowering risk, giving you the advantage of 1000 staff on the ground in our countries, including many in Ukraine, and giving you the advantage of 30 years of experience and expertise in these countries, right? So, and by the way, think about one other country. I want you to because a new country coming in is unfinished business from a US point of view: Iraq. Iraq is now a country for us to invest in for reconstruction. So think Ukraine all you want, but we have 45 countries that we're operating in, and Iraq is still unfinished business. Come talk to us about Iraq,

#### **Gillian Tett 32:07**

Right. Well, thank you. Well, lots of opportunities there. I can see we've got questions coming in already. If any of you do wish to ask questions, please do use the system which they have for sending in questions. Or if you really want to ask a question, can't work out how to use a tech, wave at me in a moment. But I want to ask you, in a moment, where you think the opportunities are for investment in Ukraine? Because you know, the main area that I know that American private capital is interested in is in the defense industry, the extraordinary explosion in drone technology, drone innovation, and the potential for Ukraine to really emerge as a central production site for drones going forward. But of course, that's just one area, and obviously the EBRD is not going to invest in that, only one area for a potential investment. But before we do that, I'd like to just pick up on one question I've got already, and



ask Xavier. The question really is about how will reconstruction be funded. Can we look for ways to use Russian frozen assets and reverse illicit financial flows and return assets stolen through corruption? To what degree do you, with your European Union hat on and you're going to be hosting a minister—a meeting of the foreign affairs ministers from Europe in a few weeks in Luxembourg—To what degree do you think Europe is willing to turn around and say that actually, we will release the frozen and Russian assets for reconstruction and support? Or will that be blocked by the American administration that has now appeared so keen to strike some deals with Russia?

### **Xavier Bettel 33:44**

The first thing is I forgot before, I wanted to thank the organizers of Milken Institute for taking this opportunity to have an exchange about Ukraine. I forgot to say, and I think it's so important, because we are human, and so the news brings new news, and it is terrible. It was six months ago, first news. Now we have so many news things, and we should not forget the second thing is about frozen assets. It's more complicated than to give or not to give, because for the moment, we have no justice decision. Who said that this can be taken, so to confiscate something to give to someone else, and the private property is something which is universal. And so if we take now—because you have what we call blocked or the frozen assets, and we have to make a difference between the bank, central bank, or the ones belonging to companies or to persons—if we take, through a political decision, something from someone, to give it back to someone else, and there will be justice decisions, who says that we were not allowed to do it? Who will pay back? That's the first thing: who will pay back? And for the moment, Belgium, for example, is a big holder of true Euroclear, of money, frozen assets. And they say, okay, I'm ready to give these billions to Ukrainians, but if I get condemned tomorrow to pay them back, will you, then the 26 others also solidier to pay back? There is no decision for the moment. So the first thing is, if we take it to give it to someone else, and it's in a country, would the others also be ready to be solidier? We have it in all the countries, also with frozen assets from businessmen or from others. If we take it away, are the other countries going to be solidier if we need to pay back? First thing, the second thing is also, and that's someone I'm just quoting, Christine Lagarde, if political decisions can decide to take something from someone else to give to someone else, how will be investors considering investing in Europe if you don't need justice decision to confiscate something, but just a political decision? There can be afterwards, a lack of trust from investors to think, "I don't want to invest there." There can be tomorrow about Chinese invest. Can be about Arabic invest, so Gulf invest or other countries. So then it will be also credibility for the European Union. And maybe it will be then the best affair for London or for Switzerland or for other countries not in European Union. So it's also how is the trust for investors in Europe. But the first thing for me, as a former lawyer, is it's difficult through political decisions to take something from someone to give it back to someone else but, for the moment, we do it with the interests. So all the interest of the frozen assets are used for Ukrainians. And I think this is for the moment to compromise that we have, and for the others. I just want to have just juridictional certainty, or something like that.

**Gillian Tett 36:42**

I don't know how you say that in French, but anyway, right? Well, that's a very clear answer. I must say, I'm getting a stream of questions coming through already, and before we turn to the business now and financial side, I've got a question, a couple of questions, for both Vladimir and Yuri. I mean, I'd like to go to Olexandra, because your words have clearly moved many people in the audience. I've got a number of questions, essentially saying, how do we make sure that people do not forget about the horrors and how on earth? I mean, are you scared that there's going to be such a rush to make a deal that the 20,000 children who have been deported, which I've written about quite a bit myself, are just going to be forgotten? Are you concerned about that? And how do we keep this at the forefront of people's minds?

**Oleksandra Matviichuk 37:34**

We are trying to return human dimension into this conversations, and that's why we launched International Campaign, which is called People First—people first campaign—just to highlight that we speak about people, not just about some abstract things, not just about norms in international conventions, but about people who have life, rights, freedom, and human dignity, and it's not easy question to answer. I think it will be a long-lasting process with intermediate goals, because if we want to achieve sustainable peace, we have to return to the roots of this war and to remember and remind ourselves that Russia committed horrible crimes, not just in Ukraine. Russian troops commit horrible crimes in Chechnya, in Moldova, in Georgia, in Mali, in Libya, in Syria, in other countries of the world; they have never been punished. They believe they can do whatever they want. We must break the cycle of impunity. We must demonstrate justice. Justice is preconditioned to sustainable peace, while Russia, for decades, used the war as a tool for how to achieve its geopolitical interests, and for decades, use it for crimes at the masses how to win the war. And the problem is in our mental barriers, because when I speak with presidents, with governments, with members of parliaments, I see that they still look to the war through the lens of the Nuremberg trials, when Nazi war criminals were tried only after Nazi regime had collapsed, and in the past century, it was an essential step to establish law and justice. But we live a new century. We must move further. Justice shouldn't be dependent on how and when the war will end, which means that we cannot wait, and that is why more than 40 countries in the world are working on establishing a special tribunal on aggression to hold Putin and top political leadership and high military command of the Russian state accountable. And I'm not naive, but I know from the history of humankind that authoritarian regimes collapsed and their leaders who see themselves untouchable appear under the courts.

**Xavier Bettel 40:04**

Can I just say one word? My biggest fear is that impunity might be part of the deal.

**Gillian Tett 40:13**

I agree. Yeah. I think the Russians certainly have a very strong interest right now to push for impunity. And there's also a strong push, you know, around the White House, to potentially strike deals and maybe weaken the sanctions. The one thing that will stop that is if Putin continues to resist any sense of a peace talk. And of course, his own army, his own military are pretty strongly opposed to any suggestion of peace right now, and actually want to double down on the contrary. But on that note, I'd like to ask you, Yuriy, because you're the only person on this panel who's actually negotiated with Putin, and we have a question from the audience, or for anyone else who wants to jump in: What are the Russians trying to practically achieve? Now before, we thought they were waiting for Trump to get elected and give them an overly generous deal. But now, what do they want: to cross the Dnipro and freeze at borders indefensible for Ukraine? Do they want a permanent state of conflict? What do you think Putin is trying to achieve at the moment?

**Yuriy Vitrenko 41:21**

They need to change the world order, and that's why they started this war. As Olexandra mentioned, it's not about Crimea, it's not about NATO. Again, it's a part of, like a piece of the puzzle, but not the even the most important thing for Putin. And when I say he wants to change the world order, he wants to do it in a very practical sense, because he is not satisfied with the current world order. And we can go, probably not now but later, into details. Again, it's to some extent about money laundering; for example, it's about impunity for stealing from his own people, and it's about being able to be above the law for, again, his circle, and they have, like, hundreds of billions of dollars of this illicit wealth. They need to do something with that. And they understand that the Russian history is all about killing again the family of the previous tsar. And that's why Russian tsars and Russian leaders, they prefer to keep at least a big part of their wealth abroad. But, yeah, that's a more complicated piece of the puzzle, but that should not be ignored. Also what he wants. He wants a world where very rudimentary or very old kind of interpretations of international law prevail. They want a world where authoritarian regimes corrupt authoritarian regimes, just because they have power again, they can negotiate with others like free countries, as we say, about some kind of rules of the game that are above the international law. So that's what he wants. And he may believe that the—I have to be diplomatic here—that there are other leaderships in the world that may also look at, like a painting, the world order, but believe me, he doesn't mean what people in the US who say that we have to change the world order mean, and you won't like this change. Again, you probably already understood with trade wars and tariffs that any kind of disruption of this kind negatively impacts capital markets. But again, it's peanuts to compare to what Putin wants to do so, to cut the long story short, if, again, there is enough pressure on Putin, if he understands that at least he can somehow save the face, he can play, continue playing his games, and something can transpire out of it. He may agree to an armistice, and that's something that should be done. I personally, with all I mean, I really want to see him in prison. At the same time I believe that we should do it in steps. So that's why an armistice, a Korean type scenario, it's a good beginning, and then from there we can reach all other goals,

**Gillian Tett 44:20**

Right. Vladimir, I'd like to ask you, if there is an armistice, let's say, I mean, I know that many Ukrainians would not find that acceptable at all. But if there is an armistice, and if one is trying to rebuild the economy in the future, what in your mind are the key areas where investors could actually join partnership with Ukrainians and try and invest and build businesses there? I mean, as an entrepreneur, where do you see the great opportunities for the future if there is some pause in conflict?

**Wladimir Klitschko 44:56**

There are a lot of opportunities in Ukraine. You cannot imagine how many. We're not just the largest landwise European country, but also the richest country, in what we have in land with natural resources, in Europe. And it doesn't matter where you invest. All investors want to see the guaranteed investment, that provided by the—in the communication and co-investing or not, but guarantee of the government when you step in as investors, so you have to be protected. You cannot lose your investment. And I think that's the key obviously, during the war, we need to adjust it. After the war, we need to—people speak about rebuilding Ukraine. It's not just the bricks and the bridges and the buildings and everything that Russia has destroyed and is continuing destroying. It's about our system in the country. We will not be the same as the world. Is not going to be the same as Europe. Is not going to be the same as it was in the past eight years. So Ukraine is going to be different, those security on investments, obviously, with consequences, and some frozen Russian assets are so questionable, we definitely need to adjust the law that as a punishment, a legal punishment, for stealing our children, destroying life, as the consequence, those frozen assets must be not just the interest of the frozen assets, but the core of it must be taken. And it's all in our hands, how we want to rebuild—also not just Ukraine, because Ukraine is Europe. This question, I think, just not in the room: Are we European country? Do we belong to the EU? Are we part of NATO or not? There is another question. Is NATO? Is Europe stronger with Ukraine or weaker without Ukraine? I don't think there is no question that with Ukraine, European Union, Europe, European principles, and so-called part Europe is of the free world, is definitely with Ukraine, and Ukrainians stronger. It's not about the assets. So as Olexandra also stressed that out, it's not just about natural resources. Natural resources, also humankind: It's the most important. We have lots of talents.

**Gillian Tett 47:44**

Absolutely, well the Ukrainians have shown what extraordinary human capital they have with their resilience and creativity and inventiveness. But before I bring Philip back in again, I'd like to quickly ask you again, Yuri, in terms of the energy infrastructure, do you have any rough sense of how much money is needed to rebuild Ukrainian energy infrastructure and grid, and where foreign partnership can or

cannot be important? And does the minerals deal mean that essentially, it will only be Americans who now take part, or, you know, has that basically closed that avenue off?

**Yuriy Vitrenko 48:21**

I'll try to be very quick. First of all, again, it's current estimates are around \$200 billion for like energy and energy related sectors. To be very pragmatic, I believe that the sweetest spot is about privatizations of state-owned companies, including state energy companies and the banks. And it's like a generational opportunity for private capital, for international private capital, for private equity firms. It's like a triple bottom line. Again, you're making Ukraine stronger, and with a strong Ukraine, the free world is stronger. It's really about some rather high returns, also some very clear exits. And again, it's reputationally very good for private equity firms and for private investors, for obvious reasons. In terms of energy, it's probably the biggest sector and the biggest opportunity among all, with state-owned enterprises. If you invest again in privatizations, you immediately get some cash flows, and it's also the best platform to invest then in greenfields and brownfields. The problem with the natural resources deal, or the minerals deal, is that, if you just look about the distant future again, how to invest billions and hundreds of billions into minerals, again, greenfields, from my personal experience, again, managing the biggest company in Ukraine, foreign investors are reluctant to invest billions just into greenfields. So then, much more comfortable to invest in something that was already cash flow-positive, and then just to reinvest profits into greenfields. And there are opportunities like this, but these opportunities are not of a kind of like, 'let's wait and see.' You have to understand that rebuilding Ukraine also means building the market like and investors, if, again, we're all saying that they are critical complements to concessionary capital, to strategic capital, and private equity investors, again, should be a part of this future. You need to shape the past to this future. Otherwise you won't have this opportunity. So that's why, even before the world ends, you have to engage again with the Ukrainian administration, with US administration, with the EU, so that you create the right opportunity, after the war again, to invest billions and hundreds of billions in energy, first and foremost, into privatizations. Thank you. From the EBRD point of view, do you have any back-of-the-envelope calculation about how much is going to be needed to rebuild Ukraine? And I'm curious, does the oil and gas deal or the minerals deal that's been signed prevent—does it lock you out of any opportunities?

**Philip Bennett 51:15**

First of all, on the minerals deal, I think it's hard for us to determine at this point, you know, the timing, the substance, the breadth or depth of that. I agreed with Secretary Bessent's point of view, that what actually happened was better than where we started. But let's, let's see where we develop. But from an EBRD point of view, we can be agnostic on that, because we know that whatever comes out of that will require a huge amount of investment in the adjacent regions and sectors. So if you're talking energy, you're talking logistics, transport, power, all of that is going to require an immense amount of capital that is going to go along to unlock what is hopefully out there on the mineral side. By the way, you know, we

are focused on big things, but we're focused on small things too. Singles are just as good as grand slam home runs if you're hitting a lot of singles, in baseball terminology. So we're already in a technical assistance project, already trying to digitize Vladimir's talking about that, all of the geological surveys from the last 30 or 40 years with all the mineral deposits. This has been going on for a while, and we hope that that will unlock what's going on the mineral side. Now, another thing we haven't talked about, we talk about power, but so far, we've forgotten the word in front of power, which is nuclear power. There is the possibility that Ukraine could be a game changer from the point of view of the next generation of nuclear power. It is already what I would consider to be an ideal test market, given the heavy reliance on traditional, large-scale, public-sector nuclear power. There are 15 reactors, six of which are unfortunately under Russian control, so there are nine reactors. But the problem is that those reactors are not going to solve the problem of the intense energy needs of a new reconstruction. So it is very likely, in my mind, that Ukraine could be a test market, a very substantial test market for the new small modular reactor deals. We already have an American company or more, but one in particular, Holtec, out of West Palm Beach, which has signed several agreements with Energoatom from the point of view of supplying, starting in 2029 a series of SMRs and to build the modular aspects of SMRs for the region in Ukraine. So there is the possibility that the needs and the imperatives of energy in Ukraine could actually accelerate us into the next phase of nuclear power. And I would say, though I don't want to overstep my bounds here, that EBRD is the only multilateral development bank that at this point is not precluded from looking at nuclear power. We've had a long focus on nuclear safety, for obvious reasons in Ukraine. But we are not precluded from looking at the possibility within the context of our private sector mandate and within the context of our mandate to achieve profitability. We are not precluded from looking at new nuclear power, and we are also now in the process of coordinating with the World Bank and the EIB (European Investment Bank), as to possible new orientations for the multilateral institutions in nuclear power.

**Gillian Tett 54:56**

Well, it's very interesting you say that, Philip, because I was in the IMF World Bank meeting. Things where Ajay Banga from the World Bank, who of course, is here as well, went out of his way to stress that although the World Bank has historically not been involved in nuclear power investment, it is now shifting that position, potentially because of the rise of SMRs. And in many ways, Ukraine can be seen as a case study in the ability of innovation to leapfrog traditional structures. So we've seen the leap forward dramatically in the military side of things that exploring them during technology, eventually leapfrogging more conventional weapons. We know that through that and energy, and we also see that as the same things like government and digitization, that acts like Bucha, for example, have done to/for? innovation and things like that. But [inaudible].

**Philip Bennett 56:10**

[Inaudible] think to support technology. [Inaudible] That's the question, I guess, for the moments we need the money themselves, also to the country, and if not everybody comes there to say, "This resource is my business," and to, in fact, be sold, to be able to get deals with everyone is a problem for me. So for me, we need investors. We need to find common products with the claim together, and not that we in fact, want to, sorry, no, but [inaudible] also King sense, you say, you know, to everybody, takes a little part, yeah, cherry pick, cherry picking, of the Ukrainian economy they will need to rebuild. We have calculations about 700 billions will be needed to rebuild Ukraine. This is will be money. So there is a part of brands, there will be part of credits, there will be that of subsidies, everything but the first need to help. It's to be able to have an economy functioning, and not only for the others, but also for themselves.

**Gillian Tett 57:49**

I will see that Yuri wants to come in quickly.

**Yuriy Vitrenko 57:51**

We have a very good deal with the EU. It's called the EU accession. We have this plan, actually, and it's very important for investors, because Ukraine is going to be the part of the biggest economic bloc in the world, with a functioning rule of law, again, with the most developed human dimension. And it's good for all the investors that come to Ukraine now and doing that invest in Ukraine, to see that Ukraine is going to be part of the EU. It also means funding from the EU, so called EU accession funding, again, and for investors at probably one of the best protections and guarantees they can really get. So that's the best deal again we can get.

**Gillian Tett 58:28**

Right Well, thank you. Well, sadly, very sadly, we are out of time, but it's been a fascinating discussion. I take away sort of three or four key points. The first is that, sadly, there is not a high expectation of a peace anytime soon. Let's hope that's wrong. Let's hope the one person put their hand up in favor of peace happening in six months is entirely correct. But at the moment, I think we have to be realistic and brace for continued conflict. But secondly, one of the clear messages from this panel, to pick up very much what Wladimir said, is the extraordinary resilience and inventiveness of the Ukrainians and the fact that they have repeatedly defied expectations and shown that the unimaginable can be imagined and put into practice. And so the idea that they're going to roll over at all, I think is very, very unlikely. Thirdly, coming out of that, we've heard that there are a lot of opportunities, both for support during the conflict period and investment, but also when things, hopefully soon, do begin to reach a calmer situation, tremendous opportunities in ways that aren't just about rebuilding Ukraine, but actually

demonstrating in a much wider way to the rest of the world what innovation can mean. I mean a greenfield site and a start to run reimagine the future is extraordinarily in some ways exciting as we get through this situation. But I say that, also very mindful, as so many of you in the audience with the questions reminded us that, as Oleksandra said, there is a human dimension here. There are untold tragedies piled against tragedies piled against horrors that have happened in the last three years. In an age when we all have ADD on social media, there's so much demanding our attention, and it's so easy to look to simply deals to be the answer, we must not forget the human tragedies that you're fighting to highlight. So thank you all very much indeed on the panel, and thank you to all of you coming on.

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