



Mairead Lavery
President and Chief Executive Officer
Présidente et chef de la direction

December 11, 2023

Mr. Goldy Hyder
President and Chief Executive Officer
Business Council of Canada
99 Bank Street, Suite 1001
Ottawa, ON K1P 6B9

Dear Mr. Hyder,

Thank you for your letter dated November 8, 2023, regarding EDC's programs supporting trade and investment in Ukraine. Bolstering the Canadian government's support for Ukraine is a priority for EDC and I welcome feedback and ideas from our partners such as the Business Council of Canada (BCC) and its members.

As you know, Canada was the first western country to recognize Ukraine's independence. Since then, this bilateral relationship has only strengthened and was further solidified in 2017 upon the signing of the Canada-Ukraine Free Trade Agreement (CUFTA). Given these close and historic ties, EDC's response to the illegal Russian invasion of Ukraine was immediate.

At the start of the war, EDC was one of very few export credit agencies (ECAs) that remained open for short-term (ST) and medium- to long-term (MLT) business at a time when a majority within the ECA community were closed as they redefined their parameters of support to Ukraine. To date, EDC continues to be open for both ST and MLT business on a restricted basis to support Canada-Ukraine trade across our suite of knowledge, insurance and financing solutions. In addition, EDC is the only ECA currently supporting Ukraine-related business on its own balance sheet, at a time when the predominant practice across the ECA community has been to rely on national governments' funding in support of largely ST business. These two actions taken by EDC highlight our proactivity and willingness to take on risk to ensure continuous and reliable support to Ukraine at a time when the country needs it the most. Through these actions, EDC has continued to provide uninterrupted support, including to more than fifty Canadian exporters and more than fifty Ukrainian buyers, since February 2022.

In addition to institutional action taken by EDC, we understand that it takes more than one institution to meet the needs facing Ukraine. To this end, EDC continues to remain in close contact with our government partners, including Global Affairs Canada (GAC) and the Trade Commissioner Service (TCS), as well as Ukrainian officials, to stay apprised of any occurrences on the ground that could affect Canadian exporters and investors. We have also been engaging closely with Canadian exporters and investors across Canada, through a series of ongoing roundtables we have organized throughout Canada, and with other stakeholders such as yourselves, financial services institutions and other private sector partners. We are also convening Canadian banks to better understand their needs and interests in supporting Canadian businesses and investors who wish to participate in the rebuilding and reconstruction of Ukraine. Our ongoing outreach efforts are integral to ensuring that EDC's solutions continue to be responsive to the insight we obtain from Canadian exporters and investors.

I will take a brief opportunity to provide the BCC and its members an overview of some of our existing solutions:

The greatest need of Canadian businesses to date, particularly in the agricultural sector, has been to access EDC's credit risk insurance solutions. It is important to note that our credit risk insurance provides war-related risk coverage and has been availed to over fifty Canadian exporters to Ukraine since February 2022. The length of the cover is determined on a case-by-case basis as we aim to offer tailored solutions to Canadian companies. We continue to explore ways in which we can provide additional support to Canadian companies looking to do business in the market, including leveraging our credit insurance solutions to align with payment terms that meet the evolving situation on the ground.

In addition, EDC can provide guarantees up to 100% to Canadian banks for working capital solutions extended to Canadian companies wishing to do business in Ukraine. Our MLT solutions, including buyer financing, can take the form of either direct lending or 100% guarantees to international or Canadian banks extending credit lines, thus offering maximum flexibility. Either directly or through guarantees, EDC takes on the war-related risks through these solutions.

For clarity, EDC does not provide political risk insurance nor war risk insurance for investments. Canadian exporters and investors continue to advise that they prioritize other de-risking solutions to better enable trade and investment with Ukraine. However, EDC recognizes the importance of war risk insurance for investments to other global stakeholders and has been lending its technical expertise to ongoing international efforts to devise a multilateral war risk insurance pool.

EDC has also stretched its credit risk appetite through a dedicated Ukraine risk envelope to enable faster, greater flow of business transactions across EDC's suite of solutions. All business must respect EDC's environmental, social and governance (ESG) policies.

EDC has also created a [country landing page for Ukraine](#) which provides periodic updates on major relevant macro and reconstruction related themes for the benefit of Canadian businesses. In addition, Canadian businesses can gain additional and timely intel through our [Export Help Hub](#) where companies have access to a dedicated EDC Ukraine email address, EDCUkraine@edc.ca, where they can send specific questions related to the market.

Our approach will continue to be responsive to Canadian business needs, as informed by insights shared in dialogue with Canadian exporters and investors, including through various roundtable discussions we have organized throughout Canada, through bilateral discussion with stakeholders such as the BCC, and in collaboration with financial services institutions and other private sector partners.

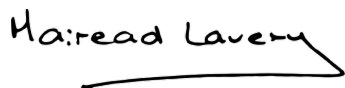
We are honored to have sponsored and participated in the 2022 and 2023 Rebuild Ukraine Business Conferences organized by the Canada-Ukraine Chamber of Commerce, and which were attended by dignitaries such as Minister Ng and Ukrainian Ambassador Kovaliv. We are also honored to sponsor the 2023 Rebuild Ukraine Warsaw Exhibition & Conference in Poland, attended by representatives of EDC's permanent representation to the UK and Ukrainian lead. EDC will continue to be an enabler to these important business forums which showcase opportunities for Canadian companies in Ukraine and which provide opportunities to educate exporters and other stakeholders on how EDC can continue to support Canadian trade and investment in Ukraine.

EDC's efforts to support Ukraine extend beyond our actions in Canada. Internationally, EDC is one of the most active export credit agencies (ECAs) in supporting trade transactions with Ukraine, playing a convening role and working alongside G7 ECA peers and [jointly expressing ECA support for Ukraine](#). EDC has convened our peers in a high-level Ukraine ECA Working Group to meet quarterly to share pipelines and intel and to identify re-insurance/co-financing opportunities. We continue to participate in multilateral forums, recently sharing [our insight](#) from our participation in the 2023 Ukraine Recovery Conference. We also continue to seek opportunities to collaborate with international partners, having regular discussions with the European Bank for Reconstruction and Development (EBRD), the International Finance Corporation (IFC), the Development Finance Corporation of the United States of America, and the World Bank's Multilateral Investment Guarantee Agency (MIGA).

EDC is committed to continuing to work closely with the Government of Canada, our sister Crown corporations, the Canada Ukraine Chamber of Commerce, as well as like-minded ECAs and other global partners to support Canada's efforts in rebuilding Ukraine.

I hope that this information provides the BCC and its members with a clearer view of the full breadth and level of EDC's solutions and ongoing actions and engagement to support Ukraine. I would be happy to avail my team to engage with yours to exchange knowledge and garner insight from the BCC's members. Once again thank you for your letter and I welcome the opportunity for continued collaboration between our two organizations.

Sincerely,

A handwritten signature in black ink that reads "Mairead Lavery". The signature is written in a cursive style and is underlined with a single horizontal line.

Mairead Lavery
President and Chief Executive Officer

c.c. The Honourable Chrystia Freeland
Deputy Prime Minister and Minister of Finance

The Honourable Mary Ng
Minister of Export Promotion, International Trade and Economic Development