

## **UKRAINE RECOVERY CONFERENCE 2023**

### **LONDON CONFERENCE FRAMEWORK ON WAR RISK INSURANCE FOR UKRAINE**

Mechanisms to insure against political, including war-related, risks can play a supportive role in unlocking the flow of private investment needed to sustain Ukraine's economy during the war, as well as support Ukraine's early recovery and longer-term reconstruction.

We have identified a set of principles to help inform the various initiatives under way. These are:

- Recognising a plurality and complementarity of options, including but not limited to those planned and underway by MIGA, EBRD, U.S. International Development Finance Corporation, and national export credit agencies, as different options will be required to meet different objectives.
- Supporting efforts to address the needs of the insured, so that insurance options are available for war-related and other risks that could impede efforts to further Ukraine's reconstruction in the long-term.
- Emphasising the role of the private insurance and reinsurance industry, and where feasible utilising the existing international risk transfer infrastructure to manage risks, without which it will be difficult to provide cover at scale.
- Emphasising the roles of multilateral institutions, donors, export credit agencies, and national development finance institutions, and leveraging their capacities and capabilities.
- Promoting alignment between multilateral and donor support in this area and Ukraine's broader priorities for early recovery and reconstruction.
- Promoting solutions that create a level playing field for Ukrainian investors and firms and contribute to building a robust insurance market in Ukraine.

The international community welcomes existing programmes that provide political risk insurance, including for war risk, and other de-risking tools to facilitate investments. A number of options that could meet additional immediate needs are being considered and can play an important role while the conflict is ongoing. Where appropriate and feasible, these lines of effort should be accelerated to meet Ukraine's early recovery needs and explored for how they can be scaled.

Work will be taken forward expeditiously on clarifying the purpose and design of potential additional risk-sharing schemes. Such schemes will look to mobilise risk capital from the insurance and reinsurance markets and help drive private investment at the scale required to meet Ukraine's longer-term reconstruction needs, estimated at \$411bn according to the latest World Bank's Rapid and Damage Needs Assessment.

We welcome actions being considered by the Government of Ukraine to rebuild the commercial insurance market, and its recent decision on alleviating currency controls for insurance. We welcome its commitment to share detailed information to the insurance industry, to enable effective and targeted risk modelling.