

Export-Import Bank of the United States
Sub-Saharan Africa Advisory Committee
Meeting
Tuesday
November 17, 2020

The Advisory Committee convened via webinar at 2:00 p.m. EST, Daniel Runde, Chairman, presiding.

Board Members:

Kimberly A. Reed, Chairman
Spencer Bachus, III, Member
Judith DelZoppo Pryor, Member

Sub-Saharan Africa Advisory Committee Members:

Daniel Runde, Chairman
Colonel Derek Campbell
Scott Eisner
Rebecca Enonchong
Lori Helmers
Florizelle Liser
Mima Nedelcovych
Marise Duff Stewart
Paul Sullivan
Sola Yomi-Ajayi

Also Present

Lyman "Trey" Armstrong, Managing Director,
Structured & Project Finance, EXIM
Jim Cruse, SVP, Policy Analysis &
International Relations, EXIM
Ambassador Paula Dobriansky, Chair,
Chairman's Council on China
Competition
Kyle Jackson, Managing Director, Technology
& Infrastructure Group, Structured &
Project Finance, EXIM
Luke Lindberg, SVP, External Engagement,
EXIM
Stephen M. Renna, Chief Banking Officer,
EXIM
Lisa Terry, SVP, and Chief Ethics Officer, EXIM
David Trulio, Counselor to the Chairman &
SVP For the Program on China &
Transformational Exports, EXIM
Brittany Walker, Deputy to the Senior Vice
President of External Engagement,
EXIM
Jamal Ware, Senior Advisor for National
Security, EXIM

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Proceedings

(2:04 p.m.)

Welcome, Remarks, Daniel Runde

Chairman Runde: I'm Dan Runde. I've been asked to chair the Sub-Saharan Africa Advisory Committee.

It's my second year doing it and it's a privilege and an honor, I'm very (audio interference). Obviously -
-

Participant: Can someone mute --

Chairman Runde: -- technology is great when it works, and so I think we've got a full agenda today.

We're going to have a chance to go around to talk and hear from each of the members of the SAAC in a little bit.

Last year, we covered a number of different topics. We looked at how the U.S. EXIM Bank could make a significant contribution as part of an initiative called Prosper Africa, which has been an initiative to think about approaching Africa as a win-win opportunity for the United States.

We also had a session and put a report together looking at what the role of the EXIM Bank might be on some emerging sectors where the United States is particularly strong, and we produced a report on that.

And then at the suggestion of my colleague, Florie Liser, who is also rejoining us again on the SAAC, she suggested that we have a meeting in the spring saying, hey, there's this COVID thing going on, what's the role of the EXIM Bank in the context of COVID in Africa? It's the right question to ask. And so we had a very, I think, constructive and useful discussion in the spring.

So, we're now having a new year of Sub-Saharan

Africa Advisory Committee meetings. We have a mix of new and old members, and we'll have a chance to discuss all that.

This is a time of transition here in Washington. I'm going to turn the floor over to my friend, Chair Reed, who's the president and chair of the U.S. EXIM Bank. I want to thank Chair Reed for her unique and effective leadership as chair of the EXIM Bank.

She was able to, along in partnership with many others, including our very great bipartisan partnership on the U.S. EXIM Bank Board, get a seven-year reauthorization for the U.S. EXIM Bank, the longest in the history of the EXIM Bank, and has really positioned the EXIM Bank for strength for the next seven years.

So Chair Reed, I'll turn the floor over to you.

Remarks - Kimberly Reed

Chairman Reed: Thank you very much, our wonderful Sub-Saharan Africa Advisory chair, Dan Runde.

Thank you so much for your continued leadership of the SAAC, and I really want to also say thank you, sir, for all you're doing to show leadership with our new SAAC advisory committee members. And so, I want to say welcome to each of you. I know that you will be introducing yourselves in just a few moments.

But one of my top priorities at EXIM is to finance support for U.S. manufactured goods and services in Sub-Saharan Africa. This committee, established by Congress, plays an invaluable role in advising EXIM in our engagement in the region, with a view to bolster U.S. exports and U.S. jobs for American workers.

The African continent is home to six of the ten

fastest growing economies in the world and more than one billion consumers, and it is strategically imperative for the United States to increase our private sector's involvement in helping Africa grow.

African countries want to have high quality, made in the U.S.A. products and services fully available to their people.

Last month, in an interview for the Global Trade Review's GTR Africa 2020 virtual conference, I emphasized EXIM's commitment to investing in Africa and advancing the Trump Administration's Prosper Africa strategy for two-way trade and investment.

I pointed out that EXIM's reach across Africa is extensive, spanning 48 of the 54 countries across the continent, and our new Program on China and Transformational Exports, which is one of the most significant efforts ever in EXIM's 86-year history -- and you'll be hearing about this afternoon -- will help U.S. companies compete when they face unfair competition in Africa.

EXIM is absolutely committed to strengthening the foundations of the African economies by connecting them with quality goods and services that are made in the United States, including by Africa diaspora communities. I'd like to just mention one of those projects, a Ghana water treatment project.

Earlier this month, our EXIM Board of Directors -- and I'm so happy to be joining fellow Board members Spencer Bachus and Judith Pryor -- when we notified Congress about two potential authorizations totaling nearly \$230 million to support an estimated 600 American jobs, primarily in Texas, by rehabilitating, designing, and constructing water treatment facilities in Ghana.

These marked the first water treatment and sanitation projects under EXIM's new China Program.

And as you are all aware, last year, Director Pryor and Bachus joined me in approving the largest deal in EXIM's history.

And so, we are now focused on a \$4.7 billion direct loan for an integrated liquefied natural gas project in Northern Mozambique.

We are so proud of this accomplishment, which will support 16,700 U.S. jobs across eight states in bringing electricity -- as well as another project that we did, which is to bring electricity to 330,000 Senegalese from more than 400 villages.

So, these two big projects that we did are really important, not only for Africa, but also for U.S. workers.

I'm so delighted to welcome all of you, and I know that each of you will be introducing yourselves shortly, so I want to say we welcome you and we look forward to working with you in the year ahead.

And need to include C. Derek Campbell, CEO of Energy and Natural Resource Security, Scott Eisner, president of the U.S.-Africa Business Center at the U.S. Chamber of Commerce, Rebecca Enonchong, founder and CEO of AppsTech, which has done award-winning work promoting technology in Africa, Lori Helmers, export finance vice president at JPMorgan Chase, Dr. Mima Nedelcovych, chairman of the AfricaGlobal Schaffer in Washington, Marise Duff Stewart of Progress Rail in Alabama, and Sola Yomi-Ajayi of the United Bank of Africa.

So, I want to welcome you very much. And then, you will be joining our tremendous returning members of the SAAC, my dear friends Florie Liser, president and CEO of Corporate Council on Africa, EE Opka of OPKA Company in Addison, Texas, and Paul Sullivan of Acrow Bridge America in Parsippany, New Jersey.

And of course, our wonderful chair, Dan Runde.

So with that, I look forward to engaging with you, and you have a very robust program today, and I'm sorry we can't welcome you in person, but anytime you're in Washington, please let me know because I would like to say hello and welcome to each of you in person at some point when travel permits for you.

Thank you very much, and I'll turn it back over to Chair Runde.

Chairman Runde: Thanks, Chair Reed. Chair Reed is at the Boeing headquarters right now, and that's why she's not on camera.

She's working for a living and working really hard for the United States of America, and for our exporters.

So, thank you, Chair Reed, for being at the Boeing headquarters.

I know you're going to be rejoining our meeting in a little bit by phone, so thank you for doing this.

Chairman Reed: Absolutely.

And I will say, earlier today, I visited Pacific Tool, which is a supplier of tools to Boeing, and we saw a story of where their workforce has decreased from 150 to 75 employees because of the 737 MAX issue and COVID.

And in their small facility, I saw an inventory of 12,000 tools that they make, a small business, and companies like this need EXIM.

And I just received a briefing on Boeing's focus. We're not talking about anything in our current pipeline, of course.

We follow ethics, but Boeing's focus on the continent of Africa, as well as around the world, we want to be able to support jobs, we want to be able to support transportation and exports and success.

So, thank you very much, and I'll be joining you again in a little bit.

Introduction of 2020-2021 SAAC Members

Chairman Runde: Thanks, Chair Reed. So, let me move to the next part of our agenda, which is asking everybody on the SAAC to make brief introductions.

Let me model brief, and let me just strongly suggest that you get extra credit points if your self-introduction is under 30 seconds.

So, let me model brief, and then I'm going to ask people to go around the room.

I'm not exactly sure how we're going to do this. I'm looking at the Brady Bunch. It's slightly awkward.

So, I'm not sure, James, if you can help me with kind of doing this.

So, I'm going to do it fast, and then let's see if you can kind of, like, you know, tap somebody on the shoulder offline and tell them you're up next, and have them just go, and just unmute them, and have them do it.

Maybe that's the way to do it. James, are you on? Can you help me with that?

Mr. Fletcher: Yes, I am on.

Chairman Runde: You can help me? You can do that through the magic of television and technology?

Mr. Fletcher: Yes.

Chairman Runde: Good. That's the right answer. Good, okay.

So, I'm Dan Runde. This is my second year as the SAAC chair. I'm grateful for the opportunity.

I work at a think tank called CSIS. I've had experience in the private sector and government.

I've had a longstanding interest in Africa, and I was one of the architects of the Prosper Africa initiative of the Trump administration.

That's all I got. Who's next, James?

Mr. Fletcher: Let's go to Derek Campbell.

Mr. Lindberg: Dan, this is Luke. I'll call folks out next.

Let's go Derek --

(Simultaneous speaking.)

Chairman Runde: Yeah, why don't you just go ahead and do that, please?

Member Campbell: Yeah, you got it. Hey, Derek Campbell here. I'm the CEO of Energy and Natural Resource Security, Incorporated.

We are a physical, cyber, and technical security solutions company that protects oil and gas and natural resource assets in the American frontier markets.

You know, we are headquartered here in Arlington with an office in Abuja, Nigeria.

I'm also the chairman of AlphaSierra Advisory out of London, and we help multinationals penetrate the American markets again with a focus on Sub-Saharan Africa.

I'm also a colonel in the U.S. Marine Corps Reserves. Oorah.

Mr. Lindberg: Thank you, sir. Going over to Scott Eisner, then we'll go over to Rebecca.

Member Eisner: Sure. Thanks, Dan and Chair Reed.

Scott Eisner, president of U.S.-Africa Business Center at the U.S. Chamber of Commerce representing the interests of our membership, which is over 3,000,000 companies across the United

States.

Most importantly, those are small and medium sized enterprises that really could use exports, support, guidance, and foray into the African continent.

I'm proud to be joining the Board with so many good friends and so many small business partners.

Mr. Lindberg: Rebecca, are you on?

(No response.)

Mr. Lindberg: Okay. We'll go to Lori next, and then Florie. Lori Helmers first.

Member Helmers: Sure. So my apologies, I'm not able to join the Brady Bunch, you know, screen today.

Unfortunately, there's too many firewalls in place for me to join today by video, but Lori Helmers here.

I'm head of the Export Finance Division for Americas Group where we support EXIM Bank and all of the various programs that EXIM Bank supports to ensure that our U.S. exporters remain competitive in the global marketplace.

You know, JPMorgan has had a very longstanding relationship as one of the key lenders to EXIM Bank.

And, you know, we also have, again, very strong and deep relationships really throughout the African continent with sovereigns, financial institutions, as well as corporate, so I'm very delighted and very excited to be on the Sub-Saharan African Advisory Committee, you know, to ensure that our U.S. exporters remain as competitive as they can be, and I look forward to working with the team here today.

Mr. Lindberg: Thank you, Lori. Florie, you're up, and Mima, you'll be next.

(No response.)

Mr. Lindberg: Florie, you're muted.

Member Helmers: Oh.

Member Liser: Sorry about that. So --

Member Helmers: Am I?

Mr. Lindberg: No, Florie, not Lori. Sorry. Yeah. You're good.

Member Liser: I did the same thing too, Lori. I heard Florie. But good afternoon everyone.

Thanks, Chairman Reed, Dan, and all of the co-SAAC members.

I'm Florie Liser, president and CEO of Corporate Council on Africa.

We're pleased to represent a wide range of companies, both U.S. and African, multinationals, mid-caps and SMEs in promoting more U.S. Africa trade and investment.

And I have been passionate about the role of trade in promoting economic development in Africa for many, many years, and I'm looking forward to working with all of you to talk about how EXIM and all the other U.S. government agencies that are part of Prosper Africa can support, increase U.S.-Africa trade and investment.

Mr. Lindberg: Thank you, Florie. Very nice. Mima?

Member Nedelcovych: Very well. Pleased to see everyone. Thank you, Chairman Reed, and Dan.

Looking forward to being part of the committee and joining so many colleagues I've known over the years.

A thirty-second introduction for me is very simple. I'm the old dog in African business. I've been at it some 50 years now.

I chair AfricaGlobal Schaffer Group. It's a pleasure. I

was actually on the inaugural SAAC back in 2000, believe it or not, and I'm so glad to be back on it again now.

Myself, spent my whole life on the continent after being U.S. executive director to the African Development Bank back in Bush 41 days, I joined Schaffer as a partner, and AfricaGlobal Schaffer's various different configurations.

It's been operating that for 50 years now. I now chair it.

In the last three years, we brought together AfricaGlobal Schaffer together. We're in agro-industry and in renewable power.

And when those two come together, that is our sweet spot.

So, we really look forward to being able to bring our experience to what the U.S. EXIM Bank can do to fully support all size companies, but especially SMEs

As we see the African business sector growing, I think the U.S. SMEs can really come forward.

So with that, I look forward to the discussion. Over.

Mr. Lindberg: Thank you, Mima. Good to have you on board. Over to Marise, and then we'll go to Paul.

(No response.)

Mr. Lindberg: Marise, if you're speaking, you're muted right now.

(No response.)

Mr. Lindberg: All right, let's jump to Paul, and we'll try to get Marise back in here unmuted in a second.

Member Sullivan: Okay. Can you hear me?

Mr. Lindberg: Yes, sir.

Member Sullivan: Okay. Thanks. My name is Paul Sullivan. I'm the president of international business for Acrow Bridge.

We're based in Parsippany, New Jersey, with our manufacturing facility in Milton, Pennsylvania.

We specialize in the design, manufacture, and supply of prefabricated, modular steel bridges.

We've been active throughout Africa for over three decades, and we have supplied our bridging solutions to more than 40 countries across the continent.

We've worked extensively with the EXIM Bank team as well in developing what we call finance bridge development programs, where we arrange financing for a large bridge infrastructure project delivering anywhere between 50 to 300 bridges within a year or two.

We also embark upon an extensive skills development program of local engineers and technicians for the implementation of the project, and as I mentioned, it's all financed with EXIM Bank guarantees.

Most recently, we supplied 131 bridges to Zambia, and 44 two-lane bridges to Cameroon through the support of EXIM Bank.

And I think as Acrow is very excited to share its experience on this Committee, particularly as the challenges of COVID and what looks to be some frontier market debt restructuring in the short to medium-term that will impact opportunities as U.S. exporters utilize ECA finance to meet their business objectives.

So, I very much look forward to a vigorous debate about the opportunities and the way that EXIM Bank can support all of us as we move forward.

Thank you so much.

Mr. Lindberg: Well, good to have you back. Thank you, sir. All right, I think Marise may be unmuted now.

Member Stewart: I am unmuted. I'm sorry I'm having so many technical difficulties. I too have an issue with firewalls on my company laptop.

I'm Marise Stewart with Progress Rail. We're a Caterpillar Company, one of the largest integrated and diversified providers of rolling stock and infrastructure solutions and technologies.

We have a lot of advanced technologies for our global rail customers.

You know our EMD locomotives. They are installed around the world.

A lot of our product is in Africa. They perform particularly in hot, sandy, and other extreme climates.

I'm very happy to be part of the Committee. Thank you so much.

Mr. Lindberg: Fantastic. Thank you, Marise.

And then Sola, we'll round it out with you. We're particularly excited to have you on board.

Member Yomi-Ajayi: Thank you very much. Good afternoon, I'm Sola Yomi-Ajayi, the CEO for UB America.

We are the branch of United Bank for Africa headquartered in Lagos, Nigeria, with presence in 27 Sub-Saharan African countries.

Here in the U.S., we provide trade finance treasury correspondent banking and corporate banking solutions to African sovereigns, financial institutions, and corporates doing business in and with Africa.

In February, we signed an MOU as a partner bank to Prosper Africa, and I'm quite honored, you know, to

have an opportunity to be a member of the Committee as an African.

I hope to leverage, you know, two decades of banking experience with speciality in structured trade and international finance.

I hope to leverage my knowledge of Africa, my experience in Africa, and, you know, and in the affairs and deliberations of the Committee.

So, it's a pleasure to meet you all. Thanks very much for the opportunity. I'm quite excited to be here.

Mr. Lindberg: Thank you. Chairman Runde, back over to you.

Chairman Runde: Great, this is excellent. Thanks for doing that in a quick way. Luke, I'm actually going to turn it over to you for the SAAC Committee overview.

Member Enonchong: So, hi, I'm Rebecca. I don't know if you can hear me?

Mr. Lindberg: Yes, we can, Rebecca. Please jump in.

Member Enonchong: Hello?

Mr. Lindberg: Did you want to --

(Simultaneous speaking.)

Member Enonchong: Can you hear me? I'm on the call.

I'm on the phone, and not on the webinar link because I'm having some difficulty connecting to it.

Mr. Lindberg: No problem.

Member Enonchong: But I don't know if you can hear me. I'm calling from Cameroon.

Mr. Lindberg: Fantastic.

Member Enonchong: And so, my name is Rebecca Enonchong. I am a tech entrepreneur.

I started a company called AppsTech in Bethesda, Maryland in 1999, and opened subsidiaries, including in Cameroon, my native country.

And I'm involved in a number of initiatives that support technology entrepreneurship on the African continent, including an organization called AfriLabs, which is a network of technology hubs and innovation centers.

We have 225 member hubs in 47 African countries supporting a community of over 1,000,000 tech entrepreneurs.

And so, yeah, and I'm involved in a number of other initiatives, as well.

And I'm so happy to be part of this initiative, and hoping that we can kick the Chinese butts in Africa.

Director Pryor: Love it.

Mr. Lindberg: Fantastic. Thank you, Rebecca.

Chairman Runde: Excellent. Thank you so much. I think the floor is yours, Mr. Lindberg.

SAAC Committee Overview

Mr. Lindberg: It is. I'll quickly share my webcam just while I'm speaking, and then I'll go back off, but thank you everybody, again, for being a part of this year's SAAC.

It's my pleasure to serve as the senior vice president for external engagement at the Export-Import Bank.

And really, our team is structured to help you all succeed. This Committee is incredibly crucial, right?

It's part of a congressional mandate for us to have you established in guiding us on our programs and

procedures and processes and policies, and everything we do here at EXIM.

We take that very seriously. And so, you'll see that today, we have leadership from across EXIM.

Many of my colleagues who operate departments here and are helping Chairman Reed set the strategy and execute towards our goals.

And so, that's very representative of how seriously we take these meetings, and we desperately look for your guidance and insights on all of these matters.

And so, I would like to offer our hand to you.

Many of you know Brittany Walker who is our main point person for the Sub-Saharan African Advisory Committee. She's fantastic and will be your day-to-day contact.

But please reach out to either Brittany or myself at any time, and really, we're here to listen to you and help you succeed, so if you need to know some information about EXIM, or if you're looking for some data, or if you want to know, you know, what the latest focus area is for Chairman Reed's travel time, or something to that effect that can help you to advise us more successfully, please reach out, please engage us.

I think the folks who get the most out of this committee on your side, as well as for us, are the folks that engage with us on a regular basis and follow our updates, and ask questions, and are engaged and excited about being here.

So, we're thrilled to have you. Dan, I'll keep it brief with that.

And I know Ambassador Dobriansky just joined us, and I want to make sure we get the microphone over to her as quickly as we can.

So thank you all. Appreciate it. Good to be with you.

Chairman Runde: Great. We're going to move over to the -- the section now is on EXIM and China Competition update.

We're going to hear from Dave Trulio who's the counselor to the chair, and the SVP for the Program on China, along with Ambassador Dobriansky, who's on the Chairman's Council on China Competition.

So Dave Trulio, let me turn it over to you.

EXIM and China Competition Update

Mr. Trulio: Thanks a lot, Chairman Runde. This is Dave. Can everybody hear me okay?

Chairman Runde: Yes.

Mr. Trulio: Can everybody hear me?

Chairman Runde: Yes, sir.

Mr. Trulio: Okay, perfect, wonderful. I know Ambassador Dobriansky's on a particularly tight schedule, so while the plan is for me to go first, if the Ambassador would like to go first, I'm happy to -- okay, she's telling me to proceed.

So I'll move quickly, and then I'll have the privilege of handing the virtual microphone over to Ambassador Dobriansky in just a moment.

Again, Dave Trulio, senior vice president for the Program on China and Transformational Export.

I'm going to provide a very brief overview of the EXIM China Program, and then transition to Ambassador Dobriansky.

So look, at a very high level, I think it's really important to have a baseline appreciation and cite the National Security Strategy of the United States of America, which says very directly that China's infrastructure investments and trade strategy reinforce geopolitical aspirations.

And as the Strategy lays out, quote, to maintain our competitive advantage, the United States will prioritize emerging technologies critical to economic growth and security.

And that is going to apply very directly, as you'll see in just a moment.

So, consistent with the U.S. strategic approach to the People's Republic of China, which was issued by the White House back in May, and also consistent with EXIM's reauthorization, EXIM is promoting prosperity by facilitating U.S. exports, particularly in certain key technology areas, which I'll elaborate on in a moment.

So, back on December 20th last year, Congress directed that EXIM establish the Program on China and Transformational Exports with a really critical purpose of supporting the extension of loan guarantees and insurance at rates and on terms of other conditions that are fully competitive with those established by the People's Republic of China.

The law charges EXIM with a goal of reserving at least 20 percent of EXIM's total financing authority, which is a whopping \$27 billion out of a total of 135 billion for support made pursuant to the program.

Furthermore, Congress intended the program to what it said, quote, advance the comparative leadership of the United States with respect to China, end quote, and the program is going to support U.S. innovation, employment, and technological standards through direct export in ten crucial areas critical for long-term prosperity and security, and those specifically are wireless communications, including 5G, artificial intelligence, quantum computing, high performance computing, and semiconductors, biotechnology and biomedical sciences, renewable energy, energy efficiency and energy storage, water treatment and sanitation, and emerging financial technologies or fintech.

So, I came onboard in April, and the EXIM team is

diligently engaging with exporters, the stakeholders, members of Congress, and our interagency partners to develop a program that effectively meets the mission that Congress laid out.

And of note, in the spring, we launched an initiative called the Strengthening American Competitiveness initiative, which sought to engage stakeholders from each of those ten sectors that I mentioned a moment ago.

So throughout the course of that initiative in the spring and summer, we directly connected with over 1100 stakeholders from industry, the federal interagency community, think tanks, academia, the diplomatic community, members of press, et cetera, and of note, one of the takeaways from the discussions was that players in the transformational exports sectors that have in-depth knowledge of EXIM's products and services expressed they have had difficulty using EXIM financing as a result of EXIM's high U.S. content policy requirements, which were developed in the 20th century with traditional manufacturing sectors in mind.

That said, we do have a bold and needed authority to compete with China, thanks to Congress and President Trump, and EXIM and the administration are prioritizing actions to drive the underlying policy and legal and resourcing and operational issues necessary to implement the program.

And more broadly, consistent with EXIM's overall vision, the vision of the China Program specifically is to keep America strong by empowering U.S. businesses and workers to compete successfully against entities backed by the People's Republic of China.

So accordingly, working close with U.S. exporters and interagency partners, we're continuously identifying and developing potential deals involving competition with Chinese state-backed entities.

Based on our experience and many of your

experiences in the marketplace, it typically takes months or even years before business deals mature to the point that they're ready for consideration by the EXIM Board of Directors.

But that said, I did want to illustrate further where we are.

So, we have a project pipeline. Currently it has multiple opportunities across different levels of maturity.

And while I would stress that a great deal of work here needs to be done to develop and assess and complete individual transactions, and a number may never be executed, which is normal when one has a deal pipeline, we estimate that our current pipeline of deals competing with China is worth well over \$1 billion.

The industries range from telecom to water treatment to renewable energy, among others, and geographically, these opportunities span Asia and Europe and Africa and North America and South America.

So it's our ultimate goal within the China Program at EXIM that U.S. exporters, large and small, facing competition from Chinese state-backed entities achieve tangible results in the form of completed transactions that support U.S. jobs.

So to that end, my request of members of this Committee and more broadly, is that we work together to identify ways for EXIM to be more impactful.

And it's vital that we think openly about how we may further deliver innovatively on the mission of supporting U.S. jobs.

And I also encourage you to think about how you might unleash the power of your respective networks to support the program, and crucially, let's figure out ways that EXIM can ultimately shape and

successfully develop potential new deals early.

So, I very much look forward to speaking with you and to working with you.

Please feel free to reach out to me anytime, and for general reference, note that the team, myself included, can be contacted easily if you reach out at chinaprogram@exim.gov. That's chinaprogram@exim.gov.

So with that said, I'm very privileged to turn the microphone over to Ambassador Paula Dobriansky. Thank you.

Ambassador Dobriansky: David, thank you very much, and really, a great foundation. I think it was important that you go first. I think everyone can understand.

Let me just say good afternoon to all of you. Very good to see those of you that I can see virtually.

Let me just say a few words about the newly established subcommittee.

The formal title of it is the EXIM Advisory Committee Subcommittee on Strategic Competition with the People's Republic of China.

It's informally known as the Chairman's Council on China Competition, or C4.

We convened a virtual meeting on Friday, October 16, and basically the purpose was to discuss EXIM's role in countering aggressive credit financing from the People's Republic of China.

From the outset, let me just recognize and also thank the valuable contributions that we were able to get from SAAC Chairman Dan Runde, who I see, and also SAAC member Derek Campbell. I see you there, Derek.

Both of them had participated in the discussion, and we really appreciate the fact that you did, and we're

looking forward to that continuity of discussion.

I also want to highlight upfront the fact that EXIM president and chairman Kimberly Reed, also really, she and Chairman Pearce deserve a great deal of credit on this.

She took the occasion on that meeting in fact to highlight the role of the Chairman's Council, especially related to EXIM's new Program on China and Transformational Exports.

She previewed an op-ed, and I want to flag this for you if you hadn't seen this for some reason.

But she previewed an op-ed that she and national security advisor Ambassador Robert O'Brien had coauthored, which was entitled, Battling China's Predatory Economics to Bring Back Jobs.

So, do take a look.

By the way, let me just pause for a minute. Can all of you hear me?

Because I hear some -- okay, I just wanted -- I hear some background noise, and I'm not sure if it's me.

Okay, and my mic. Okay, good. Thank you for acknowledging that.

So, I wanted to flag her role, and also that of Chairman Pearce in this.

Let me say a few words about the fundamental purpose of the committee.

It is to provide insight to the EXIM Advisory Committee on how China is engaging its strategic competition against the United States, and also how PRC actions impact American interests and economic security.

And this is fundamentally to ensure that EXIM fulfills its congressional mandate to directly neutralize

those export financing from the PRC, and also to advance the comparative leadership of the United States in the world while supporting U.S. jobs here at home.

The ultimate goal within the China Program is that U.S. exporters, and whether they be large or small, basically achieve tangible results in the form of completed transactions that support U.S. jobs.

And members of the Chairman's Council -- I can really attest to this because we took the time and the effort, and we really heard in a robust way from everyone -- bring really highly valuable perspectives to support U.S. exporters facing fierce competition from Chinese state-backed entities.

I want to take a moment and just say, I'm sure all of you, you know, may know this, but I thought it might be worth also saying and giving a few data points in looking at what China's doing, particularly in the Sub-Saharan Africa region.

When you look at the year 2003, going back to the early 2000, and then you look at where it is presently, I mean, in terms of China's trade, it has expanded exponentially.

I mean, truly exponentially. It's over 200 billion. It might even be more in this case.

Also, in terms of foreign direct investment, that's gone up by sixfold.

In looking at particularly where the investments are going, China has targeted infrastructure, it's targeted agriculture.

It also has targeted port facilities, and in this case, 11 of 46 Sub-Saharan Africa ports -- actually China has 11 of these port facilities.

And then finally, I'll just also add South Africa obviously is a major player in this relative to China, in terms of being the largest buyer actually of

Chinese exported goods.

Others, but not in the Sub-Saharan Africa region, Nigeria is, and interestingly also Egypt.

And it won't come as a surprise to you the other area, of course, in which the Chinese have focused in on has been the area of those countries that are resource-rich countries.

And by the way, I'm not sick. It's just I think I've been talking too much today.

So, let me also just mention in the meeting that took place -- and good thing I have water over here -- the meeting that took place that we had on October 16.

I also want to mention that we were also very fortunate indeed in that introductory meeting that former speaker of the U.S. House of Representatives, Newt Gingrich, also delivered prerecorded remarks to the Chairman's Council, and he did it in focusing on the role that EXIM plays in countering the economic threat from China.

And in that, also -- which I think he gave a great overview -- and the bottom line was this is needed, it's necessary, and we really, really need to move forward very quickly, innovatively, and directly.

EXIM staff also in that session presented overviews on ethics, a product offering, stakeholder outreach, the congressional landscape, and also some related efforts within the agency.

I'd like to just conclude on this note going forward, I think it's absolutely imperative that we work together, we work closely together.

I think it would be valuable for SAAC and also the Chairman's Council on China Competition to ensure close collaboration, and especially given the scale and the scope of Chinese activity on the continent at large.

So, finally, on Monday, November 23, we're going to be reconvening, and actually, we'll be looking at next steps and the whole issue of how we increase U.S. competitiveness relative to China.

Let me stop there, and in the time we have, welcome any comments, questions, and Dave Trulio was also still on, so whether to him or to me.

And just thank you all for giving this opportunity just to say a few words about it, about the new council.

Chairman Runde: Comments or questions from the SAAC?

Member Enonchong: I have a question.

Ambassador Dobriansky: I guess I should get the lingo, SAAC. I've been saying S-A-A-C. Okay.

Chairman Runde: SAAC is probably better.

Member Enonchong: This is Rebecca Enonchong. I have a question.

I noticed that the Chinese seem to be incredibly entrenched in the multilateral organizations, like all the UN agencies, all the African agencies. From a tech perspective, every time there's a tech webinar that involves the AU or any UN agency, we find the Chinese have either sponsored it or are the speakers or -- and I think that that's how they're operating, is really going in and working with the policymakers from -- you know, just really entrenched in those systems. And I'm not sure what the U.S. is doing to counter that.

Ambassador Dobriansky: Rebecca, your point is extremely well taken, and you're 100 percent correct, and I also saw -- forgive me, because I see him in the middle of my screen -- Scott Eisner was shaking his head, "yes, yes." And, totally agree. You're absolutely right. And it's interesting, because when you look back at where China was before

relative to different U.N. organizations -- and this is across the board -- and whether it has direct bearing on EXIM and EXIM's mandate or more broadly, the fact is they're literally engaged across the board seeking leadership roles, leadership and governance roles, in multilateral institutions.

To answer your question, the one thing that I could say very definitely here is, on China, there has been -- and sorry for the sun coming in on my screen -- but there has been a whole-of-government approach to this issue.

In other words, here, this slice, we're discussing EXIM Bank and the mandate relative to, you know, U.S. companies and investments abroad, but let me add that in every single sector you could imagine, all right, whether it's human rights, whether it's health, whether it's, of course, trade -- it could go on in the list -- of course, technology. The United States has had, and this administration has had, a whole-of-government approach in the way it is approaching China and seeking to counter this particular effort in multilateral institutions.

My strong comment is that, going forward, this is an absolutely critical and crucial area that there has to be a continued whole-of-government approach in dealing with that strategic competition.

And, one last point, you may know that the National Security Strategy document that was issued by the Trump Administration in December of 2017, it established that we are in strategic competition with both China and Russia. And if you look at that document, it has an operating principle for our foreign policy.

So, again, you're absolutely right. Very good point, and it's an important reminder for all of us.

Member Sullivan: I'd like to ask a question, Ambassador Dobriansky. I think, you know, as you're starting to see defaults or debt restructuring occur across Africa, it's impossible to unwind those

positions without more transparency into the debt restructuring that may be occurring with China. And China has not been forthcoming, typically, with the arrangements within their financing packages.

So, what are we doing as a government to pursue the kind of dialogue with African governments to let them know that any kind of broadly managed debt restructuring is going to require much more transparency into where these financing arrangements with China -- where those are leading?

So, what's the position there? Because I think you're seeing Zambia struggle in having broader discussions. I think Angola and some other countries are starting to realize that, with that picture on the China debt scenario, they're going to have a tougher time getting the kinds of broader deals with OECD debt obligations than they think.

Ambassador Dobriansky: By the way, another excellent point and question. On this one, I'm going to actually have Dave Trulio, because you asked a detailed question, and I know, for example, what the State Department's doing. The State Department certainly has been engaged with counterparts in Africa, and in not only international fora, but on the specific context you asked.

Dave, do you want to add anything or respond to this question?

Mr. Trulio: Sure, I'll happily jump in, Ambassador. I'm mindful that you are also time-constrained and may have to drop off, so, please, you know, do what you need to do since our allotted time is slightly over.

I do want to make sure -- would you kindly repeat the question? Because I want to make sure I address it in a targeted way.

Ambassador Dobriansky: Dave, I'll repeat it. He asked the question specifically about how we are

dealing with the debt restructuring issue, what the Chinese are doing with the African countries. Are we actually sharing or getting information from African counterparts about the specifics of how the Chinese are handling various loans and debt restructuring in Africa?

I hope I paraphrased it succinctly. Did I, Mr. Sullivan?

Member Sullivan: Yes, thank you.

Ambassador Dobriansky: Thank you.

Mr. Trulio: Yeah, this is Dave. So, thank you for that. So, our departments and agencies certainly engage regularly with our counterparts across different departments and agencies, whether it's State, Commerce, Defense, et cetera. A real challenge and enduring challenge is the opacity of Chinese terms and conditions.

Now, in any competitive environment, and as somebody who's done business development for many years in the private sector, your competitors are never going to openly share what their terms and conditions are. I would add to that, though, beyond that general rule of the road, it has been very difficult to find or to understand what competing terms and conditions are.

And there's even a more fundamental challenge, which is where we need to, in my opinion, transition to: is to go from being reactive to proactive, because what we often see in the marketplace is a company may come to us fairly late in the game because they've caught wind of an opportunity, but it's already been shaped by the competition. And, as we touched on earlier, the terms and conditions that Chinese state-backed entities can offer are sometimes very, very attractive, and are not in line with normal commercial terms and conditions.

So, the short answer is it's a real challenge. I hope that my answer illustrates the picture a little bit

more clearly, but it's something we absolutely need to work on.

(Simultaneous speaking.)

Chairman Runde: Just a second. I'm just recognizing the time. We're running a bit over, so I want to give the last word to Ambassador Dobriansky and Dave Trulio, if they want to say anything else, but we need to move on in our agenda.

Ambassador Dobriansky: Well, for me, my apologies today. I wanted to be fit in, but I'm chairing a meeting in a few minutes and so I am going to jump off. But let me just say this: I look very much forward to coming back and continuing this conversation. I think it's an important one, and it's one that we need to be on top of.

So, with your permission, I'm going to jump off. I'm going to let Dave continue on with you. Thank you so much.

Chairman Runde: Thanks, Ambassador Dobriansky.

Mr. Trulio: Thank you, Ambassador, I really appreciate it.

Ambassador Dobriansky: Thank you.

Mr. Trulio: I'm staying on until 3:45, Dan, so if needed, I can jump in now or later.

Chairman Runde: Maybe let's do that a little bit later. We should keep coming -- if we get some additional window, we can give you a chance to kind of return to this, but I think we need to keep going.

Mr. Trulio: Sounds great.

Chairman Runde: Jamal Ware, you're up. Jamal Ware, National Security Advisor to the EXIM Bank Board. Jamal? Nice to see you.

EXIM's National Security Coverage and Engagement

Mr. Ware: Okay. Nice to see you, as well, Chairman Runde. I want to thank you and Chairman Reed and Director Bachus and Director Pryor for having me present here today to the Sub-Saharan Africa Advisory Committee. Always a good opportunity to be with you all.

I also want to thank my colleagues Brittany and Luke for organizing this meeting, and to all of my colleagues who have and will be presenting to you all today.

I have had the pleasure of meeting some of you in person in the past, and so some of you know me quite well. But for the new members of the S-A-A-C, or SAAC, I want to take a moment to introduce myself. My name is Jamal Ware and I'm EXIM's first ever National Security Advisor. I came to EXIM by way of the Office of the Director of National Intelligence, and both of the congressional intelligence committees, and I also previously worked for the U.S. Chamber of Commerce.

EXIM Chairman Kim Reed, when she hired me, noted repeatedly, in her view, economic security is national security. And in creating this position, she sought to recognize that fact, and tasked me with deepening EXIM's role as a tool of economic diplomacy and statecraft, working in partnership with our interagency colleagues, and as a Board, to help strengthen U.S. economic security.

As EXIM's National Security Advisor, I've sought to increase our engagement in the policy coordination process led by the National Security Council, and to expand EXIM involvement in interagency engagements in support of Trump Administration priorities, including 5G, LNG, the Free and Open Indo-Pacific, Prosper Africa, and America Crece, among others. I also work closely with EXIM's deal teams to support opportunities that bolster strategic U.S. interests and partnerships abroad.

I want to highlight a couple of major interagency engagements that EXIM is involved with: Prosper Africa and PAC-DBIA. You'll hear a lot about those as members of the SAAC. So, Prosper Africa is the whole-of-government initiative to substantially increase two-way trade and investment between the United States and Africa. The primary goal of this whole-of-government effort is enacting the administration strategy to accelerate progress of key states towards sustained security, economic growth, and self-reliance.

EXIM serves a key role in supporting Prosper Africa, including working with the Prosper Africa secretariat and providing feedback on deals and opportunities as they arise on the continent and are discussed in the interagency. Because of EXIM's strong role in support of Prosper Africa, I want to note that last year the State Department did invite Chairman Reed to participate in a round table with African ministers and U.S. business leaders as part of U.N. Week in New York. And it's something that she was looking forward to doing again this year, but obviously, because of coronavirus, those in-person meetings were not held.

EXIM is also an active participant in the Department of Commerce-led PAC-DBIA, the President's Advisory Council on Doing Business in Africa. We work closely with the advocacy teams on potential transactions and provide support to the Doing Business in Africa initiative, along with working with PAC-DBIA to help raise awareness of the potential of the African market for U.S. exporters. I've had the pleasure of participating and representing EXIM at some PAC-DBIA events, as well as supporting Chairman Reed at these events.

My colleague, Rick Angiuoni, who's one of the U.S. government's leading Africa hands, has been an invaluable partner in working on these African engagements, particularly for Prosper Africa and PAC-DBIA. And so I want to especially recognize his support here.

Under Chairman Reed's leadership, I've been encouraged by her strong commitment to EXIM's Sub-Saharan Africa mandate, and to increasing EXIM's exposure in Sub-Saharan Africa, which has reached a historic high of nearly \$8 billion. I would also note that, under Chairman Reed's leadership, EXIM has signed a number of MOUs, including those with Angola, Ghana, and Senegal, that I was personally pleased to help support her with.

While I am glad that we've been able to be a part of many of the positive opportunities on the African continent at EXIM supporting the quality goods and services made by our Made in USA providers, I would be remiss if I didn't note that there are some challenges on the road ahead.

I've previously discussed the economic challenges posed to the United States by China around the world, and specifically in Africa, and because of the excellent presentation by my colleague Dave Trulio and Ambassador Dobriansky, I won't talk about that now. But I will note, as she said, China is one of the countries called out as a strategic competitor.

Russia is also a country called out as a strategic competitor. And I take note, and will be following closely, developments reported in the media about the possibility of Russia opening a naval facility in Sudan as something that we should watch. We've paid a lot of attention to China, but we need to make sure we're paying attention to what Russia's doing there on the continent.

But beyond the China Competition and Russia, I would say COVID has had a clear impact on Africa, as it has the rest of the world, and the security situation in Sub-Saharan Africa remains one of major ongoing concern, given the reasons of persistent conditions of poverty, inequality, and weak governance. Building capacity and stability with our African partners is one of the things that will be key to securing long-term economic growth in the region.

In East Africa, where I traveled frequently when I was on the intelligence committees, the risk of Islamist extremism remains of high concern. We continue to focus on Somalia and the violent actions of Al-Shabaab. It's worth noting that local adherence to extremist versions of Islam unfortunately can now be found throughout much of East Africa, and this threat is one that is best described as persistent, and possibly, and unfortunately, likely growing.

In particular, I'm paying close attention to the situation in Mozambique, where militants who've pledged loyalty to ISIS have occupied several towns near the Total project site. And violence is reported to have cost thousands of lives, and there have been reports of human rights abuses by militants and the government. And then, of course, the issue of the large number -- a quarter million or more -- internally displaced persons that we have there.

So, certainly a situation that we are watching closely. And, hopefully, and strongly believe that as the Total project comes online, it will help address some of the economic drivers that are fueling some of the militancy that we are seeing in that region through expanded job opportunities and incomes and further capacity-building there for the Mozambican government.

So, in Sudan, which I mentioned earlier, since the ouster President Bashir in 2019, Sudan has struggled to address the ills of 30 years of oppressive rule, the co-opting of state institutions, and the politicization of the security sector. The recent signing of a peace agreement seeks to address some of these long simmering civil conflicts that exist in the west and south, and provides an opportunity for advancing the democratic transition that, absent conflict, will hopefully move forward in that country.

The recent agreement by Sudan to pay

compensation to American victims of the terror attacks, the East Africa Embassy attacks in 1998, is certainly noteworthy. President Trump has indicated that Sudan will be removed from the state sponsors of terrorists list as a result of striking this agreement with the United States.

On the other side of the continent, I'm watching Cameroon, and I'm pleased to see that we have a member of the SAAC who is from Cameroon that can hopefully provide awareness of what's happening there, but watching the sharp spike in violence being led by Boko Haram in the Lake Chad Basin over the past 12 months. And also watching Boko Haram activities in Nigeria, where they continue to carry out terrorist attacks and kidnappings and remain a concern.

Another critical situation that is playing out in Africa, and one that we'll have to monitor, is the situation in Ethiopia, where Ethiopian government forces have been fighting the Tigray People's Liberation Front, which is the former ruling party in Ethiopia. The prime minister has ordered the government to try and contain TPLF after accusing them of carrying out attacks against Ethiopia's military in what's known as the Northern -- in their Northern Command Region.

Thousands of people have been displaced by the conflict, which started while we, of course, in the United States are focusing on our own elections. And there are a number of concerns that this conflict could escalate into a full-out civil war and destabilize the fragile region there that involves Eritrea, Sudan, and even the likes of Egypt.

The situation might not make much news here in the U.S., but it's certainly one that I would encourage the members to monitor here, especially as Ethiopia was going through a period of liberalization in its economic policies, democratization, and really opening its doors to new private sector opportunities. So, certainly one that

we want to keep an eye on and keep watching.

And then, lastly, I just want to mention the impact of COVID-19 on the continent, which, amid illness, falling prices for commodities and recession has raised new concerns about debt sustainability for many African countries. As we know, China's the biggest bilateral lender to Africa, so debt to China is also a major issue for the poor countries.

And it's been mentioned a couple of times, but Zambia looks like it is going to default on a portion of its debt. And at this point, it actually stands in technical default after missing a \$42 million bond payment. And it provides a stark illustration of the looming debt crisis that we have going on there.

I'll just mention in passing here that debt to China's EXIM Bank itself amounted to \$2.6 billion at the end of 2019, and makes up the bulk of the Zambia debt owed to China, according to Reuters. So that's just a key fact to pass on there.

The United States, China, and other G20 countries did agree this past week, for the first time, for a common approach on restructuring government debts to try and address the risk of default caused by the coronavirus there on the continent. And hopefully this will pave the way for a unified approach in addressing some of the debt issues, but much work remains to be done and we'll have to see how exactly this mechanism plays out.

So, with that, I want to thank all of you for your time today, and thank you, Chairman Runde, for giving me the opportunity to present and talk about some of EXIM's national security engagements and issues on the continent. Thank you.

Chairman Runde: Thanks, Jamal. I'm going to suggest that if there are questions for Jamal and for the China Committee, that we put them in the parking lot. We still have a lot to cover, and I know that Brittany and Luke will be able to kind of adjudicate those at the end.

So, let's move on. We need to move on to the next section, which is Jim Cruse is going to talk about something called the G12.

Jim? The floor is yours, Jim.

U.S. Competitiveness & G12 Update

Mr. Cruse: All right, thank you very much. My name is Jim Cruse. I'm the Senior Vice President for International Relations and Policy Analysis, or inversely called OPAIR. Our job is to evaluate and keep track of the state of EXIM competitiveness as that plays out vis-a-vis not only the other major countries that are in the G12, which includes China, but everybody else.

I'm going to reference the G12 in talking very briefly about the state of EXIM competitiveness in late 2020. That, in a word, is very challenged. And the reason it's very challenged is that over the past decade the world of export credit has become populated by many more players; not that they're new players, but that they're players who used to focus on development, and now they're also engaged in export finance.

You've had new tools come into play as countries become more determined to use export credit as an export creation tool, and these tools are not governed by the arrangement.

And then, finally, China has become the behemoth of the export credit world. It is both the largest and most diverse. And, as it's not a member of any of the rules, what you effect have from all of these things is that the attempt by the international arrangement on export credits to minimize unfair competition has less and less influence. And as all of our programs are governed by that arrangement, we find that the exporters and banks regularly in our surveys consider our programs to be euphemistically out of date. And they have used other words, but the point being, that they feel we need to do a lot to get up to date with what the rest

of the world is doing.

And at the same time, we have a situation where we have added to our challenges another mandate, as Dave Trulio and Jamal have mentioned. So you add this mandate in, which is to meet Chinese competition, with the other mandate to meet everybody else's competition, and we find that we enter, or are about to enter, 2021 in a position with a lot of challenge in meeting our mandates.

On top of that, COVID has brought the medium long-term world of export credit to a slow down, if not halt, and has changed the dynamics going forward. And this is one of the things coming out of the G12, which is the largest ECA members in the world -- China, ourselves, major Europeans, Japan, Korea, and Canada and Brazil -- so that those countries, as they met last September, had two or three major conclusions, one of which is that COVID is going to increase the role of ECAs tremendously.

We've now had two once every 100 year events in the past ten years: the financial crisis and COVID. Both of them have accentuated the need and role of ECAs in helping the world avoid a collapse. That also means that the ECA world is going to, one, probably see more claims; two, it's going to have to deal with a higher degree of risk as it meets the challenge; and, three, it's going to have to do this without much in the way of boundary and framework of rules, because it's not likely that the Chinese are ever going to join such a system, and everybody else is going out to meet them.

So, in that context, how does it affect Sub-Saharan Africa? The key thing here is that with all the things that are happening, particularly COVID, what has happened in the first half of 2020 is that Africa, Sub-Saharan Africa in particular, has stood out for its relative stability. The collapse in business was more elsewhere than it was in Sub-Saharan Africa. The business opportunities were more in Sub-Saharan Africa for ECAs than any place else.

This combination of events, with the fact that in Sub-Saharan Africa, you find two other things: one, the Chinese are the largest provider and holder of ECA debt by far -- and I'm going to give you some data on that in a second -- and, second, Africa is where the challenge of risk appetite for ECAs is going to come into play prominently and dominantly.

Now, one of the things that we do need to note as we go into this: Sub-Saharan Africa is likely to be the place, in 2021, '22, where the crux of EXIM's mandates will have to be met. If we can't meet it in Sub-Saharan Africa, we probably won't do a very good job of meeting it anywhere.

So, therefore, we are in particular need of every insight, every help, every little bit of information that we can get, to find good cases in difficult or risky markets and to make the best that we can in this challenge, but opportunity, that exists in Sub-Saharan Africa.

I will note that the challenge of China is changing dramatically, at least in terms of export credit. In 2017 and '18, China represented eight times as much export credit going to Sub-Saharan Africa as all the rest of the OECD countries. In 2019, in response to a lot of criticism that they garnered, they were only 50 percent more. In the first half of 2020, they were not even 50 percent of the total.

The world in Sub-Saharan Africa is no longer China's preserve. It is a dominant player, a major player, the largest holder of debt, the model of how to be competitive, but the rest of the world has decided that they want to do business in Sub-Saharan Africa. They have started doing that business, and there is no way that we're going to be able to deal with being competitive without being competitive both with them and China. We ask your help in finding those opportunities. Thank you.

Chairman Runde: Great. Now we're going to have the ethics briefing.

Ethics Briefing

Ms. Terry: Good afternoon. Can everyone hear me?

Chairman Runde: Yes.

Ms. Terry: Okay, great, thank you. Good afternoon and welcome, Chairman Runde, Chairman Reed, Board members Pryor and Bachus, and members of the SAAC. My name is Lisa Terry, and I serve as EXIM's Chief Ethics Officer.

I've served in this position since October 2015, and was officially approved by this Board in May 2019. I oversee EXIM's Ethics Program, and my staff and I are responsible for ensuring that EXIM employees comply with all ethics rules and requirements.

I would like you to know that Chairman Reed, the Board, and senior management place great importance on ethics at the Bank, and expect the highest ethical standards of themselves, our employees, and now of you, as well.

I'm pleased to provide you an overview of the ethics standards that apply to you as SAAC members, and I'll be speaking from a PowerPoint presentation that you have been provided.

First, as you know, you are not employees of the United States government. And that means that you're not subject to the broader ethics rules that apply to government employees. So, for instance, you're not required to file a financial disclosure statement, as many are, and you're not limited in the types of assets you may own.

However, like us, you are in a position of public trust. And, therefore, the SAAC Committee members must avoid any actions that are either unethical or appear to be unethical. And we place great importance on appearances at EXIM because, as you know, an appearance of an ethical violation can be as damaging to an institution as an actual violation.

So when acting in your personal or professional capacity, we ask that you not use your position on the committee for private gain, either for yourself or for others. You should not take advantage of any non-public information you may learn as an Advisory Committee member. For example, if you learn that a company is about to receive EXIM financing for substantial export contracts that will double its revenue, you may not disclose that information to others or use it for your advantage.

Additionally, you should not use your position on the Committee to induce another to provide a benefit to you or to another. For instance, if you're an EXIM customer, or you know someone who has an application pending with EXIM, you may not use your position on the Committee to gain special access for yourself or another.

You may not identify yourself as an Advisory Committee member and request expedited processing for any pending application. You may, of course, make use of any processes that are available to the public in the ordinary course of business at EXIM.

Also, you should not use your position on the Committee in a manner that could imply that EXIM Bank sanctions or endorses a particular private entity's business activities. For instance, if a commercial banker you know is promoting an innovative trade finance initiative, the banker can use your name, but not your EXIM title, in his or her marketing material.

And, finally, a note about advocacy on behalf of the Bank. Questions may arise regarding the impact of your role on the Committee on engagement and advocacy on behalf of EXIM in your personal or official capacity. You may engage in advocacy relating to EXIM in your personal or professional capacity. And by professional capacity, I mean your non-EXIM capacity. So in the capacity of CEO of a certain organization, that would be permissible.

However, you may not engage in advocacy on behalf of EXIM in your official capacity as a SAAC Committee member, individually or as a group. And that's because EXIM is subject to anti-lobbying restrictions on the federal funds that we use. Therefore, EXIM staff may not provide any advice or guidance regarding your advocacy efforts on behalf of EXIM in your personal or professional capacity, and you may not identify yourself as a member of the Committee when engaging in advocacy in your personal or professional capacity.

And that concludes my remarks. Thanks very much for your attention to this important topic. And if you have any questions during your service, you can of course contact me or Lance Matthews, our Deputy Chief Ethics Officer. Thank you very much.

Chairman Runde: Thank you so much. I'm just cognizant that we've run over a bit. Here's what I would suggest. Instead of a 15-minute break, I would suggest we have a five- or seven-minute break, and instead of coming back at 3:30, we come back at 3:25.

I hope that's okay. I think that's enough time for people to get a cup of coffee, et cetera. So I'm going to propose we all return promptly at 3:25. Let's reconvene at 3:25. Okay? Thanks, everybody.

(Whereupon, the above-entitled matter went off the record at 3:18 p.m. and resumed at 3:26 p.m.)

EXIM Products & Services Overview and COVID Relief Measures

Chairman Runde: So, Steve. It's Dan Runde. Nice to hear your voice. Why don't we go ahead and get started? I think we can reconvene. Go ahead. You've got the floor, Steve.

Mr. Renna: Okay. Oh, the floor is mine. Okay, well, thank you. And I want to first apologize to the Committee that I'm in a car right now. I'm with the Chairman. We are in Seattle and we're driving to

the airport. And it's raining. Go figure, it's raining in Seattle. So, apologies if you have a lot of rain noise, but I'll try to speak very clearly.

I was asked to give an overview because we have a number of new members on the Committee, some of them very familiar with EXIM, some not at all familiar with EXIM, or at least its products. So, for those of you that are familiar with EXIM, I apologize if some of this is going to sound remedial to you, but I just want to be able to level-set the Committee on what we do at EXIM, what our products are, and then specifically talk about how we responded to COVID these last seven or eight months.

But, of course, as you know, the mission of EXIM is to support U.S. jobs. And we do that by facilitating U.S. exports. Of course, the way we provide that facilitation of those U.S. exports is to provide financing solutions that allow the transaction to come to fruition at its completion. So we engage when there are situations where the private sector lending market cannot either provide a financing solution directly to the exporter that the exporter needs, or to the foreign buyer.

So, let me explain a little bit of what the products are that we provide in order to provide this facilitation of exports. And those products come in two general buckets. The first bucket are products that we provide to the exporters themselves. The second bucket is the product that we provide to foreign buyers.

So let's focus on the first bucket, and there are essentially two -- I'm going to say sort of three products that we provide to the exporters. The first is export credit insurance, and this is insurance against payment risk by the foreign buyer. Simply, if the foreign buyer does not pay the exporter for the product or services that it's provided, that there's an insurance policy that EXIM provides that says to the exporter, if that foreign buyer doesn't

pay you, we will pay you on this insurance policy that we provided you.

Now, again, this insurance policy is one we provide when the private market that also provides credit risk insurance are not available.

And in many cases, that situation applies for smaller exporters that essentially don't have the creditworthiness with private sector insurers in order to be able to get payment insurance.

This is a very important product for companies as they're looking to engage or expand their exposure to foreign markets. Small companies, obviously, don't have people that they can send around the world trying to get paid for goods or services that they've provided that the buyer for some reason isn't paying.

So, by us --

(Call disconnected.)

Chairman Runde: Uh-oh. Maybe it was one of those adversarial intelligence services cut off his cell phone.

Steve? Are you with us? Can you all hear me? Everyone else can hear me, right?

Mr. Lindberg: Yeah, I can hear you, Dan, yes.

Chairman Runde: Oh, boy, that's awkward. If Steve rejoins us, we'll have him come back on.

I'm just looking at the -- Luke Lindberg, I'm just concerned about what we need to do here. I'm just cognizant of the time, Luke.

Mr. Lindberg: Yep. Dan, I would move forward. We can always send an overview, or I guess some more information --

(Simultaneous speaking.)

Chairman Runde: Yeah, I would suggest we do that. I think there's a lot of stuff we're putting in the parking lot. And Steve's available. He's a fabulous Chief Banking Officer for EXIM. He really knows the products and services well, and maybe there will be an opportunity.

Case Studies: How EXIM Successful Deals are Made
and Lessons Learned for Future Opportunities in
Sub-Saharan Africa

Chairman Runde: So, I think we ought to move to Trey Armstrong and Kyle Jackson, who are going to do some case studies. That was one of the reasons for this meeting, was a chance to kind of get on the same page for the agenda for our work for the next year for the S-A-A-C, for the SAAC.

So I think, Trey and Kyle, I think we're going to give you the floor, and let's go ahead.

Mr. Renna: Dan, this is Steve. I guess my call got dropped, but I'm on now. I'm not sure when I got dropped.

Chairman Runde: Okay. You're back?

Mr. Renna: Okay. So, I was basically talking about our insurance product, and how they allow small exporters, particularly, to be able to engage in exports or expand their export market by giving them that surety of payment.

The second product that we provide to exporters are guarantees for working capital loans that the exporter needs in order to fulfill export contracts that it has.

So, an exporter gets an order for its good or services, then it needs to buy all the materials and input, labor, et cetera, that's necessary in order to fulfill that order. So it goes to the bank, looks for a working capital loan. But, again, just like in the insurance situation, you've got payment risk of the foreign buyer. And often the combination of the

payment risk of the foreign buyer and perhaps the credit risk of the exporter themselves, that banks say, you know, we're not comfortable extending a working capital loan in this situation unless the EXIM Bank will provide us, the bank, with a guarantee in the event that the exporter does not pay us. So we provide a guarantee to the exporter's banks in these situations that allows, then, the exporter to be able to execute on its foreign orders.

So, with both working capital loan guarantees and with insurance, it's positioning U.S. exporters to be able to look beyond the U.S. borders and expand their markets around the world.

The other category and product that we provide are financing facilitation for the foreign buyers. The predominant product that's used in this case is again an EXIM guarantee.

So you'll get a situation where you have a foreign buyer, whether it's sovereign, meaning government of another country, or non-sovereign, meaning private sector, who's looking to buy goods or services from a U.S. exporter, it goes to its lender looking for the financing. The lender is concerned about the credit risk of the buyer, or a situation in the country, whatever it may be, the lender is not comfortable extending credit at market terms to the foreign buyer in order to buy the U.S. export.

In that case, we work with the foreign buyer's bank to provide that foreign buyer's bank with a guarantee that says if the foreign buyer does not pay you back on a loan that you make, bank, then EXIM will pay any claim that you have on that. That is basically the bulwark of what we do around the world.

Now, we can also make direct loans so we don't have to work through a bank. We prefer to work through a bank, but we don't have to. We prefer to work through a bank because of this concept of additionality I'll speak to in just a moment. But we can make direct loans, and we often do, and we

particularly make direct loans

when we are providing financing to projects, elephant projects that would be often in the infrastructure sector, in the power sector, or mining, or oil and gas, or some other project that is being developed over time.

We will often provide direct loans to these projects because banks typically cannot take on the tenor of risk that these projects have, which could take, you know, three to five years through development before they even start producing any revenues, and then a number of years after revenue production to be able to service the debt. There are a lot of private banks that cannot simply take on that tenor, length, so that's when EXIM gets engaged in that kind of budget financing.

I will also say that an important tool for exporters are letters of interest that we can provide. These are very early on, when a company comes to us and says we're in a competition around the world, we're trying to win this competition and be able to export goods and services as a result of that procurement that we win, but sometimes a letter of interest from EXIM saying that we understand the parameters of this transaction, we're not committing to who would be interested in providing financing to this project, it's a very helpful tool for companies to have in order to position them competitively as they're seeking business around the world.

I wanted to talk while I have a couple minutes left about three policies that we have to follow that are important for you to keep in mind.

The first is additionality, meaning that we have to be additional as a lending source to private sector banking. We cannot compete with private sector lenders as the government. That would be unfair. We're there to supplement where the private sector either does not have the capacity or cannot, for some reason, provide capacity for a particular transaction. We can then fill in the gap. So it's

important to understand it to be additional to the private sector.

Secondly (audio interference) --

Chairman Runde: Steve, we're losing you. Steve, the connection is dropping.

(No response.)

Chairman Runde: Luke, can I ask you to send Steve a text and just let him know that he can rejoin later, perhaps when he's not in a car? I think we should move on, Luke. Do you agree?

Mr. Lindberg: I agree, Dan, let's move on. I'll make sure to reach out.

Chairman Runde: I think we need to put this in the parking lot, and we can revisit this later. We've got a lot of ground to cover. Okay, thank you. So, I just want to flag I have to leave. I'm going to turn the floor over to my very able colleague, Florie Liser. I'm very grateful she's agreed to step in to facilitate the rest of our public meeting.

Mr. Renna: I'm back, Dan. I'm sorry --

(Simultaneous speaking.)

Chairman Runde: Steve, I'm going to suggest we put you in the parking lot and return to this, and you might send us some written materials. We've been losing you back and forth, you've been dropping. I think it would be best if we moved on. I completely understand and appreciate it.

Mr. Renna: Okay. Yeah, sorry, it's terrible weather out here.

Chairman Runde: No, of course. I totally get it. It's happened to me. So, we're very grateful, and I'd ask you to do that. And thank you very much.

Mr. Renna: Okay.

Chairman Runde: Thanks, Steve. Okay.

Mr. Renna: All right, thank you. Bye-bye.

Chairman Runde: Yeah. So, I know we're going to move to the section on case studies of how EXIM successful deals are made and lessons learned for future opportunities in Sub-Saharan Africa. This is sort of the key part of the meeting. This is the filet mignon of the SAAC meeting.

EXIM deal team representatives are going to present a case study on Weldy Lamont and the Mozambique LNG transactions that recently took place in Sub-Saharan Africa.

Each presenter is going to speak for ten minutes on the process from start to finish on the deal, experience with a country's embassy, other USG actors and participation, and lessons learned.

This is tailor-made for Florie Liser, given her leadership at the Corporate Council on Africa and a very distinguished public service career before being on the Corporate Council on Africa.

So Florie, why don't I turn the floor over to you? And thank you, Florie.

Member Liser: Great. Thanks, Dan, and we appreciate your chairing the meeting. I'll try to step in very large shoes for Dan and help facilitate our discussion going forward.

I think what we'll do now is turn to Trey to give his presentation, and then to Kyle, and then when we get to the committee discussion period, I have an idea for how we might be able to do that effectively in the time that we have.

Thank you. Trey, go ahead.

Mr. Armstrong: Great. Well, thank you for having me here, and I'll try to connect Steve's call with this one, but the Mozambique LNG transaction was a direct loan and a project finance transaction.

To say the least, it was a heavy hitter.

It was a 4. -- almost \$5,000,000,000 direct loan financing, and one of the largest financings in EXIM Bank history.

It was also one of the largest -- maybe the largest single investment in Sub-Saharan African history, you know? So it's a very big retail project.

This one, because given the size, the complexity of the transaction, it took, you know, a little while to underwrite.

I believe it took over four years to underwrite the transaction from start to finish. One of the challenges with a transaction of this type of nature - - as you probably read about in the paper, it was an LNG transaction -- is the securing of what they call offtake contracts.

It took a while to sort of have this come to fruition. This is for the project to actually, you know, identify who the gas would be sold to.

And the offtake contracts really give lenders like EXIM Bank security that, you know, who's going to actually pay us back?

Because EXIM Bank, you know, we do -- I always joke, you know, because I take this from someone else -- we're not kind of like a bank, we don't really, you know, hand out toasters, although I don't know any bank that actually does that anymore -- but we do operate like a bank in that we're always really concerned about what they call like a primary source of repayment. How are we going to get paid back?

In this particular transaction, what represented that was the long-term SPAs, and when this transaction came in, the market was, you know, a commodity, oil and gas commodity. And it's cyclical. And when it came in the transaction, the market was sort of on a high, and then went on a low.

And so, it took a while for the sponsors to actually, you know, get the type of contracts that all the banks would need to go to their respective credit committees for approvals.

And so, it came a little bit maybe earlier than what had maybe would've been anticipated, but, you know, it took a while just to get those contracts.

And in addition, it was kind of unusual for this transaction, so it's not always the ideal one -- hopefully you wouldn't have these challenges in every kind of faction -- is you had the change of the key sponsors.

Originally, this transaction came in for Anadarko, who some may recall, but Anadarko brought this in, and then Anadarko would be sold to Occi, and then part of the purchase of Occi and Anadarko was selling the assets to Total.

That is not always the norm, having to change a key sponsor like that.

And so, when that came in, that sort of set the tone for renegotiating some of the terms that we had originally negotiated with Anadarko.

Total came in with their own sort of request for terms with the lenders.

And also, in addition to this transaction, too, to my recollection, this was the first time that EXIM Bank had incorporated what they call full biological opinion, what they call a Section 7 of the Endangered Species Act, which is a review working with a sister agency, NOAA, where a full-blown review of endangered species that could've been potentially impacted by this transaction.

What brings this in is that this transaction really extends into international waters, so that's what triggered this review.

And that actually is also not the norm either, but I

will say, you know, sometimes it's hard being the first, you know, anything because it's always a learning lesson.

That was definitely a learning lesson for all the agencies involved, but I do think we're actually set up to actually progress going forward.

That transaction now is in, you know, the documentation stage, and I think it's close to actually -- you know, we're targeting looking at closing and dispersing, you know, relatively soon.

So, it's gone through a lot of -- you know, and there's just a lot of paperwork to be done a deal of this size.

To keep in mind also for those on the call, you know, there are eight or nine export credit agencies involved in this transaction over \$20,000,000,000.

You know, and there's over a dozen commercial banks, so it's a lot of heavy lifting and coordination.

I think this also exposed EXIM to working with other -- I would say actually African banks and African development agencies, where maybe we hadn't been so engaged with some of them. We're now looking at possible opportunities with them as well.

And just to kind of, you know, close out on this -- and I'm happy to talk about further offline if anyone wanted to ask more questions about the deal, or just, you know, a little bit more about what we do -- you know, I was actually late to this particular meeting because we actually have a Transactional Risk Committee where I was actually presenting two transactions in Sub-Saharan Africa.

So, I don't think that Mozambique is aberrational. I think we're going to be seeing more activity on the continent, and I actually envision we'll be partnering more with other banks, as well -- African banks, or even financial institutions that, you know, EXIM, you know, may have not have worked with in the

past.

We're seeing activity, micropanels to commodity side and the energy side. So, we're seeing activity in the following sectors: Mining, refineries, and petrochemicals.

So, I'll now turn it over to my colleague, Kyle.

Member Liser: Kyle, you're muted.

Mr. Jackson: I was indeed. My apologies for that, and Trey, thank you very much.

Well again, Director Bachus, members of the committee, thank you very much for your time today.

For those who I've not had the privilege of meeting -- I have had the privilege of working with some individuals on the committee -- my name is Kyle Jackson, and I'm currently with the bank's Structured and Project Financing group.

But prior to me joining the group -- I'm actually a fairly recent addition there -- I spent about 15 years working on the bank's bilateral lending desk.

And what that effectively meant is a majority of the transactions that EXIM Bank undertook were in Sub-Saharan Africa.

You know, these are the more traditional bilateral facilities, government-to-government loans.

And, you know, my experience there taught me a number of things, and I was able to, you know, use obviously both my professional experience, as well as the resources that EXIM Bank brings to a transaction, to work on the Weldy Lamont transaction, which is obviously the subject that we're going to discuss today.

One thing I will say with respect to Weldy Lamont and in just doing business in Sub-Saharan Africa is you fundamentally need to understand the

environment you are operating in and the players you're operating with.

And what I mean by that is, you know, the expectation that this African government may operate in the same manner and fashion as a utility here in the United States. You know, that is going to probably be a misalignment of understandings and incentives of how to get the transaction done.

It is very important when operating in the Sub-Saharan African market, first and foremost, to develop relationships. Relationships with the U.S. Embassy, relationships with the commercial staff, relationship with local opportunities, local partners that can work and advocate on your behalf.

These are very key, and many times, these things need to be done well before EXIM Bank's engagement, but we oftentimes do encourage people to come to EXIM Bank very soon.

You know, projects such as, you know, the Moz LNG project, those are going to be tremendous opportunities in growth for, you know, East Africa.

But also the other smaller projects. You know, they're the projects that have direct implications for the citizenry.

And that's what the Weldy Lamont project does. That is a project that is connecting almost 400 villages to the electricity grid.

So, you think about today in the twenty first century in a country like Senegal, which is relatively advanced. Sixty four percent of their population does have electricity. That still is a large swath of the country that doesn't have reliable access to electricity.

You look at those figures a little bit further more, and you understand that of those that are not connected, 83 percent of them reside in rural areas. Okay?

Now, let's talk economics. When you talk infrastructure, what drives development? From a commercial perspective, that development is driven effectively by profitability. Is it profitable for a utility to connect this village, to connect this particular household?

To be quite frank, even in the United States, rural connectivity is a challenge, all right? And that is where the government steps in to provide that gap, to provide that level of support to ensure that every citizen is given the same level of access to electricity.

And so, working with Weldy Lamont --and this is the second transaction we've actually worked with them -- we've been able to connect villages in Ghana, and we are very excited about the Senegalese opportunity because of the fact that not only will it provide a high level of connectivity, it is a gateway transaction.

Weldy Lamont is a relatively small company. There are only 20 people in the company. So let's think about that.

You're thinking about a company that has less than two dozen employees that is going over into Sub-Saharan Africa and executing on a transaction that is over \$100,000,000 in value to them.

So, yes, it is not going to be a large mega project that's going to generate billions of dollars of revenue, but to a company like Weldy Lamont with 20 employees, that dollar to dollar impact is significant.

More importantly, that impact on the individuals in those villages that will be connected is also important.

So, having forged a relationship with companies such as Weldy, we are able to bring the value and the resources of the United States government because this really is a USG effort. It's not just

about EXIM Bank bringing the financing, which we were able to do, and we've been able to reflect our interest providing the support, it's also about the embassy making sure that Weldy has access to the appropriate people within the Senegalese government to ensure they are talking to the right interlocutor.

It is also about USAID and TDA bringing their resources into market to create training grants and to create other platforms that are able to leverage their resources and effectively enable Weldy to bring the same level of value proposition that many of their competitors are able to do.

We don't need to talk about -- because I'm sure it's been talked to ad nauseam -- what other countries are doing, specifically those countries, you know, in Asia that are not members of the OECD.

We don't need to talk about the type of financing they're bringing to the market because we know they're not competing on a level playing field.

They are subsidizing their company, they are providing below-market rates to provide financing in a way to distort the market and turn that competitive lens away from a company like Weldy Lamont that brings a qualitative product, but more to create value.

They come with the financing, and we'll get the project done.

But in many instances when that project is complete, they really don't get true value out of it.

One of the things we also pride ourselves here at EXIM Bank is about sustainability.

We want to make sure that the asset we finance today is working tomorrow.

Our goal is to ensure that from a value for money

perspective, the governments -- in this case, Senegal -- is receiving the maximum value that they are investing in this project. Not just today, but ten years down the road when we go back to that country, we want to see those electric poles and all of those villages still connected to the grid.

So, my summation -- again, it's a high-level one -- is to talk about the key factors that ensure success.

Early access and discussions with the United States government, the U.S. Embassy, commercial and econ partners, they are going to be key in your success.

Second, engage EXIM Bank early.

As noted by Steve Renna, we have what's called a letter of interest.

This is a non-binding way of EXIM Bank to demonstrate its interest, its willingness to provide financing.

For sovereign governments, unfortunately, the decision to determine as to whether or not you go with a U.S. vendor or an Asian vendor is oftentimes driven by financing more so than it is by the qualitative nature of the product.

So bringing EXIM Bank into that conversation of the discussion gives a comfort level to the government that the United States is willing to provide financing, is willing to provide financing for a project that will have meaningful impacts, especially within the infrastructure realm, and also, and not an insignificant point, is the element of local content.

All right? Weldy Lamont, as a 20 person engineering firm, is not going to be bringing over somebody to dig a ditch or somebody to haul concrete, they're going to hire that talent locally.

So, this is not an instance where we are bringing labor to the market, we're hiring labor from the

market and creating local value with respect to that project.

And so, when you look at from kind of end-to-end, the solution set that EXIM Bank brought to the market not only benefits a U.S. exporter in being able to sell their wares in a relatively competitive market, but provides a unique opportunity for government to see growth within their own market, growth within their own labor force, and deliver key infrastructure needs to its populace.

I'll pause there, and I'm happy to take any questions you may have, but thank you for your time today.

Member Liser: Thank you, Kyle.

Committee Discussion

Member Liser: So, I think what we can do to effectively use our time here is to sort of go backwards in our agenda and start with allowing all of you, the other SAAC members, to ask both Kyle and Trey any questions you have on these two particular transactions.

Maybe I could just kick it off with a question.

Kyle, you mentioned certain things that, you know, people should look for. How would you say in terms of lessons learned and applying that to other projects in Africa that are in the pipeline now?

Same question for Trey. How would you take what you've learned from the Mozambique LNG and this project, and actually maybe share some examples with the SAAC of, you know, ways that you would then apply those lessons to some of the things that are being teed up now?

I know you can't go into details, you know, but, you know, making it sort of more concrete.

Mr. Jackson: Absolutely. One lesson learned, as I mentioned earlier, is, you know, I believe for U.S.

firms to effectively operate in these markets, they need to forge local relationships.

Have your representatives in-country that can work with the U.S. firms, you know, and again, if we're talking about those opportunities such as in the infrastructure realm, where oftentimes the primary sponsor is the government, it's the sovereign entity itself, right, you know, it's oftentimes a hurry up and wait game.

So, you know, patience is the key, but also having the ability to be responsive as necessary, whereas you may be waiting several weeks for the minister to get back to you. When they finally do, the minister expects a response relatively quickly.

And so therefore, it's important that your local partner be on the ground and be able to provide that response, and more importantly, you know, catalyze the necessary response from your office here in the United States.

These are not markets where you can work off via email. These are markets where, you know, face-to-face interaction are key. Handshakes mean a great deal in these marketplaces.

Second is again to consult with the U.S. government. As with any organization and any entity, you know, these governments are huge.

The mere fact that you're talking to the Ministry of Interior about a project doesn't necessarily mean that the Ministry of Finance is going to provide the necessary sovereign guarantee for that. It may not be in their borrowing plan for that year.

The U.S. Embassy's going to be able to help you, you know, kind of pierce the veil and make sure that you're not necessarily spinning your wheels.

You know, the line ministries are very clearly, you know, like, "Oh, we'll get the money for that, don't you worry about that, that's going to happen."

Well, to be quite frank, oftentimes it may not be a borrowing priority of the government, and you may have spent a lot of resources and time in a project that actually will not come to fruition until five or six years down the road.

So, you want to make sure you're talking to the right people. That's where the U.S. Embassy comes in play. They're going to make sure that you are speaking to the right interlocutors within the government, they're going to make sure the project is a priority, and they can bring the resources of their office.

You know, the ambassador, the charge d'affaires, the necessary people to make sure that U.S. firms are not being disadvantaged.

So those are the two right now, and I can get into a lot more, obviously. Those are my two key takeaways for operating in markets, such as Senegal, is to make sure you have a strong local partner, and to make sure you have a good relationship with the local U.S. representation.

Member Liser: Great.

Trey, do you want to add anything before we go to SAAC members who may have questions for either Trey or Kyle? And then we'll be back in the agenda from there to ask any questions you may have.

And then let me just say, I think that what's valuable or could be most valuable is to hear from each of the SAAC members about, you know, what you would like to see the SAAC do in order to facilitate EXIM's role in supporting more U.S. business and more business generally in Sub-Saharan Africa.

I think, you know, we have experts here, people who've been doing this 30 years, 40 years, and people newer to the market, and I think it's especially important to hear from the new members on the SAAC. But I think we have enough time to

hear from everybody on that.

Trey, did you have anything else you wanted to say here? Especially if you can link it to how this informed you for other Sub-Saharan African deals that you're working on.

Mr. Armstrong: Well, it's interesting. I mean, actually, I really agree with Kyle. I think connecting definitely for Mozambique is -- and it's a little bit of an interesting one to pick, just to give you the complexity.

You know, I would say there in that particular transaction, connecting with USG, and the connection with USG was very critical, especially understanding the security situation, which was mentioned earlier by Jamal, has gotten incredibly complicated, to say the least.

And so, you know, USG is our representatives there, and I actually think what was interesting about the Mozambique transaction is that there's almost two approaches, actually.

There's the approach with USG with respect to the security issues, which was a little bit different, and then also the approach with respect to the commercial side.

And one of the things that I think is always tricky even with like EXIM Bank is that we're complicated. We're not always intuitive. What does it mean to get our financing?

And so, I think it's actually really critical a lot of times training our reps up there, how does EXIM Bank work? If you bring a transaction to us, you know, we do need to look for some repayment mechanism, but I think a lot of it's that connections early on is very critical within the country that we may not know, being based in D.C.

You know, Mozambique also, just given the size and breadth of many players, is also not necessarily the

norm. I mean, what we're seeing in my pipeline and our transactions, there's a little more that can be executed just a little bit quicker, in that you're having, you know, identified payment streams, fewer players involved, but the right players.

And the one thing that I mean by that is that, you know, banks that actually have experience -- we're partnering actually with banks actually in Africa, I think, you know, our group is starting to look more and more at financial institutions that have experience in the market, and can also help kind of connect our financing activities because EXIM still has those challenges of, you know, providing a fully funded project. And so, you know, we will need to find ways to partner with people, you know, with on the continent to execute a transaction.

Good news actually now -- oh, sorry.

Member Campbell: I just had a question about that --

Member Liser: Derek --

Member Campbell: I'm sorry, Florie, can I just jump in?

Member Liser: Yeah.

Member Campbell: Because I had a question on that specific issue about partnering. I know there's been some move afoot to partner better with DFC and USTDA with respect to, you know, how the U.S. leverages its funding assets, so to speak, to support our hegemonic growth in the frontier and emerging markets.

Has there been some -- and I like to ascribe the term aggressiveness about dealing with or partnering with, like Afreximbank or other --

Mr. Jackson: Yes.

(Simultaneous speaking.)

Mr. Jackson: So, as I mentioned, in my previous role I had worked in some other areas of the bank, and we've worked with African EXIM Bank, we've worked with the Trade Development Bank, we've worked with a number of regional players, not just in terms on the developmental side, but we've also interfaced with a lot of the -- which are growing robustly -- with a lot of the African banks in West Africa.

You know, back in 2006, we were one of the first ECAs to partner with the -- you know, recapitalize Nigerian banks that had basically come on play.

We put a \$1,000,000,000 facility into that market, finance a number of different assets.

So, you know, we've been involved in interfacing with many of these banks for years. You know, the challenge you will find is not necessarily from a perspective of partnering, although that is something that's very important to us.

You'll also find that there's a challenge in terms of just trade funds.

For example, in East Africa, significant amounts of the wares that are sold there, even with the U.S. nameplate, are not manufactured in the United States. Okay?

So logistically, even though, you know, we've had a very good relationship with the Trade Development Bank, we've had a difficult time locating deals we can leverage our respective talents on because of that lack of U.S. export.

The African Export-Import Bank, they've grown substantially over the last few years. I mean, they've gone from being a relatively what I would call a letter of credit bank, I think, to being a major player in project development now.

And so, I really see significant opportunities partnering with them, and then again, we continue

to partner with the strong regional players. Ecobank is a force to be reckoned with on the continent, as we all know. There are strong, you know, country banks, such as Standard Bank, and a few others. And we certainly have seen the economic woes of South Africa to some extent turn into opportunities because South African banks have now expressed significant interest in working with EXIM Bank and identifying opportunities on the continent, you know, to kind of deleverage some of their risk out of South Africa and looking to some of the other areas. So, you know, to answer your question, Mr. Campbell, absolutely. It ebbs and flows. I will be honest, it can be more challenging at some times than it is at other times, but, you know, having personally worked with all of those banks I've just referenced, I can say definitively that we are absolutely interested in continuing those relationships --

Member Campbell: It would seem to me that that would mitigate a lot of risk for us, right? And then also back to your earlier point, they have deal flow that maybe they cannot get across the line, but we could.

And then, I put my, you know, I can put my counter China Competition strategy hat on, it helps then, you know, really create a great foundation for this American hegemonic growth on the continent.

(Simultaneous speaking.)

Member Liser: Mima, you wanted to jump in?

Member Nedelcovych: Can I jump in on a couple of those things? If I can just kick off on that.

I mean, the key, first off, we started by saying patience, persistence, local partners. No question, this is 45 years of experience talking. So you have to have the local partner, full stop.

On the local banks, I think it's very important. I go back to being in that inaugural SAAC back in 2000.

We had at that point, and Sola might be too young but might recall -- I mean, we had the designated authority to a whole bunch of Nigerian banks at the time to actually add some liquidity into the market.

So I think coming with local banks -- we have UBA, I have a long list of bank groups. There are many banks operating in this space and it's critical.

What I do want to ask, though, and this is for Kyle, and I think specific on the, what is it called? The Weldy Lamont, the Senegal. Since we're also, you know, in power ourselves, the issue always comes up with a non-creditworthy utility. That's clear, okay? Then you get into a sovereign guarantee. Then once you go to sovereign guarantee with the ministries of finance, they'll say, well, if I'm going to give you a sovereign guarantee, why don't I own it? Then you get to a point where it might actually be cheaper to structure the loan directly government-to-government with a private operator.

So, it's one thing I like to hear a part of that. I've had experience with that with

Sun Africa in Angola, previously with where U.S. EXIM wasn't opened, so it's Swedish EXIM, closed on 600,000,000.

The smaller deals, the question I have is some sort of PPPs end up getting created. What is, I guess from EXIM's standpoint, the tipping point to where there's enough sort of government equity, let's say in the PPP, that a government loan can be, in effect, either a guarantee or a direct loan, government-to-government put forward? Because so many times, whether it's these power projects or some of these agro-industrial projects they get involved in, if you don't have a PPP structure, it's impossible to get straight commercial financing.

So, if you could maybe elaborate a little bit on that, I'd really appreciate that. Thank you.

Mr. Jackson: Yes, happy to, and I'll defer to my

colleague. Trey has a little bit more experience in the project financing realm than myself, substantially more experienced, but let me just say this. I think you've struck on one of the greatest, probably, you know, kind of balancing acts that EXIM Bank or any ECA has to perform.

You know, there's one critical component, and I know we all know this, but it's something that I think, you know, bears mentioning, which is that EXIM Bank is not a developmental agency. And so, our risk appetites are substantially different than a DFC, or to be quite frank, you know, an IFC, or something like that.

Then that said, though, we oftentimes operate in markets that are still large beneficiaries of developmental financing, and it's very easy to conflate the two when you an operator in that marketplace.

And so, for us, it's a challenge to go into the marketplace. There's a little bit of a learning curve there. But again, we still are required to identify a reasonable assurance of repayment. And we have to do that in a defensible way.

So, when you talk about some of these utilities, for example -- and let's look at Ghana, where they went from having not enough generation, to be quite frank, they're all over the map now. They've got so much they can export, if they can, you know, get their act together. But the challenge there is, to be quite frank, would any prudent lender take ECG risk at the time when they probably effectively needed to bring in a lender? Chances are probably not. Not without some type of, you know, World Bank or something to offset that risk. So, it is a challenge for us.

In the case of Weldy, that was a straight sovereign guarantee. They own that asset. And to be quite frank, I think from our perspective, that works probably the best because again, a rural electrification project is not going to generate a

return. Not a return that you as a company are going to look for.

You're doing that because it is a need and as a responsibility of your government to do so. Okay? The same can be said for, you know, a road project. And I'm going to turn to my colleague Paul there who I've had the privilege of working with him.

You know, you do a bridge project. It may be on a road that's not going to be tolled, but that road is key for commerce to come from the country interior to the port to generate revenue for that village.

So, to your point, Mima, you know, and it's a very good one, is it has been a challenge for us. It has been a challenge for us to find that balancing act to where you have a creditworthy offtaker where you can structure a PPP that you can get very comfortable with, and effectively lend against that inner project financing structure.

I'll take it one step further to say there are instances sadly where we've been able to identify that risk, but then you see an erosion of that risk. South Africa, Eskom, all right? You know, we were involved with that early on, and I think early on, you saw a very strong operator in Eskom. Okay? Today, they have their challenges.

And again, we don't need to speak to what they are or why they are, but, you know, that is something that we have to be cognizant with, as well, unfortunately -- is, you know, I won't go so far to say that we're dealing with volatile markets, but we are dealing with markets that are very susceptible to rapid change. Change in terms of credit quality and change in terms of priorities.

And again, as an ECA that is coming at it from the lens of, we are making prudent investments for the United States government to support U.S. jobs at home, we have to be cognizant of these risks and figure out the best way to navigate them.

Sometimes, we're successful. Mozambique LNG I think is a phenomenal opportunity where we demonstrated that success. Sometimes, they're much more challenging.

And the other layer I'll add to it is the fact that, you know, again sovereign transactions aren't always the best way to go for some deals. Sometimes, they are the only way to go, but then you also have instances where the government writes a lot of checks, and they find that later on they can't pay for all of that. And then the IMF comes into the marketplace, and they create constraints or restrictions on the ability of these countries to take on additional debt.

I've seen many projects, sadly, happily not financed by EXIM Bank, that cost countries millions of dollars that stopped operating after six months of operations, because here's another thought that I bring to the equation is, what about the OPEX? What is the ability of that ministry, that utility, to pay for the operation of that asset for the duration of the EXIM Bank loan?

So, I mean, from our perspective, they owe us the money irrespective of whether or not the asset operates, but I can assure you we want that asset to operate. We want to ensure they are getting the best investment they can get for their dollar. And that is why we spend so much time on sustainability.

But balancing all of this against the pressures that other foreign governments bring, the operation of the asset is the last concern. So, credit profile of the borrower is one of the last data points you take into consideration because they have other incentives that are driving their financing. That skews the narrative in the conversation unfortunately in a way that is a disservice to those countries. We all know this.

And so, we have spent, and I have spent a significant amount of time working with my

colleagues trying to educate the market, and it's a very difficult narrative, but once you get past that initial idea that EXIM Bank financing may appear to be more expensive because you're not getting 20 years, you're getting ten years, you're not getting one percent interest, you're getting two percent interest, fundamentally, at the end of the day, your country will be better off if they go with the EXIM Bank solution.

And so, we spent a lot of time creating that conversation to ensure that people understand what we're bringing to it, and I think we've been very successful, to be quite frank.

But again, back to your question. My apologies, a little long-winded. It is a very difficult thing for us to navigate.

Member Nedelcovych: That's where that sovereign loan in the PPP function, I think that's what happened in Senegal with a private operator -- it's to me to make the magic. Over.

Mr. Jackson: Oftentimes, that can work.

And look, we're happy to have that conversation, but, you know, one of the other challenges to PPP is I think it's perceived as a good way to take debt off the balance sheet and get a project.

But again, if it's not a well-structured PPP -- and we've seen it in the United States, we've seen it in Latin America -- then are you ultimately getting what you want and what you need to benefit your country and benefit the investment that you're asking for? Right?

Is the equity there? Is the operational component there? Who's going to run the plant? Is there transparency into the collection of their revenue streams with respect to that to ensure that the country's receiving the maximum benefit, you know, from the asset?

But I'll pause there. I know my colleague Trey has some comments as well.

Member Liser: Yeah. Thank you very much.

I think we need to ask if there are any comments from Sola or Scott, or any of the others, on what we just heard here.

And also, you know, again, please, inviting you to share in terms of your perspective, you know, being on the SAAC something that you feel is critical for the SAAC to address in ways that you would like to see the SAAC support EXIM's work, especially now that they have this seven year reauthorization, which is historic, right?

So, please feel free to merge those comments in, as well, if you have no questions. I'm encouraging people to jump in because your time is valuable, and so we want to hear from you.

Member Yomi-Ajayi: Okay. Thank you, Florie.

I think from my perspective -- I will piggyback on what Mima had said earlier on about the importance of partnerships, especially locally.

EXIM needs to develop partnerships with banks. I do remember when Kali (phonetic) used to make the rounds in Nigeria, but that was several years ago, and that phased out over time, I guess due to reauthorization challenges. Now that you have a seven year reauthorization, you need to go back to the basics of developing and deepening those relationships.

That's going to be very critical because the banks are the pipeline at a very early stage. The clients talk to them at a very early stage. Sometimes the project owner is not quite sure which of the various ECP names he's going to go with, but he knows that he has a project. He's already letting the bank know upfront I'm looking at this, and that's when, you know, the bank needs to be able to come to EXIM

and say, we have this opportunity.

And I will also speak from the perspective of, you know, having worked with other ECAs like Atradius and Coface in the past, a lot of them also have local banks that they already have credit limits for annually, so that when these banks come to them, the process, the TAT for getting approvals for transactions is shortened.

That's something that EXIM needs to look at. And EXIM, in my view, also needs to work with a lot of the U.S. names that are into capital exports to facilitate some form of trade, you know, fairs, road shows, to Africa, you know, on a routine basis because the opportunities are there.

However, a lot of the substitutions are being countered by Asian exporters, they're being countered by European exporters. They need to see that capacity from the U.S.

So often enough those projects have been done, the first thing on their mind is I'm going to go to China, or I'm going to go to Germany, I'm going to go to Brussels, because that engagement and contact is there on a frequent and regular basis.

So EXIM has the work it needs to do in terms of partnerships, but it also needs to help open the markets for U.S. corporates, U.S. exporters for them to understand that they need to be on the continent.

Like Mima said earlier on, those partnerships are important. Local representation is important. Caterpillar is successful in Africa. It has local representation in Africa.

It's really, really difficult to have significant impact without having some form of representation on the continent, especially if we're talking about infrastructure projects where you're going to be talking to governments.

The whole process of engaging government is long in Africa. There's a lot of relationship-building, there's a lot of back and forth. And you really need to be patient, and you need to be there for the long-haul. So, that is critical.

And then the terms do matter because that's what China is offering, significantly long terms. We all know they're more expensive, and sometimes we also know the quality's not as good as what you get from the U.S., but the terms of providing the infrastructure is softer. Sometimes they even come with the manpower, so it's like, everything is ready-made, it's packed, you know, like a nice Christmas present, and bow wrapped properly.

But the fact is, we also need to remember that those in government are political animals, so to speak. They are looking at a four year term, they're looking at reelection, so they're looking at those opportunities are going to make them look good to their constituency in that short period of time, and that's where U.S. EXIM needs to also position itself.

What's important to the stakeholder? Of course, ENS is important, ability to repay is important, but those soft issues also count, and we need to also remember that going forward.

Member Liser: Excellent comment, Sola. Scott, did you want to jump in?

And I'm looking at the list of participants, so if I don't call on you, please jump in.

But Scott -- and I see Paul Sullivan has remarks, as well. Scott, are you there?

(No response.)

Member Liser: I'm not sure. I'm not sure if Scott is still there, but Paul, go ahead.

Member Sullivan: Yeah, there's a point I wanted to make here, which I think is touching a little bit on

what Sola was saying.

Everyone on this call obviously understands a lot about how these transactions are put together.

And I hate to sort of zoom out a bit, and maybe it sounds fairly commonsense, but there is no Export-Import Bank without exporters.

And to use sort of a power metaphor, EXIM Bank is great at sort of the distribution end.

There is no distribution without generation, and the generation has been a struggle on the U.S. side for some time.

You know, a lot of the U.S. interest in trade and investment in Africa unfortunately has been mostly through long-established players.

You know, I think Caterpillar was mentioned.

There's a lot of these big companies, like GE, Boeing, and then some other maybe mid-sized firms that just have a lot of experience operating on the continent, but we still have yet to see the kind of second and third wave involvement, particularly in the middle market front, to consistently pursuing opportunities in Africa.

And there have been a whole host of excuses for why that is -- geography, history, maybe it's easier for Global South participants, maybe it's easier for European participants -- but the excuses just continued to mount, and I see the U.S.-Africa world sort of running through this Acela Corridor still.

And where are these sort of Middle America exporters? And how are we attracting them, how are we servicing them?

These are really big questions that require nuanced answers, but what you often hear -- and I say this as that type of exporter that manufacturers with 100 percent U.S. steel, we're doing bridge projects in Africa, we're out of Pennsylvania and New Jersey

-- but when we show up places oftentimes governments, ministers say, we're so glad you're here, where are the rest of the Americans?

Now, everyone on this call has heard this. But, you know, U.K., all these other ECAs, they have folks on the ground in Africa.

EXIM Bank, I realize the reauthorization challenges over the years have limited the mandate and limited the resources.

But Kyle, you know, you've worked on a lot of transactions.

It's not as though there's sort of this free rein to get out to the continent all the time.

I think EXIM Bank travel to the continent to really drive deals and partnerships shoulder to shoulder with the exporter is limited to some degree, where it is not with other ECAs.

We've talked about all the sort of transactional dynamics of tenor and all these other flexibility issues with content.

But then you also look back at the United States. What are we doing?

Prosper Africa is starting to work toward this whole of government interagency approach, sure, but how are we attracting more attention to this is the market of the twenty first century?

We are not successful unless we are a major player in Africa.

And I'm cognizant of these discussions about China because that is certainly a big issue, but we would be really missing the point if we didn't realize that China may have started over the last 15 years in a big, big way, and they are still a dominant player.

There are dozens and dozens of countries now who have already woken up to this reality and are using

ECAs in a very muscular, nationalistic, economic policy basis, and I know that we are certainly doing that, but sometimes I feel as though we're not going for the jugular all the time. I think we're putting our dukes up and telling everyone, you know, stay three feet apart, and playing by certain rules, which, rules are appropriate, of course, but the other ECAs are not.

And I apologize for the lengthy speech, but without these exporters being attracted to these markets consistently, and feeling like when they get there they have shoulder-to-shoulder transactional support consistently, with a level playing field on transactional details that a lot of us have talked about on this call, I think it's still going to be a very tall order for U.S. trade and investment to succeed.

And I just think that that's important to highlight, particularly in a public forum, because people need to know that if they don't already.

Member Liser: Thank you, Paul. That was excellent.

I think those are just the kind of points that the SAAC members want to be able to bring to the table.

Scott, I think you had to step away for a moment, but I wanted to turn to you to weigh in.

Member Eisner: Sure. Thanks very much, Florie, and apologies to the other SAAC members.

I've got a small daughter who's a little bit overly emotional these days who's missed her daycare, she's sick, but that is actually not true, she's just missing her grandmother.

So, I had to step away to help guide that one a little bit, as we can all appreciate in the COVID universe.

Look, Paul hit this, you know, square on the nose, from my old boxing background.

The reality is is we're building a pipeline and have

nothing to fill it at this point in time.

We talk a lot of deal teams, oftakers on the continent, and it's built on the Power Africa model, which was successful.

Power Africa at the end of the day supported any country that was willing to work with them, not the American mindset, all the way through, and I think that is a very delimitating factor, and I think it's driven by, you know, some of the reasons Paul said, also just the mind set and how Africa's generally portrayed in the media shows the novice investor that the continent is rife with corruption, disease, famine, and every other atrocity known to earth, when we all know that's the largest falsehood.

You know, you look around the world, and that's happening in our own backyard, so this narrative has to change.

So, Paul is 100 percent right that we've got to figure out a way to better educate our cohort of American businesses of all sizes, and particularly the mid-cap size, that can take on slightly more risk that aren't necessarily writing, you know, on the back of their own personal paychecks to pay out the business that can grow a little bit, like Paul's firm has been able to do over the last quarter century.

And I really think that's where the emphasis needs to be played, but this isn't just a China game, and I know that is a heavy focus of EXIM at this point in time from the conversation today, but the reality is, is China is big, it's large, but it's not solo in its actions.

You look at the Turks, you look at the Koreans, you look at the Japanese, they're all doing what we are not doing, and that's driven in some part by the presidential leadership.

You have the heads of state taking large delegations of businesses that could benefit from EXIM, ECA financing to the continent, and we haven't done that

regardless of who's in power.

You know, it has nothing to do with a partisan priority, it has to do with just the simple fact we don't do it.

And so, I think there's a lot of motion we can do with EXIM and its leadership, support of the DFC, the new Prosper Africa initiative, congressional mandates, to really have a fulsome conversation about what does competition actually look like on the African continent?

And let's not forget to some degree, you know, when Americans want to export, we're exporting at an American standard level, which doesn't always jibe well with the rest of the continent or rest of the world.

So when we're spending all that time talking about the Chinese and others, the Europeans are using their development finance dollars to actually put in place standards that benefit European companies at the displeasure, I would say, of American companies.

So, I think there's a lot of unpacking.

We need to look at both what ECA can do, but what standards and what methodologies we're using our development finance dollars -- which I know is not an EXIM mandate -- but how do we work collectively on this new whole of government approach?

And that is my personal soapbox for the day. Plus my daughter's about to walk in the door, so I don't to have you hear that.

Member Campbell: Florie, if I could just add to Scott's piece?

And this is to EXIM and to the EXIM, you know, professionals here on the call.

We've got to be able to capture the wins, and it has

to be more than one press release, right?

There's got to be a road show of success because Paul and Scott are right. Florie, as you know, my background working on the continent, both in government as a military guy and as a commercial guy, this narrative that Paul and Scott just talked about is -- we could stay on this call for days talking about it, and the reality is, well, our countrymen need to know that that narrative about Africa we all were taught growing up is just a bald-faced lie, and that if we are not in Africa by 2030 as a country doing collective business, then, you know, we're not going to be in business.

And the last point -- and you've heard me say this before, Florie -- it is absolutely unconscionable to me that this country has almost 70,000,000 Americans who genetically hail from Africa, but we are in hegemonic contention with the Chinese and the Russians about a poll position on that continent.

I can't even swallow that every time I say it, so we need to make sure that the tools and mechanisms that we have, EXIM, TDA, DFC, whatever, that they understand that it's time to get a little bit more nimble so we can get some successes.

Now, maybe I'm soapboxing, sorry, but I think I'm right about what I'm saying.

Member Liser: Uh-huh. I mean, the point about the African diaspora here in the U.S.

But I think to the points that had been made previously, you know, we sort of have a mindset here in the U.S. -- part of it has to do with how risk is perceived in Africa, unfortunately, even though, you know, if you talk to the people who are the folks that monitor all of this, the Africans, you know, we pay their debt in many cases better than, you know, some of the other regions that get attention, and also speaks to the way that -- as Scott was talking about, the U.S., they don't take U.S. businesses.

It doesn't matter whether it's Latin America, Asia, or wherever, we don't have the kind of shoulder to shoulder approach that Paul was talking about, where, you know, heads of state are holding hands with our companies and walking them in and helping to open doors for them anywhere in the world, much less in Africa.

And then the last point I'd like to just throw in on this as well is, you know, about the need to educate other U.S. companies, especially SMEs and women-owned, diaspora-owned, you know, small businesses.

I wonder if there's something that the SAAC can do collectively on that.

Are there ways that we can play a role in helping EXIM to be exposed to more of those kinds of companies across Middle America and the rest of America ourselves?

I don't know if there is, but I would be in favor of, you know, any initiative that we could do as the SAAC to support that kind of education and outreach, I think it is, and writing the misinterpretation of risk in Africa.

You know, how do we help to change that?

Others -- you know, there's a few people on here who haven't spoken yet, and I really think it's important because, you know, we'll be turning to Director Pryor shortly to close this out.

And I just think it's so important that, you know, everybody who has spent time on here from the SAAC have an opportunity to speak, so, you know, I don't know.

I see that Rebecca is still on, Marise is still on. I'm trying to see if there were any --

Member Helmers: Yes.

Member Liser: But if I could just invite you all to

jump in and speak because, you know, we don't get this opportunity often and, you know, this is a good team of people.

We're all a team, so, Rebecca, Marise?

Member Helmers: Hey, this is Lori Helmers.

Member Liser: Oh. Sorry. Go ahead, Lori. I'm sorry, your name didn't show up in the list I saw, so please jump in.

Member Helmers: Oh sure, no problem. So yes, so this is Lori Helmers again with JPMorgan, and I guess I wanted to speak from the perspective of a different export credit agency and what we've seen, you know, than do either in the current landscape, or even while EXIM Bank really was on hiatus, is, you know, several of our clients had reached out to us and said listen, I have a contract here with a sovereign entity, it's requiring that I come to the table with ECA support, help us get creative, right?

And these companies are companies that had the ability to shift production and shift sourcing to other countries, right?

And we saw them and we saw them actively do that, and they were able to -- at the time, and even currently -- seek and obtain other ECA support because of their more lax content requirements, which I think, you know, many of us are aware, but, you know, you now see even more ECAs come to the table and say, you know, as long as there's benefit to the country, or we'll come to the table and offer an untied, you know, support for your project because, you know, there is perceived benefit for the country really beyond the nuts and bolts, and true kind of exports that are tied to their particular country.

So, you see more ECAs being, you know, kind of far more aggressive in that vein, and some even, you know, coming to the table and say, you know, if you generate enough purchases from us over a two or

three year period, you get export credits, right?

And you can apply those export credits, you know, to a certain project that may need to be financed, and a certain geography may not be specifically tied to that project, but because they've generated, you know, export credits over a period of time.

So, we see a lot of creativity and, you know, I've worked with Kyle, you know, specifically on transactions of late, and I see EXIM Bank be very, you know, creative and lean in on specific kind of structural matters where EXIM Bank needs to, but I think on more of a macro level, you know, we do see, you know, again other ECAs, you know, being far more aggressive.

And another thing I'll note as well is, you know, I know with regards to this, I know EXIM Bank has more boxes that it has to check off with regards to, you know, additionality, and in terms of why EXIM's guarantee, you know, is needed, and, you know, we're seeing that that can sometimes cause a bit of stress I think in getting transactions, you know, approved just because of, you know, more time that is needed, you know, to justify kind of EXIM's need in support of a project.

So, I guess kind of more to summarize, you know, EXIM Bank is being a bit more kind of hamstrung and had more limitations put on it when, you know, other ECAs are, you know, kind of taking off their gloves, if you will.

And it's not only China, it's other ECAs, as well.

And, you know, we want to definitely work to support EXIM Bank and our U.S. exporters, and we're, you know, looking to try to be as every bit as creative to help win these projects, but, you know, just need a, you know, I think a bit more help to level the playing field.

Member Liser: Thank you, Lori. Those are excellent remarks.

I think Rebecca is trying to jump in to share her thoughts. Rebecca?

Member Enonchong: Hi, how are you? Yes.

So, I think I'm coming from a completely different perspective because I've never been involved in any EXIM deal or seen them, so this is very all new to me.

And what I do know is that we have a very young continent that loves America, and so the buyers of today and tomorrow are not necessarily the ones of 20, 30 years ago.

And I think that we need to start talking to that market not as if we're talking to them 20 or 30 years ago.

We're using in Africa, American technology, so consumers are using American technology.

Governments are using European, Chinese, Indian technology.

And I think that there's such an opportunity there to talk to startups in the U.S. and help them sell into the African market, and sell the U.S. brands to a younger generation.

I mean, I just think that there's such a missed opportunity there that we keep trying to sell to governments in the way that we sold to them, you know, 50 years ago, and I think we really need to change that mindset.

Member Liser: Thank you, Rebecca. I think that touches on the point of who companies see as their market in Africa.

And I think it is true that, you know, for companies that are smaller, you know, in looking outward, they're, you know, Africa-facing, they are looking at the purchasing power of governments.

You know, that's what a lot of our companies do,

and hoping that they can get a piece of that action.

I think there's probably less of U.S. companies looking at, you know, the large consumer market in Africa, which they should, of course, especially now that the African continental free trade area will bring, you know, all of that market together, and there may be certain opportunities that will arise, or there will be certain opportunities that will arise out of that.

And I think your point is well taken, that, you know, what is the way that we can bring together U.S. suppliers with the young consumers on the continent?

Member Enonchong: Yes.

Member Liser: And that's a question. Yeah, how do we do that?

Member Enonchong: So, I didn't mean to say that we shouldn't sell to governments, but I think that the way those governments look today is not how they looked 20, 30 years ago -- is that the consumers that are already using American technology -- Facebook, which includes WhatsApp and Instagram -- you know, are so widely used, they're the ones that are making decisions on behalf of governments, as well.

And so, we're still selling to them in a very traditional way, whereas they individually are consumers of American technology.

And the whole reason why, you know, they're installing SAP instead of Oracle, there's no reason reason why, you know, they're installing, you know, Chinese ID technology, which we're seeing a lot of now, and Indian ID technology, whereas the people that are making the decisions are users of American technology, but that connection isn't seen.

I don't know if you get what I'm trying to --

Member Liser: No, yes. I think we do get that, Rebecca.

Are there others that would like to comment? We didn't go backwards in the agenda.

You know, questions for Jamal on security, any questions people might have had on, you know, the presentation that was made on EXIM on China.

You know, any questions on the ethics issues.

But, what I would say is that, you know, if there are questions on those presentations made earlier, that it might be a wiser use of our time to send those in in writing and to allow Brittany and Luke and others to help get the answers from our presenters who were all excellent, and to use, you know, the next few minutes before we turn to Director Pryor to say a few words to just make sure that we go around very quickly, and, you know, if there's anything in particular that you would like to see the SAAC work on, you know, over the course of our term here?

I just think it's important. I think some of you have already touched on what you think is important to focus on.

But I would just like to take the last few minutes of, you know, getting sort of a sound bite from each of you on what you see as important.

Member Stewart: This is Marise, Progress Rail, Caterpillar.

I want to go back to what Kyle and Trey so rightly reminded us of, that everything's relational in this business.

I mean, between the exporter and the customer, the exporter and the country, the customer country, it's all relational, and this whole of government approach is really I think the key to it.

We see it work very well at Caterpillar.

Public enterprise can pull all those pieces together with not a lot of assistance necessary.

But I think the point about smaller and medium sized entities, they really need that service, and it's got to be updated information.

The landscape has changed, there's a lot of opportunity, but we need to make that clear.

Maybe this committee is the group to do that.

I think it could be very powerful to develop a primer or a step by step for these smaller entities to use, and to learn from previous history, and the history that's being made right now with the emphasis on this market, this very valuable market, with deep relationships that already exist.

Member Eisner: Well, at least --

(Simultaneous speaking.)

Member Liser: Scott, go ahead.

Member Eisner: One suggestion as we look towards 2021 and beyond as a committee, and as a cohesion of American interested parties, is that perhaps, you know, while there has been a great shift towards small and medium sized enterprises utilizing EXIM financing, there's still a lot of large companies that benefit, as we heard from Chairman Reed out at Boeing.

You know, is there a possibility of shifting the way that we approach the EXIM Annual Conference to being more a supplier development conference, where we know a lot of more SMEs feed into larger distribution networks?

And, you know, if GE survives better on the continent or a Boeing does, forcing that pipeline in a more constructive way of supplier development with a particular focus towards Africa could be a really beneficial thing for the American brand, for the offtaker on the continent, and being less amorphous

and more strategic.

If we're really going to play competition in the globe for the last markets, we've got to do it in a much more functional way that speaks to the layman's terms of, all right, I'm interested in Africa, but I need someone to be my offtaker.

So, I think that might be a way to look towards some 2021 planning.

(Simultaneous speaking.)

Member Nedelcovych: Good idea. I wanted --

Member Liser: Mima?

Member Nedelcovych: Yeah, I just wanted real quick on Rebecca's point, because I fully agree.

We've had this discussion cameral.

Today's buyer in Africa is not the buyer of 30, 40, 50 years ago. There's no question about it. That's very true.

But the one issue that comes up -- and this is a bit structural -- and that is if the African buyers are, let's say, startups, SMEs, we get into this business of the three year credit history.

You don't have the credit history, then the only way back is coming back to where we said before we show them.

The local banks that know the customer, that gives some sort of guarantee structurally that way. That is absolutely essential.

The last part of my sound bite, when it comes down to the deal teams, I'm fully 200 percent with it, but let's also make it perfectly clear since we're not going to have a lot of presidential level involvement, the key in the end is the U.S. ambassador.

I love FCS, love the commercial officers, but in the

end, when it comes down to really having weight throw weight, it is the U.S. ambassador full stop, and that is very, very important their point is made.

And lastly, Paul, we're going to, you know, get other people coming in, we're gonna add 30, 40, 50 SMEs, medium size, they're going to hear from us.

We're the ones that can actually make that case.

And that I would strongly support, however we can do that. I'm all with you guys. Thank you.

Member Liser: Thank you, Mima. Any others want to jump in here before we turn to Judith?

(No response.)

Member Liser: Okay. So, running things as Dan would run them, it is now exactly 4:45, and it says on my little cheat sheet here that I am now to turn to Director Pryor.

So, I want to congratulate everyone for -- well, thank you for your time, and thank you for your insights.

I know this is being recorded, and I know that the EXIM team, Brittany and Luke and others, will make sure that we know kind of the key takeaways in terms of what we need to do.

I know last year we had several subcommittees that Dan ran, and what I was looking for in the sound bites was, you know, what are the key areas of focus that the SAAC should look at this term and this year?

And I think you all have given us some good, you know, input on what those could be, and I'm happy to turn it back over to Director Pryor and to Dan Runde and others to figure out what the next steps should be on some of the things that you all shared today. But I just wanted to thank you for that.

Director Pryor?

Director Pryor: Thank you, Florie. And just thank you to all of you.

Florie, it's great to have you back, Paul, others that have been with us in the years past.

Mima, you're just the ubiquitous Mima, so it's good to see you again, but I'm particularly pleased today to welcome all of our newest members to the committee.

Colonel Campbell, Marise, Lori, Sola, Scott, Rebecca. If I missed anyone -- Mima returned. It's really good to have you with us. Thank you in advance for your participation, and for bringing to the table such broad industry experience and knowledge of the markets that are on the African continent, particularly Sub-Saharan Africa.

And together, your diverse experience will just greatly enhance these future conversations, and today was a good start.

Around this virtual table, there's over 100 years -- probably more, maybe even two -- of experience in doing business in Africa.

I know my time working on the continent dates back to 1997 when I worked for an American naturalized citizen of Ethiopian and Sudanese descent, with a goal to bring information affluence to Sub-Saharan Africa via satellite radio.

And while that business didn't succeed, it sure was an eye-opener.

Just no laws exist for traditional radio, so we were sitting side by side with the governments in a number of different countries actually helping to write the laws that would enable us to operate in those countries.

So, I too have seen that transformation from, you know, the government of old and the consumer market of today, and even 20 years ago, it's

changed.

But people don't want to hear we're building new, this infrastructure piece, we're doing that.

They want to know jobs, we have a burgeoning middle class, the youth population is just exploding.

They want jobs, they want to be able to create their own sustainable development.

We have a great team working on it, but there's so much more that needs to be done, obviously.

Let me just summarize because Dan would be mad if I didn't do my job properly.

So, in addition to all this wonderful experience, I might just add that it's great to see -- no offense to the gentlemen in the room -- but it's great to see some gender parity on this Board.

Five of 11 of you are female, with me and Chairman Reed. We're in the majority.

So, anyway, we've got you outnumbered, gents, but we're grateful to have all of you on this call today, and I look forward to working with you.

So, you've received briefings on EXIM's products and services, including our new China and Transformational Exports Program, U.S. competitiveness, a national security perspective from Jamal, and a few examples of successful projects on the continent from Trey and Kyle today.

So on China, we had a great discussion I thought with Ambassador Dobriansky and David Trulio of EXIM.

You know, we all know this, but China just does not support globally recognized, sustainable, and transparent lending practices.

But the G20 or the Paris Club would offer transparency and financial stability. China would

trade debt for a country's strategic assets or its political support.

You know, it's been labeled a debt-trap diplomacy, not by us, although we have used that phrase at EXIM, as well.

And it marks a major setback, frankly, in getting countries to reduce their debt burden, especially during the COVID-19 crisis, right?

Low-income countries and frontier markets being hit the hardest.

We heard from Jim Cruse, our head of policy, who indicated the record-shattering few years of China versus OECD countries, and the uproar that followed regarding their investment on the continent.

And while, as Jim said, it's tapered off some, they're still very engaged.

In fact, everyone has decided to do business in Africa, and it's probably the worst-kept secret that this is the next best, greatest thing.

Why we're not doing more, it escapes me as well, and I was glad to hear some comments in agreement today.

This background that you've gotten in this briefing - - which was very long, so thank you for your patience -- and I recognize I'm standing between you and your next potty break -- but this sets the stage for our future conversations on how EXIM can best fulfill its congressional mission and mandate of increasing exports to Sub-Saharan Africa and doing more on the ground.

For those of you that don't know, I spent six and a half years at OPIC, which is now the U.S. DFC, and before that, ten years working on the continent in the high tech and satellite industry, and the potential is there, the desire is there.

When we were at OPIC, we fought -- and I was

responsible for getting the money for this from Congress -- but tooth and nail to get enough budget so that we could at least put people on the ground in West, East, and South Africa, which we were able to do.

So, while I know this is a whole of government approach, and we rely very heavily, very heavily on the embassy's commercial and foreign service officers, I would be all for putting people on the ground -- EXIM staff, regional staff on the continent to do more business development.

And we have Rick Angiuoni, who does a fabulous job. Many of you know him.

But he's one person and he's based in headquarters, and it'd be really nice if we could expand that.

So anyway, I'm confident, with your guidance and your input, that we can improve upon a number of transactions we support on the continent, and that we can grow what we do tenfold.

So I look forward to future robust conversations in the coming months, and the work that we can do together to support American industry and ingenuity on the African continent.

And I would just close with my colleague and fellow Board director, Spencer Bachus, former chair of the Financial Services Committee in the U.S. House of Representatives, and friend, if I can now call you that, Spencer.

We've got a great working relationship, and I'm just so pleased that he sat through all three hours of this today.

I'm here because I run point for the Board on Africa and the Middle East.

Spencer is here because he's very interested in all the work that we do and knows how important this is for U.S. exports.

So Spencer, thank you very much for being here today, and Florie, thank you for taking over from Dan, and it's great to see new faces and old faces, and I look forward to working with you all in the coming months.

Member Campbell: Thank you, Florie. I just have one admin question.

Are we going to share email addresses or contact numbers with the team here?

Ms. Walker: Hi, this is Brittany. I actually did send around a PDF form to everybody. Yes, Mima's showing it.

But if you want to send me a quick email, Mr. Campbell, I will go ahead and reforward that to you.

Member Campbell: Yep. Great. I'll just go surf through my emails. I'll find it.

Ms. Walker: Yeah, there's a lot of materials I sent over the past weekend, so I appreciate you seeing my name several times in your inbox.

So if you have any questions, always feel free to give me a call or send me an email.

Member Campbell: You got it, Brittany. Thank you.

Ms. Walker: Great.

Member Liser: Brittany, now the handling of the public comment, are you handling that?

Ms. Walker: Sure. So, right now we will open this up for public comment. We reserve about ten minutes.

Right now, I'm not seeing any public comments, so I would like to give it a few minutes, maybe 30 or 60 seconds to see if we have any pop in on the chat.

And I guess while we're waiting for something to pop in, if anybody else has any other administrative

questions?

Or Luke, if you have any remarks, we can certainly address those right now.

Closing Remarks

Member Helmers: I actually did have a question, and it's unrelated to Sub-Saharan Africa. This is Lori again.

And I'm not sure, Judith, if this would be a question for you or the team, but, you know, obviously, you know, EXIM will transition to a new chairman, right, and new Board of Directors when the Biden victory is certified.

You know, the previous EXIM transitions with new administrations have gone smoothly and, you know, again while there is some uncertainty, you know, we at JPMorgan is hopeful for a similar change over in January, you know, as with similar change overs.

Are we expecting the same I think with this potential change in January?

Director Pryor: Well, let's just say we're all really --

(Simultaneous speaking.)

Member Helmers: Is that a loaded question? I'm sorry.

Director Pryor: No, you know, I'm hopeful that there will be a smooth transition.

As you know, that the transition hasn't quite started just yet across all of government.

Both Kimberly and I, our terms expire on January 20, 2021, but the bylaws of EXIM state that we automatically extend for six months.

So, to be frank, I don't know what the immediate future holds, but I do know that we will be here for the next few months, and hopefully we'll have more

information.

We can certainly keep you informed, but I would expect for those of you that are business partners or have done work with EXIM in the past and continuing to do so today, you know, certainly within EXIM, we can expect a smooth transition.

Spencer will be here for another two years. He's got two more years on his term. Again, Kimberly and I will extend for six months.

I will be fully supportive of a Biden administration, and will hold my seat until they decide what they'd like to do with me and with Kimberly.

But in the meantime, we'll be here, and we expect a smooth transition. We're just not quite there yet.

Ms. Walker: Yeah, so administratively, we will certainly be in contact with everybody on this Committee and our Advisory Committee and C4 with any news and updates, so definitely stay tuned.

But with that, I am not seeing any questions from the public, so Florie, would you like to make a motion to adjourn this meeting?

Member Nedelcovych: Could I just ask one quick administrative question?

Assuming the transition is fine, how often does this Committee meet annually, and the other subcommittees?

Ms. Walker: Luke, do you want to take --

Mr. Lindberg: Yeah, I'll chime in there.

And maybe I'll briefly just flesh out, just from what Director Pryor said, so in fact, indeed there's an automatic extenuation of both terms for six months, assuming that there's no new confirmed nominees, of course.

So, if the Biden administration were to in fact nominate new members or Director Pryor or Chairman Reed again, and they were reconfirmed, then their new terms would start, but anybody else would come in.

At the conclusion of the six-month window, there is a -- assuming there's no new confirmed appointees, there's a 120-day gap prior to the quorum fix being implemented, which was under the last legislation of our reauthorization, whereby the Secretaries of commerce and Treasury would work with USTR and become the new Board members for EXIM to reestablish Board quorum.

So it's just a little more information on the process there, and then with respect to these meetings, last year, we held four meetings of the SAAC, and we are amenable to doing that many again, or, you know, potentially more or less.

It's really at the discretion a little bit of the Chair, and the willingness of Board members to provide input.

The statutory requirement is only that it meets twice a year, but if there are topics you want to address, then we can also form subcommittees if the whole group doesn't want to get together to talk about certain things.

So, I would anticipate at least one more meeting, but likely, you know, more if there are sufficient topics to discuss.

So, we're happy to work with you all and Dan Runde to help execute on your vision of for what this Committee can be.

Director Pryor: Yeah, that's great.

(Simultaneous speaking.)

Member Helmers: Who was just speaking now on the phone? Was that Luke?

Participant: That was Luke.

Member Helmers: Perfect. Thank you. Sorry.

Director Pryor: This is Judith Pryor again.

I would love for us and for this Committee to decide that it would behoove us all to get together more than twice a year, but as Luke had said, it really is up to you.

But I think just based on the conversation today, there certainly are a number of topics that we could pursue, and I for one would be keen to participate in any or all of those.

So --

(Simultaneous speaking.)

Director Pryor: -- and for Lori and Dan to work with Chairman Reed's staff, Luke and Brittany on the phone, to figure out next steps, but I stand ready to assist any way that I can.

Member Liser: That's great. Thank you, Judith.

And I think that on the issue of subcommittees of the SAAC, I think it's up to the SAAC members to work with Dan and the staff, Luke and Brittany and others, and Director Pryor, to determine whether we want the same ones we had before, or whether we'd like some new ones.

And to me, in the sound bites, it sounded like maybe there was one new area that folks were interested in working on.

It had to do with, you know, SMEs and educating them and pulling them into sort of the supply chains, and allowing them to take advantage of EXIM's various products which we all love and know.

Adjourn

Member Liser: So, with that, I'm not sure if I'm

supposed to be the one that does it, but if I am, I'm happy to pose a motion that the meeting be adjourned.

Are there any seconds?

Participant: Second.

Member Liser: Okay, thank you. If that's the case, I think that we are adjourning, and we're like two minutes over.

Dan would be very, very proud of us.

Director Pryor: I know. So thank you, Florie. That was my fault.

Member Liser: Thank you to all of you.

Director Pryor: Thank you, everybody. It was a great meeting. Thank you so much for your time.

(Whereupon, the above-entitled matter went off the record at 5:03 p.m.)