



McCain Institute Ukraine Business Alliance October 1-8, 2023 Trip Report

Background and Impact:

From October 1-8, 2023, The McCain Institute led a business delegation of executives and policy leaders -- members of the McCain Institute's Ukraine Business Alliance (UBA) -- on a mission to Kyiv and Lviv for meetings with senior Ukrainian officials, thought leaders, and NGO leaders. The purpose of the visit was to further understand how the American and allied private sector can support Ukraine's war effort, hold Russian war criminals accountable, and assist in reconstruction.

Executive Director Dr. Farkas was joined by Michael Allen, Managing Director and Partner, Beacon Global Strategies; Wendy R. Anderson, Senior Vice President, Federal, National Security, Palantir Technologies; Ginny Badanes, Senior Director, Democracy Forward, Microsoft; Matt Chandler, Federal Manager, Skydio; Jon Gruen, CEO, Fortem Technologies; David Ignatius, Columnist, The Washington Post; Tom Malinowski, Non-Resident Senior Fellow, McCain Institute; and Tilemachos Moraitis, Government Affairs Manager, Microsoft.

During the weeklong trip, McCain Institute Executive Director Dr. Evelyn Farkas led the group in meeting with current government leaders, former ministers, members of the parliament, members of civil society, and the media, including the prime minister of Ukraine, the U.S. ambassador to Ukraine, the prosecutor general, and leaders of Ukraine's humanitarian effort. Dr. Farkas also spoke at the American University Kyiv about global democracy.

This trip marked the beginning of a more robust partnership between the Ukrainian government and industry, and the U.S. tech and defense sector. To this end, the McCain Institute is grateful for the support and partnership of the Business Alliance members. This work would not be possible without their organizational, intellectual, and financial support. Our power to innovate, our shared values, and our commitment to defending a democratic, secure, Ukraine form an excellent foundation for enduring relationships between our nations. We will continue to stand with Ukraine—its defenders, its civilians, its ideals—for as long as it takes to defeat Russia's attack on Ukraine's sovereignty. The McCain Institute is particularly thankful to Amazon Web Services, Palantir and Microsoft for initial support of the UBA, as well as the companies who made the trip possible: Fortem Technologies, Skydio, and Beacon Global Strategies.

UBA Recommendations:

Based on these meetings, the McCain Institute's Ukraine Business Alliance has outlined the following policy recommendations:

1. The U.S. government should further engage the private sector companies that already have working relationships and contracts with the Ukrainian Government. Prioritizing relationship building with these companies will expand existing partnerships to expedite and scale the provision of services, including cybersecurity and defense technologies, to appropriate Ukrainian public and private sector entities.
2. **Reconstruction:** The U.S. government, led by Special Representative for Ukraine's Economic Recovery Secretary Penny Pritzker, should maximize the American business community's contributions and efforts through the establishment of public-private partnerships. The private sector has provided the Ukrainian government with pro-bono services, but they lack the resources to do so indefinitely. Both governments should formalize their relationships with these mission-driven companies.
3. **Air cover:** The U.S. government must prioritize assistance to Ukraine's government and military officials responsible for air defense of cities and civilian infrastructure. At the moment, residents of Kyiv and other major cities are able to live with some semblance of normalcy thanks to highly effective air defense systems. Strong air defense saves lives and livelihoods, and the United States must immediately prioritize Ukraine's air defense systems given the anticipated increase of drone swarms and missile attacks this winter.
4. **Demining:** The U.S. government must prioritize humanitarian demining of Ukraine's territory. Russian-laid mines affect Ukraine's war effort on the front lines and the reconstruction efforts throughout the country. Without a robust humanitarian demining effort, restarting critical pre-war industries including agriculture and steel production will be near impossible. Working alongside the Ukrainian government, the McCain Institute's UBA members are uniquely equipped to strategize innovative solutions that can be cheaper and more efficient than current efforts.
5. **Energy:** The U.S. government must prioritize protecting the energy grid and critical infrastructure that is necessary for the safety and security of Ukrainian citizens and for financial investment from foreign companies in the Ukrainian economy.
6. **Digitization and Information Security:** The U.S. government and private sector must continue their efforts to support the digitization of Ukraine's government protocols, future planning, and investments for the purpose of modernization, information security and fighting corruption. The Ukrainian government must also amend its legal system to allow it to continue to store its digital information using secure cloud storage technologies after martial law is repealed.

Security, Economy, Technology, and Innovation in Ukraine

Nearly 20 months into the full-scale invasion, it is clear that despite their continued successes, Ukrainians are fatigued. There is a strong consensus, however, that this war must be fought until it is won, no matter how long that takes. Only substantial security guarantees from the U.S.—bilateral or through NATO—can ensure that future generations of Ukrainians do not inherit this conflict. Officials across the Ukrainian government stress that continued U.S. military support is crucial for their defense: A counteroffensive will fail without it. While the primary focus remains to ensure a decisive victory on the battlefield, government ministers and parliamentarians are strengthening Ukraine’s economy and democratic institutions to prepare for life after the war.

The UBA delegation continued to learn that Ukrainians are seeking to develop sophisticated drone technology (and more broadly, a domestic defense tech industry centered on humanitarian demining), strengthen cybersecurity, digitize, and automate government processes, and create a hospitable business environment for foreign companies. Government officials argue that as Ukraine’s future is with the EU, early investors in Ukraine’s private sector stand to reap significant dividends.

Security situation: The Ukrainian counteroffensive is making slow progress, as rapid gains require clear air and artillery superiority. Colonel (General select) Hennadiy Kovalenko, a McCain Global Leader and former NATO staff officer, explained that Ukrainians have maximized the capabilities of their air defense systems (they claim they are the only country that has ever used a Patriot missile system to shoot down a hypersonic missile), but Russian forces are now overwhelming the individual systems used by Ukraine through concentrated bombardment using dozens of drones. Defense Ministry officials have found no evidence of a Russian offensive out of Belarus. Ukrainian forces are preparing for renewed attacks on Kharkiv and Lyman, as well as against their energy grid and air defenses this winter.

Deputy Defense Minister Nataliia Kalmykova described how Ukrainians are working with the private sector—with innovative U.S. companies and investing in domestic defense tech production such as BRAVE1—to develop effective anti-drone defenses. Officials from the Ministries of Defense, Strategic Industries, and Digital Transformation all voiced urgent interest in deepening relationships with U.S. companies to gain the upper hand in their defense-tech arms race against Russia. This technology race is fueled by Russia’s massive shift toward drone use.

The Minister of Strategic Industries Oleksandr Kamyshin hopes to “switch from a ‘give it to us’ to ‘let’s make it together’ model.” He explained that over 50 percent of drones used on the battlefield now are produced in Ukraine, a “sea change” from February 2022.

Economic priorities: Prime Minister Denys Shmyhal stressed that Ukraine’s economic health is not necessary just for military success, but for societal unity and morale. Toward that end, his office is particularly focused on humanitarian demining, energy security, and the promotion of small to medium sized businesses. Prime Minister Shmyhal also [highlighted](#) “business opportunities for investment and work in Ukraine” with the delegation and called on American “companies to participate in the rapid recovery.”

Vice Prime Minister Yuliia Svyrydenko outlined several initiatives to achieve these goals, including loans to start businesses and draw refugees home, subsidies for farmers to clear mines, and war-risk insurance to encourage foreign investment. She hopes to work with U.S. companies to develop a humanitarian demining industry that will support Ukraine’s security, while bolstering its economy through future export of demining technology.

The Deputy Prime Minister for the Restoration of Ukraine, Oleksandr Kubrakov, emphasized the need to secure deep-sea ports, which are vital to the export of steel and agricultural products. Once pillars of the Ukrainian economy, steel and agricultural exports are 20-30% of their pre-war capacity.

At a dinner, a small group of parliamentarians from various political parties, candidly discussed the need for better veteran programs and family benefits, which would not only increase morale, but stimulate economic growth.

Technology and innovation: Ukraine is launching a whole-of-government approach to digitization. From their initiative to coordinate domestic defense technology innovation (BRAVE1), implementation of digital passports and identification, to the automation of international assistance tracking, Ukrainians claim to have dethroned Estonia as the world’s most advanced digital society. They believe digitization is vital to reducing corruption and to meeting EU accession standards. Since the McCain Institute’s UBA includes companies pioneering cutting-edge technologies, these meetings were accompanied by spirited brainstorming sessions for future collaboration.

Additional Background: In November 2022, the McCain Institute [launched](#) the Ukraine Business Alliance (UBA) to convene senior executives from American and European technology and defense companies, U.S. and Ukrainian government and military leaders, and foreign policy experts to strategize innovative public-private partnerships to support Ukraine. The Ukraine Business Alliance meets regularly to encourage cross-collaboration to support Ukraine’s victory.

During the Ukraine trip, the McCain Institute was also proud to provide a financial donation to the Olena Zelenska Foundation, whose aim is the reconstruction of medical and educational institutions in Ukraine. The delegation met with representatives of the foundation, which was started by the current First Lady of Ukraine, Olena Zelenska.

Photos:



McCain Institute Executive Director Dr. Evelyn Farkas with Colonel Hennadiy Kovalenko



Members of the McCain Institute's Ukraine Business Alliance at the Ministry of Defense.



McCain Institute Executive Director Dr. Evelyn Farkas with First Vice Prime Minister of Ukraine and Minister of Economic Development, Yulia Syrydenko



Members of the McCain Institute's Ukraine Business Alliance meeting with Prime Minister Denys Shmyhal



Members of the McCain Institute's Ukraine Business Alliance meet with Prosecutor General Andriy Kostin.



Members of the McCain Institute's Ukraine Business Alliance have dinner with members of the Ukrainian parliament.