

# **IRELAND**

**STATEMENT BY MS CARMEL KEANE, HEAD OF DELEGATION FOR  
IRELAND**

**European Bank for Reconstruction and Development (EBRD)  
Annual Meeting**

**Kiev, May 18 – 19, 2008**

I am pleased and honoured to be here today speaking to you on behalf of the Governor for Ireland, Mr Brian Lenihan, TD, Minister for Finance, who unfortunately is unable to attend.

Firstly, I would like to pay tribute to the organisers of the meeting - the dedicated staff of the EBRD secretariat in London - and also to our Ukrainian hosts for their warmth and hospitality in welcoming us here to their country. It is an honour to be here in the magnificent city of Kiev at a time of such change, hope and excitement in the history of Ukraine, a country that I have memorably seen described as “large as the sky, as wide and deep as the sea”.

In many respects Ireland can identify with many of the challenges faced by Ukraine. Indeed, a recent cultural event in Ireland highlighted an interesting historical link between our two countries. In the early

twentieth century, Constance Markievicz, an important figure in Ireland's history, the first female Minister in a modern European democracy and the first woman to be elected to the House of Commons in Westminster, although she never took her seat, and her husband, the Polish artist Count Casimir Dunin Markievicz, spent two years on his estate at Zywtiwka in Ukraine, recording for posterity both the local landscape and people. Their paintings are on exhibition in Ireland and I believe moves are afoot to have a small museum opened in the village commemorating their stay there.

In more recent times the people of both Ireland and Ukraine were brought together by the events of 26 April 1986, when disaster struck in Chernobyl. Most of us remember vividly where we were that day when we heard the news about what turned out to be the worst nuclear accident in history.

The events of that day touched the population of Ireland in a way which few historical events can be said to have done. Looking back on it, there was an extraordinary spontaneous response to the human needs created by the disaster. This led to the forging of links with the Chernobyl region, a region with which we would have had no historical connections. These links between Ireland and the Chernobyl region are evident on a number

of levels: between towns, between communities, between families, and ultimately, between individuals. Twenty-two years after the disaster these bonds remain strong, with community-based groups from Ireland remaining active, in both Ukraine and Belarus, in working to improve the lives of those affected by the disaster. Ireland also provides funds for international bodies providing humanitarian relief, such as the Red Cross.

It follows from these linkages that the proposal that part of the Bank's surplus should be allocated as a grant to help defray the costs associated with the nuclear facility at Chernobyl is of particular interest to us. I think it is fair to say that this proposal will resonate with the people of Ireland and we support the decision to allocate €135 million from the Bank's profits to meet the environmental and security needs of Chernobyl. The reactor shelter is an extremely ambitious project in its own right and it is essential to contain the remains of the site in an environmentally safe manner; reduce corrosion and weathering of the existing shelter and reactor building; mitigate the consequences of a potential collapse of the current buildings, particularly in terms of containing the radioactive dust that would be produced by such a collapse; and enable safe deconstruction of unstable structures. This project will have major benefits for both the safety and security of the people of the region and their environment over its lifespan. The EBRD's funding will have a key

role to play in attracting funding from other donors for the completion of this project.

The allocation of a further amount of €15 million to the Shareholder Special Fund is also appropriate in terms of returning some of the profits realised by the Bank's activities in its area of operations. Development needs are often much wider than simply a need for finance: what can be even more important is the human input, the provision of expertise in the form of technical assistance. We are happy to support this initiative and consider it a very worthwhile use for part of the surplus income arising from the success of the Bank's operations in 2007, which in turn reflects wise business decisions over the course of the Bank's existence.

We are also conscious of the need to ensure that the Bank's financial position is secure, particularly its ability to meet its funding targets over the coming years. In this regard Ireland also supports the Bank's decision to allocate the bulk of the €1.08 billion net income from 2007 to the reserves to provide the resources needed for continued future investments. A number of member countries noted last year that the allocation of net income to the reserves was appropriate in times of economic stress, in order to bolster the Bank's financial position and ensure that it would be in a position to maintain the momentum of its

investment as the need for that investment increased. Those comments have proved to be more farseeing than anyone would have realised at the time. The allocation of these resources from the Bank's surplus for 2007 will allow the EBRD to continue funding at or around last year's level of €5.6 billion for the next five years. This is particularly important now in the face of the new challenging environment in the global financial markets, which has ramifications for us all, but could well have significant implications for the early transition countries. The maintenance of such reserves will contribute to the financial strength of the Bank and allow it to engage with the likely more risky lending and investment environment facing us over the short term at least.

We also expect that the Bank will continue to prioritise more innovative projects, projects that the private sector can not finance.

Finally I would like to take this opportunity to thank President Lemierre for his untiring efforts and endeavours as President of the EBRD over the past eight years, and I would like to put on the record Ireland's appreciation for his work and to wish him well for the future.

Thank you.