

LUXEMBOURG

EBRD Annual Meeting 2008
Kiev

Statement by
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Head of Delegation

Mr. Chairman, President Lemierre, Governors, Ladies and Gentlemen,

I would like to thank the Ukrainian authorities and the people of Kiev for hosting this year's Annual Meeting and for their warm hospitality. In the decade since our last visit here the country has undergone many important economic, social and political changes.

Ukraine has become one of the most important countries of operation for the Bank, now the biggest financial investor in the country. The recent opening of an EBRD office in Dnipropetrovsk is testimony to a further strengthening of its commitment to the Ukrainian regions.

2007 was another robust year for the EBRD. The Bank delivered its mandate money-wise, transition-wise, disbursement-wise, shifting east and south-east, addressing new challenges, funding many projects in many countries in local currencies. There was also a welcome shift towards energy efficiency, and toward how to improve the environment and health and safety in the region.

I encourage Management and Staff to continue to deliver well, not least because of the current situation in the global financial markets. By endorsing the proposals on the allocation of the Bank's 2007 net income, which contrary to the previous year was generated in a difficult economic environment, we will pave the way for future years of high quality investments particularly in the Bank's poorest countries of operations without jeopardizing the Bank's own financial sustainability.

I welcome the Bank contributing for the first time its own technical cooperation funds to help prepare investment projects through the creation of a so-called Shareholder Special Fund with funding of €15 million that will complement the traditional assistance contributed by donor countries. The largest share of the new Fund should be directed to ODA-eligible countries, with a special emphasis on the ETC and the Western Balkans.

It is important however that bilateral donor funding not be crowded out by the new Bank Fund. Since 1991 every Luxembourger has contributed €4 euros in the form of TC grants to the EBRD. Of all EBRD shareholders, this is the highest per capita contribution, with €10 per capita for the second-ranking shareholder. Luxembourg intends to step up its future donor contributions to the Bank even more.

I welcome furthermore the allocation of €35 million from the profits to the Chernobyl plant, which should become a catalyst that will give momentum to additional Chernobyl funding from donor countries.

At this year's Annual Meeting we are also asked to adopt a resolution to change Turkey's status in the Bank. The EU Finance Ministers have already unanimously expressed their support for Turkey to become a country of operation and I would have hoped that such a decision could already be taken in Kiev. I look forward to a speedy and transparent implementation of the timetable put forward, based on consensus.

In closing, I would like to express my sincere appreciation to President Lemierre for his great leadership and commitment, together with the entire staff of the Bank. When the President joined the Bank in 2000 it was making losses; this year we almost contemplated dividends. In 2000 the EBRD was investing less than €2 billion; today it is close to €6 billion. In 2000 the centre of gravity was somewhere between Poland and Hungary; today it is closer to Krasnoyarsk.

The President can take pride in leaving behind a strong, productive, well-structured and respected institution. I would like to wish him all the best in his future endeavours. At the same time I would also like to express Luxembourg's full support to the incoming President in meeting the challenges of the future.

Thank you for your attention.