

**Statement by the Honorable Azuma Kuniyoshi,
Parliamentary Vice-Minister of Finance
Ministry of Finance, Government of Japan
at the 34th Annual Meeting of the European Bank for Reconstruction and Development
London, United Kingdom - May 15th, 2025**

1. Introduction

Mr. Chairperson, Madame President, distinguished Governors, ladies and gentlemen:

On behalf of the Government of Japan, I would like to express my sincere gratitude for the warm hospitality extended by the Government of United Kingdom and the people of London at the 34th Annual Meeting of the European Bank for Reconstruction and Development (EBRD).

2. Ukraine

Russia's prolonged aggression against Ukraine for over three years has caused extensive damage in Ukraine, and continues to be a source of the uncertainty over the global economic outlook. We call for an immediate end of Russia's illegal aggression against Ukraine.

Japan commends the Ukrainian Government for its proactive engagement on reforms and for maintaining macroeconomic stability, despite the hostile conditions under which the war continues. Japan, in addition to providing credit enhancement, continues to contribute to supporting Ukraine including through the Extraordinary Revenue Acceleration (ERA) Loan initiative for Ukraine, which was agreed by the G7 Leaders last year and is to be repaid by future flows of extraordinary revenues stemming from immobilized Russian sovereign assets.

To address Ukraine's huge reconstruction needs, we must mobilize capital, technology, and expertise from the private sector. In this respect, the EBRD, as a Multilateral Development Bank (MDB) with the unique mandate and business model to specialize in promoting the private sector in the region, will continue to play a critical role in supporting Ukraine. Japan welcomes that the EBRD has steadfastly demonstrated strong support focusing on key areas such as crucial infrastructure and energy security, based on its support package announced immediately after the onset of the aggression as well as the capital increase commitments made in December 2023.

Upon the approval of the EBRD's capital increase, Japan, as the second largest shareholder, acted swiftly for its subscription and the subsequent payment. Specifically, we subscribed to the newly

authorized paid-in shares in May last year and then made the first payment in December. We encourage other members to follow suit. In addition, Japan provided an additional contribution to the Japan Trust Fund, a bilateral trust fund established in the EBRD, to assist private sector-led reconstruction in Ukraine's agribusiness sector as well as human capital development, which is critical for business continuity. Furthermore, we welcome the webinar on investment in Ukraine, in collaboration with the EBRD Tokyo Office. We remain committed to supporting Ukraine's reconstruction by working hand in hand with the EBRD.

3. Strategic and Capital Framework 2026-30

The main agenda of this year's Annual Meeting is the Strategic and Capital Framework (SCF) 2026-30.

The EBRD is one of the important institutions that can play roles in laying the foundation of international economic order. This suggests that all shareholders' hands should be on deck to formulate the SCF, which sets out the EBRD's future strategic directions. Japan is pleased to support the proposed SCF 2026-30, with the appreciation for the management's efforts and its utmost flexibility to consolidate various views and thus preserve unity. Let me highlight four topics that Japan considers critical in shaping the EBRD's strategic direction for the next five years.

First, resilience to natural disasters should be further reinforced. The EBRD covers the regions that are vulnerable to natural disasters like Japan, including Armenia that hosted last year's annual meeting, as well as Turkey and Morocco that were devastated by major earthquakes in recent years. Given that the current share of climate adaptation within the green finance category is not particularly high, we welcome the Bank's intention to mainstream adaptation considerations across all its activity.

Second, private capital mobilization should be enhanced. In light of the increasing development needs, mobilizing private capital is essential, while public capital can also play a catalytic role. The mobilization of private capital is a global imperative, and we expect that the EBRD, backed by extensive achievements under its private sector mandate in regions such as Central and Eastern Europe, will lead the MDB-wide efforts in this regard.

Third, the EBRD's appropriate geographical direction needs to be maintained. We support the proposed direction that puts the highest priority on Ukraine while aiming to increase the level of its investment in all the countries less advanced in transition.

Fourth, the EBRD should accelerate the implementation of the G20 Capital Adequacy Framework

review recommendations. We request the EBRD continue its steadfast efforts on this front, including revisiting the value of callable capital.

We welcome that these four points are duly reflected in the proposed SCF 2026-30.

4. Sub-Saharan Africa

After a long and constructive discussion, the Governors agreed on an expansion to Sub-Saharan Africa at the Annual Meeting in 2023. Respecting this decision, Japan has swiftly completed its domestic process for the acceptance of the relevant amendment to the Agreement Establishing the Bank. Japan strongly supports the proposal to grant recipient country status to Benin, Côte d'Ivoire, and Nigeria, with effect from the entry into force of the Amendment to Article 1 of the Agreement Establishing the Bank. I expect that Ghana, Kenya, and Senegal will also become EBRD members and countries of operation as early as possible.

I believe that the EBRD's expertise in investment to the private sector, with its long-standing proven track-record, will bring great benefits to development in Africa, creating synergies with other MDBs' supports. In particular, the collaboration with partners such as the African Development Bank (AfDB), with its in-depth partnership with African countries, could help the EBRD provide effective and efficient support, while leveraging each comparative advantage.

Japan will be organizing the 9th Tokyo International Conference on African Development (TICAD 9), which is held every three years, in Yokohama this August. At TICAD 9, Japan will highlight its support to private sector-led growth through the collaboration with the EBRD and other MDBs including the World Bank Group and the AfDB, as well as through the Japan Bank for International Cooperation and the Japan International Cooperation Agency. I look forward to welcoming President Renaud-Basso and all of you to this critical event.

5. Cooperation between the EBRD and Japan

The EBRD must respond more effectively to the diverse and complex needs, given that its coverage of operations is being expanded beyond Europe. Its organizational management, especially preparation and implementation of the important corporate strategies such as the SCF, must reflect diverse voices. To this end, it is important to promote diversity, including on nationality, among the EBRD staff. We welcome that the EBRD is planning to dispatch a recruitment mission to Japan this autumn.

As I stated above, the EBRD is playing a pivotal role in rebuilding physical infrastructure in Ukraine, which has been damaged and destroyed. We consider that the use of Japan's experience and knowledge in disaster management and reconstruction could make a difference to such EBRD support in Ukraine.

There are many private companies in Japan that have a wide range of expertise, including those in resilience to natural disasters, countermeasures against landmines, removal of debris, energy, telecommunications, health sector, and agribusiness, with strong interests in investing in Ukraine in the full reconstruction phase. We request the EBRD to enhance its efforts to promote the participation of the Japanese private sector in the EBRD's investment projects, by leveraging the function and resource of EBRD Tokyo Office.

6. Closing

Much has been achieved since President Renaud-Basso assumed office in 2020, despite the challenging environment marked by the COVID-19 pandemic and the Russian Invasion of Ukraine. Under the current global uncertainty stemming from various factors, the importance of MDBs' roles including the EBRD is growing. We expect the EBRD to forge ahead with delivering its mission under the leadership of President Renaud-Basso. Japan remains committed to providing further support on multiple fronts, including finance, policy guidance and human resources.

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