

## Statement on behalf of the Governor of the Republic of Kosovo

### Honourable Chair, President, and esteemed Governors,

It is my pleasure to address this Annual Meeting of the European Bank for Reconstruction and Development in my capacity as Governor of the Republic of Kosovo, and to extend our appreciation to the Bank staff and the Latvian Government for hosting this year's AM. The geopolitical turbulence of recent years has imposed severe humanitarian, social, and economic costs on our societies. Supply-side shocks have driven fuel price volatility and inflationary pressures that have disproportionately burdened the most vulnerable segments of our populations. In this context, sound policy frameworks must be capable of distinguishing between the nature of shocks and calibrating responses accordingly, resisting the temptation of demand-side interventions that may risk compounding supply-driven inflation rather than alleviating.

Despite these challenging conditions, Kosovo's economy has continued to demonstrate resilience and solid economic performance. The Government remains vigilant to global economic developments and committed to implementing policies that preserve macroeconomic stability, strengthen economic competitiveness, and actively support the private sector in addressing emerging challenges. Against this backdrop, we welcome the Bank's continued efforts to support those countries most affected by geopolitical and economic pressures.

The Republic of Kosovo is pleased to note that it subscribed to the EBRD General Capital Increase in December of last year, reflecting its strong confidence in the Bank's mandate and the value of its work across its countries of operation. Furthermore, Kosovo has fully supported the Strategic and Capital Framework 2026-2030, which is now entering its implementation phase. We welcome the strategic direction set out in the framework and look forward to its effective delivery and measurable results for all countries of operation.

For the Republic of Kosovo, the mobilisation of private capital is a matter of particular importance. We commend the Bank for its continued support to private sector development in Kosovo through the additionality provided by its financing products. This is especially significant for a small, open economy such as Kosovo, where access to long-term financing remains a structural challenge for private enterprises. The Bank has consistently helped bridge this gap by providing financing that would otherwise be unavailable or limited. Through its engagement with the financial sector, the Bank has contributed to building a more competitive and resilient private sector. We see considerable scope for further cooperation in directing financing toward small and medium-sized enterprises, green investment, and digital transformation, all of which are closely aligned with Kosovo's broader development objectives. In view of such results, we call on the Bank to replicate such projects to similar countries of operation and expand impact.

On the green transition, as a signatory to the Green Agenda for the Western Balkans, Kosovo recognises the scale and urgency of the investment required. The demand for green infrastructure is substantial, and the Bank's role in mobilising and catalysing such investment is indispensable. In this regard, we are pleased to announce that two significant EBRD-financed projects, in the areas of energy efficiency and wastewater treatment, have been ratified by the Parliament of Kosovo and are entering their implementation phase. These projects represent

concrete deliverables for our citizens and a tangible demonstration of the partnership between Kosovo and the Bank.

We also welcome the inclusion of economic governance as a strategic theme under the SCF. Robust, transparent, and stable institutions are not merely a prerequisite for market efficiency, they are the first line of defence against economic fragility in an era of heightened geopolitical uncertainty.

On a note of particular pleasure, the Republic of Kosovo warmly welcomes Kenya as a new member of our constituency. This is a significant and enriching addition, bring new perspectives and shared ambitions to our group. We look forward to building a close and productive relationship with our Kenyan colleagues and to working together in advancing our common goals within the Bank.

In conclusion, we commend the Bank for the certainty and stability it provides to countries navigating heightened geopolitical uncertainty. Its additionality and commitment to systemic transition impact make it an indispensable partner. We extend our sincere appreciation to our constituency colleagues for their continued cooperation and look forward to deepening this partnership, now with Kenya proudly among us.

Thank you.