

CANADA

**STATEMENT TABLED BY
CANADA'S TEMPORARY ALTERNATE GOVERNOR
EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT
2017 ANNUAL MEETING
MAY 10, 2017, NICOSIA, CYPRUS**

On behalf of Canada, I would like to thank the Government of Cyprus and the European Bank for Reconstruction and Development (EBRD) for hosting the Bank's 26th Annual Meeting.

Canada views the EBRD as a valued partner and welcomes the unique role the Bank has played in enabling private sector led economic transition, supporting crucial reforms to create sustainable democratic institutions, and promoting foreign direct investment. We also commend the Bank for its ability to respond quickly to emerging events, such as the refugee crisis. The Government of Canada recognizes the EBRD's significant support in 2016 for political and economic transitions in its countries of operations, despite a challenging economic and political environment.

Canada has taken note of a number of the Bank's achievements for 2016. This past year, the EBRD took important steps as an institution to adapt and better respond to the challenges of today. During 2016, the Bank adopted its revised Transition Concept to formally recognize that successful market economies should be inclusive, well-governed, environmentally friendly, resilient and integrated. The EBRD also implemented the Green Economy Transition (GET) approach as a key mechanism for the Bank to scale up its climate financing with the goal of reaching 40 per cent green investments as a share of total annual Bank investment by 2020. We recognize that the Bank is making strides towards meeting this goal. In the first year of the GET implementation, the share of EBRD's green investments increased to 33 per cent, up from 30 per cent in 2015. In December 2015, the Bank approved its Strategy for the Promotion of Gender Equality, which mainstreams gender objectives in the Bank's operations. In 2016, the Bank rolled out initiatives in support of the strategy to enable the Bank to more systematically promote women's economic empowerment in its projects.

Furthermore, the EBRD continued to address emerging challenges in its member countries. The Bank maintained a strong investment program in the Southern and Eastern Mediterranean (SEMED) region and provided continued support to refugee-hosting countries as the Syrian crisis deepened. Canada has been a strong supporter of deepening investments in this region, consistent with our objective to prioritize EBRD resources to areas with the greatest need. The EBRD remains a major investor and champion of reform in Ukraine at a time of ongoing severe difficulties. Canada continues to be a strong advocate in support of Ukraine.

Canada is committed to playing a leadership role in international efforts to combat climate change and champion values of inclusive and accountable governance, peaceful pluralism, respect for diversity, and human rights globally. To this end, Canada will be introducing a new international assistance policy that focuses our support more centrally around the 2030 Agenda for Sustainable Development and the achievement of its Sustainable Development Goals (SDG). The EBRD will continue to be a key partner in these efforts. As the Bank embarks upon an ambitious agenda in the next year, Canada will focus on the five areas noted below.

Optimizing Available Resources

Canada has been an active participant in G20 and other discussions calling on multilateral development banks (MDBs) to optimize their balance sheets, in order to unlock untapped financing for development. In recent years, MDBs have created substantial lending headroom through optimization efforts. Canada welcomes the actions taken by EBRD to enable a more effective use of its capital and looks forward to continued engagement on this important issue. Furthermore, Canada recognizes the important role MDBs can play in mobilizing private capital into emerging markets and developing country investments. We support and encourage the EBRD's initiative to work with other MDBs in order to achieve more as a system than could otherwise be achieved by institutions working individually. In particular, we commend the EBRD for its collaboration with the Multilateral Investment Guarantee Agency (MIGA) of the World Bank in announcing an innovative risk mitigation scheme used to support the project bonds of a greenfield hospital project in Elazig, Turkey. This initiative represents a model that other MDBs could replicate with MIGA, which in turn would promote greater standardization of risk instruments across MDBs, and help move towards the aspiration of an asset class of emerging markets infrastructure.

Promoting the Empowerment of Women and Girls

The empowerment of women and girls will be at the heart of Canada's new approach to international assistance. In adopting a feminist approach to international assistance, Canada will contribute to increasing gender equality and women's economic empowerment and participation in social, economic and political spheres. Canada is pleased to see that EBRD has established a Gender Advisory Services Programme and recognises the stepped-up effort within EBRD's project portfolio to include and monitor gender equality. Canada will support the Bank's work as it continues to mainstream its Strategy for the Promotion of Gender Equality to increase women's equality of opportunities in the countries where the Bank invests.

Support for Refugee Hosting Countries

Canada fully supports the continued work that the EBRD has undertaken in Turkey and Jordan to address the ongoing refugee crisis. We recognize the enormous pressure this crisis has put on local governments and host communities. EBRD engagement in refugee-hosting countries is a key factor in providing much needed support in areas such as infrastructure and inclusion programmes to facilitate economic participation, especially for young people and women. Canada is committed to responding to the Syrian refugee crisis and is counting on its development partners, including the EBRD, to help implement measures to address this challenge.

Support for Ukraine and Southern and Eastern Mediterranean regions

Canada strongly supports EBRD's continued engagement in both Ukraine and the SEMED region by making investments which foster political and economic transitions, based on the greatest need and potential impact. Ukraine and the SEMED region continue to face significant pressures, and the current political and economic context in both regions demonstrates a clear case for transition support from the EBRD. Canada supports EBRD engagement in the West Bank and Gaza. Canada expects the Bank to ensure adherence to its high integrity standards and appropriately mitigate the risk of money laundering and terrorist financing when operating in the region.

Climate Financing

Canada will also focus its efforts on enhancing environmental sustainability, including through our commitment to assist countries to address climate change. Private sector investment in green

solutions will be crucial to achieving the outcomes of the Paris Agreement on climate finance. In delivering on its climate finance commitment, Canada will work with a range of trusted partners, including the EBRD and other multilateral development banks with demonstrated expertise in innovative finance solutions, to engage the private sector in addressing global climate challenges. Canada will continue to support EBRD's efforts to catalyze private investment in sustainable projects, as the Bank scales up green financing towards the 40 per cent target.

On behalf of Canada, I would like to thank President Chakrabarti, as well as EBRD staff, management and Directors for their many accomplishments in the past year. Canada also has the pleasure of working with Morocco, Jordan, and Tunisia as part of a common constituency at the EBRD. We value these relationships and welcome a continued engagement in the future. We look forward to another year of strong partnership with the Bank.

Paul Samson
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