AUSTRIA

Statement

EBRD Annual Meeting 2018
Hubert Fuchs
Head of the Austrian Delegation

Mr President,

Ladies and gentlemen,

We are particularly delighted that this year's EBRD Annual Meeting is being held in Jordan, which is in the Bank's newest region.

The **SEMED region**, where the European Bank for Reconstruction and Development (EBRD) has **been operating only since 2012**, has managed within this short period of time, in spite of its geopolitically challenging environment, to become the Bank's largest region of operations. It also boasts a **portfolio whose profitability far exceeds that of any other of the Bank's regions** (investment volume **2017: €2.2 billion**). This impressive development, which is in keeping with the great importance of this region to the Bank, is not the only reason we are particularly pleased that this year's **27th Annual Meeting** marks **the first time the event is being held not only in Jordan, but in any country in the SEMED region**. The decision to choose a country in the SEMED region as the venue for this year's meeting – a region which, together with Turkey, already accounts for about a third of the Bank's entire portfolio – is a clear reflection of the EBRD's changing geographical and operational priorities. In 2017, Egypt became the Bank's second-largest client, after Turkey.

Particularly welcome and noteworthy from an Austrian perspective is the **Bank's Green Economy Transition approach**, along with its increased **focus on sustainability** within the framework of the Sustainable Development Goals (SDGs) – a focus that is particularly evident in the SEMED region. In 2017 green investments accounted for **100 per cent of EBRD investments in the SEMED region**, with around **91 per cent going to the private sector**. **Overall, 43 per cent of all the Bank's activities in 2017 involved green investments**. This not only puts the Bank clearly ahead of all the other international financial institutions, but means it has also far exceeded its own target – the goal had originally been a to reach a share of 35 per cent for green investments by 2020.

We are pleased that, through its strong focus on Green Economy Transition (GET) and its targeted support for projects within this framework, the EBRD has again **achieved a very strong transition impact (2017: 90 per cent)**. We support the Bank's continued commitment to sustainable energy, including energy efficiency and renewable energy, as well as to the expansion of the Bank's activities to include resource efficiency. In terms of the EBRD's pioneering role in Green Economy Transition, we are confident that in the future the Bank will continue to have the necessary capacity to tackle current global and regional challenges, such as climate change or energy security, and to fulfil its role as a well-positioned, flexible bank.

As was the case in previous years, the EBRD had **an excellent financial year in 2017**, managing not only to maintain its high level of activity, but even surpass it with a **record annual investment volume of €9.7 billion (2016: €9.4 billion) spread across 412 projects**. Not least this renewed positive result, as well as a strong capitalisation, prudent financial management and strong backing from its shareholders, reflect the consistently good performance and high quality of the Bank's operations, confirming once more its reputation as a reliable partner. Again in 2017, all the rating agencies awarded the EBRD a **triple-A rating with a stable outlook**, confirming its excellent financial position.

The **Bank's net income for 2017 was €0.8 billion**, marking a slight decrease compared to 2016 due to a decrease in interest income. As in the past, we welcome the allocation of part of the net income to the Shareholder Special Fund to support those countries facing the biggest transition challenges. Apart from this, the net income should be used mainly to build up the Bank's reserves.

With regard to the **EBRD's Strategic and Capital Framework 2016-2020**, which reaches its halfway point this year, **we welcome the progress achieved**

in the last year, which has seen further commendable advances in the implementation of the first Strategy Implementation Plan (SIP). We are confident that the Bank will continue to deliver this level of performance during the next year. For the remaining period of the current Strategic and Capital Framework, we invite the EBRD to focus on expanding its activity further in its existing countries of operations.

As already demonstrated, the Bank has done excellent work in its existing countries of operations in recent years. Nevertheless, transition has still not been completed in many regions of operations, such as the western Balkans, where there has been another slowdown in growth in recent months due to somewhat challenging geopolitical circumstances, and the Bank is still needed. Therefore, we would **welcome a continuing focus on the EBRD's existing countries of operations** and firmly believe that its strong engagement, particularly in the areas of Green Economy transition, local currency financing and local financial market development, will further strengthen the regions.

Particularly with the aim of maintaining its special role among international financial institutions in the future, we would very much welcome it if the EBRD were to continue to **enhance its internal processes and develop new instruments and innovative products**. For one thing, this will further cement its role as a bank with a special transition mandate, which sets it apart from the other international financial institutions; for another, it will be even better equipped to tackle the new challenges arising in its countries of operations.

We would like to welcome **two new members to the Bank: India and Lebanon**. India and the EBRD already share a long history of cooperation in the co-financing of Bank investments. India's membership will help expand further the already close relationship between the two partners. Lebanon follows Egypt, Jordan, Morocco and Tunisia in now becoming the fifth member country in the SEMED region. Lebanon's membership strengthens the Bank both financially and operationally and lets it gain an important partner for cooperation. We look forward to fruitful collaboration with the new member countries.

At this point, I would like to make some special mentions: I would like to welcome Mr Fernando Pons as Vice President Human Resources, Corporate Services and Chief Administrative Officer and wish him every success at the Bank. I would also like to welcome Mr Jürgen Rigterink to his new position as First Vice President and Head of the Client Services Group and wish him every success. He is taking over this position from Mr Philip Bennett, whom I would like to thank for his achievements as First Vice President and Head of the Client Services Group. I would like to extend my best wishes to him on his retirement.

Finally, I would like to thank the management, the Bank and its entire staff for their excellent work.

Lastly, I would also like to express my thanks to the meeting venue on the Dead Sea and to Jordan for the hospitality shown and for the contribution to the excellent organisation of this meeting.