

**CLOSING STATEMENT BY THE
CHAIR OF THE
BOARD OF GOVERNORS**

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I thank President Chakrabarti for his closing remarks. I would now like to add a few words as the Chair of the meeting.

First of all, thank you for your thank-yous. It was very pleasing to hear that Jordan has managed to impress you so much. There is, of course, more to come this evening and tomorrow.

Thank you also for the wide-ranging and rich discussion. This has no doubt given Suma and his team much to reflect on over the coming months. Let me try to draw some conclusions from your statements.

Across all the different contributions, you have expressed a clear endorsement for the Bank and its current work as well as an appreciation for the hard work of the Bank staff and the Bank's impact on the ground. We all feel that the Bank has a robust business model, which offers something distinctive in meeting the objectives that we, as shareholders, have for this institution. There was particular emphasis on the Bank's private-sector focus and commercial approach. This is reflected in the Bank's continued strong performance, especially in 2017. Some Governors pointed to areas where additional efforts are needed. Notably, the Bank's assets have not been growing in recent years despite high levels of annual investment. Equity activity needs particular attention but overall it is clear that you value this institution, what it delivers and how it fits into the overall IFI architecture.

Turning now to the issue discussed during the Roundtable, overall you, as Governors, see that the Bank has the financial capacity to do more than its current investment levels. You have encouraged the Bank to use its headroom if possible. But increased activity should not lead to a decrease in quality and impact. If the Bank can identify ways to do more, speaking also as a country of operations for a moment, it should do so as quickly as possible, which means in 2019.

To support this, Governors emphasised the importance of a Strategic Review of how the Bank can increase its activities in its current countries of operations. I heard a clear consensus from you that this is the priority. Many issues were highlighted as important,

including the green economy, inclusion, and increased efforts in early transition countries. We look forward to seeing and hearing the outcome of this review.

The principles guiding how Governors see the Bank's place in the constellation of European and international organisations were clear. Governors wish to see institutions that complement each other in a coherent way with an overarching goal of delivering a collective system, not a bunch of independent institutions.

With regard to the exploration of potential new countries of operations, most of you highlighted that expansion should first be considered to countries in the existing SEMED region. With respect to further expansion, there were more divergent views. As this is not a decision-making forum, there are no decisions that we need to take today. But we should still try to give management at least some guidance on how to proceed. In trying to balance the excellent debate and broad range of views expressed, I think that the following has emerged.

Governors see that there is a sequence of events. For now, the Bank should have a strong priority to concentrate on increasing activity in its current countries of operations, as I have already said. This should take into account the results of the Strategic Review of the Bank's work here. I also heard many voices supporting further exploration on possible future expansion, and that any decisions in this area should be based on solid analysis.

In addition to the assessment of opportunities in current countries of operations, this further exploration needs to take into account ongoing external debates, the Bank's comparative advantage – including on delivering our development agenda in any potential new countries – and the Bank's capital capacity.

We have heard different views on the timing of this exploration. Although many shareholders agreed with the sequencing of timing in the President's letter of 2 May, he and I would like to bridge the gap to those who would like to consider in Sarajevo 2019 whether to give the green light to a study of expansion. The President and I propose that management provide the pre-feasibility analysis for Sarajevo, which would cover the capital capacity of the Bank following the Strategic Review, the state of play on wider debates about IFI architecture and, in so doing, a deeper analysis of how the EBRD can contribute to our development agenda. We should take stock of this analysis and decide whether or not to give

the green light to the full exploratory study on expansion in Sarajevo. Finally and in any case, no decision on expansion will be taken before 2020.

With these remarks, it only remains for me to thank you all for your lively and focused contributions during today's discussion. Above all, I must thank you for coming to Jordan and attending the first Annual Meeting in a SEMED country. I am proud to have been your host and hope you have time to enjoy our beautiful country.