

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

**2018 ANNUAL MEETING
OF THE BOARD OF GOVERNORS**

CHAIR'S OPENING SPEECH

WEDNESDAY 9 MAY

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Introduction

Your Majesty King Abdullah II ibn Al Hussein,
Your Majesty Queen Rania Al-Abdullah,
Your Royal Highness The Crown Prince Hussain Bin Abdullah,
Excellencies,
Distinguished Governors,
President,
Ladies and Gentlemen,

Welcome to the twenty-seventh Annual Meeting of the European Bank for Reconstruction and Development!

Thank you Your Majesty for the inspiring speech that guides us all.

It is a great honour for me to address you as Chair of the Board of Governors, and being able to do so, in the presence of His Majesty, in my home country – the Hashemite Kingdom of Jordan – is a particularly special privilege.

Where we are now gathered – in this wonderful venue on the shores of the Dead Sea – is a significant location for Jordan and for the whole region: It has represented a source of nutrition and abundant life for generations.

So I would like to thank His Majesty the King, and the Royal family, for their great generosity and hospitality, and I wish to extend a warm Jordanian welcome to everyone here today!

The Middle East is often cited as the cross-roads of civilizations and the world. Perhaps that brings its own challenges, but it also means that it is a place of extraordinary cultural and historical significance, and of huge potential for the future. Jordan is no exception in any of these areas: We have four UNESCO World Heritage sites: Petra, Quseir Amra, Um er-Rasas (Kastrom Mefa'a) and the Wadi Rum Protected Area. There are a further 15 sites on UNESCO's Tentative List.

I hope that as many of you as possible will have the opportunity during your stay here in Jordan to visit as many of these sites as possible, as well as the wealth and abundance of other significant attractions that we, your hosts, have to offer.

In terms of the future, Jordan has developed a long-term national vision and strategy – the Jordan 2025 – to achieve a more prosperous and resilient Jordan, anchored on four pillars: active citizenship, safe and stable society, a dynamic and globally competitive private sector, and an efficient and effective government. The Jordan 2025 has also seven principles for collective action: law abiding, meritocratic, participatory, excellence, competitive, sustainable and institutionalized.

We – Jordan – are particularly honoured that the EBRD's first Annual Meeting of the Board of Governors in the Bank's South-Eastern Mediterranean region (or "SEMED" in EBRD terminology) is being held here in Jordan.

But we don't want to celebrate for ourselves. It is important to celebrate the success that EBRD investments across the SEMED region have delivered. The EBRD first expanded its operations here in 2012, and the importance of the EBRD's work since then should not be underestimated. The expansion has been a real testament to the Bank's ability to adapt to modern times and seize new opportunities, while building on its core mandate. The Bank has capitalised on Jordan, Egypt, Morocco and Tunisia's new determination to reform their economies after the Arab Spring. And last year marked an expansion of the SEMED region even further, with the establishment of the West Bank and Gaza Trust Fund, and the membership and Recipient Country status of Lebanon.

The SEMED region has faced and continues to face great challenges; but it also has great potential. Growth in the region is projected to increase to around 4.4 per cent in 2018 and 4.8 per cent in 2019 on stronger external demand, a recovery in tourism, rising investment and improved competitiveness.

EBRD & Jordan Achievements

Co-operation in the region is essential for a better future and the EBRD can play a key role in this too. Their work with Jordan has already made a major impact on the country, with several renewable energy projects, and of course their invaluable support to partly mitigate burdens of the refugee crisis. And with the Cultural Heritage Integrated Framework, which will enhance the commercialisation of areas around cultural heritage sites by crowding in the private sector and contributing to the sustainable development of cultural heritage tourism, the EBRD will move into new territory; just another example of how flexible, innovative and agile the Bank can be, not just in Jordan, or the region, but in all recipient countries.

Here in Jordan, the Bank has been very active, especially in renewable energy projects – both solar and wind, in the municipal infrastructure sector and with the Bank’s flagship Trade Facilitation Programme. Over 42 projects, the Bank has invested some 1.3 billion Euros.

Jordan succeeded, against all odds, in preserving its economic resilience in spite of unprecedented external shocks and protracted conflicts in our region, which is now entering their eighth year! We focused on preserving our macro-economic, fiscal and monetary stability; mitigated the recent Syrian refugee crisis by relentlessly pushing the international community for fair responsibility sharing when a host country carries on a global public good on behalf of the world and by turning this challenge into an economic development opportunity through the Jordan Compact and successive Response Plans.

We maintained our path for evolutionary home-grown comprehensive reforms and resumed our sustainable inclusive development path through successive 3-year rolling development plans to achieve Jordan 2025, and focus on Jordan’s growth and employment agenda through the Jordan Economic Growth Plan 2018-2022 and other national and sectoral strategies including the National Human Resources Development Strategy, digitizing Jordan and reforming the public sector and the judiciary. All this with the aim to create a more self-reliant economy, increase competitiveness, productivity and increase our ability to attract investment and expand exports where we maximize implementation of our capital and infrastructural investments through private investments and public private partnerships.

EBRD's results in Jordan – and the SEMED region more broadly – have demonstrated that the Bank's business model, which aims to promote the development of the private sector and entrepreneurial initiative, is increasingly relevant to international efforts to deliver on global development and climate goals.

The 27th Annual Meeting

The theme of the 27th EBRD annual meeting is “**Energising Economies**” and is designed to provide a platform for an engaging series of panel discussions and Investment Outlook sessions on issues of relevance across the Bank's countries of operations – from business climate and economic growth, to investment in sustainable energy and environmental protection, to the all-important issues surrounding investment in infrastructure. There is also a special session tomorrow dedicated to the investment outlook here in your host country, Jordan, and I encourage you, of course, to please come and attend. The aim is to engage you, the participants, with informed, sometimes provocative discussion and debate on these varied topical issues.

Energising Economies has also been a focus for the Bank in the run up to this meeting. For example, major progress has been made on honing the new transition concept and implementing the six qualities that foster transition through the private sector by developing market structures that support “**Competition**”; helping good national and corporate “**Governance**”; helping build a “**Resilient**” investment environment; making countries and regions more “**Integrated**”; building economies that are “**Inclusive**” and provide benefits for all; and making sure that all of this leads to “**Green**” and sustainable growth.

These six transition qualities are working to re-energise transition and are true to the core mandate of the Bank. Their implementation has been a success, and will help steer, guide and measure the Bank's investments and achievements across its countries of operations.

Other new and important strategic documents that have also been modernised to reflect today's challenges are the Gender Strategy, Economic Inclusion Strategy, and Extractive Mining Industries Strategy, which were all approved by the Board of Directors in the past year and will assist governments of recipient countries.

And yet more is to come in the Bank's quest for transition re-energisation, as it intends to update some of its other key sector strategies in the next year, such as its Energy and Transport strategies, to increase their effectiveness, and meet the ever changing demands of the Bank's diverse range of recipient countries.

2017 Operational Results

Turning to the Bank's Operational Results: 2017 provided a number of economic, geopolitical and security challenges, which continued to have a significant impact on the economies in the Bank's region of operations. Even so, the Bank has delivered a strong operational performance in 2017, with 9.7 billion Euro of Annual Business Investment provided to 412 projects across 36 different countries. Importantly, the Bank has maintained its Triple-A rating, and I am encouraged that the Bank's overall net profit before income allocations stood at 772 million Euro.

Conclusion

Ladies and Gentlemen, we have an exciting Annual Meeting ahead of us. Running alongside our institutional meetings, the Business Forum has a diverse range of themes. There are many discussion panels on topics such as “The Future of Work” and “Energy in Fast Forward” to name but two. An Investment outlook session on Uzbekistan and dare I say a Host Country Investment Outlook Session on “Fostering Investment, Trade and Innovation throughout the Region and Beyond”. Jordan is open for business and we invite you to explore our investment and business opportunities where businesses investing in Jordan are “doing well” for their shareholders and also “doing good” for the investing in Jordan model.

The role of Civil Society in promoting climate resilience and youth inclusion are the key themes in the Civil Society Programme this year. EBRD staff, senior management and the Board of Directors will engage in open and inclusive dialogue with representatives from various Civil Society Organisations over the coming days. This reflects the importance the Bank – as a public institution – pays to civil society in all of its activities.

As we look to the Bank’s future, its regions continue to face many uncertainties. But, we should all go into this meeting and the next year with confidence about a strong, efficient and agile EBRD. The Bank is ready and able to deliver on its transition objectives, which I’m sure will act as a catalyst in achieving a positive impact in this ever evolving world.

I am sure that our meeting in Jordan will cement the many connections, partnerships and friendships that will benefit the Bank’s mandate, and the Bank’s region of operations.

I would like to take this opportunity, on behalf of my fellow Governors, to extend our thanks to you, President Chakrabarti, for your great leadership, the Board of Directors, and of course to all the EBRD staff for your many excellent and diverse achievements since we last met.

Thank you for your kind attention.