

DENMARK

European Bank for Reconstruction and Development
Annual Meeting in Jordan, 9 May 2018
Written Statement by Minister for Business, Industries and Financial
Affairs Brian Mikkelsen
Governor of the EBRD for Denmark

Mr Chairman, Governors, Mr President, Ladies and Gentleman,

On behalf of Denmark, I have the honour and great pleasure to present our written statement on the eve of the 2018 Annual Meeting in Jordan.

In the statement this year, I will focus on the EBRD's business model and strategic future and discuss the challenges that will be particularly important for the EBRD to address in the coming years.

Over the past 27 years, the EBRD has played a crucial role in the Bank's Countries of Operations (COO) in line with the agreement establishing the Bank. The EBRD's DNA and core competences is the Bank's unique focus on developing the private sector but the Bank also adds significant value to potential public sector projects through the development in the private sector.

The EBRD works in a global world in close cooperation with other International Financial Institutions (IFIs). Consequently, it is important that the IFI system is complementary, cooperates on equal terms, is cost effective and builds on specific competencies.

What sets the EBRD apart from other IFIs is the Bank's Article 1. The Bank's raison d'être is to secure transition, the commitment to multiparty democracy and market economy in its COOs. Denmark strongly supports the ongoing work with strengthening and clarifying Article 1's application in the Bank's COOs.

In general, it is important to support the transition development in COOs while bearing in mind the six transition qualities; competitive, inclusive, well-governed, environmentally friendly, resilient and integrated. It is therefore not only the quantity of investments that the EBRD supports that should be in focus, but also the quality of the projects.

It is key that the EBRD continues to focus its work in areas, where the Bank has its special competences and ability to add value, especially in

the development of the private sector, the energy sector and green economy, and work on local currencies, capital markets and the financial sector.

Looking forward to the coming years, Denmark finds that the EBRD must focus on deepening and broadening activities in the current COOs, not least in the smaller countries where the Bank has potential to have a systemic impact. This could prove more fruitful than expanding to new countries. At the same time it is important to have a diversified portfolio without too much concentration on individual countries. The difficult circumstances in some of the existing COOs should not per se imply expansion but rather increased focus on solving the problems at hand.

There are major challenges ahead for the EBRD's work. The geopolitical situation is one key risk factor, which can influence the Bank's work. The world is changing, and so are the EBRD's COOs. What has been evident over the past few years is the fact that the EBRD's business model will need to adjust to political developments in its COOs. Consequently, Denmark asks the EBRD to focus first on enhanced delivery in the current existing regions of operation before considering additional COO's.

Finally, let me thank the President, management and all staff for their excellent work in a challenging business environment.

I would like to finish by expressing my special thanks to Jordan for arranging the annual meeting this year.

Yours sincerely,

Brian Mikkelsen