

EIB

Governor's Statement for the European Investment Bank – VP Stubb

First of all, I would like to thank the Kingdom of Jordan for hosting the annual meeting of the EBRD here on the shores of the Dead Sea. The selection of Jordan as the first country in the Southern and Eastern Mediterranean highlights the important role that the country plays in the region.

With regard to the important roundtable discussion on the future strategic options for the EBRD, we recognise the merits of the EBRD's business model and the excellent results achieved in particular for the financial year 2017. The success of the EBRD is built upon its sharp focus on concentrating in working primarily with the private sector in order to mobilise private finance. The Bank's mandate of supporting transition towards modern, sustainable market economies remains very relevant and enables the Bank have a clear role in the development finance work of the IFIs.

With regard to the deliberations on the new Strategic and Capital Framework for 2021-2025 and the related topics for discussion highlighted in the background note, we support continuation of increasing and strengthening delivery in EBRD's existing countries of operations, within its limits of its financial sustainability. Priority should be in the provision of financing to the private sector with an identified market gap justifying EBRD intervention. EBRD should continue to utilise its wide range of products from debt to equity depending on the local market conditions and needs complementing the gaps in other IFIs' capabilities. We would support the preparation of a further analysis to optimise the delivery of EBRD financing in these countries.

A broadening of the EBRD's geographical extension to include new countries in the current regions of operations - like Algeria, Libya and Syria in the SEMED region - could be supported. In

light of the EBRD's focused role and taking into account its annual financing volume, EBRD should not spread its resources too thinly, but should capitalise on its strong local presence on the ground and its deep market knowledge in its regions of operation. Were the EBRD to expand its activities into new regions, even to target specific initiatives or outreach of its Green Economy Transition financing, it could potentially negatively impact its current successful business model and could deviate from its complementary role as a key player in the global and European IFI architecture. As there is a need to further analyse this architecture going forward, the EIB would be willing to play a constructive role in this process. At the end one thing is clear: publicly financed institutions should not compete, but complement each other, to make best use of the resources given to them and to have the best impact in the economies where they operate. The impact to those who need us is what counts, nothing else.

We look forward to the continuation of the discussion on the new Strategic and Capital Framework at the latest in the next annual meeting in 2019.