

ESTONIA

EBRD Annual Meeting in Jordan, 8-10 May 2018

Written Statement by Mr. Veiko Tali, Alternate Governor of EBRD for Estonia

EBRD has been a valuable contributor to the transition processes in our region and continues to do so in all its countries of operations. Also the countries of operations commitment to principles of multiparty democracy and pluralism continues to play an important role and the commitment should be taken seriously. We have broadened the transition concept to embrace the changed challenges and expect also the Bank itself undergo the changes to be able to tackle these challenges.

The Bank has demonstrated exemplary potential to crowd-in private finance and to bring about change in the private sector participation and with that also strengthening the resilience of our economies. Investments in making our economies greener, reinvigorating the capital markets, empowering and enhancing the capacities of SMEs and improving the cross-border operability remain the priorities for the coming years.

It is our clear standing that the Bank still has an important role to play in its current countries of operations, likewise in the early transition countries and in advanced transition countries. The transition gaps do exist in the latter ones as well. We realise that the efforts needed to identify and remedy these shortcomings may be more complicated and require more targeted approach in order to produce highest possible transition impact. We would call on the Bank to take up this challenge and invest necessary human resources and use proper instruments to achieve the anticipated results.

As many other EU-11 countries we support conducting a strategic review for identifying the market potential, constraints for increased involvement and produce action plan for the required adjustments for improving the delivery in the current geographical scope. We call for the Bank to conduct this review based on agreed Terms of Reference as soon as possible before spring 2019 in order to allow thorough discussion at the 2019 EBRD Annual Meeting. It is critical that the Board of Directors is actively involved in the review process and in every step of the strategic discussions of the future of the EBRD.

The recent expansion of activities has been done under the assumption that no negative effects on the original countries of operation should be born. We do not think the Bank is ready for further expansion and to fulfil the same pre-condition. Thus, at the current juncture we cannot support further geographical expansion. As presented above, we consider that there are still business and transition opportunities to be implemented in the current countries of operations.

We welcome the principles to guide the development co-operation between IFIs put forward by the President, like co-ordinated promotion of sound policy reforms, crowding in private investment and providing fit for purpose financial toolbox.

We commend the Bank for the good overall results in 2017 and congratulate the Management upon the 5000th signed project and for reaching the 40% green investment target already now.

To conclude, Estonia would like to thank the Jordanian Authorities for hosting the EBRD Annual Meeting.