

EUROPEAN UNION

WRITTEN STATEMENT

EBRD ANNUAL MEETING

Jordan 9 MAY 2018

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The European Union is grateful to the Kingdom of Jordan for hosting the 2018 Annual Meeting of the European Bank for Reconstruction and Development. The EU deeply respects the contribution Jordan makes to people's lives by hosting so many Syrian refugees and for Jordan's moderate and stabilizing role in the region.

The EBRD delivered another strong year of performance in 2017, meeting its transition objectives, while producing a record investment volume, remaining profitable, and launching new activities in Lebanon and Palestine¹.

Throughout 2017 the EU-EBRD engagement has both broadened and deepened. In 2017 the EU provided EUR 313 million in support of the EBRD activities and accounted for 70% of grant resources mobilised by the Bank. This support helped deliver priorities ranging from renewable energy to municipal services and from environmental infrastructure to small businesses – in addition to crucial support for refugee-hosting communities, in collaboration – among others - with the Kingdom of Jordan.

The EU is working closely with the EBRD to support the mobilisation of private sector financing both within and outside the EU. Within the EU EBRD's activities in capital market reforms in collaboration with the EU Structural Reform Support Service, and its intervention in Greece, have been important in supporting economic restructuring and private sector activities. In this context, the EU fully supports Greece's request for the EBRD to extend operations there until 2025. Failure to do so will be a missed opportunity in maximising the impact of EBRD's existing presence in the country. Outside the EU, collaboration with the EBRD has

¹ Occupied Palestinian Territory, West Bank and Gaza Strip

also extended beyond grants and technical resources to new opportunities for blending instruments under the EU External Investment Plan.

EBRD has a unique business model of building sustainable markets through leveraging private sector investments and combining commercially oriented project support with policy reforms. While EBRD's mandate is focused on transition, the logic governing EBRD's interventions is mainstreamed through the Sustainable Development Goals. This makes EBRD's experience an important partner in helping us deliver our common policy objectives.

Going forward the EBRD has the capacity and the potential to do more. It is a values-based institution delivering through its six transition qualities which encourage well-functioning economies to be competitive, inclusive, well-governed, environmentally friendly, resilient and integrated. Its countries of operations still face gaps in a number of these qualities. Like other shareholders the EU therefore calls for the EBRD to undertake a strategic review country-by-country of what more the Bank can do to support its existing countries of operation. The EU calls on the EBRD to integrate the initial findings of this review into its business plan for 2019 and to present its conclusions to EBRD Governors at the EBRD Annual Meeting in 2019.

In doing so the EU invites EBRD to fully engage in the new opportunities that the proposed EU budget for 2021-2027 will offer in promoting stability, security and growth in the EU and its Neighbourhood. We therefore welcome EBRD's ongoing engagement in the Southern and Eastern Mediterranean (SEMED) and we are open to considering EBRD's enhanced role in the region. We also appreciate the EBRD's success and expertise in green economy transition and encourage it to build on this.

Considerations for further expansion would however require greater clarity on two elements that are not yet available: 1) the EBRD's potential and hopefully increased business volumes in its existing countries of operations; 2) the complementarities and synergies of different institutions, taking into account ongoing work on the global and European financial architecture, including the conclusions of the G20 Eminent Persons Group.

As EBRD continues to deliver its transition mandate, the highest operational standards should be upheld. Stable tax revenue is the basis for government's capacity to create favourable and inclusive conditions for development and growth. The EU hence appreciates that the EBRD is in the process of updating its Domiciliation Policy and trusts that this will take into account recent global and European developments in this field.

We are confident that EBRD's business model remains centre stage for taking advantage of the opportunities for joint cooperation that will become available in the years ahead and support EBRD's pro-active engagement on the vision and design of a strengthened global and European financial architecture.