

FINLAND

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First of all a warm expression of gratitude to the Kingdom of Jordan for hosting this year's EBRD Annual Meeting. This is historic since Jordan is the first country in the Southern and Eastern Mediterranean (SEMED) region to host the Meeting. It has been encouraging to see that amidst the regional turmoil, Jordan has been able to implement structural reforms and EBRD operations have been successful.

Financial and Operational Results 2017

Finland congratulates the EBRD's Management and Staff for the strong results achieved in 2017. Even though Bank's profit is slightly down from previous year, the financial results were strong. Triple A credit rating, which is crucial to the Bank's operating model, was reaffirmed by all three major rating agencies. The decline in NPLs is also a welcome development. Total external financing in EBRD projects increased, but annual mobilised investment and private direct mobilisation decreased. Mobilising private capital is key to achieving the development goals, so Bank's active role in this front is crucial.

Despite the challenging environment, the Expected Transition Impact was at an all-time high. We welcome that in new projects, the Bank has prioritised the transition qualities with the largest gaps. The Bank is invited to continue its involvement in highly ambitious projects, with substantial climate and transition impact. Exceeding the 2020 target for climate-related investments already in 2017 proves that the Bank is strongly committed to sustainable development goals.

Organisational Effectiveness and Efficiency

Finland supports the Bank's efforts to enhance organisational effectiveness and efficiency, and urges the Bank to continue to strive for further cost restraint and increased efficiency. It is a welcome development that the Bank's cost-efficiency programme has started to bring results after the successful completion of the first two workstreams of the Operational Effectiveness and Efficiency programme.

Strategic and Capital Framework mid-term review

Bank performance during the first half of the Strategic and Capital Framework (SCF) period is largely in line with the agreed targets. However, some areas deserve more attention in order to deliver best possible results in the remainder of the SCF period. The structured examination undertaken by Management is a good starting point for the optimisation of delivery to countries of operations. Finland supports the priorities identified in the mid-term review: Improving Equity Performance, Strengthening Product Innovation; Rising to the Global Challenge in Mobilisation; and Assessing the potential of public sector engagement. A thorough analysis on country specific transition gaps and business opportunities is needed to further enhance the implementation of the framework.

The Refugee Crisis Response

Displacement is a major challenge globally. As conflicts become protracted and result in large refugee situations – such as in Syria and its neighbouring countries – the response and solutions need to be comprehensive. There is no room for working in silos. The modalities for humanitarian, development and large-scale infrastructure funding need to be linked and aligned for a better and comprehensive response both to the displaced and to their host communities supporting self-reliance and resilience. Finland fully supports the EBRD's initiatives that actively seek to support this approach among development partners in this regard.

EBRD and future prospects

The EBRD's role in the economic transition of Central and Eastern European Countries has been successful. Building on its strong expertise, the EBRD has become a leading institution also in the outskirts of the EU. It has shown political relevance by quickly responding to new challenges. While transition gaps remain in the EBRD's current countries of operations, financing needs as well as needs for economic transition and private sector financing are growing.

Finland considers that the Bank is able to provide the greatest value added by focusing on its private sector expertise in the current regions of operation. Through its strong private sector know-how and strong presence in its countries of operation, the EBRD is also well placed to develop strong partnerships with the EU, the EIB and other IFIs. Strong coordination and cooperation with partners is essential when considering expansion of activities. Investment needs especially in the less advanced countries of operation, are large. Possible expansion should be primarily targeted in SEMED region – including also Algeria, Libya, Syria – whenever they are ready.

The EBRD should play a leading role in its areas of expertise. The Bank has a unique business model that focuses on private sector lending. This creates growth, jobs, innovation and modern economies. The EBRD has actively responded to the refugee and migration crisis, and this should continue to be a key area in the future. Tackling climate change is also a major challenge to address. The EBRD is performing well on the Green Economy Transition. The Bank should continue to prioritise energy efficiency, CO2 reduction and renewable energy in its operations.

Global Financial Architecture

When thinking about the future role of the Bank, it is crucial to consider the Bank's positioning in the global financial architecture, and enhance cooperation and partnerships. The global development challenges require close cooperation among IFIs. With a strong focus on private sector involvement, the EBRD can play a key role in achieving economic development and transition.

We need better coordinated responses among IFIs and financing institutions in order to tackle global and regional challenges. Coordination among IFIs should be based on comparative strengths of each institution, and strong execution at the country level. Here, the EBRD can make a significant contribution through its strong regional presence and its focus on the private sector. We welcome the EBRD to review its future role in the global financial architecture, and especially possibilities to strengthen partnerships with the EU and EIB.

New Member

We welcome India as a new member of the Bank.