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**Written Statement by
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I would like to start by congratulating the President, The Management and the entire Bank's staff on the results achieved in 2017 both the financial results and the delivery of transition. We especially would like to welcome the good results the Bank had related to Green Economic Transition (GET) with GET becoming the single largest area of activity of the Bank with a share of 43% of Annual Bank Investments (ABI). By this the Bank reached its objective of 40% of ABI in GET in 2020 three years early.

Iceland is supportive of the Bank's unique political and economic mandate which it has been pursuing now for more than 25 years. The work that the Bank has done to deliver transition in its countries of operation towards becoming modern, sustainable market economies – that is market economies that are inclusive, green, and well-governed as well as competitive, integrated and resilient is especially welcomed. The updated transition concept will help the bank to focus and prioritise where needed.

Iceland appreciates that the GET approach has become central to the Bank's activity and sees it as a result of clear needs in the countries of operation, strong internal focus and clear goal setting on behalf of the Bank. We encourage Management to continue to focus on GET projects and especially renewable energy and energy efficiency to tackle climate change.

As the capital costs of renewable energy sources have fallen sharply and the demand in the Banks countries of operation is high, Iceland sees opportunities to scale-up investment in renewables and their share in the energy mix. This should be reflected in the banks Energy Sector Strategy that is now under revision. Iceland leads Europe in terms of renewables as a share of total energy production and consumption and is eager to assist using our long experience and highly developed expertise in hydropower and geothermal power.

Drawing on the success of the GET approach both in relation to business and transition, the Bank should look for other areas where it can work with private sector to deliver transition with clear goalsetting and focus. Iceland believes that this should be in the area of Gender and Economic Inclusion.

Iceland is a great supporter of the work done by the Bank in relation to The Strategy for the Promotion of Gender Equality and The Economic Inclusion Strategy launched at the Annual Meeting last year in Cyprus. We encourage the Bank to work with private companies and governments to realise that promoting gender equality and economic inclusion constitutes an intelligent and profitable economic policy. In that sense we urge the bank to be innovative in its approach as it has clearly been in relation to GET and its Local Currency lending.

Innovation should be an important element in the work of the Bank and should be embraced strongly the coming years. The bank should be on the edged when it comes to Fintech and other new technologies in Banking and support innovative companies investing and operating in its countries of operation.

Iceland also believes that the bank can do more when it comes to equity and Mobilisation of Foreign direct investment. On both these matter EBRD, with its strong presence on the ground in the region and deep sector knowledge, should be active as a deal maker. We also think that EBRD could be more active to assist private companies in its countries of operation if they want to grow and expand their operation to other countries.

In the important debate at this annual meeting about the future of the Multilateral Development Bank Institutional system (MDBs), EBRD brings to the table its core strengths and business model. We see these strengths manly as being fourfold:

- Working directly with private sector with commercially-oriented business model that mobilises private finance.
- Combining investments and policy engagement to stimulate improvements in the business and policy environment.
- Operating in both the private and public sector to lever the capacity of each to foster transition toward market economies.
- Strong local presence and in-depth knowledge of the economies in which the Bank works that is a prerequisite for three for mentioned strengths.

Iceland believes that other MDBs could learn from EBRDs experience and business model. In that sense Iceland sees EBRD as an important player in the global Development Banks architecture where in our view MDBs should be combining their efforts to deliver on the important 2030 Agenda for Sustainable Development, the COP21 commitments and easing the plight of displaced persons. Tackling the global agenda requires taking full advantage of each institution's strengths and knowledge as well as avoiding overlaps that create inefficiencies within the system.

We welcome that the Bank is undertaking a two-staged examination to prepare for the next SCF period. Iceland considers it important for the EBRD to continue to evolve as an institution, building on a solid financial strength and a proven track-record.

First a strategic review with the aim to maximize transition impact delivery and capital utilization in the current region in the current SCF period and beyond that will be discussed in Sarajevo 2019 along with the Medium-Term Directions for the SCF 2021-2025. Such a review will help to capture better countries' needs, shareholders expectations and the respective positioning of different MDBs active in EBRD regions. It is also important to assess how EBRD, with in its transition mandate, can help countries of operation meet their SDG and Paris commitments. We hope that we will see the first outcomes of this review in the next Strategy Implementation Plan 2019-2021.

Second, building on the findings of stage one, and taken into account developments in the discussion on the global IFI- architecture, examining the feasibility of EBRD expanding gradually and incrementally. Whilst continuing to concentrate on its current area of operation and seizing opportunities to make a greater impact, especially through EBRD's involvement with the private sector, there can be good reasons to use the capital better and weigh the costs and benefits of enlarging EBRD's geographical scope, especially in areas where its specialisation and expertise might be of most use. A gradual approach, for example through pilot projects with other MDBs is recommended. It is in this context important to keep a clear focus on the political mandate of the EBRD.

Finally, Iceland would like to express its gratitude to the Jordanian Authorities and the EBRD for having arranged the 2018 Annual Meeting.

Bjarni Benediktsson