

ITALY

Statement by Ms Gelsomina Vigliotti – Alternate Governor for Italy

We would like to thank the Kingdom and people of Jordan for their warm hospitality in hosting this year's Annual Meeting, and the EBRD management for the excellent job done in this respect.

We are pleased that this Annual Meeting is the first to take place in the SEMED Region, already a success story for the EBRD. The Bank has invested over 6 billion euro in SEMED countries to date, providing also policy advice, technical assistance and capacity building. We are proud to have been part of such remarkable effort as a donor and an investor.

While SEMED countries have outperformed all of our expectations, showing impressive growth over the past years, their potential remains huge. The EBRD is well positioned to help them in this respect, by building on the excellent results achieved so far to strengthen its presence as a leading investor and a trusted partner of the whole Region.

In this respect, we warmly welcome Lebanon as the newest country of operation and we praise the Bank for having launched the first projects already. Italy will continue to actively support the Bank's activity in the Region.

We welcome this year's Annual Meeting theme - *Energising Economies* - as it captures the EBRD's role and mandate and the need for a continued commitment to reform from the countries of operations, both equally necessary for transition to occur.

The EBRD delivered excellent results in 2017, despite a continuously challenging environment. 2017 was a record year in terms of both Annual Bank Investment, just below 10 billion euro over 412 projects, and, more importantly, the expected transition impact of new projects. In addition, 43 per cent of investment made in 2017 were aimed at fostering the Green Economy

Transition, thus leading to a significant contribution of the Bank to the global effort to tackle climate change.

Yet, this is not the time for complacency, as significant challenges remain, stemming from both the external environment and the Bank's toolkit. As we are halfway through the Strategic Capital Framework, the time is ripe for shareholders and management to engage in a strategic collective reflection on the Bank's role and positioning within the global financial architecture.

The EBRD can be proud of its business model and track record. Its strengths, and particularly its ability to work with the private sector and with private sector tools to achieve public policy goals, are now more than ever relevant. The international community has adopted the mobilization of private sector resources as a key tool to achieve shared global goals, as shown by the Sustainable Development Goals, the Climate Change Agreement and the Financing for Development Agenda.

As the world evolves, and business models are being adapted across the institutions, the EBRD needs to evolve too in order to continue to play a leading role within the changed landscape and be transformative in countries of operation as it has always been. Adapting and updating objectives, scope, tools and the engine to the changed circumstances is crucial. Strategic choices will have to be made in this respect.

Fostering transition, as recently enriched by the six qualities, must remain the Bank's mission, the benchmark against which decisions and actions have to be assessed and evaluated. We continue to believe that building modern economies that are inclusive, green, well-governed, integrated, resilient and competitive is key to sustainable development.

Fulfilling this ambitious and rewarding mandate requires a joint strategic effort to set priorities and tackle gaps. The Bank can deliver even more impact in its

countries of operations by strengthening, one by one, the instruments through which it deploys its comparative advantages on the grounds.

In the current context, working with the private sector on a commercial basis, while ensuring policy engagement and capacity building and keeping the public sector activity at the required level, needs a wider toolkit, innovative business solutions and product mix, a conducive risk appetite, and consistent organizational structures and incentive systems.

We are of the opinion that the existing strong capital base allows the Bank to move forward in this direction and be more impactful in its countries of operations. The Bank can appropriately match the diversified financial demands of the different segments of its beneficiary markets while continuing to be additional, soundly based on best banking practices, financially sustainable and cooperative with the other international financial institutions.

The professionalism, dedication, expertise and skills of the Bank's staff are evidently the solid foundation on which such endeavour is built.

The Annual Meeting is a reminder of what can be achieved when a joint cooperative effort is deployed, as we witness the excellent results of sensible common decisions taken in the past. While the effectiveness of the EBRD's unique mandate and business model is unchallenged, as it allows the Bank to contribute to countries' well-being in ways that are unavailable to others, the new and diversified demand for support requires changing and evolving. Italy guarantees its constructive engagement and support to this end.