

# MALTA

***FINAL***

**2018 Annual Meeting of the European Bank for Reconstruction and Development**

**Statement by Prof Edward Scicluna, Governor of the EBRD for Malta**

**9-10 May 2018**

It is an honour for me to participate in the twenty-seventh Annual Meetings of the European Bank for Reconstruction and Development (EBRD). I would like to thank the Government of Jordan and the authorities for their gracious hospitality and excellent organisation of this event in such truly impressive surroundings.

Firstly, I take this opportunity to congratulate Mr Jürgen Rigterink on his appointment for the prestigious role as First Vice President of the EBRD and Head of the Bank's Client Services Group. We are certain that Mr Rigterink will continue to take the Bank forward, supporting economic modernisation in its countries of operation. At the same time, I would like to express my gratitude to Mr Phil Bennett, the former First Vice President, for his outstanding contribution to the Bank and wish him success on his retirement.

On behalf of the Government of Malta, I would like to welcome India as the 69<sup>th</sup> member of the EBRD. I am sure that this country's commitment to the Bank will translate into further opportunities for investment in pursuit of transition in the region.

Furthermore, I am pleased that the Bank has renewed its engagement in Uzbekistan and has also expanded its operations in the remaining SEMED countries. In this regard, we note the launch of the EBRD's first projects in the West Bank and Gaza and the Lebanon in 2018. Needless to say, the EBRD will apply its financial resources and expertise to boost the countries' economies and provide new opportunities for residents.

The 2018 Annual meetings are taking place amid a challenging economic environment as well as geopolitical uncertainties which will continue to exert significant downside risks for the EBRD region. Despite this, the Bank remained resilient and continued to pursue its unique and powerful role of fostering the transition towards open market oriented economies and in promoting private and entrepreneurial initiative. We are pleased to note that 2017 was another year of rising investment and delivery for the EBRD. Annual Bank Investment and the number of projects reached new highs at €9.7 billion across a record of 412 projects.

The past year also proved to be a record year for the EBRD when it comes to green financing. I find it truly impressive that the Bank accomplished the ambitious climate finance goals set at the 2015 Paris Climate Agreement three years ahead of time. Increased focus on green financing resulted in 43% of its total 2017 Annual Bank Investment in the green economy, above the 40% target it had initially expected to achieve only by 2020.

We note with satisfaction that the EBRD has once again delivered robust financial results in 2017. Indeed the Bank achieved a net profit totalling €772 million, further underpinning the EBRD's already robust capital base and high levels of liquidity, together with contributing to a reaffirmation of the Bank's triple A-rating with stable outlook from the major credit rating agencies.

I take this opportunity, on behalf of the Government of Malta, to congratulate the President, Sir Suma Chakrabarti, together with the management and staff of the EBRD for their strong determination and excellent work in the face of numerous challenges, towards placing EBRD's region of the operations on a sustainable path of economic growth. These positive results will better equip the EBRD to continue with the expansion of its activities in the wider geographical sphere that it has now grown accustomed to.

Needless to say the role of donor funding remains crucial in supporting the EBRD when it comes to investments in the private sector and in order to enhance progress on the UN Sustainable Development Goals. I note with satisfaction that, during 2017, donors made available a total of €946 million to the Bank.

I now turn to developments in the SEMED countries where the EBRD has continued with its relentless support in the face of persistent economic and political uncertainties. Testimony to this is the year of record investment for Tunisia in 2017, and for Egypt, which is now the second-largest EBRD country of operations by investment volume to date.

Across the SEMED region we note that Bank financing totalled more than €2 billion last year across 60 projects in the energy and renewable energy sectors, as well as in infrastructure, agribusiness and small and medium-sized enterprises. We consider investment for infrastructure development as vital to support the pace of economic and political reform in these countries while fostering the expansion of the private sector which is key for sustainable and inclusive growth and for the region to prosper. Yet, this sector continues to face significant barriers and I believe that, going forward the Bank is well positioned to progressively tackle these issues through its investments and policy work.

Despite these efforts, the region still faces significant challenges and hardship. Of particular concern remains the refugee crisis caused by the conflict in Syria. There is no doubt that this is causing a massive economic strain, particularly on Jordan, in coping with large-scale migration. Malta endorses the Bank's refugee crisis response plan that aims to alleviate the strain on public services, support small business initiatives and employment opportunities.

We are pleased to note that in 2017 the EBRD invested €53 million in Jordan in order to upgrade the country's wastewater network which is vital for the livelihood of local residents including refugees. It is also important that the EBRD continues building on its private sector-led economic inclusion to strengthen access to learning and skills opportunities to support of refugee-hosting countries.

Given our strategic location, links with Africa in general and the South Mediterranean in particular are considered a priority by our Government with the aim of promoting sustainable investment in the region and in tackling the root causes of migration. It is important for the countries represented at the EBRD, to address the current issues pertaining to the North African and Middle East countries, with special emphasis on migration.

Finally, I take this opportunity to commend the EBRD and the six Multilateral Development Banks (MDBs) on the recent launch of a new platform aimed to enhance their collaboration on economic migration and forced displacement. I am confident that this will serve well to advance strategic dialogue and operational coordination maximising the impact of MDB's growing engagement in these two areas.

To conclude, I would like to reaffirm Malta's support for the policies and initiatives pursued by the Bank in its endeavor to provide opportunities for improving economic conditions for the benefit of citizens of countries in the operating region. I am confident that with the determination, skill and dedication of the President, supported by his professional staff, the Bank, during 2018, will continue to pursue successfully its mandate despite the on-going challenges posed by an uncertain environment.