

MOLDOVA

Statement by Mr. Sergiu Cioclea,
Governor of the National Bank of Moldova,
Alternate Governor for the Republic of Moldova at the EBRD
On behalf of the Republic of Moldova

1. On behalf of the Republic of Moldova, let me express our sincere gratitude and appreciation to the Kingdom of Jordan for hosting the 27th Annual Meeting of the EBRD and the exceptional hospitality extended to all delegates. We praise Jordan's engagement with the EBRD and its devotion to bringing solutions to the refugee crisis in the region.
2. Regarding the EBRD's activities in the Republic of Moldova, I would like to highlight that the EBRD reached a record volume of operations of EUR 130 million in 2017. This confirms the EBRD leading role as an institutional investor in the Republic of Moldova with over EUR 1.1 billion invested to date in almost 120 projects in various areas, such as infrastructure, energy efficiency, banking sector, industry, commerce and agriculture.
3. The EBRD recently approved Moldova Country Strategy for 2017-2022, which is already bringing visible and tangible results in the banking sector, energy security, cross-border interconnections, as well as support to private sector development. On a particular note, the Ministry of Finance expresses gratitude and satisfaction for the support granted by the EBRD in implementing the e-procurement system.
4. We would like to thank the EBRD's management, regional head and country office team for these remarkable results. I also seize this opportunity to address special thanks to Mr. Heinz Kaufmann, Director of the Switzerland Constituency, for his dedication and continuous support to Moldova.
5. For the upcoming period, we encourage the EBRD to further support the ongoing transformation of Moldova's banking sector by participating in the imminent sale of the country's largest bank. The EBRD involvement would accelerate the structural reforms in the financial sector and bring them onto an irreversible path. Besides, we invite the EBRD to support the recently approved medium-term development priorities of the Moldovan government, which overlap largely with the EBRD Country Strategy for Moldova and offer significant scope for alignment in the infrastructure and other areas.
6. Regarding the EBRD's activities in other countries, we believe that the Bank has the capital and the expertise necessary to stimulate private sector growth in some of the world's poorest countries, considering the EBRD's experience gained during the extension of its geographical reach to SEMED. After careful analysis, the Moldovan authorities express their support for the EBRD management's intention to pursue the Bank's mandate beyond its current perimeter to a region that could bring high potential for growth, but also needs more anchor institutional investors to bring economic and political stability in the geographical vicinity of the EBRD's member countries. Such an expansion should be carried out in a gradual and well-targeted way, ensuring a good diversification of portfolio and risks. Obviously, the enlargement of the Bank's activities should not jeopardize the short- and medium-term priorities set for the current EBRD's countries of operations.
7. In this respect, we consider that the EBRD should conduct in the nearest future a feasibility study in order to determine the potential areas for operations expansion, where the Bank might be most effective and efficient. Cooperation and positive synergy with other international organization, such

as World Bank Group, IFC, United Nations and African Development Bank, is of a high importance in order to achieve sustainable development goals.

8. Finally, with respect to the staff reward review, the Moldovan authorities believe that the EBRD requires highly qualified, dynamic and well-motivated staff in order to carry out effectively its ambitious developmental mandate and investment objectives. Thus, we are in favour of fair compensation for efficient work done by the EBRD's employees, which has to be competitive in the reference labour markets. Fair competitive remuneration should go along with high employee productivity and efficiency, in order to preserve the dynamism, which made the success of the EBRD and positively differentiate its institutional culture vis-à-vis other international organizations.
9. In conclusion, we deem that EBRD should build on the strengths emphasized in the Mid-Term Management Review of the Strategic and Capital Framework till 2020, with the particular focus on improving its ongoing projects in accordance with the expectations of the member countries, and also assess through a diligent feasibility study the benefits of extending its mandate beyond its current countries of operations. With respect to Moldova, the authorities are open to close cooperation with the EBRD in order to promote the Bank's involvement in the corporate and banking sectors with the ultimate goal to support inclusive growth and reinforce national resilience to global challenges.