

FINLAND

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EBRD Annual Meeting, Sarajevo, 8–9 May 2019

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The EBRD has since 1996 supported the Balkan Region, together with its partners, and Bosnia and Herzegovina. The work has produced commendable results. The EBRD should continue its efforts in helping the region in the reconstruction and development of the economies.

We find the regional focus of the Bank in the Balkan area very pertinent, based on our experiences in the past decades in the Nordic-Baltic region. We have benefited significantly from connecting and cooperating with our neighbouring countries. The purpose of cooperation is to make it attractive to live, work and do business anywhere in the region, and strengthen the countries' image as a bigger market and player internationally. In Nordic cooperation, this happens in many areas: energy, environment, education and research.

As an initial result of the Strategic Review, Finland appreciates the steps taken in the Strategy Implementation Plan 2019-2021, adopted in December 2018, to enhance the Bank's transition impact in its countries of operations. The Bank should focus on enhancing transition impact in the countries of operations with most significant transition gaps. At the same time, as the Central and Eastern Europe continues to develop and mature, we must recognise the major challenges particularly related to the simultaneous effects of population surge and climate change on Africa, and the potential role of the Bank in future.

The Bank should continue to focus on its strengths, namely the strong local presence and the focus on the development of a strong private sector. The conclusions of the Strategic Review reflect these priorities well. All four priorities are important for the delivery of the EBRD's mandate. The Bank can play a catalysing role for private investments by focusing on strengthening equity markets and lowering the barrier for new private investors to enter frontier markets.

The Bank should pursue all efforts to identify additional business opportunities in response to the evolving transition needs. Encouraged by positive results of cooperation in the Central Asia Finland welcomes the Bank's readiness to extend activities into additional countries in the Southern and Eastern Mediterranean (SEMED) region.

Multilateral development banks (MDBs) have different strengths and business models, and should work as a system, in a coordinated and complementary manner. In this development finance ecosystem the Bank's areas of work should reflect the objective of delivering maximum added value, adhering to the Banks fundamental principles of sound banking, transition impact and additionality. In this context, it is highly appreciated that the Pre-Feasibility Study considers the EBRD's role as part of the evolving MDB system, where it plays a unique role.

Finland looks forward to discussions on future strategy of the Bank, which is part of European and global financial architecture. All MDB's should act effectively, and in strong strategic partnerships. In this regard, we are very pleased with the strengthened EIB-EBRD cooperation. We look forward to the results of the Wise Persons Group. Finland stands ready to actively promote policy discussions as President of the Council of the European Union in autumn 2019, with the view to make the system more efficient, transparent and policy relevant to the shareholders.

Finland takes note that the next Strategic and Capital Framework aims at further preserving and accelerating transition. The preparation of strategy period should be based on efficient utilisation of

current resources and capabilities of the Bank, and possibility for value addition compared to other IFI's to find optimal solutions, and avoiding duplication.

The financing for climate change has become key strategic policy area for the MDB's, as the impacts of climate change have become more visible. In accelerating low carbon transition including sustainable infrastructure, Finland observes the Bank's position to add value in private financing for climate. In countries of operations, Finland encourages the Bank to broaden and deepen its role in this sector. The Bank is well placed to promote local and regional policies to reduce fossil fuel emissions and subsidies in a balanced manner.

In promoting sustainable and smart cities, Finland observes the Bank's added value compared to other IFI's in sub-sovereign financing combined with policy dialogue and capacity building, and helping crowd in private investment, applying also innovative ways in doing so. On the objective of applying and deploying new technologies, we observe that good governance is a key element in the success of transition efforts. In this respect, the Bank can help bring good transition results by influencing economic governance in corporate and sectoral level.