

MONGOLIA

**NARANTSOGT SANJAA
HEAD OF DELEGATION
STATE SECRETARY OF FINANCE,
MONGOLIA**

Your Excellency President Sir Suma Chakrabarti,
Distinguished Governors,
Ladies and gentlemen,

I am honored to address the 28th Annual Meeting of the Board of Governors of the European Bank for Reconstruction and Development (EBRD) held in the beautiful city of Sarajevo. On behalf of the Government of Mongolia, I would like to express my sincere gratitude to the Government and the people of Bosnia and Herzegovina for the warm welcome and hospitality.

We would like to congratulate Sir Suma Chakrabati and the entire EBRD team for the outstanding operational performance in 2018, demonstrating great resilience despite global challenges.

Taking this opportunity, I would like to thank the Bank for its excellent cooperation throughout our 19 years of close partnership. The EBRD has invested 96 million Euro in 13 projects in Mongolia last year, bringing the total investment to the country to almost 1.7 billion Euros in over 100 projects.

Building on the Bank's successful operations in Mongolia's private sector, the Government of Mongolia has now established a close partnership with the Bank in implementing joint projects in the infrastructure, road and transport development sectors.

The Government of Mongolia has also signed a "Financial Framework Agreement" with the EBRD on April 9th, which provides sovereign loan funding for the implementation of the "Ulaanbaatar-Darkhan 4 lane road project" - one of the top priority projects of Mongolia.

I would like to thank the EBRD for its diligent efforts and outstanding support in expediting the preparation and approval of this high priority project. I would also like to commend the EBRD's paramount role in supporting the development of the private sector of Mongolia and being the bridge between Mongolia and the investor community.

Having said this, I would like to bring to your attention, Mongolia's statement regarding the following institutional matters.

1. The Annual Meeting comes at a critical time for the EBRD, as the Bank works towards establishing the priorities of the Bank in the next **Strategic and Capital Framework**. Taking this opportunity, I would like to express that Mongolia supports the proposed resolution which sets out some of the principle workstreams and preparatory work for the full Strategic and Capital Framework and looks forward to its development.

2. We would also like to express our support of the conclusions of the **Strategic Review** and decisions outlined in the 2019 Strategic Investment Plan. We recognize the importance of focusing on the implementation of the Strategic Investment Plan, and the importance of progressing with structural reforms in order to enhance the Bank's delivery to Mongolia. At the same time, we recognize that the country (Mongolia) needs to continue to enable and create a supportive environment to allow the Bank to deliver more.

3. As agreed during the 27th Annual Meeting held in Jordan in 2018, Mongolia supports the **Pre-feasibility study** on the potential geographic expansion of the Bank to Africa and looks forward to reviewing the results.

4. We note the reference in the resolution to potential capital redemption, or **Special dividends**. It can be looked into, however, we urge caution, as it is important that the Bank maintain its "triple A" status.

5. Finally, we commend the development of the **Medium-Term Directions** and believe that the themes set forth in the document should be developed further in the Strategic and Capital framework. Mongolia supports all four themes (such as supporting low carbon transition and sustainable infrastructure; promoting sustainable and smart cities; fostering skills' and applying and deploying new technologies). We believe the development of these themes in the Strategic and Capital framework would be highly beneficial to the continuation of the Bank's business model and efforts to support the creation of sustainable market economies across its countries of operation.

In closing, please allow me to express my gratitude once again to the Government and the people of Bosnia and Herzegovina for their hospitality, and as always, thank all the staff of EBRD for their commitment and hard work to support development of our countries.

Thank you.