

NETHERLANDS

Statement of the Dutch Governor W.B. Hoekstra

At the annual meeting of the EBRD 2019 in Sarajevo

- On behalf of the Netherlands, I would like to express my appreciation to Bosnia and Herzegovina for hosting this twenty-eight Annual Meeting of the European Bank for Reconstruction and Development (EBRD) and thank them for the warm hospitality.
- Since its establishment in the post-Cold war era in 1991, the EBRD has been an important implementing and development partner for the Netherlands. I value the EBRD's strong focus on private sector development, targeted entrepreneurial initiative in particular of women and youth and accompanying policy reform support in favor of an enabling, inclusive and sustainable business environment. As a development partner we also highly value the Bank's particular expertise in climate action and energy efficiency.
- Looking at the results of 2018 some achievements stand out. The EBRD has invested € 9,5 billion in 395 projects across its countries of operations. The EBRD's financial performance is good and it has been generating a solid net income over the past years. However, the breach of Cost-to-Income ratio in 2018, mainly driven by the volatility of Income, illustrates the importance of enhancing income generating activities whilst also maintaining cost control. In that respect, the Netherlands appreciates the steps taken in the Strategic Implementation Plan (SIP) 2019-2021 to enhance the EBRD's transition impact in its countries of operation. Furthermore, I welcome the green initiatives within the EBRD such as the launch of a € 700 million Green Cities Framework in 2018.
- The Netherlands commends the EBRD's experience in mobilizing private finance in favor of sustainable development of countries transitioning towards sustainable, green, inclusive and market oriented economies. We call on the Bank to continue its contribution to the 2030 Agenda by financing high transition impact projects through being additional to the market and by crowding in the private sector. In this regard, I encourage the EBRD to further make use of its expertise in project preparation and to support countries of operation with the development of bankable projects.
- The Netherlands values the EBRD as a promotor of ethical conduct and the highest available standards in its countries of operations. This characteristic should also be reflected in the internal governance of the Bank and is linked to the creation and preservation of a safe working environment, both at headquarters, local offices and in the field. I commend the EBRD for their strategy on the Promotion of Gender Equality and support the Banks' ambition to mainstream gender through all her work. This aligns with a continuing priority of the Netherlands: tackling sexual exploitation, abuse and sexual harassment (SEA-H) in the development sector.
- The Netherlands values the uniqueness of the mandate of the EBRD, reflected in Article 1 of the Agreement establishing the EBRD which states that the purpose of the Bank shall be to foster the transition towards open market-oriented economies and to promote private and entrepreneurial initiative in the countries committed to and applying the principles of multiparty democracy, pluralism and market economics. The EBRD should foster this unique mandate, which gives the EBRD a special place in the system of multilateral development banks.
- I would like to stress that decisions about the future strategy of the EBRD should take account of the developments in the landscape of the IFI's and the recommendations of the G20 Eminent Persons Group on Global Financial Governance as well as the Wise Persons Group on European Financial Architecture. More specifically, I would like to reiterate the importance of a further analyses on the financing opportunities in the current countries of operation. Several trade-offs should be weighed, one could for example think about an increase in risk appetite, whether or not by credit enhancement, or local currency lending.

- The Netherlands would like to thank the EBRD for the Resolution with a Roadmap for the Strategic Capital Framework 2021-2025, which has been developed in close cooperation between Board and Management. I look forward to the analyses regarding all five strategic options mentioned in the Resolution. In order to make a well informed decision on the future strategy of the EBRD it is important that a comprehensive analysis is made in which all options are explored in depth, before any conclusions are drawn.