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**Statement by the Alternate Governor for Portugal,  
Mr. José Carlos Pereira, Director-General of the Office for Economic Policy and  
International Affairs (GPEARI) of the Ministry of Finance, Portugal**

Allow me to start by expressing our gratitude to the Bosnian and Herzegovinian authorities for such a warm welcome and reception.

We would like to express our appreciation for the Bank's operational performance over the last year. We praise that the Bank continues to deliver high volumes of investment and transition impact, even under challenging internal and external conditions.

While acknowledging that the Bank continues to be fairly profitable and well managed, to a large extent due to its strong business model and robust capital generation, we see with some concern the deterioration of the cost to income ratio due to its high sensitivity to volatility in the capital markets. We urge Management to develop further efforts towards the reversion or mitigation of this trend.

The Annual Bank Investment (ABI) of € 9,5 billion, in line with previous years, has allowed the Bank to successfully deliver on its mandate under the agreed Strategy Implementation Plan. We were particularly pleased to see that, of that ABI, 36% was committed to the green economy, in line with the 40% target for 2020 and with the ambition to tackle climate change challenges, while also contributing to the achievement of the Sustainable Development Goals.

We appreciate the steps taken in the Strategic Review, towards "rethinking" the Bank and changing the current status quo. We encourage the Bank to continue being innovative in delivering its mandate, and explore all venues to update its toolkit and financial instruments, bringing it in line with current demands and market needs.

We also appreciate the four strategic thrusts on: i) accelerating low carbon transition including sustainable infrastructure; ii) promoting sustainable and smart Cities; iii) fostering skills; and iv) applying and deploying new technologies.

They are a good extension of what the EBRD is already doing today, and we particularly like how it will mean sharing knowledge and creating internal synergies between teams. We would however refrain from overpromising in several areas, and would invite that any future strategy should be well focused to explore the relative strengths that the EBRD has among the MDBs system.

Looking ahead, Portugal supports the Resolution submitted to Governors as we believe that all of the five options put forward should be further explored. We do so because we believe that the EBRD has relative strengths in the MDB system and we look forward to discuss how this cooperation can be improved. We also recognize that the Bank has been successful in expanding its remit following social and economic shocks, and we appreciate this flexibility and capacity of response as far as the business model is concerned.

While doing so, the EBRD should not lose focus on its mission and on its countries of operation, and should actively explore all possibilities to further refine and update its toolkit, in order to address still existing market gaps across our regions.

We also appreciate that a work plan will be in place to deliver the next Strategic and Capital Framework in a structured and collaborative way.

The EBRD certainly has a big role to play in developing sustainable economies, in promoting private equity and shaping a landscape with stronger governance and market driven funding.

The EBRD has been a benchmark in private oriented lending since its inception. Today, several other MDBs are also focusing more and more in private lending. Being part of a system also means sharing knowledge, experience and practice.

Being part of the system means recognizing the huge financial flows for development that flow through other channels. Private flows for development, including remittances, together with the growing presence of national development banks, represent today the vast majority of financing flows for development. As a leading MDB we have our role to play and should work together with all actors in the global development architecture so we can provide meaningful impact in mobilizing financing flows towards more productive, efficient use, with solid development outcomes.

Lastly, the outcome of this process should keep the EBRD as a benchmark in private lending among MDBs. We maintain our commitment to the Bank, and look forward that the next SCF will also reflect on how to have a modernized and efficient EBRD.

Thank you.