

AUSTRALIA

Country Statement – Australia

EBRD Annual Meeting 2020 – Virtual

- May I start by commending staff and management of the Bank for their excellent work navigating the unique logistical challenges presented by COVID-19 to holding this Annual Meeting of all shareholder countries in five continents spread across 14 local time zones. I also thank the members of our constituency – the Republic of Korea, Egypt and New Zealand – for their cooperation and support over the past year.
- Australia thanks, Sir Suma Chakrabarti, the President for his leadership of EBRD over the past eight years, and interim President, Jürgen Rigterink, for his stewardship during the transition between Presidents.
- EBRD's core mandate is to transition our countries of operations (COOs) towards open market-orientated economies and promote private and entrepreneurial initiatives in those countries. The importance of this mandate has been highlighted by the economic impacts of COVID-19. Coupled with its significant capital stock, the Bank is well positioned at this time of uncertainty and broad economic challenge to support its COOs, and in particular the countries less advanced in transition, whether in the Southern and Eastern Mediterranean, Central and Eastern Europe, and Central Asia.
- Australia commends EBRD's €21 billion assistance package over 2020 and 2021, which is delivering significant and timely support to counter the impacts of COVID-19. While many of the EBRD's COOs have had success in stabilising the health impacts of COVID-19, the economic, social and development consequences will be large and long lasting. Australia encourages the Bank to stand ready to provide further support if recovery stalls or in the event of continued or further waves of COVID-19.
- In the absence of a safe, effective and affordable vaccine, many countries will face challenges in opening up their economies and progressing their development goals. We encourage EBRD to consider what role it can best play in supporting the wide and equitable distribution of a proven COVID-19 vaccine.
- Australia welcomes EBRD setting its direction for the next five years through the SCF 2021-25. In implementing the Framework, Australia encourages the Bank to concentrate its capital and activities where they are most needed, and carefully balance the needs of existing COOs with the possibility of expansion into other countries and regions, especially in light of the challenges presented by COVID-19. Finding the right balance will help countries maintain sustainable economic, social and development recovery; protect the balance sheet of the Bank; and reduce the need for more capital.
- If shareholders decide to expand the Bank's geographic focus during the SCF period, Australia encourages the Bank's work to be complementary to, and co-ordinated with, that of other institutions active in these regions, as this approach will maximise the benefit of new development assistance.

- Australia supports the reaffirmation of the principle of graduation within the SCF as defined in *A Policy on Graduation of EBRD Operations*. While we recognise the impacts of COVID-19 will delay the potential graduation of some COOs, it is important for the Bank to continue to help advanced transition countries become self-sustaining market economies as measured by graduation, which will allow resources to flow to operations that will likely deliver a greater transition impact.
- Australia also encourages the Bank to incorporate the principle of mutual obligation in considerations about the establishment of any new COOs. Our support to new countries should flow readily on the proviso that they commit, and remain committed, to EBRD's mandate of fostering principles of multiparty democracy, market economics and gender equality. Steadfastness on these values is mutually beneficial: countries that uphold these principles are more likely to efficiently allocate resources that contribute to economic growth.
- As part of our global economic recovery from the pandemic, Australia sees a key role for all multilateral development banks (MDBs) to mobilise private sector and institutional finance to support development and address infrastructure gaps. EBRD is already a leader amongst MDBs in this area and we encourage it to continue to be innovative in co-financing with the private sector. This co-financing will be particularly important in helping COOs recover from the impacts of COVID-19 and meet Sustainable Development Goals.
- To close, we thank EBRD for providing significant and ongoing support to COOs during COVID-19. Australia is confident that EBRD will continue to rise to the challenges and demands of COVID-19, and chart a prosperous future in its regions of operation over the course of the SCF 2021-25.