

# AUSTRALIA

**EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT**  
**ANNUAL MEETING 28 JUNE-2 JULY 2021**  
**COUNTRY STATEMENT - AUSTRALIA**

It is my pleasure to make this statement at the 30th Annual Meeting of the European Bank for Reconstruction and Development (EBRD).

Thank you to the Government of Armenia for offering to host this year's Annual Meeting, which unfortunately could not proceed due to the COVID-19 pandemic. We look forward to meeting in person in Yerevan at the 2024 Annual Meeting. To the Government of the United Kingdom, thank you for acting as host for this year's Annual Meeting, which will be the Bank's second virtual Annual Meeting.

I would also like to thank the members of our constituency – the Republic of Korea, Egypt and New Zealand – for their cooperation and support over the past year.

Australia acknowledges the leadership of the President of the EBRD, Odile Renaud-Basso, during a critical period for the EBRD's countries of operations (COOs) as they stabilise the health impacts from COVID-19 and start to rebuild their economies.

The subsequent waves of COVID-19 infection in many parts of the world show that the pandemic is not over and that EBRD's support is still greatly needed. 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. Despite extremely challenging conditions, the Bank's operational performance in 2020 was commendable, illustrated by growth in members' equity of €176 million. Coupled with its significant capital stock, the Bank is well positioned at this time of uncertainty and subsequent waves of infection to continue to support its COOs, particularly those that are most vulnerable. Australia encourages the Bank to remain innovative and continue to look for additional ways to deliver support to COOs over the next year.

Australia endorses the commitment to preserve and accelerate transition as countries seek to build back better from the pandemic, while recognising the impact that COVID-19 has had on graduation trajectories and the need to return. We recognise that graduation from the Bank's operations is a decision for a country itself to make and welcome the current deliberations about enhancements to the Post-Graduation Operational Approach. A clear pathway to graduation and re-engagement with the Bank as COOs move towards open market-oriented economies is likely to have a greater transition impact. At the appropriate time, it is important for countries to transition to market-based economies that can deliver positive development outcomes.

Australia also welcomes the EBRD's preparatory work on its possible expansion to sub-Saharan Africa and Iraq. It is essential that the Bank maintains its level of support for existing COOs and that any new work is complementary to, and coordinated with, that of other institutions in these regions. As the Bank has identified, a limited and incremental expansion

to sub-Saharan Africa should also avoid additional capital contributions and compromising the EBRD's triple-A credit rating, which enables EBRD to do more for its COOs.

Australia encourages the Bank to incorporate the principle of mutual obligation in consideration of the establishment of any new COOs, including as part of the potential expansion to sub-Saharan Africa and Iraq. EBRD membership should be granted to countries that are committed to implementing multiparty democracy, pluralism, market economics, as well as the rule of law and respect for human rights; as the Bank's operations should reflect its values. Countries that uphold these principles are more likely to efficiently allocate resources that contribute to economic growth.

As countries continue to recover 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 will be particularly important in helping COOs to meet the Sustainable Development Goals, as their people and economies continue to recover from COVID-19. There is also the opportunity for a green recovery from COVID-19, which EBRD will support through its commitment to increase green financing to more than 50 per cent of its annual business volume by 2025.

To close, I would like to congratulate EBRD on the support it has provided and continues to provide its COOs through all stages of the pandemic. Australia is confident that with EBRD's assistance, its regions of operation will not only recover, but build back better than before.