

DENMARK

Written statement til EBRDs årsmøde

Chair and Vice-Chairs, Governors, President, Ladies and Gentlemen,

On behalf of Denmark, I have the honor of presenting the written Governor's statement ahead of the 2021 Annual Meeting.

It is a great pleasure to witness the agility with which the EBRD has continued to support its countries of operation through the devastating economic consequences of COVID-19. Identifying and delivering the right support while working remotely has required an exceptional effort from the Bank's staff and everyone involved.

While many EU countries are slowly emerging from the pandemic, the same can not be said about many of the EBRD's countries of operation. We are seeing a clear divergence between the countries where vaccinations are prevalent, and those where they are not. It is important that the EBRD supports our countries of operation in the difficult time ahead towards spurring recovery and new growth.

In addition, I welcome the recent progress which has set the stage for the EBRD to make an even larger contribution to helping economies to make a green transition.

No country can save the Earth's climate alone. But by aligning the EBRD's financing with the Paris Agreement, we can support EBRD's countries of operation in their green transition and make a real difference together. The EBRD has a strong track record for policy dialogue. And it is essential to maintain this feature of the EBRD in supporting countries of operation in planning their green transition.

Denmark therefore supports the Bank's Climate Ambition as an important first step to make the EBRD a force of change to assist its countries of operation.

EBRD countries of operation have different starting points and some still need to find a sustainable path to higher incomes without the levels of pollution traditionally seen in the history of rich countries. Other countries have prospered based on fossil fuels and urgently need a green transition and a shift to more durable sources of growth for the future.

The Bank should support these countries with policy dialogue to speed up reforms and to lead the way with specific investments in green solutions. We therefore support both the alignment of bank activities with the Paris Agreement by the end of 2022, the narrowing of investments in fossil fuels as well as the strong commitment to support countries of operations with designing their roadmaps for a more sustainable future.

A modern private sector providing good jobs and opportunities for workers can only develop if sound institutions and good governance are in place. This insight was explicitly build into the Bank's purpose when formulated 30 years ago, saying it should operate in "countries committed to and applying the principles of multiparty democracy, pluralism and market economics." This principle remains relevant today and must continue to guide the EBRD in all its priorities.

The EBRD's existing countries of operation and countries within the Bank's current mandate in the SEMED-region remains an important area of operations for the bank. Spreading the Bank's limited resources over a wider geographical area should only be done after careful consideration of the opportunities and consequences. Thus, we can support an analysis of the consequences of expanding the bank's countries of operations to certain African countries south of Sahara. However, due consideration should be given to the bank's cost-to-income ratio and business model, keeping it sustainable. This is the prerequisite to keeping the foundations for the EBRD as a continued positive force for change.

Yours sincerely,

Simon Kollerup

Minister for Industry, Business and Financial Affairs
Governor of the EBRD for Denmark