

# FRANCE / GERMANY

## Joint statement of the German and French Governors at the 2020 EBRD Annual meeting

- First and foremost we regret to not be able to meet physically given the exceptional circumstance we are facing this year, and we send our thoughts to all those affected by the health and economic crisis. We would also like to congratulate EBRD for managing to organize this Annual Meeting remotely.
- **We commend the Bank for its swift and effective reaction to the Covid-19 crisis so far.** The Bank has been able to very quickly adapt and respond to the crisis, to ensure the safety of its employees and to deploy its whole range of instruments in order to support its countries of operation in this difficult context. We also positively note the financial solidity of the Bank which allows, even in the current turmoil, to support clients throughout the crisis.
- **We welcome the strategic directions outlined in the Strategic and Capital Framework (SCF), which reflects the consensus reached among shareholders, and sets ambitious targets for further developing EBRD's activity and enhancing its transition impact for the period 2021-25.**
- **We strongly support the priority given to the current countries of operations**
  - We commend the adoption and implementation of the Solidarity Package as timely and targeted response designed to assist countries of operation in containing the impacts of the Covid 19 pandemic.
  - After the urgent liquidity support mainly focused on existing clients, we expect the Bank to progressively engage with new clients, despite the operational difficulties on the ground due to local health and lockdown conditions.
  - We encourage the Bank to foster all transition qualities and to continue pushing for a sustainable recovery, even under crisis response conditions.
  - The promotion of the Art. 1 principles - multiparty democracy and pluralism – in our countries of operations remains a core commitment of the Bank.
  - We support the geographical specific focus on less advanced transition countries where significant transition gaps still need to be addressed. We encourage the Bank to keep working in close interaction with local authorities and stakeholders to better identify the transition needs, to seize business opportunities and to deepen policy dialog.
- **We welcome the very well balanced approach in the SCF taken towards graduation, and support the agreed guidelines**
  - We reiterate that, as set out in the current policy, graduation has to remain a country driven process, initiated by the country itself.
  - We appreciate the way the role of mutually agreed country strategies is described, as an instrument to assess where EBRD can support transition best. We support the work still to be developed to make the transition journey up to graduation more attractive, through a more innovative post-graduation approach
  - However, as long as the COVID 19 pandemic persists, the Bank's crisis response in all its countries of operation should remain the priority.
- **We support the three cross cutting themes highlighted in the SCF: green economy transition, equality of opportunity and digitalisation.**
  - We strongly support the green ambition of the Bank, with an increased green investment target of 50% and the introduction of a CO2 emission reduction objective;
  - We welcome the implementation of an operational process to assess all projects alignment towards international climate agreements, including the Paris agreement, and look forward to the decision to be taken in 2022 for a full alignment on the goals of the Paris agreement.
- **We also welcome the positive impetus to further increase mobilisation of private financing for transition and to improve monitoring, evaluation, and knowledge management.**
- **We are open to considering further expansion of EBRD's activity, under certain well-defined conditions. Enlarging the Bank's operative range in the SEMED region is a natural and consensual ambition,** and we welcome the message in the SCF of openness for Algeria to become a country of operation as soon as relevant criteria are met. We welcome the strategic interest for potential new geographies mentioned in the SCF - for a limited and incremental expansion to SSA, and in Iraq when the conditions are met. Further consideration is still needed and we will provide guidance at the next Board of Governors meeting in 2021, notably regarding complementary analysis on the EBRD business model and added value, cooperation with other IFIs and

consequences of international developments including the EU financial architecture for development. This work can contribute to build a consensus among shareholders, necessary for such far-reaching decision, ahead of the 2022 Annual meeting if a mid-term review of the SCF is discussed by this time.

- **We congratulate EBRD management and staff for this SCF and look forward to its implementation, being aware the very difficult context EBRD staff is facing with the Covid context. With the adoption of this SCF and the election of a new President, EBRD is entering a new chapter, and we look forward to working hand in hand with the management and other shareholders to achieve our goals.**