

RESOLUTION NO.247

IN SUPPORT OF THE EBRD'S RESPONSE TO THE WAR ON UKRAINE

THE BOARD OF GOVERNORS

Having regard to the commitment set out in the Preamble to the Agreement Establishing the EBRD (the "EBRD Agreement") to the fundamental principles of multiparty democracy, the rule of law and respect for human rights and market economics;

Recalling, as set out in the Preamble to the EBRD Agreement, the Final Act of the Helsinki Conference on Security and Co-operation in Europe, and in particular its Declaration on Principles, reflecting the commitment of the international community to peace, security and the continuing development of friendly relations and co-operation;

Strongly condemning the unprovoked and unjustified military invasion of Ukraine by the Russian Federation, supported and facilitated by Belarus, and alarmed by the resulting loss of life, physical destruction and humanitarian situation in Ukraine and its neighbouring region;

Recalling Governors' Resolutions No.245 and No.246, adopted on 1 April 2022, which set out the terms of the unprecedented decision to suspend and modify access to EBRD resources by the Russian Federation and Belarus pursuant to Article 8.3 of the EBRD Agreement;

Welcoming the steps taken by the EBRD to wind down its existing operations and activities in the Russian Federation and Belarus swiftly and judiciously, being in the process of closing its Resident Offices in Moscow and Minsk and of divesting from its investment portfolios;

Appreciating that the EBRD is well capitalised, and has a strong capital base and liquidity cushion against the current financial shock, as well as the capacity to support on-going business in Ukraine and other countries of operations;

Conscious of Ukraine's extensive needs as a result of the devastating impact of the invasion, and of the essential role which the EBRD can and should play to address such needs, by deploying its distinctive business model and pursuing its unique mandate to add value as part of an international effort, alongside and in coordination with its partners and other international actors;

Welcoming the initial response of the EBRD through the EUR 2 billion Resilience and Livelihoods Framework and the extensive work already carried out by the EBRD as part of its response to the war on Ukraine, as well as its intent to provide additional financing under the framework as needs evolve and capacity permits;

Endorsing that the EBRD's immediate focus and utmost priority under the Resilience and Livelihoods Framework and more generally must be Ukraine, particularly in supporting the real economy in the areas of: i) trade finance for essential goods; ii) energy security; iii) vital infrastructure and the provision of liquidity to municipalities; iv) food security, including support to farmers, agribusiness companies and food retailers; and v) pharmaceuticals;

Endorsing also the anticipated support to affected neighbouring countries of operations impacted by the flow of Ukrainian refugees, particularly in the areas of: i) energy security; ii) municipal and state infrastructure; and iii) capital markets and financial intermediaries;

Welcoming the objective of placing the Bank in a position to invest EUR 1 billion in Ukraine in 2022 and the dual goal of mobilising both Bank and donor resources to enable this investment, together with a clear and meaningful signal of shareholders support;

Acknowledging the mobilisation of around EUR 250 million of existing grant and concessional resources to support Ukraine, including by seeking donor consent to redirect funds that had initially been provided for use in the Russian Federation and Belarus, as well as to repurpose guarantee instruments, resources of the EBRD Shareholder Special Fund and other internal reallocations.

In this context, appreciating efforts to revise the ongoing 2021-2022 Work Plan of the EBRD Shareholder Special Fund with a view to making available crucial funding to address the needs of Ukraine and affected neighbouring countries, and welcoming the opportunity to support such efforts by:

- (i) enabling the transfer of EBRD Post-Graduation Special Fund resources, which are not expected to be required in the current SCF 2021-2025 period, to the EBRD Shareholder Special Fund; and
- (ii) easing the Official Development Assistance (ODA) restrictions applicable to the utilisation of EBRD Shareholder Special Fund resources until the end of 2022, from not less than 95% to not less than 90% to be used to support ODA countries, in recognition of the potential need to support the non-ODA-eligible countries neighbouring Ukraine;

Expressing its full commitment to support the EBRD in fulfilling its mission and mandate, and particularly in responding to the unfolding events of the war on Ukraine.

Stressing the necessity of preserving the financial strength and willing to provide strong shareholder support, including through seeking to provide additional donor funds and guarantees in response to clearly articulated needs and any other measures, as needed;

Expressing willingness to consider, pursuant to Article 36.1 of the EBRD Agreement, net income allocations for other purposes in support of the EBRD's reconstruction operations and activities in Ukraine, should the EBRD consider such allocations to be appropriate following a thorough assessment of the EBRD's prevailing financial position;

Considering the EBRD's important role in the delivery of financial support to Ukraine and affected neighbouring countries, in light of the EBRD's track record in the region, which places the EBRD in a key position in the overall resilience and reconstruction efforts;

and

In preparation for the moment when the EBRD can play a leading role in the reconstruction of Ukraine.

RESOLVES THAT:

1. The EBRD, drawing on its local knowledge, unique mandate and private sector focus, shall fully mobilise in support of Ukraine, as well as affected neighbouring countries and all of its other countries of operations as they tackle the direct and indirect impacts of the war on Ukraine, with the support of donor funds where needed.
2. The EBRD shall play a critical role within the system of international institutions to prepare concrete plans for the reconstruction of Ukraine, to be implemented when conditions allow. The Board of Governors calls on the Board of Directors to provide an update on these plans by the end of 2022 at the latest.
3. The Board of Directors and Management explore concrete options that could enable shareholders to provide additional support for the Bank's increased activity in Ukraine in these challenging times and for the Bank's participation in the reconstruction phase in due time, as needed, bearing in mind shareholders' support for the Bank's strategy in Ukraine and their commitment to preserve the Bank's sound capitalisation and its triple-A rating. The Board of Governors calls on the Board of Directors to provide a first report on this work by end of July 2022.

AND FURTHER RESOLVES THAT:

4. The Board of Directors shall have authority to transfer the remaining balance of the resources of the EBRD Post-Graduation Special Fund to the EBRD Shareholder Special Fund, to be used in accordance with the Rules of the EBRD Shareholder Special Fund.
5. From the amounts allocated to the EBRD Shareholder Special Fund under Resolutions No. 234 and No. 241, and any amounts to be transferred from the EBRD Post-Graduation Special Fund, as well as from any returns, recoveries, reflows, reimbursements, and income deriving from such amounts, not less than 90% shall be used to support ODA countries.

(Adopted 11 May 2022)