

IRELAND

**Statement on behalf of the Governor for Ireland, Minister for
Finance,
Mr Paschal Donohoe T.D.**

EBRD Annual Meeting 2020

This statement is made on behalf of the Irish Governor, Minister for Finance, Mr Paschal Donohoe, who unfortunately cannot be here today because of pressing Government business.

This Annual Meeting takes place during unprecedented times as we face the ongoing health and economic impact of the Covid-19 pandemic, in tandem with uncertain global trade relations and a weakening of multilateralism. The Bank's 2021-25 Strategic and Capital Framework offers us shareholders a valuable opportunity to utilise the Bank's current capital capacity while optimising the role and level of ambition for the EBRD going forward in a changing world.

The Minister looks forward to working with the new President over the coming months in the early stages of the SCF when we are very likely to be still dealing with Covid-19. In this regard, there would be some merit in next year's Annual Meeting discussing the impact of the pandemic on countries of operation and the SCF itself. Apart from dealing with the immediate health and economic impacts, countries have to ensure that their current difficulties do not turn into longer-term economic and financial problems while trying to plan for their post-Covid recovery. It is imperative that this recovery is done in a sustainable manner that is fully future-proofed.

In this regard, we welcome the Green Economy Transition (GET) Approach in the SCF and the ambition to invest green by more than 50%

by 2025. We also welcome the proposal to align Bank principles with the Paris Agreement over the upcoming SCF period.

Work of this nature will ensure we have an effective and well-equipped Bank for the challenges of the next five years. It is critical, however, that we do not lose sight of the original founding principles of the Bank and the challenges that remain in our initial countries of operation which have been greatly exacerbated by Covid.

We acknowledge the swift and measured response by the Bank in providing a €10bn Covid-19 Solidarity Package for this year to new and existing clients in countries of operation. Short-term liquidity, working capital, trade finance and restructuring are all important financial supports to help mitigate the long-term impact of this pandemic. We strongly commend the initiative of the EBRD to respond to emerging local needs through targeted and tailored investments guided by host authorities.

Ireland has supported the Bank's successive geographic expansions that were underpinned by a well-reasoned and compelling business case. We welcome the important work done by the EBRD in these new regions, particularly the SEMED region and we support the proposals to expand operations further in this region.

Further expansions must be approached in a similar manner supported by as many shareholders as possible in a way that does not undermine existing work in countries of operation where many socio-economic challenges remain. In particular, it is critical that we do not spread our limited resources over a wider geographical area endangering the Bank's business model which is based on a healthy cost-to-income ratio.

The changing landscape of the European Financial Architecture for Development requires a person who is focused and energetic in the task

ahead and we are confident that the new President will ensure the Bank is well-positioned to address the immediate and long-term needs of the Institution and its clients. The EBRD has been very successful since its establishment in 1991 and there has to be recognition of this track record and its role in development matters. It is important that the EBRD and other key institutions such as the EIB and the EU Commission continue to work closely and fruitfully over the 2021-27 MFF both within the EU and, more importantly, in external countries especially those with emerging economies.

Thank you