

MALTA

2021 Annual Meeting of the European Bank for Reconstruction and Development

Statement by Prof Edward Scicluna, Governor of the EBRD for Malta

1 July 2021

It is always a great honour and privilege for me to address the Annual Meetings of the European Bank for Reconstruction and Development. Once again, ongoing circumstances have compelled the Bank to hold its Annual Meeting in virtual format, with all the challenges that this involves.

I would like to take this opportunity to congratulate and thank the new President Renaud-Basso for her unceasing efforts to navigate the EBRD in what, I think it is safe to say, are unprecedented circumstances for any new EBRD President since its inception. On this same note, I wish to extend my congratulations to all officials and staff members of the Bank for their determination, skill and persistence in the face of the global pandemic. While this is perhaps not the manner in which any of us envisaged the EBRD celebrating its 30th anniversary, the Bank's activities throughout the past year stand as a fitting tribute to mark this important milestone.

Indeed, the EBRD's wide-ranging response to the COVID-19 crisis is also reflected in its remarkable financial and operational performances in 2020. In spite of the adverse operating environment, the Bank recorded a net profit for the year. Furthermore, 2020 represented yet another bumper year in terms of operational activities, with investment reaching a record-breaking €11 billion across 38 countries. The Bank is financing over 400 projects and is increasingly directing its focus on transitioning to a green economy, equality and digitalisation, which are all aligned with the Bank's goals under its 2020-2025 Strategic and Capital Framework (SCF).

In a time of heightened trade barriers, the performance registered by the EBRD's Trade Facilitation Programme in expediting cross-border transactions is also noteworthy. Finally, the Bank's Solidarity Package, Resilience Framework and other initiatives of a similar nature have been crucial in helping partners and beneficiaries ward off the worst effects of the pandemic, preventing not only further catastrophe but also ensuring that post-pandemic recovery efforts will commence from higher and more stable grounds than might otherwise have been the case.

A year after COVID-19 dug its talons deep into virtually every aspect of our lives, we are beginning to see a distant light at the end of the tunnel. Vaccine rollouts in advanced economies have been conducted on an unparalleled scale, an achievement which cannot be underestimated and for which every participant deserves congratulations and praise. At the same time, however, the human tragedy that continues to unfold in many developing or emerging market economies is a stark reminder that much remains to be done. In particular, advanced economies must acknowledge that a return to any semblance of normality is entirely reliant on an efficient and equitable distribution of vaccines across the globe.

As to the regular business of the EBRD, Malta is pleased to note that the Bank's investment activities in the Southern and Eastern Mediterranean (SEMED) region have continued unabated, with new investments increasing by €300 million to reach the €2.1 billion mark. Malta endorses EBRD projects in the SEMED region as sustainable investment contributes to tackling existing challenges in this region. We reassert our commitment towards supporting such initiatives, confident that beneficial results lie ahead.

We welcome the progress made by both Iraq and the United Arab Emirates towards membership status within the EBRD and are confident that this will bring about a closer working relationship to the benefit of all parties. The addition of these two countries will represent yet another step forward in both the EBRD's intentions of maintaining significant activity in the SEMED region as well as affirming the limited and incremental expansion of strategic interests as laid out in the 2021-2025 SCF.

The current COVID-19 crisis – despite its huge challenges – should not serve to distract us from the pressing issues of climate change and environmental degradation. To this end, we applaud President Renaud-Basso's commitment towards ensuring the EBRD's full alignment with the terms of the Paris Agreement by 2023, as well as reaffirming the Bank's intention to dedicate over 50% of its annual business volume towards green financing by 2025. As a small island state, Malta fully supports the EBRD's decision to become a signatory of the Sustainable Blue Economy Finance Principles and hopes that this will act as a catalyst for other institutions of a similar nature to follow suit.

Going forward, it is of paramount importance that existing work towards a greener, cleaner global economy is not only maintained, but reinforced. While recognising that substantial difficulties in this regard that have been brought about by COVID-19 – not least in developing countries, many of which were already struggling to meet climate goals prior to the pandemic – we believe that the aftermath of the current crisis will present a unique opportunity to '*build back better*'. Amidst the re-construction and economic regeneration efforts that will be the hallmark of the post-COVID-19 era, more heed than ever before must be paid to encouraging the growth and diffusion of climate-friendly practices and techniques. An essential aspect of such efforts will be the involvement of the private sector, whose funds and expertise in numerous fields represent indispensable assets, as the many collaborative endeavours between the private sector and the EBRD in various beneficiary countries stand testament to.

I would like to conclude by once again thanking President Renaud-Basso, the Directors and all EBRD staff for their hard work and dedication during a most trying period. In these uncertain times, we look forward to additional EBRD projects that propagate stability throughout the coming year. Malta reaffirms its strong support for the EBRD's various policies, initiatives and strategies, and is confident that the template of success, established during the Bank's thirty years of existence, will strengthen further under the current administration.