

# NORWAY

## Norwegian statement to the 2020 EBRD Annual meeting

1. Norway thanks the EBRD for hosting the 2020 Annual Meeting virtually, keeping everyone safer in this situation.
2. Firstly, we would like to commend Management for very good results in 2019 and for the timely and adequate response to the Covid-19 pandemic. Profits in 2019 were record high and give strength to fulfil EBRD's transition mandate for the future. Equally important was the good transition impact and the high share of investment in the green sector. We acknowledge that the results look different so far this year.
3. **Looking ahead**, we support the proposed resolution on the Strategic and Capital Framework (SCF) 2021-25. We appreciate that the framework is built on broad consensus, but also on many compromises. We agree that the EBRD should continue to focus on strengthening its business model, and particularly the increased ambitions on mobilising private finance, the green economy and the equality of opportunity.
4. The EBRD overarching goal for the near future is to preserve and accelerate transition in its countries of operations. We agree that this is not the time to decide on further expansion of the EBRD's operations to countries in sub-Saharan Africa. In due time Norway will take a position on the question of such expansion of the Bank's geographical scope, in which the question of complementarity to other IFIs will be essential. We welcome Algeria as a possible country of operation. Investments and job creation in SEMED, Eurasia and the Western Balkan is a priority for us, as also reflected in our donor policy.
5. Lebanon is in an economic crisis leading to a deteriorating humanitarian situation. We appreciate EBRD's continuous engagement in the country. We also acknowledge the need for the country to commit to reforms and improved governance. Norway is deeply concerned about the situation in Belarus, and appreciate the approach taken by the Bank to its engagement in the country. The situation needs to be closely monitored.
6. Although priority should be given to EBRD countries of operations that are less advanced in transition, EBRD's presence is also needed in more advanced transition countries, not least in these difficult times. Looking ahead, Norway is open for discussing the development of a graduation policy more based on benchmarks of economic development.
7. Norway welcomes a target on the green share of the total investment (the GET target) on "more than 50 pct.", as well as the specific CO<sub>2</sub>-emission reduction target. We encourage discussions on increased ambitions. We believe that EBRD should not refrain from engaging in heavy polluting and CO<sub>2</sub>-emitting industries, like refineries, in cases where the Bank's participation clearly contribute to reduced emission and is aligned with the Paris Agreement.
8. EBRD is amply capitalised. Norway's view is that the Bank should not be overcapitalised. The need for an extra buffer is difficult to understand. We encourage clear principles for allocation and when to use.
9. Norway understands the Bank's need to upgrade its IT-infrastructure. However, efficiency gains should be realised, and new resources should be allocated to prime business needs. With the control parameters suggested we expect a vigilant Board to monitor efficiency development.
10. We also encourage the Board and the Management to consider an increased net income allocation to the Shareholder Special Fund in 2021. Weight should be put on assessing whether increased use of donor funds now could yield more transition in the countries of operations than use of donor funds in later years.
11. Norway expects the EBRD to strive for the highest governance standards regarding corruption, money laundering, domiciliation/tax evasion, procurement procedure and social and environmental standards.
12. The architecture of international financial institutions is up for discussion. Multilateral development banks should work as a system, in a coordinated and complementary manner according to their comparative advantage, to leverage synergies and maximise impact for clients and shareholders. We also value the importance of the EBRD as a true international organisation – with owners on different continents.
13. Thanks again to the Bank's Board, Management and Staff for all the good work and let us hope we can meet physically next year.