

**CLOSING STATEMENT BY  
THE PRESIDENT OF THE EUROPEAN  
BANK FOR RECONSTRUCTION AND  
DEVELOPMENT**

## **President's Closing Remarks at Governors' Roundtable**

**EBRD Annual Meeting, Nicosia, Cyprus**

**Wednesday 10 May, 14.00 – 16.00**

**Sir Suma Chakrabarti, EBRD President**

Mr Chairman, I would like to thank you and the Vice Chair on behalf of management for running the whole meeting so well. As it comes to an end, I would like to reflect briefly on the main takeaways from our wide-ranging discussions.

Let me start with the economic inclusion Roundtable topic. It goes to the heart of many aspects of our agenda that focus on maximising transition impact.

Five years ago we were debating matters as if everything was in boxes. There were social outcomes here, there were economic outcomes there. And woe betide us if the EBRD went anywhere near those social-looking outcomes. I am really grateful that, five years on, we have dropped this rather old hat approach, moved on and recognised that many things which we used to call social outcomes have economic consequences. We can talk about economic inclusion now and we can see how powerful that is for growth and development. The Gender Strategy was the first area where that happened. I think that this new Strategy is part of that and it is important to recognise how we have moved forward.

I am grateful for the support Governors have shown for the Economic Inclusion Strategy, to be launched here in Nicosia tomorrow, and the

Bank's continuing efforts to promote inclusive growth across our countries of operations. That support is in many cases informed by experiences in your own countries – both recipient and non-recipient – of working to expand the frontier of economic inclusion. It is very interesting to hear the different experiences of what has been tried, what has worked and what has not. We will take all that learning on board as we go forward.

I also took note of the recognition that the EBRD approaches the issue of economic inclusion in our own unique way, in line with our strong private sector focus. That is absolutely right. There was a clear consensus that the private sector – with our support – can help women, young people and those in less advanced regions gain access to employment and skills, finance and broader services that enhance economic opportunities.

I also heard from several of you that, depending on countries' circumstances, there are other aspects of economic inclusion that we should not forget either. We should think about how we could create instruments that are bankable in private sector terms, and that will be effective. The issues of ageing, disability, refugees, minorities and the impact of technological change are all relevant here and Mr Gramegna started us off on all of these questions.

I liked the emphasis from many of you on data, including a number of important areas: the need for a data-driven analytical approach to identify key challenges and prioritise activities; the importance of education, human capital and developing the whole vocational training angle; the need to strengthen the role of the private sector in this

context; increased policy engagement in relation to trade and good governance to support inclusive growth; and close coordination with donors, other international institutions and national and local partners, based on the different strengths of each. There are two sides to this agenda: one is the specialised nature of different multilaterals, where we have a private-sector element to contribute. Others make contributions in a variety of different ways. We must make sure that we make use of the complementarity between those two sides.

We also want to move forward more generally with the other multilateral development banks on what I would term harmonisation. I hear the word coordination a lot. But I want to move forward much more on harmonisation to reduce the transaction costs for the countries of operations where you work. This will avoid us all repeating the same analysis when we co-finance projects. We all signed up to that at various international meetings, but the MDBs need to do a better job at harmonising and working together.

I also liked the new emphasis on FinTech. It is something we want to follow up. We are having meetings with one or two shareholders who are very keen on this agenda, including questions of IT connectivity and social entrepreneurship. We have also been encouraged to take the inclusion agenda forward in the West Bank and Gaza, and in countries like Lebanon and Uzbekistan, while ensuring our work is based on local priorities. Thank you to those who raised the important question of resourcing this work. We want to work with our Board of Directors through the next Strategy Implementation Plan to ensure proper resourcing to take this forward. We are aware that we have flat budgets for the time being, so we must approach this as a reprioritisation issue.

We know that some donors will be initially helping us to prime the pump. But this eventually needs to become part of the ordinary resources of the Bank.

The Economic Inclusion Strategy builds on the significant progress the Bank made last year in updating its transition concept. It is a major milestone for the EBRD, which Governors discussed in the Roundtable session a year ago. The updated concept reflects both the evolving challenges facing our region, and an improved analytical understanding of those challenges. I heard the importance that many of you attach to maximising our impact guided by that concept, not just for inclusion but for the other five qualities as well.

The fundamental importance of the Bank's financial sustainability is a theme that has featured in many of our discussions. The business climate is no more favourable than it was a year ago. I noted some comments about the need to keep a careful watch on the cost-to-income ratio and also noted an appreciation of management's efforts to find ways of improving our revenue position. We will continue working with our Directors on both these points.

I welcome the backing for our continuing work to improve the effectiveness of the Bank. The Operational Effectiveness and Efficiency programme is already making a difference to how we work, and is gathering pace. It will contribute to our financial sustainability, our responsiveness, and our capacity to deliver impact in a more nimble way. It will allow staff to spend more of their time on the work that yields results for clients most directly.

Governors and colleagues, over the last decade our region has faced difficult challenges, from the global financial crisis to the traumatic displacement of refugees. Last year brought further global economic and political turbulence.

Against that background, the Bank's strength, resilience and adaptability in working for its clients are more important than ever. I take from this Annual Meeting, above all, a strong sense of your continued commitment to our work and the institution that we have built together to help countries achieve transition.

On behalf of the management and staff of the EBRD, I thank you for your support and guidance. A huge vote of thanks to the Cypriot authorities. And many thanks to Pierre Gramegna as our Chair of Governors. I have already said that in front of the press here but I want to say that in front of the shareholders too.

I look forward to seeing you all next year at the Dead Sea in Jordan. But before then, I hope you will be able to join us at the Kourion tonight for an unforgettable experience.

Thank you very much.