

EIB

EBRD managed to conclude a fiscal year 2016 with an excellent result despite an extremely volatile business and geopolitical environment. Management took a proactive approach to the crisis in its main countries of operation by engaging in an unprecedented operational effectiveness and efficiency program redesigning its processes and upgrading its IT infrastructure. Although the main results will only fully materialize over the coming years, EBRD sends a clear message to external and internal counterparts, that it is fully prepared to face the upcoming challenges. A further achievement in 2016 was the introduction of EBRDs new transition concept, which adapts EBRDs business model to changing market patterns and shareholders' guidance.

The geopolitical and macroeconomic developments create additional challenges for all other IFIs active in EBRDs countries of operations, and EIB stands ready to step up its cooperation with the EBRD both outside Europe but notably within the EU, following increased demands by EU shareholders and the European Commission.

Our institutional cooperation, which is going well in particular at the operational level and in the partner countries is key in leveraging scarce resources and enhancing our impact.

Out of the numerous examples of our mutual achievements let me just mention a few. We are both contributing to the economic recovery in **Greece** supporting private and public clients through our joint support of the Greek banking sector and the recently approved airport privatisation project.

In **Turkey** we are co-financing hospitals through innovative PPP schemes and financial institutions under very challenging circumstances. The Istanbul Metro is another landmark project in the Turkish urban infrastructure sector. In the context of our joint activities mitigating the refugee crisis in the whole region, we are contributing to the EU's crisis response programme through SME focussed loans and municipal infrastructure investments.

In the **Western Balkans** we focused on our cooperation in infrastructure financing in the energy, as well as road and rail sectors.

In the **SEMED** region, despite challenging conditions, we cooperate in environmental and energy infrastructure projects.

Looking at the **Eastern Neighborhood**, we jointly developed and financed the Interconnector Gas Pipeline in Moldova and cooperated in the support of Urban Transport projects in Ukraine, both much needed investments under the current circumstances.

In terms of 2017 co-operation, things are picking up fast with the joint Bursa Hospital Project and a further substantial environmental project in Egypt, which would bring EIB funding for joint projects close to EUR 1bn so far, an excellent outcome.

The latter projects align nicely to the priorities set out in the Strategic and Capital Framework, contributing both to sustainable energy and resource use/energy security and involving a substantial effort in capacity building and policy dialogue.

These examples are to be seen in the light of a very open and transparent communication between our institutions, evidenced through

various working groups and high level information visits in the areas of legal services, compliance, operations/banking, procurement, HR and technical cooperation, to name just a few.

Successful cooperation is not only about the volume of co-financing of course, but also about a good division of labour in which each IFI plays to its strengths. We therefore need a collaborative and complementary approach across all services, including our advisory services and in the context of the European Fund for Strategic Investments, also known as “EFSI” or “Juncker Plan”, where both institutions engaged together in the Advisory Hub to better correspond to our clients’ needs.

Further areas of complementarity could be in the fields of innovation finance and joint co-financing of large investments in the “Green Economy” (including advisory services) both within and outside the EU. Our institutions are well positioned to meet the growing demand in these areas and should expand their product offerings and develop their sector policies jointly to increase our impact.

Protracted political uncertainty, spells of social unrest and wider regional tensions are affecting growth prospects and foreign direct investment flows in most of the countries in the region. This makes it more difficult for the EBRD to operate, but notwithstanding these challenges – or perhaps because of them – the Bank’s forceful engagement is more necessary and urgent than ever.