

# FRANCE

## Statement by Cyril Rousseau, Temporary Alternate Governor for France

Mr President,  
Your Excellencies,  
Governors,

We have now gathered in Nicosia, and I must thank the authorities of the Republic of Cyprus for their warm welcome. However, we cannot ignore the fact that, today, crises are still raging on so close to here, with shocking human consequences. These crises also pose a threat to the stability of many countries and to the progress achieved over several decades on development and tackling poverty. The European Bank for Reconstruction and Development (EBRD) is strengthened by a unique historic mandate that allows it to tackle the challenges of transition; it must continue to play a central role in identifying collective responses to the challenges of sustainable development.

Against this background, it is vital for the EBRD to continue and step up its activities in areas where its transition mandate can be fully demonstrated, while both building on its past successes and ensuring that its vital role in financing the private sector continues.

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Since 2011, as part of the Deauville Partnership, the EBRD has embarked on a historic expansion of its mandate to support the Mediterranean countries that have been involved in an unprecedented democratic and economic transition. The gradual expansion of its activities in this region indicates that its operations are regarded as a success, not only by the initial countries of operations, but also by their neighbours. It is important that the EBRD **continues to give top priority to its interventions on the southern and eastern shores of the Mediterranean**, based on the successes of its previous operations, while also designing its activities to suit the needs of the beneficiary countries.

However, the fact that many institutions are on the ground in this region should prompt the Bank to always question the relevance of its financing. **This scrutiny must be systematic and make it possible to assess the Bank's activities in terms of their added value and additionality.** The EBRD must be the last resort, without which a project might either never take shape, or otherwise be implemented at an unsatisfactory level of quality when compared to the best environmental and social standards. To fully play its part as a development bank, the EBRD must propose specific responses to compensate for market failures. This is how it can fully justify its activities without creating competition-distorting situations that can damage both beneficiary countries and the Bank's other shareholders. Moreover, the Bank should be an exemplar in tackling non-cooperative jurisdictions. Tax evasion is incompatible with our aim of inclusive growth.

Lastly, it is important that those involved in development deploy resources to tackle the major challenge that our generation will have to answer for before history – climate change. France would particularly like to congratulate the Bank for its remarkable efforts on the **Green**

**Economy Transition**, backed up by the adoption of a dedicated programme in September 2015. We reaffirm the objective of making 40 per cent of our investments in that area between now and 2020. This strategic vision is also being implemented thanks to the Bank's proactive approach to establishing ambitious partnerships with other institutions. For instance, assistance from the Green Climate Fund has enabled the EBRD over the last six months to support climate co-benefit projects amounting to almost US\$2.8 billion in North Africa, eastern Europe and Central Asia. We wish to congratulate the Bank for its ability to adapt the approach of its interventions to meet the expectations of its partner institutions, and we look forward to its being able to develop innovative projects in the future.

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Current crises make us wonder about the relevance of our actions and about the model of responses we bring to bear. In recent years, the EBRD has been able to demonstrate its ability to adapt to this uncertain world. In order to tackle current and future challenges, this vital quality of being able to adapt must be combined with strategic action based, on the one hand, on the needs of beneficiary countries, and on the other, on the added value of the Bank, acting according to its mandate and its very specific economic model, to which France remains deeply committed.