

REPUBLIC OF KOREA

Governor Statement
Republic of Korea
In-chang Song, Temporary Alternate Governor

Honorable Pierre Gramegna, the chairman,
Nicos Anastasiades, the president of Cyprus,
Suma Chakrabarti, the president of the EBRD,
distinguished governors,
and ladies and gentlemen,

It is my pleasure to be here in this beautiful Mediterranean city of Nicosia. It is also my honor to stand here before you representing Korea. On behalf of the Korean Governor YOO, I would like to extend my sincere appreciation to the government of Cyprus, and the staff at EBRD for all their hard work organizing this wonderful event.

I would also like to thank President Chakrabarti for his leadership on the OE&E program and in the revision for the concept of market transition. In the midst of uncertainty in the global economy, these efforts surely have improved the operational effectiveness and efficiency for recipient countries to transition into a better system.

The world economy is recovering, following the positive trends in advanced and some newly-emerging countries. But with the spread of new protectionism, divergence of monetary policies in certain countries, and expanding volatility in the financial market, other risks still exist. Even for the recipient countries within the EBRD, political uncertainties and other geopolitical risks continue to be a big concern.

Despite this difficult situation, however, the EBRD has continued to expand its areas of operation and adopted a strategy towards economic inclusion. I applaud the hard works of the Bank in supporting development and in assisting countries transition into a market economy. I hope that the Bank continues to lead the way for sustainable growth in the recipient countries, and also for the world-wide economic recovery with innovative programs, by expanding its areas of operation and through appropriate investments.

Against this backdrop, I would like to make some suggestions about EBRD's policy directions.

First, I would like for the Bank to expand its support towards economic inclusion. This new initiative of the Bank's is in line with transition concept revision in 2016, and is a necessary step for recipient countries to achieve sustainable economic development.

Additional efforts toward economic inclusion is especially important in developing medium to long term growth potential and ensuring fair access to economic opportunity to recipient countries. And in turn, this will allow the successful results of the market transition be translated into inclusive economic growth.

In this regard, the newly-adopted Economic Inclusion Strategy was a necessary measure that came at a very appropriate time. Along with the original purpose of the bank to stimulate the economy with focus to the private sector projects, we must also continually expand our financial support and policy conversation for inclusive growth. Through this, we hope that the vulnerable groups such as youth, women, and low-income households will be allowed easier access to employment, technology and other economic opportunities.

Second, I would like for the Bank to expand support for green economy. The Paris Agreement of 2015, ask the developing countries including EBRD's recipient countries, to also take part in the fight against climate change. EBRD will play an important role in encouraging and supporting the developing countries to meet the nationally determined contributions. I highly value the recent efforts by the EBRD in green growth and climate change especially in initiating Green Economy Transition Approach in 2016.

I hope that these efforts will help recipient countries in their transition into green economy. Korea will stand with the Bank in actively supporting and participating in the green energy sector within the bank through various ways including establishing co-financing facility.

Third, I would like to ask the Bank to work with other international organizations for development cooperation. Next month, AIIB's Annual Meeting will be held in Jeju, the Republic of Korea. Establishing a structure for strategic cooperation with AIIB will not only contribute to the growth of infrastructures in Europe, Mideast, North Africa, and the Asian region, but also play an important role in leading recovery and growth of the global economy.

The recent signing of the AMA with Green Climate Fund as the first MDB exemplifies the active role that EBRD is trying to take against climate change in recipient countries. This act to establish co-financing and other effective structure for cooperation with an international organization that specializes in climate change is an excellent example that EBRD is effectively executing initiatives for transition into green economy. It would also help the Bank to effectively execute the Economic Inclusion Strategy if we establish a relationship with organizations that have been working on inclusive economic growth such as G20 or IMF.

Helping and maintaining a close relationship with organizations that specialize in a specific topic or a region will get us a step closer towards our ultimate goal for transition into a sustainable market economy.

Distinguished delegates, nothing was ever easy in the path of the international community. Yet, we never stopped working together to overcome the troubles of our times. I have no doubt that we will continue to do the same by helping and cooperating with each other to overcome any other obstacles that may come our way.

EBRD has served and will continue to serve a great role in supporting the transition and economic growth of the member countries. Korea is a founding country of the EBRD, and a country with experience of rapid growth and of lifting itself out of a serious financial crisis. We will share our experience and expertise to help other countries also transition into a market economy and to contribute to their development.

Thank you.