

UNITED KINGDOM

EBRD Annual Meeting 2017 – Statement by Matthew Taylor, Temporary Alternate Governor for the United Kingdom

The UK Government would like to thank EBRD management and the Government of Cyprus for planning and hosting this year's Annual Meeting.

The UK's commitment to the EBRD's mission is unwavering. Open, inclusive, and competitive markets, operating in an environment of political and social freedoms, are the foundations of our shared prosperity.

The Bank's private sector mandate, unique amongst the international financial institutions, allows it to contribute to prosperity in ways others cannot.

We welcome this year's Annual Meeting theme – *Targeting Green and Inclusive Growth*. Global integration has made a huge contribution to raising living standards over recent decades but not all have benefited equally – not in the Bank's countries of operation, neither in our own countries. This is a challenge for us all.

The case for economic inclusion is clear: it provides opportunities to historically under-supported groups, and it strengthens the wider economy through increased participation in the workforce, education and other economically productive activities. The EBRD, along with domestic governments, public institutions and civil society, has an important role to play in supporting inclusion in both advanced and early transition economies. We are pleased to see inclusion forming an explicit part of the Bank's new transition concept, and welcome the publication of the new Economic Inclusion Strategy, building on the Bank's demonstrated strengths over recent years.

Facilitating economic inclusion is a challenge that can only be addressed through close collaboration between the private sector and public institutions. The role of public institutions is to ensure that the right incentives, policy frameworks and technical assistance are in place to foster progress. But ultimately it is the private sector which is the vehicle to deliver economic inclusion, through shifting attitudes in the workplace and creating productive jobs. Continued effort is needed to unlock the potential of the private sector, supported by efforts to explore market based solutions through commercialisation and mobilisation of private finance.

The Bank faces a number of unique challenges in its operating region: a protracted refugee crisis, low income growth, and lingering inequality. This environment requires the EBRD to be more innovative than ever, and the Bank must use its resources as efficiently as possible to deliver the greatest possible transition impact.

In advanced transition countries, the EBRD can add value through targeted engagement to help strengthen the financial sector and develop deeper and more comprehensive capital markets.

But it is in early transition countries where there Bank should – through its investments, policy dialogue, and technical cooperation – contribute decisively to private sector

advancement. The Bank should continue to deliver significant change, for example through combating modern slavery, being at the forefront of youth inclusion and promoting gender equality, where we would like to see further progress in supporting female participation in the workforce.

Through its efforts in the wake of developments in the Southern and Eastern Mediterranean, and recently the refugee crisis, the EBRD has demonstrated that it can apply its mandate and skills to play a key role in supporting the response to international challenges. We are particularly pleased with the Bank's work in delivering an effective response to the refugee crisis, and would like to see the Bank continue its good work on this issue. The Bank's unique mandate means that it should be at the forefront of mobilising private finance in support of our shared policy objectives – a key priority for the UK across all MDBs.

Where the expertise of various institutions can be complementary in achieving a positive outcome, the Bank should be a driver of close collaboration amongst international institutions. We would like to see the EBRD continuing to work with other International Financial Institutions, including at the G20 and G7, to maximise their impact on development, in particular through working together to optimise their balance sheets and to catalyse private finance.

The Bank's success is founded in its staff's professionalism and dedication. The EBRD's international workforce with significant expertise and unique skills is drawn from its location in the heart of the City of London, providing a pool of talent that is second to none. The fruits of their work can be seen in recent successes. The Bank has delivered extraordinary operational and financial results in very challenging environments over recent years. The €1 billion profit for 2016 is a further demonstration of the Bank's success.

However, continued efforts are required to achieve our shared goals and to deliver the value for public money our taxpayers expect. We therefore welcome the efforts of the Bank to strengthen its focus on transparency and results through the refinement of the transition concept. It is critical that the Bank now delivers on the operational effectiveness and efficiency programme adopted last year, which will be the foundation of its continued ability to succeed.