

UNITED STATES

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We want to thank the people and government of Cyprus for their warm hospitality in hosting these meetings. The European Bank for Reconstruction and Development (EBRD) has delivered strong operational and financial results over the course of 2016 and early 2017 despite the economic and political headwinds across the region. While the growth outlook is improving for some countries of operation thanks to modest improvements in global demand and accommodative policies in the Eurozone, the EBRD region as a whole faces slow economic growth, market volatility, low investment, and declining capital flows. A continued commitment to market economics and democratic norms from the EBRD's countries of operations is important for both the countries' and the EBRD's future performance.

The EBRD continues to play an important role in supporting the transition to market economies in its countries of operations, thanks to commercially oriented investments, enhanced policy dialogue, robust donor support, and close coordination with other international financial institutions. We welcome the work by EBRD Management and staff to implement the EBRD's Operational Effectiveness and Efficiency Program, demonstrating the Bank's clear commitment to better serving its clients and delivering greater impact for shareholders, while maintaining budget discipline. As a result of the EBRD's catalytic work to support transition, the United States remains an ardent supporter of the EBRD.

Advancing Stronger and Inclusive Market Economies

An important challenge in achieving sustainable market economies is targeting stronger and more inclusive growth. We welcome the EBRD's efforts to create economic opportunities across the breadth and depth of societies. The EBRD has developed a unique private sector-based model that combines investments and policy activities to advance economic inclusion and increase opportunities for women and girls, young labor market entrants, and populations in less advanced regions. We welcome the integration of inclusion and gender equality in the corporate scorecard as a signal of the EBRD's commitment to promote more inclusive market economies. The launch of the EBRD's first Economic Inclusion Strategy, with sufficient resources from Management, should help harness the power of the private sector to create greater economic opportunities for all of the citizens in the EBRD's countries of operations.

Strengthening Livelihoods Through Private Sector Engagement

We continue to support the EBRD's targeted response to the Syrian refugee crisis. This leverages the strengths of the EBRD to address critical economic challenges, harness economic prospects, and improve community resilience for both refugee populations and host communities in Jordan and Turkey. To further these efforts, we welcome the decision

shareholders have taken today to allocate €50 million of net income to bolster municipal infrastructure, support small and medium-sized businesses, and increase access to job skills training in communities hosting refugees. We look forward to Lebanon's membership in the EBRD and support it becoming an EBRD country of operations, once it completes the membership process. We also welcome the creation of an EBRD trust fund to introduce the EBRD's development model in the West Bank and Gaza. By promoting private and entrepreneurial initiative and fostering a stronger business climate, the EBRD can improve the long-term prospects for sustainable, private sector-driven economic growth across the region.

Maintaining Support for Ukraine

We call upon the EBRD to sustain its efforts to respond to the crisis and anchor reforms in Ukraine. We greatly appreciate the crucial role of the EBRD in the recent nationalization of Privatbank, and we look forward to EBRD's continued engagement. The EBRD remains pivotal in solidifying corporate governance reforms at Naftogaz, facilitating future restructurings and privatizations of other state-owned enterprises, and improving the investment climate, particularly through anti-corruption efforts, to unlock private sector investments. Going forward, the Ukrainian government must reinvigorate its reform delivery, coordinating closely with the EBRD, the United States, and other international partners, to enable the Bank to expand its financial operations in the country.

Following Through on the EBRD's Mandate to Achieve Success

Over the past year, the EBRD revised its transition concept, adding new transition qualities. These changes recognize that moving the region along a positive transition path requires the Bank to focus on a broader set of indicators that evidence suggests are prerequisites for well-functioning and sustainable market economies. The United States believes that the EBRD is well-suited to help tackle these new challenges, but it must do so while staying true to its distinctive private sector-focused mandate. The EBRD should continue to leverage its proven track record of mobilizing private sector finance to help: improve access to finance for small and medium-sized enterprises and women-led businesses; tackle corruption and corporate governance reforms; enable firms to become more resource and energy efficient; develop local currency and capital markets; and strengthen cross-border infrastructure.

The EBRD's recent mapping of transition challenges across the six new transition qualities reinforces our view that the EBRD should enhance its emphasis on countries that are less advanced in transition. Other economies are advancing towards the stage where they will be able to rely more on commercial than multilateral development finance. In these advanced transition countries, which are successfully narrowing their transition gaps, the EBRD should apply a high bar for transition impact in the projects it supports. EBRD Management and shareholders should also engage constructively on charting realistic paths to graduation for advanced transition countries. In these endeavors, we look forward to working with other shareholders and Management to expand private-sector led economic opportunities and democratic values across the region.