

SWITZERLAND

**Written Statement by
State Secretary Marie-Gabrielle Ineichen
On behalf of the Swiss Confederation**

The Covid-19 pandemic has profoundly changed our lives and affected EBRD and its countries of operations in many ways. The uncertainty about the duration and impact of the Covid-19 crisis will stay with us for some time to come. It is against this background that the Strategic and Capital Framework (SCF) 2021-25 has been developed to ensure EBRD has the capacity to enable it respond decisively to whatever challenges lie ahead.

I believe that the SCF 2021-25 **provides sufficient flexibility and sets the right priorities** for the Bank to address the needs of its current countries of operations over the next five years. The following six elements are particularly important from Switzerland's perspective:

- **Building back better** has to be the dominant feature of the Bank's work in the coming years. In order to assist its countries of operation in meeting this challenge, the Bank needs to deliver on the SCF's strategic themes of promoting transition to a green, low-carbon economy, equal opportunities and digitalisation. With respect to green transition, I particularly welcome the ambitious goals set under GET2.1, including a sequenced approach to work towards alignment of the Bank's operations with the Paris Agreement and the adoption of a net greenhouse gas emissions reduction target.
- I also believe that, with the strategic priorities set under the SCF, the Bank can make a meaningful contribution to **job creation**; now more than ever the Bank will need to expand its approach to help manage the social implications of transition as well as the longer term impact on industries of the coronavirus. This is a topic which will become increasingly important as part of the crisis recovery.
- It is paramount that MDBs work as a **coordinated system**, deploying and exploiting their comparative advantages to the fullest. I therefore welcome the SCF's focus on the Bank's private sector mandate.
- While there is likely to be strong demand for EBRD support in all its countries of operation, the Bank needs to implement the SCF's **regional prioritisation** and focus its work on those countries least advanced in transition, most notably the Early Transition Countries, the Western Balkans and the SEMED region.
- With regard to the toolkit for implementation of the SCF, I am supportive of the Bank's commitment to increase **private sector mobilisation**, an essential element for achieving the SDGs. I also have high expectations when it comes to strengthening the Bank's **results management system**, in particular the ex-post verification of results.
- The projected **capital stock** is considered appropriate for the 2021-25 period. I would like to emphasize that for Switzerland it is important that no action of the Bank compromises its triple A rating or leads to a request for additional capital contributions. In that regard, I welcome the proposed capital buffer which will give the Bank the capacity to react in times of crisis without having to rely on shareholders for additional capital.

Switzerland therefore **fully supports** the Strategic and Capital Framework 2021-25.

During the lifespan of the next SCF, shareholders will revisit some challenging issues such as possible future geographic expansion. Let me reiterate in that context that, on the question as to whether the Bank should expand its activities to Sub-Saharan Africa, Switzerland remains sceptical.

It is the strength of the EBRD that it has a strong and diverse shareholder base. While the EU is debating the future of the European financial architecture for development and EBRD's future role in that, it is clear that any decisions on the Bank's future position in the multilateral financial system rest entirely with its shareholders and I therefore look forward to further dialogue on this issue.

The manifold challenges lying ahead of us require strong leadership as well as close cooperation between shareholders, their representatives in the Board of Directors, and Management. I very much look forward to working with the next President on these challenges.

Finally, the successful delivery of this institution's mission relies entirely on the hard work and dedication of its staff. I want to thank them in particular for their commitment over recent months to meet the rapidly changing needs of the Bank's countries of operation, which required long hours, innovation and new ways of working in very different and difficult circumstances.

Thank you.