

RESOLUTION NO.248

**TOWARD A LIMITED AND INCREMENTAL EXPANSION OF THE
GEOGRAPHIC SCOPE OF THE EBRD'S OPERATIONS
TO SUB-SAHARAN AFRICA AND IRAQ**

THE BOARD OF GOVERNORS

Mindful that the priority of the EBRD is supporting Ukraine and other countries of operations in the face of the deep and widespread consequences and the destabilising impact of the war on Ukraine;

Acknowledging the enduring priority objectives of the international community, the geopolitical and development priorities in sub-Saharan Africa and Iraq, as well as the growing links between many countries in sub-Saharan Africa and Iraq and current EBRD countries of operations;

Reaffirming the Bank's continued strategic interest in a limited and incremental expansion to sub-Saharan Africa and Iraq during the SCF period as previously affirmed in the Strategic and Capital Framework (SCF) 2021-2025;

Recalling Resolution No.240, by which the Board of Governors instructed the Board of Directors as to the contents of the update to be prepared for the 2022 Annual Meeting on a possible limited and incremental expansion, notably that such an update should elaborate upon the Bank's potential value proposition, the implications for the Bank's capital, finance and governance and consider an amendment to Article 1 of the Agreement Establishing the Bank (the "Agreement");

Stressing that any possible limited and incremental expansion to new countries of operations must not: impair the Bank's ability to support its current countries of operations, compromise the Bank's triple-A rating, lead to a request for additional capital contributions, or deviate from the Bank's mandate to support transition and its operating principles of additionality and sound banking;

Emphasising the importance of complementarity and collaboration amongst development partners; and

Having considered the report of the Board of Directors to the Board of Governors “*The EBRD’s possible limited and incremental expansion to sub-Saharan Africa and Iraq*” and being in agreement with its conclusions, amongst others, that:

- i. The value which the EBRD can add in sub-Saharan Africa and Iraq is validated. The EBRD’s mandate and business model can be deployed to complement the activities of existing development partners and increase transition and development impact in countries in sub-Saharan Africa and Iraq, ensuring that the impact of the development system as a whole is enhanced;
- ii. The assessment of the current capital capacity of the Bank suggests that the Bank retains the ability to support its existing countries of operations and accommodate all the objectives in the current SCF - including a limited and incremental expansion to sub-Saharan Africa and Iraq – noting however the current level of uncertainties concerning the crisis impact and the scale of reconstruction needs;
- iii. Any expansion into sub-Saharan Africa and Iraq must be limited and incremental. The limited and incremental expansion of the geographic scope of the Bank’s operations to sub-Saharan Africa and Iraq should be enabled through an amendment of Article 1 of the Agreement and supported by the mechanisms set out in the report of the Board of Directors; and
- iv. The utmost priority of the Bank is currently supporting Ukraine and other countries of operations in the face of deep and widespread consequences and the destabilising impact of the war on Ukraine, and consequently it would be prudent to reconfirm that any limited and incremental expansion to sub-Saharan Africa and Iraq would not in itself impair the Bank’s ability to support its existing countries of operations, compromise the Bank’s triple-A credit rating, or lead to a request for additional capital contributions.

RESOLVES:

1. To endorse the Board of Directors report and to approve, in-principle, a limited and incremental expansion of the geographic scope of the Bank’s operations to sub-Saharan Africa and Iraq.
2. To call on the Board of Directors, taking into consideration the impact of the war on Ukraine and the Bank’s response, to reconfirm that any limited and incremental expansion to sub-Saharan Africa and Iraq would not in itself impair the Bank’s ability to support its existing countries of operations, compromise the Bank’s triple-A credit rating, or lead to a request for additional capital contributions.
3. To call on the Board of Directors, upon and subject to the reconfirmation described above, to submit for decision by the Board of Governors an amendment to Article 1 of the Agreement, generally consistent with the Report of the Board of Directors, no later than at the 2023 Annual Meeting.

(Adopted 11 May 2022)