

# PROCEEDINGS OF THE THIRTY-SECOND ANNUAL MEETING OF THE BOARD OF GOVERNORS

## PART 1

Part 1 comprises:

- Record of the Proceedings	2
- Address by the President of Uzbekistan	4
- Opening statement by the Chair of the Board of Governors	11
- Opening statement by the President of the European Bank for Reconstruction and Development	13

- Official written statements by the Governors for the following Members:

Armenia	17	Kosovo	57
Australia	17	Kyrgyz Republic	58
Austria	18	Latvia	60
Azerbaijan	20	Lebanon	62
Belarus	21	Lithuania	64
Belgium	24	Luxembourg	66
Bulgaria	25	Malta	67
Canada	27	Moldova	69
China	28	Montenegro	70
Cyprus	30	Netherlands	71
Czech Republic	32	North Macedonia	73
Denmark	33	Norway	74
Egypt	34	Poland	75
European Investment Bank	37	Portugal	78
European Union	38	Romania	79
Finland	40	Russian Federation	80
France and Germany	41	Slovak Republic	82
Georgia	44	Slovenia	83
Germany and France	41	Spain	84
Greece	45	Switzerland	85
Iceland	46	Türkiye	87
Ireland	47	Ukraine	89
Italy	49	United Arab Emirates	91
Japan	50	United Kingdom	92
Kazakhstan	52	United States of America	93
Republic of Korea	55	Uzbekistan	96

- Closing statement by the President of the European Bank for Reconstruction and Development	98
- Closing statement by the Chair of the Board of Governors	100

## RECORD OF THE PROCEEDINGS

The Thirty-second Annual Meeting of the Board of Governors was held in Samarkand, Uzbekistan on 17 and 18 May 2023. Participants took part in person from the Silk Road Samarkand Congress Center, and in virtual format from a variety of locations via video link.

The Governor for Austria, Mr Magnus Brunner, was the Chair of the Board of Governors. The Governor for Georgia, Mr Lasha Khutsishvili, and the Governor for Jordan, Ms Zeina Toukan served as Vice Chairs.

### 1. Procedures Committee

The Procedures Committee for 2022-2023 submitted to the Board of Governors a report concerning the draft Agenda of the Annual Meeting and other matters in its terms of reference, including recommendations on the Chair and Vice Chairs of the Board for 2023-2024, who would also serve as the Procedures Committee for that period.

### 2. Opening session

After the Chair of the Board of Governors had called the Meeting to order, the Board was addressed by His Excellency Mr Shavkat Mirziyoyev, President of Uzbekistan.

Following this, the Board adopted the Agenda, and approved the provisions relating to the conduct of the Meeting, which were included in the Report of the Procedures Committee.

The Board was then addressed by Mr Magnus Brunner, Chair of the Board of Governors, and Ms Odile Renaud-Basso, President of the EBRD. Governors provided guidance to the Bank in the form of written statements, which were distributed during the Meeting and are incorporated in the Proceedings.

Following the Opening Session, there was a high-level discussion entitled *Connectivity in an uncertain world*. It was moderated by Ms Melinda Crane (international moderator and correspondent) and led by: Mr Jamshid Khodjaev (Deputy Prime Minister of Uzbekistan); Mr Dumitru Alaiba (Governor for Moldova, and Moldovan Deputy Prime Minister and Minister of Economic Development and Digitalisation); Ms Rania Al-Mashat (Governor for Egypt and Egyptian Minister of International Cooperation); Mr Valdis Dombrovskis (EBRD Governor for the EU and Executive Vice President of the European Commission); and Ms Beata Javorcik (EBRD Chief Economist).

### 3. Plenary session

#### a. Governors' Roundtable

Governors considered and provided their views on three reports of the Board of Directors and their associated draft Resolutions. These related to the EBRD's support for resilience and reconstruction in Ukraine, and to amending Articles 1 and 12.1 of the *Agreement Establishing the EBRD*.

The Board of Governors then adopted the following three Resolutions:

#### i. Resolution 258

*EBRD's support for resilience and reconstruction in Ukraine: the way forward*

#### ii. Resolution 259

*Amendment to Article 1 of the Agreement Establishing the European Bank for Reconstruction and Development to enable a limited and incremental expansion of the geographic scope of the Bank's operations to sub-Saharan Africa and Iraq*

*iii. Resolution 260*

*Amendment to Article 12.1 of the Agreement Establishing the European Bank for Reconstruction and Development to remove the statutory capital limitation on ordinary operations*

**b. Institutional and financial matters**

*i. Annual Review 2022*

The Board of Governors took note of the Annual Review 2022.

*ii. Financial Report 2022*

*Financial Statements and Independent Auditors' Report for 2022.*

The Board of Governors adopted Resolution 261, *Financial Statements and Independent Auditors' Report for 2022*. The Board also took note of the Financial Report 2022.

*iii. Special funds' financial statements 2022*

The Board of Governors adopted Resolution 262, *Special Funds' Financial Statements 2022*.

*iv. Strategy implementation plan 2023-2025*

The Board of Governors took note of the Strategy Implementation Plan 2023-2025.

**c. Election of Chair and Vice Chairs for 2022-2023**

At the end of the plenary session, the Board elected the Governor for the Netherlands as Chair of the Board of Governors and the Governor for Egypt and the Governor for Lithuania as Vice Chairs, to hold office until the close of the 2024 Annual Meeting. The Board appointed a Procedures Committee for 2023-2024 composed of the Chair and the two Vice Chairs, to be available until the end of the 2024 Annual Meeting for consultation at the discretion of the Chair, and also to meet immediately before the 2024 Annual Meeting if required.

**4. Appreciation**

Governors expressed their appreciation for the generous hospitality of the city of Samarkand and the Government and people of Uzbekistan throughout the Thirty-second Annual Meeting.

## **ADDRESS BY MR SHAVKAT MIRZIYOYEV, PRESIDENT OF UZBEKISTAN**

Distinguished Madame Renaud-Basso, distinguished Mr Brunner, representatives of foreign governments, international organisations and the diplomatic corps, ladies and gentlemen

We consider the fact that this year's Meeting of the Board of Governors of the European Bank for Reconstruction and Development (EBRD) is taking place in the ancient and unique city of Samarkand is an expression of high trust and respect for our country and our reforms.

Welcome to Uzbekistan!

I believe that there is a profound symbolic meaning in the fact that the city of Samarkand was chosen as a venue for today's conference.

For centuries, this majestic city, located at the crossroads of the Great Silk Road, has been a centre of trade, economic, cultural, scientific and technological exchange between the continents of Europe, Asia and Africa, connecting east and west, north and south.

We are proud that this land has been a lodestone for shaping a dynamic culture of communication among various civilisations.

Today's Meeting, attended by over 2,500 guests from all regions of the world, will continue these noble traditions in a new phase, and strengthen the bridge of friendship and solidarity among our peoples.

In an era of ever-intensifying geopolitical tensions, such open and close dialogue, and the further expansion of friendly relations, are indispensable for all countries of the world.

In this sense, it is of great significance that the main theme of today's high-profile conference is *investing in resilience*.

You can all see that global economic problems are becoming more acute.

Climate change and environmental risks are increasing, while natural resources are becoming increasingly scarce.

In such a complex situation, more investment in new technologies and projects are required so that the generations of today and the future can pursue a decent life.

In this context, today's important Meeting will:

- take multilateral and long-term relations among countries to a new level,
- further increase investment to develop our economies,
- make an invaluable contribution to the progress of all Members of the Bank.

Dear friends

Uzbekistan hosted the Annual Meeting of the EBRD in this format exactly 20 years ago.

At today's Meeting, along with new guests, I see participants who were present at the previous Meeting as well. And I met with them today.

In this context, I would like to emphasise one point: today's Uzbekistan is not yesterday's Uzbekistan.

The fundamental reforms that we began six years ago have completely changed the image of our country. Today, we are pleased to welcome you, dear friends, to a completely new environment of the **New Uzbekistan**, which is opening up to the world and is committed to cooperation in all areas.

We can say with confidence that in recent years, we have made great strides in honouring human dignity, liberalising the economy, and confidently accessing world markets.

In particular, we have completely abolished forced labour and child labour to ensure in practice that human rights are regarded as a supreme value.

Our practical results in ensuring freedom of speech and belief, and gender equality, are recognised by the international community.

For the first time, we admitted the existence of poverty in our country and put an effective system in place to reduce it. Families in need of state social support have been fully covered by this system.

In addition, we are resolutely continuing with reforms aimed at ensuring the rule of law, strengthening judicial independence and fair justice, and guaranteeing the inviolability of private property.

Administrative courts have been set up as part of a system to reliably protect the interests of citizens and entrepreneurs.

Creating an atmosphere where corruption in society is not tolerated has become one of our top priorities.

Our economic reforms are increasingly reflecting the simplicity and opportunities that our foreign investors and partners have long waited for.

We have been able to double our foreign trade turnover by liberalising the currency system, removing barriers to accessing foreign markets, and abolishing customs duties on more than 7,000 raw materials and goods.

At the same time, international organisations have recognised that the tax burden has reduced almost two-fold, tax administration has been simplified, and Uzbekistan has established the most attractive fiscal system in our region.

Thanks to increased confidence in our reforms, the annual volume of foreign investment has tripled compared to 2017.

Overall, the creation of a favourable business environment in the country has enabled us to quadruple the number of entrepreneurs, from 485,000 to 2 million.

Most importantly, our people fully support our political and economic reforms.

Our renewed Constitution, recently adopted by nationwide referendum, firmly guarantees the irreversibility and sustainability of reform.

In short, we will go forward more boldly without deviating from our chosen long-term path of openness and sustainable development.

First, we will improve the investment and business climate in our country, and create a more favourable environment for investors through an integrated system.

In this regard, the Foreign Investors Council under the President of the Republic of Uzbekistan will be a key link in establishing direct communications with foreign investors and jointly developing mutually beneficial projects and long-term strategies.

There is no doubt that this platform for dialogue, established in cooperation with the EBRD, will give us new experiences, create new opportunities, and promote new ways to approach our reforms.

Wherever investors are, they will be provided with the necessary assistance and services in 14 regions, 208 districts and cities, and in all embassies of Uzbekistan abroad, through the "single window" established at the Ministry of Investment.

By the end of the year, an international commercial court will also be established in cooperation with international experts – the first of its kind in our history.

Second, we will vigorously pursue a policy to further liberalise goods, services, capital and labour markets.

In particular, we have made great efforts to become a member of the World Trade Organization, so that we can be part of global production and supply chains.

I believe we will achieve significant results in that direction this year.

Third, reducing excessive bureaucracy – and bureaucracy is a key problem for us – as well as uprooting corruption, will remain the focus of attention for our State and society.

By persistently continuing with the administrative reforms initiated in this regard, we will introduce a compact and efficient public administration system that will help people and businesses, and provide them with high-quality services.

Dear Governors

We must honestly say that the support of our international partners has been crucial to implementing our reforms and achieving what we have accomplished at present.

Today, I can say with absolute confidence that the EBRD has become our strategic partner on the path to sustainable development for Uzbekistan.

In particular, the fact that the Bank's project portfolio in our country has exceeded €4 billion, of which projects worth €3.3 billion were launched in the last four years alone, vividly testifies to this statement.

By the end of last year, Uzbekistan had joined the ranks of the Bank's top five major partners. And I consider this our biggest accomplishment.

In terms of annual investment volume, Uzbekistan has become the Bank's largest business partner in Central Asia.

Most importantly, our approaches to and goals for private-sector development are aligned with those of the Bank.

The fact that the share of private business in the Bank's projects across our country has now reached 55 per cent is clear evidence of this alignment.

Our cooperation is rapidly developing in areas such as green energy, drinking water, road transport, and the environment, which are vitally important today.

In particular, we have launched largescale renewable energy projects involving €600 million of the Bank's funds.

This active cooperation is a catalyst for attracting other foreign investors to our economy.

I would like to take the opportunity to express my deep gratitude to:

- the management of the EBRD, particularly the President of the Bank, Madame Renaud-Basso,
- the governments and Governors of the Bank's Members,
- the organisations and investors that work with the Bank,
- and all the staff at the Bank who deliver projects with us.

Dear friends

As we continue our reforms, we look forward to cooperating with development partners, including the EBRD, in the following areas.

First, we will build up the private sector to ensure our country's sustainable economic development.

In this regard, we are well aware that our future progress is closely connected to privatisation processes.

To this end, we set ambitious targets at the beginning of the year in terms of selling State shares in enterprises, and putting up the shares of strategic companies and large banks for public auction.

Today, we discussed with the management of the EBRD, how to transform State shares in these companies, and agreed to adopt a special programme in this regard. The Bank's management and staff realise that our privatisation plans are ambitious. And to implement these plans, we need to learn lessons and make use of the Bank's expertise. The Bank has assured us that it would support us in our aspirations; and we have agreed to develop a roadmap in this regard.

In particular, 40 enterprises of strategic importance to our economy are set to hold an Initial Public Offering.

And in this regard, we will implement an extensive programme with the EBRD.

For example, we are actively cooperating with the EBRD to privatise the largest banks in our country – the Uzbek Industrial and Construction Bank, and Asaka Bank.

In addition, we have launched a special programme in cooperation with the EBRD to effectively use our country's natural resources and attract investors with the latest technology. We have set ambitious goals for poverty reduction as well.

To accomplish them, we will create new opportunities and conditions for entrepreneurs and businesspeople.

To this end, we are interested in further expanding our cooperation with the Bank to provide financial support to small and medium-sized businesses.

We have also discussed these issues, setting out and adopting ambitious plans with the Bank in that regard.

Second, we will expand public-private partnership projects in areas such as infrastructure, medicine, education, transport and the environment.

For the first time in our country, we are launching projects with the Bank to manage the drinking water network in Namangan, and to build a modern highway from Tashkent to Samarkand.

We will expand public-private partnership in tourism, which is a highly promising sector as well.

I believe that, by staying here in Samarkand, you can feel for yourselves the enormous tourist potential that our country possesses.

In general, more than 40 major private-public partnership projects in the fields of healthcare, education, infrastructure, transport and energy will be presented at this Meeting.

I am confident that you will find these projects interesting.

Third, we will rapidly develop the green economy, especially the green energy sector.

We intend to increase the share of renewables in electricity production by 40 per cent by 2030.

Of course, bankers and Governors present here know that this is not a small figure; for Uzbekistan, it is a significant amount. In order to achieve this, we are creating a solid basis for training, and accumulating the necessary experience and expertise. And together with our people, with you and with investors, we will implement this plan.

In that regard, three large solar power plants with a total capacity of 1.2 gigawatts will be built this year with the EBRD.



At the same time, the ancient city of Samarkand, which is hosting today's Meeting, has recently been included in the Bank's Green Cities programme.

We count on the Bank's support to include our cities such as Nukus, Andijan, Bukhara and Namangan in this programme.

Fourth, we are giving particular attention to further supporting women's entrepreneurship in the New Uzbekistan, and creating equal opportunities for women to implement their ideas and initiatives.

In this regard, our programmes to ensure women's employment and economic empowerment, which are being implemented with the Bank, deserve special attention.

We will further expand our cooperation with the Bank to dramatically increase the number of such projects.

Fifth, together with the Bank, we are ready to implement many more new projects involving new agro-technology, water conservation and food security.

I believe that such projects will be beneficial for both the Bank and investors in the current environment of increasing global food shortages.

Dear Meeting participants

We have decided that developing cooperation in Central Asia is one of the highest priority foreign policy initiatives for the New Uzbekistan.

Today, Central Asia is becoming a shining example of good neighbourliness and partnership, thanks to the strong political will of the leaders of countries in the region and our consistent efforts.

In particular, to develop economic relations with our neighbours, we have set up joint investment funds, and launched a number of major projects in industry, energy, transport, and water management.

We invite the EBRD and other foreign partners to participate actively in these regional projects.

Ladies and gentlemen

I would like to conclude by emphasising one last point. Today's international Meeting is creating a historic opportunity to elevate cooperation between the EBRD and our country to a new level.

At the same time, I am confident that the visits of government representatives from 71 countries to Samarkand will give great impetus to launching mutually beneficial projects with them too.

Today's presentation of Uzbekistan's investment potential has demonstrated in detail the great business opportunities that our country can offer.

In addition, new projects will be presented to you in detail at the sessions and discussions held as part of the Annual Meeting.

I believe that each and every participant of the Meeting will discover new ways of doing business in Uzbekistan; and we will create opportunities for achieving that.

In addition, the rich and ancient history of our country, its unique cultural heritage, and hospitable and sincere people will leave an unforgettable impression on you. I am confident about this today because in Samarkand, you have seen the hospitality and warm-heartedness of our people.

I wish you all good health and happiness, the best of luck in your endeavours, and great success at the Annual Meeting.

Thank you for your attention.

## **OPENING STATEMENT BY MR MAGNUS BRUNNER, CHAIR OF THE BOARD OF GOVERNORS**

Your Excellencies, Distinguished Governors, President, Ladies and Gentlemen,

It is truly an honour to address you as Chair of the Board of Governors, and to welcome you all, and especially our distinguished guest speaker, His Excellency President Mirziyoyev to this, the Thirty-second Annual Meeting of the EBRD.

Thank you for sharing your perspective with us on the socioeconomic situation and developments of Uzbekistan. As EBRD shareholders, we are ready to support Uzbekistan in line with the mandate of the EBRD.

But the work of the EBRD or any other international financial institution alone cannot defend countries against the most naked forms of aggression that we have seen in Europe since 1945.

More than one year has passed since Russia launched an unprovoked and unjustifiable war of aggression against its neighbour Ukraine – and a direct attack on the rules-based international order.

More than one year of human suffering. More than one year of missiles and drones raining down on Ukrainian civilians and Ukrainian infrastructure and businesses.

On behalf of all shareholders, I want to warmly welcome the Bank's deployment of €1.7 billion in support of Ukraine in 2022. That level of support for a country under assault is a remarkable achievement by the Bank, making it rightly the largest country of operations and clearly the overarching focus of this institution. How to support Ukraine going forward will be the key focus of our discussions tomorrow. Therefore, I am pleased to announce that the Governor in Kyiv will be the first to address us at the Plenary tomorrow.

Our Ukrainian friends also understand the need to retain our global perspective. There is no trade-off between the EBRD, in cooperation and coordination with its peers, supporting Ukraine to the maximum extent possible, and also contributing to a wider, evolving agenda of sustainable development, leveraging its unique private-sector business model.

That is what the world committed to deliver by 2030 – only seven years away. And that is why I hope we can decide together on EBRD's limited and incremental expansion to sub-Saharan Africa and Iraq that has been many years in the making.

The EBRD is well placed to pursue both of these vital objectives in parallel, because of the strong position the Bank is in today. For that, I pay tribute to the President, Odile Renaud-Basso, who has guided the EBRD through the pandemic, and has taken a leading role in mobilising the international community in support of Ukraine.

Before turning to the focus of our discussions tomorrow, it is important to recall the Bank's achievements since our last Annual Meeting in Marrakech in May 2022.

Under your leadership, Odile, the Bank has continued to deliver strong results within the current Strategic and Capital Framework, which we, as Governors, approved in 2020.

The Implementation Report on our agenda later today shows the great work that has been done on the key pillars of digital transition, gender, equality of opportunity, and of course, the mobilisation of private finance for the climate emergency facing our planet. Crucially, the Bank again met its goal of investing more than half of its total annual investment in Green Economy Transition projects last year.

The continued delivery of this support to Ukraine and other regions of operations depends on us as shareholders and donors. The Annual Donor Meeting yesterday helped develop a shared understanding of the most pressing needs and priorities. It is clear that we all need to work together on this.

At our Plenary Session tomorrow, I will be asking you, as Governors, to provide strategic guidance on how shareholders can best support the Bank in its vital mission, addressing both pressing, immediate needs and long-term transition gaps.

Madam President, when you campaigned to lead this institution you focused on ‘ABC’:

- A was for agility, which the Bank has amply demonstrated, growing from strength to strength,
- B was for building back better, which at the time, referred to the pandemic, but is more relevant than ever in our support for Ukraine,
- C was for clients and countries, which remain the focus of everything we do.

None of this work would be possible without the incredible work of the Bank’s staff and, on behalf of all the Governors and shareholders, I want to thank them for the incredible work they do.

The theme of this year’s Annual Meeting is *investing in resilience*, which sums up so well what we are trying to do by taking the partnership of the EBRD and its shareholders to the next level.

Madam President, dear Odile, on behalf of all Governors, thank you and your dedicated staff for everything you and your staff have done, are doing and will do in support of the Bank’s mandate. Dear Odile, thank you for your leadership. We look forward to hearing your perspectives on the challenges ahead.

Ladies and gentlemen, thank you.

**OPENING STATEMENT BY MS ODILE RENAUD-BASSO, PRESIDENT OF THE EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT**

Mr President

Thank you very much for your gracious words of support for the EBRD and our joint partnership.

We are delighted to hold this event in Uzbekistan – and in your presence.

Your Excellencies, Governors, Colleagues, ladies and gentlemen,

Welcome to the EBRD's 2023 Annual Meeting and Business Forum.

And welcome to the ancient city of Samarkand, one of the treasures of Central Asia.

This region has regained its historic role as a vital link on the Silk Road, connecting east and west.

And Uzbekistan itself is now a major investment destination.

We at the EBRD are very proud of the part we have played in putting the country back on the map of international investors since 2017.

And greater momentum on reforms to open up the economy, develop the private sector and accelerate the green transition will, of course, attract more foreign investment.

Holding our event here is our tribute to shared achievements, and testament to the Bank's commitment to Uzbekistan's reform agenda

I would like to thank the President and all our partners here for everything they have done to prepare for this week – and, in general, to make the EBRD's work in Uzbekistan such a success.

Thanks to our partnership, we have invested over €3 billion in the last six years here, including more than €800 million last year alone.

Some shining examples of that success are the three solar plants that can generate almost 900 megawatts of energy, whose financing we announced last month.

Another is the Bank's largest-ever renewable energy project in our regions, in the shape of two wind plants in Bukhara, which will generate one gigawatt of power.

We could not achieve such results – and many others elsewhere – without our long experience, our local knowledge, our unique mandate and our trademark focus on the private sector and policy reform.

These are powerful strengths for the Bank to deploy for the benefit of our existing regions and, if you approve, in new ones too.

These strengths are now more relevant, more in demand, and more important than ever.

And so is the EBRD.

We are living through an age of alarming geopolitical tensions.

The world, and our countries of operations, have been facing multiple crises: the pandemic, the dramatic impact of the war on Ukraine, and the resulting energy and food crises.

Inflationary pressures are adding to the challenges.

Our response has been swift and effective.

Our investment reached the record level of €13 billion last year.

Most importantly, the impact of these investments has also been very high.

We can see that in our performance across the strategic themes you defined for us at the 2020 Annual Meeting, when you also elected me as the Bank's President.

Let me take them one by one.

Firstly, Green

Record green investment of €6.4 billion last year, the second year running we have delivered on our pledge to invest half our business volume in green financing.

Another pledge fulfilled: aligning all our activities with the goals of the Paris Agreement by the end of 2022.

And a personal highlight for me: the leading role the EBRD plays in the Energy pillar of Egypt's pioneering Nexus on Water, Food and Energy, and the support received from world leaders for this strategy at COP 27. Many of you here today have helped launch this very exciting partnership of private and public funding for a just transition.

Second, Gender and equality of opportunity

Gender-smart activities were part of 37 per cent of our projects last year; well above the target.

The number of inclusive projects also doubled year-on-year with a strong focus on skills and jobs.

And protecting livelihoods and human capital was key to our response to Russia's war on Ukraine as well.

Lastly, the digital transition

Our approach to accelerating this, approved less than 18 months ago, is now delivering real results across our regions.

Thirty-six investments signed, 50 policy engagements launched, and advice given to more than 800 SMEs last year.

In the midst of this, we have also moved to new headquarters, which embody our commitment to sustainability.

And it was a great privilege for me personally to welcome King Charles in March, to officially open our new home, one of Europe's greenest buildings.

The King was deeply impressed, I think, by the diversity of the staff he met.

This diversity is a huge asset for the Bank.

And I want to pay tribute to the commitment and dedication of all our teams this past year.

We should be very proud of the Bank's outstanding work across three continents.

Russia's aggression against Ukraine has been a stern test of the EBRD and our mission, one which will continue to shape much of what we do for years to come.

It is an attack on the shared values which underpin the EBRD.

It is costing many lives and causing much destruction.

It is damaging and disrupting many economies, and is creating much uncertainty, including here in Central Asia.

This Annual Meeting and Business Forum is being held under the banner of *investing in resilience*.

The Ukrainian people's own resilience has been an inspiration to me.

It is what struck me most in my two trips to Kyiv over the last year.

Despite the air raids, despite the risks, despite the fear and the trauma, life goes on. And the country is united around a shared goal of freedom and, in the future, recovery.

We have helped Ukraine keep the lights on, heat homes and businesses, ensure that trains continue to run, repair war damage, and safeguard human capital – and in many other ways.

We deployed €1.7 billion there last year, with a further €200 million mobilised from partner banks.

We have committed to delivering at least €3 billion over 2022 and 2023. And that is what we will do.

The war's destructive impact has not stopped at Ukraine's borders. And nor has our response to the conflict.

We have supported energy security in the Western Balkans and Moldova, food security in the Middle East and North Africa, connectivity in Central Asia, and access to capital markets in eastern Europe.

Here again, we could not have done all this without you, and the generous financial contributions of our donors.

We will continue to support Ukraine this year and in the longer term.

We will do so in wartime, and during reconstruction on its path towards European Union accession.

Deciding *how* best to do this will be part of your discussions tomorrow.

More support for Ukraine will allow us to sustain capacity to deliver in all our regions – for example, our response to the dreadful earthquakes in Türkiye earlier this year.

Across our regions, the EBRD is, I repeat, now more in demand – and more important – than ever before.

The EBRD's strengths are well known:

our long experience,  
our local knowledge,  
our unique mandate  
and our trademark focus on the private sector and policy reform.

With the support of you, our shareholders, we want to ensure that the Bank is fully equipped for the mission ahead, and thus to deliver maximum value for you, and maximum benefit for all our regions.

We must support them.

It is our duty to do everything we can to do so.



## STATEMENTS BY GOVERNORS

### STATEMENT BY MR VAHE HOVHANNISYAN, GOVERNOR FOR ARMENIA

I would like to welcome everyone at this Meeting, and to thank the Government of Uzbekistan for hosting us in the beautiful city of Samarkand, and for its great hospitality.

Let me express my sincere gratitude to the EBRD for the productive cooperation we have been developing in various sectors, both in public and private. Indeed, the EBRD's endeavours towards meeting the challenges of these difficult and uncertain circumstances, and the results it has achieved in countries of operations, including the Republic of Armenia, are impressive.

We expect the Bank will continue its proactive policy of engaging more and more in the private sector, and continue to be with us in our key reforms and infrastructure development aiming to improve economic potential and the livelihoods of our people.

We discussed the tragic consequences of the war in Ukraine in this session. The necessity to achieve peace in the region cannot be highlighted enough. I would like to draw your attention to the fact that the Republic of Armenia has been under continued aggression unleashed by Azerbaijan. Furthermore, constant threats of the use of force have formed the official rhetoric of Azerbaijan. Highlighting the need to condemn aggression in all its forms everywhere, I would like to thank all those countries around this table, which have expressed their clear position on the aggression against the sovereign territory of the Republic of Armenia, and support our efforts to reach peace in the south Caucasus. We also believe that the EBRD's increased involvement in regional initiatives and projects will contribute to overcoming the challenges we currently face.

Dear colleagues, with all this said, we expect the Bank to be consistent with its response to aggression everywhere in the region of its mandate.

In concluding, I wish that, when we meet in Armenia for the 2024 Annual Meeting next year, all conflicts will be in the past, and that we will be able to constructively discuss how to build and enhance our cooperation and integration plans for achieving our common goals.

### STATEMENT BY MS KATHERINE TUCK, TEMPORARY ALTERNATE GOVERNOR FOR AUSTRALIA

It is my pleasure to make this statement at the Thirty-second Annual Meeting of the EBRD on behalf of the Australian Treasurer who is unable to join us here in Samarkand. I would like to thank the Government of Uzbekistan for hosting the Bank's Annual Meeting, and the members of our constituency – Korea, New Zealand and Egypt – for their support and cooperation through the year.

I must open this statement by noting that Russia's invasion of Ukraine continues to take a massive humanitarian toll, and has adversely affected the global economy. We express our sympathy for the loss of life from this unprovoked and unjustified war and our full solidarity with the people of Ukraine. We reiterate our call for a speedy and peaceful resolution through diplomatic channels and for greater international cooperation and strengthened multilateralism to prevent fragmentation and safeguard prosperity.

The EBRD is part of international cooperation and multilateralism. Australia congratulates the Bank on its support to Ukraine and its neighbours, reflected in a commitment to deploy €3 billion over two years, with around half of this on its own balance sheet and half from donors. The Bank met the exceptional circumstances with agility and innovation.

Looking to the future, Australia encourages the Bank to continue to use its deep expertise, unique business model, experience and relationship with Ukraine to continue to provide that support through wartime and into the period of reconstruction. Australia welcomes the proposed process to agree on the scope of the Bank's work in Ukraine, and explore a potential capital increase. I look forward to receiving the report from the Board of Directors on the EBRD's support for Ukraine, for decision by the end of 2023. The EBRD should play a critical role in the international efforts in this regard, in cooperation and coordination with others.

Australia also welcomes the reconfirmation of the decision that Governors took at the 2022 Annual Meeting to undertake a limited and incremental expansion into sub-Saharan Africa and Iraq. Over time, the Bank will bring its unique model – including the focus on the private sector, pluralism and equality of opportunity – to new countries of operations. At the same time, the focus on Ukraine and affected countries must not be diluted.

We are very pleased to be able to support the proposal to amend the *Agreement Establishing the Bank* to introduce more flexibility into capital management, as part of the EBRD's response to the *Independent Review of MDBs' Capital Adequacy Frameworks*, commissioned by the G20. We look forward to the future development of this work as the Bank moves ahead on this with ambition, and urge the Bank not to lose momentum on this important work.

Australia would also like to take this opportunity to acknowledge the Bank's performance in 2022. There were record levels of Annual Bank Investment – over €13 billion – with a 50 per cent share of Green Economy Transition. We would like to thank all involved for this outstanding work, in Resident Offices and Headquarters, during a challenging year.

## **STATEMENT BY MR HARALD WAIGLEIN, ALTERNATE GOVERNOR FOR AUSTRIA**

First of all, we would like to thank Uzbekistan for hosting this Thirty-second Annual Meeting of the EBRD, and express our gratitude and compliments to all those involved in making it possible. We are delighted that this year's event is being held in Samarkand, one of the ancient cities of Central Asia. At the crossroads of cultures, this city has brought people together for millennia. The choice of location clearly reflects the importance of this region and underlines the EBRD's strong commitment to it.

I would like to use this opportunity to commend President Renaud-Basso and the whole team for the excellent work of the Bank. The steady hand of the EBRD's leadership has been instrumental in steering the EBRD through very choppy water at a time of global crisis. We commend the record Annual Bank Investment of €13.1 billion, comprising 431 investment operations in 35 different countries with a private-sector share of 74 per cent. We are cognisant that the Bank's net loss of €1.1 billion in 2022 has to be considered with regard to the extremely challenging global economic environment in the wake of Russia's war of aggression on Ukraine.

The EU and its Member States strongly condemn Russia's brutal war of aggression against Ukraine. We demand that Russia immediately cease its military actions, unconditionally withdraw all forces and military equipment from Ukraine, and fully respect Ukraine's territorial integrity, sovereignty and independence. We also condemn Belarus' involvement in Russia's military aggression.

Austria highly welcomes the EBRD's swift and comprehensive response to Russia's war on Ukraine. Thus, we fully endorse the Bank's resilience package of measures to help citizens, companies and countries affected by the war. International financial institutions such as the EBRD are key players in the current phase to keep the country's core infrastructure afloat. Given its history and presence on the ground, the EBRD – together with its peers such as the World Bank Group – will be a strong and very knowledgeable partner in a green and sustainable reconstruction based on the rule of law and high standards of governance.

Related to the discussion on optimising the capital adequacy of the Bank, we strongly advocate for securing the EBRD's AAA-rating, which was confirmed by all three major credit rating agencies in 2022. It is of the utmost importance to avoid a downgrade, which would increase the cost of funding and could, in the worst case, render the EBRD unable to lend to borrower countries in need of support. We agree that, going forward, additional paid-in capital is by far the most efficient and effective means of addressing the Bank's need for shareholder support. The size and structure of such a capital increase will need a careful assessment of the financial needs of the Bank. We stand ready to further discuss different options and scenarios.

In order to increase the flexibility and efficiency of the Bank regarding its strategic approach to support resilience and reconstruction in Ukraine and neighbouring countries in the region, Austria, while usually very cautious about changing financial parameters, can support the removal of the statutory capital limitation from the EBRD's *Agreement Establishing the Bank* and its delegation to the Board of Directors.

We also commend the EBRD's response to the violent earthquake that struck southern and central Türkiye and northern and western Syria. The EBRD's commitment to invest up to €1.5 billion in Türkiye over the next two years is an important building block to address immediate needs and support long-term resilience in the region. The Bank's unique characteristics have enabled it to build strong partnerships with the private sector, which can be used to multiply the impact of EBRD funding.

Austria is also supportive of a limited and incremental expansion of the EBRD to sub-Saharan Africa and Iraq. In light of the war in Ukraine, such an expansion to sub-Saharan Africa and Iraq should, however, in no way impair or call into question the EBRD's ability to support Ukraine and other existing countries of operations. It is also important that the EBRD focuses on its unique strengths and acts in complementarity and coordination with existing international financial institutions active in the region. We therefore support the amendment of Article 1 of the *Agreement Establishing the Bank* in principle, subject to approval of our parliament.

While living up to acute global challenges, the Bank is following its Strategy Implementation Plan 2023-2025 that fosters continued implementation of the EBRD's mandate to assist recipient countries to become sustainable market economies. Progress has been made on the strategic priorities of green, digital and gender as set out in the Strategic and Capital Framework. The Bank has been able to increase the share of gender-tagged projects to

37 per cent by 2022 – a good result that should not lessen our ambition for this objective. Green economy investments reached 50 per cent of total financing in 2022. We also very much welcome the emphasis on promoting equality of opportunity and gender equality, as well as the significant scale-up of investments in digitalisation over the past year. Equal access to economic opportunity is integral to sustainable market development.

It is very commendable that the EBRD had – despite its major engagement in Ukraine – achieved its goal of full Paris alignment by the end of 2022. Nevertheless, the EBRD should strive to constantly improve its methodology and raise its ambition. A green bank faces different reputational risks than a non-Paris-aligned bank. Coordination of Paris Alignment methodologies among international financial institutions is of the utmost importance and should also include sectoral guidance and definitions.

Let me close by reiterating Austria's confidence in the EBRD and our gratitude to management and all staff for their excellent work during what has probably been the most challenging period in the Bank's history. Looking ahead, we are confident that the EBRD will play a crucial role in a green and sustainable reconstruction of Ukraine as well as a just and green transition across the EBRD's regions.

#### **STATEMENT FROM MR MIKAYIL JABBAROV, GOVERNOR FOR AZERBAIJAN**

It is my great honour to extend my heartfelt gratitude to the EBRD for the organisation of the Thirty-second Annual Meeting of the Board of Governors of the Bank. I would also like to take this opportunity to express my sincere appreciation to the Republic of Uzbekistan for their hospitality and warmth.

We have had a strong and lasting partnership with the EBRD for 31 years, and we can say that our success in transitioning to a market economy is also the EBRD's success. The Bank has so far invested €3.5 billion in 187 projects in the country. The value of the current portfolio of projects supported by the EBRD in Azerbaijan is more than €844 million.

I am very pleased to note the special role of the EBRD in supporting activities aimed at becoming a *clean environment* and *green growth* country, which is one of the national priorities for the 2030 socioeconomic development of my country. Thus, last year, we signed two important projects in order to ensure sustainable green development in the city of Ganja, the second largest city in Azerbaijan and a member of the EBRD Green Cities programme. Currently, we are continuing intensive negotiations with the Bank to further deepen cooperation, and I am sure that, in the near future, we will jointly implement successful projects to develop SMEs and State-owned entities, as well as to restore the liberated territories in Azerbaijan, among others.

As you know, economic, food and energy security issues have become highly relevant for many countries against the backdrop of recent events at the global level, especially in the region, where the majority of the EBRD's countries of operations are. When talking about security issues, I would like to mention the Trans-Caspian International Transport Corridor, also known as the Middle Corridor. Today, as a result of coordinated work with our partners aimed at increasing the functionality of the Middle Corridor, which is the shortest and most convenient route connecting Asia and Europe, we see a significant increase in the volume of cargo transported through the corridor. We in Azerbaijan are fully committed, and are continuing our

efforts towards, increasing the capacity of the Middle Corridor. A good example is the document we signed here in Samarkand with the EBRD, which forms the basis of a project to purchase dry cargo ships for our shipping company, ASCO. This will allow more and faster cargo transportation along the Middle Corridor. I would like to inform you that in the near future, with the integration of the Zangazur Corridor, there will be a significant increase in the transmission capacity of the Middle Corridor, which in turn will exceptionally serve the common interests of the nations and countries of both Europe and Asia.

Along with the logistical advantages of the Middle Corridor, such as the transportation of goods, the Corridor can play an essential role in energy transmission, ensuring energy security for our European partners.

Thus, in July 2022, the *Memorandum of Understanding on Strategic Partnership in the Field of Energy between the European Union Represented by the European Commission and the Republic of Azerbaijan* was signed between Azerbaijan and the European Union in the field of energy. With the implementation of this strategic document, we will see a significant increase in the export of Azerbaijani gas to European countries. In addition, in December 2022, the *Agreement on Strategic Partnership in the Field of Green Energy Development and Transmission between the Governments of the Republic of Azerbaijan, Georgia, Romania and Hungary* was signed, which aims to transmit to Europe green energy generated in our country. In this context, the State Oil Company of Azerbaijan (SOCAR) is building partnerships with green industry leaders to develop largescale projects aimed at ensuring the energy security of Azerbaijan and Europe. I hope that the EBRD will fully support SOCAR in this endeavour. In addition to Azerbaijan's role in meeting the growing energy demand of Europe, we should always consider the transit of the energy resources of the countries of Central Asia through the Middle Corridor.

I strongly believe that bilateral and multilateral cooperation is the key, especially during these challenging times.

I would like to express our deep gratitude to the EBRD for its long-standing and sustainable support to the development agenda of Azerbaijan.

#### **STATEMENT BY MR ANDREI KARTUN, TEMPORARY ALTERNATE GOVERNOR FOR BELARUS**

I would like to begin by welcoming all participants, and by expressing our gratitude to the management of the Bank and the Uzbekistan Government for their endeavours in organising the Annual Meeting of the EBRD Board of Governors, which affords us the opportunity, during this thirty-second session, to gather together to discuss the current activities of the Bank, and seek the best solutions that enable us to achieve the Sustainable Development Goals.

The objectives of any international organisation are to develop cordial relations between countries, run joint activities to improve people's lives, achieve inclusive, market-oriented economic growth, and foster private and entrepreneurial initiative in both developing countries and countries with economies undergoing transition.

The Republic of Belarus has always shared these global values. Representatives of the Byelorussian Soviet Socialist Republic were directly involved in the establishment of the

United Nations. As a founder member, our country has belonged to the UN since 1945. Since then, the Byelorussian Soviet Socialist Republic, and subsequently the independent Republic of Belarus, have supported all UN initiatives, thereby increasing our integration into the system of international relations.

During the time that a sovereign Belarus has existed, we have joined more than 40 international associations and initiatives. In 1992, the Republic of Belarus became a Member of the EBRD immediately after gaining independence. Throughout our partnership, we have managed to implement successful commercial projects, which have made a significant contribution to developing private and entrepreneurial initiatives in our country. The Bank has implemented transport, housing and utilities infrastructure projects, which have helped improve living standards for ordinary Belarusian citizens.

Despite the 2008 financial crisis and the unstable foreign policy environment in 2014, we have always managed to find a compromise. This has created a diversified investment portfolio with the Bank amounting to more than €2.8 billion.

Nevertheless, our track record of joint work, the reputation of Belarus as a reliable borrower, and the overall objective of deepening our partnership and achieving the Sustainable Development Goals – all this counted for nothing in 2022 when the executive bodies of a number of international financial institutions took unprecedented action against the Republic of Belarus.

For three decades, our government policy had been founded on running a socially responsible economy. Based on all social equality indicators, Belarus is one of the best-performing countries. We strictly adhere to these values. Last year's unprecedented decision of the EBRD's executive bodies to suspend the financing of infrastructure projects that had already been launched and that were designed to improve people's living standards, has very deeply undermined our trust. We want to assure you that we will complete under our own steam all the projects that the EBRD started at some point but abandoned halfway through.

For us, last year's experience compromises the role of international financial institutions, which are intended to strengthen peace and partnership. International organisations are increasingly turning into political vehicles that certain countries use manipulatively. These circumstances make it extremely difficult to have any expectation of fairness when it comes to making political decisions.

One year after the Board of Governors deciding to block access for Belarus to the Bank's credit facilities, the Minsk Resident Office being shut down, and individual countries imposing numerous economic and financial restrictions, we can see that sanctions are a destructive measure designed to harm the well-being of people around the world.

The reduction in the delivery of Belarusian fertilisers to the global market and the disruption of traditional supply chains for other Belarusian agricultural and chemical products are exacerbating international food insecurity.

Research data from a number of international organisations and institutions (WTO, FAO, UNCTAD and others) confirm the wide-ranging negative consequences of the military conflict in Ukraine.



In March this year, the Swedish government estimated at the European Humanitarian Forum that *“humanitarian needs around the world have nearly tripled since 2019, [...] 50 million people in 45 countries are on the verge of famine”*.

Last year, in excess of 3 billion people were unable to provide themselves with adequate food.

At the same time, in August 2022, about 70 per cent of European nitrogen fertiliser companies producing ammonia were closed for economic reasons, as gas prices were making them unprofitable.

We firmly believe that not a single person in the world should suffer the consequences of senseless, pointless sanctions wars. Everyone wants, and definitely deserves, to eat healthily, drink clean water, live in a warm house, have the right to work, and the opportunity to fulfil themselves.

On 28 January last year, the President of the Republic of Belarus Alexander Lukashenko gave an address to the Belarusian people and the National Assembly. From top to bottom, he set the country's entire governance structure the task of doing its utmost to ensure that ordinary people do not feel the adverse consequences of external pressure.

Our socioeconomic development priorities have remained unchanged, despite changes in working conditions. Those priorities are ensuring community stability, and raising citizens' living standards by modernising the economy, accumulating social capital, and creating comfortable conditions for people to live, work and fulfil themselves.

In response to economic pressure, the Belarusian economy has consolidated its efforts more than ever to support sustainable socioeconomic development. In 2022, macroeconomic and financial stability was maintained, while Belarus posted a record foreign trade balance of US\$ 4.3 billion. Measures have been adopted to curb inflation in the country. It was already 6 per cent in the first quarter of 2023, which is close to our medium-term target. The country's food security has been fully guaranteed, which has also allowed us to export food worth more than US\$ 8 billion.

Belarus is open to any dialogue, including with countries that continue to use sanctions to engage negatively. There is no other way to resolve disagreements and restore normal cooperation.

In the interests of ensuring global and regional food, energy and environmental security, we propose returning to the path of critical, pragmatic and constructive relations, and abandoning the flawed full-scale sanctions policy from the Cold War era.

The infrastructure projects that we had previously planned to implement with the EBRD in Belarus are for peaceful purposes; they are designed to maintain certainty, and preserve the environment, food sustainability, peace and development in the region.

We are always ready to have a substantive discussion about any issues of interest to the world. But our position is unchanged: we will only talk to those who respect the Belarusian people, their choice and traditions, and only if our national interests are respected.

We are still in favour of peaceful solutions to conflicts. We wish to restore constructive bilateral dialogue between countries and return to trusting international relations based on mutually beneficial and respectful terms.

We hereby inform you that the Republic of Belarus will abstain from voting on all matters submitted for consideration by the EBRD Board of Governors during the current plenary session.

## **STATEMENT BY MS STEFANY KNOLL, TEMPORARY ALTERNATE GOVERNOR FOR BELGIUM**

On behalf of the Belgian authorities and Mr Vincent Van Peteghem, Deputy Prime Minister and Minister of Finance, I would like to express gratitude to the Republic of Uzbekistan for hosting the 2023 Annual Meeting of the Board of Governors of the EBRD in Samarkand.

Belgium strongly condemns Russia's brutal war of aggression against Ukraine and the illegal annexation of Ukraine's Donetsk, Luhansk, Zaporizhia and Kherson regions. We also condemn Belarus' involvement in Russia's military aggression.

Belgium is taking this opportunity to thank President Odile Renaud-Basso for her leadership and commitment during times of multiple global and regional crises, which is probably the biggest challenge in the history of the Bank. We are grateful for her role in the EBRD's response to the Covid-19 pandemic, and to the consequences for the region of Russia's invasion of Ukraine that is causing significant economic implications for the region and supply shock to the global economy. We strongly condemn Russia's war against Ukraine. We welcome the EBRD's commitment of up to €3 billion over 2022-23 to help Ukraine's businesses and economy keep functioning, the already deployed €1.7 billion during 2022, and the €200 million of mobilised finances from partner banks to support the real economy and infrastructure.

Needless to say, these events have put some severe pressure on the EBRD's finances. We acknowledge the increasing financing needs to further support Ukraine and other clients. In this regard, Belgium underlines the much-needed efforts to be taken with regards to the EBRD's capital adequacy framework review in order to increase financing for development, while ensuring the EBRD's AAA rating and long-term financial sustainability. Therefore, we welcome the proposals from management to implement the G20 capital adequacy framework recommendations in order to increase the EBRD's financing capacity. We especially welcome the following proposals and actions:

- Amendment of Article 12.1 on the statutory lending limit, meaning a relocation of the statutory capital limitation from the *Agreement Establishing the Bank*;
- We further commend that the Bank has implemented and is implementing Recommendation 3 of the Report through, for example, deleveraging the Treasury balance sheet, private-sector mobilisation and unfunded risk participations, to name a few;
- In this respect, the use of shareholders' guarantees deserves a special mention, because this instrument enabled the Bank to engage in Ukraine, while mitigating its risk. The Belgian Minister of Finance will, in the coming weeks, submit a proposal to the Council of Ministers that would allow Belgium to support multilateral development banks like the EBRD with guarantees.



We encourage the EBRD to continue on this path and work further on all recommendations from the G20 *Independent Review of MDBs' Capital Adequacy Frameworks* as part of the exercise to find solutions that continue to support Ukraine without affecting other clients. Belgium understands that a capital increase is the most effective way to deliver this support, and maintain operations in Ukraine and other countries. This would provide an opportunity for all shareholders to contribute to supporting Ukraine and increase the Bank's operational impact. However, Belgium underlines that the EBRD needs to do what it does best and fulfil its mandate by focusing on private-sector operations, which have still been declining since the Covid-19 pandemic and the invasion of Ukraine. Further, we request more detailed work on different financial scenarios and a clear justification for the magnitude of a possible future capital increase. Last but not least, our request for more preliminary work is not a foreshadowing of our final position or decision to contribute.

With regards to the expansion towards sub-Saharan Africa, Belgium notes that the conditions mentioned in the decision in principle at the Annual Meeting last year are being fulfilled, such as the preservation of the AAA rating and that the EBRD's DNA and current activities would not get affected and put at risk by a possible expansion. We can therefore agree that the procedure to change Article 1 be launched. However, while the implementation of the expansion will take time, we would like to reiterate that this expansion should be in line with and respect the private sector-focused mandate of the EBRD.

On climate, Belgium welcomes the EBRD's early engagement with the Board and other international financial institutions towards the implementation of Paris alignment and the fact that all EBRD activities have been aligned with it since 2022. Given the global significance of the climate emergency, we would like to underline the importance of the EBRD's performance in climate finance and operations in the region. We welcome the initiatives and programmes made by the EBRD on its path towards its Green Economy Transition approach, and towards its commitment to increase green financing to more than 50 per cent of its annual business volume by 2025. Belgium is looking forward to the results of these initiatives and encourages continued close engagement with the Board on the EBRD's goal to become a climate finance leader and a majority green bank by 2025. Therefore, we also highly welcome the latest strategic document from last December, *Methodology to determine the Paris Agreement alignment of EBRD investments* and the document, *Approach to the Paris Agreement alignment of the EBRD's internal activities*.

With regards to gender and equality, we appreciate the progress made in the first year of implementation of the *Strategy for the Promotion of Gender Equality* and the *Equality of Opportunity Strategy*.

In conclusion, Belgium would like to express its appreciation to the Bank's staff, who have continued their hard work since our last Annual Meeting, and have continued to deliver strongly against an unusually challenging background and in an environment of permanent crisis over the last couple of years.

## **STATEMENT FROM MS ROSITZA VELKOVA-JELEVA, GOVERNOR FOR BULGARIA**

First, let me start by thanking the EBRD and the authorities of Uzbekistan for organising the Thirty-second Annual Meeting. I am delighted that we have the opportunity to meet in person

in the spectacular city of Samarkand, despite the various challenges that the world has been through in the past few years, which only demonstrated the growing need for solidarity and unity among us.

The world today is withstanding uncertainty in diverse forms – galloping inflation and commodity prices, a food crisis, climate change, and unjustified war, along with a humanitarian and economic crisis that will have significant impact on a global scale. The war is mercilessly destroying hard-won moral and material values, which is not only hindering the advancement of the economy, but is also rolling back societal development, causing unpredictability and long-lasting consequences. In these challenging times, it is of paramount importance that we manifest cooperation and commitment to our values. In this regard, Bulgaria strongly condemns Russia's brutal war of aggression against Ukraine and demands that Russia cease all military actions, withdraw its forces from Ukraine, and fully respect Ukraine's territorial integrity, sovereignty and independence. We also condemn Belarus' involvement in Russia's military aggression.

In these difficult times, when resilience is what we strive for, the EBRD has reacted swiftly, and allocated valuable support to Ukraine and the countries affected by the war. The Bank demonstrated its unwavering support to Ukraine with a total of €1.7 billion, acting countercyclically in an extremely challenging investment environment. The prominent role of the EBRD in Ukraine and its adequate response to the crisis logically finds its reflection in the financial results of the Bank, marking a record loss of €1.1 billion. The EBRD remains the largest institutional investor in Ukraine, and as of December 2022, has managed to leverage donor funds of more than €1.2 billion. In critical moments like this, the EBRD has proved itself a reliable partner with the finest level of professional conduct and business agility; I would like to commend Ms. Renaud-Basso and the staff of the Bank for their dedication and hard work. In this regard, I am confident that the Bank will deploy all possible means to attract shareholders' and donors' support, as well as to mobilise its own resources in order to continue the successful implementation of its important mandate, while maintaining its AAA rating.

The EBRD has always been devoted to its countries of operations, supporting them in their path towards well-functioning market-oriented economies, based on the principles of multiparty democracy and pluralism. Considering the great extent of the current needs of Ukraine and the growing uncertainty about the outcome of the war, the Bank is in a unique position to further add value, by maximising the collective impact of the future reconstruction of Ukraine. In this regard, any additional Bank activity in Ukraine should be evaluated in terms of the most efficient use of scarce resources in order to reach an optimal level of reconstruction impact, in parallel with the necessary reforms. Furthermore, the stability of the Bank and its functional resilience should stay unquestioned, for which it will be decisive to ensure not only strong shareholder support, but also the optimal use of the Bank's capital capacity to support itself in achieving the maximum potential impact in its recipient countries. We rely on the fact that the EBRD will continue to be governed in line with prudent capital and risk metrics, guaranteeing its financial stability and operational effectivity.

Despite the fact that the strategic and business context has changed dramatically in the last year, and while recognising the urgency for the EBRD to prioritise and accommodate the needs of Ukraine and the countries affected by the war, we believe that the war on Ukraine has reinforced the parallel relevance of addressing shareholders' objectives in sub-Saharan Africa and Iraq. We acknowledge that the war imposed capital constraints on the Bank. However, we should not narrow down the strategic foresight of the Bank, whose ambition is also a sign of

continuing value and uninterrupted engagement, attached by the shareholders to the region. We are confident in the EBRD's capabilities to contribute to tackling development challenges by actively engaging in coordination with other international financial institutions in order to efficiently mobilise public and private-sector financing.

The greatest advantage of the Bank lies in its mandate to support transition towards sustainable development and a just energy transformation, with competitive, well-governed, green, inclusive, resilient and integrated economies. Further, we would like to emphasise the outstanding role of the EBRD in combining investments with policy engagement. And in this regard, we count on the EBRD to further its tailored financial support and extensive advisory expertise for the Bulgarian financial and corporate sector, paving the way for an increased number of high-quality projects. We hope that the EBRD will continue to be a trusted partner, dedicated to the transformation towards a greener, more innovative and sustainable economy in Bulgaria.

We look forward to continuing our fruitful cooperation in the years ahead.

## **STATEMENT FROM MS CHRISTIA FREELAND, GOVERNOR FOR CANADA**

Canada condemns Russia's ongoing illegal and barbaric full-scale invasion of Ukraine. We will stand with Ukraine for as long as it takes to support its territorial integrity, sovereignty, and democracy. We commend the EBRD's unwavering commitment to its founding principles of multiparty democracy, the rule of law, and respect for human rights, which have underpinned the Bank's significant efforts to support Ukraine.

Since February 2022, Canada has provided over CAD \$8 billion in direct financial, military, and humanitarian assistance to Ukraine, and imposed strict sanctions on Russia and Belarus. In October 2022, Canada contributed a €36.5 million loan guarantee for Naftogaz to ensure Ukrainians could heat their homes and keep the lights on last winter. Canada appreciates the support of like-minded shareholders who collectively enabled the EBRD's €300 million loan to Naftogaz.

There are immense needs to finance Ukraine's reconstruction, and efforts to leverage equity should begin now. The EBRD was created to contribute to economic progress and reconstruction in central and eastern European countries, and has a crucial role to play in Ukraine's reconstruction. Russia's invasion of Ukraine is also exacerbating global economic challenges, including poverty, income inequality, and food insecurity, with particular consequences for the world's most vulnerable.

Ukraine's reconstruction requires multilateral partnership and leveraging private capital. The EBRD has a crucial role to play in mobilising private capital to support Ukraine's reconstruction, and we encourage it to continue working towards this goal. We applaud the EBRD's engagement supporting policy reforms and good governance in Ukraine.

As we discuss the EBRD's contribution to the future of Ukraine, we encourage the EBRD to seek complementarity and compatibility with other multilateral development banks and international financial institutions. The EBRD's top priority must remain supporting Ukraine and our current countries of operations; any expansion of the Bank's scope should in no way detract from this primary focus.

Climate change is one of the most pressing issues our world faces today, and will only become a more significant challenge in the years ahead, as climate impacts accelerate. To support those most vulnerable to climate change, we call for an increased and improved mobilisation of climate finance for developing countries. A significant portion of Canada's climate finance is implemented by multilateral development banks, which are best equipped to deliver on the US \$100 billion climate finance commitment pledged by advanced economies. We applaud the EBRD for being a forerunner among multilateral development banks in developing and implementing Paris Agreement-aligned methodologies to meet climate finance targets.

Canada strongly welcomes the EBRD's progress toward gender equality, including by increasing women's access to finance and entrepreneurship, employment, and skills development opportunities. We call on the Bank to continue its work to reduce gender inequality in all EBRD operations.

### **STATEMENT BY MR CHANGNENG XUAN, TEMPORARY ALTERNATE GOVERNOR FOR CHINA**

On behalf of the People's Bank of China, I would like to thank the EBRD and the Uzbek Government for your warm hospitality and considerate arrangements. It is a great pleasure for me to join the Thirty-second Annual Meeting of the EBRD. With fellow Governors gathering in Samarkand for a face-to-face discussion, I am fully convinced that we will deliver another successful Annual Meeting to discuss priorities for the year ahead, and to take collective actions to combat common challenges on our agenda.

We commend the EBRD's solid and swift response in coping with multiple shocks over the past year. The EBRD and its regions of operations are undergoing unprecedented and interconnected challenges, among which the global tightening of financial conditions, persistently high inflation, food and energy supply disruptions, climate change, and the digital divide are posing big threats to decades of development gains and the transition mandate of the EBRD. The Bank managed to play its unique role in these areas, while striking a balance between maintaining a relatively sound financial status with a AAA credit rating, and maximising its financial support to countries of operations. We are also glad to witness the EBRD's large presence in rendering help to the victims of the recent earthquake in Türkiye and Syria, along with the other multilateral development banks. We believe the establishment of the Disaster Response Framework will enable the affected regions to cope with the impacts and economic shocks resulting from the disaster.

We appreciate the EBRD's resolve to keep the Sustainable Development Goals (SDGs) on track by implementing the Strategic and Capital Framework 2021-25, and the Strategy Implementation Plan 2023-25, with core priorities in the green economy, equality of opportunity, and digital transition. We congratulate the Bank on its progress, having achieved its 50 per cent green investment goal ahead of the 2025 target date, and on putting its own green investment methodologies to work. Nevertheless, more efforts still need to be scaled up to build a sustainable ecosystem, dominated by clean and renewable energy. In this regard, we call on the EBRD to mobilise different channels of resources in new energy investments, including solar photovoltaics in countries of operations, to achieve carbon neutrality in line with the Paris Agreement.

The global community is at a critical moment in its pursuit of the 2030 agenda, which requires the entire world to redouble its efforts to achieve greater SDG impact. China is willing to continue our active role in contributing to regional development and transition in collaboration with the EBRD. Chinese financial institutions have acted as equity investors and loan lenders, providing co-financing of more than €1.2 billion to the EBRD's projects in recent years. We co-host roadshows with the Bank on its annually published Transition Report, together with academic professionals, to exchange views and experiences of our own transition stories. The Global Development Initiative, announced by President Xi Jinping, is a responsible and promising response to help the world recover from setbacks and deliver our development ambitions in a series of cross-cutting areas, including poverty eradication, food security, health, climate action, digital economy and connectivity. We look forward to further strengthening our cooperation with the EBRD in these crucial aspects.

We reiterate our support for the EBRD's swift response in terms of relief supplies to vulnerable and displaced families in Ukraine and affected countries. The commitment to investing up to €3 billion over 2022 and 2023, aimed at rebuilding vital infrastructure, strengthening energy and food security, and supporting enterprises, provides both the immediate needs to the most vulnerable groups and lays the ground for the longer-term economic recovery of these countries. Beyond that, we encourage the Bank to prioritise supply chain investment to pave the way for tackling spiking energy and food prices, and to advance infrastructure construction, so as to lay a solid foundation for a regional economy rebound and transition.

China stands ready to work with the EBRD to increase humanitarian assistance, and to play a constructive role in promoting reconstruction along with the international community. To this end, we would like to emphasise that dialogue and negotiation are the only viable solutions to addressing this issue, and the optimal way to meet all parties' interests. Only when regional peace and stability is realised can the Bank embark on the reconstruction phase on a solid basis.

In this exceptionally challenging time, it is understandable that the Bank needs to be equipped with more capital for robust operations. In this context, we are open to discussions on a potential capital increase, based on consensus and a more concrete proposal, indicating how the Bank's balance sheet will be prudently used under different scenarios. Undoubtedly, the ongoing tension brings uncertainty to the Bank's future operation and capital needs, which in turn demonstrates the significance of peace talks.

We support the EBRD's limited and incremental expansion to sub-Saharan Africa and Iraq, insofar as it is compatible with its current operations and financial soundness. The sub-Saharan Africa region is facing substantial development issues with a large financing gap, but a limited ability to attract market capital. In this regard, we encourage the Bank, along with international development peers, to prioritise its support for the region so as to combat poverty, ensure food and water security, and tackle climate adaptation.

To unleash more development financing potential, we could agree in principle to the EBRD's removal of the statutory capital limitation on ordinary operations, conditional on an assurance of the Bank's financial soundness and sustainability, including setting and maintaining appropriate limits in respect of capital adequacy metrics. In this vein, the Bank is expected to set appropriate guidance and policy for capital usage under the proposed *G20 Independent Review of MDBs' Capital Adequacy Frameworks*.

The EBRD is driving its developmental engines and translating its plans into detailed actions, with solid countercyclical programmes, supporting regional resistance against external uncertainties, and making great strides in its commitment to regional prosperity. Looking forward, we expect the EBRD to create longer-term solutions to better adapt its role to the sustainable development agenda, and China will continue to work with the Bank in its pathway.

## **STATEMENT BY MR KYRIACOS KAKOURIS, TEMPORARY ALTERNATE GOVERNOR FOR CYPRUS**

It is a great honour and privilege to participate in this year's EBRD Annual Meeting on behalf of the Republic of Cyprus. Let me extend my appreciation to the authorities of Uzbekistan for inviting us to the historic city of Samarkand and the warm welcome. Many thanks to the local authorities and all the organisers who have contributed to the successful organisation of this gathering.

As we gather for this important Meeting, reflecting on our organisation's progress over the preceding year is crucial. Despite encountering numerous obstacles, we have managed to maintain stability and achieve growth, and our financial and operational results have been strong despite the challenging economic climate. However, it is essential to recognise the ongoing geopolitical tensions arising from the Russian invasion, and their impact on our operations, requiring us to maintain vigilance moving forward.

A succinct overview of the year 2022 shows that the EBRD invested a record €13.1 billion in 431 investment operations and 81 trade finance agreements across 35 countries, despite a net loss of €1.1 billion due to the challenging economic environment caused by Russia's war on Ukraine. We are very pleased with the Bank's prudently managed balance sheet and the countercyclical role in supporting its regions and clients; this demonstrated impressive resilience and a strong financial position, and reaffirmed its AAA rating with a stable outlook from all three major credit rating agencies.

It is commendable that the EBRD prioritised gender equality and green economy investments, with a 37 per cent share of gender-tagged projects and 50 per cent of total financing in green economy investments, in line with its strategic priorities to integrate gender equality components into at least 40 per cent of its operations by 2025, and to become fully Paris aligned. The Bank also fostered private-sector competitiveness and connectivity, strengthened economic governance, and supported the transition to carbon neutrality in Central Asia and the Western Balkans region.

With over 30 years' experience in Ukraine, the EBRD holds the title of the largest institutional investor in the country. Regrettably, the Russian invasion currently in progress has caused significant economic and social damage. We fully support the Bank's commitments to providing €3 billion in financing in 2023, building on the €1.7 billion deployed in 2022, and the €1.4 billion in donor funding, which has been used to support businesses, and import and distribute essential goods. In addition, emergency liquidity has been provided to Ukraine's railway and electricity companies, and financing packages have been provided to address infrastructure damage and compensate for the loss of natural gas production.



We welcome the Board of Directors approval of the Strategy Implementation Plan for 2023-2025, with an administrative expenses budget of £482.6 million, aligning with the organisation's goals of promoting sustainable market economies, financial stability, green initiatives, equality of opportunity, and digitalisation. As a result, the EBRD is now the first multilateral development bank to align all its investments with the Paris Agreement, limiting global warming to 1.5 degrees Celsius and ensuring at least 50 per cent of its investments are green by 2025. In particular, it is good to note that the EBRD will align building emissions, travel, procurement, and retirement plan activities with the Paris Agreement goals, demonstrating its commitment to sustainability leadership, and encouraging partners and stakeholders to mitigate climate change and advance other sustainability objectives.

Following a devastating earthquake that resulted in over 50,000 fatalities and extensive physical damage in southern and central Türkiye and northern and western Syria, we appreciate the Bank's plans to invest up to €1.5 billion in Türkiye's south-east region over the next two years. The investment aims to support the recovery, reconstruction and reintegration of the region's economy, focusing on sustainable infrastructure, private-sector partnerships, and small and medium-sized enterprises.

At the Annual Meeting in May 2022, Resolution 248 was approved, enabling a limited and incremental expansion of the Bank's operations to sub-Saharan Africa and Iraq. The Board of Directors has assessed this expansion's capital and financial implications and determined that it will not impair the Bank's ability to support its existing countries of operations, compromise its AAA credit rating, or require additional capital contributions. Accordingly, the proposed expansion, which will be implemented through interrelated measures such as amending Article 1 of the *Agreement*, and limiting the number of new countries of operations within sub-Saharan Africa, finds us in agreement.

We are fully aware that the Bank has responded positively to the recommendations of the G20 capital adequacy frameworks report to enhance its risk appetite and act on the report's suggestions on Ukraine. The report recommended relocating specific numeric leverage targets from the statutes of multilateral development banks to their capital adequacy frameworks so as to ensure flexibility in capital management. The proposal suggests deleting Article 12.1 of the *Agreement Establishing the Bank*, which sets a formal limitation on the nominal value of ordinary capital obligations, and replacing it with a new text enabling the Board of Directors to establish and maintain appropriate limits on capital adequacy metrics to protect the Bank's financial soundness and sustainability. We endorse the new approach, which follows the World Bank Group's efforts to remove the statutory capital range during the World Bank/IMF Spring Meetings.

It is quite promising that in Q1/2023, the Bank, despite the geopolitical uncertainty in its operational areas, invested in 89 projects worth €2.3 billion. Although there is uncertainty, and fluctuations in earnings from equity and credit losses are expected due to geopolitical tensions in those areas, the Bank remains assured of its capacity to sustain adequate capital strength and liquidity, so as to support its operations throughout 2023 and beyond.

As I bring my remarks to a close, I am confident that this year's EBRD Annual Meeting discussions and decisions will propel our organisation toward a successful future. I appreciate the thoughtful and collaborative dialogue, and I am eager to see the positive results of our collective efforts. So let us move forward with determination and a shared commitment to achieving our goals.

## **STATEMENT BY MR ZBYNĚK STANJURA, GOVERNOR FOR THE CZECH REPUBLIC**

Last year we were all shocked by the act of violence committed by one of our shareholders against another; actions that violated the EBRD's core principles and values of democracy, respect for human rights and pluralism. It is quite symptomatic that 449 days later, the consequences of this act continue to dominate our Meeting. The Czech Republic fully supports the EU's collective statement and strongly condemns Russia's brutal war of aggression against Ukraine. We demand that Russia immediately stop its military actions, unconditionally withdraw all forces and military equipment from Ukraine, and fully respect Ukraine's territorial integrity, sovereignty and independence. We also condemn the involvement of Belarus in Russia's military aggression.

Since the start of the war, we have been strong advocates for providing focused and scaled-up support to Ukraine on both a bilateral and multilateral basis. More than a year has passed since the conflict began, and we cannot afford to become inactive. On the contrary, targeted aid should be accelerated so that Ukraine receives the assistance it needs. The Czech Republic remains committed to this cause, and I am pleased to see that the EBRD is also willing to step up. We commend the Bank for investing €3 billion in 2022 and 2023, and we also highly appreciate the unprecedented level of support from donors.

We are among those who prefer a clear commitment to Ukraine with increasing investments both now and after the war. To achieve this, the EBRD's engagement in Ukraine should be backed up by stronger profitable investments in the region, as well as critical shareholder support. As such, we support the Report and Resolution presented, *EBRD's Support for Resilience and Reconstruction in Ukraine – The Way Forward*.

As supporters of the implementation of the Resolution on Ukraine, we are also ready to go along with the amendment to Article 1, which would allow for the limited and incremental expansion of the geographic scope of the Bank's operations to sub-Saharan Africa and Iraq. But at the same time, we hope that the Bank will pay due attention to the impact of the war in Ukraine and adjust the timeline for decision-making accordingly. I believe that the main focus should remain on Ukraine and the affected countries.

In conclusion, let me say again that we strongly support the EBRD's resolute commitment to help Ukraine. This is a singular opportunity to act proactively and fulfil the original mandate and purpose of the EBRD.



**STATEMENT FROM MR MORTEN BØDSKOV, GOVERNOR FOR DENMARK**

On behalf of Denmark, I have the honour of presenting the written Governor's statement ahead of the 2023 Annual Meeting.

The EU and its Member States strongly condemn Russia's brutal war of aggression against Ukraine. Russia must stop its aggression and immediately, completely and unconditionally withdraw all of its military forces and proxies from the entire territory of Ukraine within its internationally recognised borders. The EU and its Member States also condemn Belarus' involvement in Russia's military aggression.

The Russian war on Ukraine continues to underline that the EBRD is as relevant today as it was when it was founded in the early 1990s.

The war has brought horrible losses for the people of Ukraine. In addition, the scale of destruction of buildings, homes and civil infrastructure is growing every day.

As a shareholder, Denmark strongly supports the extraordinary efforts by the EBRD to support Ukraine and the affected neighbouring countries. We must continue to offer our support both with short-term solutions to stabilise the affected countries, and also in the medium and long term when reconstruction can fully take off.

In the coming years, supporting Ukraine and the affected neighbouring countries must remain a key priority of the EBRD. We will therefore look forward to receiving and discussing a proposal from the Board of Directors on the scope of the Bank's support for Ukraine.

Denmark supports the proposed Resolution on a limited and incremental expansion to sub-Saharan Africa and Iraq, in line with the Resolution presented to Governors.

However, it is crucial that the expansion will be limited and incremental over the coming years, as new efforts must be weighed against both the financial and operational capacities of the Bank, taking into account the important role the EBRD must be able to play in Ukraine and its neighbouring countries also affected by the war. It remains essential for us that the expansion will not compromise efforts in Ukraine and neighbouring countries, and will not compromise the AAA-rating, or put the Bank in a position where a capital increase must be foreseen to fund the expansion into sub-Saharan Africa.

As regards general priorities, the EBRD must continue to actively support our countries of operations in the green transition and the transition away from fossil fuel energy sources. The need for this transition has been further underlined during the past year due to fluctuating and at times very high energy prices.

We acknowledge that EBRD countries of operations have different starting points and that some still need to find a sustainable path to higher incomes without historical levels of pollution. The Bank should therefore continue to support each country with policy dialogue to speed up reforms, by engaging with the private sector to develop sustainable business models, and by financing specific investments in green solutions.

## STATEMENT BY MS RANIA AL-MASHAT, GOVERNOR FOR EGYPT

At the outset, I would like to express my gratitude to the Republic of Uzbekistan, as well as the people and the Uzbek authorities, for the warm hospitality, and for hosting this year's Annual Meeting. I would also like to extend my utmost respect and appreciation to President Odile Renaud-Basso and the hardworking EBRD Egypt team for their continuous dedication and commitment to supporting Egypt's development journey.

For more than three years, multilateralism has been put to the test through massive and successive global shocks, including the Covid-19 pandemic, compounded crises across the globe, and climate change. In these times of rapid change, consecutive challenges, and shifting global priorities, we applaud the spirit of solidarity that, since 2020, has brought together different stakeholders from around the world, and demonstrated time and again that **multilateralism is still alive**.

Together with my fellow Governors, we convene this year at the Annual Meetings to forge stronger development partnerships, and create a sense of urgency and hope about the significant challenges and opportunities ahead of us.

Balancing our priorities has become more complex, and solutions require more innovative approaches. As this year's Annual Meeting is about *investing in resilience*, **scaling up actions** that can drive measurable change requires revitalising effective international cooperation that is more integrated and better financed.

As partners in development, we need to be more effective, and monitor our partnership programmes as per the OECD-UNDP principles of **The Global Partnership for Effective Development Cooperation**. We need to be aware of shifting local conditions and pressures. A country-led multi-stakeholder engagement framework is crucial to help emerging economies realign their national strategies to global agendas, and ensure that national priorities are achieved through a global lens that considers the shared benefits of people, planet, prosperity and peace.

In Egypt, we value our long-standing partnership with the EBRD. In line with the EBRD's key priorities and initiatives, allow me to share with you the following.

On *promoting a more inclusive economy for businesses, women and youth*, the *Haya Karima* (decent life) initiative is a demonstration of Egypt's political commitment to the guiding principle of the 2030 Agenda (*leaving no one behind*) and a manifestation of localised development. The initiative has been carried out in multiple phases. It aims at enhancing the quality of life in around 5,000 of the poorest villages in Egypt (over 50 per cent of the population), through revamping infrastructure, improving access to basic services, promoting education and health care services, offering decent employment, and empowering women. All government institutions, the private sector and civil society are heavily engaged in the implementation and monitoring of the initiative's activities so as to unify their efforts and ensure complementarity.

On *accelerating Green Economy Transition*, Egypt's environmental decisions have evolved over time to reflect the changing context. They have shifted towards implementing mitigation and adaptation measures simultaneously to support increasingly vulnerable sectors, particularly water and agriculture. In parallel, Egypt has launched its national strategy for climate change up to 2050, and updated its Nationally Determined Contributions, so that the policies, objectives and measures encompassed in these contributions become integral to the State's development efforts.

As Egypt has the current presidency of the United Nations climate conference (COP), the climate agenda has been at the forefront of our global priorities. We were keen to name the COP27 conference the *Implementation Summit*. We stress the importance of developed countries fulfilling their commitments, as the success of the international community in confronting climate change depends, to a large extent, on providing appropriate and sufficient financing to support the implementation of programmes and projects to reduce emissions and facilitate adaptation. This should take into consideration the repercussions of the international financial situation on developing countries, and the need to handle seriously the issue of losses and damages resulting from climate change.

The establishment of a Loss and Damage Fund under the COP27 Egyptian presidency was a key milestone towards enhancing confidence between the parties to the Paris Agreement on climate change. The Fund aims to provide financial assistance to nations that are the most vulnerable and most impacted by the effects of climate change.

Similarly, national efforts have been strategically exerted to deliver a holistic, programmatic approach that identifies and tackles the environmental, social and economic impact of climate change on the Egyptian people. Bearing this in mind, we have **launched Egypt's country platform, the Nexus on Water, Food and Energy (NWFE)**, to affirm the Egyptian Government's dedication to its people's prosperity and welfare through enhancing national energy, food and water security. **NWFE combines all three pillars to ensure the sustainability of a set of high-priority projects for adaptation and mitigation.**

**Together with the EBRD as a lead partner for the energy pillar of NWFE**, we are aiming for this work to lead indicatively to greenhouse gas emission reductions of 17 million tonnes of CO<sub>2</sub>/year. We have been able to start implementing two projects under the Energy Pillar of NWFE, which the Board of Directors approved earlier this year. One of the projects enables the development, construction and operation of a **504-MW onshore windfarm located in the Gulf of Suez area in Egypt**. It will be the single largest windfarm in Egypt and Africa. The other project enables the construction and operation of the 200-MW Kom Ombo solar project, located in Upper Egypt. Both projects are part of the planned 10 GW of renewable-energy private-sector investment.

**With regard to the expansion of renewable energy, the Egyptian Government is in the process of finalising the required procedures to ensure provision of the necessary financing to allow Egypt to achieve its goal of reaching an energy mix in which 42 per cent is renewable by 2030.** This reaffirms what we have agreed along with the USA and Germany in a joint declaration: to enhance Nationally Determined Contributions by incorporating a commitment to quadruple installed renewables capacity to 42 per cent by 2030 instead of 2035.

That level of global achievement could not have been reached today if all those represented here did not firmly believe in the seriousness of the matter at hand, and how the Government of Egypt will take all necessary measures to bring together all stakeholders in Egypt's swift and accelerated green transition, at a time when global shocks have been accumulating one after the other.

Moreover, in line with global sentiment about the need for a cooperative financial governance framework, Egypt also launched at COP27 an international framework for innovative finance, the *Sharm El Sheikh Guidebook for Just Financing*. The guidebook translates commitments into implementable projects, and captures opportunities to leverage and catalyse finances that support the climate agenda, especially in Africa. The key objective is to maximise the

effectiveness and efficiency of existing climate finance architecture, through proposing an actionable roadmap for all stakeholders to achieve just financing outcomes.

Since the start of the EBRD's operations in Egypt in 2012, the Bank has invested more than €10.1 billion in 163 projects across the country, of which over 78 per cent were allocated to the private sector. For five consecutive years (2018-2022) Egypt has been the EBRD's largest country of operations in the Southern and Eastern Mediterranean region.

**Throughout our partnership with the EBRD's Green Cities initiative**, the private sector has played an important role in the transition of our cities into green, low-carbon and resilient spaces of the future. Our public-private partnerships involve collaboration between public and private entities to jointly fund and operate infrastructure projects. The private sector is bringing in expertise, innovation and financing to complement the resources of the public sector. The *6th of October Dry Port Project*, financed by the EBRD, won an award, the *IJ Global Transport Deal of the year* for the MENA region.

**In line with the EBRD's investments in women's enterprises**, promoting gender equality is key to unlocking the full potential of economies. **In partnership with the EBRD, the French development agency AFD, and the African Development Bank, Egypt is championing the Gender Equality in Climate Action Accelerator**, which will draw key lessons learned in accelerating gender equality work across the climate action agenda. Our mandate is to complement and leverage global efforts to address the challenges and opportunities that climate change creates for gender equality.

On regional integration, our successful partnership with the EBRD gives us the responsibility to enhance further regional integration and South-South cooperation. We endorse the Board of Directors report, and approve the proposed amendment to Article 1 of the *Agreement Establishing the Bank* that supports a limited and incremental expansion of the geographic scope of the Bank's operations to sub-Saharan Africa and Iraq. This expansion will help contribute to stability and development efforts in the region, stressing the importance of regional integration and South-South cooperation. Moreover, Egypt's growing domestic market, as well as its geographic location as a gateway to the wider African continent, make the country an attractive investment destination, as the Bank can assist exporters looking for new markets. Therefore, Egypt can become the Bank's gateway to expanding into the wider African continent, as the Egyptian private sector has experience and skills in working in the region. This will help decrease risk to the Bank, and increase efficiency in its endeavour of expanding into the continent. **Moreover, in line with Egypt's presidency of the steering committee of the agency New Partnership for Africa's Development**, Egypt supports efforts exerted to boost South-South cooperation, which can facilitate the exchange of experiences, and bring about new governance standards across the region.

The Egyptian House of Representatives gave its approval for Egypt to join the Kigali Amendment to the Montreal Protocol, and the Government is developing a plan for the gradual reduction of hydrofluorocarbons in terms of both production and consumption. Egypt also joined the methane pledge in the petroleum and gas sector. The Ministry of Petroleum has prepared a list of projects and an action plan to reduce methane emissions. Consultations with partners are being held to discuss project financing.

We endorse all Resolutions being discussed today, especially the report on the Capital Adequacy Framework, which underpins the Resolution on the proposed amendment to Article 12.1 of the *Agreement Establishing the Bank*, and provides for the statutory capital limitation on ordinary operations to be removed. As a Governor for Egypt at other multilateral

development banks, I find that such a removal is a common outlook and way forward for our international financial institutions. That is why we view the scope and synergies between all multilateral development banks as important. Taking this action would increase flexibility by enabling the Bank to make necessary future adjustments to targets, leaving no one behind, increasing concessional finance, and paving the way for more private-sector engagement.

### **Conclusion**

Finally, we want to express our sincere gratitude to the Bank and our bilateral partners all present here today for being part of Egypt's green transition, and making sure that we all "نؤفي- NWFE" (*fulfil pledges*) together.

### **STATEMENT BY MR THOMAS ÖSTROS, GOVERNOR FOR THE EUROPEAN INVESTMENT BANK**

I would like to thank the EBRD Management and staff for the excellent preparation.

On behalf of the EIB I can approve all Resolutions – but I would like to highlight several questions.

On the EBRD's support for Ukraine, I note that the EIB strongly condemns Russia's brutal war of aggression against Ukraine and the illegal annexation of Ukraine's territory. We also condemn Belarus' involvement in this aggression. The EIB welcomes the EBRD's contribution to the resilience and reconstruction of Ukraine. We look forward to receiving the management paper in June, and potentially a capital proposal in November. The EIB Board will decide whether to subscribe to such an increase.

Let me also highlight that all proposals are of high strategic importance and will significantly impact the EBRD.

First, expanding to Africa requires different skills and products. Different staff resources and an adaptation of policies are needed. The expansion to sub-Saharan Africa will also require a further strengthening of the cooperation between our institutions. As you know, this cooperation has developed well recently, and co-financed operations have increased. But the EU Member States expressed in our last Board Meeting that they expect a clear distribution of labour between our banks in sub-Saharan Africa, where the EIB has been present for more than 60 years. This expectation is also in line with the conclusions on the European financial architecture for development.

Second, today's proposals expose the EBRD to higher risks. As support for Ukraine will be needed for the foreseeable future, it is vital to preserve the EBRD's financial strength and rating. In addition to higher risks from operations in Ukraine and sub-Saharan Africa, we are also removing the gearing ratio, and delegating responsibility for controlling risk and capital to the Board.

We must ensure that the Board is fully equipped for this higher responsibility, and that the Audit Committee has all the resources available that are needed to exercise its control function.

The discussions about a potential capital increase and the changes implied by the expansion to sub-Saharan Africa will absorb a lot of our attention. But this process must go along with maintaining sound banking principles.

## STATEMENT BY MR VALDIS DOMBROVSKIS, GOVERNOR FOR THE EUROPEAN UNION

1. The European Union (EU) is grateful to the Uzbek authorities for hosting the 2023 Annual Meeting of the EBRD, and for the hard work of the staff, management and Board of Directors of the Bank in preparing the Meeting. Decisions to be taken at this Annual Meeting will shape the EBRD's future.
2. The EU and its Member States strongly condemn Russia's brutal war of aggression against Ukraine. We demand that Russia immediately cease its military actions, unconditionally withdraw all forces and military equipment from Ukraine, and fully respect Ukraine's territorial integrity, sovereignty and independence. We also condemn Belarus's involvement in Russia's military aggression.
3. Since the start of Russia's war of aggression, the EU, together with its Member States and financial institutions, in a Team Europe approach, have mobilised overall support for Ukraine and Ukrainians of around €70 billion, including for the needs of those fleeing the war. This support includes €37.8 billion of macrofinancial assistance, budget support, emergency assistance, crisis response and humanitarian aid, to support Ukraine's overall economic, social and financial resilience.
4. I want to reiterate the EU's resolute commitment to continue helping Ukraine to defend itself for as long as it takes, until it emerges victorious.
5. We welcome the EBRD's commitment to invest €3 billion in the Ukrainian real economy over the course of 2022 and 2023, and the EU strongly endorses the Resolution, *EBRD's Support for Resilience and Reconstruction in Ukraine: the Way Forward*, presented to this Annual Meeting.
6. The EU congratulates the EBRD on its support for Ukraine in 2022, with the Bank deploying a record €1.7 billion to help finance essential goods, energy security, vital infrastructure, municipalities, food security, and pharmaceuticals. In this context, the EU has contributed with guarantees to support the liquidity needs of the Ukrainian railways, electricity grid, and medical suppliers. We are pleased that more than 40 per cent of the donor support to enable this level of investment came from the EU and its Member States. More is needed.
7. It is clear that because of its unique mandate and comparative advantages, the EBRD must play a critical part in the international effort – working in close cooperation with others – to support Ukraine's real economy, in wartime and in reconstruction, whilst maintaining its financial strength.
8. We agree that further shareholder support will be needed, and that paid-in capital is the most efficient, effective and fair way to provide an ambitious level of support to Ukraine's economy in the medium term. We look forward to the concrete proposal from the Board of Directors on a paid-in capital increase, for a final decision by the Board of Governors by the end of 2023.
9. Beyond Ukraine, the EBRD must continue supporting all of its countries of operations, many of which continue to be negatively affected by this unjustified war, including those



accepting refugees, as well as those whose economies have been largely dependent on Russia. These countries will need the EBRD's additional support.

10. The EU supports the amendment to Article 1 of the *Agreement Establishing the EBRD* in order to enable the limited and incremental expansion of the geographic scope of the Bank's operations by adding a limited number of sub-Saharan African countries to the region in which the EBRD can operate, and to add Iraq to the definition of the Bank's existing southern and eastern Mediterranean region. This decision is also a geostrategic one. Russia's challenge to the global order makes the EBRD's engagement in this region particularly relevant. Such engagement should not come at the cost of the EBRD's current region, including its EU countries of operations, where the Bank's support will remain crucial.
11. The EU welcomes the EBRD's commitment to implement relevant recommendations of the *G20 Independent Review of MDBs' Capital Adequacy Frameworks* (CAF). We support the amendment to Article 12.1 of the *Agreement Establishing the EBRD* in order to remove the statutory capital limitation on ordinary operations. We look forward to receiving further updates on the implementation of CAF review recommendations by the EBRD, in cooperation with other multilateral development banks.
12. The EU congratulates the EBRD on the record Annual Bank Investment volume of over €13 billion in 2022, which demonstrates its continued support for all of its countries of operations, many of which have also been negatively affected by Russia's war of aggression.
13. We welcome the fact that over 50 per cent of the Bank's investment in 2022 was to support the green economy transition, that a record number of projects were gender-tagged, and that all the Bank's activities have been aligned with the Paris agreement since 1 January 2023. We encourage the EBRD to actively contribute to the upcoming Summit for a New Global Financing Pact in June, and the United Nations Sustainable Development Goals Summit in September.
14. The EU-EBRD partnership remains strong. We are pleased to have contributed to the Bank's support for its countries of operations by providing close to €1 billion of donor funding and guarantees in 2022 to support our joint priorities. During the year, the EU and EBRD signed important forward-looking agreements, such as the new Financial Framework Partnership Agreement and InvestEU Guarantee Agreement, worth up to €450 million, which is expected to mobilise investment of more than €1.1 billion. The EU and EBRD also introduced the new European Fund for Sustainable Development Plus (EFSD+) guarantees, all of which are designed to help build greener, more inclusive and better digitally equipped economies.
15. The EU thanks the EBRD for being a valued Team Europe member. We encourage the Bank to continue supporting its countries of operations towards achieving competitive, well-governed, green, inclusive, resilient and integrated economies.
16. The EU reaffirms that it will continue to support the EBRD as a shareholder, donor and longstanding partner. Our shared principles embedded in the Bank's statutes – such as respect for the rule of law, human rights and multiparty democracy – must be defended more than ever.

## STATEMENT BY MS NINA VASKUNLAHTI, ALTERNATE GOVERNOR FOR FINLAND

I want to express my gratitude to the President, Madame Odile Renaud-Basso, the secretariat of the Bank, and the Government of Uzbekistan for the organisation of the Annual Meeting in the magical city of Samarkand. We have a comprehensive agenda, which sets our sights on *investing in resilience* in the future. Despite the extremely challenging operational year prompted by Russia's unprovoked and unjustified military aggression against Ukraine, the Bank has done tremendous work to support Ukraine and other countries of operations. The EBRD has been an invaluable partner in this time of crisis, and it has worked continuously to deliver the best support for Ukraine.

Finland firmly supports Ukraine's independence, sovereignty and territorial integrity. Finland strongly condemns Russia's unprovoked and unjustified acts of aggression against Ukraine, which grossly violate international law and the UN Charter. We demand that Russia immediately cease its military actions and fully respect Ukraine's territorial integrity, sovereignty and independence. Deliberately targeting military operations at civilians and civilian objects is a war crime. Finland also strongly condemns Belarus' involvement in Russia's military aggression. We commend the fact that the EBRD has suspended its activities in Russia and Belarus, and that it has closed the countries' access to the Bank's resources in response to the invasion of Ukraine.

It is imperative that the EBRD continue to support Ukraine. Finland welcomes the Bank's existing support to deploy €3 billion by 2023 to support Ukraine's real economy. The EBRD has demonstrated that it is a key international financial institution in the country, and it has rapidly deployed support for the Ukrainian economy and the Ukrainian people. Most importantly, Ukraine has showed admirable resilience against Russian aggression. For instance, Ukraine has successfully been able to raise more tax and custom revenues to support its wartime economy. Finland will continue to support Ukraine. Since February 2022, Finland's total support to Ukraine has amounted to €1.5 billion.

Concurrently, we are setting our sights on the reconstruction of Ukraine. The scale of the reconstruction effort is unprecedented. Russia is accountable for reparations. The international community must help Ukraine, and Finland stands ready to participate in Ukraine's reconstruction. Reconstruction should go hand-in-hand with broad reforms, and it must support Ukraine in its integration to the EU. Due to the magnitude of the reconstruction effort, extensive private-sector mobilisation is essential. Finnish companies are ready to contribute to the reconstruction and offer their expertise.

On another agenda item of this Meeting, the limited and incremental geographical expansion to sub-Saharan Africa and Iraq, Finland considers that the Bank can offer its expertise in supporting the private sector of selected countries of operations, while also bearing in mind that the utmost priority of the Bank is currently to be supporting Ukraine and other existing countries of operations. The EBRD must, building on its own strengths, create additional value, and speed up the transformation, applying democratic principles, towards market-oriented economies.

However, given the current geopolitical circumstances and the need to finance current countries of operations, we wish to highlight the need for this expansion to be limited, incremental and complementary. The EBRD must coordinate actively among other international financial



institutions in the region, in particular with the African Development Bank, the International Finance Corporation, and the European Investment Bank. Finland wants to reiterate that the expansion must not generate additional costs for shareholders or reduce operations in the current countries of operations, and must not under any conditions jeopardise the EBRD's AAA rating.

Lastly, we are pleased that, despite the unwarranted geopolitical tensions, the Bank has continued its mission to accelerate green transition in its countries of operations. The need for a transformation from the fossil-fuel-based economy has become clearer in the context of Russia's illegal aggression in Ukraine. We commend the EBRD's role as one of the first Paris-aligned international financial institutions. We urge the Bank to continue supporting this transition, as well as to advance the other side of the coin of the green transition – namely digitalisation. The twin transition facilitated by 5G and 6G grid infrastructure, the deployment of smart grids, and the use of digital technology and applications are just some examples of technological innovations, which will further advance the green transition. Finland is keen to work with the Bank in supporting the countries of operations to digitalise.

To conclude, I would like to acclaim the EBRD which, by definition, has specialised in thriving on change. Without any doubt, this will be the case once more, as the Bank has already demonstrated in the past two years. In line with multilateral development bank reform objectives, we also encourage the EBRD to seek prudent ways to optimise its balance sheet, and to increase private capital mobilisation to further maximise its potential. We look forward to the EBRD continuing its mission to promote social and economic development in the region.

**JOINT STATEMENT BY MS MURIEL LACQUE-LABARTHE, TEMPORARY ALTERNATE GOVERNOR FOR FRANCE AND MS ELKE KALLENBACH, TEMPORARY ALTERNATE GOVERNOR FOR GERMANY**

EBRD Governors convene at their Annual Meeting in Samarkand on 17-18 May 2023 to discuss and agree on the EBRD's continuing support for Ukraine, and the steps to enable a limited and incremental geographic expansion to sub-Saharan Africa and Iraq. Both constitute historic decisions for the Bank, and both are part of the strong conviction to respond to Russia's illegal, unjustifiable, and unprovoked war against Ukraine in an ambitious way. In addition, we have to ensure an adequate and modern financial and legal framework for the challenges that the EBRD will face in future, including continued adherence to the sound banking principle. Importantly, the prospective capital increase would enable the EBRD to implement a high level of ambition with respect to Ukraine, whilst giving a long-term perspective to current and future countries of operations; it would also enable the Bank to deliver on its operational missions, including the green agenda.

**On Governors' Resolution BG32/3: Supporting Resilience and Reconstruction in Ukraine**

Russia's war of aggression against Ukraine has entered its second year. The EBRD has responded early and with great determination, fully mobilising its resources to come to the aid of Ukraine, a valued, long-standing EBRD Member, facing a brutal, sustained attack. We commend all EBRD staff, notably the Ukrainian staff members, for their skilled and tireless work under the leadership of President Odile Renaud-Basso and her team. We strongly condemn Russia's brutal war of aggression against Ukraine. We demand that Russia

unconditionally withdraw all forces and military equipment from Ukraine, and fully respect Ukraine's territorial integrity, sovereignty and independence. We also condemn Belarus' involvement in Russia's military aggression.

We remain determined to foster international cooperation to address the global economic hardships caused by Russia's war and its weaponisation of food and energy, which are disproportionately felt by low and middle-income countries and vulnerable groups.

The war on Ukraine is a security threat and a humanitarian catastrophe that also creates major economic disruptions. The EBRD has been instrumental in providing financial resources to keep Ukraine's key civil infrastructure functional under relentless assaults. The Bank's Resilience and Livelihoods Framework provides support for the Ukrainian people and war-affected countries in the region.

With a view to future operations in Ukraine, the EBRD has a unique knowledge base and toolkit to use in various sectors, industries and locations, both in wartime and during the future reconstruction phase. It will do so in line with its mandate, in accordance with sound banking principles, and also through the implementation of the relevant recommendations of the capital adequacy frameworks report. Resolution BG32/5, to be approved at this Annual Meeting, proposes to shift the statutory capital limit from Article 12.1 of the *Agreement Establishing the Bank* to the level of EBRD Directors, and is an example of the work being delivered in this respect.

The Annual Meeting provides an opportunity to send strong political signals of shareholders' readiness to support the EBRD in the long run, and to provide clarity about shareholders' expectations with respect to the EBRD. In this regard, management's process paper will pave a clear way for the Board of Directors to be able to submit a concrete proposal at least two months before the deadline set for the Board of Governors' decision on a capital increase by the end of this year. We call on all shareholders to demonstrate unity and conviction by supporting the Governors' Resolution on the way forward in Ukraine, being mindful of the existing international architecture and in particular, the importance of coordinating support to Ukraine.

#### **On Governors' Resolution BG32/4: Limited Incremental Expansion to Sub-Saharan Africa and Iraq**

At the previous Annual Meeting in May 2022, Governors adopted a two-step approach regarding expansion of the Bank's geographic scope to sub-Saharan Africa and Iraq. The Board of Governors approved, in principle, a limited and incremental expansion while asking the Board of Directors to report back *"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 AAA credit rating, or lead to a request for additional capital contributions"*.

The research and analysis conducted by the EBRD's management has unequivocally demonstrated that the EBRD has sufficient resources available to allow for this incremental expansion, which will not demand substantial resources, in particular in the short to medium term.

Moreover, since the previous Annual Meeting in May 2022, additional arguments have arisen, strengthening the case for the planned geographic expansion:

- (i) For the EBRD itself, its credibility is reinforced as it delivers, after almost four years of intense work, on an endeavour of geostrategic importance.
- (ii) For the anticipated new countries of operations, which are also affected by the economic impact of Russia's war against Ukraine, the EBRD's instruments in support of energy transformation, climate change and sustainability will become even more important.
- (iii) For existing shareholders, the current focus on global security and democracy increases the momentum in favour of the expansion. This calls for closer political and economic connections from existing EBRD countries of operations to the wider African region.

In practice, the limited and incremental expansion of the geographic scope of the Bank's operations to sub-Saharan Africa and Iraq would be on a very different timeline and on a much lower scale than the EBRD's investments in Ukraine, thus underlining the key importance of Ukraine for the EBRD.

We look forward to far-reaching support on this Resolution, which will trigger the parliamentary ratification processes required for its completion.

### **Recalling our strong commitment to the ambitious agenda of the EBRD**

Bearing all this in mind, we congratulate the EBRD, and welcome the fact that the Bank is now 100 per cent Paris-aligned. That said, we expect the Bank to maintain its level of ambition, in coordination with the other multilateral development banks, on all aspects of its strategic agenda, and to continue the work recently commenced on biodiversity. In this regard, the coming review of the energy policy is welcome, as the winter of 2022-23 has demonstrated the crucial importance of this sector.

As the Bank is shaping an ambitious agenda that shareholders clearly support, continued attention should also be paid, in the current inflationary context, to the commitments made in 2022 to safely manage the evolution of costs in the context of the Strategic Implementation Plan.

In conclusion, we feel that this Annual Meeting in Samarkand will be a historic milestone for the EBRD, preparing the ground for its second capital increase (after the first in 2011), and confirming a further expansion of its geographic scope. The Resolutions submitted to the Board of Governors for approval achieve a constructive and ambitious balance, delivering on both short and medium-to-long-term strategies, and reflecting the unity and determination of the EBRD's shareholders.

## STATEMENT BY MR LASHA KHUTSISHVILI, GOVERNOR FOR GEORGIA

It is my pleasure to represent Georgia and participate at the Thirty-second Annual Meeting and Business Forum of the EBRD. I am grateful to the dedicated team of the EBRD and the Government of Uzbekistan for organising this event.

It is more than three decades since the EBRD was founded. During that time, the Bank has confirmed itself as a reliable institution and remains a valuable partner for development.

Looking forward, we are facing another period of challenges and opportunities. This might be the most challenging period for the EBRD, since the Bank has to respond to needs caused by the active war in Europe, caused in turn by Russia's invasion of Ukraine.

Following the theme of the 2023 EBRD Annual Meeting and Business Forum – *investing in resilience* – it is important that the EBRD continues to be focused on supporting Ukraine's economy and infrastructure, as well as other countries impacted. In this regard, it is significant to draw attention to the EBRD resilience package, which provides financing for Ukraine and its neighbours to assist them in meeting emergency needs. As always, Georgia stands by the global effort to support Ukraine on their path to protecting sovereignty and territorial integrity.

During the pandemic and post-pandemic periods, Georgia demonstrated significant economic resilience by a remarkable recovery both in the private and public sectors. Alongside the negative impacts of the crisis, factors such as shifts in transit corridors, movement of financial and human capital, IT technologies and enhanced connectivity in general, as well as higher-than-originally envisaged post Covid-19 recovery rates all had the reverse impact on economic development. Overall, we had double-digit economic growth for two consecutive years: 10.5 per cent in 2021 and 10.1 per cent in 2022. Inflation, which has also been in double digits for the last two years, has shown a downward trend. And last month, it came down to 2.7 per cent, which is below the National Bank of Georgia target level of 3 per cent. We estimate that average inflation should be within the target range by the end of the year.

Georgia has fully recovered from the impact of the pandemic, and has come back to its pre-pandemic trend, while running very robust fiscal consolidation. Our deficit-to-GDP ratio decreased from 9.3 per cent in 2020 to 3.1 per cent in 2022. And debt-to-GDP ratio returned to below pre-pandemic levels, reaching 39.8 per cent of GDP as of the end of 2022. GDP growth is still remarkable in 2023 as well; according to a rapid estimate of economic activity in the first quarter, annual growth amounted to 7.2 per cent.

One growth driver in 2022 was the recovery of tourism. These revenues recovered and rose to 108 per cent of 2019 levels in 2022. Tourism is also one of the main factors in 2023. Exports in 2022 increased by 31.8 per cent compared to 2021. The current account deficit in 2022 was at a record low – 4.1 per cent of GDP. We expect our economy to grow by between 5 per cent and 5.5 per cent per year in the medium term, as it was before the pandemic.

In the context of responding to challenges caused by the war in Ukraine, I would like to highlight areas where the EBRD and development partners should further enhance their focus:

- Energy independence and energy security have gained importance on a global scale. Georgia's water, solar and wind resources have the potential to produce green energy. We have been dedicated to creating a framework that promotes investments in renewable energy. The EU's flagship project for Black Sea connectivity (an under-sea electricity cable), whose feasibility study the World Bank is currently conducting, could play a crucial part in connecting to the European grid. We hope that more resources will be available going forward. And we are sure that many interesting projects will be implemented in the future with EBRD support on the topic of green energy.
- Supporting further connectivity projects, including projects that enhance the Middle Corridor through ports, roads and digital infrastructure, so that it is guaranteed that food security and trade in general can be based on connectivity through reliable partners.

Georgia is continuing its successful cooperation with the Bank through its diversified portfolio (approximately US\$ 4.9 billion) in the public and private sectors. We trust and believe in future cooperation with the EBRD in priority areas for Georgia. Cooperation with the EBRD, as one of the leading European partners, is of the utmost importance for Georgia on its path to European Union candidacy status.

Finally, let me thank again the EBRD team for the work they are doing, and wish us all a future that brings peace, health and prosperity for the citizens of free and democratic sovereign countries.

#### **STATEMENT BY MR DIMITRIS METAXAS-TRIKARDOS, TEMPORARY ALTERNATE GOVERNOR FOR GREECE**

I would like to begin by expressing our solidarity with the EBRD for its commitment to playing a leading role in building a prosperous future for the people of Ukraine. Greece strongly condemns Russia's illegal actions against the sovereign State of Ukraine, a clear violation of international law. And we call for an immediate and unconditional cessation of hostilities and aggressive actions against Ukraine and its people. Indeed, this war represents a direct challenge to the principles and values that the EBRD embodies.

It is against this backdrop that the Bank must retain its significant role in the region, and be prepared to lead a reconstruction programme in Ukraine, when the conditions permit. But equally importantly, the EBRD's impactful response in Ukraine would not in itself impair the Bank's ability to assist to its full potential all existing countries of operations.

Therefore, we recognise that additional shareholder support is necessary to enable the Bank to successfully carry out its unique mandate in the medium and long term. We view a paid-in capital increase as the most effective option going forward, and we look forward to a concrete proposal to this end.

The private-sector focus must remain the core pillar of the EBRD's business model. Now more than ever, it is important to preserve sound banking practices, to protect the AAA rating of the Bank, and to refrain from extraordinary business activity that would result in uncomfortably high levels of concentration risk, under all circumstances.

Greece supports the proposed amendment to Article 1 of the *Agreement Establishing the Bank* to enable the Bank to potentially expand its operations to sub-Saharan Africa and Iraq. We also support the proposal to amend Article 12.1 of the *Agreement Establishing the Bank*, and so integrate the statutory capital limitation into a Board of Directors policy, to allow for more flexibility in the management of the Bank's capital adequacy framework.

Finally, I would like to reiterate our highest appreciation for the EBRD's engagement in Greece, strengthening further the resilience of our economy in a targeted manner. And we encourage management to remain involved in the private sector, including via initiatives focused on renewables and energy efficiency investments.

#### **STATEMENT BY MR BJARNI BENEDIKTSSON, GOVERNOR FOR ICELAND**

Iceland strongly condemns Russia's brutal war of aggression against Ukraine. We demand that Russia immediately cease its military actions, unconditionally withdraw all forces and military equipment from Ukraine, and fully respect Ukraine's territorial integrity, sovereignty and independence. We also condemn Belarus' involvement in Russia's military aggression.

Iceland condemns in the strongest possible terms Russia's unprovoked and unjustified act of aggression against Ukraine, which has continued for more than one year, destroying lives, livelihoods and property. We declare our solidarity with the Ukrainian people, who have shown bravery fighting for their country, their homes, their lives.

Currently holding the Presidency of the Council of Europe's Committee of Ministers, Iceland is firmly focused on delivering for Ukraine at the Reykjavík Summit in May 2023, in particular when it comes to accountability for Russia's aggression.

Iceland has provided humanitarian and economic support for Ukraine, working largely through international organisations, including the United Nations and the World Bank. Assistance has also been offered in the area of energy.

Iceland, which has no military or military supplies of its own, has taken steps to support Ukraine's defences, including by transporting much-needed military equipment from allied nations to Ukraine from the very beginning of Russia's aggression.

I applaud the Bank's recommendation, *Support for Resilience and Reconstruction in Ukraine: the Way Forward*. The EBRD must play a critical part in the international effort to support Ukraine's real economy in wartime. I support and encourage the Board of Directors to submit a concrete proposal on the scope of the Bank's support for Ukraine, and a potential paid-in capital increase. The EBRD is in a unique position, and possesses unique capabilities, to be in the forefront as regards the rebuilding of Ukraine.

Iceland supports the Bank's recommendation and Resolution on an amendment to Article 12.1 of the *Agreement Establishing the Bank* to remove the statutory capital limitation on ordinary operations. The Board of Directors shall establish and maintain appropriate limits



with respect to capital adequacy metrics in order to protect the financial soundness and sustainability of the Bank.

Iceland supports the Bank's proposal on an amendment to Article 1 to enable further work regarding the expansion of the Bank's geographic scope. Needless to say, it should be underpinned by the principles that any expansion should not impair the Bank's ability to support Ukraine. The case for expanding operations into areas where the Bank can, without any doubt, be an important vehicle for green and equitable change is urgent, and should not be delayed unnecessarily. Indeed, as geographic delimitations become increasingly challenged by rapid technological advances and economic integration, we will need to revisit the concept of geography in the EBRD's operations.

However, the utmost priority for the Bank is currently 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. 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.

Finally, the past years have been challenging for the whole world. Allow me to thank the President, the Board, management and staff for their good service during these times.

## **STATEMENT FROM MR MICHAEL MCGRATH, GOVERNOR FOR IRELAND**

At the outset, thank you to our Uzbek hosts for the warm welcome we have received at this year's Annual Meeting, and to the EBRD team organising it. Congratulations also to President Renaud-Basso on her excellent leadership of the Bank through these challenging times. I would also like to thank the members of our constituency – Denmark, Lithuania and Kosovo – for their cooperation and support over the past year.

### **The EBRD and Ukraine**

I want to join other EU Member States to condemn Russia's brutal war of aggression against Ukraine. We demand that Russia immediately cease its military actions, unconditionally withdraw all forces and military equipment from Ukraine, and fully respect Ukraine's territorial integrity, sovereignty and independence. We also condemn Belarus' involvement in Russia's military aggression. Russia's unjustified war on Ukraine has shown that the Bank remains as relevant today as it did when it was established over 30 years ago. Indeed, the EBRD's contribution as part of the international response to Russia's unjustified war on Ukraine has been key. The EBRD has worked in cooperation and coordination with other international financial institutions and existing partners on the ground. It has successfully used its expertise and experience on the ground to support many sectors in Ukraine, but more importantly has kept vital services functioning for Ukraine's citizens. In recognition of this, Ireland made a contribution to the EBRD at the end of last year to support small and medium businesses. Ireland will continue to play its role in supporting the international response and will consider all proposals under the recommendations of the *G20 Independent Review of MDBs' Capital Adequacy Frameworks* (CAF) to strengthen the Bank's lending capacity.

Looking forward, I believe that the EBRD will continue to play an important role as part of Team Europe. The Bank must have a role in the ongoing international effort and in the reconstruction of Ukraine. And it should continue to combine its efforts with the other international financial institutions to implement a programme of work that is aligned with the



ambitions of the Ukrainian authorities, and the goals of the IMF programme and European Union accession process. I look forward to the Board of Directors proposal on the scope of the Bank's work in Ukraine later this year.

### **Sub-Saharan Africa–Iraq expansion**

Turning now to the Bank's planned expansion to sub-Saharan Africa and Iraq. Ireland has supported the EBRD's successive geographic expansions over the years. These have been underpinned by well-reasoned, compelling business cases. We have welcomed its important work, particularly in the SEMED region, and supported the proposals to expand operations further in this region.

I recognise that the EBRD's vast experience and expertise is essential to support transition and development impact in countries in sub-Saharan Africa and Iraq. In this regard, we can support the amendment to Article 1 of the *Agreement Establishing the Bank* in order to enable the limited and incremental expansion of the geographic scope of the Bank's operations to sub-Saharan Africa and Iraq. Ireland is fully committed to supporting this region under our policy for international development, *A better world.*, and recognises the role that the EBRD plays in this regard, including as a key actor within the European financial architecture for development process.

However, the Bank must remain conscious of the ongoing challenges in all countries of operations, where many socioeconomic challenges remain, which in turn continue to be the key driver of the Bank's business model, stretching back to its establishment in 1990. The EBRD must show its additionality in sub-Saharan Africa and Iraq, and indeed all its countries of operations, by playing to its strengths in the mobilisation of the private sector, alongside supporting the development of vital infrastructure. It is essential that the Bank continues to work closely and successfully with the public and private sectors to ensure that its products meet local market needs and help mitigate the long-term impact of economic crises.

### **CAF recommendations**

With regard to the G20's CAF review, Ireland welcomes the Bank's engagement with this, and its willingness to explore and consider options that will enhance the Bank's capital position to ensure it can deliver fully on its mandate. Ireland will give due consideration to all proposals that will enable the fulfilment of the EBRD's mission. And I want to state my full support for the proposed amendment to Article 12.1 of the *Agreement Establishing the Bank* in order to remove the statutory capital limitation on ordinary operations. I see this decision as an important indication that the Bank is fully utilising its resources and capital in order to maximise the impact of its resources whilst increasing efficiency and flexibility.

### **Green agenda**

Finally, I want to applaud the Bank's action on the green agenda. The EBRD has upheld its commitment to support action on climate change – the greatest challenge that we face – and has shown significant progress in aligning its activities with the goals of the Paris Climate Agreement. The EBRD must maintain its focus and commitment to support its countries of operations in their transition to low-carbon sustainable economies.

### **Conclusion**

To conclude, I would like to reiterate Ireland's support for the critical role the EBRD plays, and look forward to working with it through 2023 and beyond.

## STATEMENT BY MS FRANCESCA UTILI, ALTERNATE GOVERNOR FOR ITALY

On behalf of Italy, let me thank the Republic of Uzbekistan and His Excellency the President for hosting the EBRD's 2023 Annual Meeting in the historic town of Samarkand. So many have passed through here in the past. For centuries, this has been a crucial link between east and west, and we are proud to be able to follow suit with the historic decisions we will be taking here today.

We strongly condemn Russia's brutal war of aggression against Ukraine. We demand that Russia unconditionally withdraw all forces and military equipment from Ukraine, and fully respect Ukraine's territorial integrity, sovereignty and independence. We also condemn Belarus' involvement in Russia's military aggression.

We praise the Bank for its continued support to Ukraine and neighbouring countries affected by the war.

Over the past year, we have been collectively working to support the Bank as a key player, particularly in support of the real economy and the private sector, which reflects its distinctive approach and experience in the country.

We also welcome the Bank's proactive role across the multiple coordination platforms that have been set up in support of Ukraine. Coordination among international financial institutions remains critical to ensure the efficient use of scarce resources and maximisation of development impact.

The precise course of future events in Ukraine is highly uncertain. While we need to remain ambitious, we also need to preserve the financial strength of the institution and its capacity to provide the necessary support to all countries of operations. The analysis contained in the Report confirms that the Bank's unique mandate to foster the transition towards a sustainable market economy remains key to supporting Ukraine in the years to come. Building on its existing strengths, we expect the Bank to focus largely on private-sector development, making the most of its well-established relationships with clients, public entities, and Ukrainian authorities.

Italy's support for recovery and reconstruction in Ukraine remains firm. We recently hosted in Rome the Bilateral Conference on the Reconstruction of Ukraine, where the participation of the EBRD was highly appreciated. The Conference gathered national authorities, international financial institutions, and a business community of hundreds of Italian and Ukrainian companies. A contribution agreement has been finalised with the EBRD for the emergency allocation of €10 million in support of Ukraine's fast energy recovery, and security to support the Ukrainian company *Ukrenergo*. Further financial and non-financial support has been announced, including an additional €100 million of concessional loans, €60 million of grants, €100 million of guarantees to the EU4Ukraine initiative, equipment donations from Italian companies, and the signature of a number of memoranda of understanding. Italy and Ukraine also agreed upon the organisation of the Ukraine Recovery Conference in 2025 in Italy.

The opening up to a new geography – together with all the challenges and opportunities that are likely to come with that – represents the other milestone of this Annual Meeting. We are pleased to confirm the decision taken last year for a limited and incremental expansion to sub-Saharan Africa and Iraq. We are confident that the EBRD's value proposition and clear

focus on private-sector development will complement the work of the other international financial institutions already active on the ground. We are also confident that this expansion will help in diversifying the Bank's investment base. Accordingly, we support amending Article 1 of the *Agreement Establishing the Bank*, defining its geographic scope.

The opening up of new frontiers could also be beneficial to the existing countries of operations in the SEMED region, including Algeria, which we expect to become a country of operations shortly. Italy indeed strongly supports the effort to maximise financing towards Africa. We also need to ensure that African countries' voices are heard, and solutions tailored to their needs. Multilateral institutions are part and parcel of no-predatory approaches. Along these lines, the Italian Government will announce in October, on the occasion of the African Conference in Rome, the Mattei Plan for Africa, for a renewed partnership with the continent.

Lastly, Italy considers the implementation of the G20 *Independent Review of MDBs' Capital Adequacy Frameworks* (CAF) – proudly launched by the G20 under the Italian Presidency – a key component to respond to the growing needs of developing countries. Introducing flexibility to the Bank's capital management policies is an important first step in this respect. Accordingly, we agree to amend Article 12.1 of the *Agreement Establishing the Bank*, in line with the CAF recommendations, and following similar changes being undertaken in other multilateral development banks. We expect the Bank to continue implementing all other relevant CAF recommendations within the shortest possible timeframe, confident that all these actions will allow a more efficient use of EBRD resources, including expanding the Bank's lending capacity with existing resources, as well as magnifying the firepower of any potential future capital increase.

To conclude, we are pleased to see that, despite the challenging times, the EBRD has fulfilled its commitment to align all financing to the objectives of the Paris Agreement. We appreciate EBRD management and staff for their relentless work to deliver on the Bank's mandate.

## **STATEMENT BY MR TORU OE, TEMPORARY ALTERNATE GOVERNOR FOR JAPAN**

### **1. Introduction**

On behalf of the Government of Japan, I would like to express my sincere gratitude for the warm welcome extended by the Government of Uzbekistan, the host country for the first time in 20 years, and by the people of Samarkand, at the Thirty-second Annual Meeting of the EBRD. I would also like to pay tribute to the EBRD staff for their efforts in the preparations of the Meeting.

Japan reiterates its strongest condemnation against Russia, which has continued a war of aggression in Ukraine for over a year. We again stress that this war goes diametrically against universal values, such as the principle of the rule of law and respect for human rights in the international community, which are also the founding principles of the EBRD; it is absolutely intolerable.

I would like to express my deepest condolences to the victims of the earthquake that occurred in February this year in south-eastern Türkiye. We welcome the EBRD's swift announcement of a response package of up to €1.5 billion. Japan, which suffered from the Great East Japan Earthquake 12 years ago, has also decided to support this package via the Japan-EBRD

Cooperation Fund in the form of reconstruction assistance for small and medium-sized enterprises in the affected areas.

## **2. Support for Ukraine and affected countries**

The international community must continue its support for the urgent needs of Ukraine and affected countries as the war of aggression by Russia continues. From this perspective, Japan highly appreciates that the EBRD immediately announced and implemented the resilience package shortly after the start of the war of aggression.

It is also necessary to consider support with a view to the future reconstruction phase in Ukraine. Japan believes that solidarity with Ukraine and other Members that support Ukraine is important. From this perspective, Japan has amended the relevant law to enable the Japan Bank for International Cooperation, a Japanese public financial institution, to guarantee loans to Ukraine's private sector through multilateral development banks such as the EBRD. Japan also provided additional funds to the Japan-EBRD Cooperation Fund to assist private-sector-led reconstruction in Ukraine's agricultural and other sectors. Through these efforts, Japan will continue to actively provide assistance to Ukraine and affected countries.

In considering future assistance to Ukraine by the EBRD, further consideration is needed on various issues, including: the content and scale of assistance; the division of labour and collaboration with other international organisations; and measures to utilise existing capital from the perspective of the maximum effective use of resources, and the EBRD's roles and strengths in the overall development finance system.

First, the content and scale of the envisaged assistance to Ukraine should be realistically feasible for the country. And it is essential to clarify the division of labour with other international organisations in order to realise effective and efficient assistance. Japan expects that the EBRD will focus its assistance on areas where it has unique strengths, such as support to the private sector, and the reform of State-owned enterprises.

Next, it is necessary to strengthen efforts to maximise the use of existing capital. In this regard, we support the initiative to remove the statutory capital limitation set out in Article 12.1 of the *Agreement Establishing the EBRD*. We strongly expect that the EBRD will actively consider and implement other recommendations of the *Independent Review of MDBs' Capital Adequacy Frameworks*, including the further use of donor guarantees and enhanced dialogue with credit rating agencies.

## **3. EBRD's possible limited and incremental expansion to sub-Saharan Africa and Iraq**

Japan has had constructive discussions on the expansion of the EBRD's countries of operations (COOs) from the perspective of the added value of the EBRD and its complementarity with other international organisations. While extending assistance to sub-Saharan Africa and Iraq is obviously important, support to existing COOs, such as Ukraine and the affected countries, is the EBRD's current top priority. And thus, the expansion of COOs should be discussed in light of this reality.

Specifically, as stipulated in Resolution No. 248 adopted at last year's Marrakech Annual Meeting, after considering the situation in Ukraine and the EBRD's response to it, any limited and incremental expansion to sub-Saharan Africa and Iraq should not impair the Bank's ability to support its existing COOs, and should be considered based on current capital levels, without a request for additional capital contributions. We believe that the EBRD should first fully assess

the situation in Ukraine and affected countries, their needs for assistance, and the role that the EBRD should play, and then consider how to provide specific assistance to sub-Saharan Africa and Iraq.

#### **4. Cooperation between the EBRD and Japan**

The EBRD is a global institution that includes non-European countries in its membership, and its organisational management must reflect diverse voices, including those of non-European Members. As one of the second largest shareholders, Japan will continue to actively participate in the EBRD's governance, and will contribute to discussions about the EBRD's important policies.

In order for the EBRD to respond flexibly and effectively to the diverse and complex needs of the COOs, it is important to promote diversity, including nationality, among EBRD staff. Japan will further contribute to the EBRD in terms of human resources.

The EBRD Tokyo Representative Office plays an important role in fulfilling three functions: business development by promoting cooperation between Japanese companies and the EBRD; further enhancing the EBRD's visibility; and promoting recruitment and retention of Japanese staff. When the Central Asia Investment Forum was held in Tokyo last December, the Office served as a hub for deepening the relationship between Japanese companies, those from Central Asia and Mongolia, and the EBRD. In addition, Japan possesses many outstanding technologies that can contribute to solving various problems faced by the EBRD's COOs, such as the use of information and communication technologies to improve agricultural productivity and sustainability in response to food problems. In order for the Office to play an even more active role in mobilising Japan's technology, knowledge and human resources for the EBRD's operations, Japan is committed to providing the utmost support to the Office.

#### **5. Conclusion**

Japan expects the EBRD, under the leadership of President Renaud-Basso, to continue to flexibly and effectively address urgent issues, such as assistance to Ukraine and the affected countries, and to play a leading role.

Japan is determined to actively contribute to the EBRD, including in terms of policy discussion and human resources, so that the EBRD can continue to fully achieve its mission.

#### **STATEMENT BY MR DAUREN KENGBEIL, ALTERNATE GOVERNOR FOR KAZAKHSTAN**

On behalf of the delegation of the Republic of Kazakhstan, I would like to thank the Government of the Republic of Uzbekistan and the authorities of the city of Samarkand for the hospitality they have shown and the wonderful organisation of the Thirty-second Annual Meeting of the EBRD.

Last year Kazakhstan and the EBRD jointly celebrated the 30th anniversary of their partnership.

Throughout the years of our cooperation, more than 300 projects worth in excess of US\$ 10 billion have been successfully implemented in Kazakhstan with the Bank's support in

various sectors of the economy. These figures are very impressive and demonstrate the successful progress of our joint work.

We highly value our partnership and intend to maintain a long-term, mutually beneficial relationship with the EBRD.

### ***Economic situation in the Republic of Kazakhstan***

Despite the global geopolitical and economic situation, Kazakhstan's economy was able to adapt to external conditions, posting a 3.1 per cent rise in GDP in 2022 compared to 2021 (*January-March 2023 – up by 4.9 per cent compared to January-March 2022*). This year we expect to maintain positive GDP growth rates of 4 per cent.

Goods output increased by 3.2 per cent while services rose by 2.5 per cent.

The short-term economic indicator stood at 103.5 per cent. This covers growth trends in six key sectors (*production, agriculture, construction, trade, transport and communications*).

Steady growth is continuing in the manufacturing industries.

As part of the *New Kazakhstan* concept announced in 2022 by the President of the Republic of Kazakhstan Kassym-Jomart Tokayev, we have been actively working on reforms designed to strengthen the legislative branch of power, and deliver high-quality economic modernisation by boosting fair competition, protecting private property, promoting antitrust law, and curbing any excessive public-sector activity in the economy.

At the same time, one of our main goals remains to increase the country's attractiveness as an investment destination.

We welcomed the proposal to hold an Investment Outlook Session on Kazakhstan as part of the EBRD Annual Meeting. I am confident that the session will be held at a high level, as well as allowing us to demonstrate our country's economic capabilities, and discuss questions of both financial cooperation and attracting foreign investment.

Our President has remarked on more than one occasion that an *open door* foreign investment policy remains a strategic priority for Kazakhstan.

The most conducive conditions for doing business have been created to support this.

Last year, for instance, we adopted an investment policy concept through to 2026. It provides a set of measures designed to gear the structure of investments towards the competitive production of high-value-added goods.

Kazakhstan seeks to maintain its leading position among the Central Asian States in terms of inward foreign investment.

At the end of 2022, gross inward foreign direct investment in Kazakhstan amounted to US\$ 28 billion, a record figure for the last 10 years (*in 2012, FDI reached US\$ 28.9 billion*).

As a result, Kazakhstan has concluded more than 50 agreements with other countries to protect and promote investment.



Major investors are being offered the opportunity to sign investment agreements which ensure legislative stability for 25 years so that investment projects can be delivered in priority sectors. Preferential taxation and grants-in-kind are also available for those sectors.

Our tax rates are among the lowest in the world. Corporate income tax is 20 per cent and VAT is only 12 per cent.

The country has 13 special economic zones supported by ready-to-use infrastructure and a wide range of investment options.

There are also 36 industrial zones with turnkey infrastructure on hand.

There is an additional investor support mechanism for subsidising loans to foreign buyers and guaranteeing export transactions.

A visa-free regime is operating for investors from 54 countries, including Japan, the USA, the United Kingdom, Germany and others.

And finally, a ready-made manufactured products market of 1.5 billion consumers is also available in the form of China, and the countries of the Eurasian Economic Union and Central Asia.

As we have seen, the current situation in the world has significantly changed the global economic backdrop.

The Kazakhstan Government is endeavouring to guarantee macroeconomic stability and prevent unjustified price increases.

We are also taking steps to improve fiscal policy. A new concept for public finance management has been adopted for use until 2030. The contents of the concept will form the basis of the new Fiscal Code.

A new Tax Code will also be developed with the aim of revamping fiscal regulation.

While focusing on economic development, we need to take into account our international commitments to decarbonise the economy.

In recent years, we have made significant progress towards reducing the carbon intensity of our economy, and expanding the use of renewable energy sources. At the same time, we realise that there is still major work ahead.

In February this year, a strategy for achieving carbon neutrality in Kazakhstan by 2060 was approved.

More widely, the head of State's approval of the strategy for achieving carbon neutrality in Kazakhstan by 2060 is timely, and confirms the long-term and consistent nature of our intentions and efforts.



To attract investment and create new professions, we intend to step up our cooperation with international organisations and other countries so that we can exchange experiences and coordinate efforts to achieve global objectives.

We recognise the importance of international cooperation in this regard. Participation in international climate agreements and strengthening partnerships are paramount in terms of developing and implementing effective joint measures.

I would like to conclude by emphasising that the achievement of our proposed objectives and the implementation of our country's main priorities will enable us to overcome current difficulties, and to set ourselves on a course of sustainable, high-quality economic growth.

To successfully attain these goals, we need the support of international financial institutions, in particular the EBRD.

## **STATEMENT BY MS KYUNGHEE KIM, TEMPORARY ALTERNATE GOVERNOR FOR KOREA**

### **1. Introduction**

It is my great pleasure to meet you all in this historical city of Samarkand.

On behalf of the Korean Government, I would like to express my deep appreciation to the Government of Uzbekistan and EBRD management and staff for successfully organising this Annual Meeting.

### **2. Support for resilience and reconstruction in Ukraine**

Although the pandemic situation has improved, the global economy this year is in the midst of a crisis due to geopolitical tensions, financial risks, and the threat of food insecurity increased by the war on Ukraine.

Against this backdrop, the EBRD has developed a distinctive role in Ukraine as the biggest institutional investor in the country. The Bank pledged to invest more than €3 billion in 2022-2023 in order to spearhead the resilience and reconstruction of Ukraine, and support countries affected by the war.

Korea commends such efforts of the EBRD.

Also, shareholders' assistance through various channels and the use of the EBRD's own guarantee facility – the Food Security Guarantee – have all substantially contributed to the recovery and rebuilding of Ukraine.

Yet the EBRD's credit rating is at stake, as increased support for Ukraine has worsened the Bank's financial soundness and reduced its resources.

Once a war-torn country, Korea knows very well how dire the need is, and how effective support from the international community can be in the process of recovering and rebuilding from the scars of a war. And we all know that as Ukraine's largest institutional investor, the role of the EBRD is undoubtedly paramount, and that it will become even more so moving forward.

That is why Korea endorses the suggested Resolution as a cornerstone of initiating constructive discussions on how to ramp up the Bank's resources. Simultaneously, we should remain steadfast in our efforts to optimise the EBRD's balance sheet and secure lending headroom by implementing the recommendations of the *G20 Independent Review of MDBs' Capital Adequacy Frameworks*. Quantitatively analysing the impact of increased support for Ukraine as well as scaling up capital through innovative financing will pave the way towards discussions on additional support from shareholders.

As a responsible member of the international community, Korea will strive to help Ukraine recover and rebuild moving forward. And by continuously cooperating with the EBRD, Korea will share our experience and knowledge related to post-war reconstruction.

### **3. Limited and incremental expansion to sub-Saharan Africa and Iraq**

The Korean Government supports the EBRD's efforts to widen its geographic scope to sub-Saharan Africa and Iraq in accordance with the Strategic and Capital Framework for 2021-2025.

We look forward to the EBRD significantly contributing to the development of sub-Saharan Africa and Iraq, drawing on its extensive experience in supporting eastern European countries' transition.

Yet given the fact that the Bank does not have sufficient lending headroom, the expansion of countries of operations should be limited and incremental. Korea asks the EBRD to uphold the basic principle of maintaining the AAA credit rating without impairing its ability to support Ukraine and other countries of operations.

The results of capital and financial reassessment positively demonstrate that this principle can be upheld. And the Korean Government will continue to work towards communicating and cooperating with the EBRD to ensure the Bank's financial sustainability.

### **4. Removing the statutory capital limitation on ordinary operations**

Korea believes that the *G20 Independent Review of MDBs' Capital Adequacy Frameworks*, which recommends multilateral development bank reform, has sparked the most relevant debate on preparing for the future amid insufficient resources relative to development needs.

The Korean Government commends the EBRD for devising short-term and mid-to-long-term strategies to lay the groundwork for balance sheet optimisation. We also think highly of the Bank's endeavours to increase lending headroom by adopting innovative financing through insurance, guarantees and securitisation.

At its inception, the Bank introduced the statutory capital utilisation limit as a means for capital management, and has strictly dealt with the nominal ratio ever since. However, the method for capital management has continued to evolve, and Article 12.1 of the *Agreement Establishing the Bank* is now in need of revision.

Amid ongoing discussions in multilateral development banks, it is meaningful to see the EBRD already a step ahead with its decision. Korea endorses the Resolution stipulating board-level discussions on the statutory capital limit, amending Article 12.1 of the *Agreement Establishing the Bank*. Through the amendment, we hope inefficiencies arising from the excessive lending limit compared to the Bank's actual financial capacity will be addressed. We hope it will lay the foundation to improve the capital capacity of the EBRD.

## 5. Conclusion

Even amid the pandemic, the EBRD has spared no effort in making digital and green investment, as well as assisting the disadvantaged, by harnessing the Bank's expertise in supporting the private sector.

Korea looks forward to seeing the Bank head towards a better future and innovation under the leadership of President Odile Renaud-Basso. And as one of the EBRD's key partners, Korea will continue to closely communicate with the Bank.

## STATEMENT BY MR HEKURAN MURATI, GOVERNOR FOR KOSOVO

On behalf of the Republic of Kosovo, I have the honour of presenting the Country's written statement ahead of the 2023 Annual Meeting.

It is a great pleasure to be able to deliver this year's statement for Kosovo, and I take the opportunity to thank all those involved in organising the Annual Meeting this year. I would also like to thank the members of our constituency for their continuous support and cooperation.

As an open economy, Kosovo is proud to share its alignment and commitment to the Bank's founding articles of democracy, pluralism, and market economy, while promoting private and entrepreneurial initiatives as the main drivers of growth and sustainable development. We continue to appreciate the Bank's commitment to delivering, on this basis, support to all of its countries of operations, including Kosovo.

Kosovo continues its alignment with its Western partners and strongly condemns Russia's brutal war of aggression against Ukraine. We demand that Russia immediately cease its military actions, unconditionally withdraw all forces and military equipment from Ukraine, and fully respect Ukraine's territorial integrity, sovereignty and independence. We also condemn Belarus' involvement in Russia's military aggression. Having experienced Serbian aggression during the war in Kosovo in 1999, we feel deeply about the suffering of the Ukrainian people and hope for an immediate end to the war.

The war in Ukraine has had a paradigm-shifting impact on the world economy that continues to be felt everywhere. We believe the Bank is well positioned to engage private capital in the redevelopment of Ukraine and ensure sustainable growth in other countries of operations.

As in most countries, during 2022, our economy was subject to several negative externalities, including high energy and goods import prices, which have deteriorated the purchasing power of our citizens. The impact has been felt in the private sector as well, due to liquidity drainage following inflationary pressure, and the increase in interest rates by the European Central Bank. As such, we have focused efforts on supporting the local economy, the private sector, and capital investments through various government measures aimed at providing liquidity, boosting business activity, and alleviating the inflationary pressures that stalled development last year.

Despite the difficulties, the Republic of Kosovo witnessed significant economic growth in 2022, and the projections show promising growth for next year too. We remain attentive,

however, to developments, and are committed to proactively supporting our citizens and private enterprises to overcome the implications of the unfolding situation.

We also remain committed to achieving the development goals of our country by implementing much-needed policies to close infrastructure and governance gaps, with the aim of creating new growth engines. In this regard, building on excellent past cooperation and seizing the opportunities ahead, let me conclude by reiterating our strong commitment to deepening our cooperation towards addressing our overarching challenges.

## **STATEMENT BY MR EDIL BAISALOV, TEMPORARY ALTERNATE GOVERNOR FOR THE KYRGYZ REPUBLIC**

On behalf of the Kyrgyz Republic, I would like to extend my best wishes to you at the EBRD Annual Meeting.

I would also like to express my gratitude to the staff of the Bank and the government of our fraternal Uzbekistan for the excellent organisation of this event.

First, let me thank the EBRD for its help and support to our ongoing social and economic reforms. The Bank is a reliable partner in that regard, especially in these complex times. The repercussions of the global geopolitical situation have led to corrections in the development of the world economy and the economies of individual countries. Cross-border trade links and supply chains have been broken, the price of raw materials and consumer goods have risen, and both inflation and foreign exchange fluctuations have occurred. Despite the fact that various organisations and experts were forecasting an economic downturn, last year's results show that the Kyrgyz Republic saw real-term economic growth of 7 per cent, while the EBRD invested €41 million in the Kyrgyz Republic across 16 projects.

The EBRD is one of our crucial partners, delivering significant support to the country in high-priority parts of the economy.

Our economic policy is currently focused on tackling strategic challenges. These include swiftly implementing measures to deal with the crisis and ensure economic recovery from the effects of worldwide challenges; and delivering on the reforms we have set out, whose main aim is to speed up economic growth by supporting private enterprise, attracting direct investment and significantly increasing export volumes.

At the same time, we are optimistic about the future and believe that the reforms we are planning in the Kyrgyz Republic will allow us to reach greater heights.

Second, I would like to inform you that the Cabinet of Ministers of the Kyrgyz Republic is taking action to facilitate sustainable economic growth and social stability in the face of the very strong effects of adverse conditions, both from overseas and domestically.

I should also note that climate change now sits at the core of our key thematic work. I would like to use my statement to look in more detail at sustainable development and the structural changes that go with it.

The negative consequences of climate change are clearly visible in Central Asia as centuries-old glaciers begin to melt, and various types of natural disaster become more frequent – mudslides, flooding, droughts, water shortages and declining water resources – all of which pose grave threats and risks to social and economic development, and to countries' food security.

Climate finance is very important to the Kyrgyz Republic in terms of the need to enhance our country's natural environment and invest in climate-focused infrastructure. Financial resources should be made available to areas such as energy, transport and agriculture. In all these sectors, climate financing could become a source of significant levels of investment designed to achieve climate-focused outcomes.

Equally, green finance should be developed alongside existing instruments and delivered through offering incentives and carefully assessing the actual contribution that the entire range of low-carbon technologies makes to reducing greenhouse gas emissions.

We would also like to note that, in accordance with decisions made at COP meetings and the Paris Agreement, Kyrgyzstan has prepared an updated nationally determined contribution. We took a comprehensive, cross-government approach when drafting, and it was approved by the Cabinet of Ministers. The main policies and climate-change mitigation measures featuring in the nationally determined contribution focus on the sectors *energy, agriculture and forestry and other types of land use*. For example, action that we have taken in the energy sector includes: (1) developing sources of renewable energy; (2) cutting existing greenhouse gas emissions by extending our gasification network and using electric vehicles; and (3) increasing energy efficiency.

For the Kyrgyz Republic, deploying the very significant but largely untapped sources of hydroelectric and solar energy presents an economically effective way to meet the growing demand for energy, diversify the energy mix, and expand our green exports. Currently, the country is not fully exploiting its hydroelectric power production potential, and has around 650 gigawatts of unused solar energy potential. At the same time, crucially important investments are also required in our existing energy infrastructure to improve efficiency, reduce seasonal electricity outages, and strengthen resilience to climate change.

In that regard, we must note that the green economy transition, climate change adaptation, and the sustainable use of water and natural resources are driven not only by global trends, but also by vital necessity.

Kyrgyzstan also welcomes the EBRD's commitment to global climate goals.

Third, we would like to highlight the need to establish a comprehensive transport infrastructure development plan for Central Asia that takes account of each country's geographical situation as well as relations with their neighbours. The plan should envisage constructing new roads and railways, as well as developing ports and airports to improve trade and tourism links. For my part, I would like to outline our interest in developing new regional transport corridors. We believe that there is strong potential behind delivering the project to build the China-Kyrgyzstan-Uzbekistan railway, which is set to have a positive multiplier effect on all Central Asian countries. The railway will open up new horizons and enable trade volumes to grow.

To do this, Kyrgyzstan must look at a variety of different funding sources for largescale cross-border projects, including public-private partnerships, foreign direct investment and international development assistance. We should also focus our attention on improving financial governance so as to improve the country's creditworthiness and attractiveness to investors. The Kyrgyz Republic will do all it can to foster a conducive investment climate and attract overseas investors to various projects. In that regard, we are counting on our partners to actively engage in making those types of projects a reality.

In view of these points, we call on the EBRD to redouble its efforts to attract resources that will deliver on our national and joint projects in the region.

We should note that an important ingredient of completing such projects is having access to grant funding.

Our country is ready for mutually beneficial and multidimensional joint work across all areas with anyone who has an interest in contributing. To develop our region, I call on us all to pool our efforts and implement cross-border projects together with our development partners.

In conclusion, allow me to thank the Bank once more for its support to Kyrgyzstan's efforts to transition towards sustainable economic development, and to hope that our mutually beneficial partnership will continue.

## **STATEMENT FROM MR ARVILS AŠERADENS, GOVERNOR FOR LATVIA**

I want to thank the Government of Uzbekistan for hosting the Thirty-second Annual Meeting of the Board of Governors of the EBRD, welcoming us to the historic city of Samarkand, at the crossroads of world cultures. The EBRD, whose Members represent diverse cultures, is based on values that are embedded in the *Agreement Establishing the EBRD*: the principles of multiparty democracy, the rule of law, respect for human rights and market economics.

### **EBRD's Support for Resilience and Reconstruction in Ukraine: the Way Forward**

Latvia continues to condemn Russia's war against Ukraine, a war that undermines global security and stability, disrupts global food and energy markets, and deepens poverty. Despite the strong efforts of the international community to try to end this war of aggression, hostilities have by now been continuing for more than one year. We are witnessing the destruction of lives, the wrecking of homes and the separation of families for extended periods. The Ukrainian people are paying a high price for this war – we deeply grieve with the Ukrainians for their tragic human losses.

Latvia aligns with other EU Member States in demanding that Russia immediately cease its military actions, unconditionally withdraw all forces and military equipment from Ukraine, and fully respect Ukraine's territorial integrity, sovereignty and independence. We also condemn Belarus' involvement in Russia's military aggression.

Refugee-host countries, including Latvia, have been welcoming Ukrainian refugees, providing much-needed warmth and support. Latvia's financial, military and humanitarian support to Ukraine amounts to 1.3 per cent of the country's GDP. Latvian finances to help cover Ukraine's urgent budgetary needs are being channelled via different mechanisms, including €25 million through the World Bank.



The second *Ukraine Rapid Damage and Needs Assessment*, jointly undertaken by the World Bank, the Government of Ukraine, the European Commission and the United Nations, found that long-term reconstruction needs in Ukraine total US\$ 411 billion. This will require additional investments, including ones dedicated to the private sector. To help Ukraine in repairing damaged infrastructure and rebuilding its economy to pre-war standards, the EBRD must continue investments wherever possible. This should enable companies in the private sector as well as sub-sovereign entities to provide critical goods and services. EBRD countries of operations in close proximity to war-torn Ukraine that have been affected economically by the war need increased investments as well. This demands a larger presence of EBRD capital and personnel in the entire region, both as a sign of security and for mobilising additional capital.

I encourage the Bank to make every effort to increase support to Ukraine, at first using internal resources for this purpose, keeping in line with sound banking principles and maintaining the AAA credit rating.

Latvia recognises that the EBRD's capital capacity has reached its statutory limit. Thus, continued support to Ukraine requires additional shareholder capital. The Bank, therefore, should present a timely proposal to its Governors on capital-strengthening measures, outlining different scenarios to allow the alignment of the Governors' decision-making processes with national budgetary planning.

Latvia principally supports the Resolution regarding the criticality of the EBRD's role in the international effort to support Ukraine whilst maintaining the Bank's financial strength, and takes note of the continued work on the EBRD's proposal on future shareholder support for a paid-in capital increase.

**Amendment to Article 1 of the Agreement Establishing the EBRD in order to enable the limited and incremental expansion of the geographic scope of the Bank's operations to sub-Saharan Africa and Iraq**

Latvia takes note of the Bank's strategic interest in expanding operations beyond the current geographic region to sub-Saharan Africa and Iraq, as established by Resolution No 248 of the EBRD Annual Meeting of Governors in 2022. Considering that this Resolution was taken at the outset of Russia's war against Ukraine, Latvia strongly emphasised that these aspirations for potential expansion must be viewed in the context of this war, which has caused a severe humanitarian crisis, economic consequences, and security concerns in the heart of the EBRD region and beyond.

I am confident that the Bank will deploy its full attention and capital to help Ukraine mitigate the possible collapse of its economy, and to address the increasing vulnerabilities in the countries of central Europe and the Baltics. I appreciate that the discussion on expansion is no longer linked to the graduation concept, which, in my view, has lost its relevance for many years to come. We share the common understanding that international investments in the central European and Baltic countries are a matter of national security, and that the EBRD plays an important role in this respect.

Latvia recognises the strategic importance of the EBRD's limited and incremental expansion into sub-Saharan Africa and Iraq in the context of global political and economic consequences. The EBRD's updated analysis reconfirms that this expansion will not negatively affect the



EBRD's AAA credit rating, nor impair the Bank's ability to support its existing countries of operations; nor will it cause a capital increase.

Latvia principally supports the Resolution, *Amendment to Article 1 of the Agreement Establishing the EBRD in order to enable the limited and incremental expansion of the geographic scope of the Bank's operations to sub-Saharan Africa and Iraq*. We look forward to cooperating with new shareholders of the Bank when the necessary procedures are implemented.

**Amendment to Article 12.1 of the Agreement Establishing the EBRD in order to remove the statutory capital limitation on ordinary operations**

Latvia supports the removal of the statutory capital limitation in the *Agreement Establishing the EBRD*, and the delegation to the Board of Directors of all aspects of the Bank's capital adequacy framework level, thereby increasing efficiency and flexibility in the use of the Bank's capital. We look forward to future work on CAF recommendations.

**Latvia and the EBRD**

The Mid-Term Review of the EBRD's *Latvia Country Strategy 2021-2026* was completed this year, allowing for a continued and solid base of EBRD and other investments in Latvia. In 2022, Latvia received new EBRD investments of €76 million for six projects, which fell short of the annual investment for 2021. With a war on our doorstep, the EBRD's presence in terms of investments and personnel has gained increased relevance. We expect the Bank to intensify its capital investments in Latvia's private sector, and to use its full potential to support Latvia in its efforts to secure energy independence. We call for an increased number of dedicated EBRD staff to help Latvia strengthen its international investments, thereby adding to its national security.

**STATEMENT FROM MR YOUSSEF EL KHALIL, GOVERNOR FOR LEBANON**

First, we would like to thank the Republic of Uzbekistan for hosting this year's EBRD Annual Meeting. Unfortunately, Lebanon is not able to attend in person due to the exceptional circumstances the country is going through.

In fact, Lebanon is at a very critical juncture in its history. More than three years of severe and compounded crisis has led to widespread repercussions for the country's macroeconomic and financial fundamentals, and for its social fabric: GDP has shrunk by more than half; triple-digit inflation has continued for more than three years in a row; and poverty is encompassing more than 60 per cent of the Lebanese population, all of which is compounded by a burdensome refugee crisis, a severe political gridlock, weak governance and a major confidence crisis.

In an effort to address the macroeconomic instability and relaunch economic growth, in April 2022, the Government of Lebanon reached a staff-level agreement on comprehensive economic policies with the International Monetary Fund (IMF) for a 46-month Extended Fund Arrangement with requested access to US\$ 3 billion. This agreement aims to support the Lebanese authorities' reform strategy to restore growth and financial sustainability, strengthen governance and transparency, and increase social and reconstruction spending. It addresses the restructuring of the external public debt to restore debt sustainability, and close financing gaps. The agreement further targets the restructuring of the financial sector to restore banks' viability, their solvency and their ability to efficiently allocate resources to support the recovery. A Fund

programme is key to leveraging concessional financing from Lebanon's international partners to support reform implementation.

In conjunction with the staff-level agreement, the Government of Lebanon endorsed its economic and financial reform programme in September 2022. Since then, the authorities have been striving to fulfil the conditionalities of the staff-level agreement ahead of IMF Board approval, and to move forward with reform implementation in line with the recommendations of the various technical assistance missions deployed by the IMF and Lebanon's development partners. However, major political milestones (namely parliamentary elections in May 2022, demarcation of the seashore boarder negotiations, and a presidential vacancy as of November 2022) and reduced legislative prerogatives ahead of the presidential election are constricting progress towards that end.

Nonetheless, and despite the very challenging environment, a Budget for 2022 was ratified in November 2022, opening the door to an adjustment to the public finances alongside the unification of the exchange rate. On 1 February 2023, the authorities dropped the 30 year-long peg to the US dollar at LBP 1,507, and adopted a devalued exchange rate for all financial transactions with the aim of gradually reaching a market clearing rate. In parallel, the Lebanese Government moved the collection of taxes and fees closer to the market exchange rate, enhancing revenue collection at a time when financing is critical to the sustainability of the State and its institutions. Indeed, the core functions of the public sector were at risk today and at the outset of the prolonged and multiple crises, and the authorities are striving to restore productivity and basic public services. In that respect, a salary compensation scheme was enacted in both the 2022 Budget, and a more recent one on 18 April 2023, designed to redress (to the extent of the financing available) the depreciation of the public service salary scale. And a preliminary census of civil servants was submitted in September 2022, paving the way for a more elaborate civil service reform. Also, electricity tariffication was amended as part of a broader energy sector reform plan to reflect, to a certain extent, cost recovery rates, as well as aiming to restore more hours of power supply, which would ultimately free fiscal space in the medium term for more productive investment and social spending.

All in all, the authorities are aware that the enacted adjustments fall short of the magnitude of what is needed to stabilise the economy. Still, despite the numerous institutional impediments causing substantive delays, and despite very high volatility, a draft Budget for 2023 is currently being finalised at the Ministry of Finance in parallel with the launch of preparatory work for the draft 2024 Budget, both of which are anchored to the government economic reform programme and accord with the reform pillars of the staff-level agreement.

As such, the Government of Lebanon remains committed to reform implementation, and is keen on moving forward with the ratification of the pending draft legislation that is needed (financial restructuring, capital controls) ahead of an IMF programme – once political stalemate resolves and institutional paralysis unlocks – not only to leverage financing, but to spur confidence as well. In fact, restoring confidence remains at the core of economic recovery, and entails both confidence in the State and in the overall economic and financial governance of the country.

Today, as we stand at a critical crossroads, we call on the support of the Lebanese diaspora, on the support of our donors and investors, and on the support of our development partners. Support is needed to implement structural reforms to achieve macroeconomic stability. Support is needed to build back competencies, as Lebanon lost substantial institutional capacities.

Support is needed to relaunch economic growth and create a viable business environment, conducive to attracting foreign direct investment and nurturing small and medium-sized enterprises (SMEs). Support is needed to create job opportunities, stop the haemorrhaging of the Lebanese youth, and reverse the brain drain. Support is needed to sustain the growing community of refugees that is threatening social cohesion in the country. Finally, support is needed for Lebanon to regain its role in the region as a beacon of knowledge, and a voice for democracy and freedom of speech.

Last but not least, we would like to extend our deep appreciation for the continued support of the EBRD to Lebanon, despite the prevailing adverse economic and financial conditions, which are impeding the EBRD's financing facilities. Indeed, while awaiting a financial restructuring and a revamped banking sector conducive to credit extension, the EBRD maintained a pivotal role in Lebanon through its *Advisory for Small Business* programme, supporting more than 200 Lebanese SMEs, and securing important new funding from the European Union in December 2022, which allowed the Bank to deploy five additional years of SME support dedicated to innovation. EBRD's mentoring of the resilient and vibrant entrepreneurial sector in Lebanon was very valuable in those challenging times. The EBRD also continued its policy engagement in the country, including the recent launch of a review (in close coordination with the IMF) of the legal and governance framework of Lebanese State-owned enterprises, which is a major reform with far-reaching consequences for the public finances and debt sustainability. As always, we count on you to stand alongside Lebanon, its government and its people, throughout the long and tedious path to recovery and economic growth.

#### **STATEMENT BY MR MINDAUGAS LIUTVINSKAS, ALTERNATE GOVERNOR FOR LITHUANIA**

On behalf of the Republic of Lithuania, let me express our sincere gratitude and appreciation to Uzbekistan for hosting the Thirty-second Annual Meeting of the EBRD, and for the warm hospitality extended to all delegates.

The EBRD Annual Meeting is taking place at a time of huge uncertainty as we continue to face an unprecedented confluence of global crises and challenges – from the aftermath of the pandemic and the emerging risk of climate change, to Russia's brutal war against Ukraine, which has undermined not only European but global security, stability and prosperity.

Lithuania strongly condemns Russia's brutal war of aggression against Ukraine. We demand that Russia immediately cease its military actions, unconditionally withdraw all forces and military equipment from Ukraine, and fully respect Ukraine's territorial integrity, sovereignty and independence. We also condemn Belarus' involvement in Russia's military aggression. Russia and its accomplice bear full responsibility for the consequences, which have been wide and multiple, causing significant negative impact on the most vulnerable. The aggressors – Russia and its accomplice Belarus – must be held accountable for this war and its consequences. Important steps have been taken by activating Article 8.3 of the EBRD's *Agreement Establishing the Bank* and suspending Russia's and Belarus' access to the resources of the EBRD. However, further decisions need to be taken, and we call for the suspension of Russia's and Belarus' memberships of the EBRD under Article 38 of the EBRD's *Agreement Establishing the Bank*.

Needless to say, the highest price for Russia's aggression is being paid by Ukraine, with tragic human loss, devastation, destruction of critical infrastructure, and millions forced to flee their homes. However, the people of Ukraine have shown stunning bravery, resilience and fortitude, and bring hope that democratic values will prevail eventually.

Today, tomorrow and every day, Lithuania stands firmly and in full solidarity with the Ukrainian nation. As of now, Lithuania has provided more than €910 million of humanitarian, military and financial support to Ukraine, which constitutes almost 1.4 per cent of our GDP, and we are strongly committed to continuing our support as long as it takes.

As noted in the recently updated *Ukraine Rapid Damage and Needs Assessment*, the cost of the reconstruction and recovery of Ukraine is around US\$ 411 billion – more than twice Ukraine's pre-war GDP. These financing needs are overwhelming, and thus the speed of financial support and close coordination among development partners and donors, based on their comparative advantages, are of the essence. Only well-coordinated and coherent international efforts will bring maximum efficiency and effectiveness.

We are pleased to see the EBRD's efforts and strong commitment to support Ukraine when the country needs it the most. The EBRD has continued to be a strong partner for Ukraine. With its unique mandate, and long-standing expertise and knowledge of local markets and the private sector in Ukraine, the EBRD can and must play a significant role in both wartime and the country's post-war reconstruction.

In order for the EBRD to fulfil its mandate in Ukraine to the fullest extent, strong shareholder support is key. We recognise that a capital increase would be the most effective and efficient instrument for enabling the EBRD to support Ukraine, providing the greatest leverage, and addressing the Bank's needs without risking its AAA rating. Concrete decisions for the way forward have to be taken as early as possible – no later than the end of this year – without lowering the level of ambition to provide a solid basis for the Bank's continuous involvement in Ukraine.

Turning to the EBRD's potential limited and incremental expansion to sub-Saharan Africa and Iraq, we acknowledge last year's in-principle decision, and take note of the EBRD's comprehensive analysis, which confirmed that limited and incremental expansion to sub-Saharan Africa and Iraq should not impair the Bank's ability to support its existing countries of operations, compromise the Bank's AAA credit rating, or lead to a request for additional capital contributions. Having in mind the geopolitical context, Lithuania recognises the EBRD's strategic interest in limited and incremental expansion to sub-Saharan Africa and Iraq, and could support the proposed Resolution.

At the same time, we note that the EBRD's geographical expansion cannot come at the expense of Ukraine and affected countries, and we stress that the most urgent priority of the Bank has to remain Ukraine and other countries of operations, given the magnitude of the impact of Russia's war. The geopolitical and economic situation reconfirms the importance of the EBRD's presence and involvement in all its countries of operations, in particular in central Europe and the Baltic countries, which are affected by Russia's military invasion of Ukraine.

We appreciate the EBRD's investments in Lithuania and highly value technical assistance, including the Bank's contribution to the development of capital markets. We have ambitious plans for the development of a capital markets ecosystem, and for becoming the leader in the

green finance area. We see the EBRD as a strong partner in building a resilient, green, digital, knowledge-based Lithuanian economy. Thus, the EBRD's continuous involvement is more than welcome, including with technical assistance in developing the pan-Baltic capital market, and contributions to our green transition plans – activities in the areas of energy efficiency, renewable energy and a sustainable transport system.

We appreciate the *G20 Independent Review of MDBs' Capital Adequacy Frameworks*, and support measures that allow the banks' balance sheets to be optimised, have the highest leverage effect of available financial resources, and provide a more efficient use of the multilateral development banks' capital. Wishing to enable the optimal use of the EBRD's capital capacity to achieve transition impact in the EBRD's countries of operations, we support the Resolution on the amendment of Article 12.1 of the *Agreement Establishing the EBRD*.

Lastly, current challenges and imminent threats cannot distract us from longer-term issues. In this regard, the EBRD's active role in tackling climate change and adaptation, and its contribution to digital transformation, and inclusive and gender-equal economies, is particularly important.

In conclusion, let me express our appreciation to Madam President, the management and staff for their work in these challenging times.

#### **STATEMENT FROM MS YURIKO BACKES, GOVERNOR FOR LUXEMBOURG**

In recent years, we have witnessed a worrying trend of global fragmentation, de-globalisation, and increased protectionist reflexes. Multilateralism has also been heavily questioned. The development goals and the preservation of our planet seem to have been outranked by other priorities. In our view, it is our duty to address, collectively and collegially, the many urgent needs that lie ahead, irrespective of viewpoint and ideology. We cannot find collective international responses without multilateralism, without dialogue, without compromises.

In these unprecedented times, societies and institutions are being put to the test. It is essential that we make progress in the development goals, find solutions to the polycrisis, take bold actions to protect our planet, and ensure a sustainable future for all of us. The EBRD, and multilateral development banks in general, need to rethink their *modus operandi* to stay relevant. We would welcome the EBRD reflecting on what kind of bank it wants to be in the future, prioritising its private-sector and transition mandate. These features are unique to the EBRD and will have a meaningful impact in the current regions of operations and beyond. We believe a special emphasis should be put by the EBRD on increasing its support to small and medium-sized enterprises. In this respect, Luxembourg will sign an additional contribution of €1 million to foster the EBRD's technical assistance to such enterprises in the Western Balkans, and the West Bank and Gaza.

One of the most urgent global challenges is climate change. The window of opportunity to secure a liveable and sustainable future for all is closing rapidly. We need to act, and we need to act now, not least for the poorest and most vulnerable people of the world. We commend the Bank's work on Paris alignment. We share the Bank's green ambitions, and we encourage the leveraging of innovative blended finance mechanisms to mobilise investments to support the green transition and sustainable development. Together with private-sector partners,

Luxembourg has recently set up the Green Earth Impact Fund, investing in climate mitigation and adaptation, and the protection of biodiversity and water in emerging markets.

As the first female Minister of Finance, the Governor for Luxembourg has the gender agenda particularly at heart. She has been very active in promoting efficient and inclusive outcomes for women, especially in finance. Gender disparities affect a country's economic performance, and can have major consequences for growth, income distribution, stability and resilience. This has, however, been underestimated for a long time by policymakers. We therefore highly value the efforts made in this field by the EBRD, and the progress made in implementing its gender-smart strategies.

Last but not least, Luxembourg welcomes the work undertaken by the Bank to study closely the recommendations of the *G20 Independent Review of MDBs' Capital Adequacy Frameworks*, and to explore how they can be implemented. We think the options provided by the report have the potential to unlock additional financing capacity. However, we expect the Bank to implement solid measures to keep our capital safe, in particular from the perspectives of sound banking and concentration risk, in view of maintaining the Bank's AAA rating, without the expectation of additional capital. The recent turbulences in the banking sector have highlighted that maintaining a robust prudential framework, strong risk management, and high governance standards are of the utmost importance to ensure sustainable financial stability.

#### **STATEMENT FROM MR EDWARD SCICLUNA, GOVERNOR FOR MALTA**

It is both a privilege and a pleasure to be able to address the Thirty-second Annual Meeting of the EBRD. I must start by expressing my appreciation to the authorities of Uzbekistan for hosting us in the historic city of Samarkand, as well as to the management and staff of the EBRD for their organisational efforts and arrangements.

Praise must also be extended towards President Renaud-Basso and her staff for the manner in which the EBRD has managed to conduct its affairs in what remains an unceasingly difficult global environment. The tail end of the Covid-19 pandemic, the invasion of Ukraine, geopolitical uncertainty and the rising incidence of manmade and natural disasters have combined to provide an economic maelstrom characterised by record levels of inflation and public debt. Within this context, the dedication, expertise and adaptability of the EBRD and its partner institutions represent essential qualities that have been – and will remain – called upon to alleviate the worst outcomes. Nowhere is this more amply demonstrated than within emerging-market and low-income countries, in which the impact of such events tends to be disproportionately severe.

We remain deeply shocked and saddened by the ongoing conflict in Ukraine, which has caused the deaths of so many individuals and uprooted the lives of millions of others. On behalf of Malta, I convey my sympathy for and solidarity with the people of Ukraine, while also reaffirming – in line with our fellow EU Member States and other nations – our condemnation of Russia's unjustified actions.

Ensuring Ukraine's recovery from the destruction will pose an immense challenge. Meeting this challenge has, however, undoubtedly been considerably facilitated by the EBRD's unwavering commitment towards delivering on last year's promise to fully mobilise its resources and expertise in support of Ukraine. Determined to adhere to its financing



commitment of €3 billion to Ukraine over 2022-2023, by the end of 2022, over half of this amount had already been channelled by the Bank into over 20 new projects – a remarkable achievement. Spanning economic sectors from agriculture and infrastructure to energy security, it is certain that the deployment of these resources represents a vital step towards the reconstruction process. Malta acknowledges that maintaining this level of support will require extraordinary resource mobilisation efforts from the international community, and is confident that the EBRD occupies an ideal position to assume a lead role in this regard. Exploring options with a view towards devising the best method of maintaining the Bank's own current financing levels, while preserving its AAA rating, likewise remains a vital task.

The war in Ukraine also carries implications regarding the proposed expansion to sub-Saharan Africa and Iraq. Pressing ahead with such a step will send a clear message regarding the Bank's resolve to play a long-term role in global policy priorities. Such an undertaking should, however, be weighed against the volume of demand stemming from the Bank's current countries of operations. To this end, we note the EBRD staff's statement that the limited and incremental geographical expansion to sub-Saharan Africa and Iraq – given the current geopolitical crisis – would not impair the Bank's ability to support its current countries of operations, 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.

In the wake of the record profits registered in 2021, the EBRD registered a loss last year. Nonetheless, we are pleased to note that during 2022, the Bank succeeded in investing over €13 billion across 431 projects, the former constituting a record figure by a distinct margin. In particular – given Malta's position in the Mediterranean – we welcome the EBRD's level of investment in the southern and eastern Mediterranean (SEMED) region, which at €2.5 billion, represents a €900 million increase from 2021, and renders the SEMED region one of the Bank's largest areas of operations. These achievements will keep the EBRD on track towards the realisation of the objectives set out in the Bank's Strategic and Capital Framework 2021-2025, notably in promoting the transition to a green economy, and gender inclusion. We are also glad to note the EBRD's efforts, in coordination with those of the European Investment Bank and World Bank, in launching a new and comprehensive report on the Middle East and North Africa region.

Tackling individual crises should never serve to shift our focus away from the macro-critical issues of climate change and environmental degradation. To this end, we are pleased to note that, in the past year, the EBRD has once again met the ambitious objectives it set itself in previous years, most notably its pledge to ensure the alignment of all of its activities with the goals of the Paris Agreement by the end of 2022; and we look forward to the effects that this achievement will have going forward. As a small island State, Malta likewise welcomes the EBRD's contributions during the COP27 discussions, especially the creation of the Blue Mediterranean Partnership. Despite this laudable progress, however, effectively mitigating the most extreme consequences of climate change and achieving the Sustainable Development Goals will require a stronger response from the international community than has thus far been the case. Furthermore, the other two pillars of the Bank's Strategic and Capital Framework – promoting equality of opportunity and accelerating the digital transition – are also priorities in their own right.

I would like to conclude by reiterating my thanks to President Renaud-Basso, the Directors and all EBRD staff for the sterling work they have accomplished this past year in what can only be



described as both novel and especially taxing circumstances. Going forward, we retain every confidence in the Bank's abilities to build upon its impressive track record of high-quality operations through further successful projects across the countries of operations.

## **STATEMENT BY MR DUMITRU ALAIBA, GOVERNOR FOR MOLDOVA**

I am honoured, and at the same time, grateful for the opportunity to address you on behalf of my country at the Thirty-second Annual Meeting of the EBRD, hosted by the Government of Uzbekistan in the historic and beautiful city of Samarkand.

The past few years have been difficult for the Republic of Moldova. The pandemic was followed by several unforeseen crises provoked by Russia's unjustified war of aggression against our neighbour and friend, Ukraine.

Our country has strongly condemned the Russian aggression since its beginning. Our citizens have opened their homes to those fleeing the war. We also joined the European initiative *Solidarity Lanes*, providing our transport infrastructure for the export of Ukrainian goods and the delivery of humanitarian supplies to Ukraine. The war continues to have a significant impact on Moldova and the region. We still face complex political, economic, security and social challenges. Moldova is confronting systematic hybrid attacks, aimed at weakening our determination to be part of the free world.

Despite the unprecedented challenges, the Republic of Moldova has managed to build a more resilient economy. Our efforts have focused on creating a more business-friendly environment, attracting foreign investment and promoting entrepreneurship. The EBRD has been an important partner in this effort, by providing crucial technical and financial support.

We have prioritised economic reforms that promote private-sector growth, increase transparency and accountability, and improve the investment climate. Moldova has made significant strides in improving its regulatory framework, and access to finance for small and medium-sized enterprises.

Moreover, we have taken steps to develop road, rail and energy infrastructure, expand digital connectivity, and develop e-commerce.

Since the beginning of the war, Moldova has increased substantially its exports to the European Union – by more than 30 per cent in 2022 compared to the previous year. We want this trend to be maintained.

Of course, there is still much work to be done. This year will be one of reconstruction, as our priority is to rebuild the economy and continue implementing a set of very important reforms. We maintain the commitment to policy implementation that would promote economic growth, create jobs, and improve the welfare of all our citizens. We want to ensure our country's energy independence and connection to the European transport infrastructure. We count on our partners and friends such as the EBRD in achieving these goals.

We are grateful for the EBRD's support in promoting economic development and energy efficiency, encouraging private-sector growth, and improving the quality of life of our citizens. The Bank's investments have helped create new jobs, improve the quality of public services,

and increase the competitiveness of our economy. The EBRD's participation and pledges announced at the Moldova Support Conferences in Berlin and Bucharest showed once again that we are not alone, and that we can count on the support of our partners during critical times.

Looking ahead, we remain committed to working with the EBRD and other partners in the region and the international community, to promote peace, as well as sustainable and inclusive growth and private-sector development.

## **STATEMENT BY MR ALEKSANDAR DAMJANOVIC, GOVERNOR FOR MONTENEGRO**

It is a great pleasure to attend such an impressive event and have the opportunity to meet all of you. In the first place, please allow me to congratulate and express gratitude to the Uzbekistan authorities for being such a good host. Of course, I express congratulations and gratitude to the EBRD staff as well.

This is my first EBRD Annual Meeting of the Board of Governors, and I would like to say that I am honoured to participate, and have the opportunity to share our views on the main global developments affecting all countries in the world.

I hold the view that there is no country in the world whose economy and society has not been affected by the two largest crises after World War II – the Covid-19 pandemic and the war in Ukraine. These two crises warn us that we must take much more care of each other, and that we must contribute to the promotion of peace and overcoming the negative impact of the crisis related to the situation in Ukraine. Montenegro, as a former republic of the former Socialist Federal Republic of Yugoslavia, knows what it means when countries are affected by war events, and how the sincere and benevolent support of the international community is needed to overcome crises and mitigate their consequences.

Similarly to some other international financial institutions, the EBRD intends to intensify its activities in Ukraine in terms of strengthening the country's resilience and reconstruction, which needs a capital increase of €3-5 billion. Up to now, the EBRD has already invested €1.7 billion in Ukraine, which is an impressive figure, and a sign that dedicated work stands behind this figure. Therefore, Montenegro will support the initiative in tasking Directors to prepare the proposal for a capital increase. When completed, it will be examined by the Government of Montenegro and, I believe, supported, bearing in mind that Montenegro, in accordance with its powers, has been supporting the Ukrainian people from the beginning of the war.

Additionally, it makes me feel happy to know that the EBRD intends to expand its activities to sub-Saharan Africa and Iraq. This is an indication that the EBRD is ready to improve its status by increasing its capital, maintaining the AAA credit rating, and improving the Bank's ability to support that region. Since this decision is supported by both economic and strategic arguments, Montenegro intends to support this initiative.

Traditionally, Montenegro has very good and fruitful cooperation with the EBRD, which has resulted in more than €724 million of support, absorbed through 81 projects, 39 of which are ongoing. These projects are related to sustainable infrastructure, agriculture, industry and the financial sector.

However, we believe that fields of cooperation may be further expanded, with an emphasis on pointing out road and railway infrastructure, and green projects. We also hold the view that international financial institutions, including the EBRD, need to find the space for stronger budgetary financial support to member countries. This would be one of the ways to mitigate the crisis, and assist countries in more easily accessing more affordable financial resources, since the global crisis caused an increase in financing costs, which is challenging for even much larger economies than Montenegro.

Nevertheless, each crisis is an opportunity for growth and lessons learned. The crises mentioned have helped all of us to notice the weaknesses and strengths of our economies and societies. The Covid-19 crisis is behind us, and we truly hope that the war in Ukraine will end soon, so all of us can focus on development and happier topics.

To end, I would like to thank our host Uzbekistan for giving us the opportunity to become familiar with this beautiful country and its people, and to strengthen our friendly relations.

I wish all of you successful work during the Annual Meeting, and hope that we will have the opportunity to meet again.

#### **STATEMENT BY MR CHRISTIAAN REBERGEN, TEMPORARY ALTERNATE GOVERNOR FOR THE NETHERLANDS**

More than a year has passed since the beginning of Russia's unprovoked and unjustified war of aggression against Ukraine and the illegal annexation of Ukraine's Donetsk, Luhansk, Zaporizhia and Kherson regions, which the Netherlands strongly condemns, as it has caused immense suffering to the Ukrainian people, and is a blatant violation of international law. The Netherlands also condemns Belarus' involvement in Russia's military aggression. As a result of these actions, the needs of the country are staggering, as identified by the World Bank and others. The EBRD has long been committed to supporting economic development and promoting stability in Ukraine, and we must reaffirm our commitment to this cause now more than ever.

In this context, the Netherlands feels it is crucial that the EBRD be able to continue its support to Ukraine and the broader affected region, taking into account the EBRD's unique mandate as a transition bank for investments and policy dialogue in the real economy and private sector. For this purpose, shareholders should equip the EBRD to play an ambitious and significant role in Ukraine beyond 2023, both for increasing resilience in the short term, and enabling reconstruction in the medium and long term. We agree that a paid-in capital increase seems to be the most effective and efficient option in this regard, given its leverage and inclusiveness. The Netherlands looks forward to continuing the process of preparing a proposal on the scope of the Bank's support for Ukraine and a paid-in capital increase. An important part of this proposal should be to show how the EBRD will cooperate with other international financial institutions and relevant development actors to ensure that Ukraine can emerge from this unjustified war by Russia stronger and more resilient. Indeed, the Bank should be commended for having played an important role in promoting this operational cooperation since the outbreak of the war; but further work needs to be done, of course with the ownership of Ukraine. Returning to a form of local presence of the EBRD could play an important role in this process.

In a context where financing needs are significant and increasingly scarce, all international financial institutions should optimise the use of their capital basis for fulfilling their mandates and mobilising financial support, while ensuring financial sustainability and maintaining a AAA rating. We see a significant upside in a more efficient usage of the current capital of the international financial institutions through implementing the recommendations of the *G20 Independent Review of MDBs' Capital Adequacy Frameworks*. In this regard, we welcome the removal of the statutory lending limit and its possible replacement by a more flexible policy. Going forward, we emphasise the importance of an ongoing effort by the Bank to have an optimal implementation of the *Capital Adequacy Frameworks* recommendations, with progress still possible in several fields, such as larger scale risk transfers from its balance sheet to private parties, pushing further cooperation with other multilateral development banks to promote higher transparency of their credit history, and exploring the potential of hybrid capital. We also expect the Bank to explore further cost and income measures to improve its financial sustainability.

Going forward, the EBRD's private-sector-driven approach has been successful in promoting economic growth and development in its existing countries of operations, and we believe that this approach will also be effective in sub-Saharan Africa and Iraq. We therefore support the limited and incremental expansion of the EBRD to sub-Saharan Africa. The Netherlands is eager to move forward with this expansion in parallel with its current and future focus on Ukraine. To ensure future activities in sub-Saharan Africa and Iraq will not come at the cost of the Bank's activities in the current countries of operations, we welcome the decision to move at a slow pace and not start investments before 2025. Furthermore, the essence of our role should be in quality and value added as a transition bank, not in volume. For a successful engagement in sub-Saharan Africa, it is key for the Bank to be truly complementary to other international financial institutions in sub-Saharan Africa and Iraq, and make sure there is close cooperation with these institutions, in particular with the African Development Bank, International Finance Corporation, and development finance institutions. It is important that these commitments be carefully implemented, reported on and monitored in the years to come, before any additional steps can be considered in the context of a comprehensive review.

Finally, it is crucial that we do not forget the other global challenges that the Bank must address. The world is suffering irreversible damage due to climate change, causing a decline in food security, rising temperatures, and displacement of people. The Bank continues to play a vital role in responding to these challenges. We look forward to supporting the Bank's leadership in implementing its climate ambitions, improving energy efficiency, and promoting renewable energy use in its region.

To conclude, the Netherlands remains a strong supporter of the EBRD and its operations. We recognise the tireless efforts of the EBRD in promoting sustainable economic development and supporting the private sector in the countries of operations. We value the expertise and dedication of the EBRD's staff in achieving these goals, and thank the EBRD's management and staff for their hard work and commitment to this important mission. Their efforts continue to make a significant and lasting impact on the economies of the countries they serve.

## **STATEMENT BY MR FILIP NIKOLOSKI, TEMPORARY ALTERNATE GOVERNOR FOR NORTH MACEDONIA**

To begin with, I would like to express our sincere gratitude for the unquestioning support that the EBRD has extended to North Macedonia over the last 30 years. Since 1993, the Bank has invested more than €2,541 million in 172 projects, significantly boosting the competitiveness of our economy, strengthening the connection with both the region and the European Union, and transitioning towards a green economy. Our successful long-lasting cooperation and mutual strong commitment contribute to enhancing our excellent relations, focused on supporting the country's integration into both regional and global markets through the EBRD's investments, activities and operations.

Cooperation with the EBRD and our key partner, the European Union, has scaled up investments in many sectors, such as railway and road infrastructure, energy, wastewater treatment plants, and solid waste systems, implemented through ongoing EBRD projects in the public sector in North Macedonia. One of North Macedonia's most pressing challenges is the decarbonisation of the economy. In this respect, supporting green energy as one of the key priorities within our cooperation has led to a number of investments in the electricity grid and new energy sources, making the country less dependent on imported sources of fuel, and more resilient at the same time.

Furthermore, the EBRD is also extending support to the private sector, including through EBRD credit lines for supporting the competitiveness of small and medium-sized enterprises, energy efficiency and renewable energy. In particular, by improving the investment climate, encouraging international trade, contributing to the development of our country, and building a competitive economy, the EBRD is substantially supporting our commitment and goal – to become a fully-fledged member of the European Union.

Global and European economies have been facing crisis upon crisis over the last few years, continuously struggling to respond to the Covid-19-induced crisis, the energy crisis, price pressures, and last but not least, the war in Ukraine. We all have to remain committed to developing economies such as ours, as well as continuing the reform agenda, and implementing the respective structural reforms. At the same time, we are all to unwaveringly support Ukraine at this critical moment in its history. The Republic of North Macedonia, as an EBRD Member, welcomes the Bank's efforts to support Ukraine's businesses and keep its economy functioning by committing up to €3 billion over 2022-2023. As Members, we have to stay committed to supporting Ukraine after 2023, enabling the Bank to continue to play a critical and ambitious role in Ukraine, now and in the reconstruction stage, by working towards a decision on a capital increase by year end.

Limited and incremental expansion of the Bank's operations to countries in sub-Saharan Africa (six countries to begin with) and Iraq, with operations starting in 2025, is an important step; but ultimately, it should not have any negative impact on the Bank's operational capacity in North Macedonia and the other countries of operations.

Creating better living conditions for our citizens, building more competitive and resilient economies that are able to respond to climate change-related challenges, providing support for the private sector (in particular small and medium-sized enterprises), and creating numerous jobs, as well as including marginalised categories in the economy as part of our cooperation agenda with the EBRD, are activities whose implementation is to continue in the next period.

In conclusion, I would like to point out that, over the last years, the EBRD has implemented thousands of projects on three continents, worth billions and billions of euros. However, despite the impressive numbers, and bearing in mind the difficulties that countries are facing nowadays, I would hereby like to underline that the Bank is helping build a stronger more sustainable future, in line with the motto *investing in resilience*.

## **STATEMENT BY MR HALVARD INGEBRIGTSEN, ALTERNATE GOVERNOR FOR NORWAY**

On behalf of Norway, I have the honour of presenting the written Governor's statement ahead of the Annual Meeting 2023.

Norway is grateful to the Uzbek authorities for hosting the 2023 Annual Meeting of the EBRD, and to the EBRD for the excellent preparation of the Meeting.

This Annual Meeting will be a milestone for the EBRD. We have before us three important decisions that will influence the organisation for many years to come. Norway supports the following three Resolutions that are presented at this Meeting as a broad compromise for the way forward:

- EBRD's support for resilience and reconstruction in Ukraine.
- Amendment to Article 1 of the *Agreement Establishing the EBRD* in order to enable the limited and incremental expansion of the geographic scope of the Bank's operations to sub-Saharan Africa and Iraq.
- Amendment to Article 12.1 of the *Agreement Establishing the EBRD* in order to remove the statutory capital limitations on ordinary operations.

Norway strongly condemns Russia's brutal war of aggression against Ukraine. We demand that Russia immediately cease its military actions, unconditionally withdraw all forces and military equipment from Ukraine, and fully respect Ukraine's territorial integrity, sovereignty and independence. We also condemn Belarus' involvement in Russia's military aggression.

Norway has, since the Russian attack, provided substantial support to Ukraine, including NOK 2 billion (roughly €190 million) in grants through the EBRD. The Norwegian parliament has recently adopted a multi-year programme to support Ukraine totalling NOK 75 billion (roughly €6.4 billion) for the period 2023-2027. The civilian support in this programme will be channelled through established organisations, such as the EBRD. We will continue to stand by Ukraine for as long as it takes.

It is our responsibility as shareholders to enable the EBRD to adequately support Ukraine in wartime and future reconstruction. Norway strongly supports the Resolution to initiate a process leading to a paid-in increase in the Bank's operating capital. This will enable the Bank to continue adhering to the core principle of sound banking, while supporting the Ukrainian economy.

The EBRD plays a key role in the coordination of the international community's support for Ukraine. Coordination between the international financial institutions and other organisations, including the sequencing, prioritisation and practical implementation of the assistance, is of the utmost importance to maximise results in Ukraine and the affected countries. Norway



encourages the EBRD to continue working closely with the World Bank Group, including the International Finance Corporation, and other international financial institutions and national authorities, to ensure a coherent response.

The EBRD was established to help build a new, post-Cold War era in central and eastern Europe. As part of a package, Norway supports the proposal for a limited and incremental expansion to sub-Saharan Africa and Iraq, but we underscore the importance of the fact that this expansion must not in any way impair the Bank's ability to support the EBRD's activity in existing countries of operations, or compromise the Bank's AAA credit rating.

We call on the Bank and its Members to act in line with the urgency required to address climate change. The EBRD must continue to support the countries of operations in their green transition.

Norway expects the EBRD to continue to strive for the highest governance standards regarding transparency, corruption, money laundering, domiciliation/tax evasion, procurement procedures, and social and environmental standards.

Norway commends the EBRD for its ability to execute swift and relevant responses to challenges faced by its countries of operations. We are convinced that the EBRD's contribution to economic growth, well-functioning markets and democracy will be of great importance in the years to come.

## **STATEMENT FROM MR ADAM GLAPIŃSKI, GOVERNOR FOR POLAND**

Allow me to begin by thanking the authorities of the Republic of Uzbekistan and the EBRD's management and staff for hosting this Annual Meeting. The dynamic resumption of the Bank's activity in Uzbekistan and its continued development is a considerable success, further underscored by this event taking place here.

A lot has happened since our last gathering in terms of geopolitics and economics, with constant changes adding to the uncertainties we all face, and making the issues before us very complex. But some overarching topics still remain valid, and hence we find ourselves considering strategic topics during this Annual Meeting that are similar to what we discussed one year ago in Marrakech. This is testament to how deep, profound and lasting an effect the unprovoked and unlawful Russian invasion of Ukraine continues to have on the EBRD, its countries of operations and beyond. Poland strongly condemns Russia's brutal war of aggression against Ukraine. We demand that Russia immediately cease its military actions, unconditionally withdraw all forces and military equipment from Ukraine, and fully respect Ukraine's territorial integrity, sovereignty and independence. We also condemn Belarus' involvement in Russia's military aggression.

It needs to be stressed that the Bank has stepped up to the challenge to go above and beyond in order to deliver its response, in particular in Ukraine, but also in the most affected neighbouring countries and the broader region. Given the difficult circumstances, the strain on the Bank's capital and, in particular, human resources, delivering over €13 billion in operations, including over €1.5 billion in Ukraine within a challenging environment, the Bank deserves the highest praise. Through its activities over the last 14 months, the EBRD has reinforced its



credibility, relevance and effectiveness in providing much-needed support. We are also grateful to donors who have supported the EBRD in this endeavour.

We welcome the fact that the Bank recognises the impact of the war in Ukraine on the neighbouring countries, which have received targeted support, not only under the Resilience and Livelihoods Framework, but also through the adjustment and strengthening of its ordinary operations. One specific area worth highlighting, where the disruptions were particularly severe and required intervention, was energy security. The magnitude of the effect on those countries is also shown in the resurgence of EBRD operations which were previously quite limited, such as support to the capital markets hit by severe disruptions and an outflow of investors, food security, and tailored interventions aiding the adaptation of refugees. This further reinforced the importance of the EBRD in terms of delivering on inclusion.

Poland, as a reliable friend and neighbour, has continued to support Ukraine and its people through these extremely tough times, providing humanitarian, financial and military support. The total support delivered by Poland has reached PLN 50 billion. Moreover, Narodowy Bank Polski (the Polish central bank, NBP) continues to play an important role in the joint efforts to support Ukraine, maintaining close contact with the National Bank of Ukraine (NBU) and assisting the NBU in its efforts to conduct regular activities. The agreement on a UAH/USD currency swap with the NBU of up to US\$ 1 billion has been extended through April 2024. Cash conversions of Ukrainian hryvnia to Polish zloty by Ukrainian refugees were facilitated until September 2022. In addition, NBP acts as a hub for the storage and transport of hryvnia cash purchased by other European central banks. These actions are a part of NBP's substantial support to the NBU to secure its business continuity and the fulfilment of its statutory tasks, knowing that Ukraine's financial system needs the central bank to perform its critical functions without interruption.

Given these challenging circumstances and the disruptions to the region, we appreciate that the EBRD has remained sensitive to the needs of its clients in central and eastern Europe, confirming the reinforced additionality of its interventions there. This has translated to a record year in terms of the volume of operations in Poland, with nearly €1 billion invested by the EBRD, and Poland being the fourth-largest EBRD recipient country last year. As the transition of our economy has not yet been completed, and new challenges are emerging in connection with the ongoing war and its widespread impact, we consider the EBRD's further presence in Poland to be of key importance.

However, this enhanced support to Ukraine in particular is also taking its toll on the EBRD. Operating in that risky environment, to a large extent on its own balance sheet, is resulting in severe pressure on the key capital ratios of the Bank. But at the same time, damage and needs assessments show that the funding requirements to help Ukraine recover and rebuild will be immense, even if we employ the combined capacities of all multilateral development banks. Given the severity of the situation and the strategic priority attached to supporting Ukraine as a vitally important Member of the EBRD and recipient of the Bank's operations, it falls to the shareholders to equip the Bank with the necessary tools to be able to continue its mission most efficiently.

This brings us to what I believe is the most important element of this Annual Meeting – the decision by the Board of Governors that will reconfirm Ukraine as being the Bank's most urgent priority in the current circumstances. From our national standpoint, as regards the proposed Resolution, we would have preferred to be even more decisive in committing

shareholder support to Ukraine. We agree that a paid-in capital increase is the most effective and efficient solution, ensuring fair burden sharing, and we are happy to see this rationale reflected in the Resolution. In addition, we appreciate and support the preservation of an explicit reference to the paid-in capital increase, the indicative range thereof, and a timeline for the final decision by the Governors as the key pillars underpinning the strength of our commitment. One element that we see as a crucial part of this decision is the unity of the shareholders, rallying behind a strong signal of support to Ukraine. With that in mind, we can endorse this Resolution, but would like to emphasise that we will hold our partners to their promise to deliver on the spirit of this Resolution and undertake to actively engage in this process.

What is particularly commendable, given this enhanced focus of the Bank on Ukraine, is not only the continued strong delivery in other regions, reflected in the ABI numbers for the year, but also the capability to swiftly react to other extreme events in the regions. After the tragic and devastating earthquake that hit Türkiye and Syria in February 2023, the Bank needed only a few weeks to deploy its Disaster Response Framework as an instrument to address emergency needs in the affected region.

As regards the proposed expansion of the Bank's geographic scope to countries of sub-Saharan Africa and Iraq, we acknowledge that this has been a strategic interest of the Bank for a long time. We are aware of the importance of the expansion of the Bank's mandate to this new geographical area. We strongly believe that a decision on expansion should be taken jointly with a firm commitment by shareholders to provide the Bank with the capacity to support Ukraine. Yet our concerns regarding this decision at the current juncture in time are mainly related to how dramatically the global environment has changed in the aftermath of Russia's invasion of Ukraine. Consequently, we are convinced that supporting Ukraine should remain the EBRD's most urgent priority. In our view, once the conditions allow, it is of the utmost importance to launch a joint international reconstruction effort, where the EBRD, the largest institutional investor in Ukraine, should play a key role.

In terms of the proposed Resolution, we have been reassured to an extent by the safeguards built into the decision not to have operational activity before 2025, and avoid any substantial administrative costs before its ratification. In addition we welcome that the proposed Resolution reconfirms the key principles agreed in the past, including that any possible and incremental expansion to new countries of operations must not impair the Bank's ability to support its current ones. Summing up, in the spirit of compromise, we can accept the proposed Resolution, while we continue to believe that supporting Ukraine and its neighbours should remain the key priority.

We can fully endorse the removal of the statutory capital limitation on ordinary operations from the *Agreement Establishing the EBRD*. This important technical decision is a crucial measure towards enhancing the efficiency and flexibility of the management of capital resources in line with market practices. It will serve as a supplementary means to optimise the use of capital towards supporting operational activity and getting the most impact out of our resources. I am satisfied to see it as another action towards implementing some of the crucial recommendations of the *Independent Review of MDBs' Capital Adequacy Frameworks*.

In conclusion, although it is commendable that the Bank, in cooperation with its shareholders, has concluded substantial work on large dossiers, we feel this is more like completing one stage of a more complex process. We cannot rest on our laurels, but must rather keep up the

momentum, and drive towards delivering what we have undertaken to do through those decisions. It will be particularly important to finalise the work on the paid-in capital increase to provide the Bank with the necessary backing to support its response to Ukraine in a stable and predictable manner. And you can count on us to remain a reliable shareholder and constructive partner in making this commitment a reality. We are convinced that with the continued support of the shareholders, the EBRD can once again prove its resilience and lend its strength where it is most needed.

## **STATEMENT BY MR JOSÉ CARLOS PEREIRA, ALTERNATE GOVERNOR FOR PORTUGAL**

It is a great pleasure for me to attend the Annual Meeting of the EBRD. I would like to express our sincere gratitude to Uzbekistan for the gracious and hospitable welcome during this gathering.

Samarkand is truly a marvel, and I am deeply impressed by its exceptional beauty. As a historical place at the crossroads of global cultures, it serves as another reminder of the importance of cultural exchange, dialogue, learning, and the mutual benefits of economic prosperity and peaceful cooperation for all. We can feel the weight of what history has to teach us.

Decisions made today will have long-term repercussions on the role of the EBRD, allowing it to have more impact in current and future countries of operations, while enabling more economic growth and shared prosperity for all.

We are in complete alignment with all efforts directed towards this objective, and we agree with all proposals put forth for deliberation today.

As other fellow Governors have said before me, we strongly condemn Russia's invasion of Ukraine, and we wish to convey our full solidarity with Ukraine, and commend the strength and resilience demonstrated by its people. We endorse the proposed course of action that will allow the EBRD to assume a pivotal role in close collaboration and coordination with other actors.

We deeply appreciate the EBRD's role in this crisis, and how it swiftly deployed its unique business model in such an extraordinary and urgent situation.

We also agree with starting a process to discuss a potential capital increase.

Regarding the expansion to sub-Saharan Africa, we endorse the gradual expansion. We are confident that the EBRD will achieve substantial development impact, while also demonstrating our collective commitment as shareholders towards global development and challenges.

We both praise the interaction with shareholders, and measures already implemented under the *Independent Review of MDBs' Capital Adequacy Frameworks*, and endorse the proposal to relocate the statutory lending limit. We ask the Bank to continue implementing recommendations. We emphasise harmonisation and transparency.

Finally, I would like to express our gratitude to the Bank's staff, management, and Board of Directors for the outcomes achieved in the previous year, and for their tireless efforts in successfully preparing the shared understanding that is the basis for this Meeting today.

Since the 2020 global pandemic and the war on Ukraine, the risks of fragmentation are now ever more visible. But we are certain that multilateralism and coordination are the only truly viable ways to solve the global challenges that affect us today.

There cannot be consensus without compromise, and we are glad that you have enabled a compromise that allows the Bank to move forward and to continue being relevant for years to come.

## **STATEMENT FROM MR ADRIAN CÂCIU, GOVERNOR FOR ROMANIA**

First and foremost, we are pleased to learn that the unaudited year-end financial data for 2022 show an improvement in figures compared to what was predicted. We also congratulate the EBRD's management on the decision to modify the Shareholder Special Fund rules and include this fund in the Bank's capital base to strengthen its financial position, as the capital use and liquidity values for 2022 fall within the minimum necessary requirements.

Romania reaffirms its unwavering support to the EBRD in all its efforts to address the challenges and ambitions determined by the development and completion of the Resilience and Livelihoods Framework by fulfilling the objectives proposed in its strategy.

We are aware of the uncertainty of the medium-term global economic outlook, as well as the concern being caused by the existence of military risks in the eastern Europe region.

Now more than ever, concerted action by all Members is needed to support the EBRD in the vital role it will play as a future major investor in Ukraine's reconstruction, once the war is over.

In our view, focusing the Bank's activities on the current countries of operations should remain equally present, even under the existing historical and economic conditions.

We are willing to support a future limited and incremental expansion of the EBRD in sub-Saharan Africa and Iraq for the benefit of the financial health of the Bank's business, as well as for balancing its portfolio that is currently focused on resilience in Ukraine. We state this as the EBRD's assessments have shown, in different scenarios, that such an expansion would make a positive contribution to the Bank's long-term financial sustainability, would not affect the Bank's ability to support its countries of operations, or its AAA credit rating, and would not lead to any capital increase.

Romania recognises and has full confidence in the EBRD's financial power of action, both on supporting resilience and reconstruction in Ukraine, and strengthening its commitment in the current countries of operations by increasing the volume of green investments and technical assistance packages.

Romania welcomes the EBRD's initiative to develop the Romanian capital market, and appreciates the latest projects to expand the market for senior non-preferred and senior

preferred bonds, as well as for local currency instruments, by bringing international investors to local issuers.

We will continue all internal reforms necessary to maintain our macroeconomic stability, recognising the importance of further improving the Romanian business climate in the eastern Europe area.

In concluding this statement, I would like to say that: *resilience and unity in action for the purpose of the harmonious development of the EBRD is essential, both for the Bank and its countries of operations.*

## **STATEMENT FROM MR MAXIM RESHETNIKOV, GOVERNOR FOR THE RUSSIAN FEDERATION**

On behalf of the Russian Federation, I would like to express my profound gratitude to the host country for the excellent organisation of the Thirty-second Annual Meeting of the EBRD Board of Governors in Samarkand, a city on the ancient Great Silk Road. We very much appreciate the friendly relations between the peoples of Russia and Uzbekistan, and are confident that our partnership within both the EBRD and other international organisations will only be strengthened, resulting in a positive outcome for everyone.

The global economy is currently facing a range of unprecedented shocks, including the consequences of the Covid-19 pandemic and the acceleration of global inflation due to money being “pumped” into the European Union and United States economies. The situation has deteriorated since the start of the “sanctions war”. The restrictions imposed have not only slowed down business activity around the world, but have also damaged those who initiated them. At the same time, this has heightened risk within the global financial system. The first indication of this emerged in March, when the financial problems faced by large US and European banks led to a sharp decline in stock indices, requiring an additional injection of liquidity. Against this backdrop, the Russian economy remains resilient in the face of global challenges and risks. According to our forecast, the Russian economy will grow by 1.2 per cent in 2023, alongside an inflation rate of 5.3 per cent. The labour market will remain stable, with only 3.5 per cent of the workforce unemployed.

The Russian Federation notes with deep concern the EBRD’s decisions, which are moving the Bank away from the universal principles laid down when it was established, and which have provided a solid foundation for many years, allowing it to take account of all shareholders’ interests on an equal basis. Last year confirmed that the EBRD’s mindset is steadily changing under the influence and in the interests of a particular group of countries that are pursuing their own interests, and seeking to turn an institution that enjoys high international prestige into an instrument of geopolitical confrontation. A striking example of this was the termination of the Northern Dimension. It had successfully operated as part of the EBRD’s Environmental Partnership, and was designed to implement joint Russian-European projects with a cross-border environmental impact. We believe that the cessation of cooperation in this area is at odds with both current realities and the interests of the EBRD’s European Members.

We regret to note that the EBRD is no longer an independent and impartial international financial institution focused on supporting and promoting the stable development of all the regions where it works. Illegitimate restrictions imposed by certain national governments and

regional associations are playing a crucial role in this regard. In 2022, a dangerous precedent was set when the legal rights of two EBRD Members were violated, and their business entities were subjected to nationality-based discrimination in relation to political events that have nothing to do with the Bank's mandate.

In this regard, we see the reports presented today by the Board of Directors and the associated Resolutions for the Board of Governors as an attempt to establish this as the main pattern of behaviour for the Bank, essentially confirming that the geopolitical component of the EBRD's mandate is here to stay.

1. Decisions made by EBRD management are negatively affecting the institution's financial stability and constraining its future outlook. Last year made it patently obvious that the Bank is gradually moving away from the model of being a self-sustaining, profitable institution, and turning into a kind of international development agency, constantly in need of a financial "top-up". We are concerned that funds are being allocated with conditions attached that favour individual countries, and that aim to support the public sector, as well as not particularly green companies – including in the fossil fuel sector – and in some cases, dual-purpose projects. This is all being done without any consideration for the Bank's actual risk performance and profitability.

This will be the exact outcome of the current discussion on support for Ukraine. The Ukrainian portfolio will continue to grow at a disproportionately high rate, to the detriment of the Bank's performance, rating and overall resilience. The only solution appears to be a significant capital increase – the first in many years. We cannot support an approach which knowingly worsens the Bank's position and which, moreover, openly states that new capital contributions from all the Bank's Members are primarily intended for one shareholder. On this point, **we will be voting**, on behalf of the Russian Federation, **against Resolution BG32/3**.

2. We must note that the idea behind expanding the EBRD's operations to sub-Saharan Africa and Iraq has changed significantly over time. While the original objective was to ensure inclusive growth in the new region, the major shareholders are now clearly revealing their intention to turn the area into another theatre of geopolitical confrontation. On the one hand, we cannot ignore these countries' needs. But on the other, we can only **abstain from Resolution BG32/4** as presented here, while urging the Bank's team to align their work with the principles of transparency in a spirit of partnership and equality, regardless of political or other convictions.

3. This Meeting marks a turning point in the history of the EBRD – a moment when new priorities dictated by the current political situation have been set, rather than maintaining previous attitudes that have proved their worth over many years. The choice is clear to us. We are concerned that the decisions being made today, including on the amendment to Article 12.1 of the *Agreement Establishing the EBRD*, will have serious operational implications for the Bank, and will significantly change its customary ways of working.

Under normal circumstances, we would have no reason to believe that implementing the G20 recommendations to remove statutory capital limitations on ordinary operations could harm an institution. These amendments could indeed afford the Bank's team greater flexibility in terms of risk management. However, the document's authors make no secret of the fact, including as part of the Resolution on Ukraine, that this reform is also designed to release "hidden" reserves and further increase the Bank's leverage ratio. It is also clear to us that, as



soon as such policies are transferred to Board of Directors level, the danger of replacing a sound approach to risk management with a political agenda will also increase many times over. For these reasons, **we will be voting against Resolution BG32/5.**

In conclusion, we would like to note that international financial institutions ought to ensure global economic stability, act consistently, and serve the interests of all their member countries without pursuing a foreign policy agenda. As Russia was one of the Bank's founders and formerly the largest country of operations, we intend to remain a reliable partner to the EBRD; but we do not share the optimism of others about the intended transformations and plans that, in our view, are based on unilateral, "bloc" thinking. This does not promise to pay the Bank dividends in the long run – whether strategically or financially.

## **STATEMENT BY MR MARTIN POLONYI, TEMPORARY ALTERNATE GOVERNOR FOR THE SLOVAK REPUBLIC**

Let me first of all join the others in strongly condemning Russia's brutal war of aggression against Ukraine. We demand that Russia immediately ceases its military actions, unconditionally withdraws all forces and military equipment from Ukraine, and fully respects Ukraine's territorial integrity, sovereignty and independence. We also condemn Belarus' involvement in Russia's military aggression.

Reflecting back on the year 2022, we can safely state that it has been a very challenging period, not only for the EBRD, but also for its countries of operations, Europe and the whole world.

We recognise that the Bank has played a critical role in addressing challenges and providing its assistance to the Ukrainian economy, while also contributing to food security and mitigating turbulence in the energy markets. And it is also appreciated that the Bank continues to deliver its transition impact in combination with high levels of investment in other countries of operations.

Now, turning to the focus of our discussion today, it is important to recall that we see both support for resilience and reconstruction in Ukraine and expansion to sub-Saharan Africa and Iraq as one package.

We will start on **Ukraine**, which is very close to the Slovak Republic in multiple ways. To mention but one: we share a border. We will state the obvious when we say that there are multiple initiatives in support of Ukraine, which is triggering a competition of ideas on how best to deliver value through the resources mobilised by the international donor community for this purpose. And in this competition, the particular aspects we appreciate about the Bank are its audacity in soliciting own resources, as well as its particular focus on the private sector. It will be the private sector that will have to lead reconstruction in Ukraine. We call on the Bank to carefully coordinate with other actors so as to exploit its inherent strengths.

Regarding **the proposal for a way forward to support the resilience and reconstruction of Ukraine**, we would have preferred a credible commitment on support to Ukraine already today, here in Samarkand. Yet, we see the proposal we have on the table now as an important first step, which Slovakia is happy to support.



When it comes to **geographical ambitions** within the EBRD's mandate, we recognise the strategic interest to expand operations beyond the Bank's current countries of operations. The expansion needs to remain a consequence of the comparative advantage and value of the EBRD relative to other actors in the region. It should certainly be gradual and limited, and not call into question the EBRD's ability to support Ukraine and other existing countries of operations.

Finally, we would like to thank the authorities of Uzbekistan for the very warm welcome we have received at this Annual Meeting.

## **STATEMENT BY MR KLEMEN BOŠTJANČIČ, GOVERNOR FOR SLOVENIA**

I would like to thank the Uzbek authorities for organising this Annual Meeting, and to express my gratitude and sincere compliments to all those who participated. Unfortunately, we have met again under the most difficult circumstances, with war on our doorstep.

Slovenia has strongly condemned Russia's aggression against Ukraine, in particular the attacks on civilians and the destruction of important critical infrastructure, and has called on Russia to stop such actions immediately. Slovenia has been one of the most vocal supporters of Ukraine since the beginning of the Russian invasion of Ukraine. Last year, Slovenia helped Ukraine in various forms of aid: from humanitarian and material assistance to direct aid to Ukrainian refugees who have taken refuge in our country. We have also been a strong supporter of Ukraine on the political stage, and have been working hard to clearly condemn Russia's aggression and its crimes.

We will continue, within our capabilities, to contribute to long-term support for Ukraine's reconstruction and its integration with the European Union, working on a bilateral level, as well as through multilateral mechanisms. In this regard, we appreciate the strong involvement of the EBRD in Ukraine to date. As the EBRD has been a strong investment partner of Ukraine over the last 30 years before the war, we see the EBRD as one of the key players in supporting Ukraine during the war, as well as in the reconstruction of the country once the war is over. We support all the engagement of the EBRD in Ukraine to date, and will continue to support the active and leading role of the EBRD in the future. The war in Ukraine has affected all the EBRD's countries of operations, but mostly the neighbouring countries. As a result, support to countries in the neighbouring region has a significant impact on Ukraine's resilience, from caring for hundreds of thousands of refugees, to stabilising gas, electricity and food supply chains. In this regard, further investments in the affected countries of operations are crucial. So we reiterate the importance of the EBRD's continued proactive participation in the affected countries of operations as part of the package. Ukraine's international financing is subject to significant creditor risks due to a high degree of uncertainty. Activities to restore Ukraine's debt sustainability in the medium term should be pursued in parallel with the preparation of assistance and reconstruction programmes. All parties should be committed to ensuring Ukraine's capacity to maintain its ability to repay its creditors. On the other hand, the EBRD should pursue its prudent financial soundness policy, and activities in Ukraine should also be considered in the light of limited risk absorption capacity. The EBRD will be able to fully fulfil its prudential mandate in Ukraine only with the strong support of shareholders. We would like to explore all possible options, potential paid-in capital being one of them. Support for further work on the proposal for capital enhancement is a good compromise at this stage.

We recognise that a possible limited and incremental expansion into sub-Saharan Africa and Iraq remains an important issue from a long-term strategic perspective, and should not in itself have a significant impact on the Bank's capital. Nevertheless, expansion should not be solely a result of available capital, but should be considered in terms of the EBRD's comparative advantage vis-à-vis other multilateral development Banks, and in terms of timing. In the near future, the Bank must focus on Ukraine and existing countries of operations. As the change in Article 1 itself does not yet mean operationalisation of the expansion, and there will be possibilities to further reflect on the issue once the situation in Ukraine has stabilised before taking final decisions on actual operations in the sub-Saharan Africa region, we can support the process needed for the legal changes that would enable the expansion of the geographical scope to begin.

However, I would like to stress that we need to recognise that engagement in sub-Saharan Africa would call for the adjustment of how the EBRD operates. We would encourage the Bank to rely on other multilateral partners, as well as the European Commission, when the expansion operationalises. I believe that cooperation with sub-Saharan Africa is important, especially with the growing influence of other players. The region is very specific, and if the EBRD decides to engage in the region, each step should be taken with great consideration. It is not just the presence of the Bank that will be important, but the actual implementation of successful projects in these countries, from which we could all benefit in the future. Last but not least, the expansion into sub-Saharan Africa itself should not affect the existing countries of operations.

We consider it appropriate that the proposal to amend Article 12.1 be considered at this Annual Meeting. Greater flexibility and a more modernised approach to capital management are a step in the right direction in the context of the overall reform of the multilateral development banks.

#### **STATEMENT BY MR ANDRÉS BARRAGÁN URBIOLA, TEMPORARY ALTERNATE GOVERNOR FOR SPAIN**

The EU and its Member States strongly condemn Russia's brutal war of aggression against Ukraine. We demand that Russia immediately cease its military actions, unconditionally withdraw all forces and military equipment from Ukraine, and fully respect Ukraine's territorial integrity, sovereignty and independence. We also condemn Belarus' involvement in Russia's military aggression.

Spain conveys its solidarity with Ukraine. The Ukrainian people have been living through the terrible consequences of an unjustified aggression for more than a year now. The behaviour of Ukrainian citizens has been exemplary. We would like to commend the EBRD and its staff for its outstanding delivery and continuous support to the country. Special gratitude also goes to the neighbouring countries, much affected by this humanitarian disaster, for receiving and welcoming millions of refugees. We are pleased that Ukraine is at the centre of all the Bank's activities, and also of this year's Annual Meeting.

Spain has contributed to the international financial effort towards Ukraine from the very beginning. By approving a programme-targeted guarantee, Spain recently committed its support to Ukrainian municipalities and to food security projects in the Bank's regions of operations. Spain is demonstrating its commitment to the Government of Ukraine and its citizens being able to maintain their livelihoods, as well as its commitment to supporting a

reconstruction process that allows Ukraine to continue advancing as a free and independent country.

This Annual Meeting sets the tone for the medium-term strategy of the Bank. It is a journey starting in Samarkand that will be completed in the near future with a revision of the Strategic and Capital Framework. On the one hand, the EBRD, as a piece of the international financial architecture, is reviewing the recommendations set by the *Independent Review of MDBs' Capital Adequacy Frameworks* in response to the G20's call. And in this sense, the Governors are invited to amend the statutory lending limit as a first measure to increase the Bank's development impact. On the other hand, the Bank will start preparing a capital increase, the most credible permanent financial commitment that gives solid foundations to the Bank's transition mandate and its private-sector focus in all countries of operations. The announced capital increase is irreversible, and is the most efficient, effective and fair way to share the financial burden of deploying the EBRD's transition mandate. This announcement is a clear message of shareholder support towards the Bank and its purpose. The future paid-in capital will place the Bank on solid ground to reinforce its activity in Ukraine. At the same time, the institution needs to deliver its transition mandate to all its countries of operations, safeguarding its traditional balance of additionality, sound banking and transition impact. This is the best guarantee that the Bank will deploy its mandate, maximising impact and protecting financial soundness.

It is also an opportunity to review our priorities and goals. First of all, we support the strong commitment of the EBRD to fight climate change, and celebrate the fact that, since the end of 2022, the Bank's activities have been aligned with the Paris Agreement, and that the EBRD is working together with other multilateral banks to foster climate action across the economies in which we invest. We need to remain ambitious, and help all economies to accelerate their transition to a zero carbon future. Secondly, the geographic expansion of the Bank to sub-Saharan Africa and Iraq, on a limited and incremental basis, opens up a new way to deploy the EBRD's transition mandate to new countries in Central Asia and the southern hemisphere. We support the Bank's institutional role in protecting the development of the market economy as an instrument for advancing and progressing towards a democratic system that accommodates all citizens, their concerns and their plurality. As far as population dynamics is concerned, the African continent will lead global population growth in the medium term. It is wise to extend the business of the Bank to new territories, where the private-sector development mandate will contribute towards better economic growth and sustainable development. The enhanced support for Ukraine and the EBRD's geographic expansion are connected. It is at the core of the EBRD's mandate to deploy the Bank's knowledge where transition needs are the greatest.

#### **STATEMENT BY MR DOMINIQUE PARAVICINI, ALTERNATE GOVERNOR FOR SWITZERLAND**

On behalf of Switzerland, I would like to extend my gratitude to the Government of Uzbekistan for hosting the Annual Meeting of the EBRD.

**Switzerland condemns Russia's military aggression against Ukraine in the strongest possible terms.** We demand that Russia immediately ceases all hostilities, withdraws its troops

from Ukraine, and fully respects Ukraine's territorial integrity, sovereignty and independence. We also condemn Belarus' involvement in Russia's military aggression.

**We welcome the EBRD's strong commitment to support livelihoods and resilience in Ukraine, while maintaining a high level of engagement with other countries of operations.**

The 2022 annual record level of investment demonstrates the Bank's relevance, agility and responsiveness in fulfilling its transition mandate in its region of operations.

**The EBRD must remain an effective player in a high-risk environment, and provide continued support to Ukraine and other countries of operations affected by the war.** The Russian aggression against Ukraine has brought unimaginable suffering to the people of Ukraine alongside massive destruction of infrastructure and livelihoods, and is having a detrimental impact throughout the Bank's region of operations and beyond. With more than thirty years of experience in Ukraine, the EBRD is well suited to continue to play a pivotal role in supporting the country, both in the short term as well as during reconstruction.

**Agreeing on a paid-in capital increase by the end of the year is key to securing much-needed financial support for Ukraine beyond the end of this year.** Considering Ukraine's vast reconstruction and recovery needs, a capital increase of around €5 billion would enable the EBRD to continue to fulfil its role in supporting the private sector, while also continuing to engage with public entities. We encourage the EBRD to continue its active policy engagement and reform support, drawing on the principles of the Lugano Declaration, and to closely coordinate with other international financial institutions and development partners, to maximise impact and make the best use of limited resources.

**The EBRD's limited and incremental expansion to sub-Saharan Africa must not come at the expense of Ukraine and other countries of operations.** In light of the vast development needs and fragmented aid landscape on the African continent, the EBRD must remain selective and focused on its comparative advantages, while building strategic partnerships with other multilateral development banks and development actors.

**Switzerland welcomes the measures taken by the EBRD to ensure a solid financial position.** Using existing capital more efficiently, while preserving the Bank's financial solidity and AAA rating, goes hand-in-hand with the work being carried out on a capital increase. We expect the EBRD to continue exploring the implementation of the relevant recommendations of the *G20 Independent Review of MDBs' Capital Adequacy Frameworks*. We endorse the removal of the statutory capital limitation, and consider it a first step in the direction of broader reforms.

**The current multiple crises and global challenges call for a renewed effort to make multilateral development banks fit for purpose.** Switzerland continues to support the priorities of the EBRD's Strategic and Capital Framework, ensuring a strong focus on green transition, gender and inclusion, digitalisation, and private-sector mobilisation. At the same time, the EBRD, in tandem with other multilateral development banks, must rethink how it can step up support to global and regional challenges, while not compromising on its core mandate. In view of the next Strategic and Capital Framework, Switzerland calls upon the EBRD to engage with shareholders on a review (in line with work being carried out at other multilateral development banks) of the way it operates, so as to optimise effectiveness, efficiency and impact.

Switzerland sincerely thanks the EBRD President, Ms. Odile Renaud-Basso, for her leadership, as well as the EBRD staff for their relentless work and commitment in an exceptionally complex and demanding environment. Switzerland looks forward to continued close cooperation with the EBRD.

## **STATEMENT BY MR KEREM DÖNMEZ, TEMPORARY ALTERNATE GOVERNOR FOR TÜRKİYE**

Global economic growth has lost its momentum due to rising global risks and uncertainties. Despite the expectations of a decrease, inflation remains a major concern. As the EBRD's report on regional economic prospects suggests, we are not out of the woods yet.

In February 2023, one of the biggest natural disasters in our history occurred in the southeast region of Türkiye. Two earthquakes caused major devastation in 11 provinces, affecting 14 million people, which accounts for 16.4 per cent of the population.

The earthquakes claimed the lives of more than 50,000 people, and visited damage on over half a million buildings. The damage to our economy is overwhelming, since this region generates 10 per cent of our GDP. The cost of the earthquakes is approximately US\$ 104 billion, which corresponds to approximately 9 per cent of our national income expectation for 2023.

We are sincerely grateful that the international community has stood in solidarity with us by every possible means. This has given us strength from the first moment.

The EBRD was one of the first institutions to support us. The Bank is leading the way with support amounting to €1.5 billion. We are thankful for this crucial support, which represents the EBRD's first disaster framework.

Post-earthquake recovery will be our medium to long-term challenge. Thus, our main expectation is that the EBRD's support will be long term and complementary to its ordinary financing in Türkiye.

We have no doubt that, in cooperation with the international community, Türkiye will quickly heal the wounds of the earthquakes. We will be decisive in alleviating damage in the short run.

In that sense, we have established the Disaster Reconstruction Fund to ensure the most effective and rapid use of financing for the earthquake. The Fund will operate within a transparent and centralised management structure, and will provide long-term resources for post-disaster recovery.

The Fund provides an alternative to the implementation of external financing methods that are currently in use. Our ongoing financing processes with international organisations will continue in the same way.

Although we will feel the negative effects of the earthquake, the Turkish economy has strong fundamentals. Despite the harsh global financial conditions and geopolitical issues in 2022, we achieved a growth performance of 5.6 per cent, and became one of the fastest-growing countries among the European Union, G20, and OECD countries. Inflation has decreased

gradually to 43.7 per cent in April 2023, after reaching its highest level in October 2022. This trend will continue. Despite all the difficulties, we are determined in the fight against inflation.

Given the extremely challenging conditions, it is understandable that the EBRD closed 2022 with a net loss of €1.1 billion. Yet we commend the Bank for continuing its strong support to its countries of operations with a record level of investment.

We commend the EBRD for its strong support to Ukraine and other countries affected by the war. We are pleased with the frequent and comprehensive reporting on the effects of the EBRD's support to Ukraine. By taking a pioneering and active role, the EBRD has once again proved that it is a reliable development partner for the entire region.

We agree that the reconstruction of Ukraine requires a multi-actor, concerted and coordinated effort. Thus, the EBRD should work in collaboration with other international financial institutions, and play a leading role. With regards to the reconstruction of Ukraine, we invite the EBRD to benefit from the experience of Türkiye's private sector, which has a long-lasting successful track record in the region.

We attach the utmost importance to the EBRD continuing to support Ukraine, while also retaining its robust financial position and high credit rating. In that sense, we support the proposal to increase the EBRD's paid-in capital. However, we believe that the Bank should utilise this additional shareholder support in a way that benefits not only Ukraine, but other countries of operations as well.

Türkiye supports the G20's efforts to identify the steps that need to be taken to help multilateral development banks improve their capital adequacy. We appreciate the EBRD's active involvement in this work, as well as its detailed action plan to implement the recommendations. We support the proposal to remove the statutory capital limitation; this will increase the EBRD's flexibility and effectiveness in delivering its impact.

We note with positivity the detailed analysis of the EBRD on geographic expansion, and its highly consultative approach to such a crucial issue. Türkiye is supportive of the EBRD's limited and incremental expansion to sub-Saharan Africa and Iraq. We have full confidence that the EBRD will have a significant footprint and added value in the expansion countries, since their needs fully coincide with the Bank's strengths.

We agree with the view that the EBRD's priority should remain to support Ukraine and other countries affected by the war. In that sense, the Bank should act cautiously and prudently about the expansion. In addition, transition gaps still persist in current countries of operations, while the earthquake in our country substantially increased financing requirements. Thus, it should be noted that this expansion should not adversely affect operations in the current region.

In conclusion, we have full confidence that the EBRD is capable of retaining its vital role as a leading development partner in its region. As always, Türkiye is fully committed to strongly supporting and cooperating with the Bank.



## STATEMENT BY MR SERGII MARCHENKO, GOVERNOR FOR UKRAINE

When I spoke to you a year ago at the EBRD's Annual Meeting in Marrakech, Ukraine was still pulling itself together after the shell-shock of Russia's full-scale invasion, and following Ukraine's first frontline successes around Kyiv.

In the year that has passed, we have seen more terror, destruction and war crimes from Russia. It tested to the limit the will and the bravery of our nation, as well as the resolve of our partners. And we have also seen hope; we have seen friends from close and from afar come to our help.

We can proudly say that we have survived Russia's massive airstrikes on our energy grid, when they wanted to freeze and blackout our homes. We have survived the bombing of our civilian infrastructure, when they wanted to terrorise the Ukrainian people into submission. We have survived the shelling of our factories and farms, when they wanted to break the backbone of our economy. We are sowing our fields again, contributing to global food security. We are exporting our goods and services again, maintaining global and regional supply chains. We are witnessing lives being rebuilt against all odds.

As of today, Ukraine has received US\$ 16.5 billion in budget support since 2023 (US\$ 48.7 billion since the start of the full-scale invasion in February 2022).

The Ukrainian economy has been stabilising, and we have been adjusting GDP growth to up to 3.2 per cent. If there is no further escalation of the war, we expect fairly predictable development by the end of 2023.

- Inflation has been declining faster than expected for the third straight month. In 2023, inflation will slow to 14.8 per cent. In annual terms, according to the results of April 2023, it decreased to 17.9 per cent from 26.6 per cent last year.
- We have good signs of a revival in economic activity. Recent business surveys suggest an improvement in the assessment of companies on the outlook. Business has adapted to the conditions of a full-scale war, and is beginning to look more optimistically at the results of its activities during the year, and the number of its personnel.
- The budget received 7 per cent more tax revenues in April.
- We are funding defence expenditure fully from our own budget revenues and internal borrowings.
- Our internal borrowings have increased.
- Foreign financial needs for 2023 remain at US\$ 42.3 billion, while the budget deficit is at 26 per cent of GDP.

Against the backdrop of impotence at the front, Russia continues to fight with the civilian population. This Tuesday was already the eighth air attack on Kyiv since the beginning of May.

And now, nearly 15 months after Russia launched its massive illegal and barbaric onslaught on Ukraine, we are still here, standing in unity with our partners.

Everyone visiting Ukraine now goes away with one key impression – the resilience of the Ukrainian people. We in Ukraine know too well that the recipe for our resilience has one critical component to it – unity. And it is not only the unity of Ukrainians, defending their country. It is also the unity of our friends and partners around the world. In these darkest hours, they stood with us in defence, in humanitarian effort and in financial support.



The EBRD, our traditional partner, was one of the first development finance institutions to react to Russia's brutal war on Ukraine last year. Early on, our focus was on ensuring the stability of the economy and public finances. Here, we worked closely with the International Monetary Fund, the World Bank and our key bilateral donors.

Madam President, thank you for your unchanging and firm position on supporting Ukraine against the Russian military invasion, and for increasing the Bank's investments in Ukraine to support its real economy.

The EBRD also stepped in with its Resilience and Livelihoods Framework where it mattered the most – supporting critical infrastructure with our public-sector companies, whilst also investing in private-sector and financial institutions. This allowed Ukrainian businesses to continue to operate, to export, to provide employment and to pay taxes.

Despite the enormous daily wartime struggles, we never lost sight of our main goal: to ensure that Ukraine is an independent, strong, European State – the very reason why Russia launched its attack on our country.

Our European Union accession process is progressing steadily, and the seven European Commission recommendations have now been implemented. We hope to have already launched accession negotiations by the end of 2023.

We have also successfully agreed a new four-year US\$ 15.6 billion Extended Fund Facility programme with the International Monetary Fund – a major step towards predictable and sustainable multiyear financing.

Both work streams – European Union accession and the International Monetary Fund programme – are supporting the ambitious reform agenda of the Ukrainian President and Government, despite the challenges posed by the war.

Let me also take this opportunity to note that Russian attacks are causing significant physical damage not only to Ukrainian businesses, but also to foreign companies operating in Ukraine, including to assets financed by the EBRD. We once again call upon the Bank to work closely with the Ukrainian authorities in recording such war damage with a view to bringing Russia to justice.

We also plead with our partners to continue looking at the options of altogether removing Russia's toxic presence from respected international organisations, such as the EBRD.

It is not right to allow Russia's representatives to speak here while their army continues murdering our people, is it?

The way the three key decisions in front of us today have been developed shows, yet again, the strength of our unity. These decisions are the result of a series of compromises by many shareholders, not least by Ukraine. And today, we are happy to support these three Resolutions – on the EBRD's support for resilience and reconstruction in Ukraine, which would pave the way to the paid-in capital increase of the Bank; and on the amendments to Articles 1 and 12.1 of the *Agreement Establishing the Bank*.

We stand united in defence, united in reconstruction, and united in prosperity!

## STATEMENT FROM MR MOHAMED BIN HADI AL HUSSAINI, GOVERNOR FOR THE UNITED ARAB EMIRATES

I would like to express my sincere gratitude to the Republic of Uzbekistan for graciously hosting the Annual Meeting of the Board of Governors. I appreciate the invitation, and the efforts put into organising this Meeting.

I would like to start by recognising the outstanding achievements of the Bank in 2022, to name a few:

- The Bank's annual investment reached its highest figure to date.
- The Bank's investment portfolio grew at an annual rate of 6 per cent despite the challenging global economic outlook.
- The Bank also made significant strides in supporting the transition to a green economy, with 50 per cent of annual investment dedicated to this cause.

Since our last Meeting in Morocco, global challenges have continued to drive global economic uncertainties. These conditions do not just underpin the importance of the EBRD's role in supporting countries to build economic competitiveness, efficient governance, robust climate action, and enduring resilience, but also call for the Bank's continued action in promoting effective multilateral collaboration to help address these issues.

It brings us great pleasure to take part in this critical and significant round of deliberations, where we are to discuss the EBRD's strategic approach to expanding operations, as well as its alignment with the recommendations of the *G20 Independent Review of MDBs' Capital Adequacy Frameworks*. In this regard, we would like to acknowledge the Bank's involvement in addressing infrastructure and trade gaps, supporting businesses, and promoting partnerships with the private sector, as well as its pioneering role in fostering global efforts to address food and energy security, all of which led to the EBRD's record investments in 2022. To that effect, we welcome the Bank's efforts, and encourage it to continue advancing its agenda.

This is especially the case since the EBRD and the UAE share the common goal of promoting global economic stability, which aligns with the UAE's emphasised commitment to global prosperity and sustainable development. The UAE holds a leading status in foreign aid, with the successful execution of humanitarian and development projects in over 170 nations,<sup>1</sup> which is a direct reflection of one of the basic pillars of the UAE's foreign policy.

The UAE is also focused on addressing the effects of climate change; during the Thirty-first Annual Meeting, we emphasised the need for active dialogue and aligned actions with international partners to integrate global efforts regarding climate change as we prepare for COP28. In this context, the UAE appreciates the ongoing collaboration with the EBRD on advancing multilateral cooperation to unlock climate finance and explore innovative financing packages. During COP28, we aim to address three key challenges in climate finance architecture, namely the availability of capital to support global challenges, the affordability of financing in sectors and countries that the private sector does not currently serve, and access to financial resources in developing countries.<sup>2</sup>

---

<sup>1</sup> [u.ae](https://u.ae)

<sup>2</sup> Insights and inputs provided by the COP28 team

We would also like to underline the importance of providing increased financing for climate solutions without contributing to debt distress in developing countries, as well as for the need to efficiently mobilise the private sector by deploying more de-risking instruments, building bankable project pipelines, and ensuring stronger engagement on policies for the reinforced stability and predictability of regulatory environments aimed at achieving successful investments in key areas of transformation.<sup>3</sup>

To conclude our remarks, I would like to extend my appreciation to the EBRD and its staff for their ongoing exemplary efforts in addressing some of the most pivotal and pressing global challenges of today. I am looking forward to welcoming EBRD colleagues and my fellow Governors to the UAE for COP28, where we can continue to work together to address these barriers, and promote global efforts to combat climate change.

## **STATEMENT FROM MR JEREMY HUNT, GOVERNOR FOR THE UNITED KINGDOM**

1. Thank you, Chair, and thank you, Madam President, for your presentation. Thank you also to the Government of Uzbekistan for hosting this historic EBRD Annual Meeting.

2. Firstly, I would like to thank the EBRD for its continued commitment to support our shared efforts towards Ukraine's resilience, recovery and reconstruction. We welcome the thorough and comprehensive analysis from the EBRD on how it can continue to respond to Ukraine's financing needs, the leadership for supporting coordination among stakeholders, and the launch of innovative proposals like the co-investment platform to leverage additional funds for Ukraine.

3. The United Kingdom condemns Russia's illegal war of aggression against Ukraine in the strongest possible terms. We stand united with our international partners in calling for Russia to cease immediately all military action. The EBRD has demonstrated exceptional ambition to support Ukraine in the face of continued Russian aggression. We recognise the impact this has had on the Bank. The UK welcomes the focus of this Annual Meeting, and we endorse the EBRD's Resolution on Ukraine's financing.

4. Let me be clear, we view a paid-in capital increase as the most effective, efficient and fairly shared way of providing support. It sends the strongest signal of shareholder support, demonstrating that shareholders are standing united behind multilateral development banks when their largest borrowers face unprecedented shocks. In line with the UK's strong support for proceeding with a paid-in capital increase, we look forward to the Bank presenting concrete proposals for a capital increase so that this process can reach agreement in 2023. We also look forward to engaging with shareholders and EBRD management to shape the package, to ensure capital adequacy framework recommendations are included, maximum leverage for Ukraine financing is achieved, and the focus remains on supporting and working through the private sector.

5. Secondly, on the Bank's proposal to expand to sub-Saharan Africa and Iraq, the United Kingdom continues to see a compelling strategic case for this expansion, and we endorse the Resolution to amend Article 1. It is clear from the Board of Directors' reassessment of financial

---

<sup>3</sup> The insights and inputs provided by COP28 team

and capital implications that the financial impact of a limited and incremental expansion would be marginal. The expansion to sub-Saharan Africa and Iraq should follow the measured approach set out by management, starting in 2025 at the earliest. The EBRD must also maximise complementarity with other multilateral development banks already present in the region. Operational expansion to sub-Saharan Africa and a paid-in capital increase together provide a compelling package that ensure a strong and effective EBRD for years to come.

6. Thirdly, on the *G20 Independent Review of MDBs' Capital Adequacy Frameworks*, we welcome the EBRD's positive engagement with the review to date, and support the proposal to move statutory lending limits from the EBRD's articles of agreement. The EBRD has set an example in engaging constructively with the G20 recommendations. However, the EBRD – and indeed, the wider international financial institutions community – need to go further. In a capital increase context, the implementation of the *Capital Adequacy Frameworks* review recommendations is a must, working alongside peer multilateral development banks to achieve meaningful and ambitious commitments ahead of the World Bank Annual Meetings in Marrakech.

7. I also note that the EBRD has played a leading role on climate and environment. We look forward to this continuing, especially with a focus on mobilising private finance, and an ambitious energy sector strategy in 2023.

8. Finally, the UK is proud to host the EBRD's headquarters in London, with His Majesty the King opening the Bank's new offices. I take the opportunity to thank the President of the Bank, management and staff, for their leadership and efforts to deliver for all of the Bank's countries of operations, and for strong performance despite continuing global challenges.

## **STATEMENT FROM MR ANDY BAUKOL, GOVERNOR FOR THE UNITED STATES OF AMERICA**

On behalf of the United States, I would like to thank the people and Government of Uzbekistan for their hospitality in hosting these meetings.

The EBRD's mission is more important than ever in the current global context – a commitment to open markets, entrepreneurship, multiparty democracy and pluralism. It is thus right that this is a historic Annual Meeting for the EBRD, with Governors poised to approve not one, but two momentous decisions that will define the EBRD's future role in the global development finance landscape.

The first decision will help to bring the EBRD's proven private-sector-focused model to sub-Saharan Africa and Iraq to drive progress on inclusive, green and resilient growth, foster competition and integration, and promote good governance. The second decision positions shareholders to potentially increase the EBRD's capital base – an efficient, effective and equitable means to allow the Bank to continue to provide meaningful support to Ukraine and all other countries of operations. Building on the EBRD's strong track record of performance, the United States will work closely with EBRD management and other capitals to shape the implementation of these consequential decisions.

The United States stands resolutely with the Ukrainian Government and the Ukrainian people in the face of Russia's brutal, illegal and unprovoked war against Ukraine. Russia started this

war and Russia can end this war. We call on Russia to stop its ongoing aggression and to immediately, completely and unconditionally withdraw its troops from the entire internationally recognised territory of Ukraine. We also continue to condemn the Lukashenko regime's facilitation of Russia's war against Ukraine.

As noted by President Biden in Kyiv, we remain committed to supporting Ukraine for as long as it takes. We express solidarity with the words written by Ukrainian poet and political activist Lesia Ukrainka over a hundred years ago that still resonate today:

My blade shall sever the fetters of iron,  
Echo aloud in the forts of all tyrants.  
Other blades also shall join it to bring  
New days when speeches of free men will ring.

The United States has proudly taken a leading role among Ukraine's international partners in sustaining the country with security, humanitarian and economic assistance. We view the International Monetary Fund programme and its reform measures aimed at securing economic and financial stability as the top priority for Ukraine's economy. The United States strongly welcomes the forthcoming discussions to set a course for the EBRD's future strategic role in Ukraine. We were the first to demonstrate our confidence in the EBRD's distinctive value and capacity to support Ukraine's real economy in wartime. In May last year, the US Congress allocated US\$ 500 million to support EBRD interventions in Ukraine and countries impacted by Russia's war against Ukraine. Other donors followed our lead, allowing the EBRD to commit over US\$ 3 billion in Ukraine in 2022-2023.

The time is now ripe to forge a consensus on the next chapter of the EBRD's support for Ukraine's recovery and reconstruction. We see a robust role for the EBRD, in line with its mandate, comparative advantage, and deep knowledge of the country, and in full collaboration with international partners and other development banks. The potential capital increase, which would crowd in all shareholders that support Ukraine, would position the Bank to make a meaningful, long-term commitment to Ukraine. The United States looks forward to a fulsome discussion of how the EBRD can best continue to support Ukraine as well as its other countries of operations, and evolve to better respond to global challenges that threaten to disrupt progress on transition.

The United States fully supports proceeding with amending the *Agreement Establishing the EBRD* to enable the limited and incremental expansion of the geographic scope of operations to sub-Saharan Africa and Iraq. The EBRD's experience and expertise can help accelerate private-sector growth, and intensify economic links between these nations and the EBRD's current countries of operations. The EBRD has also proven that it can successfully expand to meet the needs of countries and regions facing multiple crises and challenges, to unlock new opportunities. And it has done so in ways that have strengthened the Bank for the benefit of all its countries of operations. The United States supports the EBRD bringing additionality to select new markets by optimising its strengths, and playing its most catalytic role in transition. This will require engagement in policy dialogue, building relationships and trust with government and private-sector leaders, and developing a pipeline of new projects and investments.

In pursuing new objectives, the United States is confident that the EBRD will remain committed to its fundamental objectives and to existing countries of operations. Global risks

are rising and real incomes in many developing countries are falling, in no small part due to the impact of Russia's war. The EBRD must do even more on numerous fronts and tackle new challenges head on. It should maintain focus on its least advanced countries of operations in the Western Balkans, Central Asia, and the southern Mediterranean, countries where the EBRD plays a critical role in advancing food security, quality infrastructure, climate change mitigation and resilience, gender equality and inclusiveness, and private capital mobilisation.

We appreciate the EBRD's continued leadership on climate, and that it was among the first of the multilateral development banks to reach Paris alignment. We commend the Bank for reaching its 2025 goal of a Green Economy Transition ratio of 50 per cent of Annual Bank Investment for the second year in a row.

As part of the G7 Partnership for Global Infrastructure and Investment, the United States and our G7 partners have redoubled efforts to support upstream interventions and private-capital mobilisation to increase investment volumes, and maximise the impact of public financing for infrastructure. The EBRD serves as a model for multilateral development banks in mobilising the private sector through tools such as unfunded risk participation agreements and green bond guarantees. The United States continues to encourage the EBRD and all multilateral development banks to increase the granularity and transparency of private-capital mobilisation reporting, and to distinguish between public and private mobilisation.

In the first full year of the EBRD's new equality strategies, it achieved a record share of both gender and inclusion-focused investments. We look forward to the EBRD's continued investment in the nexus between gender and climate, as gender equality is a necessary aspect of a resilient future. We encourage the EBRD's increasing attention to socially inclusive transition efforts in the face of multiple crises, as its region seeks to coexist, grow and thrive, regardless of displacement or vulnerability.

We applaud the EBRD's efforts to scale up support under the *IFI Action Plan to Address Food Insecurity*, including in Ukraine and neighbouring countries, in response to volatile food and agriculture prices exacerbated by Russia's illegal war. The United States has proactively worked with the EBRD and other international financial institutions to tackle rising food insecurity caused by Russia's actions, including by designing our sanctions to exempt food and agriculture. We urge the EBRD to continue its efforts to facilitate trade and to accelerate transformative investment in green, sustainable food and agricultural systems, including through policy dialogue aimed at building resilience. We also applaud the EBRD's commitment to invest up to €300 million in support of the Solidarity Lanes, vital corridors for Ukraine's agricultural exports, as well as the export and import of other goods. We call on all participants of the Black Sea Grain Initiative to fully implement its operation at its maximum potential and for as long as necessary; and we stress the importance of allowing grains to reach those most in need.

We also call on the EBRD to implement the recommendations of the *G20 Independent Review of MDBs' Capital Adequacy Frameworks*, which will help to make more efficient and effective use of any additional capital. The United States supports relocating the Bank's statutory capital limitation to the policies that the Board of Directors sets. This is an important first step. We encourage the Bank to continue to explore other ideas to stretch existing resources and create flexible response capacity, including potential innovative new tools such as private hybrid capital.



We thank the EBRD staff and management for their commitment and professionalism. The United States remains steadfast in our partnership with the EBRD and support for its mission as the bedrock of sustainable, inclusive, resilient and market-driven development, serving in countries that promote multiparty democracy.

## **STATEMENT BY MR SHUKHRAT VAFAEV, ALTERNATE GOVERNOR FOR UZBEKISTAN**

I would like to begin by expressing my appreciation to the Board of Governors of the EBRD for granting us the privilege of hosting the Thirty-second Annual Meeting and Business Forum in the historic city of Samarkand. It has been an honour for Uzbekistan to welcome all of you to this prestigious event.

I want to thank the Board of Directors and management of the EBRD for their tireless efforts in organising this event. The EBRD achieved remarkable financial results in 2022, with Annual Bank Investment exceeding €13 billion. I commend Madam President and the entire Bank for this historic achievement.

Turning our attention to Uzbekistan, the EBRD has provided an important contribution to our economy and our development. In 2022, the Bank's investment in Uzbekistan reached €839 million, representing over half of its total investment in Central Asia. Notably, the majority of these projects were in the private sector, underscoring the progress we have made in promoting private investments.

One of the most significant milestones of 2022 was the implementation of our largest renewable project to date. The EBRD arranged financing of US\$ 520 million for two wind power plants in the Bukhara region, with a combined capacity of 1 GW. This project contributes significantly to our goal of achieving carbon neutrality in the power sector by 2050.

I would like to express our appreciation for the EBRD's ongoing involvement in our economic and structural reforms. The transformation of State-owned enterprises, the development of money and capital markets, and the improvement of the investment climate are crucial areas where the EBRD provides an important contribution. Additionally, the Bank's support in promoting the transition to a low-carbon economy is highly regarded.

While celebrating these achievements, I would like to provide a brief update on the reform process that continues to gain momentum in Uzbekistan. Notably, we have implemented constitutional reforms aimed at expanding and strengthening human and individual rights, as well as increasing government accountability. The amended Constitution reflects input from over 220,000 citizen proposals, and encompasses various aspects of personal, economic and social rights.

Furthermore, our government remains committed to market-oriented reforms, and is actively preparing key legislation in areas such as the mining sector, subsoil law, and factoring law. The successful launch of the Foreign Investors Council, co-chaired by the Presidents of Uzbekistan and the EBRD, has paved the way for enhanced collaboration and support for privatisation efforts in strategic economic sectors.



In conclusion, I would like to express our deepest gratitude to all participants of the EBRD's Annual Meeting. Your presence and contributions have been invaluable in fostering cooperation, sharing insights, and exploring new opportunities. We look forward to continuing our partnership with the EBRD, and working together to further enhance economic development, promote regional cooperation, and create a prosperous future for all.

## **CLOSING STATEMENT BY MS ODILE RENAUD-BASSO, PRESIDENT OF THE EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT**

Thank you very much for the opportunity to make a few closing remarks.

I want first to thank all the Governors for your support for the Resolutions that we have just approved, and for your thoughtful interventions. I, and all the Bank's senior management colleagues, have listened very carefully to everything that has been said, and this will constitute really useful guidance for the work ahead.

I think that the decisions you have taken today are of fundamental importance for the Bank. They speak of your high regard for the work of the Bank and its confidence in the future. This means a lot to me and I will ensure that the Bank's staff understand fully the wealth of your views. It is important for all in the Bank to know they are valued and supported by our shareholders.

Much has been said and I think the discussion has been fruitful. I will make just three main observations.

First, we are in difficult times. Across the globe, countries are facing economic, social and environmental challenges. No one country, institution or group can solve these problems alone. Multilateral cooperation is essential. And today, you have provided a shining example of what cooperation means in practice: reaching a compromise – a package agreement – on a number of issues. And you can count on the EBRD's commitment to do whatever we can, in line with our model and capacity, to support all our countries of operations when faced with these challenges, and to continue to step up our delivery on the green, inclusive and digital agendas, as well as on mobilising the private sector.

The second remark I wanted to make is that the decisions taken today represent major steps, but this is not the end. Firstly, it is the beginning of a negotiation process for a paid-in capital increase, and we are deeply committed to working with all shareholders to bring these discussions to a positive conclusion by the end of the year. We will also continue to work on relevant CAF (*Capital Adequacy Frameworks*) recommendations. We took a big step forward today; but this will remain on our agenda to see how we can continue to best use our resources. Secondly, the decisions taken today will equip the Bank to play its vital and full role to support Ukraine and all our countries, but also to start to intervene in new geographical areas in a limited and incremental manner. This will be an implementation challenge, but I am fully committed and convinced that we will rise to the challenge, and that we will deliver on the mandate you are giving us.

The third point is that the EBRD is not operating in a vacuum. Different multilateral institutions have different strengths. And I am personally fully convinced that, by bringing all these strengths together and combining them in a coherent manner, the system is stronger than the sum of its parts. I heard a lot of demand for continued cooperation – for instance cooperation with other multilateral development banks – and I am fully committed to doing that.

This is a good day for the Bank, showing the high confidence of shareholders. This confidence stems from the Bank's track record of achieving impact and delivering on your objectives over many years. I also heard many countries of operations expressing their recognition, and their expectations, about what we are doing there. I am fully committed to ensure that the Bank

maintains that track record – through continued effective support for the objectives of all the Bank’s countries of operations – and justifies that confidence.

Now I would just like to thank all those who have been working intensively to make this Meeting a success – starting with the tireless staff of the Office of the Secretary General on all sides – technical support, preparation – but especially Stefania and her team who have put so much work into organising the logistical complexities. It takes time, patience and skill to put these events together, and they have displayed all those qualities.

I also want to thank all staff in the Bank – too numerous to mention by name – who have worked intensively to prepare the decisions taken today. And, of course, the Board of Directors for their commitment and dedication throughout the year, and for their continued support to the activity of the Bank.

Particular thanks, Chair, to you and the Vice Chairs, for your engagement in preparing this Meeting, guiding the proceedings today.

And finally, on behalf of the Bank as a whole, and personally, I want to thank the people and Government of Uzbekistan. It has been a privilege and pleasure to be welcomed so warmly in Samarkand and to see all of Uzbekistan’s past and future. I hope you all enjoy the remainder of your stay in Uzbekistan, and look forward to meeting again in Yerevan in 2024; this also looks very promising.

So thank you all for your participation.

## **CLOSING STATEMENT BY MR MAGNUS BRUNNER, CHAIR OF THE BOARD OF GOVERNORS**

As Chair of this Meeting, I would like to share a few reflections on the Roundtable Discussion we have just had. These will also be included afterwards in the official record of proceedings.

First of all, these three Resolutions form a coherent package, which will shape the Bank's strategic future for many years. I want to warmly thank the Board of Directors who represent us all at the Bank, as well as their Chair and President, Odile, and of course, management colleagues who support them. The successful outcome we have achieved today is, in my opinion, the culmination of months – and in some cases years, actually – of work; and it all comes to a good end today. Thank you again for that work.

Second, as was very clear from the discussion among the shareholders this morning, expectations of the multilateral development banks, individually and working together as a system, could not be higher. The Resolution on Statutory Capital Limitations we just approved is the result of a G20 initiative to leverage our collective firepower to the maximum to address global challenges all together.

Thirdly, I was very happy about the enduring importance Governors gave to the Bank's three strategic priorities, including in particular the green transition, but also digitalisation and inclusion. As many shareholders have noted, they have shown their enduring relevance, and will remain front and centre of our efforts in all the Bank's countries of operations.

Fourthly, there was overwhelming support for Ukraine and its people in their struggle against the Russian aggression. The impact is being felt across all current countries of operations, especially those in the immediate neighbourhood and, indeed, in our new prospective region of operations in sub-Saharan Africa and Iraq. The past year has shown the Bank can multitask – to focus clearly on Ukraine but to step up for other countries as well. We expect it to continue to do so.

Finally, when the subtitle of this Annual Meeting was chosen (many months ago I understand), the organisers probably did not realise – although maybe they did – just how vital it would be. I cannot think of a better way to describe the process we are now launching, with your support, for a potential capital increase, than as was said before: *investing in resilience*.

The people of Ukraine have shown remarkable resilience in that respect over the last year. Governors have valued the way the Bank has stepped up to the challenges, both in the country and across all regions of operations. The Bank always invests with an eye to the future. Now, as shareholders, we recognise it is time for us to invest in the future resilience of the EBRD.

Thank you.