

EIB

Dear Governors,
Ladies and gentlemen,

This AGM takes place at a time when the EBRD is reinventing itself in all aspects, rethinking its transition mandate, expanding its shareholder base and operational scope. At the same time the Bank is launching an unprecedented exercise to increase its internal efficiency and to improve the way it cooperates with its partners and clients.

The operating environment for EBRD has become more challenging. Protracted geopolitical uncertainty, spells of social unrest and wider regional tensions are affecting growth prospects and foreign direct investment in many Countries of Operation (CoOs). But notwithstanding these challenges – or perhaps because of them – the Bank’s vigorous engagement is more needed and valuable than ever.

This poses additional challenges not just for the EBRD, its staff, and governing bodies. All other MDBs active in EBRDs CoOs, including the EIB, face similar head wind. Hence, IFIs must cooperate and our institutions are an example of best practice in this respect. Sharing of tasks and information, while working on a complementary and additional basis, are key to leverage

scarce resources and to address common global and regional challenges. Our joint presence fosters reforms; best practice; and good governance. It also gives confidence to other investors.

Specifically, how do both institutions best contribute to economic growth, job creation and capacity building or, in a wider context, the fulfilment of our transition mandate, i.e. the promotion of competitive, open, “green” and well-functioning economies?

Let me point to the large numbers of projects co-financed and appraised jointly over the last years in all areas of EBRD’s activities, amongst those in the transport sector in the Western Balkans and Egypt and the Hydropower and energy sector in Tajikistan and Egypt, just to name a few. Another area with great potential is agribusiness, where our teams are in regular contact on new business opportunities. To increase the efficiency of this cooperation, both institutions recently agreed on a “mutual reliance” approach, when jointly appraising procurement aspects of a project.

Collaboration should also be explored between our advisory services, which is already the case for the Advisory Hub under the European Fund for Strategic Investments (EFSI), also

known as the Juncker Plan. At the same time, we must capitalize on our individual strengths and maintain the identities of the respective banks. In addition, both banks should jointly develop and align their compliance policies, which becomes more and more pertinent in light of the increased focus on the integrity of the partners and jurisdictions we are working with, as evidenced by the “Panama Papers” revelations.

What should be EBRDs future orientation?

- EBRD must stay true to its transition mandate – promote private sector activity but also induce structural changes to help recipient countries build functioning market economies.
- It is crucial to maintain the right balance between its “traditional” regions of operation and new business activities in the less mature CoOs.
- It should place emphasis on project quality with respect to the transition mandate rather than on volume.

In this context let me also mention the graduation concept, which was conceived to outline the path to a successful transition to a well-functioning and sustainable market economy. While this is a logical and inevitable result of EBRDs

role, “graduates” must continue to have access to long-term credit for their investment needs.

Provided a country is ready to graduate, and in full respect of the different business models, graduation can in fact represent a win-win situation for both EBRD and its partner countries and EIB stands ready to support this process with its activities and products.

There are many challenges we are facing in various places of our regions of activity – be it in the Western Balkans, Southern or the Eastern Neighbourhood or in the EU itself. These challenges will not disappear and will be intensified by ad-hoc demands like a timely and efficient response to the refugee crisis or efforts to revive the Greek economy. EBRD and EIB have already started to work together at tackling these challenges. I am convinced that we are well equipped to cope with them and that they will once again prove the value added of successful IFIs such as our two institutions.

Thank you