

# FRANCE

## Speech made by Mr Guillaume Chabert, Temporary Alternate Governor

The European Bank for Reconstruction and Development (EBRD) is celebrating its 25th anniversary this year. Although some countries of operations have been experiencing tough political and economic conditions, a record level of investment was achieved in 2015, passing the € billion mark, demonstrating that the Bank has been able to adapt to the ever-changing environment during these recent years. France pays tribute to the work done by the EBRD, as well as to its continuing commitment, its rapid response to crises and its ability to maintain a solid balance sheet.

**First of all, France must congratulate the Bank on choosing to make the green economy a new focus area of its activities.** The Green Economy Transition approach, adopted in September of last year, marks major progress in the EBRD's strategy. Given the relevance and new prospects for investment offered by the transition to a low carbon economy, resilient to climate change, France hopes that the Bank will achieve as soon as possible its target of having green investments account for 40% of its annual activities, while guaranteeing transparency and sharing of information, in keeping with the decisions adopted by COP21.

The record annual volume of investment for 2015 also highlights the importance of the Bank's work in its countries of operations. France congratulates the Bank in particular for the work it has done in Egypt, Jordan, Morocco and Tunisia. Since 2011, as part of the Deauville Partnership, the EBRD has embarked on a historic expansion of its mandate to take in the southern and eastern shores of the Mediterranean in order to support the democratic and economic transition which the countries of the Arab Spring are undergoing. **On the back of this experience and given the crisis which the region is currently going through, the EBRD must now make the challenges in the Mediterranean a major priority.** In order to provide an appropriate response to the needs of this region, the Bank's activities must be based on providing its added value compared with other international financial institutions already operating in the region, so as not to create competition which could be detrimental to both the recipient countries and the Bank's shareholders.

**Lastly, the stability of the EBRD's model is based on a balance between the profitability and risk among its various countries of operations.** One of the key factors contributing to the Bank's strength is its ability to generate revenues from profitable activities so that it can invest in the countries of operations posing greater risk and abandoned by investors. Consequently, the Bank must base its operational strategy on the principle of pooling risks and diversifying its portfolio of activities within its region of operations to avoid any imbalance in its economic model.

Twenty-five years after it was created, the EBRD is still a unique bank thanks to its very distinct mandate and economic model. France reaffirms the complete confidence it has in the Bank's ability to sustain this model permanently in its region of operations, in effective cooperation with local and global actors.