

SWEDEN

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During the 25 years that the EBRD has been operating, the Bank has played a crucial role in supporting its countries of operations' transition to a well-functioning market economy with democratic institutions. Even though the landscape has changed over the years, many transition challenges remain and new ones have emerged. EBRD's operations are therefore still highly relevant as tools for transition and long-term prosperity.

At the same time the transition concept underpinning the Bank's operations, should continue to evolve and be modernised, reflecting a changing economic context and experiences gained. Today, EBRD's role should be to contribute to fostering transition to a sustainable, well-governed, inclusive and competitive market economy. Moreover, it is still as important today as when the EBRD was established, that the Bank's countries of operations are committed to and apply the principles of multiparty democracy and pluralism.

The Bank should make the most of its expertise and focus on sectors where the value added is strong, such as sustainable energy, environmental investments in municipal infrastructure, development of the capital market and financial sector and support to SMEs. Sweden is reluctant to expand the Bank operations to new sectors, such as health and education. We are convinced that there is still more to be done within those sectors which the Bank currently gives priority.

The EBRD should deepen its engagement in its current region of operations, where transition challenges remain. To maximize impact, the focus should be on countries which are less advanced in transition. It is important that the Bank continues to play an active role in Ukraine and, where possible, steps up its support for implementation of reforms. The Bank also has a role to address remaining transition gaps in advanced transition countries. From an overall risk perspective, due attention needs to be paid to country concentration to ensure appropriate diversification across EBRD's Region of Operation.

It is of utmost importance that the EBRD keeps its financial sustainability and AAA credit rating. Sweden therefore welcomes the recent adoption of a framework for net income allocation based on the principles of preserving the financial position of the Bank, retaining a significant majority of the net income within the Bank's capital base. This to support the Bank's strategic objectives and prioritising net income allocations based on their link to the operational activity and business model of the Bank, as well as their potential to deliver transition impact.

2015 was an historical year, with three grand international agreements; the 2030 Agenda for Sustainable Development, the Addis Abeba Action Agenda on Financing for Development and the Paris Agreement on Climate Change. Time has now come to move from words to action and implement these agreements. There are several areas where the EBRD should raise the bar further in order to support its countries of operations in implementing these agreements. Among others, the EBRD should help its countries of operations in its transition to an environmentally sustainable and inclusive economy, with well-governed and transparent institutions.

The EBRD should further strengthen its work to support its countries of operations in fighting climate change and improving and protecting the environment. To this end, Sweden strongly supports EBRD's recently adopted Green Economy Transition approach. However, we expect the Bank to further raise its ambitions and its support to renewable energy and to energy efficiency. The EBRD should only invest in projects which result in a net reduction of carbon emissions and implement best available technology for reducing emissions. The Bank should also increase its support to projects that reduce the air, water and soil environmental pollutants, such as waste-water treatment and solid waste projects.

Investing in women is an untapped economic potential in EBRD's countries of operation. An inclusive society is a necessary foundation for a sustainable economy in the long term. The Bank should continue to show its clients that investing in gender equality means investing in productivity, growth and sustainable development. Sweden therefore supports that gender equality has been integrated into all the Bank's activities and supports the Bank's new gender strategy. We look forward to the full and effective implementation of the strategy. The EBRD as an organisation should lead the way. To this end, we

welcome the aspiration to have 50 percent women in senior positions and look forward to tangible steps towards achieving this.

Effective, well-governed and transparent institutions are important to provide the right conditions for sustainable and inclusive private sector-led growth. Sweden welcomes that the EBRD is ramping up its efforts in support of an improved investment climate and in tackling corruption. Policy dialogue and technical assistance are crucial in this respect. The EBRD should lead by example in all its operations by applying the best standards, including in areas such as corporate governance, work against tax evasion and combatting terrorist financing and money-laundering. In general, we encourage and support the Bank to stay innovative and continue to develop its operations and products.

Sweden welcomes EBRD's commitment to improve the situation for migrants and refugees within its countries of operations. It is of course important to focus on the countries and sectors where the Bank is additional and that the operations are consistent with the mandate. The EBRD should work closely with other institutions involved in this endeavour.

Since the EBRD was established in 1991, Sweden has provided significant grant contributions to the Bank's technical assistance and investments in the region, such as the Eastern Europe Energy Efficiency and Environment Partnership (E5P) and the Bank's Women in Business programs. We support the ongoing modernisation of the Bank's cooperation with donors and the Shareholder Special Fund. This includes a stronger result-focus, full untying of aid, a more programmatic approach and more multi-donor funds, while keeping the possibility for programmatic bilateral support. It is important that the Bank economises these aid resources and targets them where they are needed the most. The project implementation processes, in particular of infrastructure investments, need to be faster. More can be done in less time.

Finally, Sweden would like to express its gratitude to the British Authorities and the EBRD for successfully having arranged the Annual Meeting 2016 in the beautiful city of London.