

**CLOSING STATEMENT BY
THE PRESIDENT OF THE EUROPEAN
BANK FOR RECONSTRUCTION AND
DEVELOPMENT**

2016 ANNUAL MEETING OF THE BOARD OF GOVERNORS

CLOSING STATEMENT PRESIDENT OF THE EBRD MR SUMA CHAKRABARTI

THURSDAY 12 MAY 2016

Thank you very much, Pier Carlo. I and management thank you and the two Vice Chairs for so ably running the whole meeting. We have made some very interesting conclusions.

However, let me start by expressing heartfelt thanks from me for your kind words and congratulations for me in a second term. I pledge to deliver and maximise two things for you: transition impact and shareholder value. That is what I will be aiming to do with my team.

Thank you also for your very kind words about the management and staff of the EBRD. I think that those words were thoroughly deserved. They have put in a fantastic performance during my first four years here, and I have to say that it will be a joy for me to work with my colleagues for another four years.

I move on now to make some closing remarks and personal reflections. Based on the oral interventions today and the written statements that you have submitted, we have a rich agenda ahead as we reflect first on the 25 years of achievement; and now you have set the course for the period ahead.

Let me start with growth. There was a lot of convergence on the challenges and the response. I heard strong support for re-igniting productivity, focusing on SMEs, innovation and skills. I also heard a strong call for investment particularly in infrastructure, crowding in the private sector as much possible. I took note of the importance that some of you place on the role of equity going forward. I also heard a lot of support for a focus on the quality of growth –

inclusive, sustainable, good governance and fair play. I heard strong support for all of those factors.

The transition concept is incredibly important because it is how we interpret our mandate. I heard strong support for continuity in the private-sector model that we have adopted, where our expertise lies. We must stick to that, but I also heard strong support for modernising and refreshing our understanding of the market economy. We have to emphasise the quality and outcomes of markets, not just the structures. Only competitive markets and firms can deliver growth and only inclusive and sustainable approaches can ensure that economies rise to that potential and do not slide back. It is only when institutions are clean and fair, and markets well-governed, that they can be truly efficient and resilient. I heard all of that.

What messages have come out of that for the Bank and for management? I heard four broad points. First, we have to work with our Board of Directors to finalise the review of the transition concept with the input we received today and during this Annual Meeting.

Second, we are going to make sure that the EBRD's work helps address the challenge of broad-based inclusive sustainable growth in our operations and in our policy work, based on our country, sector and project knowledge. In this regard I also note all the comments we have received on the importance of regional balance, and, by some, on the importance of graduation. We will have to work with our Directors on these issues in the Strategic Implementation Plan and in our future country strategies.

Third, I heard that in order to be effective throughout our region we must be financially sound and that is a greater challenge today, frankly, than it has been in the past. We have got to protect our AAA rating. There is the importance here of the shareholders continuing to show strong and explicit support for the institution in all the decisions that we take, including on net income allocation going forward.

Fourth, I heard that to be financially sound, responsive and flexible, and to be a good place to work in, we have to be more efficient and effective; so it is very important to be thorough on our operational effectiveness and efficiency programme.

Thank you all very much. It has been a great Annual Meeting and I wish you all well.