

**Mission Statement from Odile Renaud-Basso,
President of the European Bank for Reconstruction and Development**

Dear Governors,

I am deeply honoured by the nomination for the position of President of the European Bank for Reconstruction and Development (EBRD). Over the past three years, I have had the privilege of leading the EBRD through extraordinary circumstances, carrying the voice of the Bank across our countries of operations and advocating for its unique mandate to transition emerging economies in Europe and its neighbourhood through private sector development and reforms.

*

The world is currently facing multiple crises of exceptional intensity. The Covid-19 pandemic underscored humanity's resilience but exposed vulnerabilities in global supply chains, leading to increased economic and political fragmentation. Simultaneously, conflicts in Ukraine and the Middle East have destabilised the regions where the EBRD operates, affecting both security and economic equilibria. The climate crisis, posing an existential threat, necessitates accelerated investment to reduce greenhouse gas emissions and adapt societies to the consequences of global warming.

The Bank, with its inclusive shareholding and a robust presence on the ground, offers a platform to bridge divides, find optimal solutions, and promote multilateralism. Since November 2020, I have led the Bank with a deliberate and confident approach, leveraging what I presented as the ABCs of the EBRD: Agility, Building Back Better, and a renewed commitment to Clients and Countries of operations.

In this troubled context, the role of a multilateral development bank like the EBRD becomes more crucial than ever and the Bank has demonstrated remarkable agility, responsiveness and resilience. During the Covid-19 pandemic, a massive injection of liquidity through the Solidarity Package aided businesses in weathering economic downturns. In the face of the invasion of Ukraine, a Resilience and Livelihoods Framework supported economic activity and critical infrastructure in Ukraine and affected countries, with the Bank taking risks on its balance sheet and with the support of donors: €3.8 billion have been deployed in two years to support the real economy in Ukraine and €1.6 billion have been raised from donors. The Bank also provided support to address energy and food security challenges in a number of countries, from Moldova to Tunisia. And at the time of numerous natural disasters, such as the earthquakes in Türkiye and Morocco last year, it deployed emergency financing for clients and municipalities.

Crucially, the Bank's structural priorities outlined in the Strategic and Capital Framework (SCF) 2021-2025 have effectively guided our action. The EBRD increased its focus on climate finance, inclusion, digitalisation, and private sector mobilisation. Exceptional results from recent years, in terms of volumes invested and 2023 financial results, provide a solid foundation for continuing to deliver the Bank's mandate.

At the same time, **the Bank has initiated far-reaching internal changes**, such as moving to a new HQ in Canary Wharf, upgrading its IT infrastructure, controlling operational and cyber risks, fostering innovation, and ensuring staff commitment. The Multi-Year Investment Plan (MYIP) approved by the Board is an investment to modernise the Bank and an opportunity to streamline processes as part of an ambitious transformation agenda.

All these results were achieved at the same time as **its shareholders took major decisions for the future of the EBRD in exceptional unity**, demonstrating their confidence in and support for the Bank's strategic directions. The Annual Meeting in Samarkand in May 2023 resolved to increase the Bank's capital and expand its geographical mandate to include sub-Saharan Africa and Iraq. These decisions will undoubtedly shape the future history of the EBRD, with their implementation being the clear priority for the coming years.

*

I am presenting my candidacy for a new four-year term at the head of the Bank, at a time of on-going major transformation and of a number of major decisions to be implemented resolutely and effectively. I therefore wish to offer the Bank and its shareholders the stability, continuity and experience needed to make the next mandate a success, based on two priorities: **deliver** and **transform** - and one method: **cooperate**.

*

Deliver

The historic decisions in 2023 to increase capital and expand geographically will shape the Bank's trajectory in the years ahead. My immediate priority is to operationalise these decisions and prepare for the implementation of the next SCF.

The **capital increase** decided by the Governors in December 2023 is a very strong signal of confidence for the Bank, its management, and its staff. It strengthens the Bank's capital base in the long term and gives it the means to continue its support for **Ukraine** and all its countries of operations, without jeopardising its AAA rating. The Bank's attention will continue to be focused on Ukraine, whose people have shown admirable courage and must continue to be supported in the interest of peace and security in Europe and beyond. Financing the private sector and supporting reforms will be the top priority, together with support to vital infrastructure needed for the functioning of the real economy and municipalities. When the situation allows, we will step up our level of investment to accelerate Ukraine's sustainable reconstruction.

Specific attention must continue to be paid to the **least advanced countries** in the Caucasus, Central Asia, the Western Balkans, and the Mediterranean. These countries are directly impacted by the changes in the geopolitical environment and the reorganisation of trade and value chains. These shifts create new opportunities that the Bank will help them seize, also supporting the EU accession process in candidate countries.

Implementing the **geographical expansion into sub-Saharan Africa and Iraq** will require a large-scale mobilisation of the Bank's teams over the coming months. This expansion will be carried out gradually, building on the EBRD's strengths (private sector financing, SME development, support for reforms to create a business environment favourable to investment), and in close cooperation and complementarity with existing international institutions. This new geography presents specific challenges that call for a cautious and humble approach, but also immense opportunities given its unique development potential. The EBRD's financing and expertise are eagerly awaited for, and the deployment of local teams on the ground

should make it possible to launch concrete operations as early as 2025 - if the ratification process is completed this year.

The **next SCF** will set the Bank's strategic priorities for the next five years. Work with the Board of Directors will be initiated after the Annual Meeting based on the directions given by the Governors in Yerevan and taking into account the commitments made last year when the decision on the capital increase was made. I am convinced that the Bank's fundamentals, emphasising private sector development and additionality, supporting transition, and delivering impact, must remain at the heart of our action. The Bank will need to continue focusing on the major challenges for our countries of operations in their transition, namely sustainable growth and the green transition which will remain at the heart of the Bank's priorities, as well as inclusion and human capital. This will have to be done with increased attention to the impact of the Bank's operations, both at the time of their design, but also in their implementation and in their evaluation. An integrated public report on the Bank's impact will have to be prepared and published annually.

The acceleration of the climate crisis calls for a sustained Bank effort. The EBRD will support its clients and countries of operations to implement the Paris Agreement and move towards net zero. The Bank will actively invest with a view to reach the objectives agreed in COP 28 to triple the installed renewable energy generation capacity by 2030 and accelerate energy efficiency improvements. Policy work and investments in the just transformation of production structures that are more energy-efficient and based on decarbonised energy will be instrumental for our delivery. Increasingly, this will also involve actions to adapt economies to the visible effects of climate change and to take into account the protection of nature and biodiversity.

More inclusive economies are more competitive and more prosperous. Better integration of women, youth, disabled people and other minority communities is in the interest of all clients and countries. More generally, human capital development is a source of resilience for businesses and societies - and the EBRD's work in this area within its business model must develop further.

Digitalisation is one of the enablers of transition that our clients and countries of operations must embrace: it is today an essential factor of economic transformation on which the Bank must strengthen its offer, emphasising areas where effective value can be added for clients.

Given the stakes in a large number of countries, improvements of governance, particularly of public enterprises and in Ukraine, will be given even greater attention.

To leverage the Bank's impact, private sector mobilisation -direct and indirect- will remain a top priority.

In the context of wars in the EBRD regions and the increased risks of natural disasters, our responses to crisis situations and our approach to fragile or conflict-affected countries (such as Ukraine of course but also situations such as Armenia or West Bank and Gaza) will have to be further structured.

Transform

To be able to deliver on this ambitious agenda, I will continue to transform the Bank. It has a unique operating model, which has proven its effectiveness over the past thirty years. In particular, the combination of sectoral expertise, policy skills and a strong presence on the ground, is a valuable asset that enables us to take risks, deliver impact and apply the principle of sound banking. These fundamentals must be preserved and will be deployed in the new countries of operations.

However, to meet the new challenges and adapt to the volatile environment in which the Bank operates, **we need to further develop agility, capacity for innovation and overall efficiency**. The current transformation agenda will therefore need to be further focused on simplification for clients, automation of processes for employees and greater relevance for shareholders and countries of operations.

Several levers will be mobilised.

Emphasis will be placed on a corporate culture that favours respect in the workplace, promotes staff engagement, encourages mobility, and discourages silos approaches, values simple approaches over bureaucracy and takes a risk-based approach.

New technologies must be embraced to transform internally and remain relevant to our clients. The first AI pilots will be rolled out more widely across the Bank in the coming months. While the full effects of AI are still difficult to assess, it does offer the potential to automate tasks and target our resources on work delivering the highest impact to our clients.

Greater decentralisation is desirable, with expertise being brought closer to the countries of operations and certain back-office functions being relocated to more competitive geographies.

Finally, we will work in close collaboration with the Board, to safeguard the Bank's financial sustainability while equipping it with the resources to meet growing expectations of shareholders and countries of operations.

*

Cooperate

My method to deliver these priorities and transform the organisation is based on cooperation. Close collaboration with the Board of Directors, which significantly contributes to the strategic direction of the Bank and connects us with shareholders, is essential. Systematic cooperation with other multilateral development banks, particularly the World Bank Group and the EIB, will ensure complementarity and consistency, including through enhanced mutual reliance, and will build on the joint work already undertaken on the MDBs evolution agenda and the implementation of the Capital Adequacy Framework (CAF) review.

*

If re-elected President, I would do my very best to achieve these ambitious objectives, together with the remarkable EBRD's teams and the trust and guidance of shareholders.

Yours sincerely,

Odile Renaud-Basso

