Statement for the United States by Andy Baukol Performing the Duties of Under Secretary for International Affairs U.S. Department of the Treasury

May 12, 2022

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On behalf of the United States, I would like to thank the people and government of Morocco for their warm hospitality in hosting these meetings. We are pleased that we are once again able to come together in person, while also offering our deepest sympathies to all those whose lives and livelihoods have been and continue to be affected by the COVID-19 pandemic.

The United States stands resolutely with the Ukrainian government and the Ukrainian people. We condemn, in the strongest terms, Russia’s illegal, unprovoked war against Ukraine. We demand that Russia immediately ceases its use of force against Ukraine. Russia’s war against Ukraine has massive humanitarian consequences, and detrimental repercussions for the global economy through direct and indirect channels.

Russia’s actions are also in clear violation of the EBRD’s mission—a commitment to open markets, entrepreneurship, multiparty democracy, and pluralism. Russia’s invasion of Ukraine is a direct affront to the principles that underpin the very creation of the EBRD in 1991 and seeks to dismantle the progress the institution has painstakingly fostered. The EBRD’s response has been immediate and strong. The United States joined the overwhelming majority of EBRD Governors in voting to suspend Russia’s and Belarus’s access to EBRD resources. The ideals of the EBRD’s founders have been reaffirmed – the future belongs to open, market economies. We strongly support EBRD Management’s decision to close its offices in Moscow and Minsk.

There is no escaping that Ukraine’s economic needs are massive and urgent. Our resolve to come together and support Ukraine must be just as strong as our unprecedented and united international response against Russia. The EBRD is uniquely positioned—with its large
presence on the ground, intimate knowledge of the country, and strong connections to the private sector—to support economic continuity and vital infrastructure in Ukraine.

The United States strongly supports the EBRD’s Resilience and Livelihoods Framework for Ukraine and affected countries. We applaud countries that have opened up their homes and hearts to welcome the over seven million Ukrainian refugees. The EBRD also has a role in supporting them as they shoulder new responsibilities. We appreciate Management’s flexible approach and ability to take risk on the Bank’s own balance sheet. We welcome the decision to adjust the ratio of risk coverage between the Bank and donors. We urge Management to coordinate closely with key development partners given the immensity of Ukraine’s needs including on plans for reconstruction.

The Biden-Harris Administration has requested $8.5 billion from our Congress to provide further economic assistance to Ukraine, including $7.5 billion in direct budget support and $500 million to support EBRD interventions to counteract economic vulnerabilities caused by the war, including on the ground in Ukraine now and for reconstruction. This request is a strong signal of our support to Ukraine and other countries affected by Russia’s war on Ukraine, and of our confidence that the EBRD has a vital role in helping Ukraine’s energy and food security and bolstering the private sector.

Russia’s war against Ukraine has also imperiled the global recovery from the pandemic and aggravated inflation, with vulnerable populations across the world feeling the effects of steeply rising commodity, energy, and food prices. The EBRD must address the impact of Putin’s war of choice on all countries of operations, including rising food insecurity. We urge the EBRD to work with other international financial institutions on an effective and coordinated action plan to tackle food insecurity.

We live in a world of multiple shocks and crises. So, we ask EBRD to do even more, on numerous fronts, building on the strong 2021 financial and operational results that have allowed the Bank to tackle the new challenges in 2022 head on. We look forward to the implementation of the new five-year Strategies for the Promotion of Gender Equality and Equality of Opportunity and the Digital Approach that is relevant across all the sectors in which the EBRD works.

We appreciate the EBRD’s continued leadership on climate, and in particular welcome the commitment made to double total private capital mobilization by 2025, with at least half of that going to climate finance. Now is the time to redouble efforts on our climate goals, particularly in the face of fossil fuel price spikes. The EBRD must remain committed to helping
countries accelerate the achievement of energy security through renewable energy investments. As a leader in this area, it is critical for EBRD to continue establishing an effective process for achieving alignment with the goals of the Paris Agreement, particularly in private sector operations and working through financial intermediaries.

Continued investments in infrastructure are critical to the economic recovery from COVID. We appreciate President Renaud-Basso’s recent participation in a roundtable on scaling infrastructure investment that Secretary Yellen hosted. We look forward to the EBRD joining other MDBs to support and amplify the high-quality infrastructure initiative launched by the United States and the G7. The EBRD has a strong role in advancing infrastructure investments in countries of operation in the areas of climate, health, digital technology, and gender equity. Such investments will connect people with opportunities and contribute to economic growth, greater social inclusion, and climate resilience. We call on the EBRD to implement new ways to mobilize private finance and to accelerate the use of innovative financing tools that leverage and crowd in significant amounts of private capital while also working to improve countries’ investment enabling environment.

Building on its track record of bringing its distinct value proposition to new markets, we recognize the significant value EBRD can bring to sub-Saharan Africa—including trade finance and lending to smaller businesses, quality infrastructure, green transitions, and policy work to improve business-enabling environments. We see this as clearly consistent with the Bank’s transition mandate. We fully support Governors reviewing a proposal on an Article 1 amendment at the EBRD’s 2023 annual meetings.

Ultimately, the EBRD’s success will be clear when countries have made sufficient progress on their transition journey to rely on capital markets and on their own resources to continue their path, independent of investments from the Bank. We recognize that progress is not always linear and strongly supported the revisions to the post-graduation operational approach.

We thank EBRD staff and Management for their commitment and professionalism during another trying year. We hope colleagues previously working in Ukraine will be able to return home soon. The United States remains committed as a strong partner with the EBRD as it extends private sector-led economic opportunities and democratic values across its countries of operation during this time of continued challenges. Quite simply, the EBRD was made for this moment.