

**Statement by the Honorable MOTOE Taichiro,  
Parliamentary Vice Minister of Finance, the Government of Japan  
at the 30th Annual Meeting of the European Bank for Reconstruction and Development**

July 1st, 2021

**1. Introduction**

Mr. Chair, Madam President, distinguished Governors, ladies and gentlemen:

On behalf of the Japanese Government, I am honoured to address the 30th Annual Meeting of the European Bank for Reconstruction and Development (EBRD).

This annual meeting is the first one since Madam Renaud-Basso took office as the President last autumn, and marks the 30th anniversary of the Bank's establishment. I would like to express my sincere gratitude to the EBRD staff for their efforts in preparing for the meeting, which is again in a virtual format following the meeting last October. Over the past 30 years, the EBRD's role and the scope of its operations have expanded. Japan highly appreciates the Bank's achievements in responding flexibly and sincerely to the needs of its regions.

**2. Building Back Better Economies**

The EBRD's Countries of Operations (COOs) experienced severe damage due to the COVID-19 crisis. The Bank responded swiftly by implementing its COVID-19 Solidarity Package, which was introduced in March last year. Japan appreciates the Bank's proactive support, resulting in a record high Annual Bank Investment (ABI) of 11 billion euros in 2020.

In the post COVID-19 recovery phase, Japan expects the EBRD to continue to play a leading role in such areas as supporting SMEs, climate change response and digital transformation, where the Bank can add value. To ensure the most effective and efficient use of limited resources, Japan believes that the Bank's support should be targeted at the geographical areas and sectors in which maximum transition impact can be achieved. Specifically, we urge the EBRD to fully support the Early Transition Countries (ETCs), including Central Asian countries and Mongolia.

### **3. EBRD's policy challenges in the medium term**

Let me now express Japan's views on our two priority issues: (i) EBRD's potential expansion of its COOs and graduation of advanced transition countries; and (ii) EBRD's climate change response.

With regard to the potential expansion of COOs to Sub-Saharan Africa, Japan is ready to continue a constructive discussion, based on our agreement in the Strategic and Capital Framework 2021-2025. When considering any potential expansion, in-depth discussions should be held on EBRD's additionality and complementarity to other development actors already on the ground. In order for a potential expansion to take place under the current capital base and without compromising the EBRD's credit rating, graduation should also be discussed in parallel. Japan supports that discussions are in progress at the Board of Directors on the Post-Graduation Operational Approach, which will pave the way for a rapid right of return for graduated countries in the case of a crisis after graduation.

On climate change response, Japan welcomes the Bank's commitment to fully align its operations with the Paris Agreement by the end of 2022. Climate change is a global issue that requires all economic agents across all countries in the world to act. The EBRD should embrace an inclusive approach, supporting not just "dark green" but also the intermediary areas between "green" and "non-green". Japan urges the Bank to promote transition finance to help all COOs achieve the goal of carbon neutrality through tailored paths. Japan also expects the Bank to proactively mobilise private finance for this purpose.

### **4. Japan's contributions to the EBRD**

The EBRD is a global institution that includes non-European countries in its membership. Japan appreciates that Madam President is striving to reflect the voices of non-European members in the Bank's institutional management. As one of the second largest shareholders, Japan is willing and ready to proactively participate in the EBRD's governance.

In order for the EBRD to respond flexibly and effectively to the increasingly diversified and complex needs of its COOs, the EBRD should further promote diversity among its staff, including nationality diversity. Japan will further contribute to the Bank in this endeavour through qualified Japanese staff.

The EBRD's Representative Office in Tokyo has made meaningful contributions to business development by engaging Japanese companies, enhancing visibility of the EBRD in Japan, and promoting other EBRD activities including recruiting Japanese nationals. Japan expects the

Representative Office to play an even more active role in mobilising Japan's knowledge and skills for the EBRD's operations, and is ready to give its utmost support to the Office.

## **5. Conclusion**

Under the strong leadership of Madam President, Japan expects the EBRD to continue to actively address various challenges, including those arising from COVID-19, and to draw on its expertise to play a leading role in the post COVID-19 recovery.

Japan is determined to proactively contribute to the EBRD, so that the Bank can keep adding value as a global institution.