

**Statement by the Governor for Japan
at the 32nd Annual Meeting of the European Bank for Reconstruction and Development**

Samarkand, Uzbekistan - May 17th, 2023

1. Introduction

Mr. Chairperson, Madame President, distinguished Governors, ladies and gentlemen:

On behalf of the Government of Japan, I would like to express my sincere gratitude for the warm welcome extended by the Government of Uzbekistan, the host country for the first time in 20 years, and by the people of Samarkand at the 32nd Annual Meeting of the European Bank for Reconstruction and Development (EBRD). I would also like to pay tribute to the EBRD staff for their efforts in the preparations of the meeting.

Japan reiterates its strongest condemnation against Russia, which has continued a war of aggression in Ukraine for over a year. We again stress that this war goes diametrically against universal values such as the principle of the rule of law and respect for human rights in the international community, which are also the founding principles of the EBRD, and is absolutely intolerable.

I would like to express my deepest condolences to the victims of the earthquake that occurred in February this year in south-eastern Türkiye. We welcome the EBRD's swift announcement of a response package of up to €1.5 billion. Japan, which suffered from the Great East Japan Earthquake 12 years ago, has also decided to support this package via the Japan-EBRD Cooperation Fund (JECF) as reconstruction assistance for small- and medium-sized enterprises (SMEs) in the affected areas.

2. Support for Ukraine and affected countries

The international community must continue its support for the urgent needs in Ukraine and affected countries as the war of aggression by Russia continues. From this perspective, Japan highly appreciates that the EBRD has immediately announced and implemented the resilience package shortly after the start of the war of aggression.

It is also necessary to consider support with a view to the future reconstruction phase of Ukraine. Japan believes that solidarity with Ukraine and other members that support Ukraine is important. From this perspective, Japan has amended the relevant law to enable the Japan Bank for International Cooperation (JBIC), a Japanese public financial institution, to guarantee loans to

Ukraine's private sector by Multilateral Development Banks (MDBs) such as the EBRD. Japan also provided additional funds to the JECF to assist the private sector-led reconstruction in the Ukraine's agricultural and other sectors. Through these efforts, Japan will continue to actively provide assistance to Ukraine and affected countries.

In considering future assistance to Ukraine by the EBRD, further consideration is needed on various issues, including the content and scale of assistance, the division of labor and collaboration with other international organizations, and measures to utilize existing capital, from the perspective of maximum effective use of resources and the EBRD's roles and strengths in the overall development finance system.

First, the content and scale of the envisaged assistance to Ukraine should be realistically feasible for the country, and it is essential to clarify the division of labor with other international organizations in order to realize effective and efficient assistance. Japan expects that the EBRD will focus its assistance in areas where it has unique strengths, such as support to private sector and reform of state-owned enterprises.

Next, it is necessary to strengthen efforts to maximize the use of existing capital. In this regard, we support the initiative to remove the statutory capital limitation set out in Article 12.1 of the Agreement Establishing EBRD. We strongly expect that the EBRD will actively consider and implement other recommendations of the "Independent Review of MDBs Capital Adequacy Frameworks" including the further use of donor guarantees and enhanced dialogue with credit rating agencies.

3. EBRD's possible limited and incremental expansion to sub-Saharan Africa and Iraq

Japan has had constructive discussions on the expansion of the EBRD's countries of operations (COOs) from the perspective of the added value of the EBRD and its complementarity with other international organizations. While extending assistance to sub-Saharan Africa and Iraq is obviously important, support to existing COOs such as Ukraine and affected countries is the EBRD's current top priority and thus the expansion of COOs should be discussed in light of this reality.

Specifically, as stipulated in Resolution No. 248 adopted at last year's Marrakech Annual Meeting, after considering the situation in Ukraine and the EBRD's response to it, any limited and incremental expansion to sub-Saharan Africa and Iraq should not impair the Bank's ability to support its existing COOs and should be considered based on current capital level, without a request for additional capital contributions. We believe that the EBRD should first fully assess the situation in

Ukraine and affected countries, their needs for assistance, and the role that the EBRD should play, then consider how to provide specific assistance to sub-Saharan Africa and Iraq.

4. Cooperation between EBRD and Japan

The EBRD is a global institution that includes non-European countries in its membership, and its organizational management must reflect diverse voices, including those of non-European members. As one of the second largest shareholders, Japan will continue to actively participate in the EBRD's governance and will contribute to discussions of EBRD's important policies.

In order for the EBRD to respond flexibly and effectively to the diverse and complex needs of the COOs, it is important to promote diversity, including nationality, among EBRD staff. Japan will further contribute to the EBRD in terms of human resources.

The EBRD Tokyo Representative Office plays an important role in fulfilling three functions: business development by promoting cooperation between Japanese companies and the EBRD, further enhancing the EBRD's visibility, and promoting recruitment and retention of Japanese staff. When the Central Asia Investment Forum was held in Tokyo last December, the office served as a hub for deepening the relationship between Japanese companies, those from Central Asia and Mongolia, and the EBRD. In addition, Japan possesses many outstanding technologies that can contribute to solving various problems faced by the EBRD's COOs, such as the use of information and communication technologies to improve agricultural productivity and sustainability in response to food problems. In order for the Office to play an even more active role in mobilizing Japan's technology, knowledge, and human resources for the EBRD's operations, Japan is committed to providing utmost support to the Office.

5. Conclusion

Japan expects the EBRD, under the leadership of Madame President Renaud-Basso, to continue to flexibly and effectively address urgent issues, such as assistance to the Ukraine and affected countries, and to play a leading role.

Japan is determined to actively contribute to the EBRD, including in terms of policy discussion and human resources, so that the EBRD can continue to fully achieve its mission.