

# **CZECH REPUBLIC**

## **Statement of Mr. Tomas Zidek - Head of delegation – Czech Republic**

Mr Chairman, Mr President, Distinguished Guests, Ladies and Gentlemen,

Let me start by expressing my thanks to the Ukrainian and Kiev authorities for hosting this event. I wish to use this opportunity to express our profound appreciation for the progress achieved by Ukraine in the previous ten years since the earlier EBRD annual meeting held in this beautiful city in 1998.

We support all the proposals, submitted to governors decisions. The medium term strategic operations framework, the net income allocation proposal, the creation of the Shareholders' Special Fund and the allocation of funds in support of nuclear safety activities are all welcome.

Also, we very much welcome that Turkish authorities have formally applied for the status of a Country of operation.

In previous years the EBRD region was quite dynamic. But in most - if not all - of the countries, developing a functioning private sector, entrepreneurial skills and standards of corporate governance remain still high on the agenda. At the same time, the world of transition is by far more diversified today than it has ever been before in the previous almost twenty years.

Many of the economies in the region are rapidly growing, with living standards catching-up. But at the same time there are countries lagging behind, where poverty has not fallen and remains a major and persistent source of preoccupation. Important regional divergences persist, between and inside countries, and new divergences emerge. Many of the countries are opening and integrating themselves into the global economy, while others remain rather isolated. Disparities in wealth and living conditions are growing, social exclusion has emerged and solidarity needs to be promoted.

As far as the pace of implementation of reforms is concerned, the distance between frontrunners and those lagging behind has rather widened. Moreover, in quite a number of countries, pro-reform parties and agents are facing difficult times with administrative or political obstacles. Finally, the Bank is increasingly expected to serve not only as a connector between western and eastern companies, but also as an agent of co-operation within the region and between its countries of operation.

Last but not least, new challenges emerge or acquire more priority. Increasingly, the Bank should promote low carbon economy projects to reflect concerns about climate change. A priority should also be given to projects aimed at reducing the burden of past environmental damage.

The EBRD is unique by its knowledge of the countries of operation. Bearing in mind the indisputable position, results and future challenges for the Bank, we have been confused by some reports suggesting that there are occasional considerations about a reshuffle, reportedly involving the co-operation of EBRD and the EIB. We have no doubts that EBRD has to preserve entirely its identity and profile.

However, the strong profile of the Bank needs to be cultivated further. Complacency must be avoided as well as a weakening of our selectivity. The evaluation of the transition impact, additionality and risks attached to our operations must always be intransigent.

In our view, the Bank must avoid risks to its reputation and the Bank must not get compromised because of doubts about the past or present integrity or business practices of its counterparts. Integrity is a value that is sensibly perceived not only by the market players, but also by a very wide audience, particularly in our countries of operation.

Finally, Mr. Chairman, I would like to address President Lemierre. Mr President, thank you for your hard work and leadership. Your knowledge of

the countries of operations, their problems and concerns, but also your knowledge of their political leaders is something that has largely contributed to the success of this Bank and its excellent reputation. We wish you success in your future career. We also wish success to Mr Mirow, the incoming President, and are looking forward to co-operate with him to make this Bank even more successful.

Thank you for your attention