CZECH REPUBLIC

Statement – Czech Republic

First let me **thank the Jordanian authorities** for kindly hosting this event, offering to all of us a first-hand experience with the Bank's challenging work in the SEMED region.

Like others, I highly appreciate the operational results achieved in 2017, especially the rapid "greening" of the EBRD and hope that this trend will be sustainable. At the same time, I am surprised by the **lack of consistency** in the documents presented to us today. The record achievements in 2017 seem to be in sharp contrast with the 2018 implementation and business plan, the least ambitious one we have seen in years. This is in sharp contrast with the **abundant capital capacity** to invest additional 30%. It was for a good reason that Governors chose the motto "doing more and doing better across all our regions" for our current strategy.

As for **doing more**, we welcome the additional capacity to deliver more and expect the Bank's management to do maximum possible to utilise this capacity for the benefit of the existing region as mandated by Governors in 2015. Our first step should be to conduct a **comprehensive strategic review**, on a country by country basis, assessing the existing and missed opportunities as well as providing a plan on how to overcome the identified obstacles, boost business development and use capital more effectively in order to maximize Bank's impact within the flat budget commitment. Additionally, to make the Bank stronger, we should place more emphasis on (i) smart strategic portfolio management, ensuring optimal balance between risks, transition, profitability and concentration in a small number of countries; (ii) securing long term financial sustainability and productivity, via preventing further escalation of expenses and strengthening income generation; and (iii) optimising efficiency with timely delivery of the savings' programme and good practice of identifying additional savings on an annual basis.

In order to "**do better**" and remain relevant, the EBRD should take advantage of its knowledge by developing **innovative products tailor-made for different stages of transition**. Be inventive and make better use of advanced transition countries which could serve as a laboratory for such instruments to be piloted and facilitate enhanced delivery in early transition countries.

With great uneasiness I have been observing the direction and pace of the latest developments and I was very concerned when our Governors learned, from the news, that one third of the EBRD capacity may be invested in sub-Saharan Africa. **We do not consider expansion an urgent priority of the EBRD**. EBRD's job might be done in the Czech Republic, but is far from being completed in the wider region. Given the ongoing challenges and difficult political and economic environment, we strongly urge the EBRD to **focus fully on the existing mandate, in the existing region**.

Not all **institutions are meant to work with everyone, do everything, everywhere**. We do appreciate the Bank's achievements in mobilization of private capital and strongly **encourage** the EBRD **to share** its **unique know-how** with other players that already have boots on the ground; and are relevant, better equipped to deliver in sub-Saharan Africa and other grant-intense countries. The EBRD, relative newcomer to the IFIs family, was specifically established as a **transition Bank**; with focus on democratic principles and market economy. This is our value added. **Any expansion beyond the current SEMED region done strictly on a case by case basis is premature.**

As mentioned, the Czech Republic remains the only country that has successfully completed the Bank's mission. And still, Mr Chair, 10 years after our graduation, we do like the EBRD. We like the EBRD's mandate. In particular, we like 3 attributes that are directly responding to the 3 questions posed to Governors today. First: we like the Bank's **political** mandate. We'd like to keep it as it is. Second: We like the Bank's **transition** mandate. We'd like to keep it as it is. Third: We like the Bank's **geographic** mandate. And we'd like to keep it as it is.