

POLAND

EBRD Annual Meeting
Jordan, 8-10 May 2018
Statement by Mr Adam Glapiński, Governor for Poland
of the European Bank for Reconstruction and Development

Mr President,
Fellow Governors,
Ladies and Gentlemen,

I would like to complement our hosts, the Jordanian authorities, and the EBRD staff involved in the preparation of this meeting for their efforts towards putting together this event and contributing to the success of this year's Annual Meeting of the EBRD Board of Governors.

This is in many respects a milestone event for EBRD as the Annual Meeting is being held for the first time in one of the countries of the Southern and Eastern Mediterranean region. It is the best proof of both the Bank's active engagement in SEMED as well as the region's increasing importance for the present and for the future of the Bank.

Over the recent years the SEMED region has managed to attract substantial volumes of EBRD financing to foster the transition of its economies. Using its vast experience and knowledge, through tailored financial instruments, including microcredits and credit lines aimed at SMEs, the Bank has managed to achieve notable success in developing private entrepreneurship as the main pillar of local economies and contributing to strengthening their stability. As a result, SEMED countries have quickly risen to feature among the biggest recipients of EBRD investment. In addition, the Bank's work on projects combating the effects of the refugee crisis also deserves appreciation and shows the Bank's ability to effectively address difficult problems Europe and the SEMED region commonly face.

Poland welcomes yet another record year for EBRD in terms of ABI with investment volumes approaching EUR 10 billion in 2017. With demand for the Bank's support remaining high, we are satisfied to see it respond with increasing investment volumes. We would like the Bank to continue to deliver a robust performance and engage in high-quality/innovative operations as further evidence of EBRD's relevance to the overall IFI architecture. This is good news in light of the upcoming mid-term review of the Strategic and Capital Framework 2016-2020 but the Bank must not become complacent and continue its efforts to meet ambitious goals set forth in this document.

While commanding the work done by the EBRD in the SEMED region and overall, we would like to strongly encourage the Bank to stay true to its mandate. Founded over a quarter of a century ago with the primary goal of assisting the transition of post-communist states in Central and Eastern Europe, EBRD has dedicated plenty of efforts and significant resources to that particular region. The achievements in this regard were impressive as the transition process has progressed unprecedentedly in the Bank's original recipient countries. However,

we must be aware that the EBRD's work in its core region of operations is far from over. Transition gaps still persist and need to be addressed by the Bank that has a comparative advantage in carrying out this task. Therefore, the presence and engagement of EBRD in its original region of operations should remain strong with tailored and well-targeted instruments and sufficient financial and human resources to implement them efficiently. That way the Bank's work will bring tangible benefits and added value to both parties – on the one hand, giving further impetus to transition in beneficiary countries and on the other, providing a source of sound income and invaluable experience to EBRD.

Further geographical expansion of the EBRD's activities should not be a goal in itself. Only after the Bank's mission in its core region has been accomplished and transition gaps eradicated, should further geographical expansion be considered. Otherwise we risk diluting the Bank's limited resources and diminishing its impact in all of its countries of operations, especially the early transition ones. Simultaneously it may also lead to overlapping and creating potentially unwanted competition with other international financial institutions. In order to optimize the results achieved through its resources, EBRD should strive to make the best use of synergies with other IFIs, as well as coordinate with the EU and bilateral donors to ensure the most efficient use of available funds.

Finally, allow me to briefly refer to our bilateral cooperation with the Bank as the new EBRD Strategy for Poland 2018-2023 has just been adopted. The document captures the key issues in Poland's transition experiences well and clearly highlights the crucial challenges still ahead of us. As stated in the Strategy – Poland's well-diversified economy has helped to insulate it from disruptive shocks, but further structural reforms are necessary to increase growth and productivity. The EBRD's unique know-how and experience can add significant value to support this cause. Notable examples include the development of capital markets, energy security and efficiency, promoting innovation as well as supporting the growth of the private sector, increasing competitiveness and fostering expansion of Polish companies on the domestic market and abroad.

The Strategy for Poland and how it is formulated opens the door for the Bank to be innovative in its activity in Advanced Transition Countries. It is of key importance for EBRD to be ambitious and creative in its approach to ATCs, as the relatively easy benefits have been reaped already and to remain relevant the Bank should strive to develop more sophisticated and tailored instruments with which to carry out its mandate.

Furthermore, we encourage the Bank to enhance its efforts in seeking out potential clients with special regard to local companies which face constraints in access to capital markets and are in a less favorable position relative to their international competitors and for whom financing from IFIs may be the only source of funding otherwise highly beneficial projects. Another issue to which we feel the Bank is able to provide its support is counteracting increasing regional disparities. We highly appreciate the EBRD's readiness to address

regional disparities in the implementation of its strategy in Poland in order to provide more equitable access to the benefits of transition.

In conclusion, let me wish the Bank to continue the ambitious work of delivering its unique support and expertise to all the clients that value and need it greatly. Let me assure you that Poland will continue to make efforts to be a dedicated and productive partner of EBRD in this respect.