

MONTENEGRO

Dear President,

With regard to the proposed Resolution of the Board of Governors, I would like to present my views and opinion. First, I support the Resolution and thank the EBRD management and staff for preparing this document.

We support the recommendation to further consider options for expanding the Bank's activities to other non-European countries and to have an analysis to that end ready for the Annual Meeting next year. Governors could then make a decision on that basis about the Bank's strategic activities going forward. Equally, all necessary steps should also be taken to improve operations in our countries and increase funding for further development. In that regard, we believe that there is ample room for further investment in current EBRD countries of operations.

We support the Strategic Review. It is now time for management to focus on its implementation and dedicate itself to implementing projects in various countries and regions. For instance, there is plenty of room in Montenegro for investment in agriculture, but no significant initiative has been put forward as yet.

Generally, expansion into sub-Saharan Africa could be good for the Bank's position in terms of expanding operations and increasing investments, and we support the proposal in that respect. At the same time, however, any expansion must ensure that existing countries of operations and investments are not neglected and that other activities are not left by the wayside because of the size of new operations.

Therefore, a good-quality report should be drafted that sets out the financial and other benefits and risks, and allows for high-quality analysis and decision making at the 2020 EBRD Annual Meeting.

As for the possible redemption of capital, we do not believe that this should happen at the moment, particularly when we are considering expanding operations, because it would limit the Bank's capacities. Instead, we should wait for the decision on expanding operations, focus on new projects and new investments, and only later look at how we might possibly redeem capital over time.

We support the recommendation on the Medium-term Directions and believe they are heading in the direction of global trends towards reducing pollution, developing new technologies and creating smart cities, including Podgorica, the capital of Montenegro, which has joined EBRD's Green Cities Framework.

Your sincerely,

GOVERNOR
Darko Radunović