

# MONTENEGRO

## **Statement of the Alternate Governor from Montenegro**

**Mr. Dragan Darmanović, General Director of the Directorate for State Treasury, Ministry of Finance**

Dear President,

I, as alternate Governor from Montenegro, share the standing of the EBRD that this Annual Meeting is held in unusual circumstances. Namely, this virtual meeting in the time of corona virus puts in front of us requirement to be aware of uncertainties which this pandemic brings and the need to be flexible in order to adequately respond to all tasks and challenges that are coming in future.

Please, allow me to congratulate to EBRD employees for putting strong efforts in organizing Annual Meeting in virtual format, particularly due to the fact that this year we have election of the President which requires implementation of numerous technical requirements in order to enable smooth course of the meeting.

I would like to express our appreciation for the Bank's fast and unprecedented response to the COVID-19 crisis during the past couple of months and we hope that this strong support provided by the Bank will be continued in the period that coming. Having in mind that pandemic of Covid 19 strongly hit economies all over the world, badly hitting especially emergency market economies, supports of the International financial organization, like EBRD, in this moment is very important for economic recoveries of this countries.

In that sense, when we come to the agenda, we would like to emphasize that adoption of the Strategic and Capital Framework 2021-2025 is of the crucial importance for defining of precise directions of the future operating of the EBRD, especially now when entire world is facing with corona crisis which consequences will certainly take effect on a long term. Additionally, envisaged review of implementation of the SCF on the Annual Meeting 2022 is very important considering that this will ensure the control of its implementation but also its flexibility according to the needs that might rise in between.

We support Banks position to be strong and reliable partner in this difficult time and initiative to increase its operation in volume and geographically. We believe that Bank's decision to support countries of operations less advanced in transition, including among others Western Balkans countries, which economies suffered a lot in previous period is very important. We are of the opinion that supporting of public and private sector investments and combinations of those two types of investments, can provide financial injection necessary to support the vulnerable economies in this moment.

Most of the countries facing now lower foreign direct investments, significant decreasing of revenues, consumptions, commercial bank lending activities and all this circumstances can lead to the decreasing of productions, closing the companies and losing the jobs which will rise the social and financial issues in the countries. Our main goal in period which comes need to be, through this financing of public and private sector, to keep and improve production, jobs and try to maintain or increase consumption what can enhance productions. Through the sustainable public investments, Governments can provide economic activities, improve infrastructure in many areas, including green economy, easier transition period and, in this way, increase governance efficiency especially in the Western Balkans countries. On other hand, it is good and very important Bank's decisions to put more focus on in private sector, which will bring new

ideas, increase productions, competitiveness, quality and desertification of economy and give new opportunities especially for the small and medium enterprises (SMEs) and entrepreneurs.

I believe that the election of the new president, as a central topic of this year Annual Meeting, will keep successful functioning of the EBRD. We have received impressive biographies of three candidates and I believe that whoever of them is elected he or she will contribute to successful implementation of the SCF and will keep the EBRD on its path of building a resilient and sustainable future by preserving and accelerating the transition towards sustainable market economies in its countries of operations.

Activities related to enlargement of the EBRD and increasing of number of member states and operating countries is, as always, welcome from our side with the note that investment and donor activities in the existing operating countries need to be kept at the appropriate level. In that sense, we believe that this net income allocation for 2019 as well as SCF directions will ensure enough space for the flexibility in future financing, but also ensuring financing in the form of grants which will be needed considering corona virus crisis.

Sincerely yours,

Alternate Governor from Montenegro

Dragan Darmanović