

POLAND

EBRD Annual Meeting
London, 7-8 October 2020
Statement by Mr Adam Glapiński, Governor for Poland
of the European Bank for Reconstruction and Development

Mr Acting President,
Fellow Governors,
Ladies and Gentlemen,

I would like to start by expressing my sincerest appreciation to the EBRD management and staff for making this year's Annual Meeting possible under these extraordinary circumstances. This has been challenging considering both the external and internal factors, namely the lockdown resulting from the Covid-19 pandemic and the expiry of the term in office of President Suma Chakrabarti, who has helmed the Bank for the last 8 years. In this regard, our highest praise goes to Acting President Jürgen Rigterink and his team not only for making the 2020 Annual Meeting possible, but most of all for the smooth takeover of management and delivering the Bank's operations at a very high standard.

Although traditionally the purpose of the Annual Meeting is to summarise the previous financial year, this year we must factor in what has happened in 2020 so far as it has severely affected our current outlook. Looking back, 2019 was a year of exceptional success for the EBRD with a record number of operations, Annual Bank Investment exceeding EUR 10 billion for the first time in history and excellent financial results. The Bank has made significant inroads into improving the lives of the citizens of its countries of operation by contributing to building green, competitive, well-governed and inclusive market economies. These efforts transform into facilitating new infrastructure, providing country-specific direct support to businesses, stimulating trade, easing the burden on the natural environment and strengthening social inclusion.

However, the unprecedented pandemic we are currently faced with has thrown the world into turmoil. Not only has it caused us to gather for the Annual Meeting much later in the year than traditionally and *via* electronic means, but first and foremost, it has direly impacted the economic conditions worldwide and the Bank's activity as well. The lockdown caused an acute contraction of global economic activity, put a strain on numerous businesses and made unemployment soar, while exacerbating the burden on public finance. Delivering a strong and speedy response to these challenges has required a concerted effort on behalf of all national and international actors.

We are pleased to note that the EBRD was among the first global actors to step up assistance to its clients by reducing procedural burdens to streamline its operations and adopting and then expanding the Solidarity Package. Prioritizing resources towards transactions directly

responding to the crisis through the Resilience Framework, enhancing the activities under the Trade Facilitation Programme to record levels in the spring months of 2020 and strengthening critical infrastructure providers *via* the Vital Infrastructure Support Programme allowed the Bank to extend a helping hand and provide well-targeted assistance to clients most affected. Despite obstacles and restrictions – through the joint efforts of staff both in the HQ and the Resident Offices and in cooperation with shareholders – we have managed to fend off and mitigate the first phase of the crisis. Yet, we are all aware that plenty remains to be done and we cannot be complacent.

Looking at these developments, we find ourselves at a crossroads. Between adopting a new medium-term strategy for the EBRD (the Strategic and Capital Framework 2021-2025), electing a new leadership, dealing with the consequences of the pandemic and expecting a conclusion of the debate on the structure of the European financial architecture for development, we need to be aware that the decisions we are going to take here will shape the Bank's future both in terms of the immediate aftermath of the Covid-19 crisis and providing strategic guidance once a semblance of stability is restored.

From the standpoint of the Bank and its shareholders, the new Strategic and Capital Framework will be key in determining the future of the institution in the medium term. Poland feels satisfied with the document laid down for the Governors to approve as the consensus result of the long, yet constructive negotiating process among all shareholders. It strikes the proper balance between measures to combat the immediate negative effects of the Covid-19 crisis in countries of operation and defining the Bank's role in an environment when the pandemic will hopefully no longer be an issue of this magnitude.

Poland supports the SCF main theme of *preserving and accelerating transition*. We see it as fully in line with our views on the need to maintain the Bank's activity directed at the remaining transition gaps in Advanced Transition Countries (including tackling the challenges of the post-Covid-19 recovery phase) while increasingly prioritizing operations in countries where transition has not progressed quite as far.

The SCF crosscutting themes of supporting transition to a green and low carbon economy with half of the Bank's ABI to be committed to green projects, promoting equal opportunity and accelerating digital transition and fostering innovation seem perfectly suited to the challenges currently faced by the Bank's clients.

Among others, the SCF also aptly addresses the issues of potential graduation of ATCs by reconfirming the principle of the graduation as a country-led process and planning to enhance the range of support offered via the future revision of the Post-Graduation Operational Approach.

As regards the possible geographical expansion of Bank activities, this task appears particularly challenging under the current circumstances and further work in this regard will

also need to take into account the comprehensive overhaul of the broader European financial architecture for development. The result of these deliberations aimed at improving the efficiency of delivering Europe's development aid will impact on the future of the EBRD. Yet, we are fully convinced that owing to its unique strengths and expertise, the Bank will continue to play a significant role and provide added value to its clients, especially in the post-Covid world.

Poland holds the EBRD and its activities in high regard, not just as a significant beneficiary of EBRD operations, being one of the major recipients of EBRD investment in recent years and the Warsaw office serving as a regional hub for Central Europe and the Baltic States. This almost 30-year relationship with the EBRD has brought benefits for both sides and allowed them to learn from each other. I am positive that this unique partnership will continue and thrive in the future. Additionally, in its capacity as shareholder, Poland remains committed to being an active member of the Bank and contributing to the most important discussions concerning the EBRD's future both within the Bank and in outside fora. I feel that with the depth and variety of its transition experience and know-how, Poland can give even more back to the Bank and other countries going through their economic and social transformation. Acting in this spirit, Poland is proud to put forward a Polish candidate for EBRD President – a person who brings on board a wealth of transition and management experience from both the public and private sector and whose election would also be symbolic as the first representative of a country of operation to lead the EBRD.

Allow me to conclude by expressing my sincere hope that both the EBRD and our fellow member countries will emerge from this unprecedented crisis stronger and that next year we will be able to meet in the more traditional manner to discuss further actions to guide us towards a better future.