

POLAND

EBRD Annual Meeting

Nicosia, 9-11 May 2017

**Statement by Mr Piotr Nowak, Alternate Governor for Poland
of the European Bank for Reconstruction and Development**

Mr President,
Fellow Governors,
Ladies and Gentlemen,

Allow me to start with expressing my sincere thanks to the Cypriot authorities as well as EBRD management and staff for their hospitality, and to congratulate on the excellent organisation of this Annual Meeting of the EBRD Board of Governors.

We are particularly glad that this event contributes to the constructive dialogue between the two communities living in Cyprus. Hopefully, some years down the road we can look back at it as an important step forward in the process of reintegration of Cyprus and an example of a successful reconciliation and reunification.

The EBRD's financial engagement in Cyprus following the severe economic crisis is a very good example of a timely response to the uncertain and volatile reality both in the EBRD countries of operation and their neighborhood.

The Bank's region of operation is still experiencing the effects of the economic crisis and the geopolitical instability therein remains high. The Bank has continued to respond to this volatile environment in the best possible way by remaining involved and strengthening its engagement – with the Annual Bank Investment (ABI) and the number of operations in 2016 among the highest ever. Even more impressive is the fact that this has not come at the expense of financial results, with strong profitability and a stable AAA rating paving the way for further development of the Bank's presence and its impact on the countries of operation.

In this context the EBRD's work on formulating a new transition concept also deserves special recognition. We are positive that six newly identified qualities of a sustainable market economy: competitive, well-governed, green, inclusive, resilient and integrated, will help the Bank address the recently emerged challenges and accurately refine its mandate and goals. We believe that the new interpretation of the transition concept makes it possible to further extend the scope of EBRD's investment and improve its capacity to support economic reforms. This concerns in particular putting increased emphasis on the equitable distribution of the benefits of transition. To that end, we strongly welcome the work by the Bank on formulating and implementing the Inclusion Strategy as one of the key tools in achieving this goal.

We also encourage the Bank to seize synergies notably through the enhanced policy dialogue and coordination of efforts with other international financial institutions.

In addition, the Bank, in line with its mandate, should continue exploring the opportunities to engage in operations that are less attractive for commercial sources of funding, providing they fulfil the criteria of additionality, transition impact and sound banking. Despite potentially higher risks, we believe the EBRD can and should make good use of its expertise to play an important role in the current challenging conditions.

At the same time we highly value the EBRD's continued efforts in the advanced transition countries in Central Europe and the Baltics. With its unique mandate and know-how the Bank has steadily strengthened its position as one of the key development partners in the region. Taking into account the continued and growing demand for EBRD financing paired with the transition gaps persisting in certain fields, the role of the Bank among the advanced transition countries is and should remain instrumental. Across the region the EBRD continues to complement commercial financing particularly in such key areas as the energy sector or the development of local capital markets. As subnational disparities continue to be a concern in many countries, the EBRD has a particular role to play in this regard offering new available opportunities to invest.

Over the recent years, Poland has enjoyed a robust stream of new EBRD investment, benefitting from financing and other forms of support. At the same time the successful cooperation with Poland provides the Bank with a chance to carry out innovative operations and test out new products and solutions in stable conditions. We firmly believe these investments are advantageous to all stakeholders and could be replicated.

Let me also emphasize that the guiding principles for EBRD activity in its countries of operation are in line with the priorities of the Polish authorities as expressed in the recently adopted Responsible Development Plan. It pursues an agenda of reform and stimulating investment that is aimed at sustainable and inclusive economic growth. It is going to target vulnerable social groups and less developed regions in order to provide them with better access to the benefits of transformation. In this context, we see a significant role for the Bank in supporting this agenda by engaging in projects in such areas as energy and resource efficiency, financing innovation and R&D, private equity and venture capital operations as well as policy dialogue and advice in selected fields. We strongly believe that the forthcoming work on the next EBRD Strategy for Poland will be a chance to carefully define the transition gaps, priorities and areas where EBRD's presence and engagement in Poland - over the next years - will be mutually beneficial.

Finally, I would like to express our appreciation of the Bank's efforts to improve its internal efficiency and responsiveness under the aegis of the Operational Effectiveness and Efficiency (OE&E) Programme. Taking note of the progress already made in this regard, we encourage Management to consolidate these changes to ensure the smooth performance of operations and the highest quality of work. With staff being the most important asset of the EBRD, personnel policy needs to be directed at maintaining the international character of the Bank while retaining the skills, experience and expertise accumulated over the 26 years of

functioning to deliver the best solutions for its beneficiaries. In this context, the input provided by employees from advanced transition countries with firsthand and in-depth knowledge of transition, cannot be overvalued.

In conclusion, allow me to assure you that Poland is committed to remain an active player within the EBRD and will make every effort to support the Bank towards yet more success in the years to come.