

ISRAEL

2018 Annual Meeting of the European Bank for Reconstruction and Development

Statement by Yoel Naveh, Alternate Governor of the EBRD for Israel

I am pleased to attend the 2018 Annual Meeting of the European Bank for Reconstruction and Development here in Jordan. I take this opportunity on behalf of the Israeli delegation to thank the Hashemite Kingdom of Jordan for hosting this meeting with gracious hospitality.

I would also like to thank the President of the EBRD, Sir Suma Chakrabarti, as well as all the officials and staff members of the Bank in London and in the Resident Offices for their determination and efforts during 2017 in what was a good year for EBRD, with record levels of annual investments and strong transition impact, in an always challenging environment.

We welcome the progress the EBRD has made in its operations in the Southern and Eastern Mediterranean region, in bringing to the region more competitiveness, inclusion, resilience, green projects, and especially good governance, a key element for stability in the region.

We monitor with some concern the increase in operational costs relative to income at EBRD. We therefore urge the Bank's management to keep a conservative approach and appreciate the bank's efforts towards continued effectiveness and efficiency. We also encourage the bank to take an innovative approach and peruse new initiatives for income generation.

We look forward to receiving EBRD's strategic review, as business opportunities are emerging and transition gaps need addressing. EBRD's unique business model and its private sector focus play an important role in re-energizing transition in its current countries of operation, and its work in the region is by no means over.

Given the capital headroom, we think that a gradual and moderate geographical expansion should be looked into carefully. Given the global challenges and the EBRD's unique business model and acquired knowhow, we believe the idea has merit. However, we should take the remaining period of the SCF to examine thoroughly the business case, Article 1 compliance,

operational aspects, as well as making sure all EBRD activity is fully compliant with international anti-money laundering and counter-terrorism financing rules and standards.

I would like to conclude by reaffirming Israel's strong support for EBRD's strategic plan and its effort to re-energize the transition process in countries of operation. I encourage us to look ahead: first, how can we do more within the current region of operation to tackle the reigning large transition gaps; later, in a gradual way, examine the business case for future geographical expansion.

Again, many thanks to Jordanian Authorities for their professionalism in organizing an excellent Annual Meeting. I wish to seize this opportunity to wish Bosnia and Herzegovina, our constituency member, good luck towards the upcoming 28th EBRD Annual Meeting in 2019 that will take place in Sarajevo.