

ISRAEL

2019 Annual Meeting of the European Bank for Reconstruction and Development

Statement by Yael Mevorach, Alternate Director of the EBRD

8-10 May 2019

We are delighted that this year's EBRD Annual Meeting is held in Bosnia and Herzegovina, our constituency member, and would like to take this opportunity to thank the Authorities of Bosnia and Herzegovina for hosting this meeting with gracious hospitality.

We 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 2018 in what was another good year for the EBRD, with strong transition and operational results. We would also like to note our appreciation for the Bank's important policy work in its countries of operations, which is key for fostering transition.

We appreciate strong engagement of the EBRD in the Western Balkans, both in individual countries and on the regional level, and its role there in supporting regional cooperation and economic integration.

We are also pleased to support EBRD's engagement in Greece until 2025, as well as the Bank's continued efforts to deliver transition in the SEMED region.

We monitor with some concern a further increase in the Bank's operational costs relative to income, exceeding the 40% maximum operational level. We therefore urge the Bank to maintain a conservative approach and peruse new initiatives for income generation.

It is encouraging that the EBRD is on track with its commitment to invest in the green economy, where investments are expected to reach a share of 40% of total annual investments by 2020. This year, Israel has reengaged with the Bank as a donor, focusing on supporting green investments, to further promote environmental sustainability in the Bank's region.

Looking ahead, many challenges and opportunities remain.

First, we welcome the in depth analysis on the current region, carried out by the Bank following the last annual meeting in Jordan. This will be valuable for planning the next Strategic and Capital Framework 2021-2025.

Secondly, we support the four suggested strategic thrusts – supporting low carbon transition and sustainable infrastructure, promoting sustainable and smart cities, fostering skills, and applying and deploying new technologies – these are critical for the creation of sustainable market economies across all countries of operations.

We encourage the Bank to further develop these into its business model.

And thirdly, we would note that we perceive EBRD's capital headroom as one of the Bank's strengths. This can allow maximizing transition in the current region, consistent with evolving transition needs. A gradual and moderate geographical expansion to countries that are closely integrated with the Bank's present geographical scope has merit, but should be carefully looked at. Therefore, we can support the resolution before us today, to perform an in depth analysis of all options as the basis for the next Strategic and Capital Framework.

I would like to conclude by reaffirming Israel's strong support for EBRD's work in all its regions and look forward for further efforts to foster transition in our economies.

We would thank again the authorities of Bosnia and Herzegovina and the Bank for this successful annual meeting.