

ISRAEL

2020 Annual Meeting of the European Bank for Reconstruction and Development

Statement by Shira Greenberg, Alternate Governor for Israel

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We are delighted to participate in this year's virtual EBRD Annual Meeting. We would like to thank the EBRD staff for their impeccable re-organization and planning of this year's Annual Meeting under these extraordinary circumstances.

We would also like to thank the former President of the EBRD, Sir Suma Chakrabarti, for his service to the Bank's countries of operation and congratulate him on a successful tenure as president. His strong leadership, combined with the determination and efforts of EBRD officials and staff members in London and in the Resident Offices, allowed 2019 to be yet another successful year for the Bank.

We commend the EBRD on its strong financial position in 2019 – investing a record of over €10 billion in more than 450 project across client countries, all while maintaining strong financial sustainability and recording record profits. Additionally, we applaud the Bank's strong transition and operational results, which are at the core of its business. We would like to note our appreciation of the Bank's significant growth in business across all client countries, particularly in the Early Transition Countries and the South and Eastern Mediterranean Region.

We would like to laud the Bank's swift implementation of the two well-structure and targeted Solidarity Packages. These important initiatives allowed the EBRD to provide its clients and countries of operations with the necessary tools to respond to the Covid-19 Pandemic by supporting recovery efforts and addressing short-term needs. We appreciate that, even under the worst-case Covid-19 scenario, the Bank's capital and liquidity positions will not face excessive pressure. This serves as a testament to the Bank's strong financial position.

We would be remiss, if not to take this opportunity to thank the Bank's First Vice President, Mr. Jürgen Rigterink, for his service as acting President during this unprecedented transition period.

Looking ahead, it is clear that many challenges remain, but we see many new opportunities, as well. The current crisis has accelerated the digital transition in many of the Bank's client countries, providing the Bank with an opportunity to address this important crosscutting theme. Ensuring that client countries are supported in their efforts to establish the proper policy and regulatory environments to

address these innovations, while also supporting the private sector in adapting to the application of new technologies, is rightly a key goal of the new Strategic and Capital Framework for 2021-2025.

We also take note of the Bank's continuing interest in a gradual and moderate expansion of its geographic scope into Sub-Saharan Africa and Iraq. We remain supportive of the exploration of this idea and believe that it should be given proper and careful consideration in due time. We do believe that as a private sector-focused institution, that the EBRD can have significant added value to the already-existing operations of our partners in the region.

As we look to expansion, the EBRD must not forget its duty to its current countries of operation, particularly those further behind in the transition process. We were strong supporters of the Bank's expansion into the SEMED region and would like to see the Bank's continued support of efforts to promote regional stability and integration – both crucial pieces to the transition puzzle.

It is our belief that one of the best ways by which the EBRD can support these efforts by enhancing its investments in regional infrastructures, such as transportation infrastructures. These systems work to strengthen economic growth and build well-functioning, self-sufficient markets by increasing access, inclusion, economic diversification and international trade – all of which are goals that the Bank has defined for itself. One example of a potential partnership for the Bank in the region is the proposed program to enhance rail connectivity in the region as a part of the recent normalization agreements. The program envisions a system of rail and maritime freight and passenger routes, connecting Bank member and client countries in the SEMED region to the Gulf States – not only enhancing the efficiency of trade within the region, but also between Europe and the East. Such a program could greatly boost the growth potential of client countries and allow for EBRD investments in the region to flourish.

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

Once again, I would like to thank the EBRD staff for organizing this successful Annual Meeting during these unprecedented and challenging times.