

GEORGIA

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Nodar Khaduri, Governor/Head of Delegation

Excellencies,

Esteemed President Chakrabarti,

Esteemed Governors, esteemed representatives of the EBRD and members of the delegations,

It is a genuine pleasure and honour to attend the EBRD's 25th Annual Meeting at one of the greatest financial centres of the world – a truly enchanting city of London.

Allow me to start by congratulating the Bank on its achievement during the last year, when it managed to increase its business to 9.4 billion Euros and to invest in more than 380 projects thereby protecting the strong capital position and AAA rating of the Bank.

Although the success achieved by the Bank is evident, the world still presents new challenges to us, especially in the context of a global slowdown of economic growth.

We do believe that the Bank will support its countries of operation in overcoming new challenges and it is thus essential to focus on areas of a vivid comparative advantage and value-added with a potential of achieving a good transition impact. It is vital to dwell on a well-identified niche and consistently provide innovative ideas and financial products to its countries of operation.

We believe that a reviving economic growth in the countries of operation and worldwide is a number one objective. However, it is important that not only countries of operation benefit from the Bank's support, but a due attention is paid to sustainable development goals, which is a benefit to all.

We welcome projects and instruments that simultaneously address several challenges while protecting corporate and social values. One of the examples of this is a local-currency financing. We welcome the expansion of the local-currency financing initiative, as it supports growth by targeting certain sectors. It also provides funding for commercial banks and contributes to the development of the capital markets. This initiative is very important, as it helps to reduce the vulnerabilities of domestic commercial banks operating in the region. EBRD is now providing local currency loans in 21 countries. Turning to Georgia, EBRD's decision to issue GEL-denominated bonds in spring of 2014 was followed by other IFIs. We greatly hope that EBRD will further expand its successful work in this area.

Last year we adopted a 5-year Strategic and Capital Base (SCB) Document for 2016-2020. Today we will adopt Strategy Implementation Plan for 2016-2018 years. In parallel, strategy papers for

countries of operation are under discussions. They should demonstrate how the Bank's presence in the region helps its member countries to promote growth and economic development, how a long-term growth can be revitalised, and what is the role of EBRD in this respect.

We have to ensure that activities/reforms/projects suggested by the Bank are in line with country priorities. The Bank has to always allow the governments be in a driving sit and always try to accommodate the needs of its countries of operations.

Turning to Georgia, we have a Four-Point Reform Agenda with the following priorities:

- Facilitating a job creation by further liberalizing business and investment environment. Just as a demonstration of this policy, let me inform you that from 2017 we will no longer tax the accrued earnings until they are distributed as dividends;
- Empowering people by supporting the creation of skills;
- Strengthening Open Governance by ensuring the inclusive decision-making process and by introducing a "Single Window Principle" for all government services;
- Together with the implementation of relevant soft policies, we are investing in a core infrastructure development.

As the Agenda is identified, we need support for its implementation and expect that the Bank's activities/actions will be country tailored.

Dear participants,

In conclusion, I would like to thank the management and the entire staff of the Bank for the excellent work done by them.

Thank you.