

EBRD Alumni Association

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Update from Chair



Dear EBRD Alumni:

I would like to welcome you to our first Alumni Association electronic newsletter. We plan to issue the newsletter on a quarterly basis.

In addition to keeping you posted on recent developments involving the Association, we plan to inform on upcoming events and initiatives, include stories on selected alumni, update on developments in the Bank, and advertise opportunities for alumni involvement which are brought to our attention by the Bank, by other organisations or by alumni themselves.

As most of you probably know by now, following a smaller pre-launch event in December 2013 organised by the Moscow RO and hosted by the Canadian Ambassador to Russia, himself an EBRD alumnus, the Association was officially launched on 30 January 2014 at EBRD Headquarters in London, in the presence of many alumni residing in the United Kingdom, and an unexpectedly large participation by alumni from abroad. We are gratified both by the response to these events and the positive feedback received from alumni to the launch of the Association.

The Association is planning an Alumni event on 15 May during the Annual Meeting, at the National Stadium in Warsaw, Poland. The event is mainly targeted at alumni residing in Poland and those participating in the Annual Meeting. Entrance to the alumni event requires pre-registration with the Alumni Team at alumniE@ebrd.com but entrance is free.

We have also negotiated a 50 per cent discount for alumni on the entrance fee to the Annual Meeting and Business Forum, which will take place on 14 and 15 May. (See below in this newsletter for further details on the reception and reduced entry to the Annual Meeting, as well as the special registration procedure for alumni.)

We are moving rapidly on identifying contact details for the many alumni with whom the Bank had lost touch. We have recently added contact details for some 200 alumni, which brings us close to 1,500 alumni with up-to-date contact

details. We have also opened membership to former TurnAround Management (TAM) program Country Coordinators and Business Advisory Services (BAS) program staff.

Alternatives for building a technical platform for an alumni directory, which will allow alumni to contact each other, are being examined. In the meantime, those alumni wishing to contact former colleagues are invited to continue to contact the Alumni Team at alumniE@ebrd.com. We will be happy to help you get in touch with each other where we have contact details.

Alumni will now regularly receive invitations to professional and social events organised by the Bank. A first listing of such events is included in this newsletter.

The Association is establishing working contacts with the Bank's Business Development Unit, Resident Offices where activities are being planned, the HR Department on alumni benefit-related issues, the Staff Council, as well as the Alumni Associations of the other IFIs to leverage on their experience. Andrzej Witak, a member of our Association's Advisory Committee, is developing a "mentoring" initiative that will involve senior experienced alumni sharing their transactional know-how with Banking department staff.

I would like to welcome Michael Williams, former Director, Risk Management, to the Advisory Committee, and Tina Hoy, formerly in the Office of the President, who will be reinforcing the Alumni Team at HQ on a part-time basis.

I wish you an enjoyable and informative read! Your feedback on how the newsletter could be improved is welcome.

George Krivicky

Chair, EBRD Alumni Association

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"A Source of Lasting Pride ..." (Ron Freeman)

EBRD Alumni Association officially launches in London

Come they did, mostly from the UK and Europe, but a good number from further away – from Russia and the US (even one erstwhile Board member en route from Hanoi to Moscow via London), back not "to the USSR" as the song goes, but to the EBRD.

It was indeed a kind of homecoming for many. For 30 January was the official launch of the [EBRD Alumni Association](#) at headquarters, with some 250 alumni present, not to mention the President, members of ExCom and senior management, as well as some of the longest-serving Bank staff members.



President Suma Chakrabarti welcomes alumni

This event had taken a while to organise. Since Suma arrived, it has been his priority to reinvigorate the Alumni Association and last week's event was the kick-off to what is hoped will become a vital part of life at the Bank. The intention is of course to bring people back together, to maintain the personal connections and bonds which many of us have with former staff members. For the alumni, it is a good way to socialise and reminisce, to network, as well as to maintain connections with the Bank.

But there's also a business dimension to the EBRD Alumni Association. It can bring people together to reignite personal contacts, but it can also bring people together to do business. After welcoming drinks in the coffee bar, the event moved to the Auditorium where Suma put this thought succinctly: "A good alumni association can bring people together for business – as clients, as consultants, mentors and advisers, for personal business pursuits and for the Bank and its current employees." In a word, he said, the alumni network will "become a resource for the EBRD as well as for the alumni".

After the President's remarks, George Krivicky, Head of the Alumni Association, said a few words of welcome and of plans for nurturing and developing the Association. He thanked Communications for its active support and noted the strong interest of former staff to re-connect – as evidenced, he said, by the palpable enthusiasm in the room. After his remarks, four well-known figures from the

past took the stage, each of whom addressed the audience: Ron Freeman, former 1st VP; Nick Stern, former Chief Economist; Nigel Carter, former Deputy Secretary General; and John Taylor, former General Counsel.

Many witty and compelling things were said in the course of the thirty minutes or so of reminiscences and predictions made by the four. Of note was Ron Freeman's comment that "graduation from EBRD University was a source of lasting pride". He said that the mandate is getting more and more complex, though the alumni have "a unique perspective on the feasibility of the mandate". Nigel Carter took reminiscence a giant, amusing step backwards to reflect upon Neanderthal man (and woman) and his/her impact on the Bank, while John Taylor cast his mind and remarks back to the EBRD's very first day of operations in April 1991.



Lord Nick Stern

Nick Stern echoed Ron, spoke of his fondness and loyalty to the Bank and of its "serious, deep purpose". And it was, he said, the "way we did it" that was so unique. "All of you," he added, "chant 'sound banking principles, additionality and transition impact' during your morning ablutions – showing real commitment. Taking it a step further," he continued, "I recall Ricardo Lago even put it to the 'Macarena' and used to sing it in the OCE."



[See the photos from the event here](#)

By Larry Sherwin

Co-founder and Author of 'Monthly Barometer' Thierry Malleret recalls his time at the EBRD

Thierry Malleret, Managing Director of the Global Economic Symposium, was destined for a career as an Oxford don until EBRD President Jacques Attali lured him to the Bank in the very early days of its existence. The move was the springboard for a distinguished and colourful career in the world of international policy, throughout which Thierry's EBRD connections have formed a continuous thread. He spoke to Blueprint about the Bank's exciting beginnings and his new directions.

When did you join the EBRD and what led you to work for the Bank?

I came to the EBRD in 1991, at the very beginning. I had worked for three years in the French Prime Minister's office, first under Jacques Chirac and then under Michel Rocard, before moving to New York to work for the Institute for East-



Thierry Malleret, formerly of this parish

West Security Studies (now the EastWest Institute). Then I went

to Oxford to complete my PhD in international economics with a special focus on the Soviet economy.

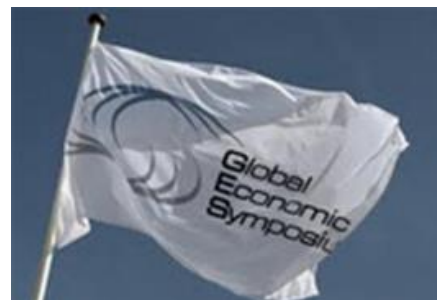
I was preparing for a career in academia when I got a call from the EBRD. Jacques Attali had read a book of mine about the conversion of the Soviet defence industry and when I met him he said: "Instead of writing about this, why don't you come and work here?" The salary was better than at Oxford, so I said yes!

What was it like working for the Bank in those early days?

I worked in the Office of the Chief Economist, John Flemming, and did a bit of everything, covering the Caucasus, Central Asia, Russia and Ukraine. It was great fun. I have phenomenal memories, including the time I went on a trip with Attali to Armenia. The airport was closed when we landed and nobody was waiting for us. We managed to get a car to take us to meet the president, who had no idea we were coming. It was unbelievable! They were pioneering times and everything was exciting.

What happened next?

I went to work for Alfa Bank in Moscow. I arrived in May 1998 and the Russian financial crisis erupted in August, but it wasn't my fault! I was at Alfa for two years and then I went to the World Economic Forum where I was in charge of the flagship programme of the Davos Annual Meeting for five years.



Thierry is now MD of the Global Economic Symposium

When I went to the WEF, they wanted to build their relations with Russia. I organised several meetings at Davos and other locations where members of the [Foreign Investment Advisory Council](#) could have very private and candid conversations with President Putin. The EBRD was very much involved and I collaborated very closely with Jean Lemierre on this. We arranged meetings with Putin on four or five occasions and I also did similar work with Kazakh President Nazarbayev.

Next I created an investment fund called Rainbow Insight, which I sold to a client. Then he and I created an advisory boutique called Informed Judgment. I got the idea for that name from something former EBRD President Jacques de Larosi re once said: "Today, everyone has an opinion, but very few people have an informed judgement."

What are you up to nowadays and does the EBRD play any part in your life?

I am the co-founder and main author of [Monthly Barometer](#), a monthly summary of the state of the world, and I'm the managing director of the [Global Economic Symposium](#), which is organised by the [Kiel Institute for the World Economy](#). I'm still very close to Jacques de Larosi re and I'm in touch with Attali and many other friends from the EBRD, including people who are ministers in the region. The Bank is a very useful source of contacts and it taught me the importance of making the right connections.

By Mike McDonough

Sowing the Seeds

A former EBRD banker takes his passion for sustainable development to Asia

Jean-Marc Debricon, who after leaving the EBRD (and working at Rabobank) became CEO of the Green Shoots Foundation, would like to hear from former colleagues willing to offer their expertise to his charitable cause.

Like many other young graduates, Jean-Marc Debricon spent a year doing Voluntary Service Overseas before starting work as a banker. More unusually, having left the EBRD's Treasury department in 2001, the Frenchman later canned his 16-year career in investment banking and went back to working permanently with non-profit organisations around Asia.

It was his wedding in 2004, while he was working at Rabobank, that finally set Jean-Marc off on this new path. Instead of toasters, he and his wife asked friends and family for donations to help a French NGO called Enfants du Mekong build a school in Cambodia. They were hoping to raise £35,000. They got £67,000, enough for two secondary schools. It was the start of an active relationship with the project, with visits at least once a year and close personal involvement.

Since then, Jean-Marc has set up The Minerva Treehouse/Children of the Mekong, a UK branch of Enfants du Mekong, which supports children and poor communities across south-east Asia. He has been a director of the Research, Education, Direction (RED) Foundation, a UK charity providing long term medical assistance and training for medical staff treating AIDS patients in Asia and eastern Europe. And he is now CEO of the Green Shoots Foundation, a charity set up in 2010 which provides finance in some of the poorest places in the world to established local projects.

Green Soots started with microfinance and has broadened. Jean-Marc's aim these days is to set up small-scale development programmes using economic development, education and medical aid in a synergetic way.

There's still something of the EBRD in the former banker's style.

"Like the Bank - and maybe this is something the Bank conditioned in me - what I'm really interested in is a kind of transition," he says.

"If you look at Green Shoots, the focus is really sustainable development, which can only be local development. It's transition. You're taking an economy, but you are getting local actors to be the prime factors for change. This is the only way that transition can be sustainable."

Green Shoots Foundation now works in six countries across greater Asia. The most recent among them, in what must feel a back-to-the-future twist of fate, is one from the EBRD's area of operations, the Kyrgyz Republic, where the charity has launched an HIV/AIDS initiative.

In September 2013, Jean-Marc arranged a two-week HIV medical fellowship in some of London's best teaching hospitals for two Bishkek doctors. Dr Gulmira Djumalieva, the head of the Infectious Disease Control Centre, and Professor Ainura Kutmanova of the Bishkek Medical Academy were flown to the UK, where Green Shoots arranged for them to have an intensive fellowship at hospitals including the Chelsea and Westminster and Royal Free. Green Shoots looked after all associated out-of-pocket expenses: flights, accommodation, meals, and even a local mobile phone, all (due to careful budgeting and the judicious use of donated expertise) for a modest £3,000.

"It had a huge impact," he said, especially since Dr Djumalieva plans to make changes to national HIV/AIDS policy and Professor Kutmanova's 300 medical students will also benefit from the knowledge she acquired.

He plans to organise more such visits and is also eyeing nearby Tajikistan for possible engagement there.

That isn't the only contact Jean-Marc has – or would like to have - with the EBRD. He would also like to interest ex-colleagues in offering their expertise, on a voluntary basis, on Green Shoots projects.

For the moment, there's only one Kyrgyz project up and running, though Jean-Marc is looking out for further possibilities. But Green Shoots is also active in India, the Philippines, Vietnam, Cambodia and Myanmar. In the Philippines, for instance, it works with Gawad Kalinga, a community-building NGO that has provided houses for one million impoverished Filipinos over the last 12 years and is now concerned to foster a healthy business environment in the new communities. It's the fostering of social entrepreneurship, in particular, that Jean-Marc thinks might mix well with EBRD know-how.



In the Philippines with the head of Gawad Kalinga

“Business mentoring could appeal,” he said. “If you look at programmes that have social entrepreneurship in them, whether for the rural or urban environment (typically slums), we’re really looking for people who have business experience.”

“Maybe they could let those projects benefit from their experience remotely - by email or Skype conversations on a regular basis with the local team, helping them write a business plan or address issues in implementation, and monitoring what’s going on, and mentoring them. That could be one aspect.

“And maybe they could say, ‘right, now, we’ve done the remote thing, let’s go and visit them’. There’s nothing more satisfactory than going there and saying, ‘let’s spend two days or a week or more with these guys and see what my contribution was and what I could do next’. So that could be an option too.”

“The message I would like to convey to my former colleagues is not just that there is a life after banking - but also, that whilst in banking, one can do things to impact positively on the life of others.”

By Vanora Bennett

NEWS FROM THE BANK

Historic Western Balkans Summit at HQ

EBRD hosts gathering of regional leaders

On 24 February, the EBRD hosted a forum grouping the Prime Ministers of Albania, Bosnia and Herzegovina, Croatia, FYR Macedonia, Kosovo,



Oleg with Albanian PM Edi Rama

Montenegro and Serbia. It was the first time heads of government of the seven countries from this part of Europe had gathered at one table. There were more than 500 participants, including hundreds of existing and potential foreign investors, 70 media representatives, and European dignitaries from Commissioner Stefan Füle to the UK's Kenneth Clarke and William Hague. Here, Blueprint talks with Senior Political Counsellor Oleg Levitin, the driving force behind the forum.

How did you come by this idea?

I've spent more than 25 years working on and in the Western Balkans - a region I love and deeply care about. In the 1990s, I was part of international efforts to settle the Yugoslav crisis, stop armed conflict ravaging this beautiful region and negotiate peace deals. This was when I came to the conclusion that, alongside the gravitational pull of the EU, truly inclusive regional cooperation would be vital for stability in the Western Balkans. Although not a panacea, this is one of the best tools available to keep the region on track.

You were also behind the meeting with PMs in Zagreb in 2010...

I've been promoting the idea of a high-level forum as a boost to regional cooperation for many years. This led in 2010 to a meeting between the EBRD and six prime ministers on the margins of the AM in Zagreb. Monday's event was a huge step forward, not just because this time we brought one more prime minister on board, but also because we made possible something bigger: the first all-inclusive summit of the prime ministers of this region. For me it was a dream come true to hear, at a lunch hosted by our President for the Western Balkan prime ministers, open and friendly conversation between them - still through interpreters, certainly, but very much in the same language in terms of compatible ideas and a shared vision for the future.

What are the practical benefits of regional cooperation?

Regional cooperation is an important achievement of the Western Balkans - it does not yet exist in some transition regions where the Bank operates. By reducing tensions and strengthening regional stability, it creates the key

pre-condition for sustainable development. Practical benefits stem from the enhanced competitiveness of these relatively small economies, and the increased attractiveness of the region as an investment destination.

Tell us more about this mysterious Gymnich formula which we saw mentioned in the Agenda

This is not advanced maths, just an old Balkans trick. It means that the dignitaries' name plates contain neither the names of the countries they represent nor their titles, only their names and family names. This formula makes it easier to bring together all parties, given the existing name-related disagreements and the varying degrees of mutual recognition between some of the countries. That is crucial, given constraints that stem from the fact that this Bank is many things, but is also an international inter-governmental organisation.

What was the ultimate objective of the 24 February forum and do you think it was achieved?



This was a complex event combining political, policy, and investment promotion

aspects, and the objectives were multiple. We successfully promoted the Bank and its unique role in the region. This was one key objective - since it was the EBRD at which these seven prime ministers agreed to come together and not anywhere else. Monday's forum was used, among other things, to unveil several recent Bank initiatives crucial for supporting sustainable growth in the region, from SBI, with its focus on support to SMEs, to initiatives to improve the region's investment climate.

Equally importantly, this highly publicised summit also sent a strong political message to the world about the newly achieved maturity in the once-troubled Western Balkans. This was both the Bank's contribution to this region's stability, and also a clear signal to potential foreign investors. The idea behind this forum was to present the Western Balkans as a region - not just a group of individual countries - as an attractive investment destination. I believe we achieved this thanks to the joint efforts of the participating governmental delegations and business community and the Bank's staff.

Our next objective was to engage regional leaders in serious discussion on the prioritisation of regional projects and improvement of existing coordination mechanisms. We sought to bridge the gap between the

existing high level of political commitment on their side and the way it translates into concrete cross-border projects. All discussions, from the business panels chaired by the Banking MDs and Directors on, focussed on the underlying theme of facilitating truly regional projects. These went from physical transport links, with a focus on the involvement of the private sector, to energy links and new energy diversification opportunities; cross-border expansion and investment in the private sector fostering a regional market; and pooling co-financiers to further develop regional investment vehicles.

I was particularly encouraged by the reaction of the prime ministers to the idea expressed by the EBRD President, both in his opening address and during the working lunch, that the summit on 24 February ought not to be a one-off event but should serve as the beginning of regular top-level dialogue to improve coordination of regional policies. The need for better coordination is apparent both among the recipient countries and among the EU, IFIs and other key stakeholders.

A last question: why now?

The current level of mutual rapprochement, particularly in view of the ongoing dialogue between Belgrade and Pristina and the region's progress in EU approximation, opens up previously undreamed-of opportunities for cooperation and business. Today, the Western Balkans is more stable politically and in terms of security than at any point in the last 20 years. At the same time, this region remains fragile, and not just because of the remnants of inter-ethnic tensions. Social tensions are high, as highlighted by recent events in Bosnia and Herzegovina. After years of socioeconomic hardships, there is a degree of erosion of trust in institutions and political establishments. Citizens expect, if not immediate benefits, then a greater sense that their countries and economies are moving in the right direction, and it is in everybody's interest to ensure they continue in the right direction.

By Vanora Bennett

Weather warning

Recent record-breaking winds, rainfall, temperature extremes – and the global climate change debate

With the prospect of a more variable and unpredictable climate once more in the headlines, the Bank's work to strengthen climate

resilience across a wide range of sectors

is more relevant than ever, explains Craig Davies, Senior Manager for Climate Change Adaption in the Energy Efficiency and Climate Change team.

While my daily work focuses on climate resilience in the EBRD region, recent events have really brought climate issues closer to home. There's no denying that over the past few weeks my regular trips back to Wales have been even wetter, windier and muddier than usual. Relentless torrential rain has been drenching the hills for weeks on end, making the green fields look more like rice paddies and, most upsetting of all, resulting in an enormous ugly landslide at my favourite surfing beach at Rhossili on the Gower Peninsula. With the access paths and much of the beach closed off, it will be a while before we surfers can get on the waves again – not that we would want to in the current stormy weather!

Travelling back to London only served to remind me that many other parts of the country have also been enduring some severe and exceptional weather. Large parts of the Somerset Levels have been under water for weeks, with southern England experiencing the wettest January since records began. Parts of the country less accustomed to extreme

weather, such as the Thames Valley upstream of London, have seen unprecedented floods affecting thousands of homes and

businesses.

And it's not just the UK that has been experiencing record weather extremes. Within the last few months alone, we have seen devastating storms in the Philippines with previously unheard of wind speeds of up to 195 miles per hour; record-breaking low temperatures paralysing cities across North America; and the most severe drought in California for more than a century. Meanwhile, many Australian cities have experienced the highest temperatures ever



Rhossili Beach after storm damage, January 2014



Rhossili Beach in Wales, summer 2013

recorded, with the authorities having to redesign their weather charts to report temperatures over 45°C.

All of this weather mayhem has fuelled fresh debate over the role of long-term climate change in influencing weather patterns. Here in the UK and across the globe, politicians, climate scientists, media and the public have been arguing passionately – both for and against – over whether greenhouse gas emissions caused by human activity are in any way responsible for greater fluctuations in our weather systems.

While there remain gaps in our understanding of the global climate system and great uncertainties over the factors that may or may not influence weather patterns, some things are unequivocal. The United States National Oceanic and Atmospheric Administration reports that mean global sea level has risen by approximately one foot since 1900, something that has a direct bearing on the devastating storms and flood damage seen around the UK coastline this winter. At the end of last year, the Fifth Assessment Report of the Intergovernmental Panel on Climate Change concluded that combined land and ocean surface temperatures increased by 0.85°C from 1850 to 2012, stating that it is extremely likely that human activity has been the dominant cause of the observed warming.

The EBRD region is not immune to extreme weather either. In June last year, the Danube basin suffered extreme flooding caused by rainfall described as a “one in 100 year event”. The devastating heat wave in Russia in the summer of 2010 resulted in economic losses estimated at US\$15 billion. Our region includes some of the most water-scarce countries on earth, such as Jordan, as well as other vulnerable countries such as Turkey where water stress has intensified at an alarming rate over the past few decades.

In 2012, Phase III of the Bank’s Sustainable Energy Initiative introduced climate change adaptation as a new strategic direction, building on pilot work that commenced in 2009. Since then, the Bank has signed €280 million of climate change adaptation finance, covering water supply improvements, industrial water efficiency and climate resilient infrastructure. The Bank has also engaged with the emerging climate finance mechanisms established by the international community, such as the Climate Investment Funds and the Global Environment Facility, to channel their resources into practical projects that help businesses and communities become more resilient to variable and extreme weather.

This has had a real impact on the pipeline. For example, the Bank is now developing upgrades to hydropower dams that take into account projected climatic variability, port investments designed to cope with continuing sea-level rise, and finance for technologies that help

businesses and households cope with extreme weather through improvements in water, energy and resource efficiency. All of this has been further reinforced by the Bank’s Sustainable Resources Initiative, launched in May last year.

With the prospect of a more variable and unpredictable climate looming large across our region, the EBRD’s practical approach to financing tangible improvements to infrastructure, assets and operations across a wide range of sectors is more pertinent than ever. It looks like this experience will be even more relevant in the years ahead.

By Craig Davies

EBRD wins IFI applause for inclusion work

Jobs are top of the agenda for most international financial institutions (IFIs) these days. With the private sector creating nine out of 10 jobs in developing countries (IFC Jobs Study 2013), IFIs can play an important role in addressing high unemployment through their investments, contacts with employers and policy dialogue.

The Global IFI Partnership for Jobs aims to help these institutions assess and maximise their impact on jobs across a range of different sectors and countries. It also focuses on young job seekers, women and people in less advanced regions, who face disproportionate barriers to finding good employment opportunities.



Barbara Rambousek wows fellow IFIs

The Partnership held its first stakeholder meeting in Washington DC in January and Barbara Rambousek, Senior Inclusion Specialist in OCE, represented the EBRD at the event, which brought together most of the major IFIs, private sector companies, technical experts (such as International Labour Organization and World Bank representatives), donor agencies and civil society organisations.

Systemic impact

Barbara presented the EBRD’s work on economic inclusion and its approach to achieving systemic employment impact. Instead of looking at the employment impact of a project simply by counting the numbers of jobs created – as is done by most IFIs at present – the EBRD focuses on the question of who can access employment opportunities created by its investment. This is especially important when trying to address youth unemployment, the low workforce



Danube floods disrupt European transport networks, June 2013

participation of women or shortages of job opportunities in economically less advanced regions.

The Bank therefore works with its clients to improve access to jobs and training opportunities for women, young people and job seekers in remote regions. Models include progression routes from training into jobs, internships, apprenticeships or improvements to recruitment and promotion policies, all of which do not rely on the creation of new jobs.



The Serbian Road Rehabilitation and Safety Project is expected to have a systemic impact on inclusion in the country

Participants at the Washington event were interested in learning more about the economic inclusion gaps identified by the EBRD in the 2013 Transition Report. These rate the institutions, markets and education systems of the Bank's countries of operation in terms of their capacity to extend economic opportunities to individuals regardless of their gender, age and place of birth.

Inclusion in action

But what the IFIs most wanted to know was how the Bank's approach to create systemic inclusion impact works in practice and how it achieves systemic impact. Barbara gave the example of the Serbia Road Rehabilitation and Safety Project, which uses innovative clauses in the procurement process to encourage road construction companies to offer on-site training opportunities to unemployed young people in rural parts of the country. These will give those people a chance to prove their skills and commitment to potential future employers. By working in close partnership with local vocational training institutions and job centres, the project will set a new standard for inclusive construction in Serbia and the wider SEE region. The National Procurement Office in Serbia is following this project with great interest and, if successful, will be looking to replicate this approach across other areas of public procurement – thereby creating systemic inclusion impact.

The International Finance Corporation and other IFIs applauded Barbara's account of the project. Stakeholders who expressed an interest in talking to the EBRD about working together in this area included the ILO and the World Business Council for Sustainable Development, a partnership of more than 200 global corporates and small businesses who are interested in maximising their socio-economic footprint.

"This is clearly an area where the EBRD has gone further than other IFIs, by working effectively with clients to open up training and job opportunities, especially for young people and women," Barbara says. "Given the enthusiastic reception given to the concept by the

Partnership, there could be real potential for future cooperation with other IFIs."

Cooperation in SEMED and beyond

The Deauville Partnership comes to tow

As the Deauville Partnership meets at the Bank on 6 February, to mark the transfer of secretariat chairmanship duties from the Islamic Development Bank to the EBRD for a year, Alan Rouso and the Islamic Development Bank's Ghassan Al Baba, head of the Deauville IFI CP Secretariat in 2013, answer questions on how the grouping arose and where it is headed.

Alan, how did the Deauville Partnership come about and what has it achieved so far?

The Deauville Partnership was created in May 2011 under the French G8 Presidency. The objective was to support democratic



transition, transparent governance and inclusive growth in the countries that went through the Arab awakening. It includes six countries: our four SEMED countries (Egypt, Jordan, Morocco and Tunisia) plus Libya and Yemen, which joined the Partnership later.

The Deauville Partnership is supported by the G8 countries, Gulf partners (Kuwait, Qatar, Saudi Arabia and UAE) and Turkey. It also brings together International Financial Institutions active in the region, such as the World Bank, IFC, EIB, African Development Bank, OPEC Fund for International Development, Arab Monetary Fund, Arab Fund for Economic and Social Development and the Islamic Development Bank (IsDB). All IFIs are part of a Coordination Platform whose secretariat rotates each year. In 2014, EBRD will host the secretariat of the platform, taking over from the IsDB.

The past three G8 Presidents – France, the United States and the United Kingdom – have pursued a range of initiatives under two tracks: a finance track and a governance track. Priorities have included private sector development, investment and SMEs, asset recovery, women's economic empowerment and development of local capital markets. Through these initiatives the Partnership is promoting policy reforms that are essential for sustainable growth and development in the Arab transition countries.

One of the most concrete achievements of the Deauville Partnership has been the creation of the MENA Transition Fund, launched during the US G8 Presidency. The Transition Fund has received pledges of over US \$200 million from a wide range of donors. It provides funding for technical assistance projects prepared jointly with

government partners in recipient countries that support public policy reforms. The EBRD is an Implementation Support Agency and has two projects funded by the Transition Fund – SME development in Egypt and water quality improvement in Jordan.

The Deauville Partnership is an ambitious project. It is designed to assist countries where the transition needs are great but the means at the disposal of the international community – partly due to the effects of the global financial crisis in the developed countries – are comparatively modest.

And what are the EBRD's plans as chair of the IFI Coordination Platform, Alan?

The IFI Coordination Platform has several overarching objectives: to identify opportunities for joint projects, policy and analytical work amongst the IFIs working in Deauville Partnership countries; to facilitate information sharing, ensure synergies and avoid duplication; to contribute to the aims of the Deauville Partnership; and to lend support the G8 Presidency in implementing its Deauville agenda. This year, we will work closely with the current G8 President, Russia. Russia's Deauville Partnership agenda focuses on job creation and addressing the problem of youth unemployment, enhancing women's economic participation and financial inclusion, developing local currency markets and strengthening public financial management.

We hosted our kick-off IFI Coordination meeting yesterday at the Bank. We discussed ways of enhancing our cooperation, especially at the country level, shared operational plans and objectives for 2014, exchanged views on the investment climate, reform priorities and financing needs in each of the Arab transition countries and considered how best to meet them combining the resources of the IFIs, G8 donors and Gulf partners. Officials from the Russian Ministry of Finance attended part of the meeting and we discussed with them concrete ways of supporting the Russian G8 Presidency in implementing its Deauville Partnership priorities.

The EBRD has a lot to offer this region as a new player with a proven track record of structuring successful projects to promote private sector development. We are working closely with the other IFIs active in the region to share this expertise, but also to learn from their experience of working in a challenging and complex environment that differs in many ways – culturally, politically, socially – from the countries that emerged from communism more than 20 years ago.

Ghassan, what are the achievements and lessons learned, in your time chairing the Deauville secretariat?

Hosting the Secretariat of the G8 Deauville Partnership IFI Coordination Platform has been an exciting and challenging experience for us at the IsDB. We have enjoyed working with two G8 Presidencies (the US and UK), IFIs and the six Arab countries in transition on various Deauville Partnership work streams. We have attempted, with the help of our IFI partners, to make the coordination platform a key component of the Deauville Partnership and an essential contributor to its work in advancing economic issues in the Arab countries in transition.

The Deauville Partnership process has definitely brought participating IFIs closer and has greatly facilitated the

coordination of assistance to Arab countries in transition amongst IFIs.

Since its launch over two years ago, the Coordination Platform has brought together international and regional financial institutions to basically become a community, and the main task of the Secretariat is to keep community members actively engaged in the overall Deauville Partnership process and the various work streams. For example, the quick launch and roll-out of the Deauville Partnership Transition Fund in December 2012, and the subsequent approval of some US\$ 140 million worth of projects, to date, would have been extremely difficult, not to say impossible, without the active involvement of the Coordination Platform.

We are particularly indebted to the UK's Foreign and Commonwealth Office and the EBRD for the work on the investment conferences in Tunisia, Egypt and UK. We firmly believe that the Secretariat is now in the capable hands of EBRD and we look forward to working with Alan and his team, under Russia's G8 Presidency, to strengthen this partnership of like-minded partners. Arab countries in transition are still facing formidable challenges and uncertainty, but by working together we will be able to achieve greater impact in these countries.

By Vanora Bennett

Davos: 2014 Themes and Possible Implications for the EBRD

Piroska M. Nagy, Director for Country Strategy and Policy in OCE, summarises some of the WEF's global themes and offers some implications for the Bank

"Moderate optimism" seemed to be the main sentiment this year in Davos

Outlook for global growth has improved and tail risks such as the collapse of the eurozone have waned. The global economy is "normalising" in this sense but at a much lower potential growth level than pre-crisis, and at a level that does not generate enough jobs in many countries, particularly among the young. The latter is particularly worrisome in peripheral Europe and North Africa.

Risks of "secular stagnation"

Larry Summers has brought back this term from the early 1940s, describing a situation of permanently deficient demand after a major economic shock. Though the US economy had recovered from the crisis by 2009, it has not managed to reach its growth potential since then. While supply side (structural) factors played a role, Summers saw this fundamentally as a problem of deficient demand. The policy implications were more government spending on infrastructure and education. In countries where fiscal space existed this meant fiscal stimulus; in others it meant shifting expenditure to those two sectors. For the EBRD this may imply confidence in country policies where, in addition to focussing on critical structural reforms, the authorities have the fiscal space

(ie low public debt) and the capacity to absorb fiscal spending (low import content, among others.)

In Europe the asset quality review and stress tests must be credible

Markets look to the ECB to deliver that after two failed earlier efforts led by EBA and national regulators. ECB President Draghi along with a number of EU dignitaries pledged a credible test and argued that there were enough private and public backstops to fund any capital shortfall resulting from the stress tests. President Draghi said that AQRs were a precondition for the implementation of the banking union project that was advancing well. He did not see serious risks of deflation in the eurozone at this point, and he offered assurances that the ECB had enough instruments – including the widely reported possible loan portfolio purchases – should the need for action arise. The Bank continues to inform relevant European authorities on the banking union project under the Vienna 2 Initiative, with a special focus on non-EU countries that are excluded from it but whose banking sectors are dominated by eurozone-based banks.

Tapering is a “sign of success” that signals normalising economic conditions, but it will bring about major discrimination among emerging markets as liquidity to that asset class recedes

The end of the commodity super cycle will also put pressure on EMs. Poor domestic policies and economic fundamentals will be punished. This message was widely shared in Davos, including by the EMs themselves. Perhaps related but still surprisingly, there was no sign of panic about the emerging market sell-off that was gathering pace on global markets, triggered by the Argentina's devaluation. OCE's latest macroeconomic forecast, released just before Davos, made sound domestic policies its key theme. 2014 may be a year of heightened market volatility, even if the trend is toward “normalisation.”

Concerns over financial stability over the medium term remain

Notwithstanding major improvements in bank stability, significant risks remain (opacity of derivatives) and new ones have arisen (bank centralisation risk as a result of the crisis response). It was not at all clear if financial sectors are safe enough going forward. And authorities' ability to mount a crisis response as in 2009/10 has much reduced. EBRD's continued focus on the financial sector appears fully warranted. Finding local sources of funding is a policy urgency and the Bank's local currency and capital market initiative remains highly relevant. The Bank will most likely remain highly additional in the next years of tapering and cross-border deleveraging.

Business focuses on subnational governments

As an innovation, Davos brought together the mayors of the world's largest cities with 100 global businesses to address issues such as youth unemployment jointly. In general, business seems to turn to subnational governments, which it deems more action-oriented than central governments and whose buy-in for global business presence and social acceptance was critical. In this context, governance at the subnational level is getting more scrutiny. The Bank's work with municipalities may get a boost from heightened focus on

local level governance, and better local governance would help our business in general. The Bank's work on obstacles to business at subnational level (see the study on Russia's diversification) along with the World Bank's Doing Business at the subnational level can help accelerate this process.

The world's “infrastructural deficit” was at the top of the Davos agenda

It is recognised as a challenge both in advanced and emerging economies. The Australia has kept it on the G20 agenda. Our very own Thomas Maier, who holds the prestigious position of head of WEF's Global Agenda Council on Infrastructure, moderated a panel on this, indicating the Bank's strong credibility in this area.

The shifting energy landscape with “unconventional” shale gas and, down the road, solar energy, got a lot of attention

Shale gas is expected to become mainstream outside the US too in the not too distant future. The US is turning energy independent and its competitiveness has benefitted enormously from a 2/3 drop in energy prices in the wake of shale gas development. The EU is trying to balance climate change concerns with competitiveness and energy security. UK PM Cameron urged a development-friendly EU-level regulation. China at the same time seems to be betting on solar energy to address green concerns and an ever worsening pollution problem. Subsidy cuts particularly in the SEMED region and carbon pricing were stressed. The world seems to be moving away from the earlier cautious approach to shale gas. At the same time, regulatory clarity is necessary for any future investment in Europe.

Healthcare has jumped high on Davos' agenda as new technology allows more effective and widespread prevention and personalised treatments with high impact

Healthcare is wealth-creating; not (only) the other way round. Health can be thought of as a renewable resource and a key investment in human capital. There was no question about the role of the private sector in healthcare. In fact, in the search for efficiency and less imposition on public resources, the general trend is for more private sector engagement.

Food security remains on the agenda

Food security was discussed though with a less alarming tone, perhaps reflecting recent record crops. Technology and investment are key, including infrastructure. The new emphasis is on linkages to other sectors: healthcare (nutrition and obesity dimensions) and infrastructure to reduce still staggering - up to 40% of crop - loss due to poor transportation and storage. Private sector is the main actor to deliver food security and in this context the Bank's Food Security Initiative is highly relevant. The Bank could explore linkages between food security and healthcare, a recurrent theme of the WEF.

The Australian G20 presidency

Finally, the Australian G20 presidency has produced a lean and action-oriented agenda: trade (against rising risks of protectionism); fighting tax evasion in the global setting; combating the world-wide infrastructural deficit particularly via the private sector; concluding the reform of the financial sector; and better global governance, under which Australian means less not more government.

The Bank is engaged on the infrastructural deficit agenda already.

By Piroska M Nagy

UPCOMING EVENTS

CULTURAL

The EBRD Cultural Programme has brought film, art, photography, music, song and literary discussion from the countries of operations to the Auditorium and Coffee Bar area at headquarters. Events are held regularly, usually begin at 6.00 or 6.30pm, and are preceded by a drinks reception in the coffee bar area. All events are open to the general public. If you would like to attend any of the events, or to be kept informed, please e-mail EBRDevents@ebrd.com and ask to be put on the mailing list. Advance registration is necessary for all events.

Polish film screening, 'Walesa: Man of Hope' Monday 28 April

As part of Kinoteka, London's Polish film festival, the EBRD will screen *Walesa: Man of Hope*, a 2013 biopic directed by Andrzej Wajda, starring Robert Więckiewicz as Lech Wałęsa.

Tuvan throat-singing in collaboration with English folk and rock Thursday 10 July

Singer, composer and master of traditional Tuvan throat-singing, Radik Tyulyush will be performing at the EBRD alongside his friend and long-time collaborator, English folk and rock musician Lu Edmonds. Not to be missed!

An evening of jazz with Baltic All Stars Thursday 25 September

Three acclaimed jazz musicians from the Balkans and UK double bassist Tom Mason combine to form the Baltic All Stars ensemble for what promises to be an evening of fabulous jazz music at the EBRD. Get in quick for this one!

Bulgarian contemporary art exhibition Thursday 9 October

Renowned Bulgarian contemporary painter Greddy Assa, who is turning 60 this year, will be exhibiting a selection of his works at the EBRD. The exhibition will be launched with a drinks and canapé reception.

Celebrating "The Hidden Gems of Belarus" Thursday 20 November

An evening celebrating "The Hidden Gems of Belarus" featuring art and photography from Vladimir Kulikovskiy and Vladimir Shappo, and a concert of traditional music featuring Tatyana Chirkova (viola) from Belarus; Polina Shepherd, originally from Kazan, now resident in the UK; Hilda Bronstein, performing in Yiddish and Belarusian; and the London Russian Choir. Nigel Roberts (author of the Bradt Guide to Belarus) will open the exhibition. Organised in partnership with The Together Plan, a charity supporting community empowerment and capacity building in eastern Europe and the former Soviet Union, this promises to be an evening of inspiring entertainment.

