

NEWSLETTER No.14

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EBRD Alumni Association, Washington DC

Chapter Get-together, 26 October 2017



EBRD alumni are cordially invited to the next get-together of the Washington, DC area chapter which will take place at 6 p.m., Thursday, October 26, in downtown DC. This event will provide a unique opportunity to reunite and network with alumni colleagues and friends, as well as to hear from a few prominent alumni. See the [Upcoming Events](#) section for more information about the event. To register please click [here](#).

CLICK HERE TO REGISTER

Charitable Appeals

Caribbean - The African-Caribbean Network at the EBRD would like to raise awareness to the plight of some islands in the Caribbean that have recently experienced an unprecedented natural disaster. It is raising money for the humanitarian effort that is currently underway as a result of the devastation caused by Hurricanes Irma, Maria and others. Many people will have had everything taken from them, with little or no recourse to insurance coverage.

Please donate what you can via the [GoFundMe](#) page which the EBRD African-Caribbean Network has set up for this purpose.

Mexico - You may have seen the amazing scenes of solidarity and of the strong involvement of the Civil Society following the recent earthquake in Mexico, who have been removing rubble and collecting and distributing emergency supplies to those affected. These efforts are transitioning to the relief and reconstruction of thousands affected. There are a number of channels to send financial support from abroad. For instance, Salma Hayek with the George Harrison Fund for UNICEF will match donations for the Mexican victims, and support the children in danger.

To contribute, please go to www.crowdrise.com

ALUMNI ASSOCIATION NEWS

Message from the Chairman



Welcome to the October 2017 issue of the EBRD Alumni Association newsletter, the 14th in our series. This edition includes an article on the successful alumni get-together at the Bank's Annual Meeting in Nicosia, Cyprus, as well as three informative interviews with prominent alumni who are playing key roles in EBRD-funded projects. We also bring you updated information on how alumni can help the Bank in its business development efforts; a series of articles featuring EBRD staff with whom many of you will be familiar; stories focusing on the Bank's promotion of gender equality; and information on recent Bank projects and activities.

We are now preparing further events for regional alumni chapters, following the ones held in Warsaw and Nicosia earlier this year. These will include a get together in Montreal on 12 October, and one for the Washington, D.C. area, set for 26 October. The Association's Global Annual Reunion will take place in London at EBRD Headquarters at the end of January, where we hope to see as many of you as possible. As those of you who participated in previous gatherings will know first-hand, these events provide unique opportunities to network, to reconnect with former colleagues and friends, and to meet members of the Bank's management and staff. The events are open to all alumni, regardless of where you worked in the EBRD. They are very much appreciated by our members, as can be heard in testimonials recorded in the following short videos about the Association: [video 1](#) and [video 2](#).

We would like to congratulate Natalia Arkhipova, our former Alumni Association Coordinator, who has just left us to take up a permanent position with the Communications Department. Natalia has provided excellent support to the Association during the past two years, for which we are most grateful, and we wish her all the best in her new role. Svitlana Coppola has now taken on the role of Alumni Association Coordinator. Svitlana has been with the Bank since 2000, and we look forward to capitalising on her extensive knowledge of the EBRD.

I am pleased to report that our membership has grown by an additional 150 since our previous newsletter, and now totals 2,650 alumni. We have just completed a major update of our alumni database. Links to some 1,900 LinkedIn profiles have now been added to the

membership directory, which all alumni can access through the Association's password-protected website. We are sure that this information will prove invaluable to you. The profiles show up-to-date information on the activities of most of the Bank's alumni and can help alumni in re-establishing direct contacts among themselves.

A new intranet has gone live at the Bank. It includes a dedicated section to better inform staff about the Alumni Association and stimulate their interest in our activities.

The Association increasingly acts as a clearing house on a wide spectrum of matters that interest alumni. These include, for instance, putting alumni in touch with each other for peer-to-peer assistance, identifying appropriate contacts within the Bank on HR-related issues or project ideas, and much more. Most recently, the Association was instrumental in identifying from among its membership a candidate for a key position on the board of trustees of a charity that works in the UK and Bosnia Herzegovina. The individual was eventually selected for the post.

We have reported in past newsletters on the substantial progress made by the Bank in strengthening the structure of the medical cover continuation plan for the benefit of alumni who had opted for the cover. In part, this progress reflected the Association's input. Important issues still remain concerning certain aspects of the plan, and we will continue to encourage the Bank to address these on a priority basis, offering our constructive input along the way. Only a minority of alumni are covered by the plan, and for confidentiality reasons their names cannot be shared with us, so we would encourage them to identify themselves to us at alumnie@ebrd.com. This will enable us to draw on their experience and concerns in our further interactions with the Bank.

We are continuing to work on a number of initiatives, on which I hope to be able to report in future newsletters.

Lastly, it is with great sadness that we must inform you of the recent passing away of our colleague and member of the Association's Advisory Committee, Johanna Brown. We also learnt that Mme France de Larosière, wife of our former President passed away in May. In both cases, should you wish to express your condolences, please, please [get in touch with us](#) so that we can provide appropriate contact details.

**George Krivicky, Chairman
EBRD Alumni Association**

Nicosia finale: An upbeat alumni reception

Attributed (incorrectly as it turns out) to the Chinese, a popular adage has it that “a picture is worth 1,000 words”.

At the now-traditional alumni reception during this year’s Annual Meeting and Business Forum in Nicosia, Cyprus, it was not one picture, but [135 photos](#) that were worthy of comment. They revealed a convivial, happy group of people (87 in all), including the President and smiling ExCom members past and present, the occasional Board director (also past and present), not to mention scores of former Bank employees and current staff members mingling and chatting on a sunlit terrace.



Suma Chakrabarti, President of the EBRD and Dragica Pilipović Chaffey, VP Corporate Affairs, United Group, formerly EBRD Country Director for Poland and the Baltic states (2007-08), Serbia and Montenegro (2003-07), and Russia (1999-2003)



Phil Bennett, EBRD First Vice President and Betsy Nelson, EBRD Vice President, Risk and Compliance

The photos tell a good story – as did our Alumni Association Chairman George Krivicky in his remarks to the assembled. The story is of an Association coming into its own this year, providing a platform for social and professional networking while keeping former staffers abreast of developments at the Bank and in the countries of operations.

George’s speech outlined the achievements of the Association, launched a mere four years ago, today with some 2,600 members (and growing) who reside in some 90 countries. The search for the missing 1,300 or so alumni continues.



George Krivicky ’08, Chairman, EBRD Alumni Association

Association events include an annual reunion at London headquarters, as well as receptions at EBRD annual meetings. This is supplemented by events at regional chapters in Washington, DC, Warsaw and Ottawa, with the promise of further EBRD alumni chapters in other cities. Our quarterly newsletter provides valuable information about life at the Bank and the whereabouts and doings of past employees.



Dragica Pilipović Chaffey ’03

In Nicosia, George was followed by the inimitable, charming Dragica Pilipović Chaffey who began her EBRD career in 1991. She told a series of amusing tales of life at the Bank and experience in the field. Unfortunately, your trusty EBRD alumni correspondent was without a tape recorder or pen and paper to note down the highpoints of what was a very witty, lively series of recollections and remarks by Dragica – you’ll just have to take my word for it (or check out the photos).



In the first row: Milton Stefani, Associate Director SEMED, Christoph Sicking, Assistant General Counsel Banking, and Gregor Kastelic ’15



Pim van Ballekom '01, Suzanne Gaboury '06, Christos Christou '99 and Stephen Petri, EBRD Deputy General Counsel



Francis Malige, EBRD MD Eastern Europe and the Caucasus, George Krivicky '08, Chairman, EBRD Alumni Association, Alexander Auboeck '14 and Tomas Bravenec '11



Ole Hovland '16, Ewa Manik, EBRD Principal Fund Manager, and Catarina Bjorlin Hansen, Deputy Head of Egypt



Richard Jones, EBRD President's Office Interim Director and Cornelis van Aerssen '08

The Association website and directory are up and running and we hope that you will take advantage of what it has to offer. Plans are already crystallising for the alumni reunion in early February 2018 and we look forward to seeing you in London in the new year.

By Larry Sherwin

Philip ter Woort on the EBRD approach to business development and how alumni can play a part



Philip ter Woort, EBRD Director, Head of Business Development

I am pleased to share with you an update on the EBRD's global efforts in business development, which are taking place in London as well as from our recently established offices in Tokyo and Washington, D.C.

Although I am relatively new (April 2017) to the Business Development (BD) team, I am not new to the Bank, where some of you may have known me when I headed up the Mongolia team (2009-13) and was the first Director of the EBRD's offices in Egypt (2013-17). I have now returned to London HQ, where I have been asked to head up the BD team. These are exciting times to be involved in business development. With the Bank's revenue streams under pressure and a drive to make the organisation more efficient, it is natural that more attention is now focused on developing new business. I am therefore pleased to give you an overview of the team's many activities since the December 2016 Alumni Newsletter. I hope you will find it interesting and I hope we can identify areas where alumni can support our efforts. With this in mind, I would very much welcome your comments on the team's activities.

As you may know, in 2016 the Bank opened two BD Representative Offices, in Tokyo (responsible for outreach in Japan) and in Washington, D.C. (responsible for Canada, Mexico and the United States of America). This was the first time the EBRD had opened Representative Offices in member countries and it underlines the growth in business development.

Here is a brief round-up of the activities of these two offices since they opened.

Tokyo Representative Office

- Eleven business development visits have been made to corporates in cities such as Matsudo, Osaka, Kobe, Yokohama, Hamamatsu, Kakogawa, Nagoya, Sendai.

- The team have joined or organised 17 events.
- There have been 60 direct one-to-one company meetings so far in 2017, of which 12 were first-time visits (this compares with 121 in 2016, of which 25 were first-time visits)
- The Tokyo Office should be proud of its early successes in business development, with projects in 2016 including the Tssetsii windfarm project in Mongolia (US\$ 25 million), signed with SB Energy, and the Brisa Tyres project in Turkey (US\$ 150 million), which the Bank signed with the Bridgestone Corporation.
- For 2017, the Tokyo office reports a healthy number of new projects in the pipeline with Japanese sponsors. Together with colleagues in each sector we are working hard to turn these into reality. I hope to tell you more about these potential signings for 2017 in the next Alumni Newsletter.
- Other activities: As well as seeking out projects to attract foreign direct investment (FDI) or sponsors from Japan, the team in Tokyo have been busy working with a variety of research institutes, think-tanks and universities, as well as with trading companies, banks and non-banks, consulting firms, corporates and international financial institutions, to increase and enhance the Bank's visibility in the wider Japanese business community.
- The Tokyo team, Masaru Honma and Hitoshi Sanada, have started well and we look forward to generating more business from Japan.

Washington, D.C. Representative Office

- Fifty-six business development visits and events have taken place in North America, plus 18 events with EBRD staff as speakers.
- The team has organised 40 meetings with potential investors and 28 consultants, resulting in many leads that are being followed up by the country and sector teams.
- The Office has also supported trade and investment missions from US and Canadian companies to SEMED countries, Central Asia and Turkey, by providing the US organisers with support and assistance in identifying target sectors and partners in these regions.
- Intensive marketing has been undertaken, establishing and maintaining close relationships with leading businesses and industry associations, think-tanks, conference organisers, and so on, in order to raise awareness of the Bank's mandate and capabilities.
- Awareness of the Bank among medium-sized corporates in the USA is increasing. A number of direct enquires have been made to the Office as a result of the team's attendance at conferences organised by business and industry associations.
- Visibility in Canada is also increasing, through events – focused on our countries of operations (CoOs) and sectors – that the Office has organised with Canadian partners.

- The President's visit to Mexico this year also put the EBRD in the spotlight. We co-organised two business roundtables in Mexico City and Monterrey with ProMexico (Mexico's international trade and investment agency), where the President addressed two large groups of Mexican firms. In both cities, senior representatives attended the events. The Bank is also very pleased to now have CEMEX (a multinational building-materials company) on board, as the EBRD's only Mexican sponsor, for one of our cement projects (€50 million senior loan) in Egypt. With more efforts to raise awareness, we hope to sign further deals with Mexican corporates.
- Engagement with private philanthropic donors is now a key focus of the Bank. The Office will work closely with the newly created private-sector hub in the Vice Presidency, Policy and Partnerships to coordinate activities relating to requests for North American philanthropic funding.

Michelle Small is heading up our Washington, D.C. Office. She and her small team are doing a fantastic job of establishing the EBRD in the North American market and identifying new project sponsors. In addition to opening offices in Tokyo and Washington, D.C., the Bank has continued to work with a network of business development consultants in China, the Czech Republic, Germany and Italy. In this context, Germany is worth mentioning in particular, as alumna Hildegard Gacek is supporting the EBRD's outreach efforts in German-speaking countries. It is crucial that the Bank further develops cooperation with sponsors in countries that have been sources of FDI for our earliest regions, but also for our newer countries of operations. We have therefore been expanding our efforts, targeting the Gulf countries, China, India and Korea, as well as western European countries.

After extensive outreach to FDI countries during 2016 and 2017 we now have potential deals for our pipeline with Swiss, German, Czech and Chinese corporates. With regard to China, I would like to share with you a few points on the Bank's recent activities:

- In January 2016, China became the 67th shareholder of the EBRD.
- The Bank has become the key partner for China's Belt and Road Initiative, which affects our CoOs.
- The EBRD is also a natural partner of China's "16+1" initiative, which aims to intensify and expand cooperation with 11 EU member countries and 5 Balkan countries (all of which are our CoOs) in the fields of investment, transport, finance, science, education and culture.
- The Bank has set up the China Strategic Guidance Group and China Coordination Group inside the EBRD to guide and direct work with Chinese entities.
- As of end-June 2017 the value of joint Chinese-EBRD investment stood at €1.7 billion, of which €87 million was in industry, commerce and agribusiness.
- The EBRD has been working with top Chinese banks such as ICBC, Bank of China, and Agricultural Bank of China, in syndications in energy and infrastructure. We also have a strong relationship with the recently established Asian Infrastructure Investment Bank, New Development Bank, and Silk Road Fund.

- President Chakrabarti's visit to Beijing and Shanghai in July proved to be very successful in terms of visibility and outreach. I am pleased to report that we already have pipeline projects with Chinese sponsors (more on this in the next Alumni Newsletter).

What is the general trend with regard to FDI in the Bank's countries of operations and what are we doing about it?

- Overall, FDI inflows to the EBRD region have dropped since the 2007-2008 financial crisis. This trend is likely to continue in 2017 as firms remain risk averse, hence our regions may look less attractive relative to other FDI destinations such as Asia. In addition, the business environment in some of our CoOs may seem challenging to investors.
- Within our region, the FDI trend has also been downward due to the nature of risks in our regions, the global economic climate and geopolitical uncertainty.
- Further attempts are being made to catch these reduced FDI streams and bring in new clients, especially those with mature business models and investment flows that are likely to create a higher transition impact.

How can the Alumni Association play a part in the Bank's business development drive?

Alumni can make an important contribution to the Bank in business development. This can be done directly, by alumni presenting to the Bank, for potential financing, projects which they are leading or involved in. Or this can be done through referrals and/or suggesting that potential sponsors (from countries that are sources of FDI for our region and from the Bank's own countries of operations) approach the EBRD. In particular, alumni can help the Bank to access the highest levels within firms.

I invite you to contact the Business Development team here at HQ or in our Representative Offices to discuss ideas and opportunities.

Contact details:

EBRD HQ

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Michele Small, Head of the Washington, D.C. Office, Phil Bennett, FVP, Banking; Leonor Fontoura, Principal, Business Development and other current and former EBRD colleagues at the opening of the Office in 2016

EBRD Representative Office for Japan

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Hitoshi Sanada, Head of Business Development in Japan; Suma Chakrabarti, EBRD President; Masaru Honma, Chief Representative

By Philip ter Woort, Head of Business Development, EBRD HQ

NEWS ABOUT ALUMNI

Thomas Moser ('03)



Between 1995 and 2003 Thomas Moser worked for the EBRD's Natural Resources team, for the President's Office in London and as Head of the Bank's office in Baku. After leaving the EBRD, he worked for two years in the oil and gas sector in the Caspian Sea region and, since June 2006, he has been managing a number of investment projects in Moldova, including the development of Giurgiulești International Free Port by Danube Logistics SRL. Giurgiulești International Free Port, located on the maritime section of the Danube, is of great importance to Moldova as it facilitates the country's exports to more than 40 countries and enhances its energy security by facilitating the import of oil products from multiple sources. In 2016, Thomas was elected president of the European Business Association (EBA) – one of the leading business associations in Moldova.

What are your main memories from your time at the EBRD?

As a young banker in the Natural Resources team, I was involved in the financing of large-scale foreign direct investments in remote locations in Siberia and Central Asia – truly exciting projects which significantly contributed to the development of the respective countries. During my time in the President's Office, I had the privilege of closely observing and learning from the work of the Operations Committee and the Executive Committee as well as the Board. Furthermore, I had the pleasure of accompanying the President on numerous trips to the countries of operations and of experiencing the Bank's policy dialogue at the highest level. Working for the Natural Resources team and for the President's Office was excellent preparation for my final position at the Bank, that is, management of the Resident Office in Baku.

Tell us a bit about what you have done since leaving the Bank and what you consider to be your main achievements.

Following my departure from the Bank in 2003, I initially joined a dynamically developing, private oil company in Azerbaijan, which had ambitious plans to expand in central and eastern Europe. Since 2006, I have been managing various investment projects in Moldova, including the development of a nationwide network of petrol stations and, most notably, the construction and

operation of Giurgiulești International Free Port, which I continue to manage today.

You are Chairman of Danube Logistics SRL, which owns and manages the Giurgiulești Port, and which has received financial support from the Bank. Tell us a bit more about the Port, its prospects, and some of the challenges you have faced.

The EBRD has supported since 1995 the development of Moldova's first and only port with access to international waters. In 2013, the EBRD arranged US\$ 24 million in long-term debt financing, in cooperation with a leading Moldovan bank, for Danube Logistics SRL. This enabled us to build a mixed-gauge railway terminal connecting the port to the European railway system as well as to refinance short-term debts. In connection with this re-financing, the EBRD replaced Credit Suisse International as the financial investor benefiting from a profit-participation arrangement.



Thomas Moser speaking at the Moldova Investment Outlook Session, EBRD Annual Meeting and Business Forum 2017

Danube Logistics is entitled to 120 hectares of land for development of the free port including its business park. Considering the available land and Moldova's increasing exports of agricultural and manufactured goods, the port has considerable potential to grow in the coming years. Our aim is to realise this potential in collaboration with Moldovan and international companies that are actively trading goods in the country and the region. The rehabilitation of the port's hinterland infrastructure, which the government undertakes with financing provided by the EBRD, will help to ensure that these plans become reality.



Do you have any words of advice for alumni interested in approaching the Bank for financing or referring potential clients to the EBRD?

In many respects, it is relatively easy to work with the Bank as an alumnus. We understand the Bank's requirements. I can recommend to any alumni to continue to cooperate with the EBRD. The Bank remains

a strong and reliable partner that can, in addition to its own financing, mobilise substantial co-financing from commercial banks.

You are the President of the European Business Association in Moldova. Why did you take this position and what is your role and that of the organisation?

The EBA is one of the leading business associations in Moldova, operating under the auspices of the European delegation. Its members are primarily European companies that have invested in Moldova and Moldovan firms which actively trade with the European single market. The EBA's objectives are to improve Moldova's business environment, to promote business between Moldovan companies and companies located in the EU and to enhance the capacity of its members. As President of the EBA, I am engaged in policy dialogue with the government on a broad range of business environment issues and can use the knowledge and experience that I have gathered while working for the Bank.

You have attended a couple of Alumni Association reunions in London. What are your thoughts about the Association?

I believe that the launch of the EBRD Alumni Association was a great idea. It enables us to stay in touch with the EBRD and our former colleagues. As many alumni are today in leading positions, the gatherings have developed into excellent networking events.



Thomas Moser '03 in the company of Olivier Descamps '15 and his wife at the Alumni Reception, EBRD Annual Meeting and Business Forum 2015

By Larry Sherwin

Witold Radwanski ('95)

Witold is the Managing Partner at Krokus Private Equity, a company which since 1995 has managed the funds NFI Magna Polonia, Prospect Poland Fund, Nova Polonia I and Nova Polonia II. Witold is/has been on the boards of many companies, including: member of the Supervisory Board of Polwax, Termo Organika, Helios, Polmed, BZWBK, CARESBAC-Polska SME fund and others. From 2008 to 2012 he served on the Investment Committee of Poland's National Capital Fund (KFK).

Prior to the formation of Krokus in 2005 via a management buyout, Witold was President and CEO of

AIB Fund Management and before that CEO of Chase Fund Management, Chase Manhattan's fund and asset-management subsidiary in Poland.



From 1992-95, he worked for the EBRD, where he was deputy head of the Warsaw office, playing a leading role in the launch of EBRD activities in Poland.

From 1991-92, he served as an Advisor to the Polish Minister of Finance, working on international debt negotiations, reform and privatisation of the Polish banking and insurance sector, and coordination of foreign aid programmes for the Polish financial sector. Prior to that, he was Senior Business Consultant at Business International/Economist Intelligence Unit in Austria, where he worked with multinational corporate clients on East-West trade and investments in eastern Europe.

Witold co-founded and was on the first management board of the Polish Private Equity Association. He is Deputy Chairman of the Polish Civic Congress (Kongres Obywatelski), a leading forum for policy debate, civil society and participatory democracy in Poland.

Witold holds a Master's Degree from the School of Advanced International Studies at the Johns Hopkins University and a Bachelor's Degree from the University of Sussex in the United Kingdom. In addition to Polish and English, he is fluent in French and Italian.

You were Deputy Head of the EBRD Polish Resident Office, during the years when the Bank was launching its activities in Poland. Can you share some memories from that time?

In 1992 when the Bank opened its office in Warsaw's Marriott building, Poland was going through a rapid and rocky economic, social and political transformation. For us at the Bank, trying to develop its operations, this meant dealing with hyperinflation, devaluation, market uncertainties, restructuring of whole industries, different mentalities of our local business partners, and so on. There was no proven blueprint for lending to, or investing in, businesses that were switching from functioning in a bankrupt socialist planning system to a market economy based on free enterprise.

And in this context, what I recollect most strikingly is the enormous enthusiasm and sense of mission among the Bank's staff. This feature, combined with creative thinking and always holding to the principle of common business sense, is what distinguished the EBRD from the foreign-assistance crowd. It also united us as a team with a sense of professional camaraderie.

Tell us a bit about your career since leaving the Bank in 1995. Did you find that your work with the Bank helped you in this progression?

After leaving the EBRD I joined Chase Manhattan Bank as one of their (numerous) VPs. I was assigned to set up and run a subsidiary in Poland that was going to manage one of Poland's newly launched privatisation funds. In so doing, I became a fund manager, thrown at first into the stressful world of distressed turnarounds. Later we moved to manage private equity funds, which we raised ourselves on the international markets, usually supported by the EBRD. At some point, Chase sold our company to Allied Irish Banks. However in 2005, together with my partners, we completed a managed buyout. Since then we have owned our own business.

Undoubtedly, my work at the Bank helped me in this progression, as it did for many alumni who belonged to that first wave of EBRD professionals who left to pursue opportunities in central and eastern Europe (CEE). Given that I was running a new company, I was able to transfer and replicate many of the Bank's procedures, processes, best practices and general business approach to our company. These exist until this day and have served us well in developing a reputation as a quality fund manager, investor and business partner.

The Bank has been a partner of Krokus and its previous incarnations more or less since inception. Tell us about how the cooperation with the Bank has developed and evolved over time.

One of the biggest challenges of international financial institutions (IFIs) like the EBRD is to access the SME sector effectively, which as we know is one of the core engines of CEE economies. Supporting SMEs is something the Bank has always given priority to. For 22 years Krokus has focused on Poland's top SMEs, investing in them, helping them grow and delivering solid returns. We are a natural partner for the Bank and I would say a small piece of the EBRD's "SME eco-system". Over the years and several funds, our cooperation has produced a solid base of good faith, which has translated into various benefits. For example, we can seek advice and it is easier to negotiate mutually acceptable terms when doing business together.

What have been the main objectives and achievements of the various funds in which financing from EBRD has been secured? Any investments which stand out?

Krokus focuses on making majority growth and buyout investments in the Polish lower-mid market with a preference for domestic market companies. One deal that stands out as a classic Krokus investment is Helios: Prior to our investment, Helios was a small local operator with eight traditional cinemas located in provincial towns. We implemented a strategy of rolling out in second-tier towns across Poland at a time when larger competitors were ruthlessly fighting it out in the big cities. With low competition, lower costs, and with local populations starved of entertainment, a "small-town" strategy offered faster growth and higher margins. We correctly

anticipated that a consolidation of the cinema market would make Helios an attractive acquisition target. By the time we sold the company, Helios had become the third-largest cinema chain in Poland, ranked number one in terms of attendance and occupancy rates. From investment to exit, revenues increased 13 times and EBITDA by 41 times. Helios is an example of how Krokus supports the development of a small local player into a market leader. Our involvement enabled the company to quickly develop its network and lock up market share in the provincial regions of Poland where a substantial percentage of consumers live.

What do you see as the main challenges and opportunities for equity investments in Poland these days?

I think the investment opportunity is particularly compelling at the current time as Polish businesses have begun a major transformation and maturation. Many companies have reached the limits of growth based on low costs. To grow further, they are now implementing new strategies based on more refined business models, new technologies, more advanced production techniques as well as developing products further up the value chain. Emerging leaders are actively consolidating their rivals. This is supported by strong macroeconomic fundamentals, new opportunities arising from changing demographics, technology and consumer behaviour.

At the same time, the Polish market is becoming increasingly mature regarding legal, regulatory practices, corporate governance and so on. Having said this, certain areas of the operational environment remain challenging. For example, arbitration and litigation proceedings still have a way to go.

Do you have any words of advice for other alumni considering approaching the Bank for financing or referring potential clients to the Bank?

Not surprisingly, my advice is to approach the Bank early and to be patient regarding timing. Also, be aware that the Bank is more flexible than it appears when it comes to terms. This is thanks mainly to the continued businesslike approach of its officers, despite the institutionalisation that one might expect of an IFI after so many years.

You are Deputy Chairman of the Programming Council of the Polish Civic Congress (Kongres Obywatelski). Would you care to say a few words about this institution and your role in it?

Like many of my ex-EBRD colleagues, I am not indifferent to the way CEE societies are evolving and I have actively engaged in social initiatives outside the purely business realm. The Civic Congress is a leading non-partisan forum for civic dialogue and participatory democracy in Poland. Through our conferences, seminars, debates, publications and other activities, people convene to discuss issues of common interest, develop recommendations, and communicate to the public at large information about key social, economic, cultural and developmental issues confronting Polish society.

We created Civic Congress about ten years ago with the goal of being a catalyst for change and acting as a bridge to foster the exchange of ideas between policy-makers, experts, NGOs, business, media, academia and other active civic groups. We believe it is essential to include

citizens and their organisations at the grassroots level in an active role in policy-shaping and decision-making.

You also co-founded the Polish Private Equity Association.

Yes, about 15 years ago a group of the so-called first generation of private equity fund managers got together to form the Polish Private Equity Association (PSIK) along the lines of such entities in other countries. We felt that Poland was ready for its own association and could lead by example in CEE. The mission of PSIK is to promote private equity in Poland and abroad, increase awareness, act as a networking platform, collect industry statistics, inform members about developments in the regulatory environment and articulate common positions on relevant issues.

My input was rather modest and at the creation of PSIK. Today, thanks to the outstanding work of its representatives, PSIK is a recognised force for private equity, not only in Poland but also respected internationally.

Lastly, you have attended two or three reunions of the Alumni Association in Warsaw. Please share some thoughts with us about the initiative to launch an EBRD Alumni Association and a Polish chapter

The Warsaw Alumni chapter is a welcome initiative and I look forward to its further development. Apart from the obvious networking benefits, a profile of its participants illustrates how strong the EBRD's footprint is in Poland's business community. It would be good to put this to use.

By Larry Sherwin

Bill Watson ('97)



Bill Watson joined the EBRD as part of the Hungary team, and later the Telecoms team, just as the region was opening up, and was at the Bank from 1992 to 1997. He then moved to Baring Private Equity Partners (BPEP) as a partner to raise and invest the €86 million Baring Central European Fund (BCEF). In 2004, he and his partners purchased the central European business from BPEP, renaming it Baring Corilius Private Equity. The business was sold to Société Générale Asset Management (SGAM) Alternative Investments in 2005 when Bill assumed direct responsibility for the eastern European investment process and its €156 million fund as CIO of Eastern Europe Private Equity.

After SGAM's transformation into Amundi following the 2008 financial crisis, Bill led the spin-out of the eastern European direct investment business to create V4C. He has a track record of active involvement on the boards of investee companies in Bulgaria, Hungary, Poland and Romania. Bill is currently a member of Invest Europe's Mid-Market Platform Council and a past chair of its Professional Standards Committee.

What are your main memories from having been a senior banker at the EBRD, first with the Hungary team, then with the Telecoms team, during the formative period of the Bank?

The main memory was the immediate sense of the capacity and capabilities of most of my colleagues. I joined in January 1992, coming directly from an INSEAD MBA and Wall Street. I was used to being impressed and the people I met early on, by and large, did that. Peter Reiniger and Gyuri Karady were great people to work with and did a lot to motivate the team. The Bank was staffed with very experienced and talented people, as well as a few characters. To be honest no one really knew what was right and what would work in the early days, there was no end of ideas and no end of push to get things done. Being able to do "firsts" was a big part of the appeal of being at the EBRD.

The Bank also gave me early experience in the non-financial aspects of projects and the whole realm of a more political environment. On one hand, it put you much more in touch with the impact of what you were financing; it was not just capital markets where capital was a commodity. It was about making a real go of the business and building something with the owners and management. Impact investing had not yet become an asset class, but this is what we were doing.

At the same time we had to have an eye, even then, on the political side of what was being done. The EBRD was my first experience in this kind of marketing of a project to an audience not concerned only about the numbers, and that was an important experience about the broader world.

I remember a very early negotiation in Hungary for a loan agreement. The company's management took us down to negotiating about basis points on the spread at 1am, which was crazy in 1992 when spreads were in the hundreds. Afterwards, when we started talking more informally, I began to realise that the CFO probably really did not understand most of the covenants and other things in the term sheet that had been agreed pretty quickly. But he certainly knew where the money was in the deal and was ferocious about protecting it. It was a real lesson in the limits of sophistication in finance and the environment of transition. I remember thinking — I want to invest with that kind of guy.

How did your work with the Bank prepare you for your subsequent career?

The Bank was my entry point to central Europe. Without it, I would likely never have ended up so focused on the region.

Professionally, the EBRD took me out of finance and put me into business. I think it was Ron Freeman who used to say they put the word Bank first for a reason, and we were bankers, but in this region we became much more engaged in the projects and business than I think other corporate bankers would have been. The EBRD also had

the capacity to invest equity and this set it apart as well. Really, it was about private equity investing, but no one called it that, at least back then. We sat on the boards, we worked with management. We went beyond the financing to be business partners. I learned how to do this at the EBRD and have made my career out of it. This experience, especially when there were not many real private equity funds in central and eastern Europe before 2006, gave me unique training that continues to serve me well.

The Bank has provided an equity commitment of up to €25 million to the V4C Poland Plus Fund, where you are a Managing Partner. What brought you to seek EBRD financing, how did you go about it, and how has the cooperation evolved over time?

The story goes back to the prior fund, where the EBRD and SGAM (at the time) were trying to develop a broadly focused fund. The EBRD funds team helped put my team and partners in touch with SGAM at a time when we were looking for new sponsors and they were looking to build their team. The EBRD committed to that fund and we were able to move directly to a first close and new money to invest.

The EBRD has remained a strong supporter and has now committed to the new fund. This is critical to us. After the financial crisis we lost most of our investor base as priorities and resources shifted. Without the EBRD, we really would have been back to square one; with them, we have a story to tell new investors, in other words, that the largest investor in private equity in the region remains committed to us and a believer in our strategy.

What are the main objectives and achievements of the Fund to date? Are there any investments which stand out?

We are still fundraising for the new fund. In the old fund, what stands out is the lesson of not being pressed to invest. Although our first closing was in 2006, we did not invest much before the crisis. Pricing was too high for the opportunities as there was too much money chasing deals. I can't honestly say we foresaw the crash, but somehow, buying mid-size central European businesses at 13 times earnings before interest, tax, depreciation and amortisation (EBITDA) did not seem to be a good idea. We held off, invested the bulk of the capital post-2009 and will deliver a strong performance to our investors for the vintage.

The stand-out deal was in Poland, a company called "home.pl". It is a web-hosting and cloud company, like "Go Daddy" in the USA. We bought control from the three founders, keeping them on board with a 40 per cent stake. We empowered the independent CEO to really run the business and create something a strategic investor would want to buy. We acquired the number three player in the market, merging it and capturing synergies. We sold it in just under four years at a 3.4 times return – exactly what private equity firm should be doing.

Do you have any words of advice for other alumni interested in approaching the EBRD for financing or referring potential clients to the Bank?

Like most things, it helps to know the right audience for the project. Network to find out where the project really fits within the Bank's structure and who can champion it. Then be very open about what you need and what you can offer. The Bank, like every organisation, has

constraints, so be up front to see if it really is something that can work. My experience is that they will try to make it work, but we were not dummies and today's staff are not either. You still need a strong project as that is what will get financed.

You are a member of the European Private Equity and Venture Capital Association's Mid-Market Platform Council and the Professional Standards Committee. What do you see as the main challenges and opportunities for equity investments in your region of operations?

Invest Europe is extremely supportive of the development of private equity in eastern Europe and I was lucky to get involved in the Mid-Market Council to representing the central European region, but also to promote the interests of the smaller private equity firms in Europe which I believe are under tremendous pressure as capital becomes aggregated and regulation raises the barriers to entry.

Our region has traditionally had no meaningful domestic capital investing in private equity so we must raise funds internationally. This means convincing Americans, Brits and others that central Europe is a better place (not just a good place) to invest compared to all the other markets in the world. That can be a tough sell. It also means that for smaller firms the potential pool of investors is shrinking internationally as minimum investment sizes have gone up. A €500 million fund is now considered small in private equity globally. But central Europe is not a big market and the mid-market in our region is for funds of about €150 million, the size we are targeting.

The good news is that local investors are starting to invest in private equity funds, making the industry more sustainable and normal. We hope a significant portion of our capital will come from Polish investors, for example. When the region can support its own, we will have taken another step forward.

Professional standards are not just about environmental, social and corporate governance (ESG) but that counts too. My early work at the EBRD, particularly with EGIS, a Hungarian pharmaceutical company, showed me the merit of the marriage of "risk and opportunity" in ESG. EGIS had a pollution problem, but with the Bank's support and expertise, they set up a mitigation programme and were able to answer the strategic investors' questions fully and openly. I think that helped with the ultimate sale of the Bank's stake.

We must recognise that industry in central Europe is very young and we are still learning. This enhances the need for strong and accepted professional standards – a view of what the business should look like and how it should be done. I strongly believe in holding people to account and not letting the short cuts get ingrained as practice. Invest Europe's Professional Standards Handbook (which was largely updated when I was chair) helps to set out what is good practice. For new firms, which are springing up throughout our region, it also is a great "how-to" guide to operating their firm.

You have attended Alumni Association reunions in London and Warsaw. Any thoughts on the Association?

The EBRD was an important part of my career – and one of the fun parts as well. Without a doubt, catching up with many of the people who time and distance have pulled apart is a strong appeal. But more, it is the opportunity to

meet new people who share a common interest and background in the region. It can clearly help professionally; the EBRD Alumni Association must be the broadest and most diversified Rolodex in the region. That has to be something to leverage.

By Larry Sherwin

Remembering a beautiful spirit, Ina Coretchi

Fundraising event held in memory of former EBRD Press Office Adviser, Ina Coretchi

A moving event was held in London on Tuesday 4 July in the memory of EBRD alumna and friend Ina Coretchi who lost her battle with cancer on 27 December 2012, aged just 34.

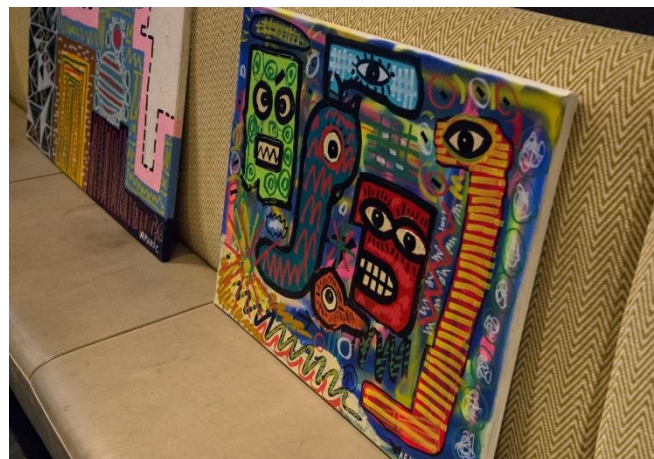
The loss of such a young life and beautiful spirit is tragic, though Ina's former colleagues are grateful for the many wonderful memories she left behind. Part of this is certainly her determination, will and strength of character in the face of adversity.



Friends of Ina gathered in the City on 4 July 2017 to raise funds for the [HOSPICE Angelus](#), the only palliative care centre in her native Moldova. Taking care of children and adults who have life-limiting illnesses, HOSPICE Angelus provides free and vital care to those in Moldova suffering from severe pain. Believing that everyone has the right to die pain-free and with dignity, HOSPICE Angelus leads the development of palliative care in the country with the vision of reaching every person who is in need of their care.

A high point of the evening was an auction of exciting abstract artwork by Ina's talented young son, Armand, with proceeds going to the Hospice.

The event raised over €10,000 for the Hospice, surpassing the family's expectations. They would like to extend a heartfelt thank you to all who came and contributed.



Mihai Coretchi (husband) and Armand Coretchi (son)



By the Communications Department

NEWS FROM EBRD STAFF

Dimitri Gvindadze on his book “The Transformation of Georgia”

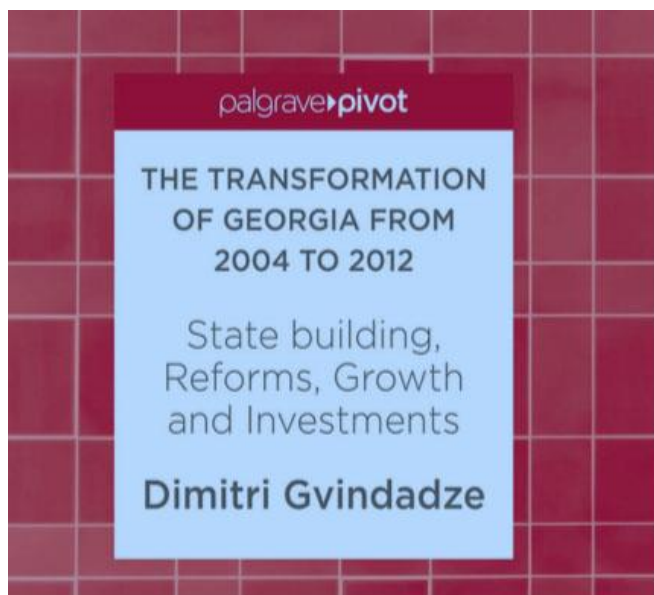
“I wanted people to start dreaming big”



When Georgia embarked on a radical reform path in the mid-2000s, Dimitri Gvindadze was part of the team, first as deputy finance minister and later as finance minister. The depth and speed of the new approach transformed Georgia and catapulted the country into a leading position in the transition process. In his new book “The Transformation of Georgia”, Dimitri, who joined the EBRD in 2014 and today is Head of Moldova, offers a candid and comprehensive account of the achievements and lessons of the Georgian experience.

Dimitri, why have you written this book?

I wanted to document Georgia’s successful transformation from 2004 in numbers and principles and to explain how and why the process became possible. I also wanted people – youth, scholars, officials, citizens – to start dreaming big about growth and development.



Do low-middle income countries reform to add one or two percentage points to their annual growth rates? Or do they do it to join, as fast as possible, a club of advanced economies? Imagine a hypothetical country with a GDP

per capita of US\$ 2,000. How many years would it take to catch up with, say, Croatia, Hungary or Poland where GDP per capita is close to US\$ 12,000? Answer: around 20 years, if the annual nominal growth of GDP per capita in dollar terms is 10 per cent. This is highly ambitious and depends on a number of internal and external circumstances. But even if all these conditions can be met, it will still take 20 years! That’s another full “Life in Transition”, with all this implies.

The only way to speed up economic convergence is to accelerate to what I call an “escape velocity of reforms.” In physics, the “escape velocity” is what it takes to escape the gravitational pull of a massive body. The stronger such a pull, the higher the “escape velocity” must be and vice versa. The same in economics: you must accelerate on many fronts at the same time. This is what we did in Georgia, and we did it despite existential national security challenges. It shows that is possible.

I was 13 years old when US President Ronald Reagan and Soviet leader Mikhail Gorbachev met in Reykjavik in 1986. That’s when the “transition” in eastern Europe started. Today I am 43 and my older daughter is 13, so I have spent my full life in “transition”. My three daughters are, hopefully, “post-transition children”.

What are Georgia’s achievements as analysed in your book?

Georgia ran a marathon run at a sprint, with high hurdles. GDP increased from US\$ 4 billion in 2003 to US\$ 15.8 billion in 2012. This translates into a compound annual growth rate of 16.5 per cent! In the same period, GDP per capita increased from US\$ 924 to US\$ 4,130. Government revenues as a percentage of GDP rose from 16 to 29 despite significantly reduced tax rates and numbers of taxes.

The banking sector matured, which is also demonstrated by the fact that today two-thirds of Georgia’s banks are premium listed in London. The number of international visitors increased from approximately 300,000 to almost 4.5 million – one of the highest increase rates globally. Salaries, pensions and incomes all rose significantly. Foreign direct investment was among the highest in the region. We overhauled and modernised state institutions and Georgia shot into the global top group in all surveys about ease of doing business. Criminals were defeated – some went to prison, others abroad. Not everything went smoothly. There are no blueprints for what we did. But you need to dare to win.

The title of your book mentions state building separately from reform. What is the difference?

The term “state building” has a much clearer directional connotation than the term “reform”. Unless reforms are bundled together into a comprehensive state-building strategy they are unlikely to trigger genuine mental and systemic change. This goes far beyond economics and includes many areas such as national security, law enforcement and the administration of justice, demographic, ethnic and public safety issues, public communication, politics and governance and the management of social expectations.

In mathematics, an equation with many unknowns cannot be solved, but in state building this is what you are trying to do. In Georgia we have shown that it is possible. One key element in all this complexity is leadership, which must be visionary, bold and altruistic. We cannot achieve

significant economic breakthroughs without ambition combined with the necessary moral compass.

What are the pivotal takeaways from Georgia's transformation?

If you want to spur high growth, substantially reduce crime and corruption, attract investors and leave backwardness, you need to pursue a multi-sectoral overhaul. Anything short of this is like treating cancer with vitamin C. No reform can survive on its own – either all succeed or all fail.

Let's take banking as an example. On top of functioning supervision and regulation, you need the proper environment: stable macroeconomics and demand for loans. This means you need to modernise public services and registries, reform the justice administration, maintain economic stability which, in turn, depends on the political will to implement responsible demand- and supply-side economic policies where public action catalyses private investment and spending. To modernise these institutions and build these services, you need money. Money comes with economic growth, and such growth depends on the image of a country which influences the level of domestic and international investment.

Even with the best banking regulation in the world you can only have a strong and independent central bank when the political elites safeguard it from vested interests and protect the financial sector from those who try to abuse banks as cash cows and laundry vehicles. This means that reforms can only succeed with the support of the law enforcement agencies.

There are plenty of similar examples from healthcare to agribusiness and from infrastructure to small business development. One common conclusion is: a sector can only succeed in the right context and framework.

Can macroeconomic adjustment be attributed to a process of state-building fostering economic convergence?

Adjustments are not about growth – they are about managing the unavoidable. Even where vested interests control large swathes of national wealth, they acquiesce to such adjustments which hit their net worth with the force of macroeconomic tidal waves. What happens next? Unless penalised and marginalised, these same vested interests continue to fight for control of state-owned enterprises, obstruct the administration of justice and prosecution of corruption, abuse privatisation and undermine the banking sector. So adjustment can be part of the process of state building, but it is nowhere close to replacing it.

(Dimitri Gvindadze, *The Transformation of Georgia from 2004 to 2012: State-Building, Reforms, Growth and Investments*, Palgrave MacMillan, August 2017)

By Axel Reiserer

Nick Tesseyman on GEFfs and the climate finance challenge



Nick Tesseyman, Managing Director, Financial Institutions, talks both about the climate finance challenge and the EBRD's role in delivering intermediated financing solutions.

Why is climate finance of critical relevance to the EBRD, probably even more so than to other IFIs?

It's because of the region we work in, which is a real laggard in terms of widespread neglect of environmental issues and wasteful use of energy.

There has been significant capital stock transformation in recent years, but in spite of this, carbon intensity and other environmental standards are still generally poor.

The average carbon intensity of our region is almost five times higher than the EU-28 average, and the level of energy intensity is four times higher. Despite our efforts, in many countries subsidised energy prices and a lack of policy interventions provide obstacles to investments in green projects.

As you know, the EBRD has been active in climate finance for many years; it's now 13 years since the first SEFF was launched in Bulgaria and in many ways we've been going from strength to strength. I don't think anyone envisaged that SEFFs would become a mainstream product when they were launched. But they did.

What happened to turn SEFFs into the new GEFfs?

Towards the end of 2015, four different events came together and prompted us to reconsider how we approached the challenge.

One was part of the development context - the adoption of the Sustainable Development Goals (SDGs) by the United Nations in September 2015. There are 17 goals and not surprisingly, one of the major themes of these goals is the sustainable use of all the planet's resources.

The Goals commit to ensure access to affordable, reliable, sustainable and modern energy and to take urgent action to combat climate change and its impacts.

Multilateral development banks such as the EBRD have a major role to play in delivering the Sustainable Development Goals. Last summer's G-7 Summit declaration called on "MDBs to use to the fullest extent possible their balance sheets... in delivering climate

finance and helping countries transition to low carbon economies”.

The EBRD was already a leader in climate finance but took on the challenge to do more, announcing a scaling-up of our contribution just after the SDGs were adopted.

Second, within the EBRD’s own strategic context, the new Green Economy Transition approach was endorsed by our Board of Directors in October 2015 and foresees €18 billion of green financing over a five-year period.

The goal is to increase our level of green financing as a percentage of our total annual investments to 40 per cent by 2020, compared with an average of around 25 per cent in the previous five years. In 2016 we were well on our way at one-third, which puts us on track to meet our ambitious goal, which we set within the framework of the Paris agreement.

Third, within the global context, came the Paris agreement of December 2015. The world’s first comprehensive agreement on mitigating global warming deals with greenhouse gas emissions, adaptation to climate change and climate finance. Each country determines its own ambitious contribution. And each “nationally determined contribution” is that country’s target.

The shift to an environmentally sustainable economy entails the transformation of markets, behaviours, products and processes. It also requires the large-scale deployment of new skills and financing of technologies.

The EBRD applies its private-sector business model to reducing carbon emissions through energy efficiency and renewable energy projects while also promoting the transfer of green technology to our recipient countries. And this private sector model gives us multiple touchpoints for making a positive environmental impact.

We work with small businesses and energy-intensive industries. We also finance residential energy efficiency and municipal services. And, via the local financial sector, we can finance both the suppliers of high performance technologies and the end-users of such technologies.

This client-driven business model combines investment, technical assistance and engagement with the relevant countries’ governments to put in place legislation which supports our investments. This is our tried and tested model, but we’ve learned many lessons over the years for doing things better.

Which takes me to my fourth factor, which is all about concrete EBRD delivery.

The Bank’s independent Evaluation Department assesses our performance and presents its findings across a whole range of projects. Their Special Study in 2015 on our financing facilities for sustainable energy found our model of implementing green investments through financial institutions to be very effective at meeting our climate objectives.

But our colleagues also identified the tendency to regard each facility as a stand-alone project. They recommended that – to improve consistency and efficiency in design and implementation of the facilities – we should “formalise it in a programmatic approach”.

And so that is what we have started to do which brings me to the present – and the future – with the launch of the standard GEFF delivery approach.

I’ve already highlighted the Bank’s intention to deliver as much green financing in the next five years as we did over the past decade. By 2020 annual green financing should be reaching €4 billion in EBRD finance of which we hope that around €700 million will be delivered via financial institutions. This will be no easy task in the current banking environment, with banks in many countries awash with cheap liquidity.

What will we have to do to achieve the results we are seeking?

We’ll have to ramp up our existing activities by applying our experience and expertise through the GEFF model to unlock and expand new markets.

We will have to strengthen our technology transfer approach to stimulate demand for measures with significant potential environmental benefits and bring suppliers of such technologies and equipment into our markets, which leads to the development of new business areas for our clients.

We also intend to support environmental projects that promote the sustainability of the use of natural resources and support pollution prevention and to avoid/reduce the degradation of ecosystems.

The goal will be to remain at the forefront of environmental finance. Since our first efforts to introduce financing for green products in 2004, the programme has been expanded to 127 partner financial institutions in 25 countries for a total of €4 billion. It’s a good result but we expect to do even more to develop this powerful combination of finance and green technology. We believe that we have a business model which works, with the joint efforts of consultants, PFIs and EBRD bankers combining to produce great results almost across the board. And now we’re working together on how to take this work to the next level.

By Vanora Bennett

Mattia Romani on EBRD enhancing cooperation on Belt and Road Initiative

All (Silk) Roads lead to China



Mattia Romani, Anna Engström, Jonathan Charles and Enzo Quattrocio at the Forum in Beijing

On 14 May the Chinese President Xi Jinping welcomed 28 heads of state and representatives from more than 130 countries and 70 international organisations at the Belt and Road Forum for International Cooperation in Beijing

to cement international cooperation for the Belt and Road Initiative. The EBRD was there with a four-person delegation – Enzo Quattrocioche, Jonathan Charles, Mattia Romani and Anna Engström.

Mattia Romani, Managing Director, Economics, Policy and Governance, talks about the new Silk Road, “globalisation 2.0”, the event in Beijing and what all this means for the EBRD and our countries of operations.

What is the new Silk Road project?

The Belt and Road Initiative (BRI), as it is officially known, was launched in 2013 by President Xi Jinping, reviving the ancient Silk Road trade routes and supporting international infrastructure development through mutually beneficial cooperation. A highly ambitious development plan, the BRI aims to develop policy coordination, unimpeded trade, financial integration, infrastructure and connectivity in the broader sense, including energy, telecommunications, e-commerce and stronger networks among people. Of particular interest is a topic that emerged strongly during the meetings in Beijing, namely, how the BRI is driving a new type of inclusive globalisation: ‘globalisation 2.0’, which strives to be of benefit to all and led by good governance principles.

Which Belt and which Road?

Indeed, the Initiative has a rather confusing title. The Belt actually refers to the land-based Silk Road Economic Belt, a series of economic and logistics corridors through Europe and Asia. The Road is, somewhat counterintuitively, the maritime route from China to Europe and is called the 21st Century Maritime Silk Road.

What does this mean for countries participating in the Belt and Road Initiative?

The Belt and Road has the potential to be a transformative initiative worldwide, mobilising infrastructure financing for ports, railways, airports and power plants in participating countries. So far, according to official Chinese sources, this has amounted to Chinese investments of over US\$ 50 billion in 104 participating countries across many sectors; total trade between China and BRI countries of over US\$ 3 trillion; and the generation of around US\$ 1.1 billion of tax revenues and 180,000 jobs for BRI countries. At the Beijing Forum we heard President Xi pledge further financing of more than US\$ 100 billion over the next three to five years through various state channels and financial institutions.

And what about the EBRD’s countries of operations?

The planned routes and investments of the BRI cover almost all of our countries of operations, particularly in Central Asia, the Caucasus, much of central, eastern and south-eastern Europe, and, increasingly, the Baltic states and the southern and eastern Mediterranean region. The potential significance for our countries of operations is substantial. The BRI can bring them increased connectivity, investment and transition impact. Investments are already under way and there is scope for these countries to access even more financing. It will be important for our countries of operations to work on getting as much value out of this Initiative as possible and this will often require reforms to promote competitive industries and improve the business environment.

What were the event’s highlights o?

The Forum was an enormous event showcasing the ambition and scale of the BRI. Half of Beijing was closed down and colourful banners proclaiming the theme of the Forum, “Cooperation for Common Prosperity and Peace”, hung throughout the city. The event aimed to bring together high-level representatives from as many countries and international organisations as possible to discuss the joint development of the Belt and Road, to encourage the development of shared responsibility for the success of the Initiative. Twenty-eight heads of state took part, including delegates from Belarus, Greece, Kazakhstan, the Kyrgyz Republic, Russia, Turkey and Uzbekistan. There were also many other country delegations with lower-level representation – including from France, Germany and the UK (with Phillip Hammond attending on behalf of Theresa May). The heads of the United Nations, the World Bank Group and the International Monetary Fund all attended, each giving a speech on the significance of the BRI for international development and the 2030 Agenda for Sustainable Development.

And lastly, can you give us a sense of the significance of the event for the EBRD?

In terms of the main takeaway from the discussions, it was encouraging for us to see a lot of alignment between the EBRD’s priorities and those of President Xi and the BRI. In his opening speech, President Xi emphasised the need for a new type of globalisation, fostered by the Belt and Road Initiative, that would be open and inclusive, would foster peace and security, and would be led by international principles of good governance. It was good to hear that four of our six transition qualities were listed by Xi as priorities for the BRI, and then echoed throughout the day: integrated, green, inclusive and well-governed.

The Bank has publicly welcomed the BRI since 2015, just before China became our 67th shareholder. By participating in the Belt and Road Forum and in many of the side events, we have taken steps to enhance the EBRD’s cooperation with the BRI. Enzo signed a Memorandum of Understanding (MoU), on behalf of the Bank, on collaboration in the Belt and Road Initiative between the Ministry of Finance of China and the other multilateral development banks (the Asian Development Bank, Asian Infrastructure Investment Bank, the EBRD, European Investment Bank, New Development Bank and World Bank Group). In line with the MoU, we also announced that the EBRD has become an official partner of the Silk Road Think Tank Network (SiLKS). This network will provide us with the opportunity to engage in multi-institutional cooperation in the BRI, including with highly regarded Chinese and international research institutions. So watch this space for more EBRD research and knowledge-creation on this topic in the months ahead!

By Anna Engström

Sue Barrett on decarbonising transport



The Transport team delivers about 10-15 per cent of the Bank's Green Economy Transition (GET) investments, primarily in railways, multimodal logistics and energy efficiency upgrades. It is now looking at ways to support the Bank's ambitious target for GET investments to account for 40 per cent of overall Annual Bank Investment (ABI) by 2020. Director for Transport Sue Barrett explains how the team is broadening its offer on low-carbon transport, identifying new project opportunities and boosting engagement in policy initiatives.

Can you tell us more about decarbonising transport?

Decarbonising transport is a huge undertaking. Globally, transport accounts for 27 per cent of total energy use and creates 20 per cent of all energy-related and process-related CO₂ emissions. Ninety per cent of the sector depends on oil and demand for transport is expected to increase by 75 per cent by 2050.

Despite the significant challenges in this sector, the Transport team has been focusing on scaling up investment linked to the Bank's GET approach. For the past three years, GET projects have averaged 30 per cent of ABI in transport and are an increasingly important value proposition for our transport clients.

However, we must do more to support the Bank's ambitious target for GET investments.

How has the Transport team adapted to this challenge?

With the support of the E2C2 team and generous funding – initially from Spain – the Transport team recruited a sustainable transport specialist in 2011. Since then, energy efficiency and addressing climate change have increasingly become a core strategic approach of the team. In 2012, along with other multilateral development banks, the Bank endorsed the Rio +20 Declaration to increase the financing of sustainable transport. And sustainability underpins our Transport Sector Strategy, approved by the Board in 2013, which sees reduction of carbon emissions as a key performance indicator.

In order to reinforce the team's GET focus, we recently appointed a dedicated GET banker who works with our sustainable transport specialist in close cooperation with

E2C2, ESD and EPG to increase our delivery of green transport investment.

Not only do we need to do more, we need to do it better and we need to communicate this better, too. We have already developed an action plan covering business development, stakeholder engagement and policy initiatives. A key aim will be to find new opportunities for green investment, for example to make better use of inland waterways.

Are you also engaging with external stakeholders?

Yes, absolutely. Decarbonising transport is an enormous challenge, which we cannot address successfully on our own. The EBRD has traditionally been an active member of Slocat, a partnership of more than 80 CSOs engaged in sustainable transport, and has worked closely with other MDBs. We are also an active member of the MDB Working Group on Sustainable Transport, and as part of this group we are jointly committed to scale up our sustainable transport financing at the Rio+20 Global Conference in 2012. We recognise that UN agencies, sector associations and external stakeholders are fundamental to addressing the challenges, as they bring both policy and technical expertise, which can complement our policy dialogue, financing and capacity building support. We have recently engaged with the International Maritime Organization (IMO) to identify new areas of cooperation particularly with regard to green shipping. This is very interesting for us, as the IMO manages several capacity development programmes funded by the Global Environment Facility and would like to partner with the EBRD to access the Green Climate Fund to deliver policy initiatives and capacity building, alongside our lending to shipping companies for the greening of their fleets. We are also discussing with the International Transport Forum, an OECD body, how to understand better the impact of green policies in the transport sector.

What has been the reaction of the donor community?

The Bank succeeds in scaling-up green transport investment by combining finance with technical cooperation (TC) and policy dialogue. Donors generously support this work, with over €11 million mobilised in 2016. It includes excellent examples of top-down policy-making, for example in road pricing in Bosnia and Herzegovina, capacity-building for climate adaptation in that country's road sector, and implementation of energy-management systems in the Macedonian rail sector. In addition, we see bottom-up, evidence-based policy-making, in which project experience is fed back to governments and the investor community, for example through the publication of policy papers on topics such as inland waterway transport. TC support is fundamental to these efforts and will remain so in the future.

More recently, the Global Environment Facility (GEF) has provided significant support, enabling the team to increase its activities in decarbonising transport. Together with E2C2, the team has successfully raised US\$ 15 million in concessional finance from GEF to fund a Green Logistics Programme (GLP), administered by the Bank, to unlock investment opportunities that support decarbonisation of the logistics sector. This programme is a flagship project for GEF in the newly developed non-grant window and will enhance the organisation's impact in the private sector. These funds will allow the EBRD to open up investment opportunities and innovation in areas

supporting decarbonisation. One of the first projects to enjoy support under the programme is an investment by Meest Express in last-mile logistics through a network of automated parcel-collection points in Ukraine.

Another example is the programme to support climate resilience investments in the port sector in Morocco, where the Transport team is working on a GEF-supported programme to help the National Ports Agency mainstream climate resilience investments in the country's ports. These are new projects for the region and, where possible, GEF funds will be used to reduce project risk and attract commercial finance.

With this support, "green" has become a key pillar of the Transport team's value proposition. It allows us to introduce our clients to opportunities of which they may be unaware or are unable to exploit without our support.

Is there appetite for green investments in transport?

Our clients increasingly appreciate the benefits of green investments, not only as a way to reduce their costs, but also to mitigate environmental risk.

However, green technologies and transport modes remain underdeveloped in many of the Bank's countries of operations.

We need to focus our efforts on promoting transport modes that are more climate friendly, such as railways, logistics, inland waterways and green shipping. We also need to support intermodal operations, such as investments in roll-on-roll-off vessels that transport trucks and trailers by sea. In this way, we can deliver more GET investments.

With regard to inland waterways, we signed our first project in 2016, in Brcko, Bosnia and Herzegovina, and we plan to undertake more ventures of this kind. The sector has suffered from underinvestment, but is gaining attention from governments – for example in Egypt, Poland and Ukraine – keen to address the lack of investment and to decouple carbon emissions from economic growth. A recent seminar on inland waterways, organised by the EBRD in Rotterdam, attracted much interest and I am sure we will see valuable projects emerging in the near future.

We are also exploring opportunities linked to alternative fuels and are ready to facilitate the deployment of electric vehicles. Green shipping will be another area of focus in 2017-18 as new regulations on ballast-water management and emission-control zones drive investment in low carbon fuels, such as liquefied natural gas. The team has begun work on initiatives that will bring innovation to the sector, for example the possibility of using new service companies to help fund retrofit devices on shipping fleets.

But the work is not all about climate mitigation. Climate adaptation has also gained momentum in recent years. In this area the team has led the way by introducing climate resilience projects in the port and road sectors. These projects will soon be followed by the forthcoming initiative in the Moroccan port sector.

The challenges are of course numerous, but we are excited about the future and the opportunities it holds for us to make a real difference.

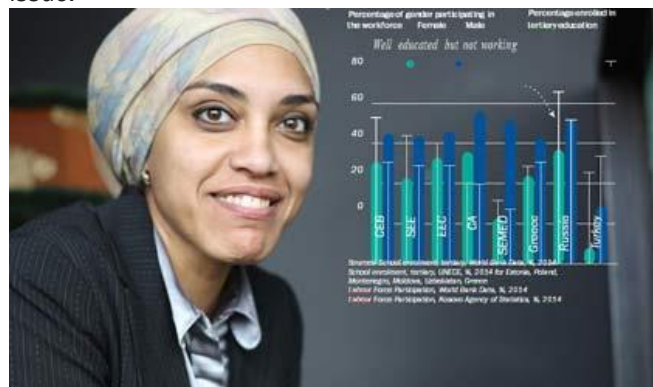
FEATURED TOPIC

Gender equality: from action plan to strategy



Betsy Nelson, EBRD Vice President, Risk and Compliance

The world is undergoing challenging times, in particular as growing populism and increased protectionism threaten human rights and create profound economic and social uncertainty around the world. In this context the EBRD's mandate is crucial. Since its creation, the Bank has built a strong commitment to supporting democratic and sustainable development in all of its activities. Gender equality is a determining factor for the sustainability of transition. Indeed, the growing acknowledgement that economies do not work well when resources and opportunities are unevenly distributed between men and women, has helped to make the case for gender equality. In addition, Goal 5 of the SDGs ("Achieve gender equality and empower all women and girls") has increased the importance of devoting time and resources to this issue.



The path to the EBRD Strategy

Over the years, the EBRD's involvement in gender equality has set the Bank more explicitly on a path towards more inclusive economic growth. As we work developing sustainable market economies in countries that are committed to endorsing democratic principles, our work on gender equality is an important element for addressing inequities. Early efforts to include gender components in the Bank's activities go back to 2005. In 2009, the Bank adopted its first Gender Action Plan,

targeting three countries. This was broadened in 2013 by the Strategic Gender Initiative, which confirmed the Bank's commitment to taking action to promote equal opportunities for men and women. Recognition of the EBRD's role in promoting women's economic empowerment and equality of opportunity was acknowledged even more strongly in 2016, when the Bank approved its first Strategy for the Promotion of Gender Equality.



The Strategy promotes a vision of the future in which women and men, regardless of their socio-economic status, have the same rights and opportunities to access finance and assets, establish and lead businesses, participate in decision-making that affects their lives, and have equal, safe access to public services. It acknowledges that although women make up over half of the population in the Bank's countries of operations, they still face greater discrimination and unequal access to opportunities for formal employment, finance or services despite often being as well-educated as men, if not better. In addition to wage differences, labour markets and decision-making remain divided along gender lines.

The Bank is committed to working alongside clients to build sustainable business environments that enable inclusive growth. In particular, the EBRD has identified three areas where the Bank can best respond to gender needs and deliver better business: access to finance and entrepreneurship, access to employment and skills, and access to services.

Access to finance and entrepreneurship

Data shows that the majority of women-led firms do not have the finance they need to operate. Support for women's entrepreneurship contributes to the economy through job creation, improved labour-force participation by women, and improved productivity. The Women in Business programme is one of the most striking examples of what we are doing to close the gender gap in terms of access to finance. The programme provides dedicated financing across 16 countries, alongside technical cooperation to support partner financial institutions in reaching women-led enterprises. In parallel, the Advice for Small Businesses unit provides training to female entrepreneurs, among others, in order to empower them through capacity-building and the acquisition of key skills.

Access to employment and skills

Economic transition has changed the nature of men's and women's participation in our CoOs; women have experienced greater unemployment rates than men and lower wage levels despite their substantial educational

attainments. The Bank's focus on increasing women's access to employment and skills has improved companies' performance, enhanced the quality of decision-making and ability to tap into a broader talent pool. The Bank contributes to closing gender gaps by working with clients to seek gender balance through equal opportunities policies and practices; supporting clients to strengthen gender equality in the workplace and increase gender diversity in supply chain and production networks.

Access to services

Infrastructure projects often seem to benefit everyone equally. However, men and women have different priorities in terms of how a service should be designed and delivered – especially when it comes to how it supports women's economic activities and care responsibilities. By not accommodating women's needs, service providers may be missing out on an important customer base. With the right support, projects can often have additional benefits too, for other socio-demographic groups such as young people, the elderly, those in rural areas or people with disabilities. Working alongside our clients and service providers, the Bank aims to incorporate broader gender concerns and perspectives into the planning, provision and resourcing of services.

Our work to date and future plans would not be possible without the support and generosity of our donors. The Bank has been able to benefit from considerable funding – either via the support to our Women in Business programmes or via our Gender Advisory Services Programme: the latter now stands at €7 million.

There is a lot of work to be done. Estimates from the World Economic Forum show that at the current rate of progress the global gender gap (calculated for 144 countries in relation to gaps between women and men across four key areas: health, education, economic opportunity and political participation) will not close for another 170 years. We aim to play our part in encouraging changes in assumptions about gender roles, while staying attentive to beliefs and norms in our countries of operations.

By Betsy Nelson

Case study: Osh public transport company promotes gender equality with Bank support

Since 2015, as part of the donor-funded Gender Advisory Services Programme, the Bank has been working with city authorities in the Kyrgyz city of Osh, and with the Osh Auto Transport Company to improve employment and career opportunities for women in the company and to help the client include the needs of women and men in the design, delivery and management of its services. The programme is linked to a €5.7 million loan to improve the municipality's public transport system by renovating the city's bus fleet. This includes the purchase of 24 low-floor, accessible trolley buses and buses and the

modernisation of the municipal depot, as well as the introduction of a new ticketing system.



Since the start of the programme, EBRD-supported consultants have undertaken a number of activities. First, a training workshop brought together key staff from the city administration and the company for their feedback on the programme. Second, focus-group interviews took place with up to 100 residents representing public transport users. Lastly, policy dialogue activity with the client saw the firm, the city and the private sector (minibus operators) get together to discuss commuting challenges identified in the focus groups as well as possible solutions. On this basis an equal opportunities action plan was developed.

During the interviews, commuters expressed many concerns, including the duplication of transport routes, long waiting times, the unreliability of services, and worries about safety and overcrowding, particularly during rush hour. These difficulties often lead to conflicts between drivers and passengers or among passengers and sometimes provide an opportunity for sexual harassment. These challenges were reported as affecting all passengers, particularly women, schoolchildren and the elderly.

Another issue identified during the interviews is the system of remuneration for drivers. This is based on a daily quota rather than a fixed-salary system. In other words, it is based on the expected collections per route and the number of trips drivers can make per day. As a result, drivers compete for passengers, often altering their driving patterns, and this creates conflicts between passengers and drivers. Passengers who are eligible for subsidised services (children, and those accompanying them - many of whom are women - and the elderly) are particularly affected by these problems.

Interviewees also complained that there was a lack of information about bus routes and timetables and no effective mechanism for complaining about the service.

The action plan that has since been developed with the support of the Bank offers support in solving all of these issues. It includes supporting the company to adopt customer-service standards and introduce into drivers' performance reviews various indicators linked to the level of service they provide. The action plan also calls for a review of the public complaints mechanism, which should be made more accessible and responsive to the public. Together with a training programme for women drivers, these efforts reinforce the overall objective of the investment, namely, to modernise the public transport system. Modernisation means not only addressing physical infrastructure but also enabling a more equal

balance of women and men in the company workforce and among customers.

By Nato Kurshitashvili, Gulsaadat Baialieva and Gulnara Yessentayeva

Case study: Preventing sexual harassment in transport in Egypt



In many parts of the world, travelling to work in the morning can be a very unpleasant experience if you are a woman. Sometimes it is the looks, sometimes it is words, sometimes it is physical contact and groping. Sexual harassment can take many forms and happen in many places during women's daily lives. It happens on the street, but also in buses, minibuses, trains or ferries when you go to work, school, university or just when you go out with friends. Returning home in the evening can be an even more dangerous experience in the absence of safe transport.

In Egypt, where many women experience harassment on a daily basis, the EBRD is helping its clients to put a halt to this problem and provide safe transport services. Since 2014, the Bank has supported the Egyptian National Railways (ENR) to identify ways of preventing sexual harassment on railway transport. ENR delivers 1.2 million passenger journeys per day, including significant commuter traffic in and out of Cairo. Thousands of women use the train every day to go to work or university in Greater Cairo and Alexandria.



The EBRD believes that safe transport is important in its own right but also crucial for the social and economic inclusion of women, particularly those in low income groups. Almost 70 per cent of women in the EBRD survey conducted during the technical support to ENR were

reluctant to use the train to commute to work because of security concerns. This is particularly serious as women have less access than men to other forms of transport. While many women would prefer not to use the train, they continue to do so because it is the most affordable transport mode. This makes low-income women, and those who cannot afford not to work, more at risk of experiencing violence and makes safe transport services essential to facilitate their economic inclusion.

The EBRD technical support helped ENR to gain an insight into the needs and priorities of female passengers and learn how to adjust and adapt services to address these. Overall, while cleanliness and punctuality were important for female passengers in first class, those in second and third class expressed a greater need to feel safe and secure. They also mentioned the need for train cars to be in good condition, for bathroom facilities to have locks, for better lighting and surveillance cameras in stations and trains, or more security staff in stations.

During the project, it became clear that the fight against sexual harassment goes beyond any single operator (no matter how big and influential), and that ENR alone cannot solve this issue. ENR can improve its assets and rethink some aspects of its service provision, but changing people's minds is a long-term journey. "To stop sexual harassment, you need to change the way society thinks and how people behave. You need to target society at large, not only those doing it but also those who allow it to happen and those who experience it," says Ms El-Tamami, an Egyptian activist on sexual harassment.

This is why, during the second phase of this EBRD technical support programme, which will take place at the end of 2017, ENR will partner with grassroots organisations and local partners to implement an awareness-raising campaign in trains and on platforms. The second phase will target the perpetrators of sexual harassment but also victims and bystanders in an attempt to contribute to a broader social change. The campaign will be accompanied by the development of protocols for sexual harassment, training of personnel, and other support measures. This is probably just the first step in a long journey, but one definitely worth taking.

By Haytham Eissa and Elena Ruiz

Case study: gender diversity in the electricity distribution sector

Ernst & Young's assessment of workforce participation in 2015 shows a larger gap between men and women in the energy sector than in other major industries. Within energy-related organisations, gender diversity is found to be most advanced in consumer services and consumer goods, while power and utility entities are less gender diverse, and infrastructure entities lag the furthest behind. Even electricity distribution companies in the USA and Canada, benefiting from recognised best practices, are unable to reach female employment levels of more than 23-25 per cent. Increasing their numbers in technical positions is a worldwide challenge.

Turkey is no different. Even though women in undergraduate engineering degrees make up 23 per cent

of the class, only a few end up entering the energy sector in technical positions in the workforce afterwards. In Turkish companies that are electricity providers, women account for only 1-2 per cent of the technician roles and 10-12 per cent of engineering roles. The disparity reflects the country's untapped potential in skilled workers.

Companies that appreciate the economic benefits of hiring qualified women are increasingly open to work in attracting more women into their labour force. When EBRD bankers offered Turkish electricity firms that are their clients to work together on equal opportunities, the companies' management teams accepted with serious commitment but were also openly sceptical about what results were achievable. Such companies are aware of the difficulties in attracting women into the sector, and know that many of these difficulties are beyond their control. The HR departments' most frequently cited reason for women's under-representation in technical jobs was gender disparities in education. Geographic factors were also cited as reasons that contributed to gender disparities, whether cultural differences between urban and rural areas or regional differences within Turkey. As a result, the overwhelming majority of internships in the electricity distribution sector go to men (such programmes mainly attract men as applicants, since women are under-represented in technical high school and college programmes).

In line with its Strategy for the Promotion of Gender Equality 2016-2020, the EBRD decided in 2016 to take up the challenge of promoting women's employment in male-dominated sectors. Bank staff met with three power-generating companies - AKCEZ, SEDAŞ & SEPAŞ and TREDAS & TREPAŞ - to agree on priorities for some EBRD-supported technical assistance. Consultants are to assess human resources policies and practices at different points in the employment relationship, at the stages of attraction, recruitment, retention, development and retrenchment. They will propose actions to strengthen the systems and processes that govern each company's behaviours, monitoring and management in terms of equal opportunities.

In 2017, consultants and company staff will undertake gender-sensitive employee surveys, run interviews and analyse payroll data - to ensure equal pay for work of equal value - as one of the clients specifically requested. This technical assistance will facilitate and enable good practices in the region and worldwide.

Recognising the interconnected nature of the barriers to women carrying out technical roles, EBRD clients will be supported in initiating dialogue with technical and vocational training colleges, to make the sector more attractive to young women and help them attain relevant skills and qualifications.

The EBRD is aware that increasing women's presence in male-dominated sectors is a demanding task. So are the clients. Better targeting of women in the labour market, improved awareness about gender gaps and revised perspectives on appropriate employment opportunities for women will require efforts and work.

"Our main area of confidence is your presence. As long as the EBRD and we are together, we are strong. Therefore we are in line with all your efforts and your potential proposals," said an HR manager in TREDAS.

For the next 18 months, EBRD technical assistance will focus on reviewing HR policies and other company

policies and practices, with a view to identifying opportunities to strengthen equal opportunities at the client firms. It will also focus on developing operational recommendations to increase the ratio of female to male employees in technician, engineering and managerial positions; reviewing the company scorecards; increasing accountability in terms of employee satisfaction and increasing the female labour force; exploring effective tools and potential measures to reduce the gender pay gaps at these companies; and exploring mechanisms for staff to provide feedback on gender-sensitive issues.

By Giorgia Depaoli

Case study: Helping women have a share of the wealth brought by mining

Theory, practice, and inclusion in mining supply chains

Most mining firms spend far more each year on procuring goods and services in the countries where they work than on taxes, royalties and community investment combined. During 2013, gold mining companies contributed over US\$ 171.6 billion to the global economy through their production activities and expenditure on goods and services. This was equivalent to the combined gross domestic product (GDP) of Croatia, Bulgaria, Georgia and Serbia, or about half the GDP of Denmark. Of their in-country expenditure, gold mining companies spent more than 70 per cent with local suppliers.

This enormous allocation of capital was made in a sector where women and women-led businesses remain only minimally represented, and could gain little benefit from the large opportunities coming into their communities. Female entrepreneurs face many barriers to competing equally for business opportunities connected with mining. In addition to cultural values and social norms, which commonly limit women's equal participation in society, mining procurement calls are often too big or too complex for most women-led businesses, which tend to be smaller than businesses led by men and have less access to credit.

The sector also has a reputation for being dominated by men who network very closely among themselves. Women may not be accommodated or welcomed in this context.

Yet changes are afoot. Some companies are coming to recognise that profoundly unequal distribution of mine-related opportunities among men and women presents a risk to the resilience of the supply chain and to social licence, thus limiting overall business performance. Such mining firms are actively identifying local women-led SMEs that may be suitable for their supply chains, and trying to strengthen their access to productive resources and services, such as finance and skill upgrading, so that they can compete equally for contracts. A case in point was the interest taken by Canadian miner Centerra Gold, while planning the development of an open-pit gold-mine in Central Turkey, to ensure more gender-equitable

allocation of the opportunities and benefits commonly generated during gold mining projects.

But what happens where there aren't any women-led SMEs?

In 2016, the EBRD extended a US\$ 75 million loan for the development of Centerra Gold Inc's Öksüt open-pit gold mine in the Develi district of Kayseri - a province in central Turkey - as part of an existing US\$ 150 million project financing facility with UniCredit.

The US\$ 230 million greenfield project is being developed by Öksüt Madencilik Sanayi ve Ticaret A.Ş. (OMAS), a wholly owned Turkish subsidiary of the international gold mining company Centerra Gold Inc. Centerra, the largest Western-based gold producer in Central Asia, is listed on the Toronto Stock Exchange and is a long-time client of the EBRD. The project design estimates a direct and indirect workforce during construction of 55 OMAS employees and approximately 350 contractors, and 456 jobs during operation (156 OMAS employees and approximately 300 contractors). Estimates of induced additional employment range widely, from 1,285 to 2,364 people.

The Bank has been working with Centerra's Kumtor operations in the Kyrgyz Republic since 2014 on strengthening corporate policy and processes to meet global best practices in equal opportunities, staff diversity, and resilience. Lessons learned at Kumtor were applied in the early phase of the Öksüt Mine project development, including in relation to stakeholder engagement and attention to female-headed households, with focus group discussions for men and women alike, and an emphasis on gender sensitivity in building design.

The Öksüt operations will rely heavily on mining services companies, including contractors and suppliers. It was therefore assumed that the greatest potential for women's economic empowerment would lie in strengthening local employment and local procurement strategies, and agreeing targets to ensure suitable women candidates were employed during the construction and operations phase and that women-led SMEs could compete equally to become part of the supply chain of OMAS.

But where were the women-led SMEs? Problematically, there were none in the villages closest to the project. The few women-led SMEs in Develi district worked in textiles and agriculture. And of the 1,434 people in 2016 who had applied for jobs directly with Öksüt from Develi district and 9 affected villages, only 39 were women - just 3 per cent.

The social impact assessment for the project revealed that fewer than 1 per cent of women in the mine-affected area were in formal employment. Of the women surveyed, 64 per cent considered themselves to be housewives or "unpaid family or house workers". The few women who work in the district earn on average less than 35 per cent of men's wages. Women in the neighbouring Zile district typically earn about 21 per cent of men's pay.

EBRD innovation through operations focus

Traditional approaches to strengthening equal opportunities would not suffice. The client could not readily attract and recruit appropriately trained women, and women were not applying. Nor could the company easily support women-led SMEs where none existed.

Nevertheless, the client's enthusiasm for extending and augmenting the Bank's equal opportunity efforts in the Kyrgyz Republic, and addressing gender gaps in the Turkish labour market, presented an important opportunity to drive gender-inclusive transition.

Colleagues from ESD, EPG, Banking and Gender worked closely to find ways of strengthening women's ability to compete for and benefit from mine-related opportunities. In close dialogue with OMAS/ Öksüt and Centerra, the Bank identified ways to extend Centerra's corporate commitment to equal opportunities beyond the remit of its mine operations and through its local supply chain.

In particular, the Bank saw a chance to exceed the Centerra corporate equal opportunities commitment by requiring the primary supplier to OMAS's mine operations to be accredited by the Women Entrepreneurs Association of Turkey (KAGİDER), a nationwide gender certification programme for the private sector which supports businesses as they address obstacles to equal opportunity in their operations. OMAS' procurement policy will mandate operations suppliers to implement quality-assured equal-opportunities plans within three years of contracting.

In 2017, the EBRD is providing technical cooperation to strengthen corporate equal-opportunity standards in supplier strategies and operations, expand relationships with women-owned enterprises and support gender-sensitive solutions to credit and lending barriers, thus enabling women's entrepreneurship.

Through this approach, Öksüt will establish a new Supplier Code of Conduct and processes to support supply-chain vendors and record progress including:

- a written declaration of equal employment for men and women
- a written complaints procedure to help women
- a list recording women who join training and become trainers
- evidence of workers' salary payments
- evidence of workers' contracts
- improved equal opportunities standards for OMAS vendors and suppliers and company-led linkages between education, employment and entrepreneurship. These will also support local women's access to employment and skills.

Over time, local women's associations will be connected with the OMAS supply chain and further outreach and inclusion will become possible. As they do, a participatory platform for dialogue is planned, allowing women to enter into discussions with each other, gain control over their lives, draw up and implement suitable plans for developing a business, and engage with the relevant parties.

This supply-chain equal opportunities initiative is the first of its kind in the Bank's mining portfolio and will be a test case for future initiatives with other firms.

By the project team: Ana Berenguel-Anter, Francisco Fortuny Carod, Kristine Grun, James Lea-Cox, Philip Martin and Sukran Caglayan Mumcu

Overview of news from “Across the Bank”

Projects and activities

Since the last newsletter, Directors have approved, among other developments:

- a new country strategy for Bosnia and Herzegovina. The Bank will enable capacity-building and boost the private sector, support the development of key cross-border links in transport and energy, and support energy efficiency and renewable energy generation.
- a new [country strategy for Kazakhstan](#). The strategy outlines the EBRD's primary areas of investment and policy engagement in the country over the next four years. It builds on the Bank's strong operational engagement in Kazakhstan, which has seen the country become one of the EBRD's largest markets, with total investment to date exceeding US\$ 8 billion.



- the country strategy for Montenegro.
- the Bank's [Economic Inclusion Strategy](#).
- the Small Business Initiative's 2016 Annual Review and Strategic Priorities for 2017
- financing for the extension of the Reform Anchoring and Crisis Response Package for Ukraine
- financing for various projects, including the Kovacica wind farm in Serbia, a green bond investment in Lithuania, the Qairokkum hydropower plant in Tajikistan, the Ulaanbaatar solid-waste modernisation project, the Green Economy Financing Facility (GEFF) residential sector for the Western Balkans and for Romania; the Fayoum wastewater expansion programme in Egypt; and, a mortgage line for Banca Intesa Belgrade.

In addition:

- [Lebanon became an EBRD shareholder](#) in July 2017. In early September, the Board of Governors [decided in favour](#) of Lebanon's application to become an EBRD country of operations.



- S&P Global released a research update [on the EBRD, reaffirming its “AAA” long-term issuer credit rating](#) and standalone credit profile of “aaa”.
- [The European Union \(EU\) made a €19 million contribution to the Nuclear Safety Account](#) managed by the EBRD. The EU's contribution is vital for the support of the Chernobyl spent-nuclear-fuel facility project. The facility has been built and is currently being tested, with an ambitious schedule to start retrieving spent fuel from the old dilapidated storage pond by the end of 2017.



- [The Bank reaffirmed its support for reforms in Ukraine](#) during high-level events in London on 5-6 July 2017, including two conferences and the first address by a Ukrainian prime minister to the EBRD's Board of Directors.



- The EBRD made its [first investment in a green bond](#) issued by Lietuvos Energija, the Lithuanian energy utility. It is the company's first issue under a €1 billion programme that will finance ambitious investment plans in projects that promote transition to a sustainable, modern electricity network.



- The EBRD is taking part in [a financial restructuring](#) of the company that operates the Ferenc Liszt international airport in Budapest, with the aim of attracting greater international investment and improving the airport's operational performance. It

will provide Budapest Airport Zrt. with a senior note of €100 million.



- The Bank is [supporting innovation in Turkey's financial sector](#) with a TRY 6 million investment in the three-year, local-currency-denominated unsecured bond issuance by Hayat Varlık, the largest non-performing-loan management company in the country.



- The Bank is lending US\$ 4 million to Express Leasing, a microfinance and leasing firm focused on lending to small firms across Moldova. The [funds will support the growth and development of local businesses](#), helping to make the country's economy more resilient, more competitive and more dynamic.
- A €27.5 million loan to fast-growing sea transportation firm Alternative Transport will [give a boost to the Turkish shipping industry](#). Alternative Transport will use the loan to purchase a new roll-on/roll-off cargo ship and expand the route connecting the Istanbul port of Haydarpasa with the north-eastern Italian port city of Trieste.
- Turkey's ship maintenance yard, Tersan Tersanecilik Sanayi ve Ticaret A.Ş., will [benefit from EBRD financing](#) to build a new dock in Yalova, a city on the eastern coast of the Marmara Sea,



- [The Bank and the International Development Law Organization are strengthening their cooperation in judicial capacity-building](#). They signed a Memorandum of Understanding and a framework that will allow the organisations to jointly design and implement projects and have access to each other's legal reform experts, methodologies and networks.

- In Georgia, the Bank participated in the first secured corporate bond denominated in the local currency, lari (GEL), [a milestone transaction for the country and for the Caucasus](#).



- [Encouraging a new source of funding for Turkish banks](#), the EBRD invested the Turkish lira equivalent of €75 million in a covered bond issued by Turkish lender Garanti Bank.



- The Bank is converting €15 million of debt owed by the [Belgrade Transport Company](#) (GSP) into Serbian dinars. This step will help reduce GSP's currency risk by better matching its liabilities and assets. It also promotes local currency lending, a key strategic objective of the Serbian government and the central bank.



- The EBRD is extending [a €150 million syndicated loan to Cosmote Mobile Telecommunications SA](#), a fully owned subsidiary of Greece's largest telecommunications provider OTE Group, to fund the expansion of the 4G/4G+ network and the use of state-of-the-art, climate-friendly technology.
- Intesa Sanpaolo Bank Albania has joined the Albania Agribusiness Support Facility to [increase local farmers' and agribusiness companies' access to finance](#).



- Over 12,000 Turkish small companies led by female entrepreneurs have [boosted their business](#) with a loan from one of the five credit lines available through commercial banks under the EBRD Finance and Advice for Women in Business programme.



- Strengthening and deepening its outreach in Ukraine, the EBRD has opened [a new Satellite Office in the southern city of Odessa](#), the country's naval gateway on the shores of the Black Sea and one of its most important industrial centres.



- The Bank is [improving the living conditions of approximately three million inhabitants of Egypt's Fayoum governorate](#) – of whom around one million will have access to sanitation services for the first time – with a loan of up to €186 million to the Fayoum Water and Wastewater Company for the development and expansion of its wastewater services.
- The EBRD is providing a loan and grant financing to Manas Airport, the main air gateway in the Kyrgyz Republic, for the [modernisation of the terminal building](#).
- In Jordan, the EBRD is providing a loan of up to [US\\$ 2 million in local currency to the Microfund for Women](#), for on-lending to female entrepreneurs.



- Montenegro is set to become [a regional leader in smart meter deployment](#) thanks to a project financed by the EBRD through a syndicated €32 million financing facility. The country's electricity distribution company Crnogorski elektrodistributivni sistem plans to procure 60,000 devices for smart metering, with over 85 per cent of consumers benefiting from these modern devices.

- The Bank is providing a [US\\$ 10 million credit line to Jordan Ahli Bank for on-lending to micro, small and medium-sized enterprises](#).



- Addressing a core element of Romania's high energy intensity, the [EBRD and Banca Transilvania are joining forces to improve the energy efficiency of the country's residential building stock](#). A €40 million loan by the EBRD to Banca Transilvania will be on-lent to sub-borrowers such as households, housing associations and service providers for energy-saving investments.
- The Bank is providing [a €50 million loan to the Lithuanian Public Investment Development Agency UAB for energy efficiency and rehabilitation investments in apartment buildings](#). Lithuania has a housing stock of some 38,000 apartment buildings, with approximately 35,000 of these built in the Soviet era. Only around 4 per cent of apartment buildings have been renovated while the vast majority remain in urgent need of an upgrade to reduce energy consumption.



- Under its [framework to support water and wastewater modernisation in the Kyrgyz Republic](#), the EBRD is providing financing for projects in four more Kyrgyz cities, with a total population exceeding 141,000 people. The EU and the European Investment Bank will jointly co-finance these projects.



- Following the granting of an operating licence by the Bank of Greece to Pillarstone to manage non-performing exposures in Greece, the [EBRD has signed an agreement to take a 5 per cent share in Pillarstone Greece](#).

Small Business Impact Report 2016

Helping small and medium-sized enterprises receive finance and advice to grow

The SME Finance and Development team is pleased to launch the Small Business Impact Report 2016, a unique and interactive report that gives an extensive overview of the activities, directions and impact of the Small Business Initiative (SBI) to date.

This online report enables the user to access a wealth of up-to-date information about everything the EBRD does in support of small and medium-sized enterprises (SMEs), represented through various lenses, whether thematic or regional. Particular attention is given to impact assessment and the integral role that donors play in the success and implementation of the Initiative. Some notable highlights from 2016 include: €1.24 billion of investment to SMEs; 2,300 business advisory projects; and over €162 million raised from donors to make all this possible.

The Report also highlights the Small Business Impact Fund (SBIF), the newest EBRD multi-donor fund, which was set up as the primary vehicle to support the SBI. In its first year of operations, the SBIF mobilised over €10 million in donor funding. The Fund currently consists of the following seven donors: Italy, Korea, Luxembourg, Sweden, Switzerland, the TaiwanBusiness-EBRD Technical Cooperation Fund and the USA.

This Report is a dynamic and “living” tool to showcase the impressive results achieved by the Bank in supporting SMEs across our regions of operations. The publication has received a very positive reception from the donor community and the wider EBRD audience, further boosting the outreach of the SBI brand to its key stakeholders and beyond.

With this new tool, the SME Finance and Development team is keen to further engage in its productive partnerships and coordination with existing and new donors.

By Claudio Viezzoli

EBRD launches first Economic Inclusion Strategy

The EBRD is stepping up its drive to ensure that more sections of society can benefit from economic progress in the countries where it invests, promoting economic inclusion for all people regardless of their gender or circumstances.

The Bank launched its first Economic Inclusion Strategy at the Annual Meeting 2017 in Nicosia during a panel discussion, “The Private Sector as an Engine for Economic Inclusion”.

The launch of the Strategy underscores the EBRD’s commitment to inclusion as a key priority. It coincides

with an increasing worldwide focus on the challenges posed by globalisation, in particular the problem of inequality of opportunity.

Through investment and support for policy reform the EBRD already seeks the greater economic integration of three core groups: women, the young, and people living in remote areas.

Under the new Strategy, the Bank will intensify this work, deepening and strengthening its private-sector approach to inclusion across sectors such as manufacturing and services; retail, tourism and hospitality; and transport. The work will provide access to skills and employment, entrepreneurship and access to finance and services that enhance economic opportunities.

In preparation for the Economic Inclusion Strategy, the Bank completed public consultations with over 120 representatives from 13 countries. Meetings took place in Almaty, Amman, Belgrade, Istanbul, London, Brussels, and Washington DC in March and April 2017. Discussions involved representatives from civil society organisations, government institutions, international organisations, bilateral cooperation agencies, academia, private sector, and business associations.

By the EBRD Communications Department

Lebanon joins the EBRD

The Bank is to start investing in Lebanon after the Bank’s Board of Governors decided in favour of Lebanon’s application to become a country of operations. The EBRD will contribute to the development of Lebanon’s economy through investments and advisory services. The Bank will support private sector competitiveness, promote the sustainable supply of energy, and enhance the quality and efficiency of public service delivery.

EBRD President Sir Suma Chakrabarti said: “We are very pleased to welcome Lebanon today into our family of countries of operations. We are looking forward to launching swiftly our activities in Lebanon and establishing an official representation in the country. The EBRD can apply its financial resources and expertise to boost the country’s economy and provide new opportunities to its people.”

The EBRD supports economic development and transition to strengthen the private sector with investments based on a sound business approach and policy dialogue. While the EBRD is working closely with donor governments and benefitting from their support, the Bank’s funding is provided on commercial terms.

As a country of operations, Lebanon joins the EBRD’s southern and eastern Mediterranean (SEMED) region, which also includes Egypt, Jordan, Morocco and Tunisia where the EBRD has been investing and engaged in policy reforms since 2012.

In May 2017 the EBRD’s Board of Governors also [approved](#) the Bank’s engagement in the [West Bank and Gaza](#) for an initial period of five years to support the development of the economy with investments through trust funds.

By Nibal Zgheib

UPCOMING EVENTS

ALUMNI ASSOCIATION EVENT

Washington DC Chapter Get-together

Thursday 26 October 2017, 18:00

At Beacon Bar & Grill, Private Dining Room,
Ground Floor, Inside the Beacon Hotel, 1615 Rhode
Island, Avenue NW, Washington DC 20036



CLICK HERE TO REGISTER

EBRD alumni are cordially invited to the next get-together of the Washington, DC area chapter which will take place at 6 p.m., Thursday, October 26, in downtown DC. This event will provide a unique opportunity to reunite and network with alumni colleagues and friends, as well as to hear from a few prominent alumni. While this event is primarily targeted at alumni in the Washington, DC area, it is open to all Bank alumni who could make it to Washington on that day.

The event will also provide an opportunity to hear from prominent alumni, among others, Hans Peter Lankes, Vice President, Economics & Private Sector Development at IFC, and to meet the staff of the Bank's Washington, DC Representative Office for the United States, Canada and Mexico.

Drinks and canapés will be served. Registration is required. To register please follow [this link](#).

CAREER CENTRE

The EBRD Alumni Association has launched the Career Centre section of the Alumni Association website. Please visit the website to see [postings by Alumni](#), [EBRD consulting opportunities](#), [EBRD staff job postings](#), [early career opportunities](#) and [NGO opportunities](#).