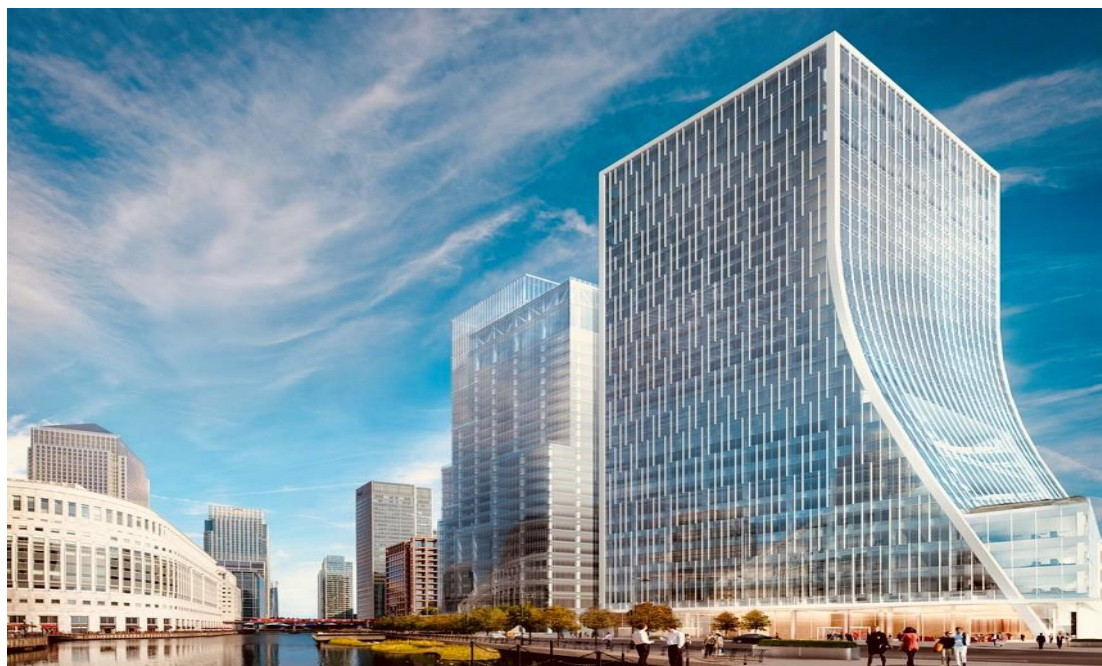




**Moving to
new HQ
mid-2022**

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ALUMNI ASSOCIATION NEWS

Message from the Chairman

New Year, New Momentum

Dear fellow alumni,

As 2021 draws to a close, this is a timely moment to look back on what the Alumni Association has achieved to date and to outline some priorities for the future.

Since its launch in 2014, the Association's membership has grown to more than 3,300. It has become a linchpin of the Bank's alumni community, to the benefit of both its members and the EBRD. The Association has extended its reach internationally, now with regional chapters in Poland, Canada, Washington DC, New York, the Netherlands, Luxembourg and France. Even though its members are spread across more than 100 countries, alumni reunions and other Association-sponsored events have attracted the attendance of around 1,000 different alumni. The Association has a dedicated website and communicates regularly with its members, including through periodic newsletters, which provide alumni news and inform on key developments at the Bank. The Association also advocates on behalf of its members on the way the Bank deals with accrued benefits – especially the leavers' medical cover.

The Association is grateful for the support provided by the Bank to its activities, and in particular by the Communications and Business Information Services Department.

Still, none of us could have anticipated Covid-19 or the scale of its impact, which have also affected the Association and its activities. The last 18 months have been a challenge for both the Bank and the Association. Bank management and staff have worked largely from home over this period (with staff only returning to Bank premises on a part-time basis since September), relying on virtual tools to communicate and manage operations.

The Association has had to call a halt to face-to-face reunions and regional get-togethers, shifting to online events. Unfortunately, events held virtually do not allow for the same level of social and professional networking, much prized by our members, as do face-to-face encounters. It is still unclear when and in what format the latter can resume.

As the world learns to live with Covid-19 and its effects, the time has come to move to the next phase of the Association's development, to build on its achievements and experience to date, but also adapt to the "new normal" and the challenges that will affect the way in which organizations and communities operate in future. As we continue to expand Association activities and services in this new environment, we will need to build resilience into its structure. This will require increased participation by members in the management and implementation of Association activities.

While alumni will need to become more involved, so, too, will the Bank if it is to benefit fully from the asset, which the alumni community represents. This, in turn, will require new mechanisms for regular consultation between the Bank and the Association, particularly with a view to developing activities through which the alumni community can benefit the institution. These will need to be based on realistic expectations and facilitated by both, the Association, and the Bank.

The pandemic has made us more familiar with online communication techniques, which will remain part of our toolkit going forward. They will offer additional avenues for alumni to be informed about the Association and the Bank and to keep in touch with each other around the globe.

Lastly, the Bank and the Association need to strengthen their consultations in a true spirit of partnership, to address issues arising in the administration of key benefits, which the Bank makes available to eligible leavers, such as the leavers' medical cover.

We hope that you will enjoy this newsletter. It includes an article on this year's annual Alumni Association reunion, held online, which marked the launch of volume two of the Bank's history, as well as interviews with alumni Christos Christou ('99) and Timothy Stubbs ('02), who have written books in their respective fields of expertise. It also boasts articles on a number of senior leavers who have recently joined the alumni community, as well as further episodes in the "Getting to 30" series by Josue Tanaka ('21), a sampling of Bank news, and information on recent senior Bank appointments and alumni who have taken new positions since the last newsletter. The newsletter also includes a tribute to alumnus Peter Reiniger ('11), former Managing Director, Central and South-Eastern Europe in Banking, who sadly passed away in October after a long illness.

You will notice that the look of the PDF version of the newsletter has been refreshed. We hope you will like it.

Please visit the Association's website at <https://alumni.ebrd.com/>. In addition to the considerable material you can find there on alumni matters, we would encourage you to use its directory to reconnect with former colleagues.

Let me also take this opportunity to welcome our new Alumni Association Coordinator Lori Coretchi, who joined us in September.

With best wishes to all of you, wherever you may be. Please stay safe and continue to act as the Bank's ambassadors.

George Krivicky

George Krivicky
Chairperson,
EBRD Alumni Association



Welcoming Lori Coretchi, our new Alumni Association Coordinator



Lori joined the Bank in September 2021 as the EBRD's Alumni Association Coordinator.

Prior to joining the Bank, she worked in the private sector at a global software development company in London, where she was responsible for their operation management processes over a period of 12 years.

Lori has a Master's Degree in Modern Languages. Prior to joining the private sector, she gained experience working in diplomatic missions, non-governmental and intergovernmental organisations and as a language partner on projects aimed at promoting democracy and human rights in her native Moldova.

She is delighted to be joining the EBRD, having witnessed first-hand the great work it does to foster economies in transition. Lori regards her new role as a great opportunity to contribute to the further development of the Alumni Association for the benefit of the alumni community and the Bank.

"From day one, I have been humbled to see the enormous impact the Association has made in such a short period of time and the legacy alumni are passing on to future generations of the Bank. I look forward to streamlining the processes and structure of the Alumni Association, so that it can prosper and remain a key pillar of this great institution."

Alumni Association Annual Reunion September 2021: discussing the EBRD's Past, Present and Future

By Jane Ross



"The EBRD is a Bank that makes things happen..... it turns challenges into opportunities". These were the words of Phil Bennett, former First Vice President of the Bank, at the recent virtual annual reunion of the EBRD Alumni Association. (To view the recording of the event, please click [HERE](#)).

Due to the pandemic, the annual get-together of the Association was held online, but this neither impacted the numbers of alumni, Board members, current staff, senior management participating, nor dampened the spirit of exchange and debate at this special event. Many familiar names could be recognised among alumni attending, going all the way back to the EBRD's early years.

There was much to celebrate.

2021 is a significant year for the EBRD, as we celebrate 30 years of its existence.

So it was fitting that the Bank chose to launch the digital version of the latest volume of the EBRD's history, *"Transforming Markets. The EBRD, a development bank for the 21st century"*, at the annual reunion of alumni. After all, it is the alumni who are part of the EBRD's rich history and who have done so much to shape and inform the Bank we know today.

The virtual event, moderated by Jonathan Charles, Managing Director of Communications, brought together a panel of distinguished alumni to discuss their impressions of the book and how the EBRD has evolved and transformed to be a development bank for the 21st century.

The line-up included the book's two authors, alumni Andrew Kilpatrick ('18), former Executive Counsellor to the Chief Economist, and Anthony Williams ('20), former Director, External Communications, as well as three well-known alumni: Phil Bennett ('18), former EBRD First Vice-President; Alexia Latortue ('21), former Managing Director, Corporate Strategy at the Bank, and currently Deputy Chief Executive Officer of the Millennium Challenge Corporation; and Josué Tanaka ('21), former Managing Director, Operational Strategy and Planning, Energy Efficiency and Climate Change, and currently Visiting Professor in Practice, Grantham Research Institute on Climate Change and the Environment, who spent 30 years with the EBRD, almost since its inception.

EBRD President, Odile Renaud-Basso, opened the event by reminding the audience that long before she assumed her current role she had been a friend of the Bank and knew it well in her former professional life. But the virtual event was her first-ever meeting with the alumni community. She outlined the "very important role" she sees for the alumni in the future – that of ambassadors for the EBRD and its goals, helping to enhance its impact, providing a powerful source of expertise and advice for the institution, and supporting it in areas such as business development, recruitment, mentoring and training. She also outlined current directions for the Bank under her leadership.

A short [video](#) celebrating the EBRD's 30 years of activities, achievements and impact across its regions of operations then set the scene for the online launch and discussion of the history of the EBRD publication.

As many of you will remember, the first volume of the Bank's history – After the Berlin Wall – was written by Andrew Kilpatrick and published by Central European University (CEU) Press on 1 July 2020. That volume tells the inside story of how the EBRD was created in the aftermath of communism to help the countries of central and eastern Europe transition towards open market-oriented democratic economies. It charts the EBRD's life from a fledgling high-risk, start-up investing in former socialist countries from 1991 to become an established member of the international financial community.

*The views and opinions expressed by alumni in interviews and articles in the newsletter reflect the views of their author(s) and do not necessarily represent those of the Bank or the Association.

The second volume of the history of the EBRD, *Transforming Markets* - launched at the recent virtual event on 30 September - was written by both Andrew Kilpatrick and Anthony Williams, and again published by CEU Press. This latest book takes up the story of how the Bank has become an indispensable part of the international financial architecture. It tracks the EBRD's crucial coordinating role in response to global and regional crises, the calls for its presence as an investor in Turkey, the Middle East and North Africa and later Greece and Cyprus, as well as the consequences of conflicts within its original region.

It shows how in the face of the growing threat of global warming the Bank, working mainly with the private sector, developed a sustainable energy business model to tackle climate change.

Transforming Markets also examines how the EBRD broadened its investment criteria, and how its approach is aligned with the 2015 Paris Agreement and the international community's 2030 Agenda for Sustainable Development, with its core set of 17 sustainable development goals.

In his short summary of the book's highlights at the event, Andrew Kilpatrick thanked all the alumni who had assisted both him and Anthony in the research and editorial effort, and paid tribute to the pioneering spirit and sense of mission of EBRD staff then and now. These are qualities that illuminate the book's narrative.

Andrew's acknowledgement of the commitment of EBRD staff was echoed by Phil Bennett. In the past, Phil has been quoted as saying that working at the EBRD had been one of the highlights of his professional career. This book surely reminded him of many of this highlights. Indeed, he commended the book as a thorough and compelling account of the Bank's history - useful, relevant and required reading for all those who work or have worked for the Bank.

For him, the importance of *Transforming Markets* lies in how it describes the context in which the EBRD has worked. Stressing its educational value, he added: "I wish that I had had this book to hand at my initiation to the EBRD!"

The book reminded him that the Bank has proven time and time again that it is "uniquely relevant, impactful, responsive, nimble, innovative, committed and commercial with a conscience". In conclusion, he paid tribute to the (often invisible) investment machine of dedicated staff across sectors who relentlessly deliver to drive success.

Similarly, Alexia Latortue found *Transforming Markets* a "riveting read" and felt it strongly conveyed that the Bank is "a Bank of its regions for its regions". Its impact is largely due to the Bank's deep anchoring in the history and socio-economic fibre of its countries of operations. And its continuing success can be reflected in the phrase, "The Bank for transition is a Bank in transition":

for the EBRD has demonstrated that, unlike many other international organisations, it manages to remain true to its original purpose and on a linear path, but yet is still responsive to evolving circumstances.

The alumni panel were asked, in light of the EBRD's history, what the future might look like for the Bank?

Josué Tanaka, described as a 'green guru' by Jonathan Charles, provided a breathtaking summary of the EBRD's pioneering action in green finance and outlined the significance of the Bank's climate ambitions for a greener, fairer and smarter future.

Adding to this, Alexia stated: "If we didn't have an EBRD, we would have to create one". As she explained, the Covid-19 pandemic has exposed deep inequalities and shown that growth in itself is insufficient. Private and public partnerships are essential to deliver core goals. The EBRD's business model and its [six transition qualities](#) are as relevant today as they are for the future. It is clear that that the EBRD remains a unique institution for alumni.

In an interview earlier this year, Alexia stated that ["the EBRD is now part of my DNA"](#). During the virtual event, she went further by exclaiming: "Odile, sign me up to be an EBRD Ambassador for Life!"

Judging by the warm reception and enthusiasm shown at this reunion, it is a sentiment echoed by many alumni who are rightly proud to have played a part in the history of an institution "that makes things happen".

The EBRD Alumni Association Chairman, George Krivicky, would like to thank the Bank for its extensive support in organising this event, particularly the Communications Department and the Office of the Secretary General, as well the senior Bank alumni who accepted the Association's invitation to join the panel at the event.

The two-volume History of the EBRD is available to read free, online at the Central European University (CEU) Press website.

Read the e-book of *After the Berlin Wall* on the CEU website here: [CEU Press](#)

Read the e-book of *Transforming Markets* on the CEU website here: [CEU Press](#)

From Tango to Corporate Governance: An interview with Christos Christou ('99)



Christos Christou has more than 34 years of professional experience. He was a senior banker at EBRD, which he joined shortly after its inception in 1992, first as banker in the Russia Team, then the Baltics/Belarus Team (where he was also deputy director) and finally the Property and Tourism Team. During that time, he also led the Bank's shipping industry investments. Since leaving the EBRD, he has worked as a private equity investor, consultant and general manager. He has been a non-executive board member at numerous companies in the UK, Russia, Tunisia, Belgium and Lithuania. He has turned around a manufacturing company in Croatia and a ferry company in Italy/Greece. More recently, he has launched a new website on corporate and family governance, (www.familygovernanceassociates.com), and has just completed a book on governance, entitled "Corporate and Family Governance", to be published in early 2022. Christos has a Bachelor of Science degree in engineering from Imperial College in London (Association of Commonwealth Universities scholarship) and an MBA from Harvard Business School (Fulbright scholarship).

You spent seven years at the Bank in its early years. You have also stayed in active contact with the institution since then, through non-executive board assignments, advisory services on corporate governance for a large family conglomerate in Tunisia, and the Alumni Association. Could you highlight a few of your best memories from the Bank?

I have fond memories and some lasting friendships from my days at the EBRD, and my time at the EBRD definitely influenced my subsequent career.

I remember, in particular, the move to the offices at Bishopsgate, the press criticism that followed and the arrival of President Jacques de Larosière, with his measured and composed leadership.

It may sound odd, but I felt that all the press criticism the Bank endured in that period contributed to creating a camaraderie and an *esprit de corps* among all the staff. The Bank was a great place to work. And the work itself was unique, as the Bank was responsible for many firsts in various countries and sectors. I also remember Ron Freeman's ('97) mantra on sound banking and Guy de Selliers' ('97) comparison of the Bank's financing changing perceptions like a drop of ink colouring a glass of water.

I remember fondly the first financing I led, a US\$ 75 million loan to a Russian ship owner Primorsk Shipping Company in 1994, with just two participant banks (Hill Samuel Bank and Mees Pierson Bank). By the time we did the fourth ship financing – a US\$ 225 million loan to Novoship in 1996 – with the help of Noreen Doyle ('05) and Lorenz Jorgensen ('18), we had 12 participant banks. This demonstrated the impact of the Bank in terms of changing perceptions and bringing new standards, and the fact that the Bank had opened that sector for good to private capital providers.

The Bank was and still is a workplace with a great deal of diversity because of the different backgrounds of its staff. But also, it is a place where people with different perspectives share a common purpose, that of facilitating transition, and where, in order to get a successful project, there is a great deal of collaboration among staff and the different departments.

Can you tell us something about your professional work since leaving the Bank?

I left the EBRD rather abruptly in June 1999, without having to serve a full three months' notice, because my mother had been diagnosed with a brain tumour and was immediately scheduled for an operation. As my father had previously passed away, I felt I could not really focus on work matters and I decided health and family came first. The Bank was very understanding and I was always very thankful for that. The operation took 10 hours, but thankfully the tumour was benign and my mother recovered without recurrence.

Professionally, after my mother's health improved, I joined Thierry Baudon ('95), John Taylor ('98) and Bill Morrow ('98), all EBRD alumni, late that year in a private equity fund focused on infrastructure deals in Central Europe.

I left that fund in 2001 and subsequently formed a small investment company in Lithuania with Rytis Jakaitis ('97), another EBRD alumnus, and some other partners, which focused on buyouts and controlling-stake investments in Lithuania. This activity carried on through to 2019.

In parallel, from 2001, I started providing advisory services, including assisting in raising debt and equity capital and then negotiating balance-sheet restructurings in the wake of the 2008 financial crisis. I also completed two turnarounds as interim general manager, one in Croatia and one in Greece, and served as non-executive director on various company boards.

Since 2012, I have also had a relationship with AlixPartners, a leading global advisory firm with turnaround and forensics expertise. Following the financial crisis in Cyprus in 2013, I was part of their team assisting the police and the Attorney General of Cyprus in their investigations into potential criminal cases and participated as an expert witness for the prosecution in a criminal trial in Cyprus. I was also part of the team that assisted the Ukrainian Central Bank and Privatbank after the nationalisation of the latter in 2016.

Tell us about the book, *Corporate and Family Governance*, which you will be publishing soon. What prompted you to write it? What does it cover and what is its purpose? How does it differ from traditional publications on corporate governance? You also just launched a new website on family corporate governance. What is its objective and what services will it provide?

I have been passionate about corporate governance from my early days at the EBRD and had two formative experiences in this area during my time there. The first, in 1994, was linked to Primorsk Shipping Company, when I managed to persuade company management to abandon plans for a so-called closed share issue that would have diluted foreign and minority investors and to do a proper rights issue instead. The second was when, as the EBRD's nominee director to the Board of SFAT (1996-1999), a railway wagon leasing company in which the Bank was a minority shareholder, I spearheaded the introduction of proper management information systems and monthly reporting to the Board.

And, of course, I have remained a student and a practitioner of corporate governance since then, particularly as non-executive director in different companies. My interest in family governance is a bit more recent and is also linked to work I carried out on behalf of the EBRD in Tunisia as a Senior Industrial Advisor under the Enterprise Growth Programme over the period 2014-16, as well as being on the board of other family-owned businesses in different sectors and countries.

I believe strongly that corporate governance is important for the prospects of any company and that the combination of corporate governance and family governance is vital for family-owned businesses. As I had developed a lot of materials on both corporate and family governance, I came to the view that these could be interesting and helpful to entrepreneurs, service providers and investors if they were put online. Thus, I

used some of my downtime during the pandemic to create a site, www.familygovernanceassociates.com.

So, the site came first and aims to provide resources, through a free section and a paid content section, as well as allowing interested parties to access more bespoke assistance to deal with issues relating to these areas. It acts as both a resource and a platform for the provision of services. Moreover, it is intended that services can be localised through collaboration with local partners in different jurisdictions. The book came about as a distillation of materials from the site itself, as well as additional case materials that I researched specifically for it.

I view the book as a primer on the topics of corporate and family governance and believe it is unique in combining the two topics and in addressing them with technical materials as well as case studies. The book is not a manual or a complete how-to guide, but it does offer a lot of suggestions and observations on the choices that managers and owners, particularly family owners, face when they are dealing with corporate and family governance. The book also explains why and how these combine to improve the prospects of longevity for companies in general and a family's ownership of a business through multiple generations, in particular. As illustrated with case studies, the absence or weakness of corporate governance can lead to failure, sometimes to catastrophic failure. And in the absence of family governance arrangements that regulate the interaction of the owning family with the business and the interests and priorities of the family members, there is a great risk that family disagreements will undermine the family business and that business challenges will tear the owning family apart.

Do the site and the book mark a turning point for you from a professional standpoint?

I continue to be active in principal investing on a small scale and interested in turnaround opportunities, as well as other advisory projects. The site and the book create a platform for expanding the scope of some of these activities to include corporate and family governance. In addition, the book and the site demonstrate my views on these topics from a practitioner/non-executive director standpoint.

You are an avid dancer. As they say "it takes two to tango", which is particularly true in your case, as you met your wife at a tango class. You are now also the proud father of two young daughters. Care to tell us a bit more?

Indeed, it takes two to tango, and I met my wife Sonja through our joint interest in Argentine tango. She is Russian and has a medical research background. We met in London. We have two daughters, Alexandra (16) and Andriana (11), and we continue to live in the Barbican, close to EBRD headquarters.

As a family we enjoy road trips and we have done such trips in France (twice), USA (10 states from Massachusetts to Florida), Spain, Cyprus and Switzerland. We hope to be able to get at least one more such family road trip before Alexandra off to college in a couple of years' time.

Lastly, a question that might surprise the reader: do tango and corporate and family governance have anything in common, in your view?

In my experience, navigating a crowded dancefloor dancing tango with a partner is not about formulaic steps and figures, but about being responsive to the music, the space and your partner. In a similar way, in my view, corporate and family governance is not about formulaic box-ticking, but about customisation and localisation, reflecting the needs and priorities of businesses and families while remaining true and committed to basic principles.



Christos and his wife Sonja performing an Argentinian tango.

From Russia with Law: An interview with Timothy Stubbs ('02)



*Tim Stubbs is a partner with global law firm Dentons. Based in Moscow, he heads the firm's Russian Banking and Finance Group. Tim has worked on emerging-market transactions for Dentons (and its predecessor, Salans) since 1992, having previously practised law in Chicago and New York. He also worked for two years at the EBRD in London while on sabbatical. He has led numerous debt restructuring and financing processes, including bilateral and syndicated lending, real-estate finance and project finance. He recently wrote, together with Richard Marney, a book entitled *Corporate Debt Restructuring in Emerging Markets – A Practical Post-Pandemic Guide* (Palgrave Macmillan (Springer Nature), September 2021). Tim remains in close contact with the EBRD. He recently completed a seminar based on lessons from his book for the Bank's Corporate Recovery and Office of the General Counsel (OGC) teams. In his free time, Tim is an outstanding pianist, excelling at improvisation. As part of the East-West Trio, together with Josué Tanaka ('21) and Nick Kacal, he has twice entertained Bank alumni and staff at annual EBRD Alumni Association reunions. Tim has a Master of Arts degree in Russian and East European Studies and a Doctorate in Law.*

What brought you to the Bank? Any memories of your two years as Counsel, Banking Operations, in OGC, that you would like to share with us? Despite having left the Bank quite some time ago, you seem to be in close professional contact with the institution.

After a decade in Russia, focusing on foreign direct investment (and undertaking several financing operations for the Bank), I realised that I had far more to learn by going in-house at the Bank, than continuing in private practice. Plus, I wanted to experience other emerging markets.

I asked my firm (then Salans, now Dentons) to let me take time off from private practice to work in OGC. The firm was perplexed that a young partner would want to do this at a time when his career was taking off. Fortunately, they supported me.

The two years I spent in OGC were the most valuable of my career from an educational standpoint. Having spent 16 years in private practice, I suddenly learned what it was like to be part of the legal function in a bank on the client side. I worked with a number of leading law firms and learned about service (good and bad). It is critical to keep learning in life, no matter what stage you are at. Working among such highly professional bankers and lawyers at the EBRD was also an eye opener. Seeing a finance transaction in its various stages, from conception to structuring, documentation to disbursement, then onwards, gave me a broader understanding that you do not get in private practice. Sitting in on the Operations Committee and the Board was always a lesson.

Importantly, working with the EBRD, which has such a critical mission, gave me a deeper appreciation of the impact that financing activity has on emerging markets, their stakeholders, societies and economies.

On a personal front, I fondly recall working with (and learning from) many superb lawyers, such as Emmanuel Maurice ('14), Norbert Seiler ('21), Steve Petri ('21), Gerard Sanders ('20), Mary Faith Higgins ('14), Christoph Sicking, Jason Verville and others. There was strong camaraderie and an *esprit de corps* in OGC.

Since returning to private practice (2003), I have headed up Dentons' EBRD Client Service Team. I strive to improve our support of the Bank in its mission. Plus, I share a strong bond with many EBRD alumni and current lawyers and bankers.

I think some of the Bank's most important work has been on the people side. It is not just the policy initiatives the Bank promotes or the deals that it closes, but the creation of a team of professionals sharing a vision and a commitment to improving life in the economies where the Bank operates.

You are now the head of the Russian Banking and Finance Group at Dentons, based in Moscow. Can you tell us something about your work since you left the Bank?

Living in Russia after my time at OGC (2003 to present) has been great. Russia witnessed superb growth and a dynamic financing market right through to the global financial crisis of 2008. But it also quickly bounced back. Political developments have interfered with growth, however. The state sector has burgeoned, growth in micro, small and medium-sized enterprises (MSMEs) has waned and the country has sometimes struggled with the rule of law (especially in cases with a strong political element).

Still, our Russian banking and finance group has done some great deals and worked with great clients. Since 2014, the role of development finance institutions (DFIs), such as the EBRD, and global commercial banks has decreased, unfortunately.

Russian state banks now tend to dominate the market. Interestingly, though, this has led to some positive legal developments, such as the growth of Russian-law project finance, a new Russian-law form of Loan Market Association (LMA) loan and the like.

One can only hope for some breakthrough in the current situation that would see the EBRD re-enter the market here. I believe the Bank still has a lot to offer Russia in terms of transition impact, helping to move it from fossil fuels to green energy and, in particular, to eliminate coal production and use, and control and reduce methane leakage. Russia is the largest producer of coal of all of the economies in which the Bank operates, followed by Kazakhstan and Poland, which together account for only around half of Russia's production.

This could be one of the most important things the Bank has ever done from an existential standpoint. We desperately need a new "Climate Change Marshal Plan" in Russia – much as the EBRD stepped in following the fall of the Soviet Union to support countries' transition to market economies. The survival of our planet is too important for politics to stand in the way.

You have just written a book with Richard Marney, *Corporate Debt Restructuring in Emerging Markets – A Practical Post-Pandemic Guide*. Tell us about it. The book is written in an unusual way, in the form of a narrative, in which a troubled bank in an emerging market requires debt restructuring. It also, we understand, benefitted from the helpful contributions of certain EBRD staff? Where can one buy the book?

Thanks to my work with the EBRD in the Russian Financial Institutions sector (including with Nik Drude on the Bank's Russia Small Business Fund and energy-efficiency programmes), I became involved in several distressed Financial Institutions loans. We did several workouts, or financial restructurings, involving the EBRD and a handful of other DFIs and impact investment funds. Richard Marney headed the restructuring team at one of those funds, Responsibility Investments AG (Zurich). We enjoyed working with each other and our colleagues at the other lenders. Workouts are a huge challenge, but also enormously rewarding for the teams who do them together – it's a bit like climbing Mount Everest together! We continued to work on a number of subsequent restructurings in various emerging markets in Central and Eastern Europe, Central Asia, the Caucasus, Latin America and Asia.

Richard and I believed it made sense to write a guide – an educational tool for younger bankers and lawyers dealing with workouts in emerging markets.

Having a narrative with a cast of characters facing a real-life situation as the introduction to the book seemed like a more interesting approach than launching immediately into the drier substance. The narrative also includes a series of discussion questions, with suggested answers, to draw out key issues from the case.

In the ensuing chapters, we cover the five main phases and principles of a workout: (1) pre-restructuring, (2) the decision to restructure, (3) case set-up, (4) structuring and negotiation and, lastly, (5) implementation. In each chapter, we outline the main elements of the phases and show the reader how these can be applied in practice. We then present separate chapters on exogenous shocks (with the Covid-19 pandemic as an example), macroeconomics and the legal issues involved in cross-border restructurings. We hope the book will help the international professional financial and legal community, primarily junior to mid-level bankers and lawyers. It is also important for borrowers and sponsors to see how to avert disaster by collaborating with their lenders on a win-win basis, going beyond the “us-versus-them” mentality one sometimes sees in emerging markets.

Various EBRD colleagues made great contributions to the book. Ilir Fani (Corporate Recovery) was invaluable and read and commented on number of iterations of the manuscript. Josué Tanaka ('21) kindly offered valuable structuring advice. While Matt Cumberpatch and Tigran Kurdiyan kindly offered their practical legal experience. Not least, Catherine Bridge spent a great deal of time helping with the legal toolkit chapter. In short, there is a lot of input from EBRD specialists, for which I am grateful.

The book is available on the publisher's website (<https://link.springer.com>).

The EBRD Alumni Association owes you a lot. You came twice from Moscow to London to entertain EBRD alumni and staff at Alumni Association Annual Reunions as part of the East-West Trio, where you play the piano, accompanied by Josué Tanaka on conga and Nick Kacal on double bass. Your piano playing is, indeed, quite exceptional. Tell us a bit about your interest in music.

Yes, music and the arts have always been central to my life – no less important than the law. When I was a kid growing up in the cornfields of Michigan, I attended Interlochen Arts Camp in northern Michigan. At each concert I would read the founding motto adorning the back of the stage – “Dedicated to the promotion of world friendship through the universal language of the arts”. What did that mean? For a 10-year old kid from a small town, it was a bit over my head. Still, it planted a seed.



Timothy at the keyboard (EBRD Alumni Association Annual Reunion, London, January 2017).

It became clearer later, when, in high school, I toured the Soviet Union with an all-state jazz band (1977). This was at the height of the Cold War. Meeting our hosts on that tour blew me away – such warm, friendly people. Such extraordinarily talented, virtuosic musicians. This also led to a lifelong passion for Russia, its history, art, culture and people. It also led to my university studies on interdependence and building bridges between nations.



With the other members of East-West Trio Nick Kacal and Josué Tanaka.

My music led to my career in private international law, but I never abandoned music. Playing with Josué Tanaka and Nik Kacal in our East-West Trio was a cornerstone of my life and remains so. I am grateful not only for the opportunity to play with such fantastic musicians, but also for the friendship, we have built over the years together. I also have a second trio in Moscow, where we play the hotel and club scene. And, of course, my Russian jazz piano teacher Yakov Okun pushes me relentlessly to improve.



With Nick Kacal at the EBRD Alumni Association Annual Reunion, London, January 2020.

Ciao Enzo Quattrocioche ('21)

By Axel Reiserer



It takes una bella figura to cut a fine figure.

"Caro amico, ti scrivo, così mi distraigo un po'", begins one of the most popular songs by the Italian cantautore Lucia Dalla, and these are the words that immediately come to mind as I am trying to pen a little farewell to our Secretary General Enzo Quattrocioche, retired from the Bank.

The two words "caro amico" capture what many think about Enzo. As Secretary General since February 2009, he has been at the very top of the Bank for a record period of over 12 years and unfailingly and loyally served three presidents. What made him such a special man was that he, at the same time, never lost his dignity and kindness.

In one word: What characterises Enzo more than anything is 'class'. He is probably the only person in corporate life I ever met who did not have to worry about the famous adage "You never get a second chance to make a first impression".

Because his first impression was always nothing but perfect: impeccably dressed, with distinguished manners and gifted with a very fine talent for communicating, he came to live among us mere mortals like a figure from one of the great classics of Italian cinema we all admire so much while knowing that such perfection would remain forever unattainable for us.

If Vittorio De Sica had made a film about La Vita Segreta di BERS, he could only have cast the role of Enzo Quattrocioche with Marcello Mastroianni. Instead, he made the film Ladri di biciclette. Speaking of two-wheelers: With his scooter Enzo braved not only the traffic in London, but also wind and weather without bending a hair...

Enzo is the incarnation of what the philosophy of La Bella Figura stands for. But true class goes much deeper. The concept of "serving" in his role as an international civil servant was always sacred to him. That's how we got to know him when he was representing Italy at the Board of Directors (1996-2008), and that's where he excelled in his position as Secretary General. Highly professional, well-prepared and equipped with an abundance of knowledge about the finest intricacies of the inner workings of the EBRD machinery, Enzo simply excelled at the performance of his duties.

If anyone wants to know the meaning of the word "unflappable", I would urgently recommend watching Enzo's subtle, yet firm steering of countless committee, board and many other meetings.

At the same time Enzo is a man of great charm, profound decency and an infectious sense of humour. A real team player, he led the Office of the Secretary General with care, passion and love. For his famiglia he was like a padre. An insatiable reader, Enzo would always appreciate a nice turn of phrase and enjoy a witty pun. Softly spoken, he never failed to listen to his interlocutors courteously and patiently, no matter how long-winded and pompous their statements were. Although he never admitted it in his modesty, he is actually an excellent public speaker and easily wrapped journalists around his little finger on the all too rare occasions when he spoke to press.

In his 12 years as the Bank's Secretary General, Enzo was deeply involved in decisions about the present and future course of the institution. When he took on the position, many countries of operations were suffering severe shocks from the global financial crisis. The EBRD responded rapidly with an unprecedented expansion of its business volume. Negotiating and securing the necessary capital increase with the shareholders by the time of the 2010 Annual Meeting, was a historic achievement for which the Secretary General can take a lot of credit.

Never one to rest on his laurels, Enzo kept busy in the years that followed: the expansion to the south and eastern Mediterranean, the rapid increase in the number of shareholders, the successful delivery of the Chernobyl decommissioning projects with the EBRD not only the fund manager but also the largest donor, the move to a new Headquarters in Canary Wharf next year – the list of achievements and groundbreaking decisions under Enzo' watch is almost as long as the list of his friends and admirers. Lucio Dalla's song is about looking back and it is called "L'anno che verrà". In Enzo's case we are talking about almost 25 years. A few bars into the song the mind wonders towards Italy, a country which is something akin to a magic kingdom for many of us (except for the fans of the England football team). It is a country blessed with its natural beauty, its culture and its heritage. Thanks to Enzo we also know that Italy's greatest treasure is its people.

Grazie e arrivederci, caro amico.

Pierre Heilbronn ('21): my EBRD journey

By Pierre Heilbronn



"Life is like riding a bicycle. To keep your balance, you must keep moving." – Albert Einstein

As I have drawn to a close my almost five years of service as EBRD's Vice-President for Policy and Partnerships (VP3), I wanted to share my personal reflections on my phenomenal journey that I feel so privileged to have had during this time. It is extremely difficult to put down the five years' worth of reflections in a few paragraphs, hence I will focus on four key takeaways.

The backdrop of any of my experiences at the Bank, is of course the Bank itself: an institution which allows countries that share a common ambition to come together. My years at the Bank have convinced me that unity in diversity is our real strength, even if it requires patience and understanding. The diversity in leadership, the diversity of our staff, the diversity of our shareholding, the diversity of our countries of operations and of course the diversity of the issues that I got to work on! Diversity is everywhere and I firmly believe this is what makes EBRD so unique and so strong. This will continue to serve the organisation well for years to come and the multilateral nature of our governance should be a true advantage in a world full of divisions and tensions.

My experience at the Bank has been deeply meaningful also because I saw first hand the commitment we have to this institution: commitment of our shareholders, our donors, our countries of operation but first and foremost of you all, dedicated colleagues. This has been the case in all my discussion in the Board room, in each and every corner of our 12 floors in HQ, in our ROs and in the so many interactions I nurtured in our countries of operation. This commitment of all to the Bank is a precious asset and has to be carefully nurtured. I arrived at the Bank with a dream of making the Bank even more central to its shareholders, a relevant institution which matters.

Through my many trips over the last years, I hope I contributed to putting the EBRD even more on the map.

In some ways, I trust that the discussion on the European Financial Architecture for Development allowed consolidation of not only the brand of the Bank but also the recognition of its important role in achieving the ambition we all share.

The past few years were also marked by several changes. These changes will help build over time a greater capacity I believe serves the Bank well and constitutes one of its main assets. Under the freshly established Client Services Group and with the help of Jürgen Riegerink and Alain Pilloux, bringing policy and investment closer and making our policy impact more explicit have been a really rewarding journey. We made countless advances, welcomed new teams in VP3 – the Capital Markets Development team and the Gender & Inclusion team - and developed others like the European Affairs department and our Brussels office. We also championed a strong "country focus" for our policy engagements – including the development of country diagnostics and revamped the country strategy coordination process. We strengthened our support to our countries of operation and state-owned enterprises to become better governed.

We raised record amount of donor funds to support all this policy – investment integration; and not only by expanding on our traditional donor partnerships, but also welcoming new donors and philanthropic organisations.

And last but not the least, if I were to name one thing that I will miss the most as I ride into my new journey, it would be the extremely rich, stimulating and fun interactions that I had with each and everyone at the Bank. Whether it is through the team meetings that I joined in our ROs, interactions we had at our team retreats or town halls, debates we had in the Lee Jackson or Boardroom with our shareholders, or most recently virtually on the Webex screen, I cherished every interaction, learned from each of them and have always been touched by your dedication and professionalism.

I say "au revoir" and look forward to the occasions where our paths will cross again...

Kazuhiko Koguchi ('02) appointed Secretary General



Kazuhiko Koguchi has been appointed Secretary General of the EBRD, effective from 1 August 2021.

A Japanese national, Kazu first joined the EBRD as a Senior Banker within the Financial Institutions team in July 1998 before becoming Director for Uzbekistan, Turkmenistan, Tajikistan. He then returned to Japan's Ministry of Finance, where he held various roles, most recently as President of the National Tax College within the National Tax Agency. He also represented his country as Executive Director at the World Bank Group (2016-2018), and the Asian Development Bank (2012-2015). Kazuhiko re-joined the EBRD in 2019 as a Special Advisor in the President's Office before moving to the Office of the Secretary General (OSG) in the role of Director, Shareholder Relations.

Kazu's new role as the Bank's Secretary General is pivotal for supporting the Bank in fulfilling its mandate and delivering real impact.

Fernando Pons ('21) ends his EBRD Journey



Fernando Pons was EBRD's Vice President, Human Resources, Corporate Services and Chief Administrative Officer from October 2017 to September 2021.

In his position, Fernando Pons had overall responsibility for the formulation, coordination and implementation of the Bank's strategy for Corporate Services, with the aim of providing value through the design, transformation, and continuous improvement of administrative support services. In addition, he was involved in ensuring an effective and efficient delivery of business support processes that ensure the required levels of control and compliance, maintaining strong internal customer relationships, including customer satisfaction and monitoring and managing service delivery levels. The Vice President is a member of the Executive Committee and Management Committee and chairs the IT Governance Committee.

Prior to EBRD, he had more than 20 years of international experience in leading Corporate Services teams, having developed his career in different areas of Human Resources, Procurement, Finance, Administrative Support and Internal Audit. His main technical domains are organisational transformation, business process re-engineering and advanced analytics.

Lisa Rosen ('21) joins Bank of England



Lisa Rosen, former Managing Director, Chief Compliance Officer, has left Bank this October to become the Chief Compliance Officer for the Bank of England.

Lisa joined the EBRD in 2014 and, since then, has worked tirelessly to transform OCCO into a department, where all aspects of integrity are addressed, including Project Integrity, Ethics, Capital Markets Compliance, Domiciliation and Investigations. OCCO's growth under Lisa's leadership is a testament to the increasingly important role that integrity plays across the EBRD and to its mandate.

Lisa's leadership and excellent relationship with peers across IFIs, have been instrumental in the development and implementation of the Bank's approach to integrity, ensuring that the EBRD sets and adopts the highest standards in the fight against corruption and the promotion of ethical business conduct.

During her time at the Bank, Lisa oversaw the overhaul of the Enforcement Policies and Procedures, the creation of the Independent Project Accountability Mechanism (IPAM), as well as the Capital Markets Compliance Function, ensuring adherence to best practices in relation to the treatment of material non-public information. She was also instrumental in the creation of the Domiciliation Unit within OCCO and the Bank's first-ever Whistleblowing Policy.

Lisa also introduced the regional specialisation model for Project Integrity, encouraging OCCO staff to develop an in-depth understanding of their countries of operations through travel and relationship building with the ROs, while simultaneously ensuring that Banking Projects were in line with the Bank's integrity risk appetite.

Farewell, Grant ('21)!

By Axel van Naverdeen



After 21 years with the EBRD, Grant Metcalfe-Smith, Director, Head of Client Solutions Group, has left the Bank in August. In addition to finalising his MSc in Coaching and Behavioural Change at Henley Business School, Grant will be embarking on a new career path by establishing an Executive Coaching and Learning/Facilitation practice.

It would be remiss not to mention the impact Grant has had on Treasury, as well as the rest of the Bank with his leadership of the Treasury Client Solutions Group. Through the team's various iterations, Grant has stayed true to the mandate of ensuring the continuous provision of Treasury expertise across the Bank and to its many clients. During his time at the Bank, Grant has worked tirelessly in developing open and strong working relations across the organisation, and to deliver well-structured debt and equity financings to our clients.

On a personal note, Grant's passion for education is reflected in his continued focus on his own development too. However, he has also applied this expertise and commitment to strengthen EBRD's client franchise in the training of over 200 Treasury and Risk management professionals from EBRD's partner banks across more than 15 of our countries of operation. Grant played an absolutely key role in this training, which covered topics such as asset and liability management, derivatives, capital markets and bank regulation, making a significant impact on individuals across our regions.

Fighting the good (green) fight: Alistair's Clark ('21) Story

By Nigina Mirbabaeva



Alistair Clark might seem like a bit of a contradiction. Though an environmentalist with 40 years in his pocket tackling environmental issues, he is not a car-free-plastic-free vegan, and he flies (pre-Covid, that is) about 20 flights a year - something Greta Thunberg would definitely frown upon.

Yet, there is no arguing that he fights for Mother Earth and its people. Whether ensuring our projects comply with the Bank's environmental and social policy and performance requirements, leading two pioneering environmental funds, (the Northern Dimension Environmental Partnership (NDEP)), thanks to which pollution levels have reduced in the Gulf of Finland thus improving Baltic marine ecosystems, and the Eastern Europe Energy Efficiency and Environmental Partnership (E5P), which has aided many energy efficiency projects in the Eastern Partnership Countries), or even helping the ESD team over five years to negotiate environmental and social safeguards on the Sakhalin Energy Investment Project; Alistair has made an impact indeed, in his 20 years at the EBRD.

"That Sakhalin project is the one the project team is most professionally proud of," Alistair tells me. While the Bank did not finance the pipeline in the end, the environmental and social action plan the EBRD negotiated with the parent company Shell back in 2006 are in place to this day. That's over 5000 individual commitments! "It was the best, and most challenging, project we never financed," he says, laughing. Not only were there four co-financiers, the Russian government and the oil-giant Shell involved, but getting to the project sites in Sakhalin would sometimes take four airplanes, one bus and one helicopter!

Yet, Alistair does not shy away from challenges – he welcomes them. Why else would he spend 10 years studying environmental sciences (a rarity in the field), and then another 18 at his engineering and environmental consultancy firm, becoming its youngest Partner at 31 along the way?

Having come from a family of doctors, his career choice was not the most obvious, but "something just clicked" when he realised he could marry his love for science and the environment and pursue it as a day job. And, he still became a doctor, gaining a PhD in atmospheric chemistry, focusing, you could say, on ailments on a larger scale - that of our environment.

He carried his love with him to the Bank, when he applied for the job of Director of the Environment Appraisal Unit in 2001, having worked on environmental due diligence projects since the EBRD's establishment. "I was familiar with the Bank's projects, and I was in love with the region and its people – it was sort of like coming home," Alistair says.

But while the work was not unfamiliar, here too the challenges were rife. These were the days of mega fossil fuel investments such as that Sakhalin project and the Baku-Tbilisi-Ceyhan pipeline, when crowds of protesters would march outside HQ on Bishopsgate to protest our financing.

"It's been a learning experience for me," Alistair reflects. "From being able to do really difficult projects, to building strong, professional relationships with Civil Society Organisations (CSOs), to launching NDEP& E5P, and expanding our environmental policies to encompass social aspects as well – I am very proud of what we have been able to achieve during these two decades. In particular, I am proud that the EBRD has been a leader in putting strong requirements in areas such as health and safety, road safety and anti-microbial resistance," he says.

These achievements came with important lessons, which Alistair lives by to this day: pragmatism and authenticity. "There is no black and white in my world," he reflects on the difficulties of negotiating an environmental or social safeguard, or dealing with civil society representatives, who often want radical solutions.



Alistair at Sustainability Awards event, 2018 EBRD Annual Meeting, Jordan.

“So it’s foolish to operate as if it is. But some things you simply can’t compromise on, and it’s important to quickly and honestly tell your colleagues whether a project can or cannot be done. Sometimes the easiest option is to say no, and the harder option is to say ‘let’s try and make this project work’. I have always tried to communicate challenging issues to colleagues or the Board in a straightforward manner and never shy away from issues which can be difficult, particularly if things have not gone as well as expected”.



Alistair with Robert Coyle ('10)

The characteristic of looking for pragmatic solutions is a legacy of Alistair’s and he has nurtured this in the ESD team. There is always a question of judgement in applying a policy and performance requirements that he wholeheartedly trusts his team with. “They are the most competent and knowledgeable team in the MDB space, who know their material and always work towards finding a solution,” he says. He says he is content knowing he is leaving the Bank’s green reputation in their capable hands, particularly as the EBRD evolves to become greener, in new regions and with new tools at our disposal.

So is his green fight coming to an end? Not quite. “I may be leaving the EBRD, but I am not leaving the environmental, social and governance space,” Alistair says. His impact will continue as he bestows his knowledge on the next generation of environmentalists, giving postgraduate students the tools they need to find solutions to our most pressing problem – climate change and sustainability. He will continue with his advisory work for institutions and other organisations, too. And, he will be making an impact in other ways – by getting back on his bike, in his rowing boat, and on his skis, and spending more time with his socially and environmentally conscious sons.

Alba Bozo ('06) appointed as Director, Chief Counsel, Corporate



Alba Bozo, has been appointed to the role of Director, Chief Counsel, Corporate in the Office of the General Counsel (OGC).

Alba, an Albanian and British national, joined the EBRD in 2004 in OGC’s Legal Associates Program. Before returning to EBRD in 2015, she worked at the International Monetary Fund and the London-based law firms of Fieldfisher and Herbert Smith Freehills. Alba was last acting in the Chief Counsel role where she has successfully led the practice of institutional and international administrative law.

In the recent past she has been leading and delivering activities that have had a significant impact on the Bank’s response to the COVID-19 crisis. Alba is a qualified lawyer in both New York and England and Wales.

Former EBRD Senior Counsel Awarded Counsel of the Year at The Lawyers Awards 2021



Maaïke de Bie ('05), former EBRD Senior Counsel, who is currently serving as Group General Counsel and Company Secretary at easyJet, has recently been awarded at The Lawyers Awards 2021.

Her team came top in the 'In House Commerce and Industry Team of the Year' category, whilst Maaïke de Bie was awarded 'General Counsel of the Year'.

Maaïke said - "I cannot begin to express how proud I am of the easyJet Group Compliance Office (GCO) team. They have been absolute superstars helping easyJet get through the most challenging time it has ever faced - all with great attitude and support for one another."

Photo source: thelawyer.com

Alumni taking up new positions



The EBRD alumni community is a dynamic network with the majority of its members still professionally active. The listing below informs on alumni taking up new positions where this information has reached us.

Aleksandra Krawcewicz ('12), former EBRD Associate, Finance in the Office of the General Counsel (OGC) - Finance has been appointed as Senior Associate at Harneys.

Alexander Poulev ('18), former EBRD Principal Banker in Sofia (Bulgaria) Resident Office, Banking, has been appointed as Deputy Minister, Ministry of Transport, Information Technology and Communications, in Sofia.

Aloyzas Vitkauskas ('21), former EBRD Alternate Board Director for Denmark, Lithuania, Ireland and Kosovo, has been appointed as Undersecretary at the Ministry of Finance, Vilnius, Lithuania.

Andre Tikhomirov ('05), former EBRD Senior Banker, Financial Institutions, Moscow Resident Office, has been contracted as PE Investment Advisor at Severgroup in Moscow.

Carlton Gajadhar ('16), former EBRD Officer, SME, Finance & Development Front Office, Banking has been contracted as Project Manager at Barker Langham in London.

Denis Rusinovich ('11), former EBRD Associate Banker in Industry, Commerce & Agriculture (ICA, Moscow Resident Office, has co-founded the Maveric Group AG. Denis is based in Berlin.

Dmitri Miklush ('10), former EBRD Associate Banker, Minsk Resident Office, has been appointed Head of Projects, Severstal Ventures, at Severstal in Moscow.

Dorian Maillard ('15), former EBRD Associate Banker, SEMED - Tunis (Tunisia) Resident Office, Banking, has been appointed Vice President at Silverpeak in London.

Fredrik Korfker ('11), former EBRD Chief Evaluator, External Evaluation Department (EVD), has been appointed as Private Sector Development Finance Expert providing strategic guidance updating the MOPAN Framework at the OECD - MOPAN Secretariat. Fredrik is based in Amsterdam.

Giedre Tuinylaite ('15), former EBRD Analyst, Countries of Operations Front Office, TEECCA, Banking, has been appointed Anti Money Laundering (AML)/Know Your Customer (KYC) Manager at Alter Domus in Vilnius.

Gisella Berardi ('07), former EBRD Adviser to Board Director, Italy, has been appointed as a Member of the Board of Directors at the Green Climate Fund. Gisella is based in Rome.

Gokhan Karacetin ('21), former EBRD Associate Director, Head of Gaziantep Resident Office (RO) in Turkey, Banking has been appointed as CFO at TürkAkim (Gazprom) in Istanbul, Turkey.

Grant Metcalfe-Smith ('21), former EBRD Director, Head of Client Solutions Group in Treasury, Finance is now Managing Director at Sapience Consulting Europe, United Kingdom.

Gwilym Jones ('19), former EBRD Head, EU Representative Office, has been appointed as EU Ambassador to the Islamic Republic of Mauritania in Nouakchott, Mauritania.

Ilaria Paolucci ('18), former EBRD Assistant Analyst, Shareholder Relations, Office of the Secretary General (OSG), has been appointed Real Estate Consultant at Professionecasa S.p.A. in Milan, Italy.

Isil Etes ('16), former EBRD Senior Officer, SEMED Front Office, Banking, has been appointed Senior Manager, Deal Strategy, at Talkdesk in London.

Ivana Fernandes Duarte ('21), former EBRD Associate Director, Head of Azerbaijan, Baku Resident Office, has been appointed as Regional Country Manager South Caucasus, International Finance Corporation (IFC) in Tbilisi, Georgia.

Jan Wetzels ('17), former EBRD Associate Banker, Banking, has been appointed Senior Credit Risk Manager at KfW DEG in Cologne, Germany.

Joe Colombano ('10), former EBRD Associate Banker, Transport, Banking, has been appointed Head of Office, United Nations in China, in Beijing.

Konstantin Andrejev ('16), former EBRD Associate Banker, Property and Tourism, has been appointed Director, Head of Investment Platform at IMMO Capital in London.

Lance Wiggs ('96), former EBRD MIS Analyst, Banking Vice Presidency, has been appointed as Advisor at Couchdrop. Lance is based in Auckland, New Zealand.

Laure Blanchard-Brunac ('20), former EBRD Associate Director, Senior Banker, Country Strategy Coordination & Results Management (CSRM) and EU Affairs, VP Policy & Partnerships (VP3), has been appointed as Investment Committee Member for the Research, Innovation and Digitisation Policy Window at the InvestEU Fund. Laure is based in Brussels.

Laurin Sepetro ('12), former EBRD Intern in the Office of Secretary General (OSG) has been appointed Head of Public Policy and Government Relations, Germany and Central Europe, at Wolt in Berlin.

Lou Naumovski ('00), former EBRD Senior Banker, Russia Team, Banking, has been appointed as Member of the Board of Directors at the Canadian International Council, in Toronto, Canada.

Lucyna Stanczak-Wuczynska ('20), former EBRD Director, Head of EU Banks in Financial Institutions (FI), Banking has been appointed Chairwoman of the Advisory Board at Chapter Zero Poland and Chairwoman of the Supervisory Board at BNP Paribas Bank Polska, in Warsaw, Poland.

Marie-Alexandra Veilleux Laborie ('21), former EBRD Director, Morocco, Casablanca Resident Office, Banking, has been appointed Adjunct Professor at the IE Business School and Adjunct Professor at Sciences Po. Marie-Aleksandra is based in Alicante, Spain.

Marion Panagiotopoulou ('19), former EBRD Assistant Analyst in Controller's Department, Finance, has been appointed as Consultant at Deloitte Consulting in London.

Mark Nord ('97), former EBRD MIS Manager, Management and Front Office in Banking, has been appointed Chief Operating Officer, Global Markets Division UK at Crédit Agricole in London.

Mark Rachovides ('08), former EBRD Senior Banker, Natural Resources, Banking, has been appointed Chairman at Venus Minerals Ltd and Non-Executive Director at GreenRoc Mining.

Marlene Frauscher ('20), former EBRD Alumni Association Co-ordinator, has been appointed Business Developer & Accounts Executive at Deskbird and has completed French language studies at the Institut Catholique de Paris. Marlene is based in Vienna.

Naswah Saleh ('14), former EBRD Manager, Treasury & Capital Markets Development, Finance, has been appointed as Director of Cranfield Full-time MBA & Senior Lecturer at Cranfield School of Management.

Natasha Treloar ('21), former EBRD Associate in the Communications Department is now Freelance Editor at Cicada & Skeeter, in Melbourne, Australia.

Nicholas Mant ('21), former EBRD Senior Portfolio Manager, Banking, has been appointed Chief Investment Risk Officer at the Northern Australia Infrastructure Facility (NAIF) in Cairns, Australia.

Olimjon Bazarov ('03), former EBRD Analyst in the Tashkent (Uzbekistan) Resident Office, has been appointed Executive Director - Private Banking Division at Banque Richelieu GCC, in Abu Dhabi, United Arab Emirates.

Pascal Egloff ('17), former EBRD Analyst, Power and Energy, Banking, has been appointed as Lecturer/Researcher in Banking & Finance at Eastern Switzerland University of Applied Sciences in St Gallen, Switzerland.

Pascale Bardinet ('10), former EBRD Executive Assistant, Administrative Services Front Office, has been appointed as Personal Assistant at H.I.G Capital in London.

Paul Houston ('21), former EBRD Associate Director, Head of Talent Acquisition, Human Resources & Organizational Development Department (HROD) has been appointed Senior Human Resources Specialist at Asian Development Bank (ADB) in Manila, Philippines.

Peter Wisner ('08), former EBRD Alternate Board Director, United States Constituency Office, has been appointed Director, International Economics & Competitiveness, National Security Council, at The White House, in Washington DC.

Piroska Nagy Mohacsi ('15), former EBRD Director for Country Strategy and Policy, Office of the Chief Economist (OCE), has been appointed Visiting Professor at the London School of Economics (LSE) in London.

Riccardo Puliti ('16), former EBRD Managing Director, Energy & Natural Resources, Banking, has been appointed Vice President for Infrastructure at the World Bank in Washington DC.

Riccardo Sallustio ('98), former EBRD Counsel, Office of General Counsel (OGC), has been appointed Adjunct Professor of Green and Sustainable Finance at Luiss Guido Carli University and Partner at ADVANT Nctm, in Milan, Italy.

Roberto Ippolito ('10), former EBRD Principal Banker, Western Balkans, Banking, has become a Founding Partner & CEO of Italian Hybrid Capital Partners. Roberto is based in Milan, Italy.

Sanjay Chokshi (11), former EBRD IT Helpdesk Consultant, has been appointed as Information Technology Technical Specialist at Boston Consulting Group (BCG) in London.

Sarah Pilchick ('14), former EBRD Online Editorial Officer, Communications Department, has been appointed as Electoral Expert at the United Nations Assistance Mission for Iraq and Short-Term Election

Observer at the OSCE Office for Democratic Institutions and Human Rights (ODIHR). Sarah is based in Brussels.

Satish Chakka ('19), former EBRD Associate, Database Administration in TSG Database has been appointed Professional Data Base Administrator (DBA) at Nomura in London.

Steve Gillard ('17), former EBRD Associate Director, Head of TC Operations, has been appointed Principal Procurement Specialist, Head of Consulting Services Unit at Asian Development Bank (ADB), in Manila, Philippines.

Sudqi Abu-Shaqra ('17), former EBRD Analyst in Amman (Jordan) Resident Office, Banking, has been appointed Chief of Staff at Iiwwa in Amman, Jordan.

Timo Mäkelä ('96), former EBRD Director, Municipal & Environmental Infrastructure Team, Banking has been appointed Chairman of the Board of Directors at Uutuus Oy and Board Member at Reciprocal Engineering Ltd in Helsinki, Finland.

Tracie Laurinaitis ('13), former EBRD Manager, International Professionals Programme (IPP), HR, has been appointed as Human Resources Business Advisor France – Executive Director, at J.P. Morgan in Paris.

Umed Saidov ('15), former EBRD Associate Banker, Infrastructure, Russia and Central Asia, Banking, has been appointed Head of Staking Operations at Wave Financial in New York.

Vedrana Jelusic Kasic ('18), former EBRD Director, Regional Head for Croatia, Slovenia, Hungary, Slovakia, Zagreb Resident Office (Croatia), Banking, has been appointed as Board Member, Privredna Banka Zagreb d.d. in Zagreb, Croatia.

Vimi Modeshia ('07), former EBRD Senior Travel Officer, Support Services, Administrative Department, has been appointed as Facilities Manager at CBRE Asia Pacific in Singapore.

William Roos ('21), former EBRD Board Director for France, has been appointed Assistant Secretary, Multilateral, Development and Trade affairs at the Direction Générale du Trésor (French Treasury) in Paris.

Tribute to Peter Reiniger ('11)

By Claire Ricklefs



It is with great sadness that we have to announce that Peter Reiniger, former EBRD Managing Director for Central and South-Eastern Europe, passed away on 30th of October 2021 in hospital in London after a long illness.

Peter was among the first employees to join the Bank in 1991 and led various teams over the course of his career, including the Bank's Hungary team, Telecommunications, Informatics and Media, Industry & Commerce and the Bank's Energy Group.

Peter, a Hungarian national, came to the UK specifically to work for the EBRD where he would stay for over two decades. When he retired in 2012 he remarked that "It has been a privilege to work for the Bank. This was not only my profession, but equally my passion. It provided me with a unique opportunity to serve the region and to give back to my community".

This passion for his work shone through and was clear to see for all. Istvan Ipper ('16), former Head of Countries of Operation Front Office in Banking, has known Peter since the mid-1980s when he worked as a Deputy Minister of Industry in Budapest. "Peter has achieved great successes in his work throughout his career," Istvan says. "We will remember him as someone who was able to build up excellent relationships with all his contacts and real friendship with most of his colleagues. We will all miss him."

"Peter was so much more than an investment banker," agrees Alain Pilloux. "He was a man of discernment, empathy and generosity who pursued tirelessly the ideals of democracy and economic freedom."

Peter was equally passionate about the arts and in particular opera and classical music, and having just retired from the Bank, was asked by then EBRD President Thomas Mirow to set up a Cultural Programme for the EBRD. This is where I too got to know and benefit from his expertise and kindness as he guided me in my first few months as Cultural Affairs Manager for the Bank. Together we visited and spoke to a vast number of his contacts be it at the music colleagues, embassies or cultural centres in London or friends and connections from our countries of operations. His knowledge and network were

astonishingly wide, his manner always impeccable and caring.

Indeed, the words that many colleagues and friends use to describe him include "kind", "courteous", "mentor to many" and "a true gentleman".



Former First Vice President, Ron Freeman ('97), wrote to say how Peter was "widely respected and admired across the Bank for his generosity in sharing his experience and contacts and in his understanding of and loyalty to the Bank's purpose. He was also a very kind man with a wealth of close and lasting friends."

"Peter was one of the kindest people I have come across working at the EBRD," agrees Agnieszka Lukasik. "With a kind word and smile for everybody. We will miss him greatly."

"I can't even describe how I feel," says Zsuzsanna Hargitai. "Peter was a close friend and mentor. It was devastating to see his health waning over the last few years – but his mind stayed alert and his spirit was redoubtable as I could feel it through our talks all these years. A tremendous loss."

His mentorship to colleagues is a constant thread in the comments flooding in. "Peter was a mensch," says Alan Rouso. "He was loved and respected by people across the Bank, and for good reason. He had a gentle manner and a razor-sharp mind, which he used to tackle the toughest challenges. Peter led by example – in how he engaged with people, managed his team and drove his business – and there was no greater leader during my two decades in the EBRD."

Similarly, Nandita Parshad highlights what a great mentor he was to many bankers of her generation and remembers how they both shared a mutual love of pizza. "The last time I saw him was last month at a wonderful garden party at his son's home to celebrate 30 years in this country to which he came to work for the EBRD," she remembers. "And his last words to me were 'we must get a pizza soon' ... will so miss him, RIP Peter - you left us way too soon."

Jean-Marc Peterschmitt writes, "Peter of course has a very special place in EBRD's history (and mine too). He was the kindest and most generous colleague. He was a

person you could always go to, who would offer wise and thoughtful advice, and share his own experience. His constant offering of encouragements and guidance was inspiring. He was a very benevolent, almost fatherly figure to many in the Bank. He has been precious to lead the Bank through the intricacies of our post-communist countries of operations, handling tricky political situations with tact and savviness, allowing Bank's activities to progress!

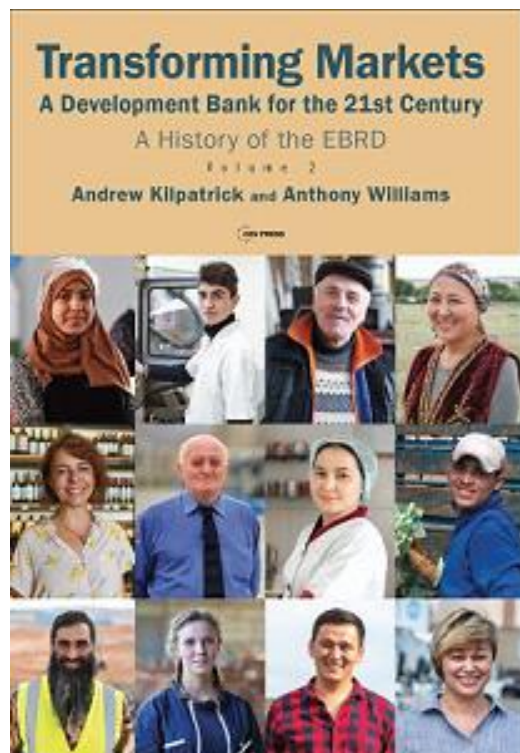
I have worked alongside Peter for many years in various capacities and was a lucky beneficiary of his knowledge and support. When Peter left the Bank, I was privileged but also very humbled to take over his role in Central and South Eastern Europe. Peter remained in touch throughout the years and always inquired about the Bank, caring about us all with genuine empathy, never ever complaining about his own health challenges. A very great and admirable man has left us."

Peter leaves behind his wife Veronica, their two sons and four grandchildren. Our thoughts are with Peter's family and friends at this difficult time.

SPECIAL TOPICS

Volume 2 of the History of the EBRD

By Jane Ross



Transforming Markets The History of the EBRD, A Development Bank for the 21st Century, Volume 2
By Andrew Kilpatrick and Anthony Williams
Published: September 2021

The second volume of the history of the EBRD takes up the story of how the Bank has become an indispensable part of the international financial architecture.

It tracks the Bank's crucial coordinating role in response to global and regional crises, the calls for its presence as an investor in Turkey, the Middle East and North Africa and later Greece and Cyprus, as well as the consequences of conflicts within its original region.

It shows how in the face of the growing threat of global warming the Bank, working mainly with the private sector, developed a sustainable energy business model to tackle climate change. Transforming Markets also examines how the EBRD broadened its investment criteria, and how its approach is aligned with the 2015 Paris Agreement and the international community's 2030 Agenda for Sustainable Development, with its core set of 17 sustainable development goals.

The story of the EBRD's own transition and rich history provides a route map for building the sustainable markets necessary for future growth and prosperity. Read the ebook on the CEU website here: [CEUPress](#)

Memories of 30 years of the EBRD

By Josué Tanaka



In Newsletter 21, Josué Tanaka ('21) introduced the 'Getting to 30' series, written by Josué. In this next three episodes he takes us a little further along his journey through the very early days of the Bank.

Episode 7

In this episode, Josué returns to Sarajevo in the 1990s, where the Bank began the challenging task of assisting the reconstruction of Bosnia and Herzegovina.

Last week, we were in Sarajevo during a cease-fire with the war starting again with intensity in the following months. Fortunately, December 1995 marked a pivotal moment with the signing of the Dayton Agreement which provided a framework for peace in the region.

Following the Dayton Agreement, the Bank could start to work on the membership of Bosnia and Herzegovina. There was a rush of activity to support the reconstruction of the country, which was seen as key to buttress the peace in the aftermath of a terrible war which had seen countries, cities, communities and family split up. The development of the situation in Mostar reflected this with the destruction of the Stari Most bridge over the Neretva river, effectively symbolizing the separation between the Croat and Muslim communities in the city.

My second trip to Sarajevo in early 1996 was very different from the one described in [episode 6](#). By then, the international community was mobilising to accelerate the implementation of the Dayton Agreement. I arrived in Zagreb one late afternoon for a dinner with senior officials from the IMF and the World Bank.

Being the only person who had gone to Sarajevo during the conflict, there was much curiosity about my experience and my observations of the situation on the ground. The next day we met again on the military base and flew to Sarajevo in a UN private plane. Much more comfortable than the flight a few months before and this time there was a full reception committee on arrival. So no need to hitch-hike on an armoured personnel carrier.



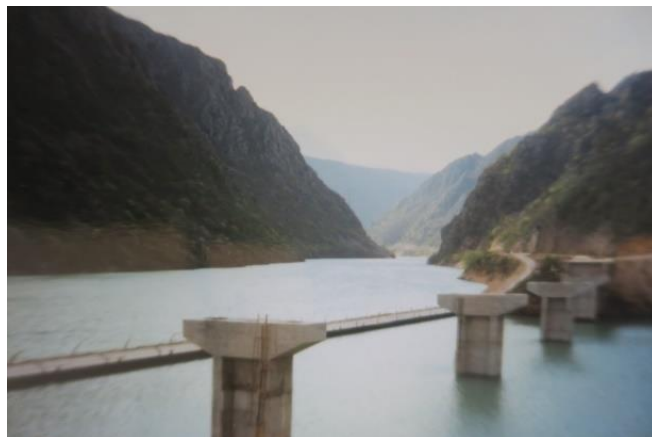
Our flight to Sarajevo with the IMF and World Bank representatives. In a black suit, Kemal Dervis from the World Bank confers with the IMF.

This trip set the basis for collaboration across development organisations to support the reconstruction of the country. The situation on the ground was, however, very challenging as 'the country' was really a set of different entities who struggled to find common ground for decision making. These disagreements occurred both at the political level but also at the technical level. The war had resulted in severe damage to the country's communications and rail networks. Which standards should be adopted for reconstruction? Which gauge for the railways? Which frequency band for mobiles? Everything seemed to provide an opportunity for protracted, complex and sensitive negotiations.

Working on the ground in the aftermath of the conflict had its tense moments. On one trip, I travelled by road from Croatia to Sarajevo with Roy Knighton who had worked extensively on transport in Yugoslavia before the war. Roads and bridges were damaged. We could see all around us burnt out carcasses of houses, cars and trucks. On another trip, I had to meet authorities in Pale. Pale was high above Sarajevo with the road having several informal armed checkpoints. Needless to say, one did not feel particularly comfortable going through these. The city itself was also full of reminders of the violence of the conflict, with demolished houses, burnt out public buildings, mortar and bullet ridden apartment buildings.



Roy Knighton ('03), director of the transport team in the mid-1990s, getting ready for our road trip from Split in Croatia to Sarajevo. The UN flights were overbooked by then while civilian flights had not yet started.



A demolished bridge over the Neretva river. On the left, see the temporary pontoon bridge which we crossed.



A truck from the IFOR, the NATO-led multinational Implementation Force created as a 'peace enforcement force' under the codename Operation Joint Endeavour between late 1995 and late 1996.



A roadside vision of bus and car carcasses between Mostar and Sarajevo.

Communications were also very difficult. During the conflict NATO had bombed and destroyed most telecommunications facilities. For a while, all telephone calls went through a few lines out of the city and it was basically impossible to call out. This was before the wide deployment of mobile phones. There was some mobile equipment which entailed going around with a small suitcase of electronics and a handset the size of a brick. One afternoon, I received the worst type of message you can get in these circumstances: 'Call home urgently'. I went to the hotel, gave 100 Deutsche Marks to the phone operator and told him that another hundred would be given once he put the call through. During the close to

two hours it took to get a connection, all the terrible thoughts which one can have went through my mind. By the time I could speak to my wife, I was ready for the worst with frayed nerves. It turned out that the urgent call was to check if we should put a bid for a house in our neighbourhood which had to be placed that evening. I was so relieved that I said yes to everything. Only once the call was over did I realise that this would mean a double mortgage, lots of work and even more logistics. But everyone was safe and we still live in this house so it was a good decision after all.



A Sarajevo house following the conflict. Looking at the city and neighbourhoods, the randomness of life and death was overwhelming. Why would one house be hit by a mortar shell and the house next to it be spared? There is no good answer to this question.

Due to the complexity of the situation on the ground, the set-up of a local presence rapidly became a question to be addressed. Understanding what was happening politically and institutionally combined with the need to coordinate across international organisations and donors was a very time-consuming process which could not be done from London. Accordingly, early on the Bank hired someone who had worked on the identification of priority infrastructure reconstruction projects. Paul Monnory played a key role in these early days to position the Bank to play its role in the complex and moving landscape of Bosnia's reconstruction. As Bank activity grew, it became clear that a full time representative was needed to understand local politics and support our growing operational activity. Zsuzsa Hargitai was just the right person for this sensitive position.



Our visit to the MicroEnterprise Bank in Sarajevo, the first micro-lending bank and first equity investment of

the Bank in Bosnia and Herzegovina. From left to right, Paul Monnory who assisted the start of EBRD operations in the country, Jacques de Larosière, President of the EBRD, Ralf Niepel, first general manager of MEB, and Zsuzsa Hargitai, our courageous and determined first full time representative in the country.

While tensions remained high among communities in Bosnia and Herzegovina, the EBRD country team showed how personal bonds could overcome these challenges. Colleagues in my team with roots from different parts of former Yugoslavia worked together and developed bonds of friendship projecting hopes for a better and peaceful future.

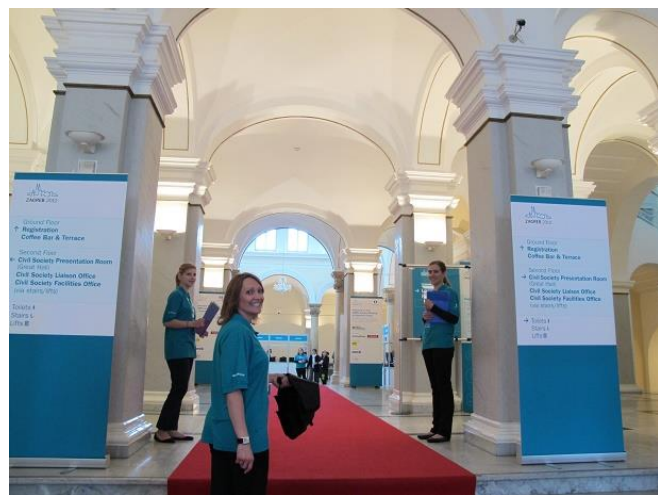
While tensions remained high among communities in Bosnia and Herzegovina, the EBRD country team showed how personal bonds could overcome these challenges. Colleagues in my team with roots from different parts of former Yugoslavia worked together and developed bonds of friendship projecting hopes for a better and peaceful future.

There can be emotional moments in our work at the Bank. One of these occurred for me on my last trip to Sarajevo as country director. Amidst all the complexity, the challenges and arduous discussions involved in my work there over the years, I received on that last trip a gift from my counterparts.

It was a CD of the Sarajevo Philharmonia to thank me for 'having been the first and only person from an international financial institution to have come to Sarajevo during the conflict' and to say that this would not be forgotten. Meaningful.

Episode 8

In episode 8, Josué looks back at two past Annual Meetings that had a big impact on the Bank's work to this date.



A friendly welcome at the EBRD Annual Meeting ten years ago in Zagreb.

Following the 'marble troubles' you may recall from a previous episode, the Bank went through a difficult spring and summer until the arrival of its new President, Jacques de Larosière, in the fall of 1993. He began his

presidency with a surgical speech to the staff in the auditorium. He had clearly done some detailed homework by saying in his address that the Bank had several serious issues to confront beyond its marble. These included the lack of a clear strategy, an out-of-control budget and therefore a damaged public image. He then mentioned that he had heard the public and private sector departments of the Bank competed with each other, proposing different products to the same clients in different meetings. This had to end and he gave two weeks for this issue to be solved. Quite a start!

On the strategy question, he set a 'high energy' Task Force lead by Nick Stern ('99), the newly-appointed chief economist for the Bank (being part of it is a highlight of my EBRD years). On the budget question, we entered a period of serious stringency with no budget growth for a number of years. And on the image question, the Bank adopted a low profile and became very discreet about its accomplishments.

Once strategic directions were set and approved by the Board of Governors, it was time to think about moving forward in a dynamic manner. The activity of the Bank was increasing rapidly with:

The number of projects signed rising from 3 in 1991, to 34 in 1992 and 147 by 1995. Our famous ABI rising from €0.1 billion in 1991 to €0.8 billion in 1992 reaching €2.0 billion by 1995. Annual disbursements exceeded €1.0 billion for the first time in 1995. It is interesting to note that in the single month of June 2020, we signed 50 projects with an ABI of €1.5 billion. And in July 2020 alone, we disbursed €1.0 billion. This increase in activity led to the Bank having to start thinking about a capital increase to be able to grow within its capital parameters. This was very far from an obvious proposition, as the case had to be made about the opportunity ahead and about the capacity of the Bank to use the additional capital wisely in the aftermath of the 'marble troubles' which had dented our fledgling organisational brand. With determination, the Bank developed the case under the overall leadership of the President including the definition of the initial transition theory of change and methodology by Nick Stern. This also introduced the famous G word, Graduation! These were still optimistic times with the transition process perceived as a quick linear process. My role focused on deriving operational projections reflecting increased support to our countries of operations. This medium term planning process led to the first Capital Resources Review for the period 1996 to 2000. A motivating contribution to place the Bank on a higher orbit of activity.

Anecdotally, I remember that the President used to travel in economy class, including on trans-Atlantic flights to the US. This fact was taken up in the press and reflected positively in the consideration of the capital increase in the US, showing how lean the Bank had become. And I remember that it is in fact in Washington DC, that the news that shareholders were going to support the capital increase reached President de

Larosière between two meetings. A real feat to achieve this result within a couple of years of a major crisis.

And so we could all go to the Annual Meeting in Sofia in 1996 with the knowledge that the Bank could go forward with the doubling of its capital to 20 billion ECU (the European Currency Unit which preceded the Euro) expanding its range and level of activity with the unanimous support of its shareholders. Way to go!



Arriving in style (not my car!) at the 1996 Annual Meeting in Sofia with this GAZ Chaika 13, a car previously used by the Soviet political elite and the KGB. Only 3,179 Chaikas were built with a 5.5 litre V8 engine known for its very high fuel consumption (not good for carbon emissions). Interestingly, it is thought that this car was inspired by the US made Packard Patrician. Both brands are now history.



Picture taken just before the opening of our fifth Annual Meeting leading to the approval of the doubling of the EBRD capital with a cash contribution share of 22.5 per cent.



Our very own Alain Pilloux 25 years ago with Achim von Heynitz ('97), who oversaw the budget at the time. They are ready to hear the good news.

The 2010 Annual Meeting in Zagreb considered and approved the second capital increase of the Bank. The background leading to it was entirely different from the first. Together with the collapse of Lehman Brothers in September 2008, financial markets globally went into a downward spiral. Our countries of operations were hit directly, with the Prime Minister of a single country sending a letter to the Bank requesting a support package of €3 billion. Confronted with this rapidly deteriorating situation, and with President Mirow just starting his mandate, the Bank worked day and night to formulate a crisis response package, very much in the spirit and with the speed of our response to the pandemic last year (one major difference was that we were still in the office together).

This led to a massive increase in the level of activity with ABI rising from €5.1 billion in 2008 to €7.9 billion in 2009 and €9.0 billion by 2010. Demand for the Bank's financing was very strong. The big question raised by management to shareholders was simple. The Bank could simply not maintain the increased level of finance to support its countries of operations and clients over the medium term without a capital increase: either the Bank would have to curtail its financing back to pre-crisis levels or a capital increase was required. President Mirow argued clearly for a capital increase of €10 billion. The response from shareholders posed a quandary: while there was strong political support to sustain a high level of annual investment, shareholders requested that a solution be found which would not put further pressure on national treasuries. I remember coming back to my office that afternoon wondering how such circle could be squared. The answer to this challenge appeared to be less than obvious.

After some dynamic thinking, a proposal reflecting the EBRD spirit of innovation and creativity was formulated. Without getting into technical details which could make you doze off, the proposal included a transfer from our cumulated profits into paid-in capital and the introduction of the innovative concept of temporary callable capital. On the back of this ingenious solution, the Board of Governors unanimously approved the second capital increase. This allowed the Bank to sustain activity at or over €9.0 billion ever since. And it continues to provide the capital base for the new Strategic Capital Framework 2021-2025.



During the 2010 Annual Meeting, the Bank signed a grant agreement to offset the carbon emissions associated with the meeting by financing an energy efficiency project in the Dom Tuškanac home for children and young people in Zagreb. Here is President Mirow looking at the children's work with a smiling Charlotte Ruhe.



Following his team's work on the carbon offset transaction, Terry McCallion ('21) participated in the signing ceremony together with Alistair Clark ('21), Jane Ross and the children and young people of the Dom Tuškanac home. Quite an event!



Energy efficiency work requires getting into the 'boiler room'. Nigel Carter ('13), then Deputy Secretary General, and Stefania Galbiati-Ball, who has masterminded the smooth choreography of just about all EBRD Annual Meetings, are shown here examining old technology in the basement of the Dom Tuškanac home.



The donor meeting preceding the Annual Meeting where the second capital increase of the Bank was approved by the Board of Governors.

Episode 9

In this episode's instalment, Josué travels further east to Moldova to explore the Bank's early work there.

This episode, we travel further east to Moldova. While it may not be a large country, my work there involved quite a range of activities, as its post-Soviet transformation was filled with intense situations, sights and experiences.

When I first went there in early 1994, Moldova was considered a poster child of transition, particularly in terms of macroeconomic management. There was much hope for the emergence and transformation of this small country wedged between Romania and Ukraine.

Its challenges reflected the difficulties of becoming an independent country breaking away from the integrated centrally planned economic system of the USSR. This system ensured that all republics were mutually dependent, constraining their ability to develop independently. For instance, this meant in practice that a large tractor factory in Moldova relied on components coming from all over the empire. Industries could also be over-dimensioned, built at the scale of the Soviet Union

rather than at the scale of an individual republic. This was the case of the Alfa television factory. By the time I paid it a visit, activity had ceased, the factory was shut, and within the abandoned buildings small businesses tried to survive using old equipment to, for example, make bottles or drill holes in buttons.



The Alfa television factory. Once a major production centre for the Soviet Union, the factory closed down due to a lack of demand for its antiquated technology. Exploding television sets were apparently an issue in Soviet times with, for example, 90 apartment fires out of 715 apartment fires in Moscow in November 1987 being attributed to such explosion.

What should have been the Silicon Valley of the USSR was located in the outskirts of Chisinau, the capital of Moldova. Looking at the West, the soviet leadership during perestroika observed the growth of personal computers and decided to build its own Silicon Valley, Gosplan style. This meant building massive infrastructure with buildings and underground tunnels several hundred metres long, independent energy production and its own railway facilities. Pharaonic. Unfortunately, the Soviet Union collapsed before the completion of the plan, and by the time I arrived on the site the main activity was the dismantling of the roofs for scrap metal.



Ruins of what should have been the Soviet Silicon Valley. When I visited it, micro entrepreneurs were making clothes pins with the plastic which should have encased personal computers.

The transition of the financial sector in Moldova started from scratch. All the banks were state owned. In line with our Bank's mandate, and our determined approach to develop the private sector, I had another difficult introductory meeting with a potential client seeking to develop a new bank in Moldova. In those days, there was not much in terms of restaurants in Chisinau. So I was invited to a private flat in a grey apartment block. Like the Governor of the Central Bank, my host mentioned that this was the last lunch he was offering to the EBRD, as previous lunches had not been followed by any practical work. This time around, the lunch was followed by action, with the Bank supporting the birth of the first private bank in Moldova, Victoria Bank: (VB). This was the start of a long relationship between Henry Russell ('21) and VB. Challenges arose early on as, on a later trip, I met the CEO all bandaged up. When the time came for VB to ask for their loans to be repaid, some of their clients did not appreciate and had the CEO beaten up. Furthermore, thugs visited him in the hospital mentioning that next time he insisted on repayments he would be defenestrated. Lending was no joke in those days.



Lunch with Victoria Bank once the EBRD had invested in it.

I also confronted one of my 'hottest' situations in Moldova, reflecting some of the challenges which bankers can face on the ground. It started in a cold and dark building with a meeting with the minister of transport. As we gradually froze, the minister suggested that we pursue the meeting in a sauna. I am not a great fan but 'duty calls' so off we went. I ended up in a much warmer and smaller room, alone in the sauna with the minister. After some sweating, he approached me and started asking for over one million dollars to fund a technical study. This was clearly not the way to develop an operational activity, and even less so the right place. As I did not respond positively while trying to dodge the question, the minister bent forward to pour water over the hot coals. Each time he did this, I could see the needle of the thermometer inching up until I jumped to the door and left. Needless to say no technical study was funded and no photograph of the event is available.

On another trip, once the good reputation of the Bank had been established, I arrived in the late afternoon in Chisinau airport to find out that I was being welcomed by two groups. On the left was the minister of economy in a long black leather coat and chapka. On the right, was a potential private sector client in black suit, purple shirt and golden teeth. Both wanted me to go in their car. What to do? Remembering the Articles of Agreement of the Bank and the 60/40 portfolio ratio, I decided that my body would go with the private sector and my suitcase would go with the public sector. Salomonic solution EBRD style.

The arrival was followed by a very long dinner. Too much food, too many speeches and worst of all too much cognac. Indeed, for me, one of the major challenges of working in the region was the quantity of spirits which had to be consumed. Special ways had to be found to pretend one was drinking and I had litres of water in the hotel room to be able to function early the next day. Around midnight, the entrepreneur decided he wanted me to visit the buildings he had just purchased at a privatisation auction. Off we went in the middle of a dark Moldovan winter night with his driver, his armed bodyguard and a violinist. We arrived in front of this huge dark building and my host asked me to walk with him through the building with his car following, illuminating us and creating huge shadows in front of us while the violinist played local tunes in the dark. A more powerful cinematography than 'Reservoir Dogs'.

And a personal anecdote as one of the tunes played by the violinist was one that my grandfather used to hum when he was in good mood. My Eastern European origins were very helpful for a 'multi country' director as the town where my mother's family came from was successively Austro-Hungarian, Romanian, Soviet and now Ukrainian within less than a century and my great-grandfather was buried in Moldova. So all these countries considered that I was one of them, which is not obvious with Tanaka as a family name.

Speaking of drinks, an obligation for any high level official visit was a dinner in the Cricova caves. This had been an old underground quarry transformed in a huge wine cellar with underground streets named after grape varieties and lined up with large wine barrels. Way into this underground maze, was a series of large rooms carved in the rock including a room with the portrait of each astronaut who had visited upon their return to earth. Following wine tasting sessions with ministers, one could visit the 'Goering collection'. When the Soviet army entered Berlin, they found the collection of quality bottles which Goering had plundered in France, and this was transferred to be stored in Cricova. The collection included a bottle of cognac from the Napoleonic times.



Not sure if this was 'Chardonnay', 'Pinot' or 'Sauvignon' Avenue within Cricova.



Cricova wine reserves. On the left, Alex Tanase ('16) and Henry Russell who contributed to the development of the Moldovan financial sector over decades.

It is relevant to mention that the Bank sought to support the wine industry of Moldova, which following the collapse of the Soviet Union had a difficult time competing with wines from across the world, and particularly from the European Union. One technical problem which we had to address early on was that bottles for their sparkling wine had a tendency to crack open by themselves. Not very practical.

In the list of uncomfortable EBRD business trips, the business development trip to Transnistria ranks high up. This region which calls itself the Pridnestrovian Moldavian Soviet Socialist Republic unilaterally proclaimed itself as a Soviet Republic separate from Moldova. Besides the tense situation in the country, what made the trip uncomfortable was that in addition to all the paperwork to get into the Republic, once inside we discovered that we also had to procure an exit visa including payment at the local Sberbank branch. We did eventually manage to get out.



The mural in the astronauts' hall in Cricova. After landing back on earth in Kazakhstan, astronauts were sent to have a medical check-up in Moscow, and then to Cricova for some drinking and relaxation.





While the Republic's deadlock with Moldova continues to this day, the Bank did examine potential projects with the approval of Moldovan authorities. One of them was the Moldova Steel Works in Tiraspol, functioning mostly on the basis of scrap metal. And above are pictures of the furnace and of the scrap metal from the former Soviet Union.

To close these Moldovan anecdotes, I recall meeting outside Chisinau with a grain trader who seemed to have made it big in his business, perhaps too big looking at the fancy armoured cars in the courtyard and his size, which required two of his scarred bodyguards to lift him from his chair. In discussing the opportunities and challenges of his activity, he replied that this was a very 'tasty period for business' comparing himself to the robber Barons during America's Gilded Age in the 19th century. And in a powerful image, his headquarters were topped by an earth globe which illuminated the night while the surrounding town was plunged into darkness due to long periods with no electric power.

NEWS FROM THE EBRD BOARD & STAFF

Recent Board Appointments



Antal Nikoletti as Alternate Director for Czech Republic/Hungary/Slovak Republic/Croatia/Georgia

Enrique Alejo as Alternate Director for Spain/Mexico

Jari Partanen as Director for Finland/Norway/Latvia/Lebanon

Jens Lundsgaard as Director for Denmark/Lithuania/Ireland/Kosovo

Karina Karaivanova as Alternate Director for Poland/Bulgaria/Albania

Karl-Matthias Klause as Alternate Director for Germany

Miglė Tuskienė as Alternate Director for Denmark/Lithuania/Ireland/Kosovo

Per Sanderud as Alternate Director for Finland/Norway/Latvia/Lebanon

Philip Lindsay as Director for Australia/Korea/New Zealand/Egypt

Sean Lee as Alternate Director for Australia/Korea/New Zealand/Egypt

Wioletta Barwicka-Lofthouse as Director for Poland/Bulgaria/Albania

Yann Pouëzat as Director for France

Recent Senior Staff Appointments

Adonai Herrera-Martinez as Director, Environmental Funds NDEP & E5P

Alex Chirmiciu as Acting Director, Sector Economics and Policies

Antoine Salle de Chou as Director, Head of Morocco

Bakhrom Ibragimov as Director, Head of the Bank's Venture Capital Investment Programme (VCIP) in Treasury Department

Ben Leikis as Director, Client Solutions Group

Carlos San Basilio as MD, Corporate Strategy

Christoph Denk as MD, Economics, Policy & Governance

Dina Matta as Vice President, Chief Transformation Officer

Elisabetta Falcetti as Director, Regional Head of Central Europe

Khalil Dinguizli as Associate Director, Head of Lebanon

Linders Henrik as Managing Director, Environment and Sustainability Department

Mark Bowman as Vice President, Policy & Partnerships

Mehmet Uvez as Deputy Head of Turkey, Head of Ankara RO

Miriam Munzberg as Director, Chief Counsel, Banking Operations

Neil McKain as Adviser to VP Banking

Nodira Mansurova as Associate Director, Head of Tunisia

Nora Kocsis as Associate Director, Head of Czech Republic, Hungary, Slovak Republic and Slovenia

Wolfgang Schlaeger as Associate Director, Head of Brussels Office

Zbigniew Kominek as Managing Director, Strategy, Planning and Control, in Financial Vice-Presidency

Anne Fossemalle elected Chair of Board of Invest Europe



Anne Fossemalle embarked on a one-year term as the Chair of the Board of Invest Europe in June 2021. Invest Europe is the world's largest association of private capital providers, standing for around €700 bn of capital under management. It represents Europe's private equity, venture capital and infrastructure investment firms, as well as their investors (Limited Partners, or LPs), including some of Europe's largest pension funds and insurers.

"I am deeply honoured to have been elected to this prestigious position," Anne says. "I am very excited to represent Invest Europe's membership for the year to come. My ambition is to participate in demonstrating that private equity (PE) is a force for good. Private equity supports long-term investors seeking returns, in order to pay pensions and insurance premiums, whilst creating jobs and transforming companies for the better. It will play a leading role in building back better post-Covid, including supporting an ambitious sustainability agenda. It is a cornerstone of Europe's economy and society."

The goals of Invest Europe and of the EBRD robustly coincide, she stresses: "My priorities are to show that PE has a positive impact on societies, and to strengthen the association's diversity and sustainability agendas. Like the EBRD: digital, green and diverse!"

A few years ago, Anne was elected by the Invest Europe (then EVCA) membership to its Council of Limited Partners. Her goal when putting her name forward at the time was to enhance awareness of investment opportunities in CEE, supporting EBRD's mobilisation efforts, and helping our funds in their fundraising efforts. The association now publishes a specific report on private equity activity in CEE and many of the fund managers in EBRD supported funds are active in Invest Europe's governance. Anne was elected to the Invest Europe Board in 2015, then as the Chair of the Limited Partners' Council in 2017.

Anne is also a member of the Board of the Institutional Limited Partners Association (ILPA). With over 500 member institutions representing more than 2 trillion USD of private equity assets under management, ILPA is the only global organization dedicated exclusively to advancing the interests of LPs and their beneficiaries through best-in-class education, research, advocacy and events.

Véronique Salze-Lozac'h appointed Chief Evaluator



Véronique Salze-Lozac'h has been appointed as the EBRD's Chief Evaluator, responsible for leading the Bank's Evaluation Department, succeeding Joe Eichenberger in June 2021.

Among other responsibilities, Véronique leads the implementation of the recommendations of the Kirk Report and preparation of a new Evaluation Policy and Medium-Term Strategy.

Véronique is a French national, and joined the EBRD from the Asian Development Bank (ADB) where she served as the Deputy Director General, Independent Evaluation Department. In this role Véronique was responsible for achieving development effectiveness of ADB's operations by providing evaluation-based feedback to Board members, management and operations on activities' performance and by ensuring that evaluation knowledge was accessible, valued and utilized for increased development impact. Prior to ADB, Véronique was Chief Economist at The Asia Foundation, where she supported Asian public and private initiatives to enhance economic governance for a more inclusive and sustainable development. Before joining the Foundation, she supported private sector entrepreneurs with their investments projects in Africa, Europe and Asia, worked on micro-finance initiatives and managed EU funded public-private programs for research and development (R&D).

Over the course of her career, Véronique has held a range of positions in public and private institutions, focusing on development challenges and has published several articles on topics related to economic growth, private sector development, business environments and female economic empowerment in Asia.

EBRD Heike Harmgart named one of ten most powerful women in business by Forbes Middle East



Heike Harmgart is the Managing Director for the Southern and Eastern Mediterranean (SEMED) region at the European Bank for Reconstruction and Development (EBRD).

Heike has been recognised as one of the 10 most powerful women in business in the Middle East as selected by Forbes Middle East. She was selected for showing resilience, flexibility, and strength in the face of unprecedented adversity, both in the workplace and in their communities of the countries of the region.

"Richly deserved recognition for her (and everything she has done for the region!)," tweeted the EBRD in response to the news.

Based in Cairo, Heike is responsible for the formulation and delivery of EBRD's strategy and business plan for the SEMED region, currently including Egypt, Jordan, Morocco, Tunisia, Lebanon and West Bank and Gaza. She manages a team of 150 staff with an annual business volume of over €2 billion.

A German national, Heike joined the EBRD in 2006 as an economist. In 2013 she became EBRD's first Head of Office in Jordan, based in Amman. She was appointed Director for the Eastern Mediterranean after EBRD expanded under her local leadership into Lebanon and West Bank and Gaza in 2017.

Prior to joining EBRD she worked for the Economist Intelligence Unit and the Institute for Fiscal Studies. She holds a PhD in economics from University College London.

Source: wherewomenwork.com

Jaap Sprey and Anna Kozerawska de Ferro seconded to European Commission



Jaap Sprey seconded to the Directorate-General for Neighbourhood and Enlargement Negotiations (DG NEAR).

Jaap Sprey has been seconded to the Directorate-General for Neighbourhood and Enlargement Negotiations. Jaap has been EBRD's Head of Office in Montenegro since 2017. Under his leadership, the Bank significantly increased its business activities with the private sector and stepped up the policy engagement in the region, such as through the introduction of the Investment Climate and Governance Initiative in Montenegro. Jaap, a Dutch national, has commenced his two year assignment to DG NEAR on 1 October 2021, based in Brussels.

Anna Kozerawska de Ferro seconded to the Directorate-General for International Partnerships (DG INTPA)

Anna Kozerawska de Ferro was seconded to the Directorate-General for International Partnerships where she works in the newly created Risk Unit, managing the European Commission's rapidly expanding portfolio of unfunded guarantees outside of the EU (incl. EFSD, EFSD+). Anna, a Polish national, was a Senior Risk Officer in the Country and FI Credit Risk Management Team within the Risk and Compliance Group. Anna's two-year secondment to DG INTPA in Brussels has begun on 1 October 2021.

BANK NEWS

Many hands, magnificent building - EBRD new HQ is taking shape



The planning for phased transfer to 5 Bank Street HQ from next summer continues.

Having gone from an empty construction shell to a space that's starting to look like an office building, it really is impressive just how quickly the building is taking shape.



“A fragile win”: looking back at COP26

By Vanora Bennett



Before it began, Greta Thunberg called it “blah, blah, blah.” While it was going on, the foreign minister of the low-lying Pacific island nation of Tuvalu, Simon Kofe, wearing a suit and tie, at a lectern - but with the sea lapping round his knees - told the COP26 climate summit in Glasgow by video link: “We are sinking, but so is everyone else.” Afterwards, Britain’s COP26 President Alok Sharma called the conference “a fragile win”. For observers right across the spectrum of opinion, COP26 has shown the world’s progress towards a low-carbon future in a sobering light.

The upside: after two weeks of nail-biting negotiating, the more than 190 nations represented managed to cut a deal on climate change.

The Glasgow Climate Pact reaffirmed the commitment in the Paris Agreement of 2015 to hold the temperature rise caused by human activity to well below 2°C and pursue efforts to limit the increase to 1.5°C. It referred to scientists’ reports on climate change, showing the big difference in real-world outcomes between 2°C and 1.5°C.

The downside: to get to 1.5°C, the Pact also said, we need to reduce emissions by 45 per cent by 2030. But that is not happening. The current round of Nationally Determined Contributions (NDCs are the cuts each country pledges to make, growing more ambitious over time, which added together should keep the temperature from rising to catastrophic levels) actually add up to a nearly 14 increase in emissions by 2030 from 2010 levels. This implies a temperature rise of well above 2°C.

"A positive way of looking at it is to say that, when the Paris Agreement was struck in 2015, the commitments made then added up to 3°C of warming; now we are closing in on 2°C," said Harry Boyd-Carpenter, the EBRD's Managing Director, Green Economy and Climate Action. "But there is a long way to go to 1.5°C, and there is still a very big discrepancy between the stated goal and the aggregate individual commitments to meet that goal."

To address the shortfall, the Glasgow Pact has changed the timetable set by the Paris Agreement six years ago, which had asked countries to update their national pledges every five years, raising their ambition every time as they took advantage of developing technologies and funding. The Glasgow Pact speeds up this process of ambition-raising. Instead of waiting five years, it now wants countries that have not submitted new or updated NDCs to do so within a year - before COP27, which will be held in Egypt in November 2022. It also requests all signatories to revisit their 2030 targets by the end of 2022 and institutes an annual process to review progress towards the 2030 targets in this critical decade.

There were other plusses and minuses.

For the first time, a COP conclusion mentioned fossil fuels explicitly, committing to a "phasedown" of unabated coal power and a phase-out of "inefficient" fossil fuel subsidies.

Turning to climate finance, the Pact noted "with deep regret" the failure of the developed countries to meet their 2009 target of mobilising US\$ 100 billion of climate finance a year for developing countries from 2020 (the shortfall is US\$ 20 billion, with a delivery plan to reach the target by 2023 and exceed it thereafter).

The Pact addressed the need for adapting to climate change where it is already reality, and providing finance for adaptation, including an ambition to double the developed countries' provision of adaptation finance from 2019 levels of US\$20 billion by 2025.

Finally, Glasgow reached agreement on mechanisms setting out how the Paris Agreement would work in detail, known as the Paris Rulebook and Article 6. The former are the rules for measuring NDC commitments and for counting emissions. This will help provide the clarity on regulations sought by private sector investors who are widely seen as the world's best hope for providing the trillions of dollars' worth of investment needed for the green transition. The Article 6 agreement is an important step towards a global carbon market by allowing countries to finance emission reduction project in other countries, where the costs might be much lower, thus accelerating emission reductions and promoting the flow of climate finance.

The two-week conference also saw many agreements struck on the sidelines by varying groups of stakeholders, including pledges to cut methane emissions by 30 per cent by 2030 and to phase out

combustion engines by 2040. Both will be important in driving investment, sending powerful signals to investors as to where best to invest. With the need to bring in private sector money to fund green investment a major theme at Glasgow, GFANZ, an alliance of private-sector financial players with assets totalling US\$ 130 trillion - 40 per cent of the world's assets, and enough to finance the transition - signed a pledge committing banks and investors to decarbonise their portfolios by 2050, another mark of hope.

Having already pledged in the past year to align all its operations with the goals of the Paris Agreement by 2023 and make at least half of its investments green by 2025, the EBRD is well placed to further raise its game in response to the Glasgow Pact.

As the only multilateral development bank with an explicit mandate to foster the private sector, the EBRD is already aligned to the Glasgow call to mobilise more private finance. In the first week of the conference, it launched its Action Plan on Mobilising Private Capital for Climate Finance, setting out its own ambition to double its mobilisation of climate finance by 2025.

Glasgow's new timetable to speed up the making of country climate plans comes as the EBRD scales up its policy advice on climate to the 38 economies across three continents where it works. "We will step up our support for countries of operation in designing their low-carbon strategies and NDCs," said Boyd-Carpenter. "We will redouble our focus on adaptation. And we will build on our private sector focus to help business not just adjust to this low-carbon transition but actually be at the forefront of it."

The secret to gaining the momentum needed for the green transition, he believes, lies with the business community, which is pushing governments to create an enabling environment for more green investment. Quoting a BBC summary of the conference - "the politics (and policies) are changing; but the climate is changing faster" - Boyd-Carpenter added: "but it is positive that business and finance are changing faster than politics."

One "fantastic" example, he said, was an EBRD loan of €150 million, signed last week with Turkish white goods manufacturer Arçelik. The investment will help the company, already a leader on sustainability, transform its processes and plants to become still more environmentally friendly as part of the company's net zero commitment. Arcelik executives were among the many business visitors to COP26, sharing events with ministers and discussing how Turkey might best implement its recent decision to go net-zero by 2053.

"Business is very proactively driving the low-carbon agenda in many of our countries of operation, and we really welcome that," said Boyd-Carpenter. "We believe in the power of the private sector and markets to drive change, and we expect to see more of this as we step up our efforts."

EBRD Announces full Paris alignment by end-2022

By Vanora Bennett



- From end-2022, all EBRD activities must be aligned with the goals of the Paris Agreement
- Decarbonisation support intensifies for regions where fossil fuel reliance remains heavy
- EBRD to scale up policy work countries to develop low-carbon, climate-resilient transition

The European Bank for Reconstruction and Development will from the end of 2022 align all its activities with the goals of the [Paris Agreement](#), aiming to accelerate decarbonisation across its regions, supporting them to reach net-zero emissions by mid-century.

The decision was approved by the EBRD's Board of Governors at the Bank's Annual Meeting 2021. In 2020 the EBRD had already committed to raising the proportion of its green finance – investments that not only align with but actively promote the green transition – to more than 50 percent by 2025.

"Holding the increase in the global average temperature to well below 2°C is a global imperative to safeguard our planet and protect ourselves from climate-related risks. With this commitment the EBRD will be at the forefront among multilateral institutions to ensure that our work is directed to helping countries achieve net zero by the middle of the century.

"By way of its multilateral shareholding and private sector focus, the EBRD will help its countries of operations manage the political and economic challenges related to such an unprecedented transition. I truly welcome the push from all our shareholders to accelerate on this shared agenda," said EBRD President Odile Renaud-Basso.

The changes will drive all future strategy, operations and client engagement. Using a methodology developed jointly with the other multi-lateral development banks, projects will be screened to ensure that they are consistent with long-term progress towards low-carbon development and that physical climate risks are addressed. Policy support will develop green energy capacity-building, and encourage a just transition which

supports those impacted by the transition away from fossil fuel dependency.

The EBRD, created 30 years ago to help formerly communist economies adapt to market conditions, works in many countries that face the toughest challenges in reducing carbon emissions, or are vulnerable to climate change. EBRD countries are 35 per cent more carbon-intensive than the world average, and highly polluting coal accounts for more than 40 per cent of primary energy supply in seven EBRD countries.

Yet the EBRD regions are well positioned to benefit from the fast-growing transition to renewables, thereby reducing their reliance on fossil fuels, with excellent resource and growing capacity in wind, solar and hydropower. The Bank will therefore increase financing for renewable energy and associated energy systems.

Designing a way out of economies built around fossil fuels within three decades will require intensive planning, including in securing the social conditions for a sustainable and just transition. The EBRD will also significantly scale up policy advice and institutional capacity building for low carbon and climate resilient strategies, promoting and supporting ambitious action in, and with, its countries of operations.

The EBRD is committed to supporting economies to be digital, equal and sustainable and will invest in each of these areas as it helps communities affected by the closure of coal mines and other carbon-intensive industries.

"The low carbon transition requires the world economy to move in less than 30 years from a more than 80 per cent reliance on fossil fuels to a net-zero model. This is a challenge that is unprecedented in economic history. Similarly, the associated opportunity is enormous," said the EBRD's First Vice-President Jürgen Riegerink.

The EBRD's country expertise, private-sector focus and mandate for economic transition gives it a critical role to play in advising countries and clients on how to frame their individual climate ambitions through Nationally Determined Contributions (NDCs), Long-Term Strategies (LTSs) and sector-specific low carbon pathways.

This tilt to green is at the heart of the EBRD's commitment to help its countries of operation build back better as they recover from the Covid-19 global pandemic. Plans will be tailored to each of its member economies' unique circumstances, and designed to speed transformation in the EBRD regions – central and eastern Europe, Central Asia, and the Southern and Eastern Mediterranean, while helping countries find the best way to get the most in jobs and growth from the green economic transition that looks set to dominate the next 30 years.

Bittersweet Recovery: Regional Economic Prospects

By Beata Javorcik



Let's imagine our economies are like cake mixes – each comprised of certain ingredients, with a certain flavour. To get a taste of how they have been doing over the past year, let's take a look at our latest [Regional Economic Prospects](#) report (REP), and its key takeaways...

Our regions are entering their second autumn/winter season in a world that is learning to live with a global pandemic. How well have our countries progressed on the recovery path after the great shocks of the past two years? And are their economies in a good shape for the coming winter and beyond? The REP's answer to these questions is summed up in its very title – “Bittersweet recovery”.

Firstly, let's take a look at the ‘recovery’ side of things...

For a longer version of the answer, let's start with the “sweeter” ingredients of this season's economic cake mix. Following an economic contraction 2.4 per cent in 2020, a sizable recovery has been gathering pace in the EBRD's regions. In the first half of 2021, our regions' output expanded by 6.4 per cent year-on-year, as people's economic mobility (individual trips to restaurants, shops, workplaces and so on) began returning to pre-pandemic levels, and external conditions have become more favourable over time as the world began to reopen.

Interestingly, mobility in the EBRD regions recovered faster than the pace of global recovery. Indeed, the rise in Covid-19 infections in Autumn 2021 had a generally more limited impact on our regions' mobility than during previous spikes in infection. Industrial production and retail sales have rebounded. Exports of goods and services have increased, despite supply chain disruptions. Remittances have also increased in the second quarter of 2021, in some cases even exceeding their 2019 levels. Tourist arrivals, while still below their 2019 levels, have also exceeded expectations.

So, the outlook remains largely positive: output in the EBRD regions is expected to grow by 5.5 per cent in 2021 (an upward revision from 4.2 per cent expected in

June 2021), reflecting the better-than-expected developments in the first half of the year. Mobility indicators also point to continued growth momentum in the third quarter.

In 2022, as economies recover, growth is expected to moderate somewhat, to 3.8 per cent in the EBRD regions. This is a 0.1 percentage point lower than expected in June 2021, reflecting the earlier-than-expected recovery in many economies including Turkey.

And now, for the bitter ingredients...

While the REP's outlook is generally positive, there are still challenges to our regions' economies. High prices of natural gas, oil and other commodities weigh on the trade balances of energy importers, in particular in the southern and eastern Mediterranean (where gas imports add up to a higher percentage of GDP). The rising prices of these commodities may also test the public's resolve for greening and put pressure on governments to step in to mitigate the burden of higher energy expenses on low-income households.

High energy prices, supply chain disruptions and in some cases currency depreciations have also pushed inflation up in our regions. In some economies, tight labour markets have added to inflationary pressures, with a strong rebound in vacancies in lower-medium skilled occupations such as drivers or craftsmen. On average, inflation exceeded its end-2019 levels by 3 percentage points. In response, a number of central banks in the EBRD regions have hiked up policy interest rates.

In other economies in our regions, a considerable slack in labour markets remains. Unemployment in the EBRD regions increased by 1.4 percentage points on average between February and August 2020, while labour force participation fell, by 0.5 of a percentage point on average.

Fiscal vulnerabilities increased, as governments implemented large stimulus packages in response to the Covid-19 crisis. Public debt in the EBRD regions rose by an average of 13 percentage points of GDP since end-2019. While borrowing costs remain below their pre-crisis levels in most economies, they have risen sharply in some countries.

One uncertain ingredient is the possibility of the pandemic coming back strongly, which is a particular risk in countries with low vaccination levels. This uncertainty qualifies the various projections in the new Regional Economic Prospects.

So, these factors all make up the bittersweet mix of economic ingredients that our countries will have to work with in the coming period. With the REP launching during the COP26 summit in Glasgow, it is worth remembering that the imperative to use sustainable economic ingredients will only grow.

Delivering the digital dividend: Transition Report 2021-2022

By Beata Javorcik, Chief Economist



Imagine the Covid-19 pandemic taking place 20 years ago. Its impact on the world may have been quite different to what we've seen over the past two years...

...not just because fewer medical advances had been made back then, or because globalisation was perhaps not as advanced as today, but also because global levels of digitalisation were significantly lower.

Two decades ago, millions of school children and office workers could not have the transition to studying and working from home. Indeed, in many countries, it would not have been possible for governments to use electronic payments to support firms and workers as they did when the world locked down last year. And on a personal note, instead of watching Netflix, I would have probably had to take up knitting.

This counterfactual exercise highlights the huge advances in digitalisation over the past decades. And even more disruptive digitalisation lies ahead because emergencies tend to “fast-forward historical processes,” as the historian Yuval Noah Harari points out. The Covid-19 pandemic both demonstrated the potential of digital technology to reshape the economic landscape, and gave a massive additional boost to its development. The digitalisation process is destined to continue and remain one of the main forces shaping developments

around the world – including in the EBRD regions. It is therefore quite fitting that this year's Transition Report is devoted to that subject, and that supporting digitalisation is one of the EBRD's strategic priorities.

The title of the [Transition Report, System upgrade: Delivering the digital dividend](#), highlights the potential of digital technology to foster disruptive and systemic change. However, this change will not affect everyone equally, as huge digital divides remain between the EBRD regions and advanced economies, as well as between the various economies within the EBRD regions, and within individual countries themselves too.

These divides reflect gaps in both digital infrastructure and digital skills. Just to give one example: around 90% of people in the UK purchased something online last year. The same was true of only 60% of people in Poland, and 30% in Turkey. When asked about the reasons for not shopping online, respondents in central and south-eastern Europe and Turkey cited the lack of skills or digital literacy more frequently than concerns about payment security.

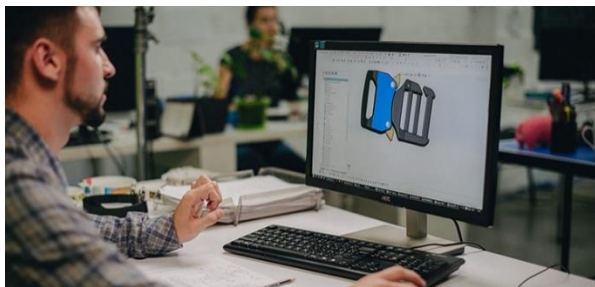
Structural changes brought about by digitalisation are already visible in many economies. In the last decade, the vast majority of the EBRD's countries of operation saw employment in digital-intensive sectors growing faster than employment in other sectors. In some cases, sectors with low digital use saw no growth of employment whatsoever, or even experienced a decline in employment. Moreover, the digitalisation drive means that around 40% of jobs in both advanced economies and the EBRD regions may be exposed to automation in the medium run, disrupting long-standing sectoral structures and ways of working.

The report covers many other topics including: the impact of digital infrastructure on the opportunities for businesses to grow and develop the differing level of enthusiasm between workers and employers when it comes to working from home, the disruptive force of digitalisation in banking and finance and the emergence of Fintech.

The report also introduces a financial market development index for the first time, and contains an analysis of the progress of structural reforms in the Bank's regions.

Let's Get Digital!

By Edward Bannerman



From a twinkle in the eye of the SCF drafters to a full-blown strategic framework: that was the challenge for 2021. With [EBRD's Digital Approach Paper](#) that mission was achieved – thanks to a fantastic cross-bank mobilisation and a small but mighty team in Corporate Strategy.

As always with EBRD, once you start digging you find all sorts of knowledge and expertise in unexpected places. While the Bank has been using – and investing in – digital technologies for a while, this was the first time we tried to bring together all of our capabilities to provide a complete package offering to support transition in countries of operation.

It was clear that digital was not a panacea: there would be risks as well as opportunities. Digital divides could open up, energy consumption could soar, and new cyber threats could undermine everything.

However, as we looked further into the impact of new technology on our sectors and countries we became even more convinced of its potential to accelerate transition. We could leverage best practice from around the world – including some of our own COOs – and help others catch up. We are already seeing tiny start-ups from small countries becoming global players – including some of our investee companies.

To achieve scale working with partners would be required: the EU is the Bank's biggest donor but also other shareholder countries with specialist know-how. The private sector is driving most digital innovation and remains of course our main focus. We would use external consultants to validate our thinking but most of all we would draw on internal expertise, including from some pilot countries in the region of operation.

As always, the Bank was trying to find the sweet spot where digital could deliver transition impact through bankable projects that others were not willing or able to finance. And to leverage its business model of combining policy engagement and advisory support to create investment opportunities that would support sustainable development.

EBRD settled on three areas of focus:

- The **foundations** of a sustainable and inclusive digital economy through the promotion of appropriate policies and regulations, access to connectivity through infrastructure, and a skilled workforce
- **Adaptation** of organisations by providing access to finance, technical co-operation and advisory services that support digitalisation of services, assets, business processes and value chains
- **Innovation** and sustainable growth among digital-first clients through an ecosystem of policy, advisory services as well as debt finance, direct and indirect equity investments

These are the areas where the EBRD will add the greatest value. Many teams contributed to the Approach and several sector leads provided their thoughts on what accelerating the Digital Transition will mean for them.

Welcoming Algeria as EBRD's latest member



Algeria has become the 73rd shareholder of the European Bank for Reconstruction and Development (EBRD) by completing the membership process.

Algeria applied for EBRD membership in March 2020 and the Bank's Board of Governors subsequently voted in favour of the request. The membership process has now been completed with a formal exchange of documents.

Algeria is located in the southern and eastern Mediterranean (SEMED) region, where the EBRD already invests and provides support for policy reform in Egypt, Jordan, Lebanon, Morocco and Tunisia, as well as the West Bank and Gaza.

To date, the Bank has invested almost €15 billion in 305 projects across the SEMED region in natural resources, financial institutions, agribusiness, manufacturing and services, as well as infrastructure projects such as power, municipal water and wastewater and the upgrading of transport services.

RECENT EBRD PUBLICATIONS

Transition Report 2021-2022. System upgrade: delivering the digital dividend

Digitalisation will remain one of the key forces shaping our world. The Transition Report 2021-22 explores how economies in the EBRD regions can deliver the digital dividend, both during the Covid-19 pandemic and beyond. Building on rich sources of data, it introduces a new index of digital transformation and highlights digital divides across and within countries. The report looks at how addressing these divides will be vital to the success of economies.

Read [Transition Report](#), which also features 37 country assessments.

Regional Economic Prospects 2021

The Bank's Regional Economic Prospects review the latest economic developments in [the EBRD regions](#) and provide a discussion of recent growth performance as well the latest forecasts prepared by economists and economic analysts at the EBRD.

They also provide analysis on topical issues such as the impact of the [coronavirus pandemic](#) on the economies in the EBRD regions, the outlook for the automotive sector and its implications for our countries or the evolution of macroeconomic policy frameworks.

They thus complement the [Transition Report](#), the EBRD's annual economic report published in November, which puts a greater emphasis on developments in the area of structural reform and cross-cutting structural issues such as inequality or governance.

Read the [Regional Economic Prospects 2021](#).

Sustainability Report 2020: Focusing on people and environments

The Sustainability Report 2020 explores the many ways the EBRD created impact during the year, making a real difference to the daily lives of millions of people across three continents.

It details the Bank's significant operational support for sustainable development. In 2020, the EBRD responded

quickly and flexibly with its Solidarity Package to support clients and economies affected by the Covid-19 pandemic. Through its Strategic and Capital Framework for 2021-25, we laid the foundations to further enhance this work, and we put in place the next phase of our Green Economy Transition approach.

The [Sustainability Report](#) gives examples of the Bank's work and shows the impact we achieved in 2020.

EBRD's Annual Review 2020

The [EBRD's Annual Review 2020](#) describes the impact of the EBRD's investments, projects and policy work amid the Covid-19 crisis, and outlines the Bank's achievements in key sectors and initiatives.

The Bank invested a record €11 billion through 411 projects in 2020, responding to the effects of the pandemic and preparing for recovery.

The Annual Review shows how the Bank continues to make economies more competitive, well governed, green, inclusive, resilient and integrated.

EBRD's Financial Report 2020

The [Financial Report 2020](#) demonstrates why the EBRD continues to be rated AAA or equivalent, by all three major rating agencies. The Bank maintains a robust capital position, high levels of liquidity and enjoys the strong support of its members.

It includes the approved and audited financial statements (required to be submitted under Article 27 of the [Agreement Establishing the Bank](#) and Section 13 of its By-Laws), as well as additional reporting and disclosures on the EBRD's risk management, corporate governance and structure.

The EBRD's Approach to accelerating the digital transition, 2021-2025

The EBRD has adopted its inaugural digital approach to advancing transition.

[The EBRD's approach to accelerating the digital transition 2021-2025](#) addresses the urgent need for economies to embrace rapid technological change and overcome the challenges exposed by the Covid-19 pandemic.

The document sets out a comprehensive framework on how the Bank will use its three instruments – investment, policy engagement and advisory services – to support the digital transition in the economies where it invests.

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