

EBRD Alumni Association

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2nd Annual Alumni Reunion

EBRD London HQ

The EBRD Alumni Association's 2nd Annual Alumni Reunion is fast approaching. If you have not yet registered, please [register here](#) or email us at alumniE@ebrd.com as places are limited!

CALLING ALL ALUMNI

EBRD ANNUAL MEETING & BUSINESS FORUM

13-15 MAY 2015, TBILISI, GEORGIA



European Bank
for Reconstruction and Development

EBRD alumni are cordially invited to attend the 2015 EBRD Annual Meeting & Business Forum in Tbilisi and are eligible for 75% discount on the ticket price. The overall theme is "Investing for Change". To register your interest, please email alumniE@ebrd.com

CONTACT US

The Alumni Relations Team

E-mail: alumniE@ebrd.com

Tel: (+44) 207 338 7468 or (+44) 20 7338 8393

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NEW: “By Alumni for Alumni”

A series of feature articles written by you. We would love to receive your contributions on subjects which could be of interest to fellow alumni. Please contact alumni@ebrd.com if you would like to write a short article for the newsletter. Thierry Malleret, former EBRD economist, starts the ball rolling...

Corporate Alumni – The Power of Networking

by Thierry Malleret, OCE '98



Corporate alumni networks are a relatively new notion, built on the concept of “alumni relations” from universities. McKinsey pioneered it in the 1960s. Several decades later, it is being emulated around the world, as companies and institutions endeavour to reconnect with their departed staff and turn them once again into assets. In today’s globalised, hyper-connected, transparent and fast-moving world, where the war for talent is fierce, creating a corporate alumni network is like harvesting a valuable, intangible asset.

From a company standpoint, the benefits of having an alumni network are fourfold: (i) it makes it easier for the company to hire great people and to allow the “boomerang” effect of employees returning; (ii) it provides useful intelligence, access to other networks and interesting new connections; (iii) it refers clients and customers in a soft and elegant manner; and (iv) it strengthens the company’s brand with the alumni acting as “brand ambassadors”.

The advantages of a vibrant alumni community work both ways since it also allows the departed staff to tap into a broad network for personal or professional gains. There is indeed a lot of anecdotal evidence proving that a good alumni network can be very helpful to one’s career, even more so in an era when lifetime employment is over. As Reid Hoffman, the founder of LinkedIn and author of *The Alliance*, puts it: “a lifetime relationship (through a

corporate alumni network) remains the ideal, and (...) it can be extremely valuable”.

For companies that set up an alumni network, it is of course hard to quantify the return on their investment (most of it being of an intangible nature), but the value is most likely to be much greater than what they financially contribute, especially when the combination of technological innovation and online social media keeps costs low. This is why corporate alumni networks are mushrooming. As Paul Meehan, a Bain executive said: more and more companies now regard their former staff as “an untapped, hidden asset that isn’t fully exploited”.

We all know of corporate alumni networks whose power and influence extend well beyond the professional boundaries of the firm. The alumni associations of McKinsey – with 27,000 former consultants who work in virtually every business sector in 120 countries – or Goldman Sachs, whose former bankers populate the uppermost reaches of government and central banking, spring to mind. In the tech world, PayPal is another great example. Apart from representing amazing success stories in terms of disruptive innovation and financial results, companies as diverse as LinkedIn, Tesla, YouTube, Yelp, Yammer and SpaceX have the following in common: they were all founded by PayPal corporate alumni.

The power of an association of former employees – if properly “leveraged” through formal events and informal networking – can therefore be incredibly effective. Apart from the social function they fulfil, alumni associations can be a powerful force in terms of fostering the goals and effectiveness of a company.

The EBRD Alumni Association will deliver on its promises to be a great and effective network because it possesses in abundance the most important attribute of a good network: diversity. Contrary to many professional networks of alumni, which are composed of people with a roughly similar background and often from the same origin, the EBRD Alumni Association is incredibly rich in its differences: both in terms of ethnicity and origin, and in terms of professional and academic backgrounds.

Why is it so important and what does network theory tell us about good networks? Networks are the most efficient form of intelligence and they are society’s best organisational response to complexity. However, proper exposure to diverse ways of thinking in the network is a prerequisite for understanding and advancement; and this can only be achieved by harnessing what social scientists call the “strength of weak ties”. Good networks are indeed built on the strength of these weak ties: connections to people who know other people whom you don’t know. Weak ties are the channels through which ideas, influence or information socially distant from an individual can succeed in reaching them. They are much more important than strong ties, because your colleagues and peers often occupy the same space as you do and are therefore likely to act, think and behave as you do.

Not at the EBRD though! The alumni community is comprised of around 5,000 people of 64 different nationalities with an incredibly vast range of backgrounds in terms of academic and professional experience. Like similarly powerful corporate networks, it also possesses

within its ranks many individuals who are today's decision- and opinion-makers. This is an invaluable asset!

Diversity always makes the group as a whole more intelligent – it trumps ability and yields superior outcomes.

Thierry Malleret
<http://monthlybarometer.com>

Erik Berglof moves on



Hugely respected and longest-serving EBRD Chief Economist leaves the Bank after nine years

Since joining the Bank in 2006, Erik has been a tireless and respected ambassador for the EBRD. He brought passion for the region and a zeal for transition. He saw the historical importance of the task of transition and recognised the unique contribution that the Bank can bring to supporting it.

Tributes

Erik played a crucial role in setting up the Vienna Initiative which he had doggedly driven forward since 2009. The Initiative had been an important response for Europe's banking system in the wake of the crisis.

When the EBRD was moving into SEMED, Erik had the "brilliant idea" of creating a peer-to-peer exchange of transition and reform experience between policy-makers and experts from the EBRD's traditional and new countries of operations. These "Transition to Transition" (T2T) sessions turned into one of the Bank's most successful and appreciated initiatives.

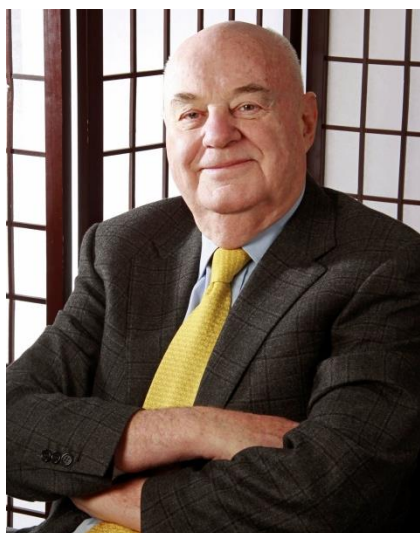
A number of high-quality publications and surveys were produced by OCE under Erik's direction: the Transition Reports, BEEPs surveys and one-off analyses of individual economies.

Moving on

As Erik moves to become the inaugural Director of the Institute of Global Affairs at the LSE and to a "do-tank" for emerging markets, the EBRD is certain that there will be many opportunities in the future for collaboration.

An interview with Michael Ayre, the founding father of the Business Advisory Services (BAS)

The Bank's TAM-BAS Programme (now known as Small Business Services or SBS) had its beginnings with the financing of a few TCs in Vilnius under what was called the Baltic Investment Programme. These initial steps attracted businessman Michael Ayre, who joined the young EBRD and helped launch the Bank's Business Advisory Services.



What first attracted you to the position at the EBRD and what did you do when you first arrived?

During the early 1990s I took a break from my work in corporate planning in New York to spend some time in Lithuania training employees for a start-up investment bank. It was a fascinating experience and I got caught up in the idealism of the times. When I heard that the EBRD would be implementing a business support programme I was intrigued.

You are the "founding father" of what became known as BAS or Business Advisory Services at the EBRD. Where did the idea first come from and what were its objectives?

As part of the Nordic effort to support transition in the Baltic states, the EBRD was given funding for SME (small and medium-sized enterprise) lending. The decision to add a business advisory service to this initiative demonstrated foresight and understanding, for fledgling enterprises often had a very limited ability to absorb credit. We had heard so often from would-be

entrepreneurs that they simply needed a loan – that they had a business idea and perhaps a building – and nothing else was required. They had no marketing plan and no understanding of costs or quality requirements. Our job was to identify credible enterprises and, through provision of this kind of basic business advice, prepare them for expansion and injections of commercial loans.

The innovative feature of BAS was how the advice was delivered to client enterprises. Instead of doing the work internally, we contracted the projects out to qualified business consultants, preferably local. In that way we became managers, free from the constraints of our small internal staff, ready to offer a wide range of services (not just simple “business plans”), and at the same time ready to support the development of local consultants. The incentive for the enterprise was the BAS subsidy paid once the project had been completed satisfactorily. We can thank Michel Cramer, a French consultant in development economics, for the design of this new BAS model.

How did it work in the early years and how did it expand across the EBRD countries of operations? What were the challenges in providing business advisory services to companies in the former socialist countries?

We started cautiously. To minimise risk we hired a staff of local employees who in these small countries knew where the dark corners lay. Potential client enterprises were vetted and business consultants qualified (and sometimes trained). Deliverables were carefully evaluated. And it worked. Soon positive independent evaluations of our work drew donor interest from beyond the Baltic states.

We expanded first to St Petersburg, then to Central Asia, Slovenia, Croatia and Bosnia. Of course modifications were required in the rollout but the basic design features of the programme have stood up.

What did you do after leaving the EBRD and what are you involved with currently?

I divide my time between Lithuania where I have a cottage by the Baltic Sea and my hometown of Toronto. In Lithuania, I oversee a distributor of academic and professional books in Vilnius and Kaunas which I developed, and research the remarkable history of the large Scottish community which settled there during the 17th and 18th centuries.

By Larry Sherwin, Deputy Director, Communications

Alumna Franziska Ohnsorge delivers a presentation on global economic prospects at EBRD Headquarters

On the same day that the World Bank published its flagship report Global Economic Prospects, Franziska Ohnsorge, the report's lead author, returned to the Bank to brief her former EBRD colleagues on global growth prospects.



Franziska's background

Franziska worked at the EBRD from 2009 to 2011 as the Head of OCE's Macro Unit and was in charge of coordinating forecasts and developing forecast models. In this capacity, she contributed to the 2010 and 2011 Transition Reports as lead author for individual chapters. In addition, Franziska acted as deputy to Piroska Nagy, current Director for Country Strategy and Policy, working on the Vienna Initiative.

On leaving the EBRD, Franziska returned to the International Monetary Fund (IMF) in Washington DC where she worked as Senior Economist on Belgium at the height of the euro area crisis and on China. She became deeply involved in the IMF's risk work and performed analytical work on a fiscal union in the euro area, the impact of capital account liberalisation in China and on networks in asset prices.

Since May 2014, Franziska has been serving as Lead Economist at the World Bank's Development Economics Department. She is also the Lead Author of the World Bank's Global Economic Prospects, the flagship publication on the global economy.

Global growth so far

In 2014, as in the previous three years, growth was disappointing. “The global economy is limping along as many countries continue to grapple with legacies of the global financial crisis,” said Franziska. According to the World Bank report, growth picked up only marginally in 2014, to 2.6 per cent, from 2.5 per cent in 2013. Global growth is expected to rise to 3 per cent in 2015, and average about 3.3 per cent through 2017.

What is holding growth?

Franziska explained that the recovery of global growth is helped by low commodity prices and persistently low interest rates. But there are increasingly divergent trends at work in major economies. The recovery in the United States and the United Kingdom has gained momentum but the euro area and Japan are lagging behind. According to the report, China is still growing at a robust pace but it is also undergoing a carefully managed slow-down. Disappointing growth in developing countries is reflected in weak external demand but also domestic policy tightening and political tensions.

Are the World Bank's growth prospects rosy?

Franziska set the question straight when she explained that the background to this forecast is ever-changing with a sharp decline in oil prices and geopolitical tensions to name just a few, thus leaving the door open for revision of the global economic prospects. "The risks to this slow-moving global recovery are significant," explained Franziska. "Financial market volatility could sharply raise developing countries' borrowing costs. Low oil prices might strain balance sheets in oil-producing countries. Also if the euro area or Japan slips into a prolonged period of stagnation or deflation, global trade could weaken even further."

But there are opportunities too such as help from low oil prices for importing countries and the undertaking of long-term subsidy reforms, which should not be ad hoc but rather meaningful and have lasting impact.

Is there a fundamental structural change in the recovery of the world's growth?

"Yes, this time around could be different," said Franziska. The typical global growth model in the past has been for the US to lead the way followed by China very quickly and Europe just behind. The question now is whether the US can be the sole engine of the global growth and sustain it if the euro area does not pick up and China continues on a path of gradual deceleration, she concluded.

The EBRD published its own Regional Economic Prospects on 19 January 2015. [Read these here](#)

FROM ARCHIVES

The second environmental employee, Liz Smith, recalls how it all began...



Senior Environmental and Stakeholder Engagement Adviser Elizabeth Smith was the second environmental employee to join

the Bank who helped draft standardised environmental procedures and develop the environmental due diligence process. Twenty-four years later, Liz works with what is now the Environmental and Sustainability department (ESD) in a team of 50 staff. She recalls how it all began.

In spring 1991, I was working as an environmental consultant, developing emergency response plans for US multinational companies at their overseas facilities and was completing work at five factories in Germany. Shortly after the Bank opened, I was transferred to London to help the Bank develop and implement the Environmental Procedures. These would support the new Environmental Policy which had been approved at the Bank's first Board of Directors' meeting.

At the time, the Environmental Appraisal Group (the equivalent of what is now ESD) comprised just one environmental economist on secondment from the World Bank and two full-time consultants, one of whom was me. I worked on the Merchant Banking portfolio while the other consultant worked on the Development Banking side.

The Bank was at its new headquarters in Leadenhall Street, across from the Lloyds Building. There were not many staff in the Bank and it was quite an energetic atmosphere – we worked in open plan, which was noisy as people discovered their speaker phones and stifling when colleagues would smoke cigarettes (and the occasional cigar) and a haze would settle across the floor. Email accounts were only provided to a few staff as a pilot project to see if it was a useful means of communication. You had to ask a researcher to do an internet search for information, as we did not have individual access to the internet.

Often, we would work past 9pm or 10pm, as well as working most weekends. The urgency of the Bank's work was palpable – it was difficult to justify taking a holiday if countries were running out of power or food. We occasionally were called over to the deputy vice-president's cubicle to watch the news about the region on a little TV, well aware that we were watching history unfold as governments changed, countries broke apart and borders and lives were remapped.

At the Bank's first Annual Meeting in Budapest in April 1992, we heard about the bombing of our building in London. On our return, we were astonished that it only took a few days to board up the front of the building and we were back at work – although we had to access the building by entering a neighbouring building on the adjacent street and walking across a narrow catwalk on the second or third floor. The wind whistled around the edges of the boards across the windows, and many of us found chunks of glass on our desks or chairs. If it hadn't been for the AM, most of us would have been working at the time that the bomb exploded.

Starting environmental due diligence

My colleagues in environment and I realised that business schools in the late 80s and early 90s were not teaching anything about environment and that most people were not going to understand the necessity of the environmental due diligence process. We decided that the best way to proceed would be to write the environmental requirements into the overall due diligence, implementation and monitoring processes, rather than as a separate process.

After a few years, we had enough examples of environmental contamination on projects that cost millions of dollars, and meant delays in permitting or fines if these issues weren't resolved. These examples helped make it clear to bankers that we were there to help them make better projects and avoid surprises.

We also worked quite closely with legal counsel to develop a catalogue of environmental covenants so that there was a systematic approach to implementation. The focus on environment has broadened over the years and now social issues, such as labour, stakeholder engagement, gender and resettlement have also been mainstreamed in the Bank's requirements.

Health and safety

During the Bank's first years, some of us were concerned that there were so many young bankers who had never been to a factory or power plant and who were travelling to heavy industrial sites without safety briefings or protective gear. People were coming back from their travels with stories of dangerous taxi trips; flying long distances in cargo helicopters without seatbelts; being exposed to hazardous chemicals; and being told that if they wore wear contact lenses in 40-below temperatures, they could freeze to their eyes...

After building a case on the results of trip experiences and best practice, HR advertised for a Health and Safety specialist to advise staff, which evolved into the current Health and Safety Unit. The specialist developed detailed procedures and guidance on trip safety, an auditing programme for contract flights (aeroplane and helicopter), provision of first aid and dental kits, and protective clothing for employees. The first polar clothing issued consisted of long, black quilted coats designed for UK refrigeration workers that went all the way past the knees. The first phones for remote regions were very large satellite phones that came with a small suitcase and an antenna and took up most of your carry-on baggage allowance. The concept of today's security initiatives, with GPS tracking systems, geo-fencing and other alarms, was completely unknown.

Personal reflections

I believe that we are privileged to work with the Bank. We work in a region rich in history and culture. We work on things that contribute to improving economies in the region and are always looking for ways to improve the environment, health and safety, to reduce the impacts on local communities and to increase corporate responsibility, transparency and good governance. Not many people can say that about their work. Every one of us plays a role – not forgetting the critical role of support staff, making arrangements to get us where we need to go, or the people who manage the logistics of Headquarters and the ROs.

We remember the colleagues we have lost in helicopter and aeroplane accidents, as well as those who have moved on to other opportunities. In addition, I believe that many of us owe a great deal of recognition to our families, who have supported us, worried about us as we flew off for weeks of travelling in remote areas and who appreciate that they can now contact us by phone in most places we travel to.

It is all too easy to get caught up in the day-to-day stresses, the trips and the paperwork. From time to time, I think we should step back and look at the bigger picture to which we all contribute.

For alumni, which we will all be at some point, I can only hope that you are proud of your time at the Bank, and what your work contributed to. As a current member of the Staff Council, I would encourage you to keep in touch with the Bank and let us know what kinds of information and advice that you wish you'd had, or challenges you wish you'd known about before you left.

NEWS FROM THE BANK

Going places:

the EBRD opens a new office in Cyprus



For visitors from wintry British shores, it was not only the unfamiliar pleasant weather which warmed our hearts when the EBRD opened its Resident Office in Cyprus in December, but also the very big welcome offered to the Bank by this small country. The opening event, planned and organised by the new Nicosia staff, was attended by Minister of Finance and EBRD Governor Harris Georgiades who said: "This is a very important day for Cyprus and our efforts to boost our recovery."

Suma confirmed the Bank's determination to support the island and drew confidence from the speed with which Cyprus had become a temporary country of operations. Following the EBRD shareholders' decision in May, the Bank immediately took steps and signed its first investment in Cyprus only three months later, when it became a shareholder in the crisis-stricken Bank of Cyprus. The Bank will be considering opportunities across the whole island, serving both communities.

The President made clear that this was just the beginning. "We are aiming at annual investments of €100 million," he said in his opening address. "But we have no cap. If we can find more investment opportunities, we can go higher," he told an audience of representatives of the business community along with the government, the diplomatic corps and the media. The office opening was the second item on the most popular TV evening news after President Putin's address to the nation.

Early project ideas

Examples of where the EBRD could potentially support local businesses were in ample evidence. A site visit to a company with a pioneering project to revolutionise the global market of PET bottle-producing machines provided fascinating insights into a family business where enthusiasm and determination have for a long time had to compensate for lack of financial support. Since the 2013 crash, access to long-term funding via local banks remains virtually closed for companies in Cyprus.

In addition to supporting small local businesses, reinvigorating the private sector and assisting the restructuring of the financial sector, the EBRD is also planning to help the government's privatisation plans.

Here we can offer extensive expertise in a large variety of sectors, and a site visit on the second day of the President's visit offered a glimpse into a potential port project.

The business atmosphere and the determination of local communities to move on and leave the crisis behind as soon as possible left a strong impression on the EBRD delegation. "I love this island, its people and their attitude," the President said. "This enthusiasm is shared by Libor Krkoška, our Head of Office, and his impressive local team, who made the President's visit such a success. Hannah Meadley-Roberts, Director of the President's Office, would certainly agree when we say that it all went swimmingly." Onwards from Cyprus, the President paid a visit to Israel, where he met with local businesses and government representatives. As usual on his trips, Suma dedicated time and attention to promoting the EBRD's cooperation with local businesses. Israeli companies are often leaders in innovation and cutting-edge technology which is especially attractive for many of our countries of operations.

In this large group, Ukraine has this year been the focus of much attention. Stepping up our efforts in the country, the EBRD opened another Resident Office last week, in the historic town of Lviv.

RO Lviv opens its doors to small businesses in western Ukraine



On 8 December, the EBRD's First Vice-President Phil Bennett; Vice-President Betsy Nelson; Director for Small Business Support Charlotte Ruhe; and Lviv Mayor Andriy Sadovy cut the ribbon and welcomed guests to the newly opened Lviv Resident Office.

"Special bond"

The Mayor of Lviv calls the EBRD's relationship with the city a "special bond" and "an experience worth repeating for other municipalities". Managing Director for Eastern Europe and Caucasus, Francis Malige, underlines that the main purpose for the Bank's presence in the city is "to do business". Indeed, the Mayor of Lviv and his team have done a great job of promoting the city and making it attractive to investors like the EBRD.

Lviv, arguably one of the most dynamic municipalities in Ukraine working with the EBRD, to date has attracted over €250 million from the Bank for a variety of projects in the private and public sectors. In recent years the EBRD has also been very active in supporting Lviv's infrastructure by offering modern urban solutions in public transport and district heating sectors.

Historically, the city has played a special role in the EBRD's operations in Ukraine. The financing projects here were started back in 1997 and prominent Ukrainian companies such as Svitoch (confectionery), Kredobank and Galnaftogaz (the OKKO petrol stations chain) have been supported.

The Lviv office's primary objective will be to improve The Bank's outreach to businesses in the western regions of Ukraine. It will facilitate access to advisory services for small- and medium-sized enterprises to strengthen its support of this essential segment of Ukraine's economy.

At the official reception later that day, Phil Bennett said that, by opening the office in Lviv, the EBRD is sending a strong message to the local and international business community that it believes in Ukraine and would like it to be strong and prosperous.

Bringing power to rural Morocco

A €60 million EBRD loan is backing the government's plan to bring 24/7 electricity to over 1,200 rural villages



Morocco is getting closer to realising its ambitious plan of connecting people in every corner of its vast territory to the national electricity grid. Soon it will provide what is called "universal service": continuous and reliable access to electricity for the entire population.

When works started in 1996 only 22 per cent of the countless rural villages that dot the Moroccan landscape were connected to the grid. Fifteen years and a series of massive investments later, that figure had risen to 97 per cent. Now, an EBRD investment of €60 million is supporting the National Office of Electricity and Water (ONEE) with the final stretch of this huge operation, which will connect a further 1,200 small villages.

One of them, Aghouatim, is just a few kilometres away from Marrakesh. "Our life has really changed," said Hanane, one of its 250 local residents and a mother of two. "Now we have a fridge. Before we couldn't store food; after one day it would go bad and we couldn't eat it. We also bought a washing machine so we no longer have to use the bucket, which was so tiring and bad for our hands," Hanane explained with satisfaction.

Sustainability plus

Besides providing crucial financing, the EBRD adds value to the operations by supporting ONEE's efforts to improve its sustainability by gradually liberalising and commercialising the electricity sector. For example, a technical cooperation project supported by the Southern and Eastern Mediterranean (SEMED) Multi-Donor Account (MDA)* is helping ONEE to introduce International Financial Reporting Standards.

Crucially, the EBRD is also helping improve the sustainability of the service itself by financing the first smart metering installations. Smart meters, which can also measure electricity being sent on to the grid, are essential for the development of decentralised renewable energy generation capacity, in particular rooftop solar photovoltaic generation. It's a step further in the modernisation of the Moroccan energy sector which is heavily dependent on fossil fuel imports to cover its growing energy demand.

The impact on social inclusion and the environment is being thoroughly assessed thanks to the backing of the SEMED Cooperation Funds Account. For isolated villages grid connection is nothing short of a revolution. High up in the majestic Atlas Mountains, for example, reaching the Berber community of N'Kob – counting 25 settlements risen almost in the middle of nowhere – has given ONEE a few logistical headaches.

The team is working tirelessly to extend the network and plant pylons and poles in these rocky mountains. But the bigger the challenge, the more life-changing opportunities electricity will bring.

“With reliable electricity we can power our water pumps for the irrigation of the henna cultivation, our main agricultural product,” said Daoud Nkoubi, President of the community’s Committee. “Many families here have members abroad and communication was an issue. Reliable electricity brings them closer to their families through the mobile phones and internet. It’s such a joy for all!” he added. The project will also promote enhanced educational enrolment and improve safety, hygiene and medical services. It’s a promise of a brighter future for the next generations and an additional boost for Morocco’s economic development.

** SEMED MDA donors are: Australia, Finland, France, Germany, Italy, the Netherlands, Norway, Sweden, Taipei China and the United Kingdom.*

Bank’s Environment and Sustainability department (ESD) wins prize for policy impact assessment work

Director of ESD, Alistair Clark, will go to Florence in April to pick up prestigious IAIA award

Two months ago, on 7 November, the Bank’s Environment and Sustainability department launched new policies taking into account the latest developments in thinking and practice in the field. Now, to the delight of Alistair Clark and his team, the huge job they did beforehand on the impact assessment for the policy has been rewarded with a prestigious external prize.

The International Association of Impact Assessment – the member-run professional body that looks at impact assessments around the world – has selected the EBRD as the recipient of IAIA’s 2015 Corporate Initiative Award for the new Environment and Social Impact Assessment policies. The award certificate will be presented at IAIA’s annual conference event on 20-23 April in Florence, Italy.

The IAIA Corporate Initiative Award is presented to a private or public sector company for a specific activity or project that has made a notable contribution to

responsible development practice through the application of impact assessment.

Last year’s winner was the International Council on Mining and Metals (ICMM) for “promoting sustainable development in the mining sector” after releasing the “Indigenous Peoples and Mining Position Statement.” (This requires its 22 member companies to begin incorporating Free Prior and Informed Consent into their practices in over 800 project sites around the world.)

Largest consultation ever

The impact assessment done within the EBRD on the new policies was, according to Alistair, “the largest consultation exercise that the Bank has ever undertaken.”

He attributed the latest success to “the very robust process that we undertook in terms of engagement with a wide variety of stakeholders – not just the CSOs, who we always debate with, but also with industry associations, academics, IFI peers, UN organisations, our clients, and of course capitals, stakeholders and the Board. So it was a very long process.”

“It’s really a testament to the hard work done by the entire team,” he added. “Everyone in the department was involved in one way or another. We had working groups from the whole department. We had teams that went out to consultation meetings. We had visits to UN agencies and to capitals.”

Adjustments and rewards

“This robust engagement was something that actually did help shape the final product. It wasn’t consultation for consultation’s sake. It was real consultation – we heard views and we made adjustments to the policy because of those views.”

The IAIA was involved in the process as one of the stakeholders. The organisation subsequently asked the EBRD to apply for its annual prize.

EBRD wins Zagreb Stock Exchange award for SEE LINK

The Bank was presented with the coveted annual award by the Zagreb Stock Exchange (ZSE) for its “contributions to the development of capital markets in Croatia” in December.

ZSE President Ivana Gažić especially emphasised the EBRD’s support for SEE LINK, the partnership between the Zagreb, Skopje and Sofia stock exchanges. In her acceptance speech, the EBRD Director for Croatia, Vedrana Jelušić Kašić, said: “We are very honoured by this prestigious award and we see it as a mandate to strengthen our efforts.” The EBRD’s effort was led by L2C2 and Financial Institutions from Headquarters, and supported by the relevant ROs.

SEE LINK was established earlier this year as a joint project to increase the attractiveness of the three participating countries' small capital markets by establishing a joint platform thus overcoming their comparative small size and volume. Linking the Bulgarian, Croatian and Macedonian stock exchanges, while preserving their status as independent entities, it is targeted at rising liquidity and tackling the fragmentation of the capital markets in south-eastern Europe.

In order to achieve this goal SEE LINK is working on the introduction of a system which will provide order routing and direct processing of the trades on the three participating stock exchanges. The system, which is expected to be introduced in mid-2015, is currently being established with the support of a €540,000 grant provided by the EBRD. The new system will "standardise and improve financial services in the region, making it more attractive to international investors, including the EBRD," Vedrana said.

The three stock exchanges in Skopje, Sofia and Zagreb were established in the 1990s following the countries' transition to market economies. However, the development of local capital markets lagged behind the general macroeconomic expansion. While this was not seen as problematic in the years of buoyant foreign direct investment, it became a focus of attention in the aftermath of the global financial crisis.

Ever since then, the EBRD has been at the forefront of pioneering the development of local capital markets. However, as Vedrana pointed out in her speech, "this is a marathon, not a sprint". Initiatives such as the SEE LINK are important efforts but they also need additional support. In order to attract the much-sought-after capital to revive their economies, countries also need to create the right conditions to attract businesses.

"It is also important that the country continues to enhance its own stock exchange which is a vital part of the infrastructure sought by investors when making their decisions," said Vedrana.

In this sense the Zagreb Stock Exchange award is a recognition of the EBRD's wider work in the country and region as well. As Ivana Gažić put it: "This award is presented to the EBRD not only for what you have done in Croatia, but also for your activities and achievements in our region."

SEE LINK is an important step forward and it holds the promise of many more steps to come.

A new standard in Public-Private Partnerships for the CIS region

Law approved promoting new standards for public-private partnerships with EBRD assistance

Public-private partnership (PPP) is a well-known mechanism for using private sector resources for the development and operation of public sector facilities and the provision of public services. Having long been used in a number of countries, it is still something of a novelty across the CIS region. The lack of a stable, transparent and investor-friendly legal framework has often been cited as one of the main reasons for such under-utilisation.

While individual CIS countries are undertaking their own efforts to tackle the problem, a unified instrument of further strengthening and harmonisation of PPP standards across the region was offered on 28 November 2014, when the Inter-Parliamentary Assembly of the CIS Member States (CIS IPA) adopted a Model Law on Public-Private Partnership for the CIS Countries (the "Model Law"), which was developed with technical assistance from the EBRD.

The Bank's in-house and external experts have been closely cooperating with the drafters of the Model Law, aligning the document with international standards and best practices. The Model Law is the first regional PPP model law based on modern best standards, particularly important when further work of UNCITRAL on PPP universal standards was put on hold.

Conference

Approval of the Model Law also coincided with a high-profile international conference organised by the CIS IPA in its headquarters on 26 November 2014. The conference brought together some 70 delegates from both the public and private sectors, including members of parliament and other top politicians, heads of national PPP units and senior PPP officials, representatives of private sector and international organisations (including our own team), UN ECE, UNCITRAL and the World Bank, as well as independent experts – all of whom unanimously confirmed the success and their overwhelming approval of the Model Law. Experts from the UN's ECE PPP Team of Specialists complimented the CIS IPA and the EBRD's efforts in bringing the Model Law to fruition.

While the adoption of the Model Law is a very positive step, the EBRD's work on strengthening PPP standards and practices in the CIS region does not end there. The Model Law will be complemented by an extensive Commentary currently under development with the participation of the Bank's experts. The initial draft of the Commentary was considered by the CIS IPA's Standing Commission for Economics and Finance at its regular session on 27 November 2014 and received strong support from the CIS regions.

Suggestions to continue work on a more practical level – in particular, to develop guidance and template documentation – were made by a number of government representatives and national experts from Kazakhstan, the Kyrgyz Republic, Moldova and Ukraine. This should form a solid basis for the Bank's continued cooperation with the CIS IPA.

“It is very rewarding to have such overwhelming support of the Model Law from both the regional and international community,” said Alexei Zverev, the Bank's Operation Leader for the project, during the November events in St Petersburg. “Building on its success, the Model Law should be a good basis for the further strengthening,

upgrading and harmonising of PPP standards and practices across the entire CIS region.”

The Legal Transition team led the advisory process, with invaluable support and assistance from the Infrastructure Business Group and the Russia Business Group throughout the project. Special thanks go to Marina Petrov, Head of North-West Federal District, Russian Federation, who attended the events in St Petersburg.