

NEWSLETTER No.11

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ASSOCIATION NEWS

Message from the Chair



Keeping the alumni community together

The Alumni Association is about keeping the EBRD alumni community together for the benefit of both alumni and the Bank.

It can benefit alumni by supporting professional and social networking and helping them retain links to the Bank and its region. For the Bank, it is a resource which can be leveraged to promote the institution, as well as for business development, skills transfer, access to expertise, and as a source of advice.

As we continue to locate additional alumni, we are increasingly impressed by the richness of the community which now numbers over 2,320 people located in 87 countries. This year has seen an accelerating effort aimed at locating missing alumni, with nearly 270 new members coming on board.

We are pleased by the continued strong interest in the Association on the part of alumni and Bank staff alike. Over 150 alumni attended the Annual Alumni Reunion in London in January; over 100 participated in the alumni gathering held on the occasion of the Bank's Annual Meeting in May; more than 50 attended the celebration of the 25th anniversary of the Bank, and some 30 alumni took part in the inaugural event on the occasion of the opening of the Bank's Representative Office in Washington, D.C. We are currently planning a number of additional regional chapter events in North America and Europe. Preparations are also ongoing for the next Annual Alumni Reunion in London, planned for January 2017.

This newsletter includes articles on recent alumni events and articles on individual alumni. I hope that you will also enjoy browsing through the extensive photographic and video material provided, and that these will bring back many fond memories.

We continue to develop the Alumni Association website, which now includes a career centre, which we are progressively populating with opportunities for alumni at the Bank, job postings by other alumni, and potential assignments with third parties recommended by fellow alumni. The website also advertises cultural and professional events at the Bank which are open to alumni.

We are pleased that there have been important improvements to the medical cover continuation plan for those alumni who chose to subscribe to it when they left the Bank. We very much appreciate the fact that the Bank incorporated a number of important suggestions from the Association as part of the negotiated improvements to the plan. We also hope that this positive experience will allow the Association and the Bank to develop a more intimate dialogue on some remaining practical issues which arise in the management of benefits after staff have left the Bank.

Let us continue to work together so as to make this initiative a continuing success. Do not hesitate to provide suggestions as to how you would like the Association to develop, or even to offer your assistance should you have some free time available.

Wishing you a pleasant read.

George Krivicky
Chair
EBRD Alumni Association

Historic day: alumni meet, greet, chat and schmooze

At the tail end of the Business Forum, the EBRD Alumni Association hosted its yearly conclave which, for the third year running, has been held in conjunction with the annual meeting. Judging from the volume level of the 170 or so past and present EBRD-ites in attendance, this now annual event was an unmitigated success and a great way to end the Annual Meeting.

As they say, “the proof is in the pudding”. More appropriate is the old adage “one picture is worth 1,000 words”. Actually, it would be better if you [took a look](#) yourself at the 80 or so photos of what turned out to be a very pleasant evening of reminiscences, old friends and colleagues, and a few new connections.



George Krivicky, Mahir Babayev, Suma Chakrabarti, Enzo Quattrocioche

First up to speak was the newly re-elected president, Suma Chakrabarti. He emphasised the Bank’s long-term commitment to its alumni, illustrating this with a substantially improved package for continuation of medical insurance. He had a lot to say about the value of the Association and its past employees, noting that the EBRD story “has not come to an end.” This alumni reception of course coincided with the 25th anniversary of the Bank’s founding, an historic occasion. “Everyone here today can justifiably say that, by working at the EBRD at some point in their career, they too have made history,” he noted.



Former First Vice President Ron Freeman

Suma was followed by the irrepressible former First Vice President Ron Freeman whose wide-ranging, perceptive and amusing remarks took a look back at what made the institution great and a look forward at tasks still remaining: “For the next 25 years, my hope is that the EBRD will remain mandate-focused, meritocratic, informal, friendly and efficient. And my wish is that

President Chakrabarti will always have sufficient budget to fund the Alumni Association and, who knows, maybe even to invite some alumni back for occasional, active EBRD service. Like the scouts, we alumni are always ready.”



Last but not least was George Krivicky, Alumni Association Chair, with a report on the state of the Association and its achievements. He was appreciative of the fact that the Bank reflected a number of important suggestions from the Association in its new medical-cover continuation plan. This is hopefully just the start of how the Association might help. “The Bank’s Alumni Association,” he said, “is only at the beginning of its journey. There is still much to do, but we look to the future with optimism.”



Julia Kemp, Roger Burston, Louise Richards



Linda van Ras, Nigel Carter

Read [the President’s remarks](#), those of [former First Vice President Ron Freeman](#) and those of [Association Chair George Krivicky](#).

By Larry Sherwin

Over 50 alumni attend the EBRD's 25th anniversary at London HQ

Panel discussion on the past and future challenges of transition



"In the great sweep of history, a quarter of a century can pass in the twinkling of an eye. But the same period can also bring momentous change across many, many continents. And so it has proved in our countries of operations," President Chakrabarti said at the EBRD's official 25th anniversary celebrations on Monday 11 April 2016 at HQ. "Such a period is also long enough to have seen the EBRD grow into the powerful force for good it is today."

The President was joined by a panel of distinguished guests including former President of Latvia Vaira Vike-Freiberga, EBRD Governor for Jordan Minister Imad Najib Fakhoury, former Bulgarian Finance Minister Simeon Djankov, as well as incoming EBRD Chief Economist Professor Sergei Guriev, for a reflection on past, present and future progress on transition across our countries of operations.



To help inform their discussion, Ralph de Haas from the Office of the Chief Economist gave an overview of the most recent Life in Transition Survey (LiTS), a comprehensive analysis of the expectations, hopes and fears of citizens that is undertaken in conjunction with the World Bank, and covers 34 countries, including Cyprus and Greece. In most countries GDP per capita is now well above its pre-transition level despite the negative impact of the financial crisis. The most recent data even suggests that the "happiness gap" between East and West may be closing somewhat, Ralph said. However, he also pointed out that limited life satisfaction remains a concern in many of our countries of operations and this in turn has been shown to undermine popular

support for market reforms, development of the private sector and democracy.



Alex Tanase, Leonid Simon Vindman, Michel Nussbaumer

Facing the challenges of our time

We should not underestimate the psychological impact of such rapid change from planned to market economies, said Mrs Vike-Freiberga. People in former communist countries had of course been longing for greater freedom of choice, but with that comes responsibility and the risk of making mistakes, which in turn can cause psychological stress, the former President of Latvia said. You can then have a scenario similar to a 'child in a candy shop' overwhelmed by the plentiful choice presented to them. It takes time to change perceptions, including those about the role of money, and attitudes towards corruption, she noted, suggesting that more work needs to be done on educating people about the real impact of corruption on society in some of our countries of operations.

Persistently high levels of unemployment across the region, particularly among young people and women, also urgently need addressing, the panellists agreed. They highlighted the need for educational reforms and work towards greater economic diversity and inclusiveness.

Minister Fakhoury expressed great concern about the immediate humanitarian crisis facing the Middle East and North Africa, which he believed to be at an unprecedented historic junction. Since the Arab uprising, parts of the region had experienced disintegration, the displacement of people, and migration, which had undone some of the previous reform efforts. However, other countries in the region, including Jordan, Morocco and Tunisia, remained in true transition thanks to more comprehensive and sustainable reform efforts. He called for a "Marshall-type" plan for the region to create the necessary political and economic stabilisation for a continued reform path, and to help address the immediate humanitarian crisis threatening the region's stability.



Bernard Snoy, Michael McCulloch, Olivier Descamps



Simon Ray and Michael McCulloch

Helping to re-energise transition

While all panellists acknowledged a great variety of transition experiences across the EBRD's region so far, they remained cautiously optimistic about its future. Mr Djankov noted that across the region life expectancy had increased by five years over the last quarter of a century and infant mortality rates had dropped dramatically thanks to a better quality of life, including better health care, improved quality of food, and less pollution.

In view of the many global challenges ahead, as well as the proven correlation between economic modernisation and democratisation, President Chakrabarti said he now wants the EBRD to focus on building economic resilience and sound institutions, helping our countries of operations to integrate better into regional and global economies, and enabling them to combat global challenges such as climate change. The President also said he believes that investment and policy advice will need to go hand in hand.

In order to tackle the urgent job before us, "we are going to have to lead by example and continue to be brimming with the energy of a 25-year-old," he told the audience.

Or, as his fellow panellist Mrs Vike-Freiberga put it: "He who rests on his laurels wears in them in the wrong place".

[Watch the video](#), [listen to the recording](#) of the event and see the [photo gallery](#).

By Claire Ricklefs

Some 30 alumni attend opening of EBRD Representative Office for North America in Washington, D.C.



Phil Bennett, First Vice President, cutting the ribbon

The EBRD opened its Representative Office for North America in Washington, D.C. in April 2016, continuing its drive to increase the flow of investment to emerging economies in the Bank's regions.



From the new office, the EBRD will step up cooperation with US, Canadian and Mexican companies and forge stronger ties with existing and potential commercial partners.





EBRD President Sir Suma Chakrabarti said of the decision to open the new office: "This is an important opportunity to seek out prospects for cooperation with leading North American companies that can bring much-needed investment finance, as well as crucial skills, to emerging markets in the EBRD regions."



Varel Freeman and Christoph Denk

For its part, the EBRD will be able to share with firms the experience it has gained from working in these markets over the last 25 years. This will benefit companies that may be considering a move to the EBRD's regions or an increase in their activities there.



Angelo Dell'Atti and Sunil Sabharwal

Countries in the EBRD's regions, from central and south-eastern Europe to Central Asia and the southern and eastern Mediterranean, have typically depended heavily on investment flows from the European Union to finance their transition to market economies.

The EBRD has been supporting moves to broaden the scope of foreign investors, especially from Asia and the Americas. In March 2016, the EBRD [opened its first](#)

[Representative Office in Tokyo](#), which will support cooperation with Japanese corporations.

[Canada](#), [Mexico](#) and the [United States of America](#) are all founding members of the EBRD and important contributors to the Bank's work. The US is also the EBRD's largest individual shareholder.

The Bank's permanent presence in Washington, D.C. will also help the EBRD strengthen its ties with the authorities in the US, as well as in Canada and Mexico, and increase opportunities for cooperation with other international financial institutions and development organisations with a presence in North America.



Robert Bruce Leighton, Michele Small, Doreen Leighton, Margaret Kuhlow

The EBRD appointed a former EBRD senior banker, Michele Small, as Director and Head of the Representative Office. Ms Small is a UK national and originally joined the EBRD in 1994. She spent many years in Property and Tourism and was Acting Director of this team when she left in 2012 to become an international adviser.

As part of her responsibilities, she managed key client relationships within her sector and business development in the Bank's countries of operations in central and south-eastern Europe, as well as in North America, Ireland and the UK. She took up her position in Washington, D.C. on 1 May 2016.

By Anthony Williams

Interview with Ellen Dyvik, Alumna '98



You were at the EBRD in its early years. Are there any fond memories that have stuck with you over the years from your time at the EBRD?

Yes, I have numerous fond memories from the first decade of the EBRD. I joined the Bank in September 1991, after a year working with a Harvard team led by Jeffrey Sachs that was advising the Polish government on its transition to a free market economy – with me focusing on energy. When the EBRD headhunters called, I was actually about to return to Harvard to start my PhD on a Fulbright scholarship, which I deferred since I could not refuse the chance to help build up the EBRD. I was hired by Thierry Baudon, and one of my first tasks was to co-author the Bank's first energy strategy. Within the first year, Thierry Baudon asked me to write the Bank's Nuclear Energy Strategy, and I accompanied him to ExCom to present it.

I greatly cherish the memories from all the wonderful people I worked with – they were super smart, very passionate and deeply committed. We were a group of young female professionals focusing on energy, and we called ourselves EBRD's "Energy Girls". Most of us are still "in power" within and outside the Bank. All of them recently joined me at my milestone birthday party, with a moving speech given by Ron Freeman.

There are three events which stand out in my memory. First, when Channel 4 chose the energy project I was working on in Latvia as one of three projects to feature in their documentary "Capitalism Goes East" in 1992. Having a film team on location in Latvia and at key meetings at the Bank added extra pressure, but also brought home the incredible responsibility we all carried as EBRD bankers. Second, right after the FT published its infamous "marble" story, I was in Oslo about to appear on stage on a panel at a large conference entitled "The Ethics of Consultancy in Eastern Europe" when I heard an FT journalist laugh on the phone that a banker from the EBRD was there to talk about ethics. Yet with my Harvard training in ethics and deep experience on the ground, many consultants and ethics professionals came up to thank me afterwards. Third, Jacques de Larosi re and a number of EBRD board directors came to visit my projects

in Latvia in early September 1995; it was humbling to hear how my clients talked about the EBRD as their saviour. And they added that "the sun always shines in Riga when Ellen is in town".

What always stood out for me about the EBRD is the way it boldly, consistently and passionately implemented its democratic mandate despite encountering entrenched vested interests. And the Bank was cutting-edge in combining this striving for democratic transition with strong environmental conditionality in all its projects, building up tremendous technical expertise in this area.

In your years at the EBRD, you were involved in pioneering projects in the energy sector in the three Baltic states. Looking back at the state of energy supply and security in the region in the 1990s when you were at the EBRD, what were the major challenges faced by the sector then?

The overriding challenges in the region at the time were threefold: (i) to ensure that the vast under-capitalisation in the energy sector during the long years of communist rule was reversed; (ii) to get the countries off their disastrous path of energy wastage due to heavily subsidised prices and total lack of infrastructure to measure and reduce energy consumption; and (iii) to help the countries diversify their sources of energy away from 100 per cent reliance on energy imports from Russia. We therefore designed projects for which price rise conditionality was a key part. This had major political repercussions at the time. It necessitated clear communication and advanced diplomatic skills.

By getting the prices right, we could harness significant additional energy supply through integrated energy efficiency measures on the supply and demand sides. Not only did we provide finance for urgent investments throughout the energy sector, coupled with conditionality to advance reforms, we also provided a comprehensive technical cooperation programme through EU Phare which included training our clients in procurement and disbursement, Western accounting practices and even educating them through an energy conservation campaign run on national television tailored for each country.

I moved to the Baltics/Belarus team led by George Krivicky, from where I was able to lead the successful implementation of all the investments and develop the next wave of energy projects. Overall, I am grateful for the transformative impact we could have in the Baltics at a time when these countries worked hard to fulfil their historic opportunity to embrace democracy and free market economies (see the [Latvian Energy News article](#)).

You have been involved in environmental issues and renewable energy for decades. In your view, have these issues entered the vocabulary and become a priority in the Baltics and elsewhere in the Bank's region of operations? What else needs to be done?

I had worked at the EBRD for only six weeks when I was asked to speak on behalf of the EBRD at an environmental conference in Milan, and thereafter at the ADB in Manila. Everyone was very interested in what I had to say since I represented the newly created EBRD which

had environmental issues as a key part of its mandate. At the time in eastern Europe, the environment was in dire need of attention, since many of these countries were heavily dependent on coal. Indeed, the EBRD was the first IFI that incorporated sustainable development into the design of its energy projects – which has become such a buzzword now, 25 years afterwards!

In particular since COP21 in Paris, more and more people have woken up to the need for "sustainable development" – which the EBRD has pioneered from the beginning. Further to the adoption of the 17 UN Sustainable Development Goals in September 2015, environmental sustainability and renewable energy have come much more to the forefront, since for the first time, the 193 signatory countries will become directly accountable for their emission target reduction.

Today, there is substantial potential to leverage all the new technology in the field of renewables into the energy mix giving us greater potential to replace coal than we have had in the past.

Yet to this day, energy conservation and energy efficiency throughout the supply chain still do not receive adequate attention on a global basis. There is a very simple reason for this. Supply companies place their revenue projections on increasing demand, while conservation measures reduce the demand. In the energy projects in the Baltic countries, we pioneered the financing of energy efficiency and energy conservation through innovative instruments (see the [Blueprint article](#)).

I am pleased to see that the EBRD remains committed to these principles.

What needs to be done going forward is to aim at bridge-building and transmission of lessons learned between the public and private sectors. There is substantial potential for the EBRD leading other IFIs to partner up with the private sector, including sovereign wealth funds, pension funds and hedge funds, in tackling the huge challenges involved in reversing global warming. To this day, I still think that the EBRD stands out as a best practice institution and should be aware of its distinctiveness and contributions.

Since leaving the Bank, you have served on a number of boards in both the private and public sectors. Can you tell us a bit about this work?

Yes. I am involved in a number of organisations exploring new frontiers. Given my background, one area I focus on is energy. I served on the Board of DNO, Norway's oldest oil and gas company listed on the Oslo Stock Exchange with 13,000 shareholders. DNO participated in the pioneering development of the Norwegian continental shelf back in the 1970s, and was the first international oil and gas company to venture into Kurdistan, 10 years ago. Being elected to serve on its five-member board was deeply satisfying in terms of advancing economic development in this strategically important region. However, my position came with high risk, as we were very visible at a time when ISIS appeared.

Serving on boards has exposed me to all the issues involved with running important and big organisations. It is also a great educator in human nature as you tackle all aspects of governance, such as executive committee composition, leadership, strategy, shareholder accountability, risk, compliance, auditing, executive pay,

climate change and information technology and cyber security. Serving as Chair of the Finance Committee in the Board of the Norwegian Church in London, I was in charge of this old institution's financial portfolio together with some of Norway's top industrialists, bankers and investors. Serving on the Dean's Council at the Harvard Kennedy School is also deeply inspiring, as the Kennedy School teaches the very art of democracy to practitioners from all over the world.

You have led a charitable foundation advancing and supporting civil liberties and human rights. Can you tell us the nature of the projects it has supported and the outcomes?

My family started a charitable foundation in 2002 to support freedom and democracy. When the Berlin Wall fell in 1989, democracy and the free market economy triumphed. However, over the past decade, a number of autocratic rulers have strengthened their hold, defying the democratic ideals of government.

Through our foundation, we support efforts to spread democracy and freedom through lectures, seminars and the provision of grants to other organisations supporting political activists working to reform repressive societies. We also support anti-bullying programmes in schools – indeed, history has shown that bullies and their victims can themselves become extremists. We also run essay competitions for teenagers to reflect on the relevance of the end of Nazism and the liberation of Europe. I have been invited as keynote speaker to talk about leadership in this field at Harvard, at McKinsey, and at public events in Norway and London.

One of the reasons we are so active in promoting freedom and democracy is my family history. My family played a significant role in the Norwegian Resistance Movement against Nazism during the Second World War. My paternal grandparents owned a newspaper in Southern Norway and warned against the rise of Hitler beginning in 1929. When the Nazis invaded Norway on 9 April 1940, my grandfather was detained and kept as a hostage throughout the war; my father, along with four of his brothers and a female cousin were caught and sent to concentration camps in Germany. My eldest uncle, Olav Dyvik, was executed together with the leader of the Norwegian Resistance Movement in Southern Norway; another uncle, Oddvar Dyvik, died as a "Night and Fog" political prisoner in the Natzweiler Concentration Camp. Today, at 93, my father is one of the last life-witnesses of a Nazi concentration camp still living, having barely survived Sachsenhausen (north of Berlin) back then.

In our rich liberal democracies it is easy to let our freedoms slip – through indifference or apathy. I have grown up with the truth that we must never take our freedoms for granted.

Norway and the Scandinavian countries have led the way in bringing gender issues to the fore and in bringing women to the corporate boardroom. Why was this part of the world so successful at bridging the professional gap between men and women? Some countries have introduced (or pondered) quotas to bring women into corporate leadership roles. What is your view on this and do you think that this works?

Norway and the Scandinavian countries are egalitarian societies with a well-developed welfare system. I had the

fortune to grow up in a family where my parents treated their girls and boys alike, in terms of embracing challenges and educational opportunities. At Harvard, where I took both my BA and my MPA, the classroom was fully meritocratic, and the gender issue never came to the fore. During my career, I have served on a number of boards in industries with traditional male dominance – oil and gas, finance, technological innovation. I was often the only woman in the room; as a consequence it was nearly impossible to raise the issue of gender equality without isolating myself.

The quota debate has had the benefit of forcing the issue onto the agenda. Nobody likes quotas, but in certain conservative societies, the quota may be needed to see any progress at all. Fundamentally, this is about fairness and justice and the efficient use of all talents and resources, not just the male half. The quota is therefore just a means to this end, so that everyone can get the chance to use their education and talents to the full. Another means is to systematically de-bias organisations. Iris Bohnet, professor at the Harvard Kennedy School has recently published a book entitled [“What Works: Gender Equality by Design”](#) which I highly recommend.

In my experience, in order to reach gender equality in the workplace, the key is to support women during the few years they need the flexibility while raising a family, since this is when so many women leave the professional world. And employers should keep in touch with their female staff so they can be quickly reintegrated into the workforce when they are free to return. Norway has long traditions of maternity leave as well as mandatory paternity leave, in addition to anti-discrimination legislation and well-developed childcare. All of this has made it possible for women to continue to pursue their careers after their maternity leave has come to an end.

Employers who are flexible with their female talent during these important years experience tremendous loyalty and long-lasting contributions in return.

It also makes commercial sense. McKinsey research has shown that companies with more diversity at the executive and board level outperform their competitors. To ensure optimum impact, there should be a critical mass of women around the table, hence the quota as a compulsory or voluntary measure, such as the 30% Club in the UK.

What we really should be aiming at is 50/50 participation – to reflect our society and to bring about what I believe will be a more just and conciliatory world.

Since leaving the Bank, you have also been a managing partner at EN Capital, a privately held investment firm supporting technological innovation in the fields of health care, renewable energy, energy efficiency and environmental sustainability. Tell us a bit about your work in these areas. What, in your view, should be the strategic priorities for the private sector, and for private capital specifically, to best support innovation in the energy sector?

EN Capital Ltd., was formed to support Norway's diversification of its economy away from a predominance on natural resources, to help the country develop new industries through technological innovation. This was initially done in close partnership with Seed Forum International in Oslo.

While there is tremendous untapped potential in innovation in health care, energy and the environment, inventors often lack “smart capital”, bringing networks and knowledge to help these start-ups succeed. Intellectual property rights are key and sound patent protection is therefore needed, but this costs money.

I would be pleased to see private sector firms engage more directly with innovators. Many successful ones open up about what they work on, and hand out prizes for the best ideas or models – such as the analytics competition website Kaggle or the life sciences company Eli Lilly, which post their discovery problems to the world's researchers. They are also very good at inviting the best and brightest in a particular domain to brainstorm with them in advisory sessions. The EBRD could do the same.

As for me, I have worked with various countries and investors in engaging in such advisory sessions, for example when Norwegian ministerial delegations visit London to exchange views on particular areas of innovation. I also serve McKinsey's Future of the World Summit as a speaker and challenger where it is possible to come up with a synthesis of the most important trends the world faces – and of course ideas to tackle them. Most often, my advisory work touches on the intersection of sustainable economic development and geopolitics, and I focus a lot of my time on the next frontiers, including the Arctic region.

Would you like to comment on your involvement in other areas, such as the Arctic?

Yes, I have long roots working in the Arctic from my academic work at Harvard. In recent years, I have closely followed this topic and have spoken about the Arctic at the World Economic Forum in Davos. More recently, I supported some partnerships with key actors to ensure the Arctic development agenda will follow best practice.

The Arctic is well regulated through the UN Convention of the Law of the Sea and needs both protection and sustainable development. It needs protection, because the Arctic functions like the refrigerator of the planet, and it is melting at an alarming rate, much faster than any model predicted. And it needs sustainable development, since with the melting of the ice, new shipping routes have opened up, natural resources have become more accessible, leading in turn to sovereignty issues and the demand for new infrastructure on the part of the indigenous populations. Against the backdrop of Russia's military build-up in the Arctic over the past decade, it is in our interest that we build the seeds for cooperation rather than conflict.

The economic development of the Arctic is followed with interest by all the countries of the world, and will take place no matter what happens to global warming. It therefore needs to be undertaken in a very careful, sustainable way taking into account cutting-edge scientific research and wise diplomacy between the Arctic Council nations. As a family we visited Svalbard this summer and were deeply moved by the stunning beauty of this Norwegian island archipelago. I owe it to my four children that the region remains peaceful and pristine for future generations.

By Larry Sherwin

“Something we all need,” says EBRD Alumnus ‘09 Paolo Gallo

A compass for your career



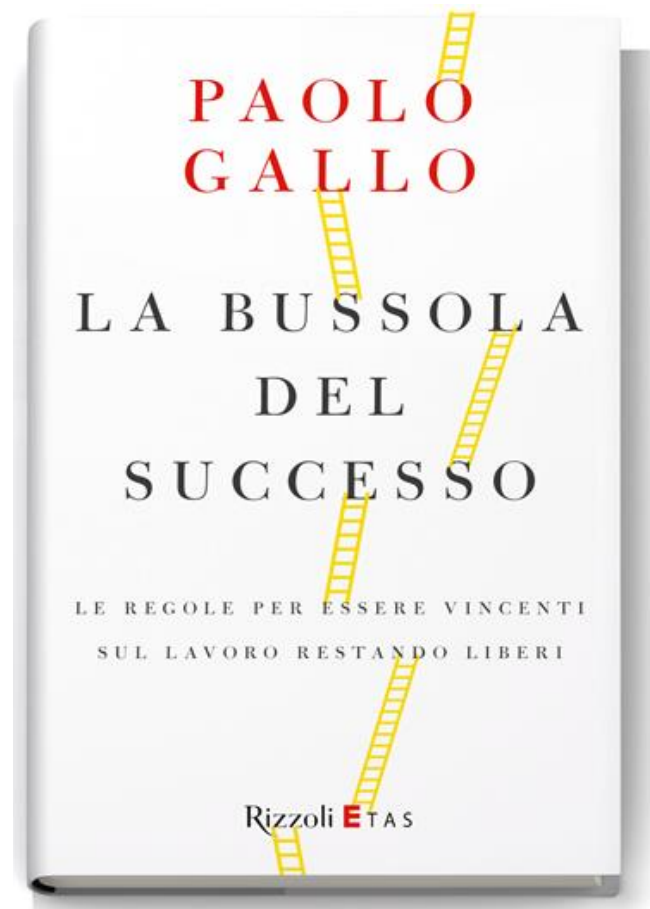
Paolo Gallo was Director of Human Resources at the EBRD from 2003-08. He came to the Bank with extensive experience in the public and private sectors, at Citigroup Investment Banking in Milan, London and New York, and at International Finance Corporation in Washington, D.C. After leaving the EBRD, Paolo spent four years at the World Bank as Chief Learning Officer before joining the World Economic Forum (WEF) in 2014 in Geneva as Chief HR Officer.

Let's start our conversation with one of your latest achievements. You're a published author now, with a book coming out in September in Italy entitled “La Bussola del Successo” or, in my loose translation, “A Compass for Success” – with Portuguese, Spanish, Chinese, English and French language translations to come in the course of 2017. Why did you decide to write the book and what are its main theses?

About three years ago I pursued a master's degree in coaching at Georgetown. I found this acquired skill to be a powerful instrument – a way for individuals to better focus on meaningful questions. Over the years, in HR positions in many different organisations operating in different cultures, I was always puzzled by the question of why so many people fail, why some survive and why so few succeed. What, in the final analysis, does success mean and how do we recognise it?

The coaching experience and material, coupled with my experience, gave me the push to write the book. In it, I have tried to reflect on success and to provide to the reader a practical guide on what a successful career is – and, to my mind, this is not just climbing the corporate ladder. The book is meant as a guide that helps you to find yourself. What do you know now that you wish you had known when you started your career? “La Bussola

del Successo” should help people to find what is meaningful in career choices, and to define what the right professional choices are. In a word, I have written a book which is meant as a way of helping people through their career choices.



You also teach at Bocconi University in Milan, as well as at Ashridge-Hult Business School in North London. What is the most important piece of advice you give students at the start of their careers?

Find out what you love doing, become a learning machine, help others. I know this sounds clichéd, somewhat idealistic, but this simple idea is based on experience and serious considerations. People make professional choices based on perceived prestige, money, benefits, location, career considerations, et cetera. And these are all legitimate reasons to take into account. Yet I believe that the starting point should be an assessment of what your strengths are. What is your talent, what are you good at? You need to consider your talent in light of the effort and time it will take to develop it. Of course, salary and other material considerations are important, but people are too focused on looking at a career through these lenses alone, rather than looking at their strengths and talents. Develop and harness the talent and strengths you have, and use them in your professional life. Understand what you love and what your talents are and go from there. This, I believe, is the valid starting point in considering career choices.

Let's turn now to your lengthy career in HR. You have worked in senior positions in HR in the private sector, as well as at three different international financial institutions – the IFC, the EBRD and the World Bank. Are there fundamental differences in the approach to HR in the private and public sectors?

The dynamics are similar – yet the reason people joined the organisations are different. In the public sector, at the World Bank, the EBRD or the World Economic Forum, candidates pursue positions and join because they have a strong connection with, and respect for, the mission of the organisation. This is different from what I observed in the private sector, where a company's "mission" is far less important; it is more about financial incentives. In the public sector, mission is more important and organisations are mission-driven. Their employees in turn have more loyalty to the mission. There is perhaps a stronger motivational dimension to people working in the public sector. However, people can become very cynical if they see that the mission is buried under politics and internal fights or useless gossiping.

How do the HR challenges differ across organisations in the public sector?

They differ greatly. UN agencies and World Bank have, on average, longer tenures and very low staff turnover. At the EBRD, in contrast, there is more of a private sector orientation, the average age is younger and the average tenure is shorter, I suppose five to seven years. There is more pressure, much as there is in the private sector. Or take the [World Economic] Forum, which is not an [international financial institution] (IFI) – it is more like a foundation, like the International Red Cross or the Olympic Committee. Staff members are noticeably younger and they stay three to four years. As you can see, the HR framework for these three international organisations would have to be structured in very different ways to have a staffing model that works to support organisational mission. They each have a dynamic of their own.

With all of your HR experience, what do you think are the best overall approaches?

It is perhaps a romantic statement, but organisations that see their employees as human capital, as human potential, do best. Organisations that invest in this capital, in their people, have the best record. Organisations that believe that people learn from their mistakes do best – as do organisations that promote internally by having good career paths that give people meaningful opportunities. Organisations that view people as cogs in a machine, that adopt a mercenary approach, do the worst.

I have worked in many different places. In my view, the EBRD had a good balance and made a good investment in people. I recall that when people left the Bank, they ended up in good meaningful roles. In certain ways, the EBRD was probably the best on a number of HR dimensions. The EBRD pension system for example is very interesting and well adapted to the ethos and needs of the organisation. It provides an incentive to stay for the short term, and the flexibility and possibility of staying for the long term. By contrast, pension plans in many international organisations such as the World Bank put a premium on tenure, which means that people stay longer, but not necessarily for the right reasons.

You've now moved to the World Economic Forum in Geneva. Are the HR challenges very different from what you've experienced in the past?

They are very different. The job market in Switzerland is unique and cannot be compared with rest of Europe. There are very high salaries, this in part because of the

high cost of living and nearly full employment – though the glory days might be over. It also has a very flexible labour law, meaning it is easy to downsize an organisation – something untrue for the rest of Europe. The Forum receives 24,000 applications per year for fewer than 100 job vacancies. As you can see, there is a huge supply of highly qualified people for us to choose from. Indeed, the challenge for us is not in attracting candidates but rather in retaining them by providing career development.

Looking back at your years at the EBRD, what are some of your fondest memories? How was your experience at the EBRD different from that at the other IFIs?

I left eight years ago. What I liked was the balanced combination of the organisation. It combines the positive traits of the private sector with the mission-driven ethos of an international organisation. The EBRD provides a good balance between the features of the private sector that everyone likes (results-driven, bottom-line focused), but put in the broader, more meaningful sense of helping countries to develop and make the transition to market economies. For me, the EBRD is a business model that works and, honestly, you all should be proud to be part of it. At the end of a career at the EBRD, you can return to the private sector or to an international organisation – both doors are open. This is not the case for people who have worked for many years at other international organisations.

You are a published author, head of HR at the World Economic Forum, a lecturer and teacher in two respected universities, and a transformational coach. How do you find time to do all of the above?

I love what I do, I learn from each activity every day and, when possible, I help others. It is a joy to do these things. I wrote the book to help people make the right professional choices since I have seen the price they pay when they don't. I trust and hope that my book will be helpful, meaningful and fun to read.

By Larry Sherwin

You can read excerpts from and order [Paolo's book](#) in Italian from Amazon.

Mala Shah, Alumna '07: from banking to coaching to successful events



Mala Shah was with the EBRD from 1993-2007 and worked most recently as Senior Portfolio Analyst in the Power and Energy team. After leaving the Bank, she established an event management company called [MDS Events International](#) and has become a successful and recognised businesswoman in her own right. Beyond event management, she has also become an accomplished speaker, coach and author of a series of self-help books.



How did you come to the EBRD and how did your career evolve?

I started as a “temp”, working as a secretary for Manpower. My organisational skills were recognised and I was promoted regularly. Before coming to the Bank, I had worked in Africa in an import-export business for agricultural products, doing business with India and the Far East. I came to the EBRD initially in a secretarial position and worked my way up. I can say that I always had brilliant people supporting me at the Bank, and I was able to make the leap from support staff to professional. All in all, I was in the Power and Energy team for seven years.

One of my fondest memories (and it was a most joyous occurrence) was when I met Ananda Covindassamy, team leader for Power and Energy. The first time I saw him, he looked like Mahatma Gandhi – with specs and all, though he was terribly French. I was lucky at the EBRD. I had a series of good bosses who helped me develop and who supported me: Kenji Nakasawa, Nandita Parshad and Tony Marsh.



Winner of the AWE "Writer of the Year Award 2015"

What about the EBRD enabled you to develop your professional skills?

I would say that the whole environment just allowed me to grow – as a person, as a professional. It was the nature of the Bank and its structure which promoted interaction among people. It was a productive, inspiring and nurturing environment. I used to bring my daughter with me to work so that she could practice French and German. It was a diverse and challenging environment. I was at all the annual meetings from London to Sofia to Kiev to Tbilisi to Baku.



Mala training her crew

There was so much about the Bank that helped me to develop. I gained fantastic skills working with people from so many different cultures. I even ended up taking a part-

time course which led to a BSc degree in psychology. I'd like to think that I was able to work with anyone at the Bank, even with those so-called "difficult" bankers. There were a few characters in Banking that others couldn't work with and I was sent in. What I learned is that it's all in the psychology and attitude – one can't take things personally.

Why did you leave the Bank?

I left in 2007 specifically to start a life-coaching and mentoring business. I called it Mala DS – the "D" and the "S" are the initials of my husband Dinesh and daughter Sita. But in the business, the three initials stand for Motivation, Determination and Success. I became adept at executive coaching. I helped a gentleman working at Reuters (who shall remain anonymous) become more communicative and overcome his fear of starting up conversations with strangers.



Sita, Mala, Veronica (CEO of Success Resources) and Dinesh

In my coaching and mentoring I have learned how to break people's fears and to encourage them to use and trust their intuition – "to go with the flow". Over the years, my experience and success have led to work with some well-known personalities and celebrities, including Bear Grylls, Anthony Robbins, Sir Alan Sugar, Sir Richard Branson, James Caan, Ruby Wax and even former US President Clinton.



Mala with Kenji Nakazawa, Alumnus '15, at Mala's book launch

My company is a family-owned company. And it is also a family team. I manage events and projects, my husband is sales director and my daughter works as a spokesperson.

Isn't it difficult to work with one's family?

There are positive and negative aspects to working with the family. On the positive side, I know that the job will be done; each of us has his or her own responsibility, yet we

all bring our own experience to the table and work together. My husband can sell anything to anyone; I have always been good at organising. On the negative side, you need to be careful in working with family. There need to be clearly defined borders and responsibilities so that you are not stepping on one another's toes. Business is business, and during business I treat a family member like a business partner, albeit one that I utterly and totally trust. We have a home office and I never tire of their company.



Mike Dooley, bestselling author, speaker and entrepreneur, and Mala, San Diego, 2014

Is there one event you organised that particularly sticks in your mind?

It was certainly bringing former US President Bill Clinton to the London Excel for his foundation. There were 6,000 people at the event. We put a project together with 25 speakers – and the main speaker was Clinton himself. He personally took a detour to thank my daughter for one of the best-organised events he had ever attended.



World of Women TV Interview, 2015

Do you have any hobbies?

I play golf, I enjoy long walks, I love climbing – which brought me to scale Mount Kilimanjaro in 2013.

By Larry Sherwin

Mahir Babayev joins the Alumni Association: his stories and his history

Senior Political Counsellor retires after 25 years at the Bank

“Of course I know Nazarbayev”, was one of the first things I heard from Mahir. The next was, “I don’t give comments to the press”. A bit later there was, “Yes of course I know Garry Kasparov. We played chess in Baku as kids. He was younger”. Later, speaking about Mikheil Saakashvili’s joie de vivre: “Yes of course I know Saakashvili. We studied in Kiev at the same time. He was younger, of course”.



Mahir (right) with the former Prime Minister of the Kyrgyz Republic, Djomart Otorbayev, another EBRD alumnus

Mahir Babayev has been at the EBRD for nearly as long as it has existed, joining as a lawyer in the Office of the General Counsel but soon moving into the position of key Political Counsellor for Central Asia and the Caucasus. He is well known by governments in that region. When Suma Chakrabarti, EBRD President, Phil Bennett, EBRD First Vice President, or anybody else from top management introduces an EBRD delegation during visits, they always say that Mahir needs no introduction, and the other side of the table smiles and nods.

Mahir is so well known that Suma has taken lately to toasting him at official dinners and calling Mahir Mr Central Asia, knowing it would please his hosts. So it was a proper shock to many at the Bank when we heard about Mahir’s leaving the EBRD.



Visiting the new Olympic-size swimming pool in Ashgabat, Turkmenistan, May 2016

Mahir is commonly associated with unbelievable stories of Central Asian adventures. But many of us – including myself – have been inspired by his strong belief in the democracy mission of the EBRD, in its higher calling. He has kept a pure vision of the world of democracy and

freedom, a vision that drove our region to demand a better future 25 years ago. He still fervently believes in democracy, human rights and values that we often call European but which are really universal. He believes the EBRD should continue to support them, despite the many setbacks the post-communist region has suffered on this path.

“We are unique,” he says of the EBRD. “I have never seen another model like this – public and private together, democracy and the market economy together – it is like a centaur, a horse with a human head! But it works, and we should be very proud.”

The email by Mattia Romani and Alan Rousso, announcing his departure, paints Mahir’s contribution to the Bank’s identity. “Mahir has been a true renaissance man at the EBRD, having over the years been crucial to many of the most sensitive and complex political engagements the Bank has worked on. The political function changed its shape and location, and history in our region has repeated itself several times over his 25-year career at the Bank, but Mahir’s constancy, up-to-date knowledge and insights never faltered.”

After the announcement, the Blueprint team asked me, as somebody who travelled often with Mahir, to put together some tributes to him.

“Oh, there is no need for a Blueprint piece,” Mahir protested. “I’ve already got all the satisfaction I needed, with many colleagues from across the Bank writing to me”.



Mahir's leaving reception - not a dry eye in the room!

I assured Mahir that there would be a piece whether he protested or not. It turned out rather long, but really, Mahir’s life at the EBRD deserves a full book (which he intends to write).

President Chakrabarti had this to say by email: “I am very proud to have worked with Mahir over the past four years, during which he played a very important role in elevating the profile of Central Asia within the Bank both in investment and policy terms. This would not have been possible without Mahir’s knowledge of the region’s politics, culture and its personalities.”

And here is what the President said at Mahir’s farewell party: “I remember meeting Mahir for the first time, in the Mozart canteen – I had to develop special listening skills immediately! I couldn’t get a word in edgewise but I learned so much from Mahir that day and later when we travelled to Central Asia, where he kept telling tales about previous EBRD presidents and Central Asian leaders.”

Alan Rousso said (there is also an anecdote from Alan at the end of this piece): “I first met Mahir 16 years ago

when he was interviewing me for the job of Senior Political Counsellor. It may not surprise you to learn that in that 45-minute discussion he did most of the talking! I learned a lot from Mahir that day about the job I would eventually hold, but more importantly I learned about the kind of person I would be working alongside. Mahir was generous with his time, with his knowledge and with his support. He has been that way with me and countless others for more than 25 years at the Bank. The EBRD will not be the same without him."

Mahir modestly refused to send me any stories from his quarter of a century in the Bank, continuing to insist there was no need to glorify him in an article. Of course I suspect that he just wants to keep all the stories for his book. But here's one about his first days at the Bank I heard at the leaving drinks (and many times before).

"How did I join the EBRD? In early 1991, I was working in a law firm on Wall Street. Ron Freeman (a former First Vice President) was our client. Andre Newburg (a former first General Counsel of the EBRD) arranged a meeting for me with Jacques Attali, who was coming through New York. I was not surprised to get this call... I was then quoted in the press, I was on '60 Minutes' and I was on the same page as Donald Trump in the American Lawyer magazine. Anyway, I came to a hotel and was taken to the presidential suite. Normally, as you know, I like to talk. Not with Monsieur Attali! He went on to tell me about his vision of La Grande Europe, L'Union Soviétique, la BERD and so on. Finally it is my turn to say something and I say, M. Attali, l'Union Soviétique, elle n'existe pas. If you want to be successful, you need to work directly with the republics. I gave Ukraine, Kazakhstan and Azerbaijan as examples.

Shortly after that I joined the Bank as a lawyer. My wife and I moved to London, and soon we went to Paris for a romantic weekend. This was when the USSR crumbled. My prediction had materialised and this contributed to my promotion to Political Counsellor."

That was 25 years ago, and the rest, in every sense of the word, is history.

This concludes the main part of this article. We all wish Mahir the very best and look forward to serialising his book in Blueprint.

As an annex, here is a joke Alan Rousso told at Mahir's leaving drinks. All characters appearing in this joke are fictitious. Any resemblance to real persons, employed or retired, inside or outside the Bank, is purely coincidental:

So Milica joins the Bank and immediately hears from Mahir that he knows Nazarbayev. She says: "There is no way you really know Nazarbayev!" Mahir says, "Of course I know him. I bet you £100 I know Nazarbayev very well." So they get on the plane, fly to Astana, go to the Presidential palace, the door of the palace flies open, Nazarbayev welcomes Mahir with open arms, they have tea, talk about the Eurasian Economic Union and Putin, and Milica is floored.

"Ok, I can see now you know Nazarbayev, but surely you don't know any other Central Asian leaders; do you know Rakhmon, for instance?" she asks.

"Of course I know Rakhmon!" Mahir answers. "I bet you double or nothing." They get on the plane, fly to Dushanbe, the door of the presidential palace flies open, Mahir and Rakhmon hug, have tea, discuss China, the

Asian Infrastructure Investment Bank, and Milica is floored.

"Ok, you know Central Asian leaders, but I bet you don't know the Queen of England!" says Milica.

"Of course I know the Queen," says Mahir. They get on the plane, go to London, the door of Buckingham palace flies open, the Queen hugs Mahir, they have tea, discuss Brexit, and Milica is floored.

"Ok, but I bet you don't know the Pope!" she wagers, her final hope.

"Of course I know the Pope!" says Mahir. They get on the plane, fly to Rome, Mahir gets to the Papal palace, but Milica has to stay in the square. Some time later, Mahir and the Pope appear on the balcony. They shake hands and wave to the crowd. Soon after, Mahir gets back to the square and looks for Milica; Milica is literally lying on the floor. Mahir helps her up and asks, concerned, what happened?

"I fainted," Milica says, "when a nun came to me and asked, who's that guy shaking hands with Mahir?"

By Svitlana Pyrkalo

News from Emmanuel Maurice, Alumnus '14



After retiring from the Bank in July 2014, former General Counsel Emmanuel Maurice started work as a consultant for the Asian Infrastructure Investment Bank (AIIB) in April 2015. The AIIB was then in the process of being established and has been open for business since January 2016. In July 2015, Emmanuel also joined [Nestor Advisors](#), a corporate governance firm based in London, participating in a number of projects commissioned by their international clients in the banking and payments sectors. Separately, he was engaged by the International Fund for Agricultural Development (IFAD), for a review of selected institutional issues. From 1 September 2016, he will become IFAD's General Counsel ad interim for one year.

Evgenia Evstegneeva, Alumna '13, ventures into a start-up

EBRD alumna driving the transformation of the wedding industry in Kazakhstan



We say at the EBRD that we invest in changing people's lives. We certainly do, and Evgenia Evstegneeva is a great example. And no, Evgenia is not a client. She is a former Bank employee who ventured into a start-up to bring higher professional standards into Kazakhstan's wedding industry, which she is passionate about.

With a BA in English Philology, Evgenia started in 2003 as a secretary in the Tashkent Resident Office (RO), later moving to Almaty. In 2012, already an Executive Assistant to the Country Director, and NGO and Communications Coordinator, she left the Bank to follow her passion.

Fast forward four years: Evgenia calls herself a Wedding Fairy. She runs a [popular wedding blog](#) that is read throughout post-Soviet Russian-speaking countries and she officiates at wedding ceremonies.

The personalised texts she writes for every couple – now well over 150 – make guests cry with happiness.

Evgenia says it's not even a job, it's a lifestyle.

I ask her what is her greatest achievement. She says, the transformation of business practices in her industry.

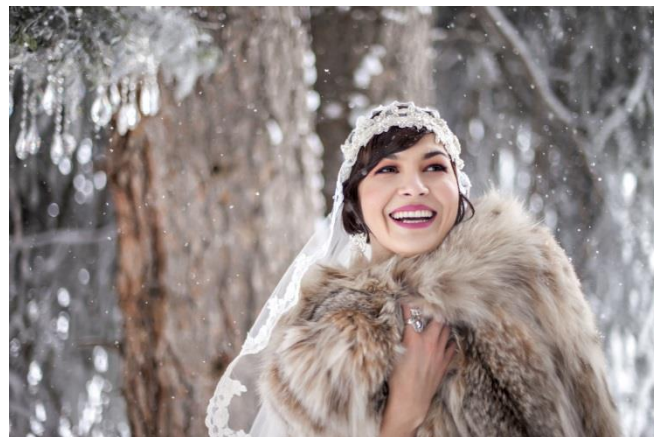
In just six years – which is also how long Evgenia has been running her blog – the wedding industry in the country underwent a dramatic change.

Well-travelled and well-read city brides wanted a stylish, beautifully decorated event, very different from the somewhat kitschy Soviet-style parties. But back then there were no suppliers who could have provided such services.



Evgenia's blog started as a do-it-yourself resource with planning checklists, practical advice and DIY décor manuals. Gradually, and without any marketing or knowledge in search engine optimisation, she turned her blog into one of the most popular industry resources among her Russian-speaking audience in CIS countries.

In this way, she managed to bring about change. Suppliers had to meet an ever-growing demand for highly professional, western-style wedding services. They realised they needed to grow, expand and innovate and they started reading, learning and attending industry events to keep up with the changing trends, Evgenia tells me.



Standards are much higher now, she adds. Inspired by the Wedding Fairy, several clients – or “her brides” as she calls them – opened their own wedding-related businesses across these countries. “This is what makes me particularly proud,” says Evgenia.

That is her own transition impact, I say to myself and ask Evgenia how the EBRD prepared her to launch her own business.

The Bank, she says, has had a major influence on her personality. The Japanese style of management in Tashkent RO (led by Kenji Nakazawa) trained all the staff to be responsible, hard-working and very attentive to detail. The multicultural and multinational staff of the

EBRD helped Evgenia to gain a broader view and an appreciation of differences. She also learned to always have a backup plan, and to deliver instant and smart reactions to requests for changes in the programme of high-profile visits.



There is no way of saying “I don’t know how to do it”, she indicates. There are always solutions, even to seemingly impossible missions.



When I ask her about her greatest challenges as a businesswoman, she comments: “Weddings are not only chic décor, champagne and fireworks at midnight. Wedding planning is much more complicated than that. It involves a lot of emotions, positive and negative. To be successful in this business, you have to have a strong nervous system, be ready to change plans and always keep calm in any situation. Being a good negotiator is an asset (she has these skills thanks to EBRD annual training events!).

Social and economic environments don’t impact her business much. In Kazakhstan and the neighbouring region, weddings are an important transitional part of life to be celebrated lavishly, and sometimes for several days. Parents save for their children’s weddings their whole lives. If necessary, they sometimes take out bank loans to pay for these events. Irrespective of the political and economic situation in the country, a wedding should be celebrated grandly.



Evgenia won’t make forecasts for the future. What she learned the hard way is that her industry is changing too fast to make comfortable predictions. All she knows is that making your own mistakes is the best experience. It leaves you much stronger than learning from the mistakes of others.

By Olga Rosca

Dicky Wallis, Alumnus '16, explains why he is staying in Moscow

The Soviet dead, the living, the concierges and the parties...



I live in a Stalinist building overlooking the Moskva River. It was built by German prisoners of war almost exclusively for senior Soviet officers. Legend has it that Stalin's last minister of defence and head of the general staff had been assigned five-room flats in the building, but never got a chance to move in due to their sudden purge after the dictator's death. Roman shields and helmets are chiselled into its sandstone façade. It may be kitsch, but it looks great, especially in the setting sun.

The neighbours who, like me, live in Block No. 2 recently held a party to celebrate the building's 62nd birthday. The other three blocks failed to mark the anniversary, perhaps because none of the original families which moved in there in the "good old days" live there any longer.

Stuccoed five-pointed stars – the symbol of the Red Army – decorate our lobby and the first toast to be raised on the building's anniversary was therefore predictable: "To our glorious and never-to-be-forgotten motherland, the Soviet Union." Needless to say, I too raised my glass, thinking of the people, not the Union.

The inhabitants all contributed bottles of various degrees of alcohol to the birthday party and the guests soon started recalling memories of the past.

People from the past

There was the story of the building's architect who was offered a five-room flat, but who wisely declined and settled for a three-room one instead. Stalin might have died a year earlier, but envy never will.

There was also high praise for the simple manner of the general in Block No. 2 who liked polishing his own boots rather than allowing the major who served as his adjutant to do it for him. What the general did not like was the attention the major was paying to his nubile daughter so the adjutant was sent to a remote garrison beyond the Urals. "Such a modest man," an old neighbour chipped in with a sigh. "He would always take the rubbish out himself, dressed only in his underpants and slippers, but he always wore his general's peaked cap when doing so." (Unfortunately no photographs survive).



At this point the man who raised the initial toast to the Soviet Union interrupted the teller, saying in an authoritative voice: "Kolya, you talk too much." The teller looked sheepish and obediently fell silent although he clearly would have liked to regale the audience with lots more stories.

According to the veterans, our first concierge was a major who walked with a limp. "He decided everything, what flats would be assigned to whom and where we could store our belongings," said a man who was only a boy when he moved into the building in 1954.

The concierges of modern Moscow

These days the concierges are all ladies who literally run Block No. 2 and decorate the lobby in honour of every possible New Year, including the Chinese one. Face control is strict and they ring the flat to check if anyone they have not seen before or who in their eyes looks suspicious enters the lobby. They are part of a long Soviet tradition and, but for them, the party would never have taken place.

I remember going to a hotel called the Sovietskaya as a young reporter in the early 1970s to interview the Cardinal Archbishop of Genoa who was on a visit to Moscow. The Sovietskaya was exclusively reserved for important but unofficial guests. It was, for instance, where the late PLO leader Yasser Arafat always used to stay. In the middle of a long, softly lit corridor an old lady with a very straight back was sitting at a desk. She wore steel glasses and her grey hair was tied in a very tight bun. I told her whom I was going to see and she told me the room number. As I walked on a narrow grey carpet towards the Cardinal's room I could, in the corridor's perfect silence, hear the scratch of her pen as she noted my visit in her register. Such were the concierges of old.

Needless to say the Sovietskaya has since been modernised and has lost all its former character.

One of the concierges in Block No. 2 gives French lessons to the building's children when she is not sleeping, something she does most of the time. She has a refined face and her French accent is brilliant. She regularly discusses with me the three 18th-century chairs rescued from some unidentified palace that she plans to sell when the money runs out. So far I have not been invited to see them. Her view of world affairs matches a historical episode she often recalls, a pre-Second World War caricature showing the back view of a man dropping his trousers, which a satirical Soviet magazine published under the title "Our answer to Chamberlain!"

Some of the others' curiosity verges on the inquisitive, but I cannot complain as I remember the terror inspired by Monsieur Martin, the French concierge who ruled over half of the courtyard in which my family lived when I was a child in Paris. One day I was far too busy playing solo tennis with a ball tied to a rubber string to waste time on going upstairs to the lavatory. I therefore quietly peed on the wall of the bicycle shed, sure that no one would notice. The next day M. Martin rang the bell of our flat and told my mother that I had committed a serious crime. She naturally defended me and asked what proof he could produce. "The height," he said quietly. I realised that apart from being a monster, he was also a very shrewd detective.

Nostalgia, not so much, but a definite "ДА" to Russian camaraderie and celebration

On the anniversary, my neighbours remembered the dead and talked about the living and my wife and I had great difficulty tearing ourselves away from the party.

I often feel there is far too much nostalgia for the Soviet past in contemporary Russia. Such regrets are natural for anyone over the age of 55. People of that generation are mainly mourning their own youth. What is much more puzzling is the enthusiasm for a lost empire that many young people feel who never experienced Soviet rule. A great number of them believe it was a golden age. There is little doubt that the educational system was far superior to what is offered to today's Russian youth, but as for the rest...

What I do appreciate is the camaraderie and spontaneity with which the slightest excuse becomes a cause for celebration. It is one of the many reasons I will be staying in Moscow after my second retirement.

By Dicky Wallis



A conversation with Lord Stern, Alumnus '99, at the EBRD Annual Meeting 2016

In the Wake of COP21

As part of the [EBRD Annual Meeting and Business Forum 2016](#), Lord Stern, President of the [British Academy](#) and a former EBRD Chief Economist, joined [Josué Tanaka](#), EBRD Managing Director for Operational Strategy and Planning, Energy Efficiency and Climate Change, to discuss the issues that have emerged since COP21 and the signing of the Paris Agreement.

The Agreement put [green finance](#) firmly front and centre of the world stage. It revealed the great opportunities presented by making the transition to a low-carbon economy. It also demonstrated the urgency of taking action now on climate change.

"The Paris Agreement's greatest achievement was bringing 195 countries together to acknowledge and understand the scale of the risks and the attractiveness of low-carbon pathways as the most sustainable route to lasting development and overcoming poverty," said Lord Stern.

"The next 20 years are crucial, and this is a new and shared sense of direction."

Nearly six months on, the challenge is to ensure the Paris Agreement translates into decisive and swift steps.

"Scale and speed matter. It's going to be hard but we can already see strong movements. Though it is still too slow, there are grounds for optimism," Lord Stern observed, citing [China and the US](#) as recent examples.

"People are ready to think bigger and are starting to press their governments to deliver."

In this regard, multilateral development banks (MDBs) such as the EBRD have a vital role to play in stepping up green finance and encouraging the governments of the countries where they invest to make the transition to low-carbon economies.

"The presence of an MDB brings extra confidence in policy, skills and the appropriate mix of equity, long-term loans and other types of finance," said Lord Stern.

The Paris Agreement placed a major emphasis on the transfer of finance to support climate investments in emerging and developing economies in order to meet the targets set by the Agreement, as well as the United Nations Sustainable Development Goals (SDGs) set last September.

This is particularly relevant to the EBRD. Our region's average carbon intensity remains high – almost five times higher than the EU-28 average.

As a result, the Bank has been scaling up its climate finance activity over the past year. Cumulative EBRD climate finance since 2006 has reached close to €20 billion and 1,100 projects, with a private sector share of 67 per cent.

The EBRD is continuing to support the countries where it operates in implementing their Intended Nationally Determined Contributions under the COP21 accord – which are the steps they are planning in order to reduce their own carbon emissions.

The sustained focus of the Bank's investment remains on improving [energy efficiency](#) in cities, industries and utilities where the fastest carbon emissions reduction can be achieved.

The EBRD is also an important investor in the development of renewable sources of energy while at the same time increasing its activity in [climate adaptation](#) finance.

In order to achieve its ambitious climate finance goals, the Bank launched its [Green Economy Transition](#) approach with the aim of green finance comprising 40 per cent of total EBRD investments by 2020.

This is the highest target share across MDBs and reflects the EBRD's commitment to make a major contribution to addressing urgent environmental challenges.

"The EBRD is all about building and improving markets and, through its purposes, instruments and the great skills it has built, the Bank can be a leader of this next transition," said Lord Stern.

Lord Stern is IG Patel Professor and Chair of the Grantham Research Institute on Climate Change and the Environment at the London School of Economics and President of the British Academy.

From 1994-99 he was Chief Economist at the EBRD and from 2005-07 was adviser to the UK Government on the Economics of Climate Change and Development, reporting to the Prime Minister and the Chancellor of the Exchequer, and Head of the Stern Review on the Economics of Climate Change.

He is also the author of [Why Are We Waiting? The Logic, Urgency and Promise of Tackling Climate Change](#) (MIT, 2015).

By Philippa Moore



Follow [this link](#) to watch the interview with EBRD alumnus Lord Stern addressing the Annual Meeting on radical steps required – following the COP21 Paris Agreement – to effectively combat global warming and climate change.

A conversation with Ian Goldin, Alumnus '99, at the EBRD 2016 Annual Meeting

The World in the Next 25 Years

The changes that the world has experienced since the fall of the Berlin Wall have been much more rapid than ever before, stressed Ian Goldin, Professor of Globalisation and Development and Director of the Oxford Martin School at the University of Oxford.

At the [EBRD Annual Meeting and Business Forum 2016](#), he spoke about the challenges ahead for the [EBRD's countries](#) and for the world in general. As the Bank celebrated its 25th anniversary, this year's Business Forum focused on future challenges under the theme of "Influencing Change – the next 25 years".

"We live in the best time in human history to be alive," Professor Goldin said. People live longer than ever before, illiteracy rates have significantly decreased over the last few decades and income levels increased," he explained.

But what exactly are the benefits and risks of globalisation and rapid change? What do these changes mean for individuals in advanced economies and emerging markets? What are the implications for businesses, governments and international organisations?

"The idea that you can disconnect from change, from the future, is a myth," Professor Goldin said. He identified the socio-economic trends that will affect us in the future. Among them are a fast-evolving economic and political environment, accelerated technological progress as well as demographic changes, such as rapidly growing urban centres and an ageing population.

This will have a tangible impact on society. Increased life expectancy and a decline in fertility rates will put unprecedented strain on pension systems, he pointed out. The former is mainly due to medical progress which is rapidly advancing. Stem-cell research is starting to have the potential to heal many illnesses and disabilities and is expected to increase the impact of the demographic changes that are already under way across the globe.

Migration will play a vital role to counteract this factor, especially in advanced economies. "Migration is absolutely essential to growth. In 20 years our question about keeping people out of our countries will seem very strange," Professor Goldin highlighted.

The ability to adapt successfully and quickly to the new circumstances is key to spurring economic growth and supporting sustainable development in the long run, he stressed.

"There will be an explosion of a new middle class in Asia," he said. This will be the result of further convergence between developing and advanced economies that is set to continue over the next 25 years and encourage global growth.

While these trends will bring many benefits, they may also come with some drawbacks. There will be a constant need to innovate and adapt to changes. This means those who cannot keep up with them will feel that they have been left behind.

The financial crisis has already shown that the notion of risk is changing in our globalised world. The risks that affect the world are various in nature: they are economic, health and technological ones that can spread quickly, such as pandemics, cyber attacks and the effects of climate change.

Lastly, Professor Goldin advocated change in global governance at the international level and saw the EBRD "as a model for a new institution to deal with the real challenges of the time."

By Volker Ahlemeyer



Follow [this link](#) to watch the interview with EBRD alumnus Ian Goldin at the Annual Meeting talking about the future of IFIs and the role they can play in emerging markets.

"The Future of Human Space Exploration" by Andrea Sommariva, Alumnus '93



Andrea co-authors a book about the future of human space exploration

Andrea submitted the following abstract of the new book he has co-authored with Giovanni Bignami, "[The Future of](#)

[Human Space Exploration](#)", published by Palgrave Macmillan.

The book is written by a distinguished and experienced Italian expert in space administration, research and exploration, and a distinguished economist colleague. The authors strongly believe that the analysis should go beyond scientific and technical aspects, and be enlarged to economics, sociology, political science, historical and cultural dimensions. In simple words, science and technology define the limits of what is possible, but the realisation of "the possible" depends on political, economic and cultural factors.

The book summarises the history of and recent proposals for future space exploration. For decades, it has been widely accepted that human space exploration was in the exclusive domain of government agencies. The cost of performing such missions, estimated by multiple reports to be in the hundreds of billions of dollars over decades, was considered far beyond what private entities could afford. This calculus may be changing. For instance, buoyed by the success of its programme to develop commercial cargo capabilities to support the International Space Station, NASA is increasingly open to working with the private sector in the human exploration of outer space.

This new private-public partnership will make a "planet hopping" approach feasible. This approach is one that takes planet destinations in sequence, namely the Moon, near-Earth asteroids, and Mars. On each planet, the purpose of the initial human outpost will be to exploit the natural resources. As humans move to other planets in the solar system, the availability of these resources will be necessary to ensure success.

The book includes a chapter on exploring and settling Mars, in which the authors propose a model similar to that of the Mayflower Compact that brought settlers from Europe in 1620 to what became the United States. It also considers what it will take to explore and "colonise" other destinations in space, and concludes with a discussion of the possibility of actually finding there, in the distant future, ancestors of the human race.

Husband of Nikki Brateman, Alumna '10, raises £2,400 for bereavement counselling charity

In the previous Newsletter we reprinted an article from The Argus newspaper which told the story of Geoff Brateman, husband of EBRD alumna Nikki Brateman who worked at the Bank for many years and sadly passed away over a year ago following her battle with leukaemia. (Follow [this link](#) to read the story.)

Geoff set out to raise £500 for the Cruse Bereavement Care counselling charity, which has supported him and his children Phoebe (eight) and Oscar (five) since Nikki passed away. We would like to thank everyone who

responded to Geoff's appeal and we can announce that he managed to raise £2,400.



Nikki and Geoff Brateman with children Phoebe, now eight, and Oscar, now five



Geoff before and after the charity headshave

If you missed the previous chance to donate and would like to contribute, please follow this [link](#).

By Alumni Relations team

Stefanos Vavalidis, Alumnus '11, passes away



It is with deep sadness that we learned of the passing of Stefanos Vavalidis, ex-Board Director, Portugal and Greece. He served over eighteen years on the Board.

NEWS FROM THE BANK

Overview of news from “Across the Bank”

EBRD strategy delivery

The Bank is pursuing a strategy that will intensify its engagement with its countries of operations, as we work to re-energise transition. The strategy has three themes:

- building the economic resilience of the countries where the EBRD invests.
- improving their integration into regional and global economies.
- helping these countries to fight global challenges such as climate change by making their economies more sustainable.

Board Directors

Over the five months ending July 2016, the Board of Directors:

- approved country strategies for Estonia, Latvia, Lithuania and Hungary.
- approved financing for various regional projects as well as investments in countries of operations (see the section on projects and activities below). The Board approved the SME Local Currency Programme, an extension and broadening of the existing Early Transition Countries Local Currency Programme, which is designed to accelerate the development of local money and capital markets in countries with significant gaps in financing SMEs.
- agreed the Annual Meeting cycle 2017-19; Cyprus for 2017, Jordan for 2018 and Bosnia and Herzegovina for 2019.
- approved the Small Business Initiative's Annual Review for 2015 and operational modalities for 2016.
- sent a Board consultation team to Poland; the team recommended that the Bank “continue its lending programme to support major transition gaps”.
- approved the first joint project with the Asian Infrastructure Investment Bank (AIIB), under which the EBRD will co-finance road works in Tajikistan to address the increasing volume of traffic and introduce road safety measures.

ExCom

- ExCom was informed about the Banking team's success in streamlining the project approval process through a pilot programme to delegate authority. This means, for example, that fewer projects have to be dealt with at multiple stages by OpsCom. As a result of almost 400 items being approved under delegated authority, committee agendas are shorter, allowing a better focus on those decisions that merit senior management input. The delegated authority approach will continue to be used and refined.
- The Operational Status Update for June showed that the Bank is delivering well. Transition impact is significantly higher than at the same time in 2015.

Expected Transition Impact of projects was rated at 67.7, compared to 65.5 at this time last year. Annual Bank investment was also sharply up on the same time last year: €3.852 billion until the end of June, compared with €2.675 billion at the end of June 2015. The number of operations was at 139 compared with 142 at this point in 2015.

Projects and activities

- In an investment that will increase Egypt's energy security, the [Natural Resources team arranged a US\\$ 94 million loan for Sonker](#), an independent private company, to construct and operate a bulk-liquids terminal for the import and storage of gasoil. The loan is part of a US\$ 341 million facility put together jointly with the International Finance Corporation and the Commercial International Bank.

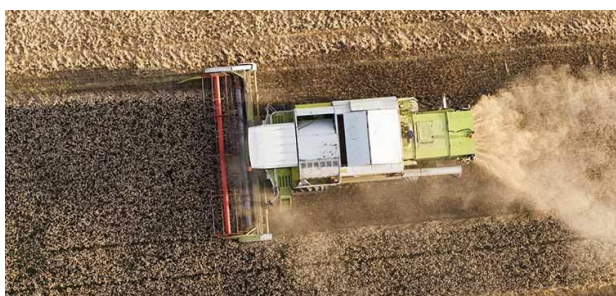


- [EBRD financing of US\\$ 30 million will help Bank Audi SAE Egypt](#) to increase lending to small and medium-sized enterprises (SMEs). Although SMEs contribute 75 per cent of total employment in Egypt, access to finance remains a key concern for the sector and resolving this issue has become a top priority for the authorities.



- The Agribusiness Department together with the Energy Efficiency and Climate Change and Country and Sector Economics teams developed the Sustainable Retail Toolkit for assessing the sustainability practices of food retailers. The Toolkit will support retailers' transition to higher standards in resource efficiency and food quality, in line with EU standards.
- The Bank is expanding its [Finance and Technology Transfer Centre for Climate Change \(FINTECC\)](#) programme to Ukraine, designed to transfer technology in the area of climate change mitigation and adaptation, and help Ukrainian businesses invest in the best available technologies for the reduction of greenhouse gas emissions.

- The Natural Resources team hosted a conference on the “Medium Term Outlook for Oil Prices” with guest speakers from mainstream business intelligence organisations, including analysts from Moody’s, Bloomberg, IHS, Global Data and Business Monitor International.
- Supported by the Casablanca Resident Office, the Trade Facilitation Programme (TFP) team trained 40 trade finance managers of Banque Crédit Populaire Morocco, a leading bank in trade finance in the country. The training was funded by the EU and the Moroccan bank and contributes to furthering the development of trade finance in Morocco. The TFP team will now offer similar training to the most active partner banks in Morocco and the rest of the SEMED region.
- The Bank is stepping up its [support to Ukrainian exporters and importers](#), extending an uncommitted trade facility of up to €10 million to Credit Agricole Ukraine under its Trade Facilitation Programme.



- As part of its efforts to boost the resilience of the Bulgarian economy, the Bank is [investing €300 million in the Bulgarian Deposit Insurance Fund \(BDIF\)](#), an independent public institution and the sole deposit insurer in Bulgaria. The loan will make a significant contribution to replenishing the Fund in the wake of a major bank failure in 2014 and will optimise the funding structure of BDIF.



- The EBRD is helping to [strengthen the agribusiness sector in Egypt](#) with a US\$ 100 million equity investment in one of the country’s sugar refinery companies.



- The Bank is [supporting Cypriot exporters and importers](#) with a €20 million trade facility to Hellenic

Bank under the Trade Facilitation Programme. This will boost intra-regional trade and contribute to the development of trade links between Cyprus and other countries where we invest.

- Carrefour supermarkets and hypermarkets will [strengthen their presence in Georgia](#) thanks to EBRD financing of up to US\$ 39.5 million to Majid Al Futtaim.



- [SMEs in Poland](#) will benefit from a PLN 255 million (€60 million equivalent) EBRD loan to Raiffeisen-Leasing Polska S.A. for on-lending to entrepreneurs who are seeking to reduce their energy costs with new and more efficient equipment.



- Armenia has renewed a Memorandum of Understanding with the EBRD to become eligible for [lending to local SMEs in local currency](#) under a new EBRD facility.



- The EBRD is boosting support to private entrepreneurs in Serbia by increasing [access to finance for SMEs](#). A three-year loan of €30 million to Komercijalna Banka, the second-largest bank in Serbia by assets, will enable Komercijalna Banka to on-lend to its SME clients across the country, with a focus on rural areas and regions outside the capital.



- A new loan in the Kyrgyz local currency from First MicroCredit Company will support [local currency lending in the Kyrgyz Republic](#), especially in rural areas. Borrowing in local currency, rather than in dollars, will help small businesses and farmers avoid foreign exchange risk.



- In Bosnia and Herzegovina, the Bank is [supporting critical upgrades that will make for a more sustainable and efficient electricity transmission grid](#).



- SEE Link, [an innovative regional platform linking Bulgarian, Croatian and Macedonian bourses](#) and supported by the EBRD, has become fully operational with the launch of an order-routing system. The new technology was unveiled at the Macedonian Stock Exchange's annual conference in Skopje on 29 March 2016. The network will help integrate domestic stock markets with a combined equity market capitalisation of US\$ 30 billion, allowing for order routing of almost 400 stocks listed on the three exchanges.



- The EBRD investment in the [Khalladi wind farm](#) won the IJ Global Awards. The 120 MW wind farm is our first renewable project in Morocco with a private sector investor.
- The Bank signed an agreement with the EU for €40 million in funding for Ukraine. It covers more than four years of funding advisory support to SMEs as well as their development through engagement with Business Support Centres in 15 provinces across Ukraine. The agreement will also allow the Bank to fund due diligence for projects that are part of its Small Business Initiative.
- A [crucial project at the site of the Chernobyl nuclear power plant](#) can now proceed to its final stages

thanks to additional pledges by the international donor community at a conference in Kiev in April 2016.



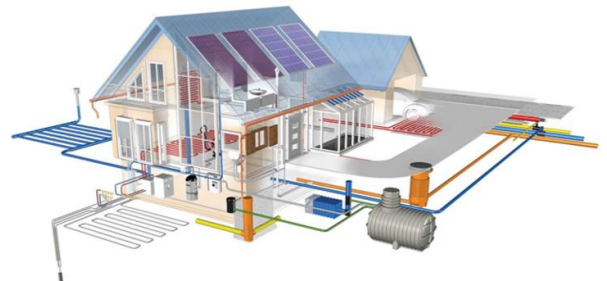
- [The Bank and the Europe Regional Network of the World Green Building Council signed a Memorandum of Understanding](#) in which they agreed to work together in support of sustainable property development, with a special emphasis on energy and resource efficiency as well as the reduction of carbon emissions.



- The Bank is [supporting Turkey's leading telecoms company](#) Türk Telekom with a US\$ 100 million financing package as it prepares to roll out high-speed advanced 4.5G mobile services.



- The EBRD is also providing further resources to support [Ukraine's energy efficiency drive](#) with the launch of the €75 million Ukraine Residential Energy Efficiency Financing Facility.



- The Women in Business Programme will continue its work in Croatia thanks to funding of €366,000 from the TaiwanBusiness-EBRD Technical Cooperation Fund.
- Efforts to boost EBRD transparency and accountability have been acknowledged with a significant improvement in the Bank's rating in the Aid Transparency Index, which is compiled by the NGO Publish What You Fund (PWYF).

- The EBRD-funded online interactive e-Reporting platform developed by OGC's Legal Transition team was officially launched in Mongolia. The platform is part of local implementation of the Extractive Industries Transparency Initiative (EITI). The first of its kind in Mongolia, the new platform provides easy online access to a vast trove of current and historic EITI data, enabling rapid publication of data to stakeholders.
- The Tunis Resident Office and the Trade Facilitation Programme team organised a Trade Finance workshop in Tunis, targeting trade finance operations staff, business development executives within banks, SMEs, transport operators, insurers and legal advisors. A similar workshop was also organised in Cairo.
- [The Bank, in cooperation with the Tunisian High Authority for Public Procurement \(HAICOP\)](#), is helping improve transparency and effectiveness of public procurement in Tunisia, by developing regulations and policies to implement modern eProcurement procedures as well as by boosting the capacity of the Tunisian review body to deal with complaints about public procurement.
- The Local Currency and Capital Markets Development (LC2) Initiative and the Ulaanbaatar RO, in cooperation with Mongolia's Finance Ministry, organised workshops in Mongolia's capital for government officials and state-owned enterprises.
- The Bank [increased its stake in Moldova's Victoriabank](#). The move aims to restore effective corporate governance and ensure Victoriabank's continued sound financial performance.



- The EBRD is supporting the [expansion of Alior Bank](#) through its acquisition of Bank BPH's Core Operations, which will make Alior Bank the tenth-largest bank in Poland by total assets.



- The Small Business Impact Fund (SBIF) received its first contributions from Italy, the US, Switzerland and Taipei China.
- The Bank will provide financing for the D4/R7 motorway public-private partnership in the Slovak Republic. The innovative financing structure means

that over half of the loan funds will have a term of 33 years, the longest provided by the EBRD.

- The City of Belgrade has fulfilled its resettlement obligations with regard to the Gazela bridge rehabilitation project. It has taken many years to achieve permanent accommodation and livelihood support for the people affected by the bridge rehabilitation. This project is a real testament to the Bank's perseverance, attention to social issues and successful policy dialogue.
- The Bank signed a contribution agreement with the government of Belarus under which the EBRD will provide consultants, through its Infrastructure Project Preparation Facility, to develop the M10 motorway through a public-private partnership. This will be a pilot for other similar projects to be procured on this basis.
- The EBRD subscribed to €40 million of the 10-year tranche of a €340 million debut corporate bond issued by Dräxlmaier Group, a German supplier of electrical systems and interiors to premium car manufacturers such as BMW, Daimler, Jaguar Land Rover and VW. Proceeds will be used to finance Dräxlmaier's investment programme in FYR Macedonia, Romania, Serbia and Tunisia as well as to build a new plant in Moldova. The transaction is the Bank's first subscription to a German hybrid bond (Schuldschein).
- The Bank is [strengthening Turkey's capital markets](#) by investing in the country's longest tenor corporate bond.



- [A €20 million EBRD loan for the historic city of Arad in Romania](#) will help the city to introduce an improved parking management system, which is part of the local urban regeneration programme.



- The EBRD featured prominently at the IAEA conference in Madrid (23-27 May 2016), which more than 600 delegates from over 60 countries attended. EBRD Nuclear Safety (NS) Director Vince Novak delivered an opening speech, outlining the EBRD experience and perspective, and Gunter Grabia, NS Associate Director, addressed a panel discussion and was a member of the programme committee. The conference focused on the decommissioning of nuclear installations and on remediation, looking at

the achievements of the past decade in dealing with nuclear legacies and also at future challenges.

- The Bank has moved to the next stage of its refugee response plan that aims to strengthen the economies of Jordan and Turkey as they deal with the influx of millions of people displaced by the conflict in Syria. The Board of Directors approved [a €50 million loan to Turkey's Vakifbank](#) for on-lending to small businesses across an extensive network of branches in Turkish regions that are densely populated by refugees.
- The Bank is acquiring a minority stake in Şişecam Çevre Sistemleri A.Ş., a newly established recycling arm of Şişecam, and is extending a €40 million loan to finance glass recycling equipment and energy efficiency investments.
- Afken Holding, a leading infrastructure group in Turkey, is set [to increase its renewable energy portfolio](#) to 1,000 MW with support from the EBRD and IFC.



- The Bank is supporting the [modernisation of KESH](#), the largest generator of electricity in Albania, with a €218 million loan to support a company restructuring and reform package.



- The Steering Committee of the Western Balkans Investment Framework approved the facility's streamlined procedures to clarify roles and responsibilities among participating donors and development banks. The EBRD, as one of the facility's managers, will manage between €100-€150 million of grants a year, and will be able to access some of the funds to help advance our portfolio in this region.
- The Bank arranged a US\$ 155 million financing package for major Georgian manufacturer, [Rustavi Azot](#), a producer of nitrogen-based fertilisers. The funds will be used to upgrade and modernise the ammonia production line, using energy efficient measures that will decrease energy consumption by 30 per cent, and for debt restructuring.

Refugees: building the resilience of host countries



The civil war in Syria has displaced millions of people in the largest refugee crisis since the Second World War. Many have fled to neighbouring countries - including [Jordan](#) and [Turkey](#), where the EBRD invests.

The EBRD's response to the challenges posed by the sudden surge in population in these two transition economies is to help build the host-countries' economic resilience to cope with the crisis, now and in the months and years ahead.

Humanitarian relief, provided by specialised agencies, needs to be complemented by urgent development support. Here institutions like the EBRD can make a contribution – and an impact. The Bank has prepared a €900 million investment plan consisting of EBRD funds and donor contributions. At the same time, the Bank is forging ahead with the first steps to alleviate the refugee crisis.

The EBRD is engaged with investments, technical cooperation and policy dialogue to promote livelihood opportunities and inclusion as well as advancing economic development. Building on its experience, the Bank focuses on areas where it has the track record, know-how and strong networks to improve people's lives quickly.

Turkey hosts the largest share of refugees from Syria, with numbers estimated at around 2.7 million. In Jordan, the 1.4 million Syrian newcomers represent 13 per cent of the current population. In both countries, almost all refugees (90 per cent) live outside of camps and are mostly concentrated in cities close to the border.

The sharp increase in population has had an enormous impact on local communities and the overall economies of the two countries.

Public services such as water and sanitation, solid waste management and urban transport, which in many instances were already in need of upgrade, are now extremely stretched and fail to serve the increasing number of people. Vulnerable communities of local and refugee populations struggle for the livelihood opportunities which are so necessary to cement social cohesion.

To deal with these issues and bolster refugee-hosting communities, the EBRD promotes a strong role for the

private sector. It can help provide employment both to host-communities and to refugees with work permits. In addition, increased private sector participation in municipal projects can accelerate the upgrade of infrastructure to improve urban life, preserve the environment and ultimately benefit the economy as a whole.

Many of our projects have immediate impact. The extension of micro-loans through local financial institutions to disadvantaged segments of the population such as women boosts opportunities for refugees and local population to establish businesses.

Rapid financial and institutional support to municipal companies operating in areas densely populated by refugees helps to ensure uninterrupted delivery of services, for example for the collection and disposal of solid waste and the availability of public transport.

In Jordan we are supporting the city of Amman in modernising the [landfill](#) that serves the capital (home to half of the Jordanian population and 30 per cent of all refugees present in the country) as well as the cities of Zarqa and Rusayfeh, home to a significant number of refugees.

In Turkey, thanks to an EBRD loan, the city of [Gaziantep](#), which saw a sharp rise in its population due to refugee inflows, acquired 50 new buses which are increasing the service available for commuters. The Bank is now working on extending another loan to continue improving urban transport.

The EBRD could not face these challenges without the support of [donors](#). Together, they and the Bank have an urgent role to play to alleviate the economic and social pressures in the affected regions. The Bank is delivering now and, with the help of donors, will do more in the months and years to come.

Creating a 21st-century global knowledge base for infrastructure

Thomas Maier, Managing Director, Infrastructure, hails visionary IT developments in a sector with a traditional mindset

If we don't take steps to meet the infrastructure needs of population growth and expected levels of urbanisation, the consultancy firm McKinsey & Company has warned, the global infrastructure gap will reach \$57 trillion by the year 2030.

But we at the EBRD can be proud that we have already taken two important steps to move the industry forward.

What has held us back until now, according to infrastructure supremo Thomas Maier, has been a lack of knowledge transfer. But Thomas points to two major advances with the creation of two IT resources.

One is the new database, called the International Infrastructure Support System (IISS), which was launched in Washington at the end of January 2016.

This is designed to dramatically speed up the creation of infrastructure in the public sector across the world. The

system gathers and synthesises information and data on all aspects of development on infrastructure projects, in a standardised and granular way, so that everyone in the sector can see the success factors of good projects all over the world, compare them, invest in them and learn from them.

The other advance is in exchanging know-how. In the US a private firm has been developing a powerful intelligence software system called Global VIP, which lets experts and decision-makers talk to each other about problems and solutions in projects around the world and pool information.

The EBRD was the first to recognise the importance of such IT-based developments, and, realising IT systems are now powerful enough to support such software, obtained Board approval back in October 2014 for €250,000 to contribute to these systems. Now they are ready. A European launch for the IISS will be held at EBRD HQ in March 2017.

"Global VIP – and the combination of Global VIP and IISS – is in a sense the near-term IT solution scenario for our industry," said Thomas. Here he and Matthew Jordan-Tank, Head of Infrastructure Policy, explain why developing such systems is so radical –and so important – for a sector that sometimes thinks in analogue terms.



Matthew Jordan-Tank and Thomas Maier

What tools has the infrastructure sector been needing to develop?

Infrastructure – whether energy, transport, utilities business, facilities management, or whatever – is about businesses that are present globally. Infrastructure is a global issue, but the solution is a local one. What we have seen throughout the 25 years of the existence of the EBRD is that the fact that a project type was successful in one country didn't mean that local authorities and sponsors and the private sector in another country actually understood what the success factors of the project were elsewhere. In other words, the thing that holds us back most is the lack of knowledge transfer.

People reinvent the wheel or politicians get away with systems that are obviously sub-optimal because the voter doesn't know better, the public decision-maker doesn't know better, and the private sector doesn't know better. Knowledge exchange, learning from other positive examples, is key.

But now we have moved into the 21st century. We have intelligent IT-based systems that can actually connect voters, politicians, sponsors, the private sector, or, for example, the public sector in Kazakhstan with a group in the UK, in Germany, in Colombia, or wherever something successful has happened. And so what we have been

doing over the last two years is to work with two IT-based knowledge providers.

One is the IISS, which is a global system where you can input – in a granular, standardised and empowering way – information about projects.

Then other people can log in and take a look at the project – maybe an investor, a construction company focused on concessions in emerging markets looking for opportunities. Or it could be a consulting company, looking for work on technical feasibility. It could be a Kazakh decision-maker who says, “I have a problem here on the legal side, I just don’t know how to solve this problem, but I’ve heard in Colombia they’re doing a good job,” and then he can see the successful project.

The other system is about interactive knowledge exchange. In the US a private firm has been developing a very powerful intelligence software called Global VIP which allows Thomas Maier, for example, or Matthew Jordan-Tank to go in and say, “I would like to talk with a technical expert who has solved a bridge problem, because I’m here in Kazakhstan and wondering how I can solve my bridge problem with minimal cost. What my consultants tell me is that it costs 50 million, but that is too expensive.” There are algorithms in this programme, and the user types in “bridges” and it gives him access and then he links with experts and they can email, or videolink, and talk. So what you establish is a global village, in a sense.

What was the EBRD’s role in developing these new systems, and what were the challenges?

There are a lot of IT-based interactive systems, but it’s more in the social sphere – things like Facebook and Twitter. What we need more of in industry and commerce are systems where you can actually talk with your peers about professional challenges, and that, funnily enough, isn’t that developed. The need for more such systems stares you in the face, but we were the only ones who were prepared to put money down on this back in 2014. This is why we went to our shareholders with the IPPF [funding mechanism] and said “we need €250,000 euros for these two software systems”. Once we had put the money in, others also did, including the World Bank and Asian Development Bank – and eventually most of the multilaterals chipped in to kick-start this. And of course the next step now must be that the private sector – which stands to gain most from this – pays subscriptions. This is what we expect to happen this year.

You know, grumpy old men run infrastructure. Seniority rules. It’s highly technical – and an industry where you spend a lot of time on public consultation, engineering and solving very complicated technical problems. In a sense, infrastructure people are analogue thinkers – “I do this, then I know it takes two years to do the next thing,” – and that in a sense generates a certain mindset as well, very sequential.

Maybe that is why we in the sector have been slow collectively in taking advantage of new information technologies. Five years ago we did not have the computer power to run the algorithms to run this expert exchange. Now we do. Five years ago we didn’t have the computer power to run global databases that can in a jiffy give you the overview of what’s happening everywhere in a standardised, transparent, empowering way. Now we do. But – as pioneers – we needed to kick-start this.

How have you been promoting the two new systems?

Matthew wrote a paper for the World Economic Forum (WEF). And two things have happened since then.

At the WEF we provided an overview of this problem in a session with the Canadian Prime Minister, Canadian Finance Minister, Gordon Brown, the Brazilian Finance Minister and the great and the good of this world. We shared this with them to [raise awareness among] the CEOs of the big companies [about] this 21st century IT solution we can now look at.

And a week later came the second big event, the official launch of the IISS.

Matthew: We are already starting to put projects into it, and the pipeline of what we are preparing here in the Bank is being uploaded.

Thomas: The difference is, paper-based information gets stale and outdated after a year. But these new systems will be curated and updated every week. For the first time, you have a global system that shows you in real life what is happening everywhere in the infrastructure industry. It’s the most powerful thing we can ever think of, and it hasn’t been complicated now that the IT systems are powerful enough. But it needed a few enterprising minds to move it forward. But now we are on the move, and it’s fantastic to see the reception the systems have had across the globe.

By Vanora Bennett

Microcredit contracts, risk diversification and loan take-up



EBRD Working Paper number 189

There has been intense debate on whether microcredit can lift people out of poverty. One reason behind the limited poverty impacts that have been observed in many countries, is that relatively few people take up microcredit when it is offered to them. Using data from Mongolia, we look at the role of the liability structure as a determinant of loan take-up. We find that in high-risk environments – which are prevalent in many emerging and developing countries – individuals take up joint-liability rather than individual-liability loans because joint-liability loans can help them share risk. While the continuing trend in the microfinance industry towards liability individualisation may benefit less risk-averse (wealthy) borrowers, it may also gradually exclude poorer and more risk-averse borrowers from the market for financial services.

Follow [this link](#) to read the paper.

By Ralph De Haas

Islamism and Tarek Osman's "Islamism"

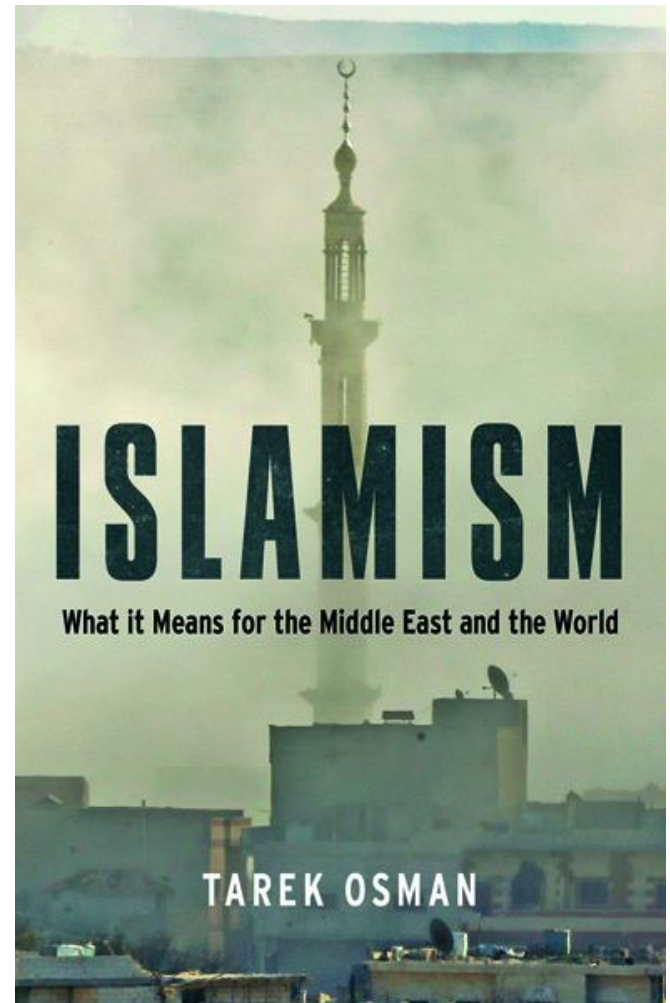


Tarek Osman's latest book, "Islamism: What it Means for the Middle East and the World", has won wide and enthusiastic praise. Tarek is a Senior Political Counsellor at EBRD. The US magazine Booklist has called it "a masterly overview of one of the most important political currents in the world today". "This exceptional book lucidly explains Islamism as it is seen by Muslims themselves. Osman provides fresh insights into what has unleashed the religious ferment in the Middle East and the profound challenges Islamists face in trying to reconcile the Muslim faith with the realities of a rapidly changing world," comments Gordon Barrass, author of "The Great Cold War". "Tarek Osman is a writer of impressive scope 'Islamism' is essential reading," says Scott MacLeod, Managing Editor, Cairo Review of Global Affairs. Here Tarek tells us about the book and what Islamism means for the Middle East and the world.

What made you write a book about "Islamism"? And what is its scope?

I think there are several variables within the immense transformation currently unfolding in the wider Middle East. One of the most important of these is the role of religion, and how it is manifested in the region's politics, social dynamics, culture, and crucially in how the tens of millions of young Arabs – and Turks and Iranians – see and interact with their societies. I think this is an important story, and I wanted to delve into it. It is not a new story that began with the uprisings of the past five years, though. It is an old story that began with the Arabs' – and other Muslim-majority societies' – exposure to modernity on a mass scale, in the mid-19th century. Parts of that long experience are inspiring and gave rise to wonderful developments in different Middle Eastern societies. But other parts were failures that fostered acute problems, many of which we are now seeing coming to the fore in highly disturbing ways such as the resurgence of militant Islamism. This book tells that long story from the perspectives of different social constituencies; situates the events of the past five years in major political, social, cultural, and strategic trends; explains the ideologies, frames of references, objectives, and world-views of the most important groups and power-centres as well as reflects on some of the challenges and

predicaments they face. And it speculates on the future trajectory, not just of the large Islamist movements, but of the region – and what all of that means for the world.



How does "Islamism" relate to your previous writings?

My first book, "Egypt on the Brink", which was released weeks before Egypt's 2011 uprising, looked at Egyptian society's experiences in the past seven decades and reflected on the country's prospects in the near future. Most of my essays in the past five years, as well as my BBC series – "[The Making of the Modern Arab World](#)" and "[Sands of Time](#)" – widened the scope of my writing from Egypt to the entire Arab world. "Islamism" follows the same trend, but from a different perspective. It looks at the Arab world, Turkey, and Iran through the prism of how the Islamism-secularism dilemma has shaped the region in the past 150 years, and how its current manifestations would influence the foreseeable future.

Is there a battle of identity raging in the Middle East today?

There are several hot and cold battles raging in the region now. Apart from the purely sectarian and geopolitical ones, there are ones concerning political legitimacy, social frames of references, the nature of rights, the relationship between rulers and ruled, and indeed identity. The role of religion in society is relevant to all of these issues. But the positions here are not distinctly clear and certainly not binary. It is not merely about secularists versus Islamists. There are major differences within each of these camps. Plus, there are other, different, variables that shape perspectives: traditional tribal societies versus urban centres, majority versus minority views, older versus younger generations,

different interpretations of Middle Eastern politics in the 20th century, and different views regarding the West and its role in the region, among many other factors. Also, relating to identity, the region still has not yet solved the century-old dilemma about reconciling Islamism with secular modernity.

How do you see the region's future evolving? And why is this of importance to the rest of the world?

To a large extent, the Arab uprisings of the past five years were manifestations of a young generation's rejection of a lot of the heritage it has inherited. Remember that over 160 million Arabs, and tens of millions of Turks and Iranians, are under 30 years of age. This rejection lies at the heart of a lot of the political, economic, and cultural changes we are witnessing now. Parts of these transformations have given the final blow to old political structures, and so we are seeing a fragmentation of old states on a scale that is unprecedented since the fall of the Ottoman Empire a century ago. Also, clearly, these transformations have unleashed immense violence. And, as I've said before, within all of that there are questions relating to the future role of religion in Middle Eastern societies, as well as a battle over the soul of Islam itself. All of that means that these transformations will take time, will be more fraught, and will continue to exact huge costs. But it also will bring about opportunities for a real evolution of social contracts and political-economy structures. And despite the chaos and the violence, there is immense political, economic, and social entrepreneurialism that is serious and significant.

These are themes I discuss in detail in the book. And what I try to do at the end of the book is to bring these threads together into different potential futures for the region. Now, because of the gravity of the chaos, violence, and problems in that major transformation unfolding in the region, and because of their serious consequences – as well as because of the significance of the opportunities – the world has major stakes here.

Tarek Osman's "[Islamism: What it Means for the Middle East and the World](#)" was published by Yale University Press on both sides of the Atlantic on 29 January 2016.

By Vanora Bennett

Between two worlds

Inside the Chernobyl project

I. The safe world: technology

"One person per flight of stairs, please: as this is not a permanent staircase it is not designed for large groups." I follow our guide's steps, careful to check at each platform that I am not too close behind him. At first sight, these are ordinary light metal staircases, like one sees on the scaffoldings of any ordinary renovation site. But on the Chernobyl New Safe Confinement site (definitely not an ordinary site), everything is super-sized: there are more than forty staircases, which have been assembled carefully to follow a curved ascent along the giant steel trusses that form the arch, a giant 36,000-tonne, 110-metre high, 160-metre long and 265-metre wide structure. "It weighs about three or four times as much as the Eiffel Tower," says Nicolas Caille, the managing

director of Novarka, a consortium of two French firms in charge of the construction.



The New Safe Confinement

The giant steel lattice, made of massive trusses assembled together at varied angles by neatly aligned rows of specially designed nuts and bolts, is the main carrying structure. It is covered by skins: stainless steel on the inside, composite material on the outside. They will keep the world outside safe from the world underneath, where radiation will be lethal for many years. In between these two skins, twelve metres. This is where I am climbing the steps. The kind of climb that leaves time to think... or count: three hundred and ninety-five steps to the top platform. The space opens up: above is the roof, 110 metres above the ground. Below is the ceiling, 80 metres above the ground. There is no permanent lighting; here and there portable halogen lamps show us the way. The lattice of steel becomes even more fantastical, resembling the shape of large trees, with branches sprouting from a node.

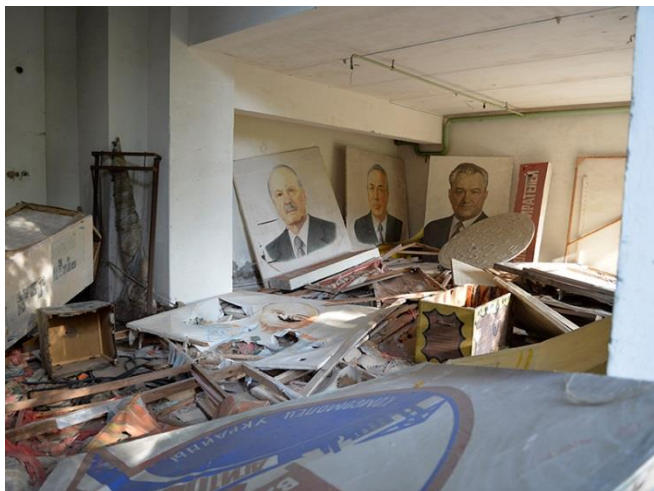
The confinement structure is designed to withstand 330 km/h winds, to be airtight and corrosion-free, and to house the tools and the command centre (dubbed "the garage") from which the reactor will slowly be dismantled and its remains stored away. It is built at a safe distance from reactor 4, in order to avoid exposing the workers to dangerous doses of radiation ("Gamma rays travel around 300 metres," we are told). The internal layer, which will be facing the reactor, is a thin layer of stainless steel, which makes the place sparkle in shiny silver ("It is the easiest surface to clean from radioactive dust that the dismantling of the reactor will generate").

On this bright March day, there are golden reflections in the shiny silver: a gigantic yellow travelling crane waits on the ground to be lifted under the roof of the shelter.

At the end of a long walkway, we reach the "garage". Itself nearly as large as the atrium of Exchange Square, it is where tools will be fitted on travelling cranes, repaired or replaced. The garage is specially protected against radiation. When the confinement is in place, in November 2016, it will be impossible to stand where I am: radiation will be too strong. Which begs a question: how do you maintain this? Any metal structure, like the Golden Gate Bridge or the Eiffel Tower, needs scrubbing and repainting, lest it start rusting. But this one can't be touched; and it has to stay in operation for 100 years. The engineers at Novarka have found an elegant solution: rust does not take hold when humidity is below 40 per cent. So the space between the two skins will be ventilated to maintain low humidity at all times. Easily

said, but it is a million cubic metres of air to dry. In addition, it must be kept over-pressurised to avoid leaks.

In this gigantic undertaking, safety is paramount and the record is exemplary. The team had more than five million working hours without a serious accident.



Ghosts of the past: political banners lie abandoned in Prip'yat's theatre

II. The lost world: history

At the end of April 2016 it was thirty years since the crews of the fourth reactor of the Vladimir I. Lenin nuclear power plant undertook a test. The night crew was instructed to conduct it, despite not having been fully briefed, because the day crew, who had prepared, had been asked to delay it: the power dispatcher in Kiev needed the plant's output, that April day. Like other chains of decision and consequence that resulted in tragedy and catastrophe, this is a lesson in how decision-making can be flawed by pressure and blind certainties. Such was the faith in the reactor's design that it was deemed unnecessary to build a second safety confinement.

At 01.23 on 26 April 1986, after the emergency shutdown system had been activated but remained stuck between the hot fuel rods, accelerating the pressure build-up instead of slowing it down, the reactor exploded. Sadly, the chief engineer refused to believe what had happened, and even dismissed the radiation readings of the instruments at hand; he sent men to perform checks or operations, exposing them to lethal doses of radiation.

At 01:23, every 26 April, people gather in the small city of Slavutych, 20 km to the east, around a simple and moving monument to the first victims of the disaster: two rows of portraits at a right angle, all engraved in black marble. They are disposed in the order in which they passed away: the first on the day of the disaster, a reactor operator whose body could not be recovered from the building and is entombed there, the last, a woman, in August of the same year, a mere four months later. Where the rows meet, a square column has been erected. It holds the fire brigade's bell.

Three days after the accident, the nearest city, Prip'yat, was evacuated. It is my second time [here]; this time I venture into the backstage of the municipal theatre. Someone has left some propaganda posters from the early 80s: one large banner from the 1984 municipal Komsomol reunion proudly sports the city's name and the symbol of nuclear energy. A flag with a famous

exhortation by Lenin "УЧИТЬСЯ, УЧИТЬСЯ, УЧИТЬСЯ!" ("study, study, study") is on the wall. Several large portraits of leaders of that time have been left there; my guides can't recall one single name. One of the portraits lies on the ground, torn in the debris. It takes time to make out the face among the rags. We enter the backstage. I am warned not to go any further: the wooden floor has collapsed here and there. Cables and the machinery to move decors are still there. On the other side, I can guess [there are] rows of empty seats in the distance. A warning sign still welcomes the adventurous visitor: "НЕ КУРИТЬ", it reads – "No smoking". As if it was the most dangerous thing one could do in this place...



Prip'yat – a town lost forever

It is easy today to forget the plight of those who lived through the catastrophe, a lost world eloquently described by the 2015 Nobel Prize literature laureate, Svetlana Alexievitch. She tells the story of the wife of a fireman from Prip'yat, who stayed by her husband's side as he suffered through his last days. A few months later, she gave birth to their daughter. The child lived for five hours: radiation from her father's dying body had done irreparable damage to the growing foetus. She tells a story of one of Prip'yat's evacuees, who left all his belongings behind, but only cared about keeping his front door: in the family tradition, it would be used to lay the body for the wake, until the casket arrived. It also bore witness to the growth of family members. He went back to Prip'yat, and stole his own front door. The next family member to rest on it was his little daughter, dead of cancer from irradiation. She tells the story of these soldiers who were sent to remove the top soil in the contaminated area; one of them drily remarks: "when I made it back from Afghanistan, I knew that I'd live. Here it was the opposite: it'd only kill you after you got home."

III. The future: a new world?

In November 2016, the confinement structure will be slid into place. It is the largest object in the world to ever move over ground. People often assume it has wheels, but there are no wheels or axles strong enough to hold that kind of weight: it rests on pads. It will be pushed, at about 10 metres per hour: it will be pushed by a few hundred hydraulic coils, a metre at a time, with the pads of the structure sliding on a rail which will be lined with a coat of Teflon – the same stuff that coats non-stick frying pans. The engineer has it again: "We tested hundreds of materials for friction. The lowest friction you can find is stainless steel on Teflon."

The EBRD has become the largest single donor to the Chernobyl project. With the sliding of the confinement structure over the reactor, its sealing and completion, a page will have been turned in the legacy of the Soviet Union. Eighty metres above the ground where the men I see going about their duty look like tiny dots, I feel conflicting emotions: I marvel at the feat that we have helped make possible, and at the same time I feel for the plight of suffering and damage from the catastrophe.

By Francis Malige

Unprecedented infrastructure gap calls for unprecedented collaboration between MDBs

First Global Infrastructure Forum delivers ‘a fantastic milestone’



Yet again the IMF and World Bank Group Spring Meetings hosted global leaders and distinguished guests in Washington, D.C.

But according to Thomas Maier, EBRD Managing Director for Infrastructure, this was the very first time that an event brought together all leaders of the multilateral development banks (MDBs) to dedicate a full-day event to infrastructure.

Heads of the African Development Bank, Asian Development Bank, Asian Infrastructure Investment Bank, EBRD, European Investment Bank, Inter-American Development Bank Group, Islamic Development Bank, New Development Bank, and the World Bank Group, as well as development partners and representatives of the G20, G24, and G77 gathered at the inaugural [Global Infrastructure Forum](#), to enhance multilateral collaborative mechanisms that will improve infrastructure delivery globally.

Thomas said: “The fact that they chose infrastructure as the key topic shows that there is now a step change in the way the IFIs cooperate to come up with a globally coordinated response to deliver and catalyse more infrastructure.”

Our Infrastructure team signed an agreement with the IFC to use their advisory services and the Bank’s own project

preparation facility in a joint platform in countries where both institutions invest.

According to Thomas, this is “a fantastic milestone in that we now have full coordination with a key IFI partner on promoting and delivering value-for-money PPP solutions.”

MDBs already have a strong track record of collaboration in the direct financing of projects and mobilising private capital, as well as improving capacities and knowledge around infrastructure. Some examples include the [Global Infrastructure Facility](#), the [International Infrastructure Support System](#) (the EBRD hosted its European launch last month), the [PPP Knowledge Lab](#), the [PPP Days](#) conference, [Infrascope](#), and the [PPP Certification program](#).

While collaboration among development partners to improve infrastructure implementation is unprecedented, so is the infrastructure financing gap. The global need currently stands at over US\$ 1 trillion per year.



Speaking at the forum, President Chakrabarti highlighted the relationship between capital market development and infrastructure investment. He called on fellow IFIs to act as catalysts in capital market transactions for such projects. “Capital markets financing for infrastructure projects can help bridge the infrastructure gap,” he said.

“Emerging markets and development economies, supported by the multilateral development banks, need to re-double their efforts to create the right conditions for capital market transactions for infrastructure.”

He added: “Acting as catalysts for investment by others, international financial institutions can provide a much needed multiplier effect.”

The President provided the example of Turkey where in 2013 the operator of Mersin port could raise capital for expansion needs through a corporate bond issuance. That Eurobond, where the EBRD acted as an “anchor investor”, was in fact Turkey’s first infrastructure bond. Its success turned it into a blueprint for other infrastructure investments in the country.

The President also stressed the importance of adequate capital market laws, enabling legislation, regulatory stability and the sustainability of infrastructure funding from the public sector. He called on development partners to help countries create the right environment to allow accelerated infrastructure investment on a global scale.

By Olga Rosca

“And the winner is...”

Awards season brings a crop of prizes for EBRD renewables projects

Every year in May all eyes are on Cannes, its red carpets, its celebrities and its Palme d'Or. But this isn't the only major event in May. There is also the EMEA Finance Awards, which – location-wise – is clearly not as glamorous as the French Riviera (hard to beat) but is, for bankers, as prestigious in terms of recognition in the banking industry.

This year's event rewarded the best project finance deals closed in 2015. And last year the Bank was involved in three winning landmark transactions.

The Khalladi windfarm project won the best project finance deal in Africa category. The Jordan solar power project's round-one financings won the best renewable programme award. And the Krnovo windfarm project in Montenegro won the best sustainability deal in central and eastern Europe.

Khalladi

This is the third award celebrating the 120 MW wind farm to be developed under Morocco's renewable energy legal framework – which allows private developers to sell renewable energy directly to high voltage consumers through the use of the national grid – following IJ Global Awards 2015 MENA wind power deal of the year and World Finance Renewable Deal of the Year.

This landmark transaction stands out for several reasons: first, its unique business model (it is the first private renewable energy project in Morocco, selling directly to the client); second, its contribution to Morocco's ambitious renewable energy strategy; third, the key role it plays in confirming the credibility of a regulatory framework which is largely unproven so far; and, finally, the fact that it illustrates the competitiveness of renewable energy in Morocco.

“It is important that this project is winning so much public acclaim,” said Julien Mauduit from the Power and Energy Unit (PEU). “The latest prize further underpins its demonstration effect in Morocco and in the region, confirming the replicability of this business model to other private developers, to other off-takers and to other financiers and sending a strong signal to local authorities that the gradual liberalisation of the Moroccan electricity sector is highly supported and praised by sector experts.”

The pioneering Jordanian solar programme

The Bank supported four solar photovoltaic (PV) plants that represented the first round of Jordan's ambitious renewable energy programme, under which a total of 12 solar projects totalling 200 MW of installed capacity are being implemented. The initiative is so far the largest collection of privately owned solar PV projects to be realised in the Middle East and North Africa region and is already serving as a template for several neighbouring countries.

“It is part of the first private solar IPP programme not just in Jordan but in the wider region and will thus be a milestone in demonstrating how private sector capital and expertise can be mobilised to implement such projects,” said our PEU colleague Harry Boyd-Carpenter.



Nandita Parshad and colleagues Robert Adamczyk, Elizabeth Debevoise and Nadine Hammad in Jordan

This programme exploits Jordan's world-class solar resource to deliver much-needed generating capacity, reduce its import dependence and lower the carbon intensity of its power sector. It will be implemented in a poor region of Jordan with high unemployment and difficult social conditions; it will increase employment, build skills and stimulate economic development in the area.



Last not but least, the Krnovo wind farm

A project to develop and build Montenegro's first wind energy project – a 72 MW wind power plant located 28 km northeast of Niksic in Montenegro and majority-owned by the government of Montenegro, through the national utility EPCG – was the third prize-winner. The plant is expected to start commercial operation by spring 2017, providing around 8 per cent of installed capacity and 6 per cent of Montenegro's total electricity, and significantly reducing carbon emissions. This will make Montenegro one of the lowest-carbon economies in Europe, and the plan will contribute to improving the country's energy balance.

“The project is one of the first in the Balkans region outside the EU. Given its importance for the Montenegrin electricity market, the project could also demonstrate a model for attracting private investment and also commercial banks to finance similar projects in the region,” said PEU's George Gkiazouris.

By Ariane Brunel

Clean Energy Award - third year in a row for Poland

Good things come in threes, people say, and this is certainly the case for the RO in Warsaw, which has just won its third [Central and Eastern Europe Clean Energy Award](#) in as many years.



This year the Bank is recognised for its unique achievements under the Polish Sustainable Financing Facility ([PolSEFF](#)), which supports small businesses. Voted for by a panel of influential and respected experts in the industry, PolSEFF was acknowledged at a glittering awards evening in June 2016.

PolSEFF is the Bank's first credit line facility for Polish banks and leasing companies dedicated to sustainable energy investments in SMEs. Today PolSEFF is a brand widely recognised by Polish businesses, financial institutions, government agencies and technology vendors. Over the past five years it has been providing financing, engineering advice and guidance to thousands of SMEs, resulting in energy savings equivalent to the combined annual energy consumption of 44,000 Polish households.



Energy efficiency: boosting the competitiveness of Polish SMEs

Since the 1980s, small and medium-sized enterprises have emerged as a significant component of the Polish economy, influencing economic growth, competitiveness, changes in the economic structure, and employment growth. In 2014, SMEs accounted for over 99.8 per cent of active enterprises and for 68.8 per cent of employment.

After Poland joined the European Union, Polish SMEs were challenged by the expanded trade environment, which called for a greater emphasis on quality improvements, technology upgrades, innovation and export competence. Barriers to SME development and

growth still exist, including access to external sources of financing, provision of training and counselling services, and legislative and regulatory burdens for the creation of new enterprises and the growth of existing SMEs.

International competitiveness, the sustainability of production processes and business growth are the key priorities of Polish SMEs. Investments in high energy performance technologies and processes, supported by PolSEFF, help SMEs to sustain their operations and local financial institutions to develop long-term relationships with these growing businesses.



JAREX: from a family farm to the market leader in flower growing

JAREX is just one of the success stories of the Polish SME sector. Established in 1977, the firm is at heart a family business involving five generations. Started as a family farm growing vegetables and flowers in Stężycza, Poland, the company has always exemplified family values. This has been essential to forming long-term, collaborative partnerships with many farms across Poland that are equipped to deliver high-quality flowers.

Like many Polish SMEs, the company has grown rapidly from 15 employees in 1977 to almost 200, and from 0.6 hectare to 15 hectares of cultivated land.

The new generation of the Ptasek family – Agnieszka, Michal and Jacek – for whom the company greenhouses were playgrounds while they were growing up, received excellent educations in law, economics and management, including some courses at Harvard. It remains the company's philosophy to invest in knowledge, skills, further innovation and growth.

Many years of experience and continuous operational improvement have made JAREX the biggest flower grower in Poland and the second biggest producer of anthurium (the flower family also known as flamingo leaf) in Europe. Today the company operates greenhouses, as well as a [combined heat and power generation plant](#) supplying greenhouses with heat, electricity and CO₂ for advanced flower-growing. The latter has been financed under the PolSEFF programme, which also provided an energy assessment and advisory service for optimal equipment selection.

PolSEFF is a €180 million credit line facility complemented with donor-funded support generously provided by the European Union. Since its start in 2011, PolSEFF has financed 2,052 sustainable energy projects in Polish SMEs, resulting in annual energy savings of 370,000 MWh and annual emission reductions of 109,000 tCO₂ equivalent.

By Ksenia Brockmann

EBRD, EU and other donors step up cooperation in Western Balkans



Building a modern cross-border road network, establishing electricity and gas connections to neighbouring countries, realising energy efficiency improvements and fostering a strong private sector – these are all vital for fostering economic integration and sustainable development in the Western Balkans.

The Western Balkans Investment Framework (WBIF), launched in December 2009, is an important regional coordination platform involving bilateral donors, the EU, the beneficiary governments and various national and multilateral development banks. Its principle aim is to support priority infrastructure investments in the energy, environment, social and transport sectors by blending donor resources with loan financing for projects in Albania, Bosnia and Herzegovina, Kosovo, FYR Macedonia, Montenegro and Serbia.

“The EBRD is a key member of this coordination platform,” explains Holger Münt, the EBRD’s Director for the Western Balkans. “The Bank, the EU and our other partners pursue very similar goals in the region. Our work is much valued and this is reflected in the allocation of funds: so far, EBRD projects have received about 30 per cent of all WBIF grants.”

Modern governance

A modern governance structure is crucial to ensure that donor funds are used as efficiently as possible. That’s why streamlined procedures were approved at the last WBIF Steering Committee meeting in June. The revised governance documents now fully comply with the EU’s Financial Regulation which describes how EU funds are to be used, tracked and reported and importantly gives the fund managers, the EBRD and the EIB, a clearer role.

“We worked very closely with the EU and other members to establish a new framework which suits all donors and the development banks,” says Caroline Clarkson, Principal Manager in Donor Co-Financing, about the two-year long exercise. “The EBRD was very much at the forefront of this process and continues to play a key role notably in the financial management of the European Western Balkans Joint Fund.”

“Beneficiary ownership, long-term sustainability and a clear financing perspective for the implementation of projects have always been the guiding principles for the WBIF. These principles are reinforced in the revised set-up which includes the establishment of a National

Investment Committee and a single national project pipeline in each of the six countries,” Caroline adds.

The EU contributes up to €150 million per year in investment grants for mature projects supporting regional integration and connectivity, which the beneficiary governments have identified as priorities. These funds are complemented by donor contributions from 19 bilateral governments and are also leveraging new donor interest, most recently from France and Romania.

This is to the benefit of everyone: the six countries in the Western Balkans, but also reaching out more widely to the EU Member States.

Strong support to EBRD projects in Western Balkans

The WBIF supports project preparation and implementation for various EBRD projects. This includes two investment grants of €38.5 million to extend the railway network in Kosovo and €12 million to support the electricity transmission system operator MEPSO in building a vital interconnection between Albania and FYR Macedonia.

“The EBRD has a strong business pipeline in the Western Balkans. An increase in donor contributions will allow us to scale up efforts, expedite regional integration and improve the business climate,” says Holger. “We are pleased to have been part of this important effort to create a more streamlined funding structure. Predictable and sustainable funding from the EU and bilateral donors is important to address the Western Balkans region’s extensive infrastructure investment needs and for supporting the EU accession process of the beneficiaries.”

By Volker Ahlemeyer

A Greek success story



The EBRD is making progress in the country

Sabina Dziurman, country director, tells that “after some six months when we have really been operational, the Bank is now firmly on the map” of businesses and the investors’ community.

In this short period of time a lot has happened already and the business volume is approaching the €500 million mark. The EBRD participated in the recapitalisation of the country’s four systemic banks, provided trade finance guarantees to local banks, invested in a private equity fund and an insurance company, provided a loan to Greece’s only private oil and gas company and invested in two corporate bonds.

A visit by EBRD President Chakrabarti in February to meet the government and open the Bank’s resident office in

Athens supported business activities and raised the Bank's profile. "It's been very busy, but busy in a good way. I have a fantastic team of six who are all really proud to work for the EBRD and do so with enthusiasm and dedication," says Sabina. "Every day is still bringing something new and we are all determined to do something good for the country."

The EBRD's capacity to do so will to a large degree depend on wider macroeconomic circumstances. Sabina is slightly optimistic: "After many years of steep decline we hope that we are finally seeing the light at the end of the tunnel. We have seen a light boost of confidence here recently," she says. In fact, those of you who have visited her office may remember the large painting which she referred to as the light at the end of the tunnel – the artist is removing this (and her other work) today which may signify that we have emerged from darkness!

One indicator for – cautious – hope is the strong (and growing) interest by investors in Greece. In many cases this is still at very early exploratory stages, but should only half of the conferences, networking events and workshops between Greek companies and foreign interested parties lead to business, the country could be on the fast track to a real recovery. "We have so many invitations for speaking engagements that we can hardly keep up," says Sabina.

The EBRD ran a successful workshop with the Bank of Greece in March on the issue of non-performing loans (NPLs). The discussions provided important input for draft legislation how to address one of the biggest challenges Greece is still facing and has stimulated huge interest in NPLs from foreign investors. "After the recapitalisation of the banks tackling the NPL question is the next logical step," says Sabina. There will soon be more to report, but meanwhile remember: You read it here first.

The Bank's strategy for the country identifies three priorities: support for the private sector particularly exporters; support for the financial sector and support for the energy and infrastructure sectors through private sector participation. Following a decision by EBRD shareholders in 2015 the Bank has a temporary mandate to invest in Greece until the end of 2020.

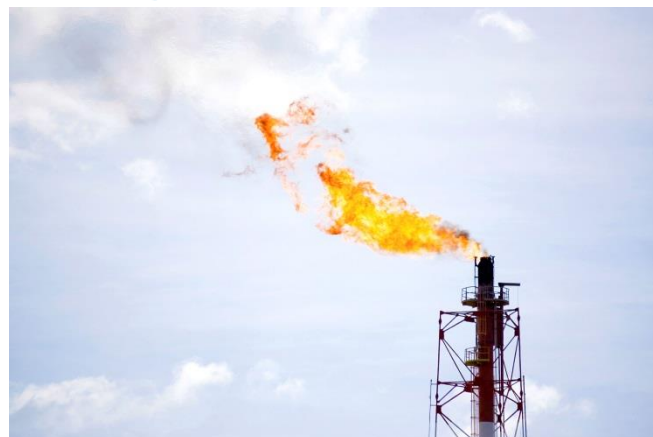
For the rest of the year Sabina and her team have a number of projects under development or already in the pipeline. "Some are really big, others are rather small," she says. "However, the main thing is that we are making a difference."

The Bank's activities have not gone unnoticed. In addition to invitations to business meetings and speaking engagements we have witnessed high media interest in what the Bank is doing in Greece and in our views. Sabina gave a series of high-profile interviews recently to the most prestigious local publications, for example, the newspapers Kathimerini and Protothema, while her deputy Alkis Vryenios Drakinos spoke to the news portal Euro2day.

Such is our media presence that clients are nowadays sending us clippings. But the ultimate accolade came recently in an article on the mononews website when our director for Greece was referred to in a headline simply as "Sabina". Obviously, she is quickly becoming a household name in Greece.

By Axel Reiserer

EBRD supports global initiative to reduce gas flaring



The EBRD has thrown its weight behind a global drive to minimise energy waste and pollution by supporting an initiative to reduce gas flaring, the burning of gases in the crude oil production process.

Every year huge quantities of associated petroleum gas (APG), a by-product of crude oil extraction, are destroyed by flaring instead of being effectively utilised to produce electricity or other fuels and industrial chemicals.

The amount of wasted gas would be enough to produce the annual electricity consumption of the entire African continent. Flaring is also responsible for 350 million tonnes of CO₂ emissions every year, equivalent to the emissions of approximately 80 million cars.

In order to address this serious problem which affects many of the countries where it invests, the European Bank for Reconstruction and Development (EBRD) was one of the first international financial institutions to endorse [Zero Routine Flaring by 2030](#) (ZRF), a World Bank-led initiative which sets the international agenda for eliminating the flaring of APG.

Recently the EBRD hosted the first international workshop on the initiative at its London headquarters. Organised by the Global Gas Flaring Reduction (GGFR) Partnership members, the seminar has brought together oil companies and governments, development institutions and technology manufacturers to agree the ZRF governance and discuss its implementation framework, to report on progress towards the planned target and strengthen cooperation among participants.

Terry McCallion, Director of Energy Efficiency and Climate Change at the EBRD, said: "In line with the Bank's [Green Economy Transition](#) approach, which focuses on resource and environmental sustainability financing, the EBRD is committed to include suitable utilisation plans for APG in its transactions in the oil upstream sector. So far, cumulatively US\$ 420 million of the Bank's investment were used for APG utilisation, leading to 2 million tonnes of annual CO₂ savings."

The EBRD is backing the commitment by the private sector and governments to invest in the efficiency of oil and gas production and cut back gas flaring.

The Bank is also supporting policy reform, helping to develop an effective regulatory framework in such areas as measuring, reporting and verification of flaring, and integration of flaring reduction policies in countries' individual pledges on climate change (known as "Intended Nationally Determined Contributions") made in the context of last year's COP21 Agreement in Paris.

In the EBRD region, Azerbaijan, Kazakhstan, Russia and Turkmenistan have subscribed to the zero flaring initiative and have pledged to establish a legal framework and business environment conducive to the development of a market for the utilisation of APG. Similarly, some oil companies from the EBRD region, such as ETAP in Tunisia, have endorsed ZRF and committed to curb gas flaring.

"To identify obstacles and potential investments, the Bank has commissioned technical studies in the Caspian region, in Egypt and, most recently, with funding from the southern and eastern Mediterranean (SEMED) Multi Donor Account*, in Tunisia. These studies estimate that the total capital expenditures needed to eliminate all existing routine flaring in Azerbaijan, Egypt, Kazakhstan, Russia, Tunisia and Turkmenistan amount to approximately US\$ 12.6 billion," added Cristian Carraretto, Associate Director of the Energy Efficiency and Climate Change team.

International cooperation among oil companies, governments and development institutions through ZRF is a positive step towards achieving these target investments.

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

By Lucia Sconosciuto

Interview with EBRD First Vice President Phil Bennett

The Bank's energy today is bringing us greater influence tomorrow



First Vice-President Phil Bennett enjoys being part of the EBRD's vibrant culture of transformation. Here he talks to Vanora Bennett (no relation) about the present and the future.

The EBRD's raison d'être is "transition" – a synonym for change. What strikes me most, looking at the past 25 years of the Bank's history, is how the Bank has always remained faithful to this very core of its operational principles: our focus is change, we facilitate change and we embody change. And this is very much how we continue to operate.

In my three years here, we have been anything but static. We have expanded geographically: SEMED, Greece, and Cyprus. We have welcomed China as our latest shareholder. We have broadened our strategic mandate by adopting the GET strategy and the Strategy for the Promotion of Gender Equality 2016-2020. We continue to evolve, thereby helping our clients to both evolve and better respond to the ever-changing external environment. This makes the Bank an exciting and a very rewarding place to work and I hope that we will be able to carry this principle going forward into the future.

We are already laying the foundations for this by focusing more on policy areas and by changing the way policy is used within and by the EBRD in our operations. Traditionally, we have used policy at a project or sector level. For the past two years, though, we have been transforming this and have designed the whole effort around the creation and expansion of VP3, to elevate us to a different level of policy application: with the changes being made we aim to be able to affect, influence and shape policy at a macro level. It is fully recognised and acknowledged that no policy effort will work effectively without twinning it with our banking skill set and our investment. However, we hope to achieve a much better synergy between the two and, as a result, be able to leverage our investment volume and quality into a greater degree of influence in our countries. I think we have already been emboldened by the results achieved in the last two years and we see that we can have that impact. Now we need to apply it more broadly. There is more that can be done!

In short, with the impressive track record to date and new opportunities around us, I trust that all at the EBRD feel excited and privileged to be here as part of the team that will set the Bank on course for – what we all hope will be – the next 25 successful years of rewarding cooperation between the EBRD and the region it serves.

By Vanora Bennett

UPCOMING EVENTS

[What's Holding Back the Private Sector in MENA? Lessons from the Enterprise Survey](#)

Wednesday 14 September, 14.00, EBRD, Boardroom

[The report](#) pays special attention to the policies needed to support private enterprise in the Middle East and North Africa (MENA) to ensure job creation and entrepreneurship in the region which has considerable potential to grow the formal private sector, with resulting benefits to economic growth and shared prosperity. Based on a thorough analysis of enterprise surveys conducted in eight countries, the report finds that while political instability is widely viewed as a constraint on firms' productivity and competitiveness, there are many other issues that must be addressed to promote faster private sector growth and job creation. These include

tackling corruption and unreliable electricity supplies, facilitating firms' access to finance, improving systems of education and training, supporting work opportunities for women and young people, and creating greater openness to international trade.

Follow [this link](#) for more information about the event and to register by Friday 9 September.

Film screening: "Son of Saul" (Hungary)

Wednesday 14 September, from 17.00, EBRD HQ



Hungarian filmmaker László Nemes' debut feature, "Son of Saul", won an Academy Award for Best Foreign Language Film at this year's Oscars in Hollywood.

Together with the [Hungarian Cultural Centre](#), the EBRD is proud to screen this moving, intimate story which concerns one man's quest in the impossible circumstances of a Nazi concentration camp. After the screening, film critic Henry Fitzherbert will interview actor Géza Röhrig who plays the main character in the film.

Follow [this link](#) for more information about the event and to register.

Documentary screening: "China: Between Clouds and Dreams"

Thursday 29 September, from 17.15, EBRD HQ



This event, arranged in collaboration with One World Media, will include a 50-minute documentary followed by a panel discussion and reception.

Follow [this link](#) for more information about the event and to register by Wednesday 28 September.

The annual Chris Cviic memorial lecture by Peter Frankopan: "The One Belt, One Road initiative in history: the construction of foreign and economic policy in the Adriatic in the Middle Ages".

Monday 3 October, 17.00, EBRD HQ

Many see China's One Belt, One Road initiative as the most important development that will shape the 21st century. A thousand years ago, a city at the other end of the Silk Road was considering how to extend and expand its reach. Venice's version of the One Belt, One Road initiative saw its interests and influence grow through the Adriatic and then into the Mediterranean. In this talk, the

historian Peter Frankopan, author of the highly acclaimed "Silk Roads: A New History of the World", will look at parallels between past and present and at what lessons can be learned from history.

Follow [this link](#) for more information about the event and to register by Thursday 29 September.

CAREER CENTRE

The EBRD Alumni Association launched the Career Centre section at the Alumni Association website. Please visit the website to see [Postings by Alumni](#), [EBRD Consulting Opportunities](#) and [EBRD Staff Job Postings](#).

Postings by alumni

Advisory services for small-scale entrepreneurship

Grow Movement is recruiting volunteers to provide pro-bono business consultancy to small-business owners via Skype or mobile phone in Malawi, Rwanda and Uganda. This is an innovative opportunity for business professionals with a belief in the power of business to change lives.

This posting was recommended by Mala Shah, Alumna '07, Power and Energy team, who completed two such assignments and found the experience most rewarding. [Please follow this link to continue reading.](#)

EBRD consulting opportunities

External Nominee Directors Corporate Panel, Equity team

From time to time the corporate sector of the EBRD engages external Nominee Directors to act as its nominees on supervisory boards, or boards of directors, of its investments. [Please follow this link to continue reading.](#)

External Supervisory Board Nominees Register of Experts, Financial Institutions

The Financial Institutions business group of the EBRD is establishing a register of qualified External Board Nominee Experts to act as the EBRD's nominees on the boards of banks and other financial institutions in CIS or eastern and central European countries in which the EBRD has made equity investments. [Please follow this link to continue reading.](#)

Senior Industry Advisers, Advice for Small Businesses (ASB) team

Are you an experienced director, industry expert, or a management consultant with 15 years of senior management experience? If you're looking to share the wealth of your business expertise with small and medium-sized enterprises, or wish to bring this opportunity to the attention of other suitable candidates, [please follow this link to continue reading.](#)

Outside Counsel Services

EBRD invites law firms interested in acting as Bank Outside Counsel in connection with various transactions of the Bank to express their interest. [Please follow this link to continue reading.](#)