

SIR SUMA CHAKRABARTI KCB

UK Nominee for Re-election as President of EBRD

Summary Vision for the Bank

It is an honour to have been nominated by the UK Government to serve a second term as President of the European Bank for Reconstruction and Development (EBRD). I believe I have the track record as EBRD President since 2012 and proven leadership skills and experience to serve the Bank well as it tackles the strategic challenges facing its region of operations and implements the Strategic and Capital Framework through to 2020. My track record and vision for the EBRD in 2020 (“Transition 2020”) are set out below. My more detailed personal vision is also attached.

THE RECORD

1) Results in a challenging environment

- Challenging environment in the EBRD region: political and economic uncertainties, strains on financial sectors and cross-border banking, and geo-political tensions over Russia/Ukraine and in the Middle East.
- Re-energised transition reform in many countries – 30 positive indicators in 2015.
- Maintained high levels of counter-cyclical investment by EBRD: €34bn for 2012-15.
- Increased quality of investment: 90% of new projects rated “good” or “excellent”.
- Realised profit (before impairment): €4bn for 2012-15.
- Reallocated investment and staffing from Russia to other countries, including Ukraine.
- Fast start up in Middle East/North Africa: regional portfolio stands at over €3bn after just 3 years of investment.
- Increased donor grants to EBRD.

2) Innovation and modernisation

- Ramped up sustainable energy investments to one third of total.
- Improved access to finance for female entrepreneurs.
- Improved products for SMEs.
- Created Infrastructure Project Preparation Facility.
- Launched Investment Climate and Governance Initiative to tackle corruption and weak institutions.
- Brought EBRD from periphery to centre of MDB architecture and focusing latter on private sector financing and delivery of sustainable development goals.
- Delivered on One Bank internal modernisation programme to improve effectiveness while maintaining high levels of operational delivery and staff engagement.

TRANSITION 2020

Within the framework of the **Strategic and Capital Framework 2016-2020** agreed by shareholders, ten outcomes that the EBRD should seek to deliver by 2020 and the challenges on which Sir Suma would lead:-

- (1) **The Bank for democratic values** – will require continued careful handling on key political issues of the day, in concert with shareholders.
- (2) **The Bank for private sector development in middle income countries in our region** – will require EBRD to improve our “offer” further to become the “multilateral bank of choice” for the private sector across our operational region.
- (3) **The Bank for the private sector delivery and financing of the SDGs** – will require challenging the development consensus on the balance between aid and private finance.
- (4) **The Bank that re-energised transition through scaled up investment and policy reform** – will require persuading leaders in recipient countries to adopt policies that promote market-based development.
- (5) **The Bank that is at the core of an improved multilateral architecture** – will require pushing the MDB system towards a greater focus on clients, skills, and joint working.
- (6) **The Bank that works more effectively for its clients** – will require simplifying and streamlining processes so that clients get a faster and more effective experience of working with EBRD.
- (7) **The Bank with instruments that better match market demand** – will require developing an improved equity offer, and instruments to attract those (eg women, youth, poorer regions) with inadequate access to finance.
- (8) **The Bank that attracts global players to its region** – will require tapping sovereign wealth and pension funds for co-investment with EBRD, increased business development in the Americas, Asia and the Gulf, as well as with mid-caps in western Europe.
- (9) **The Bank that is financially sustainable** – will require maintaining AAA credit rating despite the hostile operating environment, with a better balance in our portfolio between risky and non-risky countries.
- (10) **The Bank that is the model of modern management** – will require building an efficiency-based culture, rigorous performance management, and reaching a wider external audience.

Suma Chakrabarti
London, January 2016

SIR SUMA CHAKRABARTI KCB

UK Nominee for Re-election as President of EBRD

TRANSITION 2020: DETAILED VISION FOR A SECOND TERM

I am honoured to have been nominated for a second term as President of the European Bank for Reconstruction and Development. My vision for the Bank in my first term - to be unified and inclusive, innovative and value adding, and focused on results – helped deliver shareholders' CRR4 objectives, despite the challenging economic and geo-political environment. That environment remains difficult today as shareholders decide who should lead the EBRD until July 2020. In this vision statement, I set out my view that, for EBRD to maintain its reputation for transition impact and maximising shareholder value, the institution will need to build on what it does well but also adapt its approach in a number of areas: **continuity and change**.

Context

2. Over nearly twenty-five years the EBRD has made a strong contribution to the transition of its **countries of operation** to open market economies within the context of their commitment to democracy and pluralism. For most of this period the Bank focused on former command economies in central and eastern Europe, the former Soviet Union, and then Mongolia. In recent years, recognising that the skills, expertise and business model of EBRD were also relevant in other transition contexts, the Bank has been mandated by shareholders to operate in Turkey, the southern and eastern Mediterranean, and temporarily in Cyprus and Greece.

3. The EBRD has pioneered an approach to transition that is very focused on private sector development, with **objectives** that now span competitiveness (broadly defined to include commercialisation, innovation, entrepreneurship, and stability), inclusion, good governance, intra and inter-regional integration, and sustainability. These objectives are delivered through enterprises, financial institutions, infrastructure services, energy utilities, and governments. The Bank has developed **globally recognised expertise** in relation to energy efficiency, SMEs, local currency instruments and local capital markets, and the development of countries that are in the early phase of transition – these are the focus of its current four main strategic initiatives. And the Bank has **delivered across the business cycle**, in recent years most notably as many of its countries

faced severe economic and financial challenges. And it has delivered, again very evidently in the last few years, in countries that are part of or adjacent to conflict zones. My speech (<http://www.ebrd.com/news/2015/ebd-presidents-speech-to-board-of-governors-at-2015-annual-meeting-transcript.html>) at the opening session of the Tbilisi Annual Meeting in May 2015 reports on the Bank's strong delivery performance.

4. The Bank's geographic expansion and the development of its distinctive business model while staying true to its mandate, plus their recent decision not to redeem capital, is strong evidence of the **support of its shareholders**. This confidence extends to the financial markets and is reflected in the Bank's **AAA credit rating**.

5. Shareholders have also supported the **"One Bank" modernisation programme** in my first term. This has been a successful change management programme, led by me and - crucially - designed with staff and management, aimed ultimately at improving our impact on the ground through innovation, greater efficiency and adapting our culture. Operational delivery and staff engagement levels have remained impressive during the implementation of the modernisation programme. A snapshot of progress on the modernisation programme is annexed.

6. Building on this base, shareholders have now given the EBRD a very **clear mission for the coming years** through the **Strategic and Capital Framework 2016 – 20 and Medium Term Directions**, which are focused on building transition resilience, market integration, and meeting global and regional challenges. A key element of this mission is to re-energise the transition policy momentum in many EBRD countries of operation and help them realise their growth potential. The Bank will make a very significant contribution in its region to the new Sustainable Development Goals, including the climate change agenda agreed at COP21.

Transition 2020

7. Should I be re-elected, my task would be to lead EBRD management and staff to deliver the Strategic and Capital Framework. How would the Bank look at the end of that period? By 2020, shareholders could expect the Bank's reputation to be further enhanced, as encapsulated in ten statements that comprise my vision of **"Transition 2020"**:-

(1) The Bank for democratic values.

- (2) The Bank for private sector development in middle income countries in our region.
- (3) The Bank for the private sector delivery and financing of the SDGs.
- (4) The Bank that re-energised transition through scaled up investment and policy reform.
- (5) The Bank that is at the core of an improved multilateral architecture.
- (6) The Bank that works more effectively for its clients.
- (7) The Bank with instruments that better match market demand.
- (8) The Bank that attracts global players to its region.
- (9) The Bank that is financially sustainable.
- (10) The Bank that is the model of modern management, focused on results and efficiency.

Continuity and Change

8. How will we get there? I believe the EBRD will need to chart a course over the period to 2020 that represents both continuity and change as set out below.

(a) Mandate and Mission

9. The EBRD's **political and economic mandate** - the creation of open market economies in countries committed to multi-party democracy and pluralism - **should not change** as that is core to the Bank's distinctiveness and fundamental motivator for shareholders and staff. And, as a trusted and critical partner, we should not walk away but remain willing to speak up in private and act in concert with other international players whenever we conclude behaviours are not in tune with our mandate. The Bank will also need to **be more willing to lead the debate** and engage more closely with our shareholders and civil society when actions fall short of commitments. And we should be clearer in our country strategies about what more we could do in a country of operation if political and economic reform went further - a "more for more" agenda.

10. The **transition concept** has been modernised during the Bank's history as we have understood better what makes for effective markets. But the underlying approach is unchanged: we ask whether each EBRD project contributes to the development of market structures. This places too much emphasis on individual projects as the agent of systemic change and too little on the transition impact of project clusters and of sector analysis and reforms; and it underplays the importance of market qualities and results. It is right that we are now **taking a fresh look at the**

transition concept in light of the latest economic thinking on the characteristics and outcomes of a well-functioning market economy.

11. The EBRD should **remain the Bank for private sector development**. As part of that mission, the Bank needs to become better at diagnosing in our country strategies the issues that really hold back the private sector. And the Bank should advocate even more vocally that a **flourishing private sector requires the state to pursue good policies**, improve institutions, and foster a culture of political leadership that puts nation above party and personality.

(b) Countries of Operation

12. The EBRD must **support all its countries of operation**. That support should be even more tailored to the prospects and reality of transition policy reform, with the Bank becoming recognised as a **champion of the reformers** in our region. A hallmark of EBRD by 2020 should be recognition that its **combination of investments and policy dialogue** really did help close the gap in countries that have been stuck in transition, including those (eg Ukraine and in SEMED) deeply affected by geo-political tensions. The Investment Climate and Governance Initiative, launched two years ago, is already making a difference on the policy reform front. As the latest Transition Report shows, our countries of operation have registered 30 “positive watch” and only 8 “negative watch” scores in relation to transition friendly reforms in the last year (with infrastructure leading the way), the most positive outlook for a long time. We must capitalise on these signs that transition is being re-energised.

13. I believe the Bank **will remain relevant in the Advanced Transition Countries** over this period. We should focus more on the sectors where transition gaps are widest and shift towards greater use of equity in recognition of these countries’ stage of development. We have agreed an **approach to graduation** in the Strategic and Capital Framework. Graduation, based on evidence related to transition gaps and the Bank’s additionality, is a principle to which I am firmly wedded. It will need to be rigorously addressed in a number of forthcoming country strategies.

14. EBRD has increased its investment in the Early Transition Countries in the last three years. The work is very resource intensive because of the relatively weak business environment. But it is of high value as these are the countries where EBRD has most transition impact. The Bank must **scale up further in the Early Transition Countries** in the coming period, and help them improve the investment climate and implementation capability.

15. The **rapid development of our portfolios in Turkey and SEMED must be maintained**. These geographic expansions are important for the transition value. Continuing to make a success of these newer countries of operation shows also that the EBRD business model can benefit economies that were never subject to central planning. To maximise transition impact in Turkey and SEMED in the period ahead, EBRD will have to be even more involved in policy dialogue alongside its investments.

16. The **Western Balkans, Romania, Bulgaria, Slovenia, Croatia, Greece and Cyprus will be a major focus** for EBRD through to 2020. The wind of reform has started to blow across this region and we have a set of leaders in many of these countries willing to put ancient political enmities and outdated economic models behind them in the search for integration and more rapid development. We must get behind these reformers, in the case of the Western Balkans through our biannual Investment Summits with the region's Prime Ministers and which have brought a new surge of investor interest in a region previously regarded as too difficult.

17. It is in our **pledge to back the reformers in Ukraine and Kazakhstan with increased investment and policy advice** over the period to 2020 that many will judge EBRD. We have made a strong start down that road in the last two years. Our crisis response package in Ukraine was very innovative and well regarded. Our rapid scale up in Kazakhstan in response to an acceleration in reforms has been notable. We must now seize this historic opportunity to assist these two countries – where EBRD in the past had successful projects but systemic change was sluggish – to make the rapid transition to which their reform-minded leaders are committed. This task will require constant attention from the EBRD senior management.

18. And in the period ahead we must **maintain our engagement with Russia**, both with the authorities and with our clients. Whether that engagement is limited as currently to specific areas of policy advice, portfolio management and the Small Business Support scheme, or widened to include new investments, at least in the private sector and reforming regions, will remain a matter for shareholders to decide. Either way, Russia should continue to receive the attention it deserves as a shareholder and a country with deep political and economic links to many EBRD countries of operation.

(c) Sectors, Products and Themes

19. The EBRD has **many sectoral and thematic strengths**. The international “sustainable and inclusive growth” agenda embodied in the SDGs and COP21 outcomes will **require EBRD to enhance**

its contribution in the areas of energy efficiency and security, infrastructure, SMEs, local currency and local capital markets, food security, the knowledge economy, gender and other aspects of inclusion.

20. An early deliverable in a second term would be the **Green Economy Transition** approach. I am proud that EBRD is recognised as the leading multilateral on sustainable energy in the private sector. Our sustainable energy projects have consistently met the target ratio of 25% of our annual investment, and has been above 30% in 2014 and 2015. Shareholders approved our pioneering Green Economy Transition approach – ramping up existing activities, more up to date technology transfer, and active use of both public and private sector channels - in the run up to COP21. We are now developing an implementation plan to deliver a **sharp increase in Green Economy investments** towards 40% of our total annual investments in the period ahead. This will require a reorientation of internal incentives as well as a firm policy push by our countries of operation in favour of greener economies.

21. Geo-politics is driving a renewed focus on **energy security**. The EBRD has been at the forefront of diversifying energy supply sources and routes in its region, with a particular focus on gas infrastructure. Going forward we will need to **harvest the potential for investments in developing fields, pipelines, storage and inter-connectors**, especially in central Asia, SEMED and central Europe and the Baltic states.

22. The role that infrastructure plays in economic transition and growth has long been recognised. Infrastructure needs in the Bank's region are large. EBRD will **need to increase its infrastructure investment, including cross-border and municipal**, to meet the significant demand in our region, **improve procurement processes** and make **greater use of PPP and other innovative structures** that truly transfer risk to the private sector and reduce pressures on government budgets. We must also **ensure that projects are better prepared** through the new Infrastructure Project Preparation Facility.

23. The EBRD is the Bank for **SMEs**, which are vital for the creation of jobs and spreading an entrepreneurial culture in our countries of operation. We have refreshed our approach through the Small Business Initiative. The EBRD's **Small Business Support scheme should be expanded** in line with our ability to secure additional funds from shareholders, including from our countries of operation. The next stage of development of the Small Business Initiative must encompass **enhancing the financial returns from our direct SME investments** and **rejuvenating lending by**

commercial banks to the sector, eg by creating dedicated facilities for women-in-business and agribusiness and by resolution of the issue of non-performing loans problem in our region.

24. Linked to this is a clear need in our region (where “dollarisation” is high by global standards) to shift from foreign currency leading to local currency credit markets. To enable this bank funding models have to move away from foreign wholesale funding towards domestic sources. Our **local currency and local capital markets initiative has gained traction** in the last three years with a dedicated team. We are now providing local currency loans in 21 countries. Overall, 25% of EBRD debt operations are now in local currency (other IFIs are at 0-8%). The number of investments in local bonds has more than doubled since 2012 despite recent market turmoil and the lack of new EBRD investments in Russia. And over the last year real progress has been made in reforms in Romania, Poland and Armenia with EBRD support that will help develop their local capital markets. Going forward, we should focus on a major **extension of our SME local currency programme** to more countries. And we should push ahead with local capital market transparency, efficiency and consolidation in several countries.

25. The EBRD has also built up an enviable record on **food security**, improving market supply, efficiency and food quality, acting in concert with other multilaterals like the FAO and with agribusiness clients and partners. The Bank should now **develop the next generation of food security interventions** by targeting smaller companies and encouraging producer organisations and co-operatives to connect with large food chain players, and by financing capacity building and advisory services, and reductions in energy and water intensity in the sector. And we will have to up our policy dialogue in the coming years: a green agri-economy is only possible if harmful subsidies are eliminated.

26. At over €600m of investment in the last eighteen months alone, we have made a good start with **knowledge economy** investments with high transition impact, thereby establishing leadership in this area among the MDBs. But we are still in the foothills of what might be possible. Despite their good technical skills, too many countries of operation lack the “ecosystem” (eg R&D in a strong university sector and a hospitable policy environment) to attract the flow of venture capital to this area that is seen in other emerging markets. We must keep investing in information systems, technological upgrades, and tech-driven SMEs, and intensify our policy dialogue activities to improve knowledge economy ecosystems. Within this framework, we should consider whether **the pan-regional approach** as we have taken in the Baltics **can be replicated** in other regions (eg in the Western Balkans and in SEMED), and whether **better linkages to universities’ R&D and a push on**

vocational training and telecoms projects, plus work on national innovation plans and better protection of intellectual property would increase the chances of a breakthrough.

27. The Bank has in the last three years recognised the importance of **gender** to our transition mandate and this is beginning to have a positive impact operationally, eg through investments to improve female entrepreneurs' access to finance. Our first ever gender strategy has been approved and reflected in our new corporate scorecard. The task ahead is to ensure that, by 2020, the EBRD has **mainstreamed and demonstrated that our investments in the private sector and associated policy dialogue can help reduce gender inequality**. We must also build on our gender work to **adopt a wider inclusion agenda** for the Bank over the coming period – to ensure other population cohorts (youth, disabled, ethnic minorities such as the Roma in some countries) and underdeveloped regions enjoy better access to markets.

28. The EBRD should also **respond to the refugee crisis** within the terms of its mandate and business model. Many of the refugees fleeing conflict are passing through or being temporarily or permanently settled in EBRD countries of operation, placing additional pressures on public resources and raising questions around economic and social inclusion. Among EBRD countries of operation, this is particularly the case in Jordan and Turkey. As agreed with shareholders, the Bank can help – provided grant funding is available - by **scaling up our investment in municipal infrastructure and job-creating SMEs in those countries directly impacted by the influx of refugees**.

(d) Serving our Shareholders and our Clients

29. Much has been done in the last three years to ensure **every shareholder and stakeholder** (eg clients and civil society) is heard and has more access to information than ever before. Nevertheless, the Bank is instinctively too cautious still on public disclosure. It will need to **make a better offer on public information disclosure and engagement** to match the standards expected and applied in many of its shareholder countries.

30. **Grant funding by donors** for particular EBRD regions and themes has expanded rapidly in recent years. And a number of reforms are being implemented in the use of donor funding and the Shareholder Special Fund. Nevertheless, the strategy ahead can only be delivered and the quantum of bankable projects in riskier countries or commercially less viable sectors raised if **donor funds are increased and transaction costs of managing these are reduced** – a donor conference, to which

private foundations should also be invited, should be held early in the next term to discuss this ambition. In addition, in line with the practice of some other MDBs, the Bank should by 2020 **become a recipient of fees from a number of countries of operation, in particular those most advanced on the transition journey, for the policy and other advisory services** it provides.

31. The EBRD has moved in the last three years from its somewhat peripheral status to being at the core of those multilateral institutions **setting the international development agenda**. We are doing more, including co-financing, with the existing MDBs operating in our region. And we have taken a lead on the thinking around private sector delivery and financing of the SDGs and COP21 agenda. We should **retain this core status and help shape improvements to the MDB architecture** to maximise impact in delivery of the SDGs and COP21 outcomes. We are also **developing a more fully fledged strategy for working with the EU**, which was long overdue. And by 2020, the EBRD will be **recognised as a strong partner of choice by the new MDBs** such as the Asia Infrastructure Investment Bank, including through the co-financing of projects.

32. The Bank should **remain client focused**. But we need to improve our impact at client level by **simplifying and speeding up our investment approval processes** and achieving greater internal productivity and higher value jobs for our staff. We also need to improve the link between research outcomes at firm and sector level and the shape and structure of our own investments.

33. The EBRD's **core business model is sound**. And we are **developing our product range** (eg project preparation and risk mitigation facilities in infrastructure, the Green Economy Transition suite of potential instruments). But we need in the coming years to **provide a distinctly upgraded and more professionalised offer on equity**. Our region is underweight among emerging markets in terms of equity finance. And EBRD currently contributes only 12% of annual investments in equity despite its greater transition scheme. An equity strategy will be developed in the coming months. We also need to place **a greater weight on portfolio management** – this is a matter of both staff incentives and management focus. And, although the link between evaluation and investment and policy work is improving, there needs to be **more stress on lesson learning alongside accountability**.

34. Our countries of operation are increasingly looking to **add new investment sources** to speed their transition. The Bank has been playing catch-up when it comes to attracting the interest of a wider range of global players in our region and thereby diversifying capital flows and investment partnership sources. Our Equity and Participation Fund is a welcome **innovation to tap new sources of long-term capital** for our region. I also strongly support the creation of a Loan Participation Fund

to add to our firepower. We also need to support our countries of operation further by **increasing business development** work in North and Latin America, Asia and the Gulf, as well as in our traditional partner investor countries, where I am pleased that we are now doing more to attract the interest of mid-market companies. In this regard, the Western Balkans Investment Summits of 2014 and 2016, the SEMED Business Forum in 2015, and the Central Asia Business Forum of 2016 must be built on to continue attracting new investors to our countries of operation.

(e) Modernising the EBRD

35. Progress has been made in **modernising the management** of the Bank. Through the One Bank programme we have invested in strengthening capability and performance management, created greater coherence and common purpose between the business groups and connectivity between Resident Offices and HQ, and are strengthening our control and policy functions. The corporate planning process has been modernised to enable a more flexible response within a clearer strategic framework, and we have started work on scenario planning. Scorecards across the Bank have been developed and we are now moving towards implementation. **Staff engagement has remained high and delivery of investment improved through all the changes.** We must now **develop the systems, incentives and our people such that a modern culture of continuous improvement becomes part of the DNA of the Bank.** A more sustained push on performance management of our people and better knowledge management across departments will be required over the period ahead.

36. We have started to build a focus on **operational effectiveness and efficiency.** The staff redeployments following shareholders' guidance on Russia allowed the Bank to scale up in a number of countries without adding headcount, and we have taken a tougher approach to travel expenditure. The shareholders have set and, indeed, this personal vision now reinforces an exciting and relevant agenda for EBRD. But we know that our administration budget will grow very slowly if at all. So a **much stronger emphasis on prioritisation (and de-prioritisation), on creating capacity and an efficiency culture** will be required in the coming years, starting in 2016. Managers will need to focus on costs, not just budget, on actions that speed up internal processes, and will need to take tougher decisions themselves on the use of resources. The focus on operational effectiveness and efficiency is now being led directly by me as President.

37. And we have started to place a much **greater emphasis on financial sustainability** to good effect. Our operational plan is now subject to the test of **strategic portfolio management.** And we

are **modernising our approach and tools for efficient capital management** to help preserve the Bank's AAA credit rating. These **shifts in approach should continue**. Going forward there needs to be a better understanding between shareholders and management about actions (eg use of net income) that could imply any loss of shareholder support, the key to our AAA credit rating.

38. The stress placed on creating a **more results-focused Bank** is paying off. The first country strategies with results frameworks have been approved, scorecards are being developed across the Bank's business groups, there is now a better link between evaluation and operations and policy work, and our external and internal communications are now far better at explaining the EBRD's positive impact. We should **continue down this road and make the country strategy the key management tool** around which the Bank plans and prioritises its activities.

39. And we must **go further on external visibility and in shaping debates** that impact on our region. We are owned by shareholder governments, many of whom say EBRD is still relatively unknown in their countries, particularly non-recipients. And our contributions to many of the policy debates, other than the Vienna Initiative, remain relatively unrecognised outside of a small circle. That must change in the coming years with the Bank **doing more to engage with opinion-formers in governments, parliaments, think tanks, the private sector and the wider public**. The rejuvenation of the EBRD Alumni Association over the last three years has helped in this respect. Going forward, the creation of an "EBRD Foundation", similar to those in other multilateral institutions, should be considered as an instrument to improve our outreach.

Conclusion

40. It has been an honour to serve the EBRD as its President from July 2012. It would be a greater honour still should shareholders entrust me with the leadership of the Bank for a second term. I would aim to build on the strong reputation of the Bank, and what has been delivered before and since 2012, by tackling with relish the future challenges that I have set out.

Suma Chakrabarti
London, January 2016

Annex: “One Bank” Modernisation Programme – Internal Change for External Impact: Snapshot of Progress

Impact. <i>Develop internal structure and tools to increase the impact of the Bank by doing more, better.</i>	Innovation. <i>Leverage our impact through internal innovation with new products and funding partnerships.</i>	Culture. <i>Modernise our processes so staff work dynamically and flexibly.</i>	Efficiency. <i>Simplify, standardise our business model creating a platform for scalable growth.</i>
<p>Goal: Align operations to our strategy through corporate, management, departmental scorecards. Impact:</p> <ul style="list-style-type: none"> Joint accountability for delivery. <p>Goal: Re-energise transition by building up our policy capacity. Impact:</p> <ul style="list-style-type: none"> Creation of VP Policy. Investment Climate and Good Governance Initiative: several countries of operation have improved their position in Doing Business Survey. Gender Strategy. 60 projects with a gender component (2012-2014); Women in Business programme active in 15 CoOs targeting 10,000 women entrepreneurs by end-2017. Positive developments in sector-led transition indicators outnumber negative ones by 30 to 8 in the 2015 Transition Report vs. overall negative trend in the 2014 TR. <p>Goal: Communicate our impact better through results frameworks. Impact:</p> <ul style="list-style-type: none"> Donor funding supports 34% of our operations and is forecast to grow by more than 40% by 2018. <p>Goal: Ensure financial sustainability. Impact:</p> <ul style="list-style-type: none"> Strengthened risk focus; strategic portfolio management approach. Preserve AAA rating. 	<p>Goal: Contribute to the COP21 climate finance mobilisation objective. Impact:</p> <ul style="list-style-type: none"> Green Economy Transition approach aims to raise climate finance from 25% (2010-2015) to 40% of ABI by 2020, with 2015-2020 ABI of EUR 18bn and EUR 60bn leveraged co-financing. In 2014, projects contributed to CO2 reductions of 7.3 mt/year (vs. 2mt/yr in 2011), water savings of 11 million m3/year and waste savings of 480,000 tonnes/year. <p>Goal: Accelerate sustainable infrastructure investment together with G20, WEF, IFIs. Impact:</p> <ul style="list-style-type: none"> Infrastructure Project Preparation Facility. Financing and project support to 15 PPPs, with EUR 1.1bn ABI and EUR 6bn leveraged co-financing. <p>Goal: Foster competitiveness. Impact:</p> <ul style="list-style-type: none"> Small Business Initiative. More than 1,900 SMEs in 25 CoOs (2014) benefit from advisory services resulting in 30,400 new jobs created (2012/14). Knowledge Economy Initiative. <p>Goal: Develop funding partnerships. Impact:</p> <ul style="list-style-type: none"> Equity Participation Fund (EUR 250-350m). Partnership with ICD and AIB on EBRD’s first syndicated loan with Islamic finance component (Egypt). 	<p>Goal: Produce better quality results through increased Bank-wide cooperation. Impact:</p> <ul style="list-style-type: none"> Created Corporate and Senior Leadership Groups. Joined-up approach to re-energise transition (e.g. Ukraine / Slovenia Task Forces). <p>Goal: Ensure we have the right people and structure to deliver our strategy. Impact:</p> <ul style="list-style-type: none"> Modernised HR function. Focus on what we deliver and how we deliver it (core competencies, performance calibration session). Significant improvement in staff survey results on leadership and management skills for managers. <p>Goal: Enhance diversity and inclusion. Impact:</p> <ul style="list-style-type: none"> First IFI to adopt a Diversity and Inclusion policy. Increased the share of women in senior positions (bands 8, 9 and 10) from 15% to 29% (2011-15). 	<p>Goal: EBRD is organisationally nimble and flexible and able to react swiftly to external changes. Impact:</p> <ul style="list-style-type: none"> Reform of business planning and budget processes with first Strategic and Capital Framework 2016-2020 and Strategy Implementation Plan 2016-2018, latter updated annually on a rolling basis. Rapid response to external events (Russia; Ukraine; refugees) and shareholder requests (EUR 3bn invested in SEMED by end 2015, SEMED Business Forum with 500 participants and cross-regional cooperation from Governors; EUR 220m invested in Greece by end 2015 with a strong 2016 pipeline). Our expertise is in demand: CoO requests from Cyprus, Greece, West Bank/Gaza, Lebanon; membership request from China. <p>Goal: Strong focus on cost efficiency and capacity creation. Impact:</p> <ul style="list-style-type: none"> Budget increase of only 0.4% real (2014) and 0% real (2015). Launch of efficiency programme for 2016-2018 period. Productivity improvement target of 10-15% by end 2018.