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Meet Lisa Rosen: No country is immune from corruption

Lisa Rosen, Chief Compliance Officer for the European Bank for Reconstruction and Development in London, UK

Lisa Rosen (rosenl@ebrd.com) was interviewed in July by Adam Turteltaub (adam.turteltaub@corporatecompliance.org), Vice President, Strategic Initiatives & International Programs at SCCE & HCCA.

AT: Let's start with some background on the European Bank for Reconstruction and Development. I'm sure a lot of people have heard of it but don't really know what it does. Can you give us an overview of the bank, where it operates, and its mission?

LR: The European Bank for Reconstruction and Development (EBRD) is an international financial institution that was established to help build a new, post-Cold War era in Central and Eastern Europe. It was created on April 15, 1991, in the wake of the demise of communism in Europe and the fall of the Berlin Wall. Catalyzed by an overwhelming desire for both economic and political reform, the premise behind the EBRD was to help countries that previously had centrally planned economies transition to market-based economies, provided that those countries were also committed to, and applying, the principles of multiparty democracy and pluralism. The concept of transition is the EBRD's *raison d'être*.

Over the past 28 years, the EBRD has invested more than €130 billion in over 5,200 projects. Over two-thirds of these, which are primarily loans or equity investments, are in the private sector. We strongly believe that private enterprise and entrepreneurship are the key to transition and long-term change to economic systems.

Most people don't realize this, but the EBRD's shareholders aren't only European. EBRD has 69 different shareholder countries across five continents, plus the European Union and the European Investment Bank. We are currently active—in terms of where we invest—in 40 different countries spanning Central and Eastern Europe, Central Asia, Mongolia, Turkey, Jordan, Tunisia, Morocco, Egypt, and Lebanon, as well as the West Bank and Gaza.

AT: What kinds of businesses in the private sector do you typically work with?

LR: We work with a wide range of sectors, including Financial Institutions, Sustainable Infrastructure—and in this we include power, transport, and municipal infrastructure—Industry, Commerce, and Agribusiness, and what we call “Corporate,” which includes manufacturing and services, property and tourism, and information and communication technology. Individual investments have ranged in amounts from as little as €1 million to as much as €500 million.

AT: What are the key compliance risk areas? I imagine anti-corruption is probably a very substantial one.

LR: Absolutely. Corruption is prevalent in every country in the world, and the EBRD's countries of operations are no different, with many ranking quite poorly on the Transparency International Corruption Perceptions Index. To ensure that we are not dealing with corrupt entities, we conduct thorough ex-ante integrity due diligence on every prospective investment. We believe that, when it comes to corruption, prevention is better than cure, and as a result, we take a very rigorous approach to our due diligence. My team looks, in a holistic way, at the

integrity profile of all of the key entities involved and assesses issues such as:

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