



September 2015

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M-RCBG WELCOMES NEW SENIOR FELLOWS

Senior fellows at M-RCBG are distinguished professionals from government and business who want to address issues at the interface of the public and private sectors: regulation, corporate governance, and the role of government in the changing global economy. They undertake independent research projects that culminate in a journal article or book and also offer study groups for Harvard students. Their role strengthens the connection between theory and practice, offering both faculty and students insights to the nature of social problems and their most practical solutions. New fellows for this academic year include:



Ed Balls was UK Shadow Chancellor from 2011 to 2015 and co-chaired the Inclusive Prosperity Commission with former U.S. Treasury Secretary and M-RCBG Director **Lawrence Summers**, which reported in January, 2015. He served in the British Cabinet as Education Secretary (2007-2010) and was previously the UK Minister for Financial Services (2006-2007) and the Chief Economic Adviser to the UK Treasury (1997-2004), during which time he was the Chair of the IMFC Deputies and UK G20 Deputy. He also served as the Labour & Co-operative Member of Parliament for Morley and Outwood (2010-2015) and MP for Normanton (2005-2010).



Jo Ann Barefoot is CEO of Jo Ann Barefoot Group, LLC. She has worked for over 35 years in private and public sector roles focused on consumer financial protection, inclusion, and technology. As Deputy Comptroller of the Currency, she established the first federal consumer protection oversight function for national banks. She has also served on the staff of the U. S. Senate Committee on Banking, Housing and Urban Affairs; was Co-chair of Trelia Risk Advisors; and was Partner and Managing Director at KPMG, leading the firm's privacy practice and a nationwide consumer finance consulting group.



Ray Fisher recently received his MPA from Harvard Kennedy School and was previously a finance lawyer for 23 years, specializing in securities law. His research focus at M-RCBG will be the regulation of non-bank financial institutions. Fisher graduated from Harvard College in 1985 and spent a year in Cairo, Egypt as a Presidential Intern at the American University of Cairo before enrolling at New York University School of Law. He received his JD from NYU in 1990 and his MA in politics from NYU in 1991. His 2015 MPA from HKS was essentially a master's degree in economics, with substantial work in macroeconomics, microeconomics, statistical analysis and financial regulation.

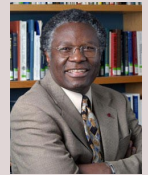


Derek Kirkland is currently Vice-Chairman of Investment Banking at Morgan Stanley, where he has worked in the Financial Institutions Group ("FIG") for almost 29 years, advising clients on their capital markets and M&A strategies. Morgan Stanley's FIG business is broad; half of its revenues originate outside the US, and it works for both "incumbents" and "disrupters." His career was driven by waves of transactions as his clients responded to globalization, IT, and de-regulation, including: forming EU-wide and US national banks; developing

Seminars & Events

M-RCBG has over 80 seminars and events scheduled each semester, some of which are listed below. For a complete schedule, visit www.mrcbg.org.

Growing Economies: Agricultural Innovation and Economic Transformation in Africa; **Calestous Juma, HKS.** Bell, Sept. 10. 11:45-1.



Hydraulic Fracturing Chemicals Reporting: Evaluation of Data and Recommendations for Policy Makers; **Kate Konschnik, HLS.** Bell, Sept. 17. 11:45-1.

Crafting an Evidence-Based Regulatory Management System: Lessons from Poland; **Maciej Drozd, HKS and Polish Prime Minister's Office.** Bell, Sept. 24. 11:45-1.



Institutional Mechanisms for Investigating the Regulatory Implications of a Major Crisis; **Lori Benneer, Duke.** Bell, Oct. 1. 11:45-1.



Search Groups:
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M-RCBG new senior fellows, cont.

US national and global insurers, and separating-out health insurers; creating a "Fin-Tech" industry; investing in Asia and Latin America in the last decade; recapitalizing banks and insurers after the financial crisis, and selectively dismantling pan-European institutions.



Larry Makovich, IHS CERA Vice President and Senior Advisor for Global Power, is a highly respected expert on the electric power industry. He directs IHS CERA research efforts in the power sector as part of IHS CERA's Office of the Chairman. He is an

authority on electricity markets, regulation, economics, and strategy and his current research focuses on electric power market structures, demand and supply fundamentals, wholesale and retail power markets, emerging technologies, and asset valuations and strategies.

Makovich is currently advising or has recently advised several large utilities in major strategic engagements and has testified numerous times before the US Congress on electric power policy.



Stan Marcuss, a partner at Bryan Cave, is one of the country's foremost experts in international trade. As counsel to the International Finance Subcommittee of the Senate Banking Committee in the early 1970s, he played a central role in the development of legislation relating to export

controls, antiboycott law, the Foreign Corrupt Practices Act and the Export-Import Bank. As Senior Deputy Assistant Secretary of Commerce in the late 1970s, he headed U.S. antidumping and countervailing duty programs, and administered U.S. export controls and antiboycott laws, as well as a variety of other international trade regulatory regimes.



Peter Sands was Group Chief Executive of Standard Chartered Bank from November 2006 to June 2015. He joined the Board of Standard Chartered PLC as Group Finance Director in May 2002, responsible for Finance, Strategy, Risk and Technology and

Operations. Prior to this, Sands was Director and Senior Partner at worldwide consultants McKinsey & Co. Before which he worked for the United Kingdom's Foreign and Commonwealth Office. Sands is the lead non-executive board member of the Department of Health in the United Kingdom and the co-chair of the India UK CEO Forum.



Simon Winter is TechnoServe's Senior Vice President of Development. He is responsible for leading strategy, thought leadership, and business and program development and also manages and incubates innovative programs, including around capital access for SMEs. Previously he was Regional Director for Africa. Winter joined TechnoServe in 2003 and

Was also a management consultant with McKinsey and Company (1998-2003) during which he co-led the firm's international development practice. He has worked as an economic planner for the Botswana government, and a development consultant in Southern Africa. He started his career with Barclays Bank plc in the UK, Cote d'Ivoire and Australia and is a founding Executive Committee member of the Aspen Network for Development Entrepreneurs (ANDE).

Learn more about M-RCBG's senior fellows, including full bios and scheduled study groups, at www.hks.harvard.edu/centers/mrcbg/about/fellows/currentsfellows.

Three additional fellows join the Center

M-RCBG also welcomes an additional three fellows to the Center. They are young professionals with outstanding academic and professional backgrounds who come to the center to undertake research and engage with students. While they are not as "senior" as senior fellows, they are subject to the same rigorous selection process.



Maciej Drozd is Director for Regulatory Planning and Impact Assessment at the Polish Prime Minister's Office. He has championed regulatory cost-benefit analysis in the Polish government since 2010 and co-authored the Polish "Better Regulation" policy as well as new Rules of Procedure of the

Polish Cabinet. His team helped save over US\$1bn in unnecessary regulatory costs, set and enforce standards for regulatory impact assessment, as well as improve the business climate in Poland.



Chris Stavrianou has ten years of experience in mergers and acquisitions and corporate development in North America, Europe, Asia and Australia working for UBS AG, Macquarie Capital and Ferrovial. He advised clients on the sale, purchase, and financing of a range of business-

es including power and water utilities, electricity retailers, airports, toll roads, construction and mining companies with a combined transaction value of over US\$50bn.



Keita Niiho is the 2015-2016 Doyukai Fellow in residence at M-RCBG. He comes to the center from Osaka Gas, a major energy supplier with a core natural gas supply business in Japan, where he is a researcher on international energy markets. Niiho is a graduate

of Tokyo University with a BA in economics.

HEEP awards student prizes for 2014-2015 academic year



From left to right: Ross Svenson, Prof. Robert Stavins, Syon Bhanot, and Adriana Conconi. Not pictured: Jennifer Austin and Joseph Luchenta.

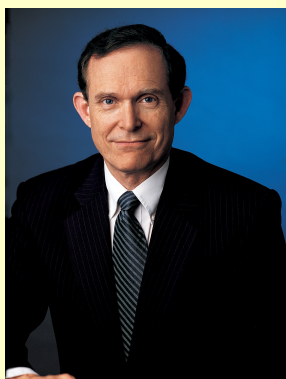
For the sixth year, the Harvard Environmental Economics Program (HEEP) has awarded three prizes to Harvard University students for the best research papers addressing a topic in environmental, energy, or resource economics – one prize each for an undergraduate paper or senior thesis, master’s student paper, and doctoral student paper. Winners included:

The Enel Endowment Prize for the Best Paper by a Doctoral Student: Syon Bhanot, “Rank and Response: A Field Experiment on Peer Information and Water Use Behavior.”

The Mossavar-Rahmani Center Prize for the Best Paper by a Master’s Student: Jennifer Austin, “Linking Carbon Markets: Quantifying Ambition and Credibility,” and Adriana Conconi and Joseph Luchenta, “Exploring Policy Options to Improve Catastrophic Risk Management: Using Data to Develop Alternatives to Weather Index Insurance in Mexico.”

The HEEP Prize for the Best Senior Thesis or Undergraduate Paper: Ross Svenson, “Breaking the Habit: The Path to Reducing U.S. Carbon Emissions by 2050.”

Porter on hand for graduation of inaugural Presidential Scholars Leadership Program class



Roger Porter, IBM Professor of Business & Government, participated in the graduation for the first class of the Presidential Scholars Leadership Program at the George W. Bush Presidential Library in Dallas, Texas. Porter serves on the advisory board of the program which was established this past year by the presidential libraries of Presidents Lyndon B.

Johnson, George H.W. Bush, Bill Clinton, and George W. Bush. Former Presidents Bill Clinton and George W. Bush celebrated the event by sharing their thoughts on leadership in a panel discussion at the graduation.

Wang awarded Dunlop prize

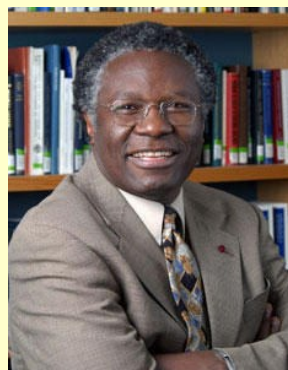
Graduating senior Jeffrey Wang (pictured here with M-RCBG Co-Director **John Haigh**) was the winner of the 2015 John T. Dunlop Prize in Business and Government for his thesis: “Asset Managers and Financial Instability: Evidence of Run Behavior and Run Incentives in Corporate Bond Funds.” The John Dunlop Thesis Prize in Business and Government is an annual award for Harvard undergraduates. The award is given to the Harvard College graduating senior who writes the best thesis on a challenging public policy issue at the interface of business and government.



HEEP colleagues participate in Harvard President’s Climate Change Panel

Drew Faust, the President of Harvard University, hosted a high-level panel on climate change on Monday, April 13, in which several HEEP-affiliated experts participated: **Joseph Aldy**, Faculty Fellow, former Pre-Doctoral Fellow, and Assistant Professor of Public Policy at the Harvard Kennedy School; Rebecca Henderson, Faculty Fellow and John and Natty McArthur University Professor; and Richard Newell, former Pre-Doctoral Fellow and frequent collaborator – the Gendell Professor of Energy and Environmental Economics at the Nicholas School of the Environment, Duke University. The event was titled “Sizing up Climate Change”; and was covered in the *Harvard Gazette* and HBS News.

Juma honored by Scientific American



Calestous Juma, Professor of the Practice of International Development, has been named one of *Scientific American’s* Worldview 100 – Visionaries who continue to reshape biotechnology and the world. To learn more, visit www.saworldview.com/worldview-100/the-worldview-100/.

STUDENT INTERNSHIP UPDATES

Impact Investing in Singapore and Hong Kong: Maja Šoštarić, MPA '16



This summer, I worked as a summer associate for Impact Investing at the Lien Center for Social Innovation, a small think tank based at Singapore Management University. While there, I researched and advocated for groundbreaking ideas between the public and the private sectors, including promoting social entrepreneurship, dealing with unmet social needs, under-

standing philanthropy and impact investing. Impact investing is a novelty – even in the United States, where it originates, and is a nascent sector that everyone seems to be confused about. The idea that you can do good (in terms of social impact) while simultaneously also doing well (financially). It does in fact sound noble, but it also raises eyebrows in terms of its applicability in practice.

My task was to assess the potential of the impact-investing sector in Singapore, with investments being mainly directed towards the developing countries in the region and Asia in general. All the necessary preconditions are there: Singapore is the third richest country in the world by GDP per capita (IMF World Economic Outlook 2014); it is Asia's most important financial hub, and philanthropy is a common practice for numerous wealthy Asian family foundations and high-net worth individuals (HNWIs). So why not switch from pure grants to more of an investment-oriented approach? In order to estimate the potential in Singapore, I compared it to Hong Kong, because it is roughly of the same size as Singapore, is also considerably wealthy and, most importantly, it has a developed financial sector. Yet unlike Singapore, where impact investors are mainly outward-oriented, the impact-investing sector in Hong Kong is directed towards its own social enterprises.

The result of my research is a 'white paper', the first of its kind, to be published online at the Lien Center. It is intended to serve as a conversation starter on impact investing in Singapore. For my research, I talked to almost twenty stakeholders, notably impact investing funds, government officials, HNWIs, commercial banks, philanthropies and social entrepreneurs in both Singapore and Hong Kong. In the final week of my internship, I presented the paper at the Singapore Management University and a discussion with some of my interviewees followed. Since there is a lot of interest for the topic, the paper contains recommendations for the Singaporean government as well as the current and potential impact investors and venture philanthropists.

UK Cabinet Office: Phil Ames, MPP'16



As I write this blog post I'm roughly halfway through my internship in the UK Cabinet Office. I'm spending my summer working in the Centre for Social Impact Bonds, a centre operating within the Cabinet Office's Government Innovation Group. My team works to expand the number and quality of social impact bonds in the UK.

By way of background, a social impact bond (SIB), is not really a bond but instead is an arrangement where a social investor funds a provider (often a charity) to provide a social intervention (e.g. case support for former prisoners), and the investor receives a financial return from the government if that intervention measurably improves social outcomes (e.g. delivers a reduction in recidivism). They are an extension of pay-for-success contracts, where social investors bear the risk instead of the providers or the government. There are 31 SIBs in the UK at the moment, and over 50 worldwide. The UK Cabinet Office's Centre for Social Impact Bonds has been at the heart of this growth from the start.

One of the most interesting elements of my experience has been to see the policy making process first-hand in a context of substantial political support and will. This included a two-day workshop run by the Cabinet Office Policy Lab which works to bring innovative approaches to policy-making, including human-centred design, big data analytics, ethnography and more. It was great to see the exchanges in the room when front-line service providers were engaged with policy makers, local government representatives engaged with central government leadership and service users were engaged with social investors, all working towards the best possible policy design.

I came to this internship to build my experience in approaches to improving the effectiveness of Government, and with the support of the Dubin Emerging Leaders Fellowship Program and the Mossavar-Rahmani Center for Business and Government (with support from the Harvard Environmental Economics Program). My MPP has been focused on the variety of ways in which governments are becoming more effective at improving social outcomes. I'm interested in how these and more approaches can work together to make government more effective, and how to best normalize the uptake across governments.