

**DOCUMENT OF THE EUROPEAN BANK
FOR RECONSTRUCTION AND DEVELOPMENT**

**MINUTES OF THE BOARD MEETING OF
10 DECEMBER 2014**

Meeting of the Board of Directors – 10 December 2014
List of Attendance

Chairman
First Vice President
Secretary General
General Counsel

President
Phil Bennett
Enzo Quattrociocche
Marie-Anne Birken

Directors

Tamsyn Barton
Anthony Bartzokas
Raphaël Bello
Anna Brandt
Sang Goo Byun
Claire Dansereau
Evren Dilekli
Raffaella Di Maro
Seán Donlon
Toshiyuki Furui
Ole Hovland

Alternate Directors

Michel Grilli
Abel Mateus
Gustave Gauquelin
Anna Björnermark
Bob McMullan

Virginia Gheorghiu
Dante Brandi
Ove Jensen
Makoto Honda
Jorma Korhonen
Klára Król
Artem Shevalev
Luyen Tran
Zbigniew Hockuba
Sergey Verkashanskiy

Heinz Kaufmann

Kalin Mitrev
Denis Morozov
Jonathan Ockenden
Antonio Oporto
Joachim Schwarzer
Johannes Seiringer
Jean-Louis Six

Enrique Bal
Joachim Steffens
Eddy Azoulay

Paul Vlaanderen

Peter Basch
Ronald Elkhuisen

Secretariat

Colm Lincoln

Tom Edmondston-Low

Staff

Luise Hölscher
Betsy Nelson
András Simor

Jonathan Charles
Hans Peter Lankes

Frances Malige
Alain Pilloux
Riccardo Puliti

Franklin Steves
Isabelle Laurent
Dariusz Prasek
Grzegorz Zielinski
Ekaterina Miroshnik
Jean-Patrick Marquet
Lyn O'Grady
Sue Barrett
Huseyin Ozhan
Sylvia Gansser-Potts
Noel Edison
Henry Russell
Alfonso Vega Acosta
Mike Taylor
Michael Parry
Andrew Kilpatrick
Frederic Lucenet

1. Adoption of the Agenda

- The Agenda was approved.
- The Board of Directors noted that, since the previous meeting, the following items had been approved on a no-objection basis:

On 27 November 2014:

- Shareholder Special Fund: Turkey: Hospital Facilities Management PPP Framework – Establishment of a Value for Money Methodology for the Ministry of Health and PPP Contract Monitoring and Implementation Support (EUR 600,000)

On 2 December 2014:

- Shareholder Special Fund : Kazakhstan: Pavlodar Tram - Project Implementation Support (EUR 350,000)

On 4 December 2014:

- Ukraine: Ukrainian Corporate Support Facility - UCSF Arricano Prospect

On 9 December 2014:

- Poland : Project Amethyst

2. Minutes of the Board Meeting of 26 November 2014

- The Board of Directors approved the Minutes of 26 November 2014.

3. Liquidity Policy Review and 2015 Liquidity Update Report on the Execution of the 2014 Borrowing Programme and the Proposed 2015 Borrowing Programme Report by the Chair of the Financial and Operations Policies Committee

- The Board of Directors approved the *Liquidity Policy Review and 2015 Liquidity Update* and the *Report on the Execution of the 2014 Borrowing Programme and the Proposed 2015 Borrowing Programme*. This included a EUR 6 billion Borrowing Programme, as well as an additional segregated Local Currency Borrowing Programme of up to EUR 500 million to facilitate access to Rouble funding for on-lending to the European Investment Bank, for projects undertaken together.

**4. Ukraine: EBRD Reform Anchoring & Crisis Response Package
Report by the Chair of the Financial and Operations Policies Committee**

- The Board of Directors approved the Ukraine: EBRD Reform Anchoring and Crisis Response Package operational approach.

5. Ukraine: NAK Naftogaz Emergency Pipeline Upgrade and Modernisation

- The Board of Directors approved a sovereign loan of up to EUR 150 million to Ukraine to be on lent to Public Joint Stock Company Ukrtransgaz. The loan will be used to finance investments to upgrade and repair part of the Ukrainian gas transmission system.

6. Poland: Radzyn Wind Farm

- The Board of Directors approved a long-term senior loan in the amount of up to PLN 9.75 million (EUR 23.75 million) to GB Radzyn 401 Sp z o.o. (the Borrower) and an additional commitment of up to PLN 5 million (EUR 1.19 million) for an associated interest rate hedging facility. The loan will enable the Borrower to construct and operate a wind farm with the total capacity of 39 MW located in the north-central Poland.

7. Kazakhstan: Kyzylorda Electricity Distribution Project

- The Board of Directors approved a loan in the amount of up to KZT 4.5 billion (EUR 19.2 million) to Kyzylorda Electricity Distribution Company. The loan will be used to finance investments into modernisation and strengthening of the low and medium voltage distribution network of the Kyzylorda Electricity Distribution Company, as well as procurement and installation of electronic meters and associated equipment for a new metering system.

8. Kazakhstan: Pavlodar Tram Project

- The Board of Directors approved a loan of KZT 2.5 billion (EUR 10 million) to the municipal tram operator Joint-Stock Company “Pavlodar Tram Management Company”. The loan would be provided in two tranches and used to modernise the existing public transport system in Pavlodar through rehabilitation of the tram infrastructure and partial replacement of the obsolete fleet with the new, modern, and energy efficient trams. The loan will be co-financed with a grant of up to KZT 0.91 billion (EUR 3.7 million) from the state budget under the Enhanced Partnership arrangements.

9. Tajikistan: North Tajik Water Rehabilitation Project - Tajik Water II – Khorog GBAO

- The Board of Directors approved a sovereign guaranteed loan of USD 2 million to Khorog Water Company and KMK, on a joint and several basis. The proceeds of the loan will be used to improve municipal water services in Khorog City.

10. Tajikistan: North Tajik Water Rehabilitation Project - North RWC

- The Board of Directors approved a sovereign guaranteed loan of USD 13.4 million in two tranches to the North Regional Water Company and KMK, on a joint and several basis. The proceeds of the loan will be used to improve municipal water services in Chkalovsk, Gafurov, Kanibadam, Kairakkum, Isfara, Istaravshan, Shakhriston, Taboshar and Zafarobod.

11. Tajikistan: Road Maintenance Development Project

- The Board of Directors approved the proposed operation change to the Road Maintenance Development Project, which will extend the original project by an additional USD 2.54 million complemented by an equal amount of capital grant provided by the EBRD Special Shareholders Fund. The purpose of this extension is to continue with the reform process in the road sector and to fund much needed additional road maintenance equipment.

**12. Egypt: Kafr El-Sheikh Wastewater Expansion Project
Report by the Chair of the Financial and Operations Policies Committee**

- The Board of Directors approved a sovereign loan of EUR 55 million to the Government of Egypt. The loan will be used to part-finance the Wastewater Expansion Programme in the governorate of Kafr el-Sheikh in Egypt.

13. Ukraine: Poltava District Heating Project

- The Board of Directors approved a loan of up to EUR 15 million from the Bank's ordinary capital resources and a loan of up to EUR 4 million from the Clean Technology Fund resources administered by the Bank's CIF Special Fund to the Poltava Oblast Communal District Heating Enterprise "Poltavateploenergo", guaranteed by the City of Poltava. The loan will be used to finance investments to rehabilitate and modernise the district heating infrastructure operated by the Company.

14. Bosnia and Herzegovina: Gradacac Water Supply

- The Board of Directors approved a EUR 6 million sovereign loan to the state of Bosnia and Herzegovina. The loan will be used to finance expansion of the water supply network to rural areas in the Gradacac Municipality, the replacement of dilapidated water mains to reduce water losses and the reconstruction and expansion of the sewerage network. The loan will be implemented jointly by the Gradacac public utility company "Komunalac" and the Gradacac Municipality.

15. Armenia: Kotayk Solid Waste Management

- The Board of Directors approved a loan in the amount of EUR 3.5 million to the Republic of Armenia to finance the construction of a modern, EU compliant regional landfill serving seven municipalities in Kotayk County and the adjacent municipality of Sevan. The operation will introduce a modern solid waste management system

covering collection and disposal of municipal solid waste and is expected to provide major environmental and social benefits for some 215,000 people in the area.

16. Serbia: Belgrade Water

- The Board of Directors approved a loan of EUR 13 million in two tranches to Public Utility Company Belgrade Waterworks and Sewerage. The loan will be used to support the improvements in the water supply system in Belgrade.

**17. Turkey: Dalaman Airport Project
Report by the Chair of the Financial and Operations Policies Committee**

- The Board of Directors approved a loan of EUR 87.3 million to YDA Havalimani Yatirim ve Isletme A.S. The loan will enable YDA Havalimani Yatirim ve Isletme A.S. to design and construct a new domestic terminal for Dalaman Airport (including road access and parking facilities) and to manage the existing international terminal from May 2015 under a Concession Agreement until 2040.

18. Turkey: Women In Business Programme (TurWIB) – Finansbank

- The Board of Directors approved a EUR 50 million loan (Facility) to Finansbank A.S., a commercial bank incorporated in Turkey. The Facility is a sub-operation under the Turkey Women in Business Programme and integrates the following linked grant components: (i) first risk loss cover scheme, (ii) Technical Cooperation programme with Finans and (iii) WiB Small Business Support.

19. Romania: Project Demeter

- The Board of Directors approved the project. Disclosure delayed in accordance with Section E.2 of the Public Information Policy.

20. Serbia: Société Générale Serbia Unfunded Risk Sharing

- The Board of Directors approved an unfunded risk sharing facility of RSD 1.15 billion (approx. EUR 10 million) to Société Générale Banka Srbija A.D. Beograd. The project will be used to support the development of a microfinance portfolio.

21. Kazakhstan: Kazakhstan MSME Framework

22. Kazakhstan: Bank CenterCredit MSME Loan (sub-project under Kazakhstan MSME Framework)

- The Board of Directors approved the Kazakhstan MSME Framework of USD 200 million in the Kazakh Tenge equivalent. The funds will be available to Participating Financial Institutions (PFIs), including banks, micro-finance organisations and leasing companies, for on-lending to eligible micro, small and medium sized enterprises in Kazakhstan. The Framework will be accompanied by Technical Assistance programmes to enhance PFIs' MSME lending processes and risk management.

23. Regional: EMF New Europe Insurance Fund

- The Board of Directors approved an equity investment of up to USD 20 million (EUR 16.0 million) in EMF New Europe Insurance Fund, a private equity fund focused on investment in companies operating in insurance or insurance-related sectors.

24. Regional: Early-Stage Innovation Facility

- The Board of Directors approved the establishment of an Early-Stage Innovation Facility, a EUR 100 million facility for investments into early-stage venture capital funds across the Bank's countries of operation.

**25. Regional: Badia Impact Fund
(Sub-project under the Regional: Early-Stage Innovation Facility)**

- The Board of Directors approved, as the first investment under the Early-Stage Innovation Facility, a commitment of up to USD 8 million (EUR 6.4 million) in Badia Impact Fund. The investment will support early-stage innovative MSMEs primarily in Jordan and also elsewhere in SEMED.

26. Poland: Zywiec Hospital

- The Board of Directors approved a loan of PLN 43 million (EUR 10 million) to ICZ Properties and ICZ HealthCare. The loan will be used to co-finance alongside a group of commercial banks the replacement of the existing hospital in Zywiec (Poland) with new modern facility operated under a 30 year concession.

27. Other Business

No decisions were taken under Other business.