

PUBLIC

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

**MINUTES OF THE BOARD MEETING OF
13/14 DECEMBER 2017**

PUBLIC

Meeting of the Board of Directors – 13/14 December 2017
List of Attendance

Chairman
First Vice President
Secretary General
General Counsel

President
Phil Bennett
Enzo Quattrocioche
Marie-Anne Birken

Stephen Petri
Norbert Seiler

Directors

David Avarello
Phillip Barresi
Wioletta Barwicka-Lofthouse
Raphaël Bello
José Brito
Harold Freeman
Jörgen Frotzler
Filippo Giansante
Ove Jensen
Heinz Kaufmann
Yosuke Kawakami
Johannes Koskinen

Alternate Directors

Milan Martin Cvikl
Soomin Park
Kalin Mitrev
Alain Beauvillard
Anthony Bartzokas
Robin Tasker
Arnar Másson
Dante Brandi
Aloyzas Vitkauskas
Artem Shevaley
Masaya Otsuka
Dag Holler
László Havas
Brian McCauley
Sergey Verkashanskiy

Temporary Alternate Directors

Damir Cimer

Denis Morozov
Doug Nevison
Antonio Oporto
Horst Reichenbach

Pablo Gasós
Peter Basch
Yael Mevorach
Johann Ernst
Dragoş Andrei
Jane Macpherson
Jaap Rooimans

Maria Kohlweg

Klaus Stein
Taşkın Temiz
Andris Vilks
Frans Weekers

Secretariat

Colm Lincoln
Ana Drašković
Tom Edmondston-Low

Staff

András Simor
Pierre Heilbronn
Betsy Nelson
Alain Pilloux
Fernando Pons
Jonathan Charles
Sergei Guriev
Alexia Latortue
Janet Heckman
Hassan El Khatib
Natasha Khanjenkova
Jean Patrick Marquet
Nandita Parshad
Josué Tanaka

Isabelle Laurent
Thomas Girod
Lucyna Stanczak-Wuczynska
Sue Barrett
Eric Rasmussen
Wojtek Boniaszczuk
Natalya Zhukova
Vlaho Kojakovic
Anne Fossemalle
Susan Goeransson
Andrew Kilpatrick
Sevki Acuner

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 2017

- Kazakhstan: Shalkiya Zinc: Pre-Privatisation Loan (under Integrated Approach to Economic Inclusion in Natural Resources and Power)

On 29 November 2017

- SME Local Currency Programme: ETC Regional Window
- Albania Shareholder Special Fund – Albania: Support to the government for development of solar powered capacities (EUR 950,000)

On 30 November 2017

- Shareholder Special Fund – Tajikistan: Qairokkum Rehabilitation Post Signing TC (USD 1,400,000)
- Shareholder Special Fund – Regional: Programme to support development and implementation of the Paris Agreement and Nationally Determined Contributions (EUR 1,050,000)

On 5 December 2017

- Kyrgyz Republic, Bishkek Street Lighting Project
- Tajikistan: Khatlon Public Transport
- Egypt: Women in Business Technical Cooperation Programme (EUR 500,000)

On 6 December 2017

- Kosovo: Shareholder Special Fund: Kijeve – Zahaq Highway (EUR 600,000)
- EBRD Shareholder Special Fund (SSF): Serbia: - FIF-Portfolio Risk Sharing (under the Financial Intermediaries Framework)

On 7 December 2017

- Moldova : Shareholder Special Fund: Chisinau Solid Waste - Project Implementation Support Services (EUR 550,000)

On 8 December 2017

- Shareholder Special Fund: Azerbaijan: Clean City Project – Project Implementation Support Services and Corporate Development Programme (EUR 1,000,000)

On 11 December 2017

- Armenia: Shareholder Special Fund (SSF) – Co-investment project fiche - Gyumri Urban Road Project
- Albania: UKT Tirana Water — Project Implementation Support & Supervision Services (EUR 700,000)
- Regional: Shareholder Special Fund: Infrastructure Project Preparation Facility (“IPPF”) (EUR 10,000,000)

On 12 December 2017

- Shareholder Special Fund: Serbia: Green Cities Framework (GrCF) — Belgrade Green Boulevard (EUR 685,000)
- Shareholder Special Fund: Bosnia and Herzegovina: Corridor Vc (P3) — Federation of Bosnia and Herzegovina (EUR 975,000)
- Shareholder Special Fund: Regional: Caucasus Green Economy Financing Facility (EUR 1,200,000)
- Shareholder Special Fund: Egypt: Programme for Supporting Renewable Energy and Promoting Gender Equality in Egypt (EUR 700,000)

On 13 December 2017

- Regional: Shareholder Special Fund Green Economy Transition Policy Dialogue Framework (EUR 1,100,000)
- Poland: Financial Institutions Debt Capital Market Framework Extension

2. Executive Session:

- Details of the discussion of this item are withheld due to confidentiality reasons as set out in section E of the Bank’s Public Information Policy.

3. Minutes of the Board Meeting of 8 November 2017

- The Board of Directors approved the Minutes and Addendum of 8 November 2017.

- 4. Establishment of a Resident Office in Beirut, Lebanon
Report by the Chair of the Budget and Administrative Affairs Committee**
 - The Board of Directors approved the establishment of a Resident Office in Beirut, Lebanon.

- 5. Staff Compensation and Benefits Proposals for 2018
Report by the Chair of the Budget and Administrative Affairs Committee**
 - The Board of Directors did not approve the Staff Compensation and Benefits Proposals for 2018.

- 6. Summary of the Execution of the 2017 Borrowing Programme and the proposed 2018 Borrowing Programme
Report by the Chair of the Financial and Operations Policies Committee**
 - The Board of Directors approved the Execution of the 2017 Borrowing Programme and the proposed 2018 Borrowing Programme.

- 7. Extractive Mining Industries Strategy
Report by the Chair of the Financial and Operations Policies Committee**
 - The Board of Directors approved the Extractive Mining Industries Strategy, which covers the EBRD's financing for mining projects across its countries of operations and across sector teams. The Extractive Mining Industries Strategy is the result of the public consultation, which contributions of comments are summarised and answered in the Report on the Invitation to the Public to Comment.

- 8. Tunisia: Financial Intermediary Framework (FIF) – Banque de Tunisie SME Loan II and Regional: Trade Facilitation Programme (TFP) – Banque de Tunisie**
 - The Board of Directors approved a financing package to Banque de Tunisie (BT) comprising of (i) a EUR 50 million SME loan under the Financial Intermediaries Framework to be provided in two tranches of EUR 30 million and EUR 20 million, second tranche uncommitted; and (ii) a USD 20 million (EUR 17 million) uncommitted trade finance limit for guarantees and cash advances under the EBRD's Trade Facilitation Programme.
 - The loan will support lending to micro, small and medium-sized enterprises in Tunisia, while the trade finance limit will support BT's documentary operations and will provide a source of funding for pre-export and post-import financing and local distribution of imported goods.

9. Tunisia: Financial Intermediary Framework (FIF) – UBCI SME LOAN II, Regional: Trade Facilitation Programme (TFP) – UBCI and Risk Sharing Framework (RSF) – UBCI

- The Board of Directors approved: (i) a EUR 30 million SME loan under the Financial Intermediaries Framework to UBCI; (ii) a USD 10 million (EUR 8.98 million) trade finance limit for guarantees and cash advances under the EBRD's Trade Facilitation Programme, including a sub-limit of USD 5 million (EUR 4.49 million) for cash advances; and (iii) a EUR 10 million unfunded risk sharing framework.
- The loan will support lending to micro, small and medium-sized enterprises in Tunisia. The trade finance limit will support UBCI's documentary operations and will provide a source of funding for pre-export and post-import financing and local distribution of imported goods, while the RSF will be used for non-recourse unfunded risk participation in UBCI's individual sub-loans to eligible clients.

10. Greece: Project Athos

- The Board of Directors approved the investments of up to EUR 200 million in a series of mortgage covered bonds to be issued by Alpha Bank A.E. in Greece over the next two years. The EBRD's exposure to Alpha Bank's covered bonds will not exceed EUR 100 million at any point in time.

11. Tunisia: SNCFT Network Upgrade

- The Board of Directors approved a loan of up to EUR 160 million to Tunisia. The loan will be used by Société Nationale des Chemins de Fer Tunisiens, the national railway company, to fund track upgrades, realignment and electrification as well as the purchase of new Electric Multiple Units and signalling equipment.

12. Turkey: TPPD Privatisation

- The Board of Directors approved a loan of up to EUR 45 million to Turkuaz Petrol Ürünleri A.Ş. The loan will be used to finance the acquisition of 100% of the shares in state-owned Türkiye Petrolleri Petrol Dagitim A.Ş. from the Turkish Privatisation Administration.

**13. Romania: BRUA Pipeline
Report by the Chair of the Financial and Operations Policies Committee**

- The Board of Directors approved a loan of up to EUR 60 million to be provided in RON to SNTGN Transgaz SA. The loan will be used to finance the construction of Phase 1 of Bulgaria-Romania-Hungary-Austria pipeline on Romanian territory.

14. Egypt: Project Horus

- The Board of Directors approved a senior loan of up to USD 200 million (EUR 172 million) in favour of ADES International Holding Limited, a limited liability company incorporated in the United Arab Emirates, and its wholly-owned subsidiary Advanced Energy Systems SAE (ADES), a joint stock company incorporated in Egypt, comprised of a loan in the amount of USD 100 million (EUR 86 million) for the EBRD's own account, and co-financing in the amount of up to USD 100 million either on a parallel loan or a potential B loan basis, of which EBRD may underwrite up to USD 50 million. The operation will enable ADES to expand its offshore drilling fleet in Egypt and in the Middle East and North Africa region and to streamline its funding structure.

15. Ukraine: MHP Biogas

- The Board of Directors approved a senior loan of up to EUR 25 million to PJSC "Myronivsky Hliboproduct". The loan will finance construction of a 10 MW biogas plant in Ukraine.

16. Egypt: IDJ Beyti

- The Board of Directors approved a loan of up to USD 44 million (EUR 37 million) to International Company for Agricultural Industries Projects (Beyti) JSC, comprising: (i) a Committed Tranche of up to EGP 150 million (up to USD 8.5 million); and (ii) an Uncommitted Tranche of up to USD 35.5 million or EGP equivalent, to refinance existing short term loans and finance Beyti's expansion capex for 2018-2019.

17. Egypt: Project Baguette

- The Board of Directors approved a loan of USD 52 million (EUR 44 million) to Angel Yeast Egypt. The loan will be used for the construction of a new yeast extraction plant in Beni Suef, the construction of a waste water treatment facility and the provision of working capital.

18. Uzbekistan: Direct Financing Facility (DFF) – Imkon Plus Expansion

- The Board of Directors approved a loan of up to USD 10 million or its EUR equivalent to LLC Imkon Plyus. The loan will finance capital investments into (i) purchase and installation of ice-cream freezers and refrigerated trucks, and (ii) construction and development of a fruits and vegetables cold storage and processing facility.

19. Greece: Project Dimand

- The Board of Directors approved an equity investment of up to EUR 21.5 million in a joint venture between the EBRD and Arcela Investments Ltd, 100% owned by Dimand SA. The joint venture will invest in sustainable commercial real estate and hospitality projects in Greece, with a focus on office, mixed-use developments, city hotels and student accommodation projects. The first two joint venture projects approved are Piraeus Port Plaza 2 and Piraeus Port Plaza 3. The approval of EBRD commitment to any further project under the joint venture has been delegated to management.

20. Regional: Syntaxis New Europe Fund III

- The Board of Directors approved an equity investment of up to EUR 30 million in favour of Syntaxis New Europe Fund III SCSp, an investment fund to be established in Luxembourg. The EBRD's participation will enable the fund to make private debt and associated equity investments in small and medium-sized enterprises in central and eastern Europe, with the objective of achieving long-term capital growth.

21. Serbia: SMATSA Upgrade

- The Board of Directors approved a loan of up to EUR 35 million to Serbia and Montenegro Air Traffic Services SMATSA Llc. The loan will be used to finance the hardware and software upgrades of the air traffic control system, the data processing system and other equipment.

22. Ukraine: UZ Electrification Project

- The Board of Directors approved a sovereign-guaranteed loan in the amount of up to EUR 150 million to Public Joint Stock Company "Ukrainian Railways", vertically-integrated national railway company of Ukraine. The proceeds of the loan will be used to finance electrification of the railway line Dolynska-Mykolaiv-Kolosivka in South Ukraine, its connection to the high voltage grid and installation of a second track on single track sections on Dolynska-Mykolaiv line.

23. Kosovo: Kijeve – Zahaq Highway

- The Board of Directors approved a sovereign loan of up to EUR 71 million to Kosovo to finance the construction of a new highway section. The project will support Kosovo's economic development and regional integration by improving connectivity between its main cities and between Kosovo and neighbouring Montenegro.

24. Montenegro: CTGC (Port of Bar) Privatisation Project

- The Board of Directors approved a senior secured loan in the amount of up to EUR 20 million to the Joint Stock Company “Port of Adria”, which operates the container and general cargo port terminals at the port of Bar in Montenegro. The company was privatised by Global Ports Holding in November 2013. The EBRD’s financing will enable the Global Ports Holding and Port of Adria to complete their privatisation commitments to the government of Montenegro, in particular with regard to investment and social programmes.

25. Ukraine: Ukraine Public Sector Energy Efficiency Framework (PSEEF)

- The Board of Directors approved the Ukraine Public Sector Energy Efficiency Framework consisting of loans to municipal public transport companies in Ukraine for an aggregate amount of up to EUR 100 million of EBRD finance. The approval of sub-projects under the Framework, beyond the first sub-project, was delegated to management for sub-projects of up to EUR 25 million (excluding any non-TC grant financing and concessional financing from the CTF) and not categorised as “A” under the Environmental and Social Policy.

26. Ukraine: Kremenchuk Public Buildings EE

- The Board of Directors approved Kremenchuk Public Buildings Energy Efficiency, the first sub-project under the Ukraine Public Sector Energy Efficiency Financing Framework, comprising a loan of up to EUR 6 million, to be complemented by up to EUR 1.5 million concessional loan from the Clean Technology Fund and EUR 1.5 million grant co-financing from the EBRD Shareholder Special Fund to the Communal Enterprise “Kremenchuzka Municipalna Energoservisna Kompanya”. The financing will be used to improve the energy efficiency of public buildings in the City of Kremenchuk, including kindergartens, schools and hospitals.

**27. Strategy Implementation Plan 2018-2020
Report by the Chair of the Budget and Administrative Affairs Committee**

- The Board of Directors approved the Strategy Implementation Plan 2018-2020.

28. Executive Session

- Details of the discussion of this item are withheld due to confidentiality reasons as set out in section E of the Bank’s Public Information Policy.

29. Other Business

- No decisions were taken