

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

**MINUTES OF THE BOARD MEETING OF
17 SEPTEMBER 2013**

Meeting of the Board of Directors – 17 September 2013
List of Attendance

Chairman
First Vice President
Secretary General
General Counsel

President
Phil Bennett
Enzo Quattrocioche
Emmanuel Maurice

Directors

Sang Goo Byun
Claire Dansereau
Alain de Cointet
Evren Dilekli
Seán Donlon
Toshiyuki Furui
Michel Grilli
Werner Gruber
Zbigniew Hockuba
Ole Hovland
James Hudson
András Kármán
Giorgio Leccesi
Vassili Lelakis
Abel Mateus
Denis Morozov
Jonathan Ockenden
Antonio Oporto
Joachim Schwarzer
Johannes Seiringer
Jean-Louis Six
Eva Srejber
Paul Vlaanderen

Alternate Directors

Bob McMullan

Jérôme Baconin
Virginia Gheorghiu
Ole Blöndal
Nobuyuki Oyama
Heinz Olbers
Artem Shevlev
Stefka Slavova
Jorma Korhonen
Christina Segal-Knowles

Dante Brandi
Peter Basch
Anthony Bartzokas
Sergey Verkashanskiy
Gary Roberts
Enrique Bal
Joachim Steffens
Eran Pollak
Irena Sodin
Anna Björnemark
Ronald Elkhuisen

Secretariat

Colm Lincoln
Milica Delević

Nikola Milushev

Staff

Manfred Schepers
Betsy Nelson
András Simor

Olivier Descamps
Natasha Khanjenkova
Alain Pilloux
Jean-Marc Peterschmitt
Riccardo Puliti
Josué Tanaka

Erik Berglöf
Jonathan Charles
Joe Eichenberger
Hans Peter Lankes
Enery Quinones

Paulo Sousa
Ray Portelli
Norbert Seiler
Alan Rousso
Hildegard Gacek
Tarek Osman

Jean-Patrick Marquet
Meltem Ankara
Francis Malige
Nandita Parshad
Anes Jusic

1 Adoption of the Agenda

- The Agenda was approved.

2 Russian Federation: Irkutsk Oil II

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

3 Update on developments in the SEMED region and options for the Board on next steps

- The Board considered the update provided by management and possible next steps.

4 Minutes of the Board Meeting of 4 September 2013

- The Board approved the Minutes of 4 September 2013.
- Since the Board Meeting of 4 September 2013, the following items were approved on a no-objection basis:

On 9 September 2013:

- Appointment of Mr Glen Armstrong as Compliance Review Expert on EPS Kolubara Environmental Improvement Project
- Romania: Shareholder Special Fund – EGP Romania programme – SMEs: Vitacom Electronics, Senator Prodimpex, Cartrans Group

On 10 September 2013:

- Bosnia and Herzegovina: Bijeljina Phase 2 – Wastewater Treatment Plant
- Regional: Trade Facilitation Programme – Morocco: Crédit du Maroc - Establishment of TFP limit of USD 40 million

On 11 September 2013:

- Shareholder Special Fund – Implementation of a Crop Receipt System in Serbia (EUR 400,585)

5 Institutional Performance Report: Second Quarter 2013 Quarterly Risk Review: Second Quarter 2013 Report by the Chair of the Budget and Administrative Affairs Committee Report by the Chair of the Audit Committee

- The Board approved the Institutional Performance Report: Second Quarter 2013 and took note of the Quarterly Risk Report: Second Quarter 2013.

6 Ukraine: Legal Infrastructure for Private Sector Energy Efficiency Projects: Dnipropetrovsk

- The Board approved a loan of up to EUR 20 million to the Communal Enterprise “Dnipropetrovska Municipalna Energioservisna Kompanya”, guaranteed by the City of Dnipropetrovsk. The loan will be used to finance priority energy efficiency investments in the City’s public buildings and street lighting procured by the Company on the basis of Energy Performance Contracting.

7 Regional: Mediterrania Capital II

- The Board approved an equity investment of up to EUR 20 million in Mediterrania Capital II, a capital growth investment fund incorporated in Malta as a “Société d'Investissement à Capital Variable” (SICAV). The Bank’s investment will enable the fund to make equity and equity-related investments mainly in small and medium-sized companies primarily in Morocco and Tunisia with the objective of achieving long-term capital growth.

8 Russian Federation: Project Bluebird

- The Board approved an equity investment of up to USD 30 million (EUR 23 million) and a bond subscription of up to USD 80 million (EUR 61 million) to Borets Group. The equity and bond investment will be used to: (i) finance the investment and R&D programmes in Russia, (ii) repay all existing financial debt, and (iii) finance the purchase of 35.61% of the company’s shares from Weatherford International.

9 Turkey: Mid-Size Sustainable Energy Financing Facility – Extension (MIDSEFF II) - Isbank II

- The Board approved an up to EUR 50 million equivalent investment in EUR or USD denominated senior bond notes issued under the existing Diversified Payment Rights programme of Türkiye IsBankasi for a maturity of up to 12 years. The facility will be used for on-lending to the private sector for investments in renewable energy, industrial energy efficiency and waste-to-energy projects under the Facility.
- The Board also approved the reduction of the direct exposure to selected sub-projects of the previously approved Isbank project under MidSEFF II from EUR 50 million to EUR 25 million and the reallocation of the excess EUR 25 million to the proposed project.
- All of the sub-loans financed with Isbank under the MidSEFF with or without EIB’s co-financing including for avoidance of doubt the ones where EBRD is taking a direct risk participation will comply with the EIB’s Guide to Procurement. The Terms of Reference of the Project Consultant include the specific language to ensure that the

additional element of the feed-in tariff foreseen under the amended Renewable Energy law are not taken into account while assessing the profitability of each sub-project.

10 Turkey: Garanti Bank – SME Financing Facility

- The Board approved an investment of up to USD 100 million (EUR 75 million) in a series of USD denominated rated senior bond notes issued under GarantiBank's existing Diversified Payment Rights (DPRs) securitisation programme which securitise the current and future hard currency payment orders of GarantiBank.
- The facility will be used to expand access to medium and long-term funds for SMEs operating in the economically depressed regions of Turkey, and will increase competitiveness of SMEs by piloting an approach to financing clusters.

11 Bosnia and Herzegovina: EPBiH Hydro Power Plants Project

- The Board approved a secured two parallel tranche corporate loan of up to EUR 35 million to JP Elektroprivreda Bosne i Hercegovine d.d. – Sarajevo. Tranche 1 of up to EUR 9 million will finance rehabilitation of Una Hydro Power Plant on river Una in the vicinity of the city of Bihac. Tranche 2 of up to EUR 26 million will finance the construction of a 20MW Vranduk Hydro Power Plant on river Bosna in the vicinity of the town of Vranduk.

12 Other Business

No decisions were taken under Other business