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

**MINUTES OF THE BOARD MEETING OF
17/18 JULY 2018**

PUBLIC

Meeting of the Board of Directors – 17/18 July 2018
List of Attendance

Chairman	President	
First Vice President	Jürgen Rigterink	
Deputy Secretary General	Colm Lincoln	
General Counsel	Marie-Anne Birken	
Directors	Alternate Directors	Temporary Alternate Directors
David Avarello	Milan Martin Cvikl	
Phillip Barresi	Soomin Park	
Wioletta Barwicka-Lofthouse	Kalin Mitrev	
Raphaël Bello	Alain Beauvillard	
José Brito	Anthony Bartzokas	
Harold Freeman	Robin Tasker	
Jörgen Frotzler		
Filippo Giansante	Massimo Carnelos	
László Havas		
Heinz Kaufmann	Artem Shevaley	
Yosuke Kawakami	Masaya Otsuka	
Johannes Koskinen	Dag Holler	
Doug Nevison		Ikhlas Amghar
Antonio Oporto	Pablo Gasós	
	Peter Basch	
Johannes Seiringer	Jens Lundsgaard	
Judy Shelton	Yael Mevorach	
	Brian McCauley	
Taşkın Temiz	Brigitte Schwarzdorf-Ruckdeschel	
Sergey Verkashanskiy	Dragoş Andrei	
Andris Vilks	Jane Macpherson	
Frans Weekers	Jaap Rooimans	
Secretariat		
Tom Edmondston-Low		
Staff		
Pierre Heilbronn	Elisabetta Falcetti	
Betsy Nelson	Guillaume Le Bris	
Alain Pilloux	Lukas Kuzmiak	
Jonathan Charles	Julien Mauduit	
Alexia Latortue	Olga Yeriomina	
Janet Heckman		
Josué Tanaka		
Arvid Tuerkner		
Milica Delevič		
Roger Kelly		
Rosalie Channell		
Susan Goeransson		
Frederic Lucenet		
Jim Turnbull		
Natalya Zhukova		
Sule Kilic		
Noel Edison		
Harry Boyd-Carpenter		
Anne Fossemalle		

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 11 July 2018

- Request for authorisation by a Board Official under Rule 14(c) of the Code of Conduct for Officials of the Board of Directors of the EBRD
- Kazakhstan: Kyzyl project (under Integrated Approach to Economic Inclusion in Natural Resources and Power)
The Director for the United States asked to be recorded as abstaining on the project.

On 16 July 2018

- Proposal to Establish the EBRD-EU Special Fund

2. Minutes of the Board Meeting of 26 April 2018

- The Board of Directors approved the Minutes and Addendum of 26 April 2018.

3. Appointment of Chairs, Vice Chairs and Members of Board Committees: 2018-2019

- The Board of Directors approved the appointment of Chairs, Vice Chairs and Members of Board Committees for 2018-2019.

4. Bank's Response to Compliance Challenges with the Political Principles in Article 1 Report by the Chair of the Financial and Operations Policies Committee

- The Board of Directors approved the Addendum to the Procedures to Implement the Political Aspects of the Mandate of the Bank.

5. Bulgaria: ESIF/EBRD Water Sector Financing FW Report by Chair of the Financial and Operations Policies Committee

- The Board of Directors approved a Framework of up to EUR 230 million, which will be funded with up to EUR 115 million of EBRD's own resources and up to EUR 115 million of financial contributions from the European Structural and Investment Funds. The Framework will be used to co-finance investment projects in water supply,

sewage and wastewater treatment in Bulgaria either through loans or partial credit guarantees alongside EU Cohesion and Structural Funds grants under the Operational Programme Environment 2014-2020.

- The Board of Directors approved a derogation from the Donor Funds Fee Policy in relation to the Framework to allow the EBRD to calculate and retain fees in accordance with EU regulations.
- The Board of Directors approved an exception from EBRD's Procurement Policies and Rules (PP&R) as envisaged under Clause 2.4 of the EBRD's PP&R for sub-projects under the Framework.
- The first sub-operation under the Framework will be submitted to the Board of Directors for approval. Thereafter, approval of sub-projects not exceeding EUR 25 million will be delegated to management, unless these are categorised 'A' under the EBRD's Environmental and Social Policy. Delegated approval would apply to both the sub-project and the related PP&R exception.

6. 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.

7. 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.

8. Romania: Romania - Sustainable Water Infrastructure Facility

- The Board of Directors approved a framework of up to EUR 250 million to provide co-financing loans for projects in the water and wastewater sector alongside EU Cohesion Funds.
- The Framework requires an exception from the use of the EBRD's Procurement Policies & Rules (PP&R) as envisaged under Article 2.4 of the PP&R for projects jointly co-financed with EU Cohesion/Structural Funds.
- Approval of sub-projects not exceeding EUR 25 million will be delegated to management, unless these are categorised 'A' under the EBRD's Environmental & Social Policy. Delegated approval would apply to both the sub-project and the related PP&R exception.

9. Romania: Constanta (under Romania - Sustainable Water Infrastructure Facility)

- The Board of Directors approved a loan of up to EUR 25 million to be provided in two tranches to SC Raja SA Constanta. It is the first sub-project proposed under the SWIFT Framework.
- Tranche 1 of up to EUR 15 million will be used to co-finance water and wastewater infrastructure and services part of the company's EU operational programme. Tranche 2 of up to EUR 10 million will finance a water loss reduction programme with a private operator.
- Tranche 1 requires an exception from the EBRD's Procurement Policies & Rules (PP&R) as envisaged under Clause 2.4 of the EBRD's PP&R for projects jointly co-financed with EU Cohesion/Structural Funds.

10. Tunisia: Small Cities Sanitation Programme

- The Board of Directors approved a sovereign guaranteed loan of EUR 75 million to ONAS to co-finance the Small Cities Sanitation Programme alongside the African Development Bank.
- The Board of Directors also approved an exception to the EBRD's Procurement Policies & Rules as envisaged by paragraph 2.4 for projects jointly co-financed with other multilateral financial institutions.
- Finally, the Board of Directors approved the utilisation of funds under the EBRD Shareholder Special Fund Work Plan 2018 in the amount of EUR 1.9 million in favour of the proposed TCs.

10.1 In response to a question from a few Directors about how to ensure effective implementation, management outlined that they, and the counterparts in the AfDB, took this issue very seriously. A PIU had been put in place 6 months prior, and technical assistance on the procurement side was being provided by AfDB.

11. Egypt: Cairo Metro (under Egypt: Cairo Urban Transport Integrated Approach)

- The Board of Directors approved a sovereign loan of up to EUR 205 to Egypt to finance the rehabilitation of Metro Line 1, Cairo's oldest and busiest metro line.

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- 12. Poland: ZAT GET (Green Economy Transition)**
 - The Board of Directors approved the project.
 - Disclosure of project information was delayed in accordance with Section E.2 of the Public Information Policy.
- 13. Greece: Greek Corporate Bonds Framework II**
 - The Board of Directors approved the project.
 - Disclosure of project information was delayed in accordance with Section E.2 of the Public Information Policy.
- 14. Greece: Schwarz Sustainable Retail Greece**
 - The Board of Directors approved the project.
 - Disclosure of project information was delayed in accordance with Section E.2 of the Public Information Policy.
- 15. Ukraine: Astarta Working Capital Support Loan**
 - The Board of Directors approved the project.
 - Disclosure of project information was delayed in accordance with Section E.2 of the Public Information Policy.
- 16. Turkey: TRY Corporate Bond Framework II**
 - The Board of Directors approved TRY Corporate Bond Framework II for a TRY 1,200 million to invest in local currency corporate bond debt instruments with maturities not less than two years and a maximum of six years issued by Turkish corporates in Turkey excluding banks and non-bank financial institutions.
 - The Framework II will be used to invest in fixed and hedgeable floating rate issuances with tenors in excess of the current market averages and improve disclosure standards beyond the standards required by the Capital Markets Board of Turkey.

17. Slovak Republic: Green Economy Financing Facility

- The Board of Directors approved a new up to EUR 200 million Green Economy Financing Facility in the Slovak Republic to be distributed via senior credit lines to Participating Financial Institutions for on-lending to municipalities and public or privately-owned companies including companies providing services to municipalities and municipal institutions and residential sector borrowers (housing associations), for investments in green technologies. The Framework will contribute towards building a green economy via the expansion of sustainable energy and resources' financing to municipalities in the Slovak Republic.

18. Slovak Republic: Slovenska Sporitelna (under Slovak Republic: Green Economy Financing Facility)

- The Board of Directors approved an up to EUR 50 million credit line to Slovenska Sporitelna a.s., a commercial bank incorporated in the Slovak Republic, under the Green Economy Financing Facility in the Slovak Republic (GEFF). Under the GEFF, Slovenska Sporitelna will finance municipalities and public or privately-owned companies including companies providing services to municipalities and municipal institutions and residential sector borrowers (housing associations), for investments in green technologies. The project will contribute to increased financial intermediation and financing of green economy technologies and services in municipal segment in the Slovak Republic.

19. Slovak Republic: VUB – GEFF Slovak Republic (under Slovak Republic: Green Economy Financing Facility)

- The Board of Directors approved an up to EUR 20 million credit line to Všeobecná úverová banka, a.s. (VUB), a commercial bank incorporated in the Slovak Republic, under the Green Economy Financing Facility in the Slovak Republic (GEFF). Under the GEFF, VUB will finance municipalities and public or privately-owned companies including companies providing services to municipalities and municipal institutions and residential sector borrowers (housing associations), for investments in green technologies. The project will contribute to increased financial intermediation and financing of green economy technologies and services in municipal segment in the Slovak Republic.

20. West Bank and Gaza: TNB MSME Loan (under Financial Intermediaries Framework “FIF”) and TNB (under Regional Trade Facilitation Programme “TFP”)

- The Board of Directors approved (i) a USD 50 million SME loan under the Financial Intermediaries Framework (EUR 40.8 million), and (ii) a trade finance limit of up to USD 50 million (EUR 40.8 million) to SGBL, the fifth-largest bank in Lebanon.

- The SME loan will increase availability of medium-term funding for small and medium sized enterprises in Lebanon, which remain underserved. The trade finance limit will support SGBL’s documentary operations and will foster further trade integration in Lebanon through the extension of trade finance guarantees or credit lines to cover the political and commercial payment risk of international trade transactions undertaken by SGBL.

21. Lebanon: SGBL – SME Loan (under Financial Intermediaries Framework “FIF”)

- The Board of Directors approved (i) a USD 50 million SME loan under the Financial Intermediaries Framework (EUR 40.8 million) and (ii) a trade finance limit of up to USD 50 million (EUR 40.8 million) to SGBL, the fifth-largest bank in Lebanon.
- The SME loan will increase availability of medium-term funding for small and medium sized enterprises in Lebanon, which remain underserved. The trade finance limit will support SGBL’s documentary operations and will foster further trade integration in Lebanon through the extension of trade finance guarantees or credit lines to cover the political and commercial payment risk of international trade transactions undertaken by SGBL.

22. Turkey: Garanti (under Financial Intermediaries Framework “FIF”) and Turkey Women in Business II (“TURWIB II”)

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

23. Ukraine: Sustainable Energy Lending Facility III

- The Board of Directors approved a facility of up to EUR 250 million to finance private renewable energy generation projects in Ukraine. In addition to supporting specific projects, targeting the avoidance of at least 300,000 tons of CO₂ emissions annually, the facility will be integrated with policy dialogue and technical cooperation to develop further the regulatory framework for renewable energy in Ukraine.

24. Turkey: Project Bal

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

25. Armenia: EU-Armenia SME Fund

- The Board of Directors approved an equity investment of up to USD 5 million (EUR 4.3 million) in favour of the EU-Armenia SME Fund. The investment will enable the fund to make equity and quasi-equity investments primarily in small and medium sized enterprises in Armenia.

26. Regional: Mid Europa Fund V

- The Board of Directors approved the project.

27. Other Business

- No decisions were taken.