

PUBLIC

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

**MINUTES OF THE BOARD MEETING OF
24/25 JULY 2019**

PUBLIC

Meeting of the Board of Directors – 24/25 July 2019
List of Attendance

Chairman

Chairman from item 8
Chairman from item 20

First Vice President

Secretary General

Deputy General Counsel

President

Jürgen Rigterink

Betsy Nelson

Jürgen Rigterink

Enzo Quattrociocche

Norbert Seiler/Stephen Petri

Directors

David Avarello

György Barcza

Raphaël Bello

José Brito

KyooHong Cho

Harold Freeman

Jörgen Frotzler

Filippo Giansante

Karina Karaivanova

Felipe Martínez

Shinichi Nakabayashi

Doug Nevison

Michael Offer

Horst Reichenbach

Per Sanderud

Judy Shelton

Taşkın Temiz

Leander Treppel

Sergey Verkashanskiy

Andris Vilks

Patrick Walsh

Frans Weekers

Remigi Winzap

Alternate Directors

Milan Martin Cvikl

Martina Kobilicová

Alain Beauvillard

Anthony Bartzokas

Philip Lindsay

Marion Ando

Arnar Másson

Massimo Carnelos

Wioletta Barwicka-Lofthouse

Pablo Gasós

Masaya Otsuka

Brigitte Schwardorf-Ruckdeschel

Peter Basch

Ilkka Räisänen

Dragoş Andrei

Yael Mevorach

Maria Smirnova

Jane Macpherson

Jens Lundsgaard

Hui Li

Artem Shevalev

Secretariat

Colm Lincoln

Irena Postlova

Staff

Paulo Sousa

Betsy Nelson

Alexia Latortue

Jonathan Charles

Hassan El Khatib

Natasha Khanjenkova

Francis Malige

Josué Tanaka

Arvid Tuerkner

Balthasar Lindauer

Milica Delević

Gwilym Jones

Michelle Phooko

Aude Pacatte

Sue Barrett

Melis Ekmen Tabojer

Alexander Saveliev

Mike Taylor

Harry Boyd-Carpenter

Sue Goeransson

Florence Bachelard-Bakal

Almaz Toigonbaev

Dana Kupova

Elisabetta Falcetti

Evgeny Smirnov

1. Adoption of the Agenda

Minutes

- 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 10 July 2019

- Tajikistan: Tajikistan Air Navigation
- Serbia: Sabac Buildings EE

On 16 July 2019

- Regional: SME Local Currency Programme – Changes to the Rules of the SME Local Currency Programme Special Fund

On 19 July 2019

- Slovak Republic: VUB-SLOVSEFF III Sustainable Energy Finance Facility Extension

On 23 July 2019

- Request for authorisation by a Board Official under Rule 6(f) of the Code of Conduct for Officials of the Board of Directors of the EBRD

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. Preparatory work for the Strategic and Capital Framework 2021-2025: Roadmap

- The Board of Directors approved the Roadmap for the Preparatory Work for the Strategic and Capital Framework 2021-2025 and its transmission to the Board of Governors, as envisaged in the Board of Governors' Resolution No.219.

4. Strategy for Turkey (BDS/TK/19-01 and Report on the Invitation to the Public to Comment

- The Board of Directors approved the five-year Country Strategy for Turkey.

5. Appointment of the External Auditor from 2020-2024

Minutes

- The Board of Directors approved the appointment of the External Auditor from 2020-2024.

6. Appointment of Chairs, Vice Chairs and Members of Board Committees: 2019-2020

- The Board of Directors approved the appointment of Chairs, Vice Chairs and Members of Board Committees: 2019-2020.

7. Frontier Clearing Corporation B.V. – Proposed Capital Restructuring

- The Board of Directors approved the conversion of the EBRD's USD 25 million investment in Senior Notes issued by Frontclear to Junior Notes. The approval is granted for this Treasury investment as a derogation to the Treasury Authority & Liquidity Policy. The conversion will allow the Frontier Clearing Corporation to expand its capacity to deliver on its mission to improve the functioning of local markets and as an important partner for the EBRD's market development work.

8. Egypt: Project Swan

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

9. Turkey: Tekirdag Port Project

- The Board of Directors approved a senior secured loan in the amount of up to USD 17.5 million (EUR 15.4 million) to Ceyport Tekirdag Uluslararası Liman İşletmeciliği A.S., a limited liability company incorporated in Turkey, ultimately 100% owned by the Avci family, who established and manage Ceynak Lojistik ve Ticaret A.S. The EBRD's financing will be used to finance the acquisition of the operating rights of Tekirdag Port and its modernisation and capacity expansion.

- 10. Turkey: FIF – QNB Finans Leasing SME Loan (under Regional: Financial Intermediaries Framework)**
- The Board of Directors approved a senior unsecured A/B loan of up to EUR 55 million to QNB Finans Finansal Kiralama A.S., consisting of an A loan of EUR 40 million from the EBRD's own account, and a B loan of up to EUR 15 million syndicated to the market. The loan will be the first to a leasing company under the Financial Intermediaries Framework in Turkey and will support MSME lease financing in regions that remain relatively underserved.
- 11. Regional: Green Climate Fund - Green Economy Financing Facilities (GCF-GEFF) Framework – Extension**
- The Board of Directors approved the increase of the available headroom under the GCF-GEFF Framework by up to additional USD 400 million (the Extension), of which USD 300 million is to be provided from the EBRD's ordinary capital resources, and up to USD 100 million is to be provided by the Green Climate Fund (GCF) via the GCF-EBRD Special Fund. The Extension will provide financing to qualifying local financial institutions for on-lending to private sector participants for investments in climate change mitigation and adaptation projects supporting Green Economy Transition.
- 12. Egypt: QNB AIAhli (under Egypt Green Economy Financing Facility (EgyptGEFF), Regional Green Climate Fund - Green Economy Financing Facilities Framework (GCF GEFF) and Financial Intermediaries Framework (FIF))**
- The Board of Directors approved a financing package consisting of four facilities in the amount of up to USD 82 million (EUR 72.7 million) to QNB AIAhli guaranteed by the Borrower's parent Qatar National Bank, and co-financed by GCF for an amount of up to USD 13.5 million (EUR 12 million). The proposed package supports: (i) energy efficiency and small renewable projects in the private sector under EgyptSEFF for an amount of USD 17 million (EUR 15 million), (ii) local corporates for investments in climate change mitigation and adaptation technologies under the regional GCF GEFF Regional Framework in Egypt for an amount of USD 20 million (EUR 18 million), (iii) private SMEs within certain value chains for capex investments in climate change mitigation and adaptation technologies under the regional GCF GEFF Regional Framework in Egypt for an amount of USD 34 million (EUR 30 million), and (iv) SMEs within certain value chains for capex investments to enhance their competitiveness under FIF for an amount of USD 11 million (EUR 10 million).
 - The Board of Directors also approved non-TC grant support in the amount of USD 2 million from the Special Shareholder Fund alongside the investment, for incentive payments to sub-borrowers, payable upon successful completion and verification of eligible sub-projects.

13. Egypt: Attijariwafa Egypt Sub Debt

- The Board of Directors approved a loan to Attijariwafa Bank Egypt SAE (AWBE) of up to USD 25 million (EUR 22.5 million). The project will help further strengthen AWBE's Tier II capital to support the bank's lending growth in Egypt.

14. West Bank and Gaza: Regional TFP: Quds Bank (under Regional Trade Facilitation Programme)

- The Board of Directors approved a trade finance limit of up to USD 2 million (EUR 1.8 million) to Quds Bank, the third largest local commercial bank in West Bank and Gaza.

15. Ukraine: Ukrenergo Transmission Network Modernisation

- The Board of Directors approved a sovereign-guaranteed loan of up to EUR 149 million to Ukrenergo, the Ukrainian transmission system operator. The loan will be used to finance the modernisation of Ukraine's power transmission system through procurement and installation of new transformers as well as automation and upgrade of high voltage substations.

16. Ukraine: Project Voyager

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

17. Ukraine: Ukraine Public Transport II (UPTFII)

- The Board of Directors approved the Ukraine Public Transport Framework II consisting of loans to municipal public transport companies in Ukraine for an aggregate amount of up to EUR 250 million. 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 and not categorised as "A" under the Environmental and Social Policy.

18. Ukraine: Poltava Trolleybus (under Ukraine Public Transport II)

- The Board of Directors approved a senior loan of up to EUR 10 million in favour of Communal Enterprise "Poltavaelectroavtotrans" to finance the acquisition of low-floor trolleybuses and associated infrastructure. The loan will be guaranteed in full by the City of Poltava. This is the first sub-project under the framework Ukraine Public Transport II.

19. Regional: Baltcap Private Equity Fund III

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

20. Greece: EOS Hellenic Renaissance Fund

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

21. Belarus: Kronospan Belarus Expansion

Minutes

- The Board of Directors approved a loan of EUR 84.6 million to Kronospan OSB FLLC, and a loan of EUR 124.2 million to Kronospan FLLC. The loans will be used to increase the production capacity of both plants, upgrade their manufacturing facilities and infrastructure, and expand their railway fleet to facilitate the transportation of their products in the region.

22. Poland: Project Lionsgate

- 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. Other Business

- No Decisions were taken