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

**MINUTES OF THE BOARD MEETING OF
3/4 MAY 2017**

PUBLIC

Meeting of the Board of Directors – 3/4 May 2017
List of Attendance

Chairman
First Vice President
Secretary General
General Counsel

President
Phil Bennett
Enzo Quattrocioche
Marie-Anne Birken

Directors

Phillip Barresi
Raphaël Bello
Evren Dilekli
Raffaella Di Maro
Harold Freeman
Jörgen Frotzler
Zbigniew Hockuba
Ove Jensen
Heinz Kaufmann
Yosuke Kawakami
Johannes Koskinen
Klára Król
Abel Mateus
Denis Morozov

Antonio Oporto
Horst Reichenbach
Johannes Seiringer

Klaus Stein
Andris Vilks
Frans Weekers

Secretariat

Colm Lincoln
Ana Drasković
Irena Postlova

Staff

András Simor
Pierre Heilbronn
Luise Hölscher
Betsy Nelson
Jonathan Charles
Sergei Guriev
Janet Heckman
Hassan El Khatib
Sylvia Gansser-Potts
Natasha Khanjenkova
Francis Malige
Jean Patrick Marquet
Nick Tesseyman
Claudio Viezzoli

Alternate Directors

Brian McCauley
Soomin Park
Gustave Gauquelin
Dragoş Andrei
Dante Brandi

Kalin Mitrev
Aloyzas Vitkauskas
Artem Shevaley
Makoto Honda
Dag Holler

Anthony Bartzokas
Sergey Verkashanskiy

Pablo Gasós
Peter Basch
Eddy Azoulay
Miguel Marques
Johann Ernst

Jaap Rooimans

Temporary Alternate Directors

Mário Virčik

David Hewitt

1. Adoption of the Agenda

- The Agenda was approved.

2. Minutes of the Board Meeting of 5 April 2017

- The Board of Directors approved the Minutes and Addendum of 5 April 2017.

3. Confidential Item

- 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.

**4. EBRD Engagement in the West Bank and Gaza
Report by the Chair of the Financial and Operations Policies Committee**

- The Board of Directors approved the transmittal of the Report of the Board of Directors to the Board of Governors on EBRD Engagement in the West Bank and Gaza.

**5. Report of the Board of Directors to the Board of Governors: 2016 Net Income
Allocation Proposals
Report by the Chair of the Financial and Operations Policies Committee**

- The Board of Directors approved the transmittal of the Report of the Board of Directors to the Board of Governors: 2016 Net Income Allocation.

6. Draft Agenda for the 2017 Annual Meeting

- The Board of Directors approved for transmittal to Governors the Draft Agenda for the 2017 Annual Meeting.

7. Strategy for Montenegro and Report on the invitation to the public to comment

- The Board of Directors approved the four-year Country Strategy for Montenegro.

**8. Economic Inclusion Strategy (EIS)
Report on the invitation to the public to comment
Report by the Chair of the Financial and Operations Policies Committee**

- The Board of Directors approved the Economic Inclusion Strategy.

**9. Ukraine: Extension of the Reform Anchoring and Crisis Response Package for Ukraine
Report by the Chair of the Financial and Operations Policies Committee**

- The Board of Directors approved the extension of the Reform Anchoring and Crisis Response Package for Ukraine.

10. Regional: Small Business Initiative – Annual Review for 2016 and Strategic Priorities for 2017

- The Board of Directors approved the headroom allocations for delegated approval of exposures of EUR 25 million or less for the three Small Business Initiative frameworks for the period between the date of approval of this item and the date of approval by the Board of Directors of the annual headroom allocations for 2018, as follows:

- (i) Financial Intermediaries Framework – EUR 750 million
- (ii) Risk Sharing Framework - Direct – EUR 100 million
- (iii) Direct Finance Framework SME – EUR 180 million

11. Poland: Project Leapfrog Equity

- The Board of Directors approved an equity investment of up to EUR 25 million in Heket Holdings S.à r.l. for the acquisition of Zabka Polska S.A. alongside CVC Capital Partners. Zabka Polska is a convenience store retail chain operating in Poland.

12. Kazakhstan: Integrated Approach To Economic Inclusion in Natural Resources and Power

- The Board of Directors approved the Integrated Approach to Economic Inclusion in Natural Resources and Power in Kazakhstan.

13. Kazakhstan: Kyzyl Project (under Integrated Approach to Economic Inclusion in Natural Resources and Power)

- The Board of Directors approved a loan of USD 140 million (EUR 131.6 million) to Bakyrchik Mining Venture LLP. The proceeds from the loan will finance the development of the Kyzyl gold mine in Kazakhstan.

14. Regional: Emerging Europe Growth Fund III

- The Board of Directors approved an equity investment of up to USD 30 million in favour of Emerging Europe Growth Fund III, a limited partnership incorporated in Delaware, USA. The Bank's participation will enable the Fund to make equity and quasi-equity investments in small and medium-sized enterprises and mid-market companies primarily in Ukraine, but also in Moldova and Belarus, with the objective of achieving long-term capital growth.

15. Egypt: Fayoum Wastewater Expansion Programme

- The Board of Directors approved a tranching loan of up to EUR 186 million to Egypt for the expansion of the wastewater treatment and sewerage network in the Fayoum governorate, with a committed first tranche of up to EUR 137 million. The Board of Directors further approved delegation to management for the commitment of the second tranche of the loan.

16. Egypt: ENR – Locomotive Renewal Programme

- The Board of Directors approved a loan of up to EUR 290 million to Egypt, to be on-lent to Egyptian National Railways and consisting of a committed tranche of EUR 150 million and an uncommitted tranche of EUR 140 million to purchase up to 100 diesel locomotives.

17. Turkey: Project Ekol Ro-Ro II

- The Board of Directors approved a loan of EUR 18.5 million and an increase of EUR 9 million under an existing facility to Alternative Tasimacilik A.S. The loan will enable Alternative Tasimacilik A.S. to acquire a modern Ro-Ro vessel to provide maritime logistic services between the ports of Haydarpasa in Turkey and Trieste in Italy.

18. Turkey: Tersan Floating Dock

- The Board of Directors approved a loan of up to USD 21.0 million (EUR 19.8 million), including USD 1.5 million (EUR 1.4 million) of Resource Efficiency Investments, to Tersan Tersanecilik Tasimacilik Sanayi ve Ticaret A.S. The loan will be used for the construction of a new floating dock in Yalova, Turkey, for the servicing, retrofitting and repairing of commercial maritime vessels.

19. Turkey: Women in Business Programme (TurWiB): Finansbank II

- The Board of Directors approved a EUR 50 million loan 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, (ii) Technical Cooperation programme, and (iii) Women in Business Advice for Small Businesses.

20. Regional: Green Economy Financing Facility (“GEFF”) - Western Balkans

- The Board of Directors approved the Green Economy Financing Facility (GEFF) to provide senior loans up to a total amount of EUR 85 million to Partner Financial Institutions in the Western Balkans. The senior loans will be used for on-lending to the residential sector for green economy investments.

21. Bosnia and Herzegovina: UCBL EE Residential Loan (under Regional: Green Economy Financing Facility (“GEFF”) - Western Balkans

- The Board of Directors approved a senior loan of EUR 5 million to Unicredit Bank a.d. Banja Luka (UCBL) under the GEFF for the Western Balkans. The loan will enable UCBL to on-lend to the residential sector for green economy investments.

22. Romania: Green Economy Financing Facility (“GEFF”) - Romania

- The Board of Directors approved a Green Economy Financing Facility for Romania of up to EUR 100 million for a three-year period. The financing will be provided to Participating Financial Institutions for on-lending to individual households, housing associations and intermediaries such as vendors and service providers, for investments in energy and resource efficiency measures in residential buildings.

23. Romania: Green Economy Financing Facility (“GEFF”) - Romania – Banca Transilvania

- The Board of Directors approved a loan of up to EUR 40 million to Banca Transilvania S.A., a commercial bank incorporated in Romania. The operation will enable Banca Transilvania to provide financing to individual households, housing associations and intermediaries such as vendors and service providers, for investments in energy and resource efficiency measures in residential buildings.

24. Serbia: Banca Intesa Belgrade - Mortgage Line II

- The Board of Directors approved the Mortgage Line II of EUR 30 million in two tranches to Banca Intesa Belgrade. The second tranche of EUR 10 million will be uncommitted and its approval will be delegated to management. The facility will enable Banca Intesa Belgrade to extend long-term mortgage loans to Serbian households and will contribute to the expansion of the mortgage market in Serbia, where mortgage penetration remains low.

25. Shareholder Special Fund: Tajikistan: Project Suzani – Technical Cooperation (Tajikistan: Transformation and Turnaround of the Largest Banks) (EUR 5,640,000) & Re-allocation of SSF funding

- The Board of Directors approved the revised implementation plan for the Project Suzani -Technical Cooperation Programme to advise on the restructuring of the two largest and systemically important banks in Tajikistan under the original allocation of EUR 5,640,000 from the Shareholder Special Fund 2016 Work Plan.

26. Other Business

- No decisions were taken.