

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

**MINUTES OF THE BOARD MEETING
OF
22 NOVEMBER 2011**

Meeting of the Board of Directors – 22 November 2011
List of Attendance

Chairman
First Vice President
Secretary General
General Counsel

President
Varel Freeman
Enzo Quattrocioche
Emmanuel Maurice

Directors

Memduh Akçay
Kurt Bayer
Ole Blöndal
Alain de Cointet
Toshiyuki Furuï
Werner Gruber
Thomas Hackett
Zbigniew Hockuba

Alternate Directors

Eoin Ryan
Jérôme Baconin
Nobuyuki Oyama
Artem Shevalev

Stefka Slavova
Christina Knowles (TAD)

Suzanne Hurtubise
Tapani Kaskeala
Klára Król
Giorgio Leccesi
Vassili Lelakis
Abel Mateus
Bob McMullan
Pedro Moriyón
Denis Morozov
Jonathan Ockenden
Joachim Schwarzer
Jean-Louis Six
Eva Srejber
Paul Vlaanderen

Ole Hovland

Gianluca Grandi
Peter Basch

Enrique Bal

Irena Sodin
Kalle Killar
Jan Maas

Secretariat

Nikola Milushev
Stefano Bertozzi

Staff

Manfred Schepers
Jan Fischer
Erik Berglöf

Gavin Anderson
Olivier Descamps
Natasha Khanjenkova
Thomas Maier
Alain Pilloux
Jean-Marc Peterschmitt
Riccardo Puliti
Nick Tesseyman

Alistair Clark
Joe Eichenberger
Chris Holyoak
Hans Peter Lankes
Alan Rousso
Josué Tanaka

Kanako Sekine
Natalia Lacorzana
Matteo Colangeli
Francis Malige
Anelia Kasterlieva
Henry Russell
Francis Malige
Renata Iksar
Mikhail Grechikho
Noel Edison
Dobrin Staikov
Tatiana Moiseeva
Maria Kaneva Jaco
Svetlana Oser
Nandita Parshad
Ian Brown
Aida Sitdikova
Andi Aranitasi

Sue Barrett
Igor Storchak
Donald Mishaxhi
Manish Vasistha
Maria Sinitskya
Vitaly Kuznetsov
Zhanar Rymzhanova
Ivana Duarte
Jean-Patrick Marquet
Bakhtiyor Faiziev
Alexander Rogachevsky
Alexander Lega
Octavian Costas
Karolis Dekeris

1. Opening of the Meeting and Adoption of the Agenda

- The President advised the Board of his intention to hold the Executive Session immediately after the lunch break. The agenda, as amended, was approved.
- The Secretary General reported that funding from the Shareholder Special Fund had been approved on 18 November on a no-objection basis:
 - EUR 275,905 for the Banking Environment and Performance Survey II (BEPS-II) – Approval of Budget Extension
 - EUR 480,000 for the Russian Federation: Togliatti Trolleybus - Corporate Development Programme

2. Minutes of the Board Meeting of 8 November 2011

- The Board approved the minutes of 8 November 2011.

3. Increase in Authorised Capital Stock, Issuance and Subscription of Callable Capital, and Redemption: Extension of Date for Subscription

- The Board approved the Draft Report of the Board of Directors to the Board of Governors for the *Increase in Authorised Capital Stock, Issuance and Subscription of Callable Capital, and Redemption: Extension of Date for Subscription* for transmittal to the Board of Governors, together with the Draft Resolution of the Board of Governors.

**4. EvD: Annual Evaluation Overview Report for 2011
Follow-up of Evaluation Recommendations by Management 2011
- Report by the Chair of the Audit Committee**

- The Board approved the Annual Evaluation Overview Report for 2011 and the Follow-up of Evaluation Recommendations by Management.

**5. Use of Cooperation Funds in Morocco: Review of Compatibility with the Bank's Purpose and Functions
- Report by the Chair of the Financial and Operations Policies Committee**

- The Board approved the use of cooperation funds in Morocco.

6. Ukraine: Sadovaya Coal Recycling

- The Board approved a loan of USD 36 million (EUR 26 million) to Interdon LLC. The loan will be guaranteed by Sadovaya Group SA and used to support

the establishment and development of a waste coal recycling business in Ukraine.

7. Serbia: Société Générale Banka Srbija AD Beograd - “Partnership For Growth” Senior Loan and Credit Line Under Private Sector Support Facility For Western Balkans (WPSSF II) - SME Competitiveness Support Facility Window

- The Board approved two loans for up to EUR 160 million to Société Générale Banka Srbija:

1) A Partnership for Growth Senior Loan of up to EUR 150 million in three equal tranches, for on-lending to support SGS’s mid-term growth strategy, and
2) A SME Competitiveness Credit Line of up to EUR 10 million in two equal tranches, for on-lending to eligible sub-borrowers for investments.

8. Ukraine: Ukrainian MSME Framework - First sub-project: Credit Europe Bank Ukraine (“CEBU”) - Projects with Turkish Sponsors: Request for Approval of Derogation from the Offshore Jurisdictions Policy in EBRD Projects (the “Offshore Jurisdictions Policy”) - Ukraine: Ukrainian MSME Framework, Credit Europe Bank Ukraine – (“CEBU”) and Credit Europe Bank Russia (“CEB”) SME

- The Board approved an MSME framework of USD 100 million to local banks in Ukraine. The Framework will be used to encourage lending to MSME and to support recovery of the real economy. Under the Framework the Board also approved an SME loan of USD 10 million to Credit Europe Bank in Ukraine. The Board also approved a derogation to the Policy on Offshore Jurisdictions in EBRD Projects.

9. Russian Federation: Promsvyazbank Capital Increase and Promsvyazbank Subordinated Loan II

- The Board approved a capital financing package for Promsvyazbank for the total amount of up to RUB 4 billion (EUR 94 million equivalent) consisting of:
 - a pro rata participation by the Bank in the capital increase of the company for up to RUB 500 million (EUR 12 million equivalent), and
 - a subordinated loan from the Bank to the company for up to RUB 3.5 billion (EUR 82 million equivalent).
- The operation will contribute to the capitalisation of the Russian banking system and will support one of the key private market players.

10. Russian Federation: Reso Garantia – Senior Loan

- The Board approved a loan of up to USD 110 million (EURO 80 million equivalent) to RESO Garantia. The loan will be used to support further consolidation of the Russian insurance sector through the completion of the already announced transaction to acquire VSK Insurance, another leading Russian insurer, and will strengthen RESO Garantia’s balance sheet.

11. Serbia: ProCredit Bank Serbia – Senior Loan

- The Board approved a senior loan of up to EUR 30 million to ProCredit Bank Serbia. The loan will be used to support the expansion of the company’s lending operations to micro, small and medium enterprises in Serbia.

12. Serbia: EPS Small Hydro Power Plants Project

- The Board approved a loan of up to EUR 45 million to Javno Preduzece Elektroprivreda Srbije, Beograd. The loan proceeds will fund the renovation of existing small hydro power plants and the construction of new small hydro power plants.

13. Russian Federation: RusHydro Far East Loan

- The Board approved a loan of up to RUB 8 billion (EUR 186 million equivalent) to OJSC RusHydro. The facility will contribute to restructuring of the Far East energy system, by assisting the company to develop a restructuring and unbundling plan for RAO ES Vostoka, currently a vertically integrated power holding in the Far East left untouched by the sector reform to date.

14. Turkey: Bares Windfarm

- The Board approved a senior loan of up to EUR 165 million to Enerjisa Enerji Uretim A.S., split into an “A Loan” portion of up to EUR 100 million for the Bank’s own account and a “B Loan” portion of up to the maximum amount of EUR 82.5 million for the account of the participants. The loan will be used to build and operate the 142.5 MW Bares windfarm located in Balikesir in Western Turkey.

15. Croatia: OMBLA HPP

- The Board approved a senior loan of up to EUR 123.2 million to Hrvatska Elektroprivreda d.d., split into an “A Loan” portion of EUR 80 million for the Bank’s own account and a “B Loan” portion of EUR 43.2 million for the account of the participants. The loan will be used to build and operate the 68

MW Ombla hydroelectric power plant on the Rijeka Dubrovačka bay of the Adriatic Sea near the City of Dubrovnik.

16. Russian Federation: SVL Group

- The Board approved a loan of up to USD 33.5 million (EUR 24.1 million equivalent) to Maltese registered subsidiaries of Sommet Finance, a Cyprus-registered holding company of the SVL Group. The loan would be used to support the company's fleet expansion plan.

17. Albania: Fier and Vlore Bypass Roads Project

- The Board approved a sovereign loan facility of EUR 53 million to the Republic of Albania, of which EUR 35 million will be committed under a first tranche and EUR 18 million under a second to be committed at the Bank's sole discretion and subject to a separate Board approval. The loan facility will be used to finance the construction of the Fier Bypass (Tranche 1) and the Vlore Bypass (Tranche 2) in Albania. The bypasses will reduce city congestion, support national economic integration, and facilitate tourism development in southern Albania.

18. Russian Federation: Sea Brothers

- The Board approved a loan of up to USD 21 million (EUR 15.6 million equivalent) to Saltwater Bulk Shipping Limited. The Bank's financing will support the development of private maritime transportation of SWBS and facilitate the completion of its logistics chain in sea-rail multimodal freight operations in Russia.

19. Russian Federation: Rosmorport Environmental Programme

- The Board approved a loan of up to USD 155 million (EUR 113 million equivalent) to Federal State Unitary Enterprise Rosmorport. The loan will be used to finance acquisition of vessels and other port related equipment in various ports across the Russian Federation as a part of the Rosmorport's environmental investment programme.

**20. Tajikistan: Khujand Solid Waste Management Project (BDS11-272)
- Report by the Chair of the Budget and Administrative Affairs
Committee (BDS11-293)**

- The Board approved a sovereign guaranteed loan of up to USD 2.5 million (EUR 1.8 million equivalent) to the State Unitary Enterprise "Khizmatrasonii Naqliyoti Sanitari". The Board also approved a grant of USD 2.5 million from the Shareholder Special Fund to co-finance the investment. The proceeds of

the loan and grant will be used to improve solid waste management services in the City of Khujand and the surrounding area.

21. Russian Federation: Novgorod District Heating Project

- The Board approved a loan of RUB 450 million to the Municipal Unitary Enterprise “Teploenergo”. The Board also approved a grant of USD 1.8 million from the Special Shareholder Fund to co-finance the investment. The loan and grant will be used to finance essential priority investments required to upgrade the district heating infrastructure, reduce operating costs and CO₂ emission and, in general, make the district heating system more energy efficient.

22. Republic of Moldova: Chisinau Urban Road Centre Project

- The Board approved a loan of up to EUR 11.7 million to the City of Chisinau, comprising up to EUR 10.3 million from the Bank’s own account, and up to EUR 1.4 million funded by the Green Energy Special Fund administered by the Bank. The loan will be used to support the rehabilitation of major streets in Chisinau.

23. Other business

- 23.1 The Board took note of the Activity Plan.