

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

**MINUTES OF THE BOARD MEETING OF
9 MAY 2012**

Meeting of the Board of Directors – 9 May 2012
List of Attendance

Chairman
First Vice President
Secretary General
General Counsel

President
Varel Freeman
Enzo Quattrocioche
Emmanuel Maurice

Directors

Memduh Akçay

Alain de Cointet
Toshiyuki Furui
Werner Gruber
Thomas Hackett
Zbigniew Hockuba
James Hudson
Suzanne Hurtubise

Alternate Directors

Virginia Gheorghiu
Eran Pollak
Jérôme Baconin
Nobuyuki Oyama
Artem Shevlev

Stefka Slavova

Ole Hovland
Klára Król
Gianluca Grandi
Peter Basch
Anthony Bartzokas
In-chang Song

Sergey Verkashanskiy

Ole Blöndal
Herbert Junk

Kalle Killar
Jan Maas

András Kármán
Giorgio Leccesi
Vassili Lelakis
Abel Mateus
Bob McMullan
Pedro Moriyón
Denis Morozov
Jonathan Ockenden
Eoin Ryan
Joachim Schwarzer
Jean-Louis Six
Eva Srejber

Secretariat

Colm Lincoln

Stefano Bertozzi

Staff

Manfred Schepers
Jan Fischer
Erik Berglöf

Gavin Anderson
Olivier Descamps
Alain Pilloux
Jean-Marc Peterschmitt
Nick Tesseyman

Jonathan Charles
Joe Eichenberger
Alan Rousso

Mike Taylor
Chris Clubb
Lin O'Grady
Venera Vlad
Matthew Jordan-Tank
Bakhtiyor Faiziev
Natalya Zhukova
Anna Mangova
Anne Fossemalle
Anne Hutton
Mehmet Ilkin
Henry Russell
Kristina Zagar
Philip Lam

1. Opening of the Meeting and Adoption of the Agenda

- The agenda was approved.
- The Secretary General reported that the following items had been approved by the Board on a no-objection basis:

On 27 April:

- EUR 350,000 from the Shareholder Special Fund for Cazin Wastewater - Design Support, Bosnia and Herzegovina

On 3 May:

- EUR 74,500 from the Shareholder Special Fund for an Assessment of regulatory barriers to a Polish ESCO Fund
- An operation change to Turkey: Arkas

2. Minutes of the Board Meeting of 27 March 2012

Minutes of the Board Meeting of 25 April 2012

- The Board approved the minutes of the meetings of 27 March and 25 April 2012.

3. Country Strategy Updates

- Report by the Chair of the Financial and Operations Policies Committee

- The Board approved the Country Strategy Updates for 2012.

4. Annual Report on the ETC Local Currency Loan Programme

- Report by the Chair of the Financial and Operations Policies Committee

- The Board approved the amendments to the ETC Local Currency Loan Programme and took note of the Annual Report.

5. Romania: Arad Urban Transport Phase 3 Project

- The Board approved a loan of up to EUR 20.4 million to the City of Arad in Romania, in order to finance key investments needed to complete the modernisation of the City's public transport system and to refinance the Bank's existing loan signed on 16 May 2009.

6. Kazakhstan: Aktau District Heating Project

- The Board approved a senior loan of KZT 1.2 billion (equivalent EUR 6.0 million) to the State Communal Enterprise "Heating, Water Networks and

Wastewater". The Board also approved a loan of USD 4.3 million (equivalent EUR 3.2 million) from the Clean Technology Fund to co-finance the investment. The proceeds of the two loans will be used to improve district heating services in the city of Aktau.

7. Russian Federation: Hlebprom II

- The Board approved up to EUR 10 million pro rata participation in an equity increase in Raycroft Limited, which owns 99% of the OJSC Hlebprom. The operation will enable Hlebprom to partially finance construction of a new state-of-the-art fully automated plant for production of frozen cakes in the Russian Federation.

8. Ukraine: John Deere Equipment Risk Sharing

- The Board approved an unfunded risk sharing participation of up to USD 20 million (EUR 15.2 million) or up to 40% out of a USD 50 million (EUR 38 million) portfolio of loans and leases to be extended by Raiffeisen Bank Aval and its leasing subsidiary to medium-sized and small companies in Ukraine for the purpose of purchasing John Deere agricultural equipment.

9. Regional: Enterprise Fund 2012

- The Board approved an equity investment of up to EUR 80 million in Polish Enterprise Fund VII LP. The Bank's investment will support equity and equity-related investments primarily in medium-sized companies in certain countries of central and south eastern Europe.

10. Turkey: Tiryaki Equity

- The Board approved an equity investment of up to USD 25 million (EUR 19.1 million equivalent) in Tiryaki Agro Gıda Sanayii ve Ticaret A.Ş. The investment will be used to support the company's continued high growth by financing working capital needs as well as fixed asset investments in storage and processing facilities in Turkey.

11. Moldova: Moldovan Residential Energy Efficiency Financing Facility (MoREEFF) and Moldovan Sustainable Energy Financing Facility Extension (MoSEFF II)

- The Board approved:
 - A Moldovan Residential Energy Efficiency Financing Facility (MoREEFF) of up to EUR 35 million,
 - A Moldovan Sustainable Energy Financing Facility Extension (MoSEFF II) of up to EUR 22 million, and
 - Three sub-operations with 2 participating banks under the above facilities.

12. Moldova: Moldelectrica Transmission Network Rehabilitation

- The Board approved a sovereign loan of up to USD 20 million in favour of Moldelectrica. The loan will be used to design and rehabilitate a number of substations, transformers and transmission lines.

13. Other business

- No decisions were taken under this item.