

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

**MINUTES OF THE BOARD MEETING OF
18 SEPTEMBER 2012**

Meeting of the Board of Directors – 18 September 2012
List of Attendance

Chairman
First Vice President
Secretary General
General Counsel

President
Varel Freeman
Enzo Quattrocioche
Emmanuel Maurice

Directors

Memduh Akçay
Kurt Bayer
Alain de Cointet
Toshiyuki Furui
Michel Grilli
Werner Gruber
Zbigniew Hockuba
Ole Hovland
James Hudson
Suzanne Hurtubise
András Kármán
Giorgio Leccesi
Vassili Lelakis
Abel Mateus
Pedro Moriyón
Denis Morozov
Jonathan Ockenden
Eoin Ryan
Joachim Schwarzer
Jean-Louis Six
In-chang Song
Eva Srejber
Paul Vlaanderen

Alternate Directors

Eran Pollak
Jérôme Baconin
Nobuyuki Oyama

Artem Shevlev
Stefka Slavova
Jorma Korhonen

Klára Król
Marco Mancini
Peter Basch
Anthony Bartzokas
Enrique Bal
Sergey Verkashanskiy

Ole Blöndal
Joachim Steffens
Irena Sodin

Kalle Killar
Jan Maas

Secretariat

Nigel Carter
Colm Lincoln

Nikola Milushev
Stefano Bertozzi

Staff

Manfred Schepers
Betsy Nelson
Hans Peter Lankes
Erik Berglöf

Thomas Maier
Josué Tanaka
Nick Tesseyman

Jonathan Charles
David Klingensmith
Alan Rousso

Frederic Lucenet
Mehmet Ilkin
Mikhail Moshkov
Pavel Teremetsky
Anne Fossemalle
Marie Alexandra Veilleux
Hildegard Gacek
Allan Popoff
Rudolf Putz
Kamola Makhmudova
Francis Malige
Thomas Girod
Kamola Makhmudova
Francis Malige
Aynur Dincer
Henry Russell
Ivana Milicic
Lilian Nilsson
Aleksandra Vukosavljevic
Henry Russell

Ksenia Kuznetsova
Mike Taylor
Sabina Dziurman
Sylvia Gansser-Potts
Terezia Pavlakova
Karina Saroukhanian
Sue Barrett
Chris Ousey
Askar Namazbayev
Sue Barrett
Agnieszka Lukasik
Biljana Milosheska
Radoslav Ralevic
Jean-Patrick Marquet
Lin O'Grady
Davor Indic
Denis Gaiovy
Alexandru Cosovan
Susan Goeransson
Nandita Parshad
Olga Yeriomina

1 Opening of the Meeting and Adoption of the Agenda

- The agenda was approved.
- The Secretary General reported that funding from the Shareholder Special Fund had been approved on a no-objection basis for the following projects:

On 5 September:

- EUR 650,000 for Development of Master Plan for Khujand International Airport, Tajikistan

On 10 September:

- EUR 61,234 for a Commercial court pilot (Phase 1) in Romania
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2. **Minutes of the Board Meeting of 23/24 July 2012**
Minutes of the Board Meeting of 4 September 2012

- The Board approved the minutes of the meeting of 23/24 July 2012.
- Consideration of the minutes of 4 September 2012 was postponed.

3. **Institutional Performance Report: Second Quarter 2012**

- **Quarterly Risk Report: Second Quarter**
- **Report by the Chair of the Audit Committee**
- **Report by the Chair of the Budget and Administrative Affairs Committee**

- The Board approved the Institutional Performance Report: Second Quarter 2012 and took note of the Quarterly Risk Report: Second Quarter 2012.

4. **Bulgaria: Oliva**

- The Board approved a loan of EUR 22 million to Oliva. The loan will be used to increase the company's production capacity and to provide the necessary additional working capital to enable the company to meet growing demand for crude sunflower oil.

5. **Ukraine: ED&F Man**

- The Board approved a USD 15.92 million portage equity investment to acquire a 23% minority stake in ED&F Man Ukraine Investments BV. The investment will be used to finance expansion of ED&F Man subsidiary's sugar refining and beet production operations in Ukraine.

6. Regional: Trakya

- The Board approved a loan of EUR 90 million to Trakya Cam Sanayii A.Ş. and EUR 40 million to Trakya Glass Bulgaria EAD. The loans will be used to finance:
 - (i) the construction of a green-field float and mirror plant in Tatarstan, Russian Federation;
 - (ii) expansion of Trakya's existing float and glassware production lines in Targovishte, Bulgaria; and
 - (iii) energy efficiency investments in Trakya's plants in Turkey.

7. Russian Federation: Fenice ESCO

- The Board approved a loan of EUR 20 million to Fenice Rus LLC. The loan would be used to finance the company's current pipeline of energy efficiency sub-projects under long-term energy performance contracts at industrial companies in Russia.

8. Regional: Maghreb Private Equity Fund III

- The Board approved an equity investment of up to EUR 20 million in favour of Maghreb Private Equity Fund III. The investment will be used by the Fund to make equity and equity-related investments primarily in small and medium-sized companies in the southern and eastern Mediterranean region with the objective of achieving long-term capital growth.

9. Regional: Trade Facilitation Programme

- Proposed extension to Jordan, Morocco and Tunisia

- Board approval for a TFP facility for InvestBank, Jordan

- The Board approved:
 - (i) an extension of the Trade Facilitation Programme to Jordan, Tunisia and Morocco and the TFP facility to InvestBank, Jordan;
 - (ii) a TFP limit of USD 30 million in favour of InvestBank, Jordan.

10. Morocco: SGMB – SME Loan and TFP

- The Board approved a loan of up to EUR 20 million comprising two tranches and a trade finance facility of up to EUR 5 million to SGMB. The loan will support SGMB's lending to micro, small and medium-sized enterprises in Morocco.

11. Turkey: SME Loan – Garanti (Women)

- The Board approved a loan of up to USD 60 million (EUR 48 million equivalent) to Garanti comprising two tranches to be disbursed in USD. The proceeds of the loan will be used to finance Small and Medium Enterprises owned and managed by women.

12. Croatia: Erste Bank Croatia – Senior Loan - MSME Financing

- The Board approved a loan of EUR 40 million to Erste Bank Croatia. EUR 30 million of the loan will be used to support medium and long-term financing to private MSME's and corporate clients of Erste Bank Croatia and EUR 10 million will be used to provide funding for factoring products through Erste Factoring.

13. Serbia: Komercijalna Banka SME Credit Line II

- The Board approved a loan of up to EUR 30 million to Komercijalna Banka in Serbia. The proceeds of the loan will be used to provide medium term finance to small and medium sized enterprises in Serbia.

14. Georgia: TBC Bank Capital Increase and Regional: Caucasus Energy Efficiency Programme Loan II (“CEEP”)

- The Board approved a capital increase of up to GEL 14 million (EUR 7 million equivalent) and an energy efficiency loan of USD 10 million (EUR 8.1 million equivalent) to TBC Bank in Georgia.
- The capital increase will enable the bank to deliver its growth strategy whilst maintaining its regulatory capital. The proceeds of the loan will be used to support private sector SMEs and corporates to finance projects aimed at improving energy efficiency.

**15. Regional: EU/EBRD Municipal Finance Facility Energy Efficiency Window
Slovak Republic: VUB**

- The Board approved a senior credit facility of EUR 15 million to Vseobecna uverova banka, a.s.
- The operation will be signed under the EU/EBRD Municipal Finance Facility – Energy Efficiency window, which has been created to encourage energy efficiency investments by municipalities and housing associations in beneficiary countries, including the Slovak Republic.

16. Republic of Kazakhstan: Shymkent-Tashkent Road Reconstruction Project

- The Board approved a loan of USD 142 million (EUR 115 million) to the Republic of Kazakhstan and the reallocation of loan savings under the existing operation South-West Corridor project (DTM 39258) in the amount of USD 54.5 million (EUR 44 million). The combined proceeds will be used for reconstruction of a section of a road connecting city of Shymkent with the state border with Uzbekistan, as well as funding consultative and engineering support.

17. FYR Macedonia: Railways Fleet Renewal Project

- The Board approved a loan in an amount of up to EUR 50 million for the benefit of the Macedonian Railways Transport Joint Stock Company to finance replacing life-expired rolling stock with new equipment offering higher service quality and energy efficiency benefits. The operation will also assist with the ongoing programme of restructuring within the railway sector and the further development of this corridor, ultimately linking the Black Sea in Bulgaria with the Adriatic in Albania. The project will enhance the efficiency of passenger and freight railway services in the country, and thus improve the overall performance of railway operations.

18. Montenegro: Rail Infrastructure Emergency Rehabilitation Project Extension Proposal

- The Board approved a loan extension of up to EUR 10 million to the Montenegro Rail Infrastructure Company to finance rehabilitation of additional sections of the track on the main rail corridor in Montenegro. The extension will allow for speedy implementation of the rail track rehabilitation works addressing some of the priority safety concerns on the main railway line in the country.

19. Serbia: Belgrade Bus Renewal Programme

- The Board approved an A/B loan of EUR 85 million to the Public Transport Company Belgrade. The loan will be used to finance the modernisation of its bus fleet and improve the reliability and quality of public transport services in the City.

20. Ukraine: Ternopil District Heating Modernisation

- The Board approved a loan of up to EUR 10 million to the Communal Enterprise “Ternopilmiskteplokomunenergo”, guaranteed by the City of Ternopil. The loan will be used to finance investments to rehabilitate and modernise the district heating infrastructure operated by the company.

21. Moldova: Balti Trolleybus Project

- The Board approved a loan of up to EUR 3.0 million to the Municipal Enterprise “Balti Trolleybus Department”. The loan will be used to finance key investments needed to ensure sustainable trolleybus services in the City of Balti and its transformation to a commercially orientated entity.

22. Romania: EU Cohesion Funds Water Co-Financing Framework (R2CF) Extension – First Sub-Project: R2CF Valcea

- The Board approved a loan of up to EUR 13.85 million, comprising a tranche of up to EUR 8.55 million for the Bank’s own account and a tranche of up to EUR 5.3 million from the Green Energy Special Fund, to SC APA Canal SA Valcea, Romania, to co-finance water and wastewater investments under the company’s Cohesion Fund investment programme. The Board also approved an exception under the Bank Procurement Policies and Rules for the project to follow national procurement law and the consequential derogation from the Bank’s Operations Policy for Retroactive Financing.

23. Ukraine: Novoazovskiy Wind Park

- The Board approved a loan EUR 33.3 million to LLC Novoazovskiy Wind Park. The loan will support construction and operation of a 57.5MW wind farm.

24. Other Business

No decisions were taken under this item.