

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

**MINUTES OF THE BOARD MEETING OF
12 DECEMBER 2012**

Meeting of the Board of Directors – 12 December 2012
List of Attendance

Chairman
First Vice President
Secretary General
General Counsel

President
Varel Freeman
Enzo Quattrociocche
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
Bob McMullan
Kalle Killar
Jan Maas

Secretariat

Nigel Carter
Colm Lincoln

Nikola Milushev

Staff

Manfred Schepers
Betsy Nelson
Hans Peter Lankes

Olivier Descamps
Jean-Marc Peterschmitt

Jonathan Charles
Joe Eichenberger
David Klingensmith
Enery Quinones
Alan Rousso

Mandeep Baines
Anne Sahl
Matt Drage
Kanako Sekine
Claudio Viezzoli
Fabio Serri
Frederic Lucenet
Anca Ionescu
Daniel Berg
Izzet Guney
Anar Omarova
Mike Taylor
Ian Smith
Ruslan Kurmanbekov
Henry Russell
Renata Iksar
Dzhakhongir Shamsiev

Lin O'Grady
Catarina Bjorlin Hansen
Sue Barrett
Itziar Perkins
Josip Vukovic
Octavian Costas
Elena Gordeeva
Anne Fossemalle
Lucyna Stanczak
Anne Hutton
Claudio Viezzoli
Rijad Hasic
Kevin Bortz
Ulmas Musaliev
Matteo Colangeli

1 Adoption of the Agenda

- The agenda was approved.
- The following items were approved on a no-objection basis after the Board Meeting of 26 November 2012:

On 26 November:

- Serbia: Apex - Exception under the policy on EBRD Financing of Private Parties to Concessions and the corresponding Report by the Chair of the Financial and Operations Policies Committee
- Re-appointment of three members of the Administrative Tribunal
- EUR 500,000 from the SEMED cooperation funds account for ONE Rural Electrification Success Study

On 28 November:

- An operation change for FYR Macedonia: Skopje Urban Transport Project
- An operation change for Mongolia: XacBank - Syndicated Loan
- An operation change for Romania: Urban Road Management and Rehabilitation Framework – Mediaş Urban Infrastructure Rehabilitation project

On 4 December:

- Regional: Regional Development Initiative (“RDI”) Special Fund - Amendments to the Rules and Regulations
- EUR 40,000 from the Shareholder Special Fund for Romania: EGP project – Fermit SA in Romania

On 5 December:

- EUR 2 million from the Shareholder Special Fund for the Extension of Consultancy Services to support the implementation of Russian Sustainable Energy Carbon Finance Facility (RuSEFF or RSECF or Facility) - Phase 3

On 11 December:

- An operation change for Regional: Aqualia New Europe
- EUR 266,207 from the Shareholder Special Fund for the Review and Implementation of the Romanian Corporate Governance Code
- EUR 401,583 from the Shareholder Special Fund for the Improvement of the Corporate Governance Framework in Kazakhstan

2 Minutes of the Board Meeting of 13 November 2012 Minutes of the Board Meeting of 26 November 2012

- The Board approved the minutes of the meetings of 13 and 26 November 2012.

3 EBRD Operational Coordination Office in Brussels
- Report by the Chair of the Budget and Administrative Affairs Committee

- The Board approved the opening of an EBRD Operational Coordination Office in Brussels. This office will consist of a limited number of staff focused on monitoring and reporting on EU policy developments of relevance to the Bank, on general representation, and support to EBRD teams in detailed operational and policy engagement with the EU institutions.

4 Staff Compensation and Benefits Proposals for 2013
- Report by the Chair of the Budget and Administrative Affairs Committee

- The Board approved the Staff Compensation and Benefit Proposals for 2013.

5 2013 Business Plan and Budget
- Report by the Chair of the Budget and Administrative Affairs Committee

- The Board approved the 2013 Business Plan and Budget, comprising Administrative Expenses of EUR 346.4 million (GBP 288.7 million), including operating expenses of EUR 318.8 million (GBP 265.7 million) and depreciation of EUR 27.6 million (GBP 23 million), together with a 2013 Capital Expenditure programme of EUR 38.8 million (GBP 32.3 million).

6 Evaluation Department: Annual Evaluation Review
Follow-up of Evaluation Recommendations by Management 2012
- Report by the Chair of the Audit Committee

- The Board approved the Annual Evaluation Review and the Follow-up of Evaluation Recommendations by Management 2012.

7 Strategy for Albania

- Report on the invitation to the public to comment

- The Board approved the Strategy for Albania which will cover the next three-year period. The Strategy will provide strategic, operational and policy guidelines for the Bank's activities in Albania during the next strategy period.

8 Poland: 21 Concordia LP

- The Board approved an equity investment of up to EUR 30 million in 21 Concordia LP. The Bank's investment will support equity and equity-related investments primarily in small and medium-sized companies in Poland and certain neighbouring countries in Central and South-Eastern Europe.

9 Bulgaria: Sofia Med

- The Board approved a long-term senior secured loan in the amount of EUR 40 million to Sofia Med consisting of: EUR 10 million CAPEX tranche and EUR 30 million Working Capital tranche. The loan will assist the company in financing production and energy efficiency investments and provide, as part of a larger balance sheet restructuring, long term working capital financing.

10 Kyrgyz Republic: Kyrgyz Sustainable Energy Financing Facility (KyrSEFF)

- The Board approved a USD 20 million Kyrgyzstan Sustainable Energy Financing Facility (KyrSEFF) aimed at financing residential and commercial energy efficiency projects through loans to participating banks and MFIs in Kyrgyzstan.
- The Board also approved the two first sub-operations under the Facility with Kyrgyz Investment Credit Bank for USD 3 million (EUR 2.3 million) and Demir Kyrgyz International Bank for USD 2 million (EUR 1.55 million).

11 Belarus: Belgazprombank MSME Loan and Energy Efficiency Loan (BDS12-309)

- The Board approved an MSME loan of USD 30 million (EUR 23 million equivalent) and an Energy Efficiency loan of EUR 10 million to Belgazprombank in the Republic of Belarus. The proceeds of the MSME loan will be used to provide medium term finance to micro, small and medium sized enterprises in the Republic of Belarus, while the proceeds of the EE loan will contribute to the reduction of the energy intensity of the country's industrial sector and demonstrate the benefits of energy conservation and rational energy utilisation for improving the competitiveness of the industrial and SME sectors during a time of rising energy costs.

12 Tajikistan: Khatlon Water Rehabilitation Project

- The Board approved a sovereign guaranteed loan of USD 5 million to KMK, a state holding company controlling the water sector in Tajikistan, to be on-lent to the Isaev and Yovon water companies for the improvement of municipal water services.

13 Tajikistan: North Tajik Water Rehabilitation II Project

- The Board approved a sovereign guaranteed loan of USD 7 million to KMK, a state holding company controlling the water sector in Tajikistan, to be on-lent to the Istravshan, Panzhakent, Shakhriston and Zafarobod water companies, for the improvement of municipal water services.

14 Croatia: Port Of Split Infrastructure Rehabilitation

- The Board approved a loan to the Port of Split Authority of up to EUR 18.8 million. The loan funds will be used to finance the extension and reconfiguring of the passenger wharves at the Port of Split. The project will assist the Port of Split Authority to obtain Environmental Review System certification and will also support the tendering of the construction of a passenger terminal facility under a private concession agreement.

15 Moldova: Danube Logistics - Giurgiulesti Port

- The Board approved a loan of USD 12 million (EUR 9.3 million equivalent) to Danube Logistics. The loan will enable the company to restructure its balance sheet and to finance its 2013 capital expenditure programme.

**16 Bosnia & Herzegovina: Natron Hayat Renewable Energy
Regional: Western Balkans Sustainable Energy Direct Financing Facility – First Replenishment
Regional: EBRD - Local Enterprise Facility ("LEF")**

- The Board approved a long term loan of EUR 10 million to Natron Hayat d.o.o. Maglaj. The operation will enable the company to finance renewable energy investments which will generate significant CO2 savings.

17 Regional: Dundee Precious Metals

- The Board approved a revolving credit facility of up to USD 45 million (EUR 34.4 million equivalent) to Dundee Precious Metals Inc., a mining company incorporated in Canada. The loan will be provided as part of a syndicated revolving credit facility of up to USD 150 million and will provide Dundee Precious Metals Inc. with the necessary financial resources, long-term liquidity and flexibility for the next stage of its development.

18 Ukraine: Coal Energy

- The Board approved a loan of USD 70 million (EUR 55 million equivalent) to Coal Energy S. A. The loan will be used to finance the development of the company's waste coal recycling and coal beneficiation businesses, as well as working capital and the mechanisation and safety upgrade of its priority mine.

19 Other Business

**Appointment of First Vice President and Chief Operating Officer
Report by the Chair of the Budget and Administrative Affairs Committee**

- The Board approved the appointment of Mr Philip Bennett as First Vice President and Chief Operating Officer, with effect from 1 March 2013.