

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

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

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

Chairman	President
First Vice President	Varel Freeman
Secretary General	Enzo Quattrocioche
General Counsel	Emmanuel Maurice

Directors	Alternate Directors
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Memduh Akçay	Eran Pollak
Kurt Bayer	Jérôme Baconin
Alain de Cointet	Nobuyuki Oyama
Toshiyuki Furui	
Michel Grilli	Artem Shevalev
Werner Gruber	Stefka Slavova
Zbigniew Hockuba	Jorma Korhonen
James Hudson	
Suzanne Hurtubise	
András Kármán	Klára Król
Giorgio Leccesi	
Vassili Lelakis	
Abel Mateus	Anthony Bartzokas
Pedro Moriyón	Enrique Bal
Denis Morozov	Sergey Verkashanskiy
Jonathan Ockenden	
Eoin Ryan	Ole Blöndal
Joachim Schwarzer	Joachim Steffens
Jean-Louis Six	Irena Sodin
In-chang Song	Bob McMullan
	Kalle Killar
Paul Vlaanderen	Jan Maas

Secretariat
Stefano Bertozzi

Staff	
Manfred Schepers	Sirdar Annamuhamedov
Betsy Nelson	Frederic Lucenet
Hans Peter Lankes	Peter Stredder
	Aza Ulziitogtokh
Natasha Khanjenkova	Donald Mishaxhi
Thomas Maier	Evgeny Ofrikhter
Alain Pilloux	Abbas Ofarinov
Jean-Marc Peterschmitt	Janet Heckman
	Sylvia Gansser-Potts
Jonathan Charles	Alex Tanase
Alistair Clark	Alexander Saveliev
David Klingensmith	
Enery Quinones	
Alan Rousso	

1. Adoption of the Agenda

- The Agenda was approved subject to the postponement of item 3, Political Methodology Procedures.
- Following the last Board meeting, the following items had been approved on a no-objection basis:

On 13 December:

- The re-approval of Croatia: North Western Regional Wastewater Project
- Provision of a senior loan to MCO Arnur-Credit on an unsecured basis and an amendment of the eligibility criteria in relation to security requirements - Kazakhstan: Kazakhstan Small Business Programme III

On 14 December:

- An operation change report for Russian Federation: Rosbank Syndicated Loan
- Funding from the Shareholder Special Fund for:
 - EUR 950,000 for the EBRD UNCITRAL Initiative on Enhancing Public Procurement Regulation in selected CIS Countries and Mongolia
 - EUR 1 million for the Tajikistan Dushanbe to Uzbek Road Detailed Design and Construction Supervision
 - EUR 500,000 for the Tajikistan: Review of Road Standards and Road Sector Institutional Reform

On 17 December:

- An operation change report for Croatia: Port Of Šibenik Infrastructure Rehabilitation Project
- An increase in the TFP limit for Regional: Trade Facilitation Programme – Ameriabank, Armenia - TFP limit exceeding EUR 10 million
- Drawdown under the Regional: Trade Facilitation Programme - TFP Exposure and Utilisation under SEMED Investment Special Fund (ISF)
- EUR 293,000 from the Shareholder Special Fund for Brasov District Heating Project - Corporate Development Programme – Romania

2. 2012 Liquidity Policy Review and 2013 Liquidity Update Report on the Execution of the 2012 Borrowing Programme and the Proposed 2013 Borrowing Programme

- **Report by the Chair of the Financial and Operations Policies Committee**
- The Board approved the 2012 Liquidity Policy Review and 2013 Liquidity Update. The Board also approved a medium to long term 2013 Borrowing Programme of EUR 6 billion and a Local Currency Borrowing Programme of up to €500 million to facilitate access to Rouble funding for on-lending to the European Investment Bank.

**3. Political Methodology Procedures
- Report by the Chair of the Financial and Operations Policies Committee**

- Consideration of this item was postponed.

4. Russian Federation: Strategy for the Russian Federation

- The Board approved the Strategy for the Russian Federation, which will cover the next three-year period. The Strategy will provide strategic, operational and policy guidelines for the Bank's activities in the Russian Federation during the next strategy period 2013-2015.

5. Egypt: Universal – White Goods

- The Board has approved a senior loan of up to EGP 150 million (EUR 19.2 million equivalent) to Universal Metallurgical Company S.A.E. to enable the company to complete construction of a new washing machine facility.

6. Mongolia: Senj Sant

- The Board approved an A/B loan of USD 130 million (EUR 101.4 million) and equity investment of USD 20 million (EUR 15.6 million) to Senj Sant LLC for the construction, commissioning and operation of a dry process and environmentally friendly cement plant in Mongolia.

7. Albania: Komani HPP Dam Safety Upgrade

- The Board approved a sovereign loan of EUR 12.7 million to the Republic of Albania. The loan will be used to support KESH's investment programme for the upgrade of the dam safety in the Komani hydropower plant in Albania which is one of the high priority investments envisioned to ensure the safety of Albania's hydropower dams. These investments will aim to prevent dams' failure, which could lead to flooding catastrophe and a prolonged loss of significant hydropower production in Albania.

8. Russian Federation: Yuzhno-Sakhalinsk District Heating Project

- The Board approved:
 - (i) a loan of up to RUB 450 million (EUR 11.2 million equivalent) to Open Joint Stock Company “Sakhalinskaya Kommunalnaya Kompaniya”. The loan will be used to part-finance investments targeting the upgrade of the district heating infrastructure to improve reliability, quality, and efficiency of vital service provision to the population of Yuzhno-Sakhalinsk, the capital of the Sakhalin Oblast in the Russian Far East;
 - (ii) funding of EUR 835,000 from the Shareholder Special Fund for related TC components to support project implementation.

9. Kazakhstan: Almaty Bus Sector Reform Phase 2

- The Board approved a loan of up to USD 39.3 million (EUR 30.7 million) with an option to be converted to Kazakh Tenge to the municipal urban transport company Almatyelectrotrans. The loan would be used to part-finance the company’s expansion programme and, in particular, to finance the purchase of additional environment friendly buses fuelled by compressed natural gas. The Board also approved a technical cooperation package worth EUR 395,000 to be financed by the Shareholder Special Fund.

10. Romania: BCR - SME and Medium Corporate Credit Line

- The Board approved a loan of up to EUR 100 million equivalent to BCR. The loan will be disbursed in two tranches and would be used for on-lending to private Romanian SMEs and medium companies.

11. Other Business

- No decisions were taken under Other business.