

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

**MINUTES OF THE BOARD MEETING OF  
10 DECEMBER 2013**

**Meeting of the Board of Directors – 10 December 2013**  
**List of Attendance**

**Chairman**  
**First Vice President**  
**Secretary General**  
**General Counsel**

President  
Phil Bennett  
Enzo Quattrocioche  
Emmanuel Maurice

**Directors**

Sang Goo Byun  
Claire Dansereau  
Alain de Cointet  
Evren Dilekli  
Seán Donlon  
Toshiyuki Furui  
Michel Grilli  
Zbigniew Hockuba  
Ole Hovland

**Alternate Directors**

Bob McMullan  
  
Jérôme Baconin  
  
Ole Blöndal  
Nobuyuki Oyama  
  
Stefka Slavova  
Jorma Korhonen  
Christina Segal-Knowles  
Klára Król  
Artem Shevalev  
Dante Brandi  
Peter Basch  
Anthony Bartzokas  
Sergey Verkashanskiy  
Gary Roberts  
Enrique Bal  
Joachim Steffens  
Eran Pollak  
Irena Sodin  
Anna Björnermark  
Ronald Elkhuisen

András Kármán  
Heinz Kaufmann  
Giorgio Leccesi  
Vassili Lelakis  
Abel Mateus  
Denis Morozov  
Jonathan Ockenden  
Antonio Oporto  
Joachim Schwarzer  
Johannes Seiringer  
Jean-Louis Six  
Eva Srejber  
Paul Vlaanderen

**Secretariat**

Colm Lincoln  
Milica Delevic

Nikola Milushev

**Staff**

Betsy Nelson  
Manfred Schepers  
András Simor  
  
Gavin Anderson  
Olivier Descamps  
Natasha Khanjenkova  
  
Jean-Marc Peterschmitt  
Riccardo Puliti  
Josué Tanaka  
Nick Tesseyman  
Erik Berglöf  
Jonathan Charles  
Hans Peter Lankes

Stephen Petri  
Jan Jackholt  
André Küüsvek  
Harry Boyd-Carpenter  
Henry Russell  
Roman Piven  
Oxana Yavorskaya  
Sylvia Gansser-Potts  
Noel Edison  
Galina Shterionova  
Andreea Moraru  
Mike Taylor  
Renata Iksar  
Jolanta Gabriel  
Lucyna Stanczak  
George Orlov  
Jean-Patrick Marquet  
Davor Indic  
Vedran Panjkovic  
Sue Barrett  
Ivana Duarte  
Gilles Mettetal

Mehmet Ilkin  
Tamara Tosic  
Nadia Petkova  
Kerim Aycibin  
Eric Rasmussen  
Natalia Lacorzana  
Loredana Guglielm

## 1. Adoption of the Agenda

- The Agenda was approved.
- Following the last Board meeting, the following items were approved on a no-objection basis:

On 29 November 2013

- Re-appointment of two members of the Administrative Tribunal
- Egypt: Juhayna

On 2 December 2013

- Kazakhstan: Shardara HPP Modernization Project
- Russian Federation: Pskov Water and Wastewater Improvement Project

On 4 December 2013

- Date and Place of the 2015 Annual Meeting

On 6 December 2013

- Regional: Shareholder Special Fund – Road Safety Framework
- Mongolia: Shareholder Special Fund – Strengthening enforcement of court decisions – capacity building (Mongolia)
- Kazakhstan: Shareholder Special Fund – Co-financing with the Government of the Republic of Kazakhstan and EBRD Technical Cooperation Account regarding the Programme of Technical Cooperation (“Kazakh TC Account”)
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On 9 December 2013

- Poland: Polkomtel Privatisation
- Regional: Trade Facilitation Programme - Increase of Domestic Factoring TFP programme sub-limit from EUR 50 million to EUR 150 million
- Ukraine: Lviv Road Rehabilitation and Modernisation Project Loan Extension

2. **Minutes of the Board Meeting of 29 October 2013**  
**Minutes of the Board Meeting of 12 November 2013**  
**Minutes of the Board Meeting of 26 November 2013**
  - The Board approved the minutes of the Board meeting of 29 October 2013; the Minutes of the Board Meeting of 12 November 2013 and the Minutes of the Board Meeting of 26 November 2013.
3. **Operations Policy for Retroactive Financing**  
**Report by the Chairman of the Financial and Operations Policies Committee**
  - The Board approved the proposed revisions to the Bank's Operations Policy for Retroactive Financing.
4. **Local Currency and Capital Markets (LC2) Development - Strategic Initiative**  
**Report by the Chairman of the Financial and Operations Policies Committee**
  - The Board approved the paper on Local Currency and Capital Markets (LC2) Development – Strategic Initiative.
5. **Institutional Performance Report: Third Quarter 2013**  
**Quarterly Risk Review: Third Quarter 2013**  
**Report by the Chairman of the Audit Committee**  
**Report by the Chairman of the Budget and Administrative Affairs Committee**
  - The Board approved the Institutional Performance Report: Third Quarter 2013 and took note of the Quarterly Risk Report: Third Quarter 2013.
6. **Evaluation Department Work Programme and Budget 2014**  
**Report by the Chairman of the Audit Committee**
  - The Board approved the Evaluation Department Work Programme and Budget 2014.
7. **Energy Sector Strategy**  
**Energy Sector Strategy: report on the invitation to the public to comment**  
**Report by the Chairman of the Financial and Operations Policies Committee**
  - The Board approved the Energy Sector Strategy which will guide the Bank's operational approach in the Energy and Natural Resources sector over the next five years.

**8. Belarus: Belvnesheconombank MSME Loan**

- The Board approved a loan of USD 30 million (EUR 21.9 million) to Belvnesheconombank. The loan will be used for on-lending to private Micro, Small and Medium sized sub-borrowers operating largely outside Minsk

**9. Ukraine: Aval - MSME Senior Loan**

- The Board approved a loan of up to USD55 million (EUR 40.4 million) to Raiffeisen Bank Aval. The loan will be used to provide financing to MSME companies under the Ukraine MSME Framework Facility.

**10. Ukraine: Ukrainian Sustainable Energy Financing Framework Sub-project: Raiffeisen Bank Aval**

- The Board approved a Framework of USD 100 million (EUR 75 million) to participating financial intermediaries in Ukraine – banks and leasing companies. The proceeds will be used to extend loans and leases to private companies for financing sustainable energy investments.
- The first project approved under the Framework is a loan to Raiffeisen Bank Aval for up to USD 20 million (EUR 15 million).

**11. Poland: Financial Institutions Debt Capital Market Framework**

- The Board approved the project. Disclosure delayed in accordance with Section E.2 of the Public Information Policy.

**12. Turkey: Garanti Leasing - MSME Credit Line**

- The Board approved a 5 year senior unsecured loan in the amount of EUR 50 million to Garanti Leasing to support the growth of the Company's leasing activities to micro, small and medium-size enterprises (MSMEs) in the less developed regions of Turkey. The loan will be fully committed at signing and will consist of two tranches of (i) EUR 30 million and (ii) EUR 20 million.

**13. Turkmenistan: MSME Finance Framework - Sub-project: Garagum Bank MSME Line**

- The Board approved an MSME Finance Framework of USD 10 million (EUR 7.5 million) and a USD 2 million (EUR 1.5 million) loan to Garagum Bank to support financing of MSMEs in Turkmenistan.

**14. Poland: Bank Millennium S.A. SME Loan**

- The Board approved a loan of EUR 75 million to Millennium Bank million for the purpose of on-lending to SMEs in underserved regions in Poland.

**15. Russian Federation: SDM Bank Capital Increase - SDM Bank SME Loan - 2**

- The Board approved senior SME loan of RUB 300,000,000 (EUR 6.9 million equivalent) to SDM Bank and participation in the capital increase of up to RUB 251,000,260 (EUR 5.8 million equivalent). The financing from the EBRD will be used to support small and medium enterprises' access to longer-term funding in the Russian Federation and will also support SDM's tier 1 capital.

**16. Croatia: Rijeka District Heating**

- The Board approved a loan of up to EUR 10 million to Energo d.o.o. Rijeka. The operation will finance: (i) the rehabilitation of the existing district heating network, (ii) the roll out of an integrated energy management system, (iii) the construction of new heat-only boilers and a new combined heat and power plant and (v) the installation of district cooling equipment.

**17. Russian Federation: Eco-Sistema Leasing**

- The Board approved a loan of RUB 190 million (EUR 4.4 million) to CJSC KM-Leasing. The loan will be used to make available RUB denominated leases to the small and medium municipalities in the Russian Federation for the purpose of renewing their solid waste collection and transportation equipment via such end users as their municipal companies or private operators, competitively selected by these municipalities.

**18. Poland: Project Amethyst**

- The Board approved the project. Disclosure delayed in accordance with Section E.2 of the Public Information Policy.

**19. Russian Federation: Lenta Sustainable Regional Development**

- The Board approved the project. Disclosure delayed in accordance with Section E.2 of the Public Information Policy.

## **20. Turkey: Project Kilic**

- The Board approved a senior secured syndicated loan of EUR 80 million to Kilic Deniz Urunleri Uretimi Ihracat Ihtalat ve Tic. A.S. in Turkey. The loan will be applied to restructure the Company's balance sheet, as well as to support Kilic Deniz in its long term investment plans for quality improvements and growth in aquaculture capacity.

## **21. Hungary: MOL Gas Storage**

- The Board approved the operation change of up to EUR114m outstanding under the MOL Gas Storage loan. The loan will be transformed from an unsecured corporate loan to MOL into a secured project finance facility to MMBF. Its maturity will be extended by ca. 3 years and its currency denomination will be changed from EUR to mix of EUR/HUF.

## **22. Other Business**

No decisions were taken under Other business.