

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

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

Meeting of the Board of Directors – 17 December 2013
List of Attendance

Chairman	President
First Vice President	Phil Bennett
Secretary General	Enzo Quattrocioche
General Counsel	Emmanuel Maurice
Directors	Alternate Directors
Claire Dansereau	Bob McMullan
Alain de Cointet	Jérôme Baconin
Evren Dilekli	
Seán Donlon	Ole Blöndal
Toshiyuki Furui	Nobuyuki Oyama
Michel Grilli	
Zbigniew Hockuba	Stefka Slavova
Ole Hovland	Jorma Korhonen
	Christina Segal-Knowles
András Kármán	Klára Król
Heinz Kaufmann	Artem Shevalev
Giorgio Leccesi	Dante Brandi
Vassili Lelakis	Peter Basch
Abel Mateus	Anthony Bartzokas
Denis Morozov	Sergey Verkashanskiy
Jonathan Ockenden	Gary Roberts
Antonio Oporto	Enrique Bal
Joachim Schwarzer	Joachim Steffens
Johannes Seiringer	Eran Pollak
Jean-Louis Six	Irena Sodin
Eva Srejber	Anna Björnermark
Paul Vlaanderen	Ronald Elkhuizen
Secretariat	
Colm Lincoln	Tom Edmondston-Low
Milica Delevic	Stefano Bertozzi
	Nikola Milushev
Staff	
Luise Hölscher	Louis Borgo
Betsy Nelson	Janet Heckman
Manfred Schepers	Francis Malige
András Simor	Gabriel de Lastours
	Eric Rasmussen
Olivier Descamps	Henry Russell
Thomas Maier	Arianit Blakaj
Jean-Marc Peterschmitt	Valdas Vitkauskas
Josué Tanaka	Bossan Annayeva
Hans Peter Lankes	Sylvia Gansser-Potts
	Gerard Sanders
	Lindsay Forbes
	Frederic Lucenet
	Anne Fossemalle
	Peter Bryde
	Andrew Kilpatrick
	Ekaterina Miroshnik
	Sue Barrett
	Enrico Grassi

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 12 December 2013

- Slovenia: Shareholder Special Fund – Slovenia Corporate Restructuring Advisory Framework

On 13 December 2013

- Kyrgyz Republic: Shareholder Special Fund – Osh and Jalalabad Solid Waste Projects: Project Implementation Unit Support, Engineering Design Services, Procurement and Contract Supervision

On 16 December 2013

- Regional: Shareholder Special Fund – Gender Advisory Services Framework/ Expert Panel EUR 300,000
- Regional: Shareholder Special Fund – LEF Legacy Countries TC Support - Albania, Bosnia Herzegovina, Bulgaria, Croatia, FYR Macedonia, Kosovo, Montenegro, Serbia and Turkey.

2. Romania: Project Tesla

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

3 Staff Compensation and Benefits Proposals for 2014

Report by the Chairman of the Budget and Administrative Affairs Committee

- The Board approved the Staff Compensation and Benefits Proposals for 2014.

4 Retirement Plans Review and Proposals

Report by the Chairman of the Budget and Administrative Affairs Committee

- The Board approved the Retirement Plans Review and Proposals for 2014.

3. 2014 Business Plan and Budget

- The Board approved the 2014 Business Plan and Budget, comprising administrative expenses of EUR 362.3 million (£301.9 million), including operating expenses of EUR 334.6 million (£278.8 million) and depreciation of EUR 27.7 million (£23.1 million), together with a 2014 capital expenditure programme of EUR 41.4 million (£34.5 million).

4. Small Business Initiative Review 2013

- The Board approved the Small Business Initiative Review 2013.

5. 2013 Liquidity Policy Review and 2014 Liquidity Update Report on the Execution of the 2013 Borrowing Programme and the Proposed 2014 Borrowing Programme

- The Board approved the Liquidity Policy and 2014 Liquidity Update.

6. Domiciliation of EBRD clients (previously Offshore Jurisdictions in EBRD Projects)

- The Board approved the documents set out in Annex 1 and Annex 2 to this report and entitled Domiciliation of EBRD clients and extension of policy on *Domiciliation of EBRD clients to Treasury Operations – amendment to Treasury and Treasury Risk Management Authority*.

7. Strategy for Poland Strategy for Poland: report on the invitation to the public to comment

- The Board approved the Strategy for Poland for 2014-2017, which provides strategic, operational and policy guidelines for the Bank's activities in Poland during the period. The Board took note of the comments received from the public.

8. Strategy for Kazakhstan Strategy for Kazakhstan: report on the invitation to the public to comment

- The Board approved the Strategy for Kazakhstan for 2014-2017, which provides strategic, operational and policy guidelines for the Bank's activities in Kazakhstan during the period. The Board took note of the comments received from the public.

9. Tunisia: BTK - SME Loan and TFP

- The Board approved a loan of up to EUR 40 million and a trade finance facility of up to USD 10 million (EUR 7.3 million) to BTK. The loan will support BTK's lending to micro, small and medium-sized enterprises in the Tunisian Republic.

10. Egypt: IPR Development Facility

- The Board approved a loan of USD 50 million (EUR 37 million) to Improved Petroleum Recovery to finance its operations in Egypt. The loan will be used to finance the remediation of a long-term oil contamination, associated petroleum gas utilisation projects and field development at its operations in Egypt.

11. Kosovo: Deposit Insurance Fund of Kosovo ("DIFK")

- The Board approved a loan of EUR 10 million to the Deposit Insurance Fund of Kosovo. The loan will be used to provide the Deposit Insurance Fund with funds to drawdown for the purpose of compensating insured deposits in Kosovo as per the Applicable Deposit Law.

12. Belarus: Syndicated MSME Loan to Belgazprombank / Belgazprombank Business Mortgages Financing Loan

- The Board approved a syndicated MSME loan of up to EUR 40 million (of which the EBRD's portion (A loan) will be up to EUR 10 million) and Business Mortgages Financing Loan of up to EUR 20 million to Belgazprombank in the Republic of Belarus. The proceeds of the MSME loan will be used to provide medium term finance to majority privately owned and controlled micro, small and medium sized enterprises in the Republic of Belarus, while the proceeds of the Business Mortgages Financing Loan will be on-lent to majority privately owned and controlled companies for financing construction, renovation and purchase of commercial real estate.

13. Poland: Polish SME Sustainable Energy Facility II / BNP Paribas Polska PolSEFF II / Millennium PolSEFF II

- The Board approved the Polish SME Sustainable Energy Financing Facility II ("PolSEFF II" or "Framework").
- The Board also approved a senior loan of up to EUR 50 million to BNP Paribas Polska and a senior loan of up to EUR 25 million to Millennium Bank. The PFIs will on-lend the funds to private sector SMEs for investments in energy efficiency and renewable energy.
- The credit line will be supported by TC provided by the EU and grants provided by the National Fund for Environmental Protection and Water Management ("NFOS").

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- 14. Russian Federation: Cotton Way**
 - The Board approved a convertible loan of RUB 1,800 million (EUR 40 million) to Cotton Way Limited. The loan will be used to support the company's expansion and efficiency improvement.
- 15. Regional: Facility for Medium-Sized Projects - Russian Federation: Danieli Volga**
 - The Board approved an increase of up to EUR 4.5 million available in RUB to the existing loan of RUB 408.2 million (EUR 10 million) and the loan tenor extension to 7.5 years to Danieli Volga. The operation change will support completion of the project on construction and placing into operation of the new plant in Dzerzhinsk, the Russian Federation.
- 16. Romania: Romanian Foundations Fund I**
 - The Board approved an equity investment of up to EUR 10 million in favour of The Foundations 1.0 SEE, a corporate partnership limited by shares to be incorporated in Luxembourg. The Bank's investment will enable the establishment of a private equity fund to make equity and equity-related growth investments in small and medium sized enterprises, primarily in Romania.
- 17. Ukraine: Danosha**
 - The Board approved a long term loan of EUR 35 million to Danosha. The operation will finance capital expenditures related to the operational and energy efficiency improvements of Danosha's pig production farms in western Ukraine, as well as balance sheet restructuring.
- 18. Russian Federation: Far Eastern Rail**
 - The Board approved the loan in the amount of USD 180 million (EUR 133 million equivalent) to Far Eastern Rail Limited or LLC Far Eastern Rail for the purpose of acquiring and leasing of up to 10,000 railcars, mostly new innovative 25-tonne/axel gondolas for bulk cargo transportation in the Russian Federation.
- 19. Russian Federation: Nerungri Water Modernisation Project**
 - The Board approved a loan of RUB 450 million (EUR 10.3 million) to OJSC "Nerungri City Vodokanal". The loan will be used to co-finance the company's priority investment programme focusing on energy efficiency improvement and sustainability of water and wastewater services provision in the city.
- 20. Ukraine: Ukrelevatortrans (UET)**
 - The Board approved an A/B Loan in the amount of up to USD 60 million (EUR 44.8 million equivalent), of which up to USD 30 million (EUR 22.4 million equivalent) for the Bank's own account, to Brooklyn-Kiev LLC, a private Ukrainian stevedoring

operator. The Loan will finance the construction and development of a new grain transshipment terminal in the Port of Odessa with a design throughput capacity of 4.5 million metric tons of grain per annum.

21. Mongolia: Project Yellow

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

22. Other Business

No decisions were taken under Other business.