

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

**MINUTES OF THE BOARD MEETING OF
23 JULY 2014**

Meeting of the Board of Directors – 23 July 2014
List of Attendance

Chairman
First Vice President
Secretary General
General Counsel

President
Phil Bennett
Enzo Quattrocioche
Marie-Anne Birken

Directors

Tamsyn Barton
Anthony Bartzokas
Sang Goo Byun
Claire Dansereau
Alain de Cointet
Evren Dilekli
Raffaella Di Maro
Seán Donlon
Toshiyuki Furui
Ole Hovland
András Kármán
Heinz Kaufmann

Kalin Mitrev
Denis Morozov
Jonathan Ockenden
Antonio Oporto
Joachim Schwarzer
Johannes Seiringer
Jean-Louis Six
Eva Srejber

Paul Vlaanderen

Alternate Directors

Michel Grilli

Bob McMullan

Jérôme Baconin
Virgina Gheorghiu
Dante Brandi

Nobuyuki Oyama
Jorma Korhonen

Artem Shevaley
Luyen Tran
Zbigniew Hockuba
Sergey Verkashanskiy

Enrique Bal
Joachim Steffens
Eran Pollak
Irena Sodin
Anna Björnermark
Peter Basch
Ronald Elkhuzen

Secretariat

Colm Lincoln
Milica Delević

Tom Edmondston-Low
Nikola Milushev
Stefano Bertozzi

Staff

Luise Hölscher
Betsy Nelson
András Simor

Erik Berglöf
Jonathan Charles
Hans Peter Lankes

Josué Tanaka
Nick Tesseyman
Jean-Marc Peterschmitt
Lisa Rosen
Hildegard Gacek
Holger Muent
Norbert Seiler
Agnieszka Lukasik

Axel van Nederveen
Alistair Clark
Jean-Patrick Marquet
Aida Sitdikova
Izzet Guney
Gilles Mettetal
Frederic Lucenet
Henry Russell
Mike Taylor
Andrew Kilpatrick
Sabina Dziurman

1. Adoption of the Agenda

- The Agenda was approved.
- The Board noted that, since the previous meeting, the following items had been approved on a no-objection basis:

On 9 July 2014

- Croatia: Privredna banka Zagreb - (sub-project under Regional: Western Balkans Sustainable Energy Financing Facility II (“WeBSEFF II”))

On 15 July 2014

- Early Transition Countries Initiative Review and Operational Priorities 2014-16 - Proposal to extend expiry date of the revolving limits of the Direct Investment Facility, Direct Lending Facility and Medium-Sized Co-Financing Facility;
- Regional: Shareholder Special Fund - Local Currency Financing and Local Capital Markets Initiative Framework (LC2)

On 16 July 2014

- Regional: Shareholder Special Fund – Diagnostic Analysis of Sustainable Retail

On 17 July 2014

- Report by the Chair of the Financial and Operations Policies Committee on Regional: EU/EBRD Municipal Finance Facility – Request for a further change in procurement procedures for contracts financed by the Facility relating to the policy on Financing of Private Parties to Concessions;
- Report by the Chairman of the Audit Committee on the Chief Evaluator Remuneration Review (Restricted Session)

On 22 July 2014

- Report by the Chair of the Budget and Administrative Affairs Committee on the Chief Evaluator Remuneration Review;
- Turkey: Istanbul Ferries Privatisation
- Regional: Shareholder Special Fund – Kyrgyz Republic: Water and Wastewater Framework Facility - Tokmok Water Sub-Project Investment Grant

2. Executive Session: European Council Conclusions and Implication for the EBRD

- 2.1 This item was discussed in Executive Session.

**3. Minutes of the Board Meeting of 25 June 2014
Minutes of the Board Meeting of 9 July 2014**

- The Board approved the Addendum 1 to the Minutes of 25 June Board Meeting and the Minutes of the 9 July Board Meeting.

**4. Treasury and Treasury Risk Management Authority and
- Report by Chair of the Financial and Operations Policies Committee**

- The Board approved the Treasury and Treasury Risk Management Authority.

**5. EBRD Shareholder Special Fund: Request for Reallocation of Resources of
Work Plan January – December 2014
- Report by Chair of the Budget and Administration Affairs Committee**

**6. EBRD Shareholder Special Fund: Proposed Additional Draw-Down of Net
Income to the SEMED Investment Special Fund and Transfer to the ‘SEMED
Window’ of the EBRD Shareholder Special Fund
- Report by the Chair of the Budget and Administration Affairs Committee**

- The Board approved the proposal to (i) reallocate EUR 5 million of the SSF Work Plan 2014 SBI resources to support Small Business and 20% as contingency; (ii) earmark EUR 6 million for SEMED co-financing under the SEMED SSF Window; and (iii) amend Regulation 2 to allow for SEMED countries which have become countries of operation to be eligible through the SEMED Sub-Account, and the proposal to approve the draw-down of net income of EUR 25 million to the SEMED ISF and a transfer of the same amount to the SSF SEMED Window.

**7. Russian Federation: Russia Sustainable Energy and Carbon Finance Facility
(‘RSECF’) Extension I**

- The Board rejected an Extension of the Russian Sustainable Energy and Carbon Finance Facility (RSECF) by EUR 300 million.

**8. Eastern Europe Energy Efficiency and Environment Partnership (E5P) Regional
Fund**

- The Board approved the proposed Rules for the establishment of the Eastern Europe Energy Efficiency and Environment Partnership (E5P) Regional Fund.

9. Moldova: Moldova North Water

- The Board approved a loan of EUR 10 million in two tranches of EUR 6 million and EUR 4 million, respectively, to the Republic of Moldova. The loan will be used to support the development of a regional water supply system in North Moldova on the backbone of the existing Soroca-Balti Pipeline, and to improve the quality and efficiency of water and wastewater services in the operation area.

10. Tajikistan: Qairokkum Hydropower Rehabilitation Project

- The Board approved a loan of USD 50.0 million (EUR 36.8 million) to Barki Tojik. The loan will be used to finance the rehabilitation of the hydro-mechanical and electro-mechanical equipment of two out of six units at the existing Qairokkum Hydropower Plant.

11. Bulgaria: Plovdiv Road Rehabilitation Project

- The Board approved a loan of EUR 14.2 million to the City of Plovdiv. The loan will be used to support the City's urban road rehabilitation programme aimed at improving road quality and safety in Plovdiv.

12. Cyprus: Project Dionysos

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

13. Poland: BNP Paribas Lease Group Polska & Claas Financial Services

- The Board approved the proposal for a loan for of up to EUR 50 million equivalent in Polish Zloty to BNP Paribas Lease Group Polska, under the Polish Sustainable Energy Financing Facility for Leasing. At least 70% of the loan proceeds will be used for financing of sustainable energy projects conducted by Polish Small and Medium Enterprises while the remaining 30% will be used for financing of equipment, light commercial vehicles and trucks and trailers.

14. Slovak Republic: Towercom Acquisition

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

15. Ukraine: Project 40

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

16. Turkey: Vestel Electronics R&D

- The Board approved a loan of EUR 50 million Vestel Elektronik Sanayi ve Ticaret A.Ş. The loan will be used to finance R&D investments in consumer electronics and information technologies, including light-emitting diode (LED) chip production.

17. Regional: Nectar

- The Board approved a loan of EUR 30 million to Nectar and Fructal. The loan consists of: (i) EUR 25 million committed tranche for refinancing of existing debt portfolio; and (ii) EUR 5 million uncommitted tranche for investments in energy efficiency and other capital expenditures.

18. Serbia: Deposit Insurance Agency of Serbia

- The Board approved the credit line of up to EUR 200 million to the Deposit Insurance Agency of Serbia (DIA). The facility will enable the DIA to drawdown funds from this credit line under certain pre-agreed conditions with the purpose of making funds available to compensate insured depositors, in accordance with existing and planned reforms of the Serbian deposit insurance legal framework.

19. Regional: Western Balkans Women in Business Programme

- The Board approved the Western Balkans Women in Business Programme. The Programme is comprised of a credit line of up to EUR 20 million dedicated to women-led small and medium-sized enterprises, a risk mitigation scheme, as well as a technical assistance package to support both the partner financial institutions and women-led businesses. The Programme will support the increase in access to finance and know-how for women-led SMEs in the Western Balkans.

20. Belarus: Belarus Financial Sector Framework II

21. Belarus: Minsk Transit Bank: Syndicated MSME Loan and Local Currency MSME Loan

- The Board approved a financing framework of EUR 50 million to eligible Partner Financial Institutions in Belarus. The proceeds of the framework will be used to promote the extension and/or enhancement of the Partner Financial Institutions support to the private sector in Belarus.

- The Board approved a project including the following two loans to Minsk Transit Bank under the Belarus Financial Sector Framework: (i) a Syndicated MSME Loan for up to USD 20 million (EUR 14.5 million) where the Bank will account for the A-portion of up to USD 5 million (EUR 3.6 million) and (ii) a Local Currency MSME Loan of up to USD 5 million (EUR 3.6 million). Both loans will be used to support on-lending to privately-owned MSMEs in Belarus therefore improving their access to financing in an environment with tightened credit conditions.

22. Mongolia: Mongolian Financial Sector Framework II

- The Board approved the Mongolian Financial Sector Framework of EUR 60 million to support MSMEs through commercial banks.

23. Mongolia: Mongolian Sustainable Energy Financing Facility (MonSEFF)

- The Board approved the Mongolian Sustainable Energy Financing Facility of EUR 25 million to finance sustainable energy projects and MSMEs through commercial banks in Mongolia.

24. Mongolia: XacBank – Sustainable Energy and MSME Loans

- The Board approved:
 - a Sustainable Energy loan in the amount of up to USD 10 million (EUR 7.4 million) equivalent in MNT under the Mongolian Sustainable Energy Financing Facility, and
 - an MSME loan in the amount of up to USD 5 million (EUR 3.7 million) equivalent in MNT under Mongolian Financial Sector Framework II.

25. Turkey: IsBank (Turkey: Residential Energy Efficiency Financing Facility (TuREEFF))

- The Board approved an investment of up to USD 75 million (EUR 55 million) available to the Company consisting of (i) USD 60 million (EUR 44 million) from the Bank’s resources and (ii) USD 15 million (EUR 11 million) co-financing from the Clean Technology Fund (“CTF”) under the TuREEFF framework.
- The facility would be used to support Turkish private residential stakeholders for investments in energy efficiency and small-scale renewable energy projects in the residential buildings sector.

26. Other Business

- Appointment of Chairs, Vice Chairs and Members of Board Committees: 2014 – 2015
- The Board approved the appointment of Chairs, Vice Chairs and Members of Board Committees for a term of one year starting in September 2014.