

EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT:
March 2008 PROJECT PIPELINE UPDATE

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This report was last updated on April 1, 2008. The information contained on this report will reflect the status of each project and new project entries.

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I. INTRODUCTION AND GUIDE TO EBRD'S PROJECT PIPELINE:

Project finance is the EBRD's core business. The EBRD has committed more than €22.7 billion (about \$29 billion) to both private and state sector projects. All projects provide a number of procurement opportunities. U.S. companies can access information about EBRD's projects through the EBRD's website www.ebrd.com/oppo/procure/oppo/index.htm.

The interval between identification of a project and its approval varies in every case. Each entry in the Project Pipeline identifies the status of a particular project in the project cycle.

After loans are approved, entries are dropped from the Project Pipeline and appear on the Projects Approved page of the EBRD's website.

We would like to draw U.S. companies' attention to the difference between state sector projects, which are followed with international tendering processes, versus procurement under private sector projects, which are completed by the EBRD's client. With procurement under private sector projects, it would be important to contact the EBRD's client directly.

Inclusion of a project in the Bank's Project Pipeline does not imply any commitment on the part of the Bank to finance the project.

New projects, which appear in the Project Pipeline for the first time, are indicated by the abbreviation (N) before the project name. For additional information on any of these projects, interested parties are requested to contact the executing agencies directly and NOT the European Bank.

II. PROJECTS SCHEDULED FOR BOARD CONSIDERATION:

	Project name	Country	Date disclosed
A.	Antea Cement	Albania	31 Mar 2008
B.	Aureos Central Asia Fund LLC	Regional	31 Mar 2008
C.	Arges Regional Water Project	Romania	31 Mar 2008
D.	KEGOC Modernisation II Loan	Kazakhstan	31 Mar 2008
E.	UFG Privat Equity Fund II	Regional	31 Mar 2008
F.	Almaty Bottlers	Kazakhstan	31 Mar 2008
G.	OGK-5 Equity	Russia	31 Mar 2008
H.	EU/EBRD Accession Compliance Facility	Romania	31 Mar 2008
I.	Irkutsk Oil and Gas Company (Equity)	Russia	31 Mar 2008
J.	Emerging Balkan Residential Fund	Regional	31 Mar 2008

A.

Project name: Antea Cement
Country: Albania
Project number: 37747
Business sector: General manufacturing
Public/Private: Private
Environmental category: A
Board date: 10 June 2008
Status: Inactive

Date PSD disclosed: 31 March 2008
Date PSD updated:

Project description and objectives:

The EBRD is considering a project totalling EUR 29.4 million in debt and equity financing for the construction and operation of a green field cement plant designed to produce 1.5 million tons of cement annually at a plant located about 30 km north of Tirana. The financing package would include EUR 12.6 million in equity and EUR 16.8 million in subordinated debt.

The project also includes the development of two quarries in the vicinity of the site to supply the cement plant with raw materials. The start of production is scheduled for 2010.

In addition to the EBRD financing, funding is also being provided by TITAN SA, an international cement producer, and also by the IFC

Transition impact:

The project will be one of the largest industrial Greenfield investments in Albania. The project's transition impact potential rests on the following two elements:

- **Increased competition / market expansion**
At present, most of Albania's cement demand is met through imports. The only existing cement producer in the country covers a significant portion of Albania's domestic demand for cement. The entry of a second major player in the local cement market restores competitive pressure. A part of the company's production will be exported into the region, thus strengthening the trade links between Albania and its neighbours.
- **Skill transfer**
The entry of Titan as an experienced international producer into the Albanian cement sector will demonstrate industry best practice to other companies in Albania as well as transfer knowledge to the local workforce which will be trained in state of the art new technologies.

The client: The beneficiary company is Antea Sh.A., an open joint stock company in Albania. Antea Sh.A. is majority owned by Titan Cement Company S.A.. Titan is an international cement producer with plants operating in three continents.

EBRD finance: EUR 12.6 million equity and EUR 16.8 million subordinated debt.

Total project cost: EUR 210 million.

Environmental impact: **Environmental classification and rationale**

The project has been screened A/0, requiring an environmental and social impact assessment (ESIA) in line with the Bank's Environmental Policy (2003) and Public Information Policy. The project is also subject to Albanian EIA requirements.

The Project was also classed as Category A project by the IFC in accordance to IFC's Environmental, Health and Safety Guidelines (2007).

Information reviewed during the environmental appraisal

The following documents were received and complete the Environmental and Social due diligence of the project in line with the Bank's Environmental Policy:

- Public Consultation and Disclosure Plan (PDCP), Atkins dated October 2007, in English and Albanian;
- Project Scoping Document, Atkins, dated October 2007, in English and Albanian;
- Environmental and Social Impact Assessment (ESIA), WS Atkins International Limited, dated February 2008 – in English and Albanian;
- Appendix, Transport Planning Study, WS Atkins International Limited, dated April 25, 2007;
- Appendix, Road Safety Assessment Study, WS Atkins International Limited, dated December 12, 2007;
- Appendix, Ecological Assessment, Prof. Dr. Arsen Proko, dated December 12, 2007;

- Social Compensation Plan Framework, WS Atkins International Limited, dated February 2008, in English and Albanian;
- Social Compensation Plan Framework, Appendixes, WS Atkins International Limited, dated February 2008, in English and Albanian
- Antea CO2 emission calculation, not dated
- Limestone reclamation, a drawing illustrating the proposed final appearance of the limestone quarry, not dated
- Flysch reclamation, a drawing illustrating the proposed final appearance of the flysch quarry, not dated

Members of the EBRD and IFC environment departments visited the site, on numerous occasions, in 2007 and actively participated in developing and finally approving the above documents and criteria.

Due diligence undertaken and outcomes

An Environmental, Social Impact Assessment was undertaken of the cement plant Project by an independent international consultant. The Project has also been subject to Albanian EIA requirements. Members of the Bank's and IFC Environment Department visited the site as part of the due diligence, evaluated and approved the Social Impact Assessment Report.

The new cement plant will be designed in line with best international practice and appropriate environmental and social management systems are to be implemented during the construction and operation phases of the Project. The Project has also been structured to meet European Union Integrated Pollution and Prevention ("IPPC") Directive BREF Note for Cement and Lime Manufacture and the IFC EHS Guidelines for Cement Manufacture. The project will include appropriate dust abatement and will attain a minimal NOx emission standard of 600 mg/Nm³. Given that road transport will be used for both raw material and final product delivery a road safety assessment and subsequent management system has been developed to minimize traffic related impacts.

Antea will operate the new cement plant and associated quarries in compliance with Albanian laws and regulations as well as in accordance with EU environmental standards and IFC EHS Guidelines. An environmental management system and continuous monitoring will be incorporated into day-to-day operations of the cement plant.

Disclosure of information and consultation

The Project is subject to a public consultation and a disclosure plan (PCDP) that has been developed and approved by the Bank.

Disclosed materials include:

- 2008 ESIA Non Technical Summary in Albanian and English
- 2008 Environmental and Social Impact Statement, Main Report plus appendixes in Albanian and English
- 2007 Public Consultation and Disclosure Plan (PCDP) in Albanian and English
- 2008 Social Compensation Plan Framework in Albanian and English

The materials are available in hard copy at the following locations in Albania

- Antea Office; Rruga Luigj Gurakuqi, Pallati 89, Section A, 10th floor; Tirana Albania Contact: Mrs. Teuta Dobi, phone 00 355 427 4778
- EBRD Regional Office in Tirana; Torre Drin Building, 4th Floor; Abdi Toptani Street Tirana, Albania; Tel: +355 42 32898, Fax: +355 42 30580. Contact: Daniel Berg, Head of Office, email: bergd@ebrd.com

IFC Albania office Deshmoret e 4 Shkurtit, No. 34 Tirana, Albania; Telephone: (355-4) 280-650/1; Fax: (355-4) 240-590

The EIA package and Executive Summary have also been released for public review by the project sponsor on its website www.titan-cement.com and released locally in the following locations:

- Antea Office; Rruga Luigj Gurakuqi, Pallati 89, Section A, 10th floor; Tirana Albania Contact:

- Mrs. Teuta Dobi, phone 00 355 427 4778
- Kruja Municipal Council offices; Kruja city; Contact: Mrs SHATRAJ Dashurie. Tel 00 355 6922 19607
 - Thumana Commune Council offices; Thumana Village. Contact: Mr MIHA Konstantin. Tel. 00 355 6940 60129

Additionally the executive summary is available on the EBRD internet sites at www.ebrd.com, a full copy of the ESIA is available from the World Bank InfoShop:

World Bank InfoShop
1818 H Street, N.W., Room J1-060
Washington, DC 20433
USA
Telephone: (202)-458-4500 (USA, 9:30am – 3:30pm EST)
Fax: (202) 522-1500 (USA)
E-mail: pic@worldbank.org

Monitoring and reporting

The Company will monitor the environmental impact of its operations in accordance with national law and regulations. The Bank will evaluate the project's compliance with the applicable environmental and social requirements during the lifetime of the project by reviewing annual environmental reports prepared for the project covering:

- (i) ongoing performance of project-specific environmental, health and safety activities as reflected in the results of periodic and quantitative sampling and measuring programmes, and
- (ii) the status of implementation of environmental mitigation and improvement measures. The Bank's representatives will also conduct periodic site supervision visits when deemed appropriate.

The Bank will undertake monitoring of the Project, inclusive of site visits by Bank staff as well as independent audits and an additional commissioning audit once the plant has been constructed.

Technical cooperation: None.
For consultant opportunities for projects financed by technical cooperation funds, visit [procurement of consultants](#).

Company contact: Mr. Lefteris Garis
Country Manager,
Antea Sh.A
Rruga Luigj Gurakuqi, Pallati 89,
Section A, 10th floor;
Tirana
Albania

Tel: 00 355 427 4778

For Project related questions please contact:
Social Issues: Contact - Mrs Dobi Teuta. Tel 0 355 6920 90547
General questions on the Project. Contact: Mr Bylyku Adrian. Tel.: 00 355 6920 93726

EBRD contact: Holger Muent, Operation Leader: muenth@ebrd.com

Business opportunities: For business opportunities or procurement, contact the client company.

General enquiries: EBRD project enquiries not related to procurement:
Tel: +44 20 7338 7168; Fax: +44 20 7338 7380
Email: projectenquiries@ebrd.com

B.

Project name: Aureos Central Asia Fund LLC

Country: Regional

Project number: 38930

Business sector: Equity funds

Public/Private: Private

Environmental category: FI

Board date: 29 April 2008

Status: Passed concept review, Pending final review

Date PSD disclosed: 28 March 2008
Date PSD updated:

Project description and objectives:

The EBRD is considering an equity investment of up to USD 10 million to but not exceeding 10% of total aggregate capital commitments of Aureos Central Asia Fund (the "Fund"). Aureos Central Asia Fund is a private equity fund established in March 2007 to focus on equity and quasi-equity investments in fast growing medium-sized enterprises in Central Asia (Kazakhstan, Uzbekistan, Kyrgyz Republic, Turkmenistan and Tajikistan), Azerbaijan and Georgia.

The Fund is seeking long-term capital appreciation by providing growth capital to middle market companies that exhibit established profitable business models, have strong management teams and demonstrate potential to become market leaders.

At least 70% of the Fund's capital will be invested in Kazakhstan with the remaining amount in the other target countries. The Fund will consider investments in the range of USD 2 to 10 million per company.

Transition impact:

The Fund will support the development of private companies in the targeted countries by adopting a hands-on approach and transferring operational and strategic expertise and know-how. The transition impact of the proposed project will be most pronounced in the following four areas:

1. development of private equity market in the target countries;
2. demonstration that private equity funds are a sustainable form of financing;
3. transfer of technical, operational and financial skills to the portfolio companies; and
4. improvement of corporate governance.

The client:

The Fund is managed by Aureos Central Asia Managers Ltd, a private company with limited liability incorporated under the laws of Mauritius and wholly owned by Aureos Capital Limited. Aureos Capital Limited is a manager of private equity funds focused on making investments in medium-sized enterprises in the emerging markets.

EBRD finance:	The EBRD proposes an equity investment of up to USD 10 million to the Fund but not exceeding 10% of total aggregate capital commitments.
Total project cost:	The Fund's target size is estimated at USD 100 million for the final closing.
Environmental impact:	The Fund has adopted Business Principles and Environmental and Social Management procedures, which include Referral and Exclusion Lists, adequate environmental due diligence, monitoring procedures and compliance requirement of each sub-project with relevant national environmental, health, safety and labour standards and requirements. The Fund will be required to submit an Annual Environmental Report to the EBRD.
Technical cooperation:	None. For consultant opportunities for projects financed by technical cooperation funds, visit procurement of consultants .
Company contact:	Mr. Talgat Kukenov, Managing Partner E-mail: tkukenov@aureos.com Aureos Kazakhstan Advisers Limited 7 Al Farabi Avenue Nurly Tau Business Centre Building 4A, Office 14 Almaty Kazakhstan Tel: +7 7273110288/87 Website: http://www.aureos.com
EBRD contact:	Kanat Jousoupbekov, Operation Leader: jousoupk@ebrd.com
Business opportunities:	For business opportunities or procurement, contact the client company.
General enquiries:	EBRD project enquiries not related to procurement: Tel: +44 20 7338 7168; Fax: +44 20 7338 7380 Email: projectenquiries@ebrd.com

C.

Project name: Arges Regional Water Project
Country: Romania
Project number: 37022
Business sector: Municipal and environmental infrastructure
Public/Private: Private
Environmental category: B
Board date: 28 May 2008
Status: Passed concept review, Pending final review
Date PSD disclosed: 25 March 2008
Date PSD updated:
Local language translation: [Traducere în limba română](#) 
Date translation disclosed: 28 March 2008

Project description and objectives:

The proposed project will allow Apa Canal 2000 S.A. Pitesti to address key infrastructure needs of Pitesti city and its outskirts and is designed to improve efficiency of services provided by Apa Canal, combined with continuing EU Instrument of Structural Policies for Pre-Accession (EU - ISPA) investments in the water and wastewater sector. The EBRD loan of up to €7 million will enable the Apa Canal to efficiently increase its service area through connection of previously unserved communities adjacent to Pitesti city to the main water supply and sewerage network. The EBRD investment entails the construction of:

- 17.8 km of new sewerage network
- 11 km of new water supply network, and
- pumping system to ensure sufficient pressure to supply water in the network extension.

Transition impact:

Transition goals of the operation include:

- Expansion of water and wastewater services in the region will enable the company to provide services to the population on an even and unfragmented basis. Scale up of its

operations will expand regionalisation of the company and transform it into an operator with strengthened institutional capacity and increased ability to apply commercial business practices across enlarged service area. It will also allow the company to achieve economy of scales to achieve and substantial efficiency gains.

- Framework for markets: The project will promote cost recovery principles at the local level, with tariffs set to recover costs within affordability limits, greater application of metering, and more of a commercial approach to revenue collection.

The client:	S.C. Apa Canal 2000 S.A. Pitesti.
EBRD finance:	Senior loan of up to EUR 7 million to the Company.
Total project cost:	Up to 8.5 million.
Environmental impact:	<p>The project has been screened B/1. Environmental impacts associated with partly reconstruction and expansion of water and wastewater services from municipality of 210,000 consumers to the region of 350,000 consumers, accompanied by a major investment in improvement of water supply and wastewater collection can be readily identified and addressed through adequate mitigation measure using good management practices. Therefore an environmental analysis including an auditing of relevant water and wastewater management facilities are required in the area of Pitesti City. No other environmental issues to rise at this stage.</p>
Technical cooperation:	<ul style="list-style-type: none">• Arges Regional Water Project Preparation – EUR 463,976 (EUR 300,000 financed by the Government of the Netherlands and EUR 163,976 client contribution).• Arges Regional Water Financial and Operational Performance Improvement Programme – EUR 300,000 – donor to be identified.

For consultant opportunities for projects financed by technical cooperation funds, visit [procurement of](#)

[consultants](#).

EBRD contact: Susan Goeransson, Operation Leader:
goeranss@ebrd.com

Procurement or tendering opportunities: Visit [EBRD Procurement](#)
Enquiries: Tel: +44 20 7338 6794; Fax: +44 20 7338 7472, Email: procurement@ebrd.com

General enquiries: EBRD project enquiries not related to procurement:
Tel: +44 20 7338 7168; Fax: +44 20 7338 7380
Email: projectenquiries@ebrd.com

D.

Project name: KEGOC Modernisation II Loan
Country: Kazakhstan
Project number: 38647
Business sector: Power and Energy
Public/Private: Public
Environmental category: B
Board date: 28 May 2008
Status: Passed concept review, Pending final review
Date PSD disclosed: 19 March 2008
Date PSD updated:

Project description and objectives: The proposed project covers the modernisation of substations and high-voltage equipment of JSC "Kazakhstan Electricity Grid Operating Company" ("KEGOC"), the national transmission operator of Kazakhstan to ensure efficiency, reliability and safety of the national transmission system. The project will enable KEGOC to provide an efficient, reliable and non-discriminatory access to the grid thus ensuring operating efficiencies and smooth functioning of the system while facilitating development of a competitive market.

Transition impact: The project supports the Bank's strategic cooperation with the Government of Kazakhstan

under the Sustainable Energy Action Plan (SEAP) currently finalised between the Government of Kazakhstan and the Bank.

The SEAP is designed “to promote the conservation or rational use of energy resources as well as the efficient and sustainable supply of power and energy, to achieve national energy security, address regional imbalances and improve industrial competitiveness”. By supporting this key infrastructure investment, the Bank will help KEGOC to provide an efficient, reliable and non-discriminatory access to the grid thus ensuring operating efficiencies and smooth functioning of the system while facilitating development of a competitive market.

The project will:

- **Support sector reforms** by providing additional incentive to the Government of Kazakhstan to implement key reform objectives of SEAP, including improvements in tariff regime and regulatory arrangements to encourage investments in electricity transmission, distribution and generation.
- **Demonstrate new types of financing** by introducing unsecured long-term syndicated financing, possibly in local currency, to a corporate client who relied in the past on sovereign guarantees, securities and pledges and is trying to diversify its creditor base and attract commercial financing, similar to other mature grid operators in the CIS and world-wide. Successful syndication will have demonstration effect for other similar institutions in Kazakhstan.
- **Promote commercial efficiency and functioning.** Through the substations equipment rehabilitation and replacement, the investment will facilitate increased efficiency of the electricity system in Kazakhstan. Modernization of the transmission infrastructure offers numerous benefits in terms of system reliability, increased export/transit capacity and the ability to make more effective use of low-cost generating plants in northern Kazakhstan to

serve domestic markets.

- **Assist in developing competition** both on the national and regional levels by allowing low cost producers to effectively compete on the broader regional market. Strengthening the transmission capacity will ensure an efficient functioning of wholesale market and system reliability. The current technological obsolescence of the transmission sector is a substantial risk factor, which could adversely affect the transition to competitive relations in the power sector.

The client:

JSC "Kazakhstan Electricity Grid Operating Company", the national transmission operator of Kazakhstan is a fully state-owned monopoly responsible for power transmission and dispatch. KEGOC's role is to ensure stability and reliability of the national power system and equal access to the wholesale electricity market for both electricity producers and consumers.

EBRD finance:

The EBRD is considering to provide an up to EUR 127.5 million Loan including up to EUR 63 million equivalent denominated in Kazakh Tenge subject to local currency availability to the Bank. Up to EUR 127.5 million will be co-financed by a syndicated loan.

Total project cost:

EUR 292 million.

Environmental impact:

Screened B/1, requiring a corporate environmental audit of the company operations and an environmental analysis of the proposed investment programme. The Bank has financed three previous investments with the company and has developed and agreed environmental action plans in the past. These are being well implemented by the company and there have been no major environmental or social issues reported to date. As part of the new loan, the Bank will undertake an environmental due diligence (EDD) in line with Bank Environmental Policy. The EDD will among others, assess the implementation of previously agreed Environmental Action Plan as well as review the proposed investment programme to confirm it is structured to meet national as well as EU

environmental standards.
Following the environmental due diligence the PSD will be updated.

Technical cooperation:

None.
For consultant opportunities for projects financed by technical cooperation funds, visit [procurement of consultants](#).

EBRD contact:

Aida Sitdikova, Operation Leader:
sitdiko@ebrd.com

Procurement or tendering opportunities:

Visit [EBRD Procurement](#)
Enquiries: Tel: +44 20 7338 6794; Fax: +44 20 7338 7472, Email: procurement@ebrd.com

General enquiries:

EBRD project enquiries not related to procurement:
Tel: +44 20 7338 7168; Fax: +44 20 7338 7380
Email: projectenquiries@ebrd.com

E.

Project name: UFG Privat Equity Fund II
Country: Regional
Project number: 38923
Business sector: Equity funds
Public/Private: Private
Environmental category: FI
Board date: 15 April 2008
Status: Passed concept review, Pending final review
Date PSD disclosed: 14 March 2008
Date PSD updated:

Project description and objectives:

As part of its commitment to support the private sector, the EBRD is considering participating in UFG Private Equity Fund II, which will invest in medium-sized enterprises with significant growth potentials, established and operating in CIS countries. The target size of the fund is USD 500 million.

Transition impact:	An investment in UFG Private Equity Fund II offers the Bank the opportunity to support one of the truly local private equity teams in Russia by helping them raise the second fund and attract new institutional investors to the CIS market. The team's competences, combined with the Fund's hands-on and control-oriented investment strategy, will add value to the investee companies.
The client:	<p>The Fund's priority targets are Russia, Ukraine, Kazakhstan and Belarus. The fund will provide expansion capital and buy-out financing across a broad range of key growing and mainly consumer-driven market sectors, including media & telecommunications, business services, insurance, logistics & transportation, financial services, retail and construction materials.</p> <p>The Fund will be a successor fund to UFG Private Equity Fund I, which was raised and managed by the core team of professionals who will be managing Fund II.</p> <p>The fund will be managed by UFG Capital Partners which is owned and led by the principal partners of former United Financial Group, one of the Russia's top-tier private investment bank. The team of investment professionals is entirely Moscow-based. The Fund Manager will be also a significant investor in the Fund.</p>
EBRD finance:	Up to USD 50 million.
Total project cost:	The target size of the fund is USD 500 million. The maximum size is capped at USD 700 million.
Environmental impact:	The fund will follow the EBRD's Environmental Procedures for private equity funds. In implementing these procedures, the fund will assess potential environmental issues associated with its investments, all of which are required to comply at a minimum with local/national health, safety and environmental standards, regulations and public consultation requirements.
Technical cooperation:	<p>None</p> <p>For consultant opportunities for projects financed by technical cooperation funds, visit procurement of consultants.</p>

Company contact: Dimitri Elkin, Managing Director
UFG Private Equity
5 Petrovka Street,
107031, Moscow, Russia
Tel: +7 (495) 721-1212
Fax: +7 (495) 721-1210
Email: DElkin@ufgam.com

EBRD contact: Zulfira Akhmedova, Operation Leader:
akhmedoz@ebrd.com

Business opportunities: For business opportunities or procurement, contact the client company.

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Tel: +44 20 7338 7168; Fax: +44 20 7338 7380
Email: projectenquiries@ebrd.com

F.

Project name: Almaty Bottlers
Country: Kazakhstan
Project number: 38705
Business sector: Agribusiness
Public/Private: Private
Environmental category: B
Board date: 15 April 2008
Status: Passed structure review, Pending final review
Date PSD disclosed: 14 March 2008
Date PSD updated: 28 March 2008

Project description and objectives: The proposed project is up to USD 40 million loan for Almaty Bottlers (the "Company"). Proceeds of the loan will be used to finance the expansion and modernisation of Almaty Bottlers' production facilities and distribution networks in Kazakhstan.

Transition impact: The transition impact for this project will be derived from an improved warehousing and distribution infrastructure across the country, backward linkages with suppliers and skills transfer across the FMCG sector.

The client:	Almaty Bottlers, a company operating two bottling plants in Almaty and a distribution network in Kazakhstan. The company also supplies neighbouring markets such as Kyrgyzstan and Tajikistan.
EBRD finance:	Up to USD 40m 5-year loan.
Total project cost:	USD 110 million.
Environmental impact:	<p>Environmental classification and rationale According to EBRD's Environmental Policy and Procedures this project has been categorised B/1. The project involves the provision of a loan, to an existing company, to undertake the expansion of production and warehousing, principally at the company's Burundai facility located outside Almaty. EBRD due diligence was structured to understand current environment, health and safety ("EHS") impacts of the Company and issues associated with the current and past operations. For this reason the Bank conducted an analysis of the expansion plans and audit of the existing facilities.</p> <p>Information reviewed during the environmental appraisal Almaty Bottlers submitted a range of information to the Bank including an audit report performed as part of the validation of the Company's ISO 14001 certificate. The Bank's aim was, among other things, to assess facility compliance with national and applicable EU environment, health and safety ("EHS") standards, assess specific risks associated with past and current operations and if necessary agree actions for the improvement of EHS management.</p> <p>Key environmental issues and mitigation <i>Environmental, health and safety impacts:</i> While the bottling of drinks is associated with some EHS issues these are typically easy to identify and possible to manage. Issues include provision of an adequate water supply, minimisation of waste waters and appropriate waste water treatment, improvement of energy efficiency, maintenance of hygiene, and ensuring occupational health and safety.</p> <p><i>Regulatory compliance:</i> The operations of Almaty Bottlers are currently compliant with national environmental requirements. The company is subject to regular inspections by a</p>

range of government authorities including those in charge of environment, health and safety, hygiene and fire safety. In terms of European Union standards, the Bank has made a comparison of Almaty Bottlers' activities against EU's Food, Drink and Milk Industries Reference Document on Best Available Techniques (BAT"). For those areas identified as key for the drinks industry the Company is generally complying with the requirements of BAT. Under its agreement with the Bank Almaty Bottlers is committed to maintaining compliance with both national and EU requirements for environment, health and safety.

Environmental management:

Almaty Bottlers' Burundai facility is certified to ISO 14001 while its Almaty facility aims to be ISO 14001 certified by the end of 2008. In either being, or aiming to be ISO certified, the facilities are subject to regular audits to ensure that the key environmental issues have been identified and that the necessary management and procedures are in place.

Environmental opportunities

The Company is aware of the benefits of improving eco-efficiency and is already committed to implementing actions which minimize energy use and water consumption. Such actions include the implementation of more energy efficient techniques for the production of PET bottles and an increase in the recycling of production waters.

Summary of Environmental Action Plan

As a result of previous third-party audits undertaken, the Company has been implementing a corrective action plan. Most items on this plan are now complete. Looking forward, the Bank will request the Company to provide the Bank with copies of future audits undertaken both as part of the maintenance of existing certifications and as part of new certifications achieved.

Disclosure of information and consultation

The Company will carry out its activities in accordance with national requirements for public disclosure and consultation. Additionally, the Company is disclosing this summary of key environmental issues locally, in accordance with EBRD requirements, prior to the EBRD's final management review of the project.

Monitoring and reporting

The company will provide the Bank with an annual environmental report and immediate notification of any incidents or accidents likely to have an effect on the environment or worker and public safety.

Technical cooperation:

TC for the training of fruits farmers in central Asia to assist them in enhancing the quality and volume of their produce, in order to reach a level sufficient to supply Almaty Bottlers' concentrates.

A TC is also contemplated for enhancing the capabilities of the Training Centre being developed by the Company, to assist in enhancing the level of training and in absorbing a larger number of external interns in different disciplines, mainly technical and sales & marketing.

For consultant opportunities for projects financed by technical cooperation funds, visit [procurement of consultants](#).

Company contact:

Çiğdem Güres
Coca-Cola İçecek Anonim Şirketi
Tel: +90 (216) 528 4490

EBRD contact:

Tarek El Sherbini, Operation Leader:
elshert@ebrd.com

Business opportunities: For business opportunities or procurement, contact the client company.

General enquiries:

EBRD project enquiries not related to procurement:
Tel: +44 20 7338 7168; Fax: +44 20 7338 7380
Email: projectenquiries@ebrd.com

G.

Project name: OGK-5 Equity
Country: Russia
Project number: 38016
Business sector: Power and Energy
Public/Private: Private
Environmental category: C
Board date: 15 April 2008

Status:	Passed final review, Pending board approval
Date PSD disclosed:	13 March 2008
Date PSD updated:	26 March 2008
Project description and objectives:	<p>The project is a purchase of a 4.0% stake in OGK-5, one of Russian power generating companies, from Enel SpA (the Sponsor). As a result of the privatisation of the strategic stake in OGK-5 in 2007 and subsequent market transactions, Enel currently holds approximately 60% of the shares of the Company.</p> <p>EBRD's involvement in the privatisation is seen by the Sponsor as an important partnership in their first major investment in the Russian power sector. In addition to regulatory and political risk mitigation, the Bank will facilitate the Sponsor's integration and restructuring plans aimed at bringing the technical and operational performance of OGK-5 in line with international best practices.</p> <p>The proposed investment builds on the success of the Bank's original equity investment in OGK-5 in 2006.</p>
Transition impact:	<p>The project is a strategic partnership between the Bank and the Sponsor and facilitates a successful privatisation of OGK-5, which has been the stated objective of the Bank's initial investment in OGK-5 in 2006. The Bank's further investment and continued presence in OGK-5 will provide the Sponsor with significant regulatory and political comfort.</p> <p>The Bank will support the Sponsor in its post-merger integration of OGK-5 within Enel's international structure. The goals of this integration will include bringing international industry benchmarks to the Company.</p>
The client:	<p>OGK-5 is a one of the six Wholesale Generating Companies in Russia formed in the process of unbundling of RAO UES. OGK-5 operates four power plants: Konakovskaya GRES (Central Russia), Nevinnomysskaya GRES (Southern Russian), Sredneuralskaya GRES and Reftinskaya GRES (Urals region).</p>
EBRD finance:	<p>Equity investment of up to EUR 175 million equivalent in Russian Roubles by purchasing approximately 4.0% of OGK-5 common shares from the Sponsor.</p>

Total project cost:	EUR 175 million
Environmental impact:	<p>The project has been screened as C/1, requiring an environmental due diligence as through the increased equity investment the Bank will be exposed to all environmental and social issues associated with the Company.</p> <p>An environmental due diligence of the Company was undertaken by an independent consultant in 2006 and again in 2008. The environmental due diligence has not identified any major environmental or social issues and confirmed that the Company is in general compliance with national standards. A new investment programme is being developed to help the Company increase energy efficiency and attain environmental and technical performance in line with international best practice and Enel's corporate policies. This includes technical and environmental review of all the stations with benchmarking against best available techniques (BAT).</p> <p>The main environmental risk is associated with the future performance of the generating assets and future requirements for upgrading the plants to meet both Russian and international (such as EU) environmental standards, notably in terms of air emissions. The environmental audits undertaken have identified a number of environmental investment needs and procedural requirements, and following the 2008 environmental audit, an Environmental Action Plan (EAP) was agreed with the Company and Enel, and is currently being implemented. Following the completion within 2009 of Technical and Environmental Audit performed by Enel, a revision of the Environmental Action Plan could be put in place to better address a number of environmental investment opportunities and procedural requirements.</p> <p>The Bank will continue to monitor the implementation of the EAP, including corporate social responsibility policies of Enel, and overall performance of the plants and undertake monitoring visits as required.</p>
Technical cooperation:	<p>None.</p> <p>For consultant opportunities for projects financed by technical cooperation funds, visit procurement of consultants.</p>

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H.

Project name: EU/EBRD Accession Compliance Facility
Country: Romania
Project number: 38540
Business sector: Lending to banks
Public/Private: Private
Environmental category: FI
Board date: 15 April 2008
Status: Passed final review, Pending board approval
Date PSD disclosed: 13 March 2008
Date PSD updated:
Local language translation: [Traducere în limba română](#) 
Date translation disclosed: 13 March 2008

Project description and objectives: The proposed project will consist of loans to Participating Banks in the amount of up to EUR 40 million. The Participating Banks will on-lend the funds to small and medium-sized enterprises (“SMEs”) in the industrial sector, to upgrade facilities to meet EU standards in the areas of environmental protection, health and safety and product quality and safety. The

Project will be complemented by grant funding of EUR 10.2 million from the EU and Romanian Government for technical cooperation and for incentives at the level of sub-borrowers and banks.

Sub-projects:

Transition impact:

The project will help overcome market barriers that prevent industrial SMEs from implementing investments to achieve compliance with EU standards. The proposed project will result in positive demonstration effects with respect to improving standards of business conduct and successful enterprise restructuring and will build expertise among the SMEs and Participating Banks with respect to the new regulatory environment. The financially intermediated model has proven successful in reaching a wide range of sub-borrowers in the industrial sector thereby achieving maximum impact of donor funds.

The client:

The Framework will be available for qualifying Participating Banks in Romania.

EBRD finance:

Senior loans to Participating Banks in Romania up to a total amount of EUR 40 million

Total project cost:

EUR 40 million.

Environmental impact:

Screened FI. The Facility will have a positive effect on Romanian SMEs in terms of their enhanced capacity for environmental protection, worker health and safety and product quality and safety. The proposed Participating Banks, BCR and BRD, are both existing EBRD clients and have successfully implemented the EBRD's Environmental procedures for Intermediated Financing; they will be required to continue to implement the EBRD's Environmental Procedures for Small and Micro loans which includes annual environmental reporting to the Bank.

Technical cooperation:

TC funding of approximately EUR 1.4m to be funded from the grant support provided by the EU and Romanian Government will be required to cover the following scope :

- Industrial SMEs will be assisted in preparing eligible projects which will achieve upgrades in compliance with EU Directives, as transposed

into Romanian law. Assistance may include preparation of compliance audits, preparation of investment plans including recommendations on cost effective measures and assistance in making loan applications.

- The Participating Banks will also benefit from the technical work as it will assist them in understanding and appraising loan applications for purposes with which they are unfamiliar.
- Awareness raising, marketing and outreach campaign to inform potential sub-borrowers about the Facility.
- Validation of implementation of eligible investments in accordance with the objectives of the Facility.

For consultant opportunities for projects financed by technical cooperation funds, visit [procurement of consultants](#).

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I.

Project name:

Irkutsk Oil and Gas Company (Equity)

Country: Russia
Project number: 38719
Business sector: Natural resources
Public/Private: Private
Environmental category: C
Board date: 29 April 2008
Status: Passed final review, Pending board approval
Date PSD disclosed: 13 March 2008
Date PSD updated:

Project description and objectives:

The proposed project consists of an equity investment in Closed Joint Stock Company INK Capital which holds a number of exploration and development licences in the northern part of Irkutsk region in the Russian Far East. The funds will enhance the Company's balance sheet and will allow to obtaining further long term funding for gas flaring reduction program (through gas cycling project), development drilling and future exploration.

Transition impact:

The proposed transaction will contribute to support a private independent medium size company in the Russian oil & gas upstream sector.

Through the Project, the Bank will be able to promote improvements in the business and corporate governance structure of the Company including production of IFRS audited accounts and adoption of Russian corporate governance principles. In addition, the Bank will require that the Company publishes its payments to the Russian authorities ("publish what you pay"). The Bank will encourage the Company to further improve environmental performance of the Company's operations. This will include the adoption and compliance with an Environmental Action Plan.

The client:

Irkutsk Oil Company and its affiliates are Russian companies which hold the licences for oil and gas production in Eastern Siberia in the Russian Federation.

EBRD finance:

Up to USD 85 million equity investment.

Total project cost:

Total estimated project cost for the next 7 years to develop 4 fields and exploration blocks is over USD 500 million.

Environmental impact:

Screened C/1 requiring an Environmental Audit of existing facilities and a review of current corporate environmental management systems and practices. As the company is involved in the exploration and production of hydrocarbons from several oil fields located in a remote area the main environmental impacts may be related to encroachment or fragmentation of habitat used by sensitive, rare or endangered species, possible impacts to the environment (including soil, groundwater, surface water and air) caused by release of product or wastes, increased rates of soil erosion caused by construction activities, plans for reinstatement and possible disruption of current or historical land use. An independent environmental firm was retained to complete the environmental audit and review of the company's current environmental performance. Results of this work indicate that the main environmental issues are as follows:

- While the company has an existing environmental department, their current performance has been developed to comply with local and national regulations and therefore not fully compliant with EBRD Environmental Policy Requirements. They require additional staff and training to be in a position to implement a program compliant with EBRD Environmental Policy.
- Associated gas is currently either used for electricity generation in one of three mobile gas-fired turbines or flared. This has been identified as a high priority item and will need to be addressed in the near future.
- Waste management. There is little to no local infrastructure for waste management and therefore the company is required to develop an integrated waste management plan.
- There are some gaps between the standard EIA completed for field development under

local/national requirements and EBRD EIA requirements. Future EIAs will need to be completed consistent with EBRD requirements.

A detailed Environmental and Social Action Plan (ESAP) has been developed for this project based on the results of the work completed to date. The main purpose of the ESAP is to structure the environmental department of the company to comply with EBRD Environmental Policy requirements. This action plan identifies the details of the required actions and establishes time frame for implementing each task. The ESAP has been discussed and agreed with the company, and action has been initiated on several of the priority items. Perhaps the main issue is the capacity building of the existing environmental department. A scope of work has been agreed with the company and the tendering process initiated for an independent environmental advisor (IEA) to be retained immediately to assist on the implementation of the ESAP.

Some of the high priority tasks to be addressed by the company with assistance of the IEA are as follows:

- Development and implementation of an overall Environmental Management System (EMS). This will include hiring of additional local staff within three months of signing the investment agreement. Further, the IEA will train local staff and assist them on the development and roll out of the EMS.
- While the company already uses, and has plans to install additional gas turbines for generating electricity, the IEA will assist the company in the development and implementation of an overall gas utilization plan with the intention of up to 95% gas utilization.
- The IEA will work with the company to develop an integrated waste management plan with reliance on waste minimization, reduction, re-use, re-cycling, treatment and uses disposal as a last resort. Further, the needs of local municipalities will be considered during

development of this plan and if possible the company will share their infrastructure with local municipalities.

- The IEA will work with the company to ensure that current or historical land use by indigenous people or other land users is not compromised by field developments.
- The IEA will need to assist the company on the collection of baseline data that can be used for upcoming ESIA work.
- The IEA will work with the company to implement systems and procedures to ensure that local environmental sensitivities are considered when planning future developments, and to ensure that operations do not result in adverse environmental impacts due to release of products of pollutants to the environment.

Technical cooperation:

None

For consultant opportunities for projects financed by technical cooperation funds, visit [procurement of consultants](#).

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J.

Project name:	Emerging Balkan Residential Fund
Country:	Regional
Project number:	38802
Business sector:	Property
Public/Private:	Private
Environmental category:	FI
Board date:	29 April 2008
Status:	Passed concept review, Pending final review
Date PSD disclosed:	13 March 2008
Date PSD updated:	

Project description and objectives:

To provide equity capital and act as anchor investor for the Emerging Balkan Residential Fund, a real estate investment vehicle with a target size of € 150 million equity. The Fund is pursuing medium-term capital appreciation through equity investments in affordable middle-class residential real estate in Albania, Bosnia-Herzegovina, Bulgaria, Croatia, Macedonia, Moldova, Montenegro, Romania, Serbia, and Ukraine.

Transition impact:

The transition impact of the Project stems from the following factors:

- Market expansion in the housing sector: substantial stock of high-quality, affordable middle-class residential real estate will be brought to the market. The Project addresses the strong mismatch between supply and demand for this property class in the markets of the Region, which is reflected in inflated and further growing prices for this property class.
- Entering the least developed markets: The Fund will develop at least one project in Macedonia, Moldova, Albania or Bosnia-

Herzegovina – countries which to date have seen hardly any development of quality housing for the emerging middle-class.

- Greater competition: the Fund will also stimulate competition in markets currently dominated by a large number of small developers who tend not to have the capacity or intention to deliver high quality standards residential developments. In addition the Fund applies high standards of corporate governance and business conduct in its project entities responsible for project development and management which will be well perceived by the competitors and buyers.

The client:	Emerging Balkan Residential Fund, a special purpose limited liability company organised under the laws of Cyprus, to be managed by Secure Management Ltd. a Greek-owned management company.
EBRD finance:	EBRD will provide equity financing to the Fund in an amount equal to the lower of 20% of total capital contribution or EUR 30 million.
Total project cost:	EUR150 million
Environmental impact:	Screened FI. The environmental due diligence underway involves (i) an assessment of the Fund Manager's existing environmental and social policies and procedures vis-à-vis the Bank's requirements and their capacity to implement them; and (ii) an assessment of the environmental and social issues associated with the proposed sub-projects. The Fund will be required to implement the Bank's Environmental Procedures for Property Fund including adequate environmental due diligence and monitoring for each sub-project and submission of Annual Environmental Reports to the Bank.
Technical cooperation:	None. For consultant opportunities for projects financed by technical cooperation funds, visit procurement of consultants .
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III. ADDITIONAL INFORMATION AND ASSISTANCE:

- a. **US Advocacy Center-EBRD Liaison Office (AC-EBRD):** AC-EBRD is an integral part of U.S. representation at the EBRD with a mandate to increase the effectiveness of U.S. participation in the Bank's projects. For more information about project opportunities at the European Bank for Reconstruction and Development (EBRD) please contact:

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Note: AC-EBRD can offer its services only to US companies. EBRD procurement opportunities can be viewed at www.ebrd.com/oppo/procure/opps/index.htm. An updated list of EBRD publications can also be found on the main website www.ebrd.com

- b. BISNIS:** The Business Information Service for the Newly Independent States (BISNIS). Countries covered: Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Tajikistan, Turkmenistan, Russia, Ukraine, Uzbekistan. Web: www.bisnis.doc.gov Tel: +(202) 482-4655, Fax + (202) 482-2293.