

EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT:
SEPTEMBER 2007 PROJECT PIPELINE UPDATE

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This report was last updated on September 28th, 2007. The information contained on this report will reflect the status of each project and new project entries.

Table of Contents:

- I Introduction and Guide to EBRD's Project Pipeline
- II Projects for Board Consideration
- III Additional Information and Assistance
 - a. U.S. Commercial Service Liaison to the EBRD

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 \$29billion) 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.	Expert Capital Retail	Ukraine	3 Sep 2007
B.	Barlinek II Pellet	Ukraine	6 Sep 2007
C.	MAK	Mongolia	6 Sep 2007
D.	Tajik Agricultural Finance Facility	Tajikistan	7 Sep 2007
E.	SLOVSEFF - Slovak Energy Efficiency Financing Framework	Slovak Republic	13 Sep 2007
F.	IPL	Russia	18 Sep 2007
G.	EPG East Euro Asia Property Fund	Regional	21 Sep 2007
H.	NBD-Bank Syndicated Loan	Russia	21 Sep 2007
I.	Podgorica Water Infrastructure Project	Montenegro	21 Sep 2007
J.	Primsotsbank Syndicated Loan	Russia	21 Sep 2007
K.	IKEA Ukraine	Ukraine	21 Sep 2007
L.	Baltcap Private Equity Fund	Regional	21 Sep 2007
M.	SKB Bank Subordinated Loan	Russia	21 Sep 2007

A.

Project name: Expert Capital Retail
Country: Ukraine
Project number: 37372
Business sector: Property
Public/Private: Private
Environmental category: B

Board date:	9 October 2007
Status:	Passed final review, Pending board approval
Date PSD disclosed:	3 September 2007
Date PSD updated:	
Project description and objectives:	<p>The proposed Project will finance the design, development, construction, ownership and operation of three shopping centres located in the cities of Kiev, Krivoy Rog and Simferopol.</p> <p>O'Key, a hypermarket chain, will be an anchor tenant in all three centres. Other tenants will include a DIY chain as well as various local and international retailers.</p> <p>With the development of three modern shopping centres the Project contributes to address the current undersupply of modern retail space in Ukraine.</p>
Transition impact:	<p>The Project transition impact will derive from the following key areas:</p> <p>(i) Effective provision of a new retail (shopping mall) format to secondary Ukrainian cities, most of which are still dominated by old-style retail facilities and open markets.</p> <p>(ii) Improvement of modern business standards through transparent procurement of land for the Project, tendering of all the major contracts, adopting efficient international standard construction practices (including environmental, health and safety standards), introducing IT-based supply chain management.</p> <p>(iii) The Bank's involvement will also assist in mobilising long-term debt funding for the Project.</p>
The client:	<p>The Clients/Borrowers are three Special Purpose Companies (SPCs) incorporated in Ukraine, each owning and operating a shopping centre. The Borrowers are subsidiaries of Panorama Group Ltd., a Ukrainian holding company wholly owned by Expert Capital S.A. a property developer registered in Luxembourg. The properties will be managed by Expert Capital Management OÜ.</p>

EBRD finance: EBRD will provide a senior loan of up to USD 139.3 million, of which at least USD 69.7 million will be syndicated to commercial banks under an A/B loan structure.

Total project cost: Total project costs amount to USD 163.9 million.

Environmental impact: **Screening category and justification**

Screened B/0 requiring an environmental analysis. Environmental impact associated with the proposed project can be readily identified and mitigated by adequate measures.

Due diligence undertaken and outcomes

The due diligence including the Bank Staff's site visit confirmed that the three sub- project sites are not contaminated and are fitted for the purposes. The Project has been developed to date in accordance with Ukrainian environmental requirements as well as good international practice.

Implementation requirements

Going forward the Bank will require Expert Capital S.A. to ensure that at the respective sites, the environmental action plan (EAP) is implemented, national and EU environmental, health, safety and labour standards and requirements are met and an Annual Environmental Report is provided to the Bank. The Bank will monitor the project by a review of an Annual Environmental Report and monitoring visit where necessary and adequate.

Technical cooperation: None.

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

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B.

Project name: Barlinek II Pellet

Country: Ukraine

Project number: 38463

Business sector:

Public/Private: Private

Environmental category: B

Board date: 9 October 2007

Status: Pending concept review

Date PSD disclosed: 6 September 2007

Date PSD updated:

Project description and objectives: The project involves the construction of pellet production facility in Kosivo, Western Ukraine, by Barlinek Invest, a subsidiary of Barlinek SA, Warsaw Stock Exchange listed joint stock company.

The facility will also consist of softwood saw mill.

Transition impact: The project will have a significant transition Impact derived mainly from: supporting regional expansion of a Polish company to a neighbouring country, encouraging foreign direct investments into Ukraine, skill transfer as well as demonstration effect of environmentally sound wood processing and bio-fuel industry (Pellet) in Ukraine, promotion of sustainable forest management standards and certification through market mechanisms in Ukraine.

The project will also contribute to the facilitation of

more efficient use of wood resources. The skill transfer will take place thanks to training programmes, innovative business processes and capital investments in modern, high-tech production machinery.

The client:

Barlinek Invest is 99% subsidiary of Barlinek SA, Poland. Barlinek SA is a leading floorboard producer.

EBRD finance:

The Bank will arrange EUR 9.5 million financing facility.

Total project cost:

Confidential.

Environmental impact:

Environmental due diligence showed that there are no significant environmental issues associated with Barlinek's production facilities in Poland. Since 1999 Barlinek has been implementing various environmental, health and safety improvement measures, as a result of which the facilities are currently in full compliance with all relevant Polish and EU environmental standards. The company is fully committed to structure its Ukrainian Project in line with the standards and technology being applied in Barlinek SA (Poland) and will fully meet Ukrainian and EU environmental, health and safety standards.

The Kosiv saw mill and pellet plant will be located in the presently desert production shops located on adjacent pieces of land. The previous occupants of the properties were a furniture manufacturer with a saw milling line and a wooden handicraft manufacturer. Barlinek does not expect any environmental issues associated with the land or the buildings. This will be verified through environmental due diligence carried out by the Bank. Following the examination, a separate Environmental Action Plan for the new plant in Kosiv may be agreed with Barlinek. It is expected that the plant in Kosiv will introduce state of the art technology with high standards of energy and resource efficiency and has potential for demonstrating benefits of environmentally sound wood processing in Ukraine. The project provides an opportunity to further promote sustainable forest management standards and certification through

market mechanisms in Ukraine. The project will also be promoting bio-fuel (pellet) manufacturing industry and markets in Ukraine.

Technical cooperation:

None.

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

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C.

Project name:

MAK

Country:

Mongolia

Project number:

37729

Business sector:

Natural resources

Public/Private:

Private

Environmental category:

B

Board date:

9 October 2007

Status:

Passed structure review, Pending final review

Date PSD disclosed:

6 September 2007

Date PSD updated:

Project description and objectives:

The proposed transaction will enable the Company to:

- (a) introduce advanced mine management information systems,
- (b) restructure its balance sheet, and
- (c) expand operation at its Eldev coal mine and allow production of higher quality cleaner (smoke-less) coal.

Transition impact:

Support of private sector development

Through the proposed financing, the Bank will contribute to support MAK in establishing itself as a successful domestically-grown company, able to plan its operation over the medium term and compete successfully in the domestic market.

Setting standards of transparency, business and environmental conduct

The proposed transaction will improve standards in various areas of corporate and industry life:

- (a) it will improve corporate environmental and social management practices through the introduction of appropriate covenants including the first ever mine closure plan implementation by a Mongolian mining company and compliance with ESAP;
- (b) it will introduce best-practice MIS for the company, based on the industry standard 'MicroMine' and 'Surpac' MIS;
- (c) it will improve domestic standards of project preparation via the first international-standards feasibility study for a semi-coke plant by Mongolian mining company.
- (d) it will impose for the first time in Mongolia the requirement for a domestic mining company to comply with EITI.

The client:

Mongolyn Alt Corporation ('MAK' or the 'Company'), a medium-sized Mongolian mining company producing coal and gold.

EBRD finance: Corporate loan of up USD 30 million.

Total project cost: USD 30 million.

Environmental impact: The project was screened B/1. The Eldev coal mine comprises a shallow open pit operation and is therefore not associated with the significant environmental, health and safety issues normally found in other types of mining (such as underground mining). Independent environmental due diligence, including a Phase I site audit conducted by international consultants, and a site visit by the Bank's Environmental Specialist confirmed, that whilst there are a few outstanding environmental, health and safety issues that need to be addressed as part of the ESAP, overall the Company's operations are in compliance with national requirements and there are few if any significant environmental, health and safety issues. All of the outstanding issues are contained in an environmental and social action plan (ESAP) which will form part of the Loan Agreement. These include the provision of geotechnical assessments of pit slope stability to reduce risks to mine operations and worker safety; a waste management plan and dust reduction plan; and the creation of a mine closure plan (the first such plan for a Mongolian domestic mining company).

Coal combustion in power stations and in the cookstoves of the 134,000 households living in peri-urban ger areas in Ulaanbaatar represents the single largest cause of both indoor and outdoor pollution in the capital. The public health impact of the high level pollution is significant and is reportedly responsible for major increases in acute respiratory diseases, chronic bronchitis, tuberculosis and other lung diseases, particularly in children. Part of the Bank's financing will go towards the expansion of operation at its Eldev coal mine and the production of higher quality (smoke-less) coal. The project is also supported in this respect by the World Bank and Asian Development Bank environmental specialists working on the issue of promotion of clean coal technology and other technical and legislative initiatives to reduce urban air pollution.

Technical The Bank mobilised up to USD 90k for project

cooperation: preparation through the Mongolia Cooperation Fund to hire an Independent Mining Engineer. The Technical Cooperation is to ensure a successful preparation of the comprehensive environmental and capital expenditure programmes of the Company to be perfected to international standards.

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

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D.

Project name: Tajik Agricultural Finance Facility
Country: Tajikistan
Project number: 38309
Business sector: Small business
Public/Private: Private
Environmental category: FI
Board date: 9 October 2007
Status: Passed concept review, Pending final review
Date PSD disclosed: 7 September 2007
Date PSD updated:

Project description and objectives:

The proposed project will support the restructuring of Tajikistan's agricultural sector by providing revolving credit lines to Tajik financial intermediaries (banks and non-bank financial institutions) who will on-lend funds to farmers for seasonal finance. The objective is to provide alternative finance to small farmers and support the freedom to farm concept whilst employing best farming practice particularly with respect to environmental and labour issues. Through coordination with other donor programmes, farm yields are expected to increase thereby improving profitability. In parallel the Bank will support the establishment of a Warehouse Receipts Programme.

Transition impact:

The project is expected to address the structure of the market by fostering enhanced competition and expansion of the market by providing alternative, untied sources of finance which will stimulate competition between buyers and encourage development of input suppliers and associated farm service providers. It will also increase private ownership through stimulating the break-up of the remaining large farms.

The client:

Tajik Commercial Banks as well as non-bank Microfinance Institutions will receive on-lending funds from this facility.

EBRD finance:

The total facility is up to USD 35 million in revolving credit lines. Up to USD 10 million will be provided by EBRD which will leverage up to USD 20 million in commercial and/or official co-financing. A further USD 5 million may be provided in risk participation on the sub-loan portfolio.

Total project cost:

USD 35 million.

Environmental impact:

Environmental and social issues

There are a range of environmental and social issues associated with the farming of cotton both in general and unique to Tajikistan.

Tajikistan was one of the leading suppliers of cotton in the former Soviet Union. Because of pressure to fulfill export quotas, farm managers saturated the land with chemical fertilizers and utilised a range of

toxic pesticides, herbicides, and defoliant to maintain yields. These chemicals are having severe direct adverse health impacts on farmers as well as being found throughout the food chain in Tajikistan. Excessive tapping of rivers for the irrigation of cotton crops has caused high levels of soil salinisation, which in turn required more intensive irrigation to maintain crop yields. Irrigation in Tajikistan directly affects the water levels of the Amu Darya and Syr Darya, both of which drain into the much depleted Aral Sea, which has now shrunk to less than half its original size.

There are also a range of social issues associated with cotton production. The cotton-growing areas of Tajikistan are associated with high levels of poverty - agricultural farmers and workers on cotton farms are a significant and visible element of the nation's poor. Farmers have been directed by local government into the farming of cotton and pre-financing schemes for purchasing inputs has led to high levels of indebtedness among farmers. With regard to labour, the issue of child labour is inevitably at the forefront of discussions for the Central Asian cotton sector. While it does not follow that all children's and young persons' participation in the Tajik cotton sector is tantamount to child labour as per ILO conventions 138/182, there are reportedly high levels of children's participation in the sector some of which is likely to be accurately characterised as child labour in contravention with ILO standards.

Combined with its associated technical cooperation programme, this Facility has the potential for significant positive social and environmental impacts. Alternative sources of credit, as provided through this project, will free farmers from historic ties with investors and are expected to help some of the poorest farmers to improve their living standards. Many of these are women who are left with the management of household plots and small farms as male household members have left Tajikistan to seek employment in other countries. In addition, the credit facility will be accompanied by a substantial supporting technical assistance package

to address the environmental and social issues outlined above. For instance, experience elsewhere suggests that rural micro-lending accompanied by awareness-raising and capacity building is an effective intervention to change the structural economic circumstances which give rise to and perpetuate child labour, and that Farmer Field Schools can be an effective means to introduce better farming practices. There already exist a range of relevant programmes run by other international institutions and international and local NGOs. Many of these programmes are of a small scale and / or very regional in nature and some are targeted at only one or two of the key issues. The Bank recognises that, to avoid loans exacerbating either environmental damage or social problems, borrowing farmers will require education and support to assist them in avoiding harmful practices, introducing the use of best practice, such as integrated pest management, and ultimately assisting the farmers in diversifying away from cotton to other crops.

To that end, the Bank has commissioned a scoping study which will provide the Bank with an outline of existing support programmes and information on the key environmental and social issues in this sector. The scoping study will assist the Bank in developing the TC package for this facility, seeking partnerships with other organisations where possible. The TC will aim to first avoid the use of Bank finance for any harmful or unacceptable activities, and second to provide training and education in best practices in the cotton sector. As part of scoping activities the Bank is also consulting with a number of relevant international NGOs. The scoping study is due to be completed by 27 October 2007 with the aim of having the Bank's supporting TC package in place by the end of 2007.

Technical cooperation:

The project will be accompanied by technical cooperation funds to provide training to the partner financial institutions; training to extension service providers; awareness campaigns regarding social and environmental issues and development of an appropriate legal framework for a WHR.

Luxembourg has already agreed to fund a scoping assignment to provide the groundwork for TAFF (other TC interventions etc).

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

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E.

Project name: SLOVSEFF - Slovak Energy Efficiency Financing Framework

Country: Slovak Republic

Project number: 36970

Business sector: Lending to banks

Public/Private: Private

Environmental category: FI

Board date: 23 October 2007

Status: Passed concept review, Pending final review

Date PSD disclosed: 13 September 2007

Date PSD updated:

Project description and objectives:

The proposed project is a finance facility where EBRD will provide credit lines to Participating Banks (PBs) for a total amount of up to EUR 60 million for on-lending to private sector industrial entities for energy efficiency and renewable energy investments. The use of proceeds is also extended for on-lending to Housing Associations for investments in the

residential sector. The facility will be supported by grant funding of EUR 15m (“the Grant”) from the Bohunice International Decommissioning Support Fund. The Grant will fund technical assistance, incentives to sub-borrowers and administrative fees to PBs

Transition impact:

The project will help overcome market imperfections that prevent energy efficiency and renewable energy investments in Slovakia. The financially intermediated model has proven successful in reaching a wide range of sub-borrowers in the industrial and residential sectors thereby achieving maximum impact of donor funds and rational energy utilization in light of the decommissioning of the Bohunice nuclear plant. The proposed project would result in demonstration effects of successful restructuring through energy efficiency investments and building sustainable expertise among the PBs and sub-borrowers.

The client:

The clients will be the PBs which will on-lend to sub-borrowers planning to undertake energy efficiency investments and renewable energy projects in the private industrial sector and to Housing Associations for energy efficiency investments in the residential sector.

EBRD finance:

Senior loans of up to a total of EUR 60 million to be allocated to PBs in Slovakia.

Total project cost:

EUR 60 million from EBRD.

Environmental impact:

FI screened operation. PBs will require that companies financed through this credit line comply with national requirements for environment, health and safety. Reporting on sub-projects and annual monitoring reports will be provided by PBs. EBRD procedures for hydro sub-projects will apply under any such sub-loans under this Facility. Increased efficiency in heat generation, reduction of heat transmission losses and improved efficiency in the use of heat and energy will lead to a reduction of air pollutants (e.g., SO₂; NO_x; CO₂; particulates) resulting from heat and electricity generation. This is a clear and quantifiable environmental benefit in energy saving which is tracked and reported on by the consultants.

Technical cooperation:

The framework is supported by a Grant provided by the Bohunice International Decommissioning Support Fund which will cover:

- i) Incentives to sub-borrowers and PBs;
- ii) Technical assistance where two consultant will be engaged by the EBRD to provide the following services:

Project Consultant ("PC") will:

- a. Market of the Facility and develop a pipeline for industrial energy efficiency, renewable energy and housing associations projects
- b. Assist in the preparation of sub-projects for the end-borrowers and PBs
- c. Provide efficient tracking, monitoring and reporting system to the Facility.

Independent Energy Expert ("IEE Consultant") will conduct Completion Validation Reviews ("CVR") for the sub-projects implemented under the Facility

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

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F.

Project name:	IPL
Country:	Russia
Project number:	38315
Business sector:	Transport
Public/Private:	Private
Environmental category:	C
Board date:	23 October 2007
Status:	Passed concept review, Pending final review
Date PSD disclosed:	18 September 2007
Date PSD updated:	
Project description and objectives:	<p>The proposed project consists of Senior loan of up to RUB 5 billion to leasing company OOO Inpromleasing to expand its operations by providing leasing services to major Russian private rail operators.</p> <p>The proposed project will finance the purchase of rolling stock to be leased under finance leasing contracts.</p>
Transition impact:	<p>In this context, the transition impact potential of this project is expected to derive from:</p> <ul style="list-style-type: none">(i) Increased Transparency/corporate standards: Company would publish the annual financial results, its detailed management structure and statement of its corporate goals on the Company's website, which would represent an increased level of transparency compared to other players in the industry and is expected to have demonstration effects in the medium term;(ii) Increased competition: rolling stock leasing is a relatively new and dynamically developing segment in Russia, dominated by leasing companies affiliated to financial institutions or industrial groups. The Project will allow an independent company in this sector to expand its business and increase

competition in the rolling stock leasing market;

(iii) Promoting private entrepreneurship and reforms in the Russian railway sector: the Bank's funding will result in the increase of the privately owned rolling stock in Russia and the expansion of the operations of the private rail operators; by supporting these developments the Bank plays a visible role in the actual implementation of the Russian railway sector reforms a central objective of which is substantially increasing private sector participation in the operation of the Russian railways.

The client: OOO Inpromleasing,,an independent Russian leasing company, established in 2000, is the seventh largest leasing company in Russia in terms of leasing portfolio in 2006. One of the two non-bank affiliated leasing companies in the top ten rolling stock leasing firms.

EBRD finance: The EBRD would provide 8-year senior debt financing in the amount of up RUB 5 bln, part of which will be syndicated to commercial banks.

Total project cost: RUB 5 billion.

Environmental impact: Inpromleasing will be required to adopt and implement the EBRD's Environmental procedures for Leasing which includes adherence to the Bank's compliance with the applicable Environmental Exclusion and Referral List, national environmental, health and safety and labour requirements, and submission of an Annual Environmental Report to the Bank.

Technical cooperation: None.

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

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G.

Project name: EPG East Euro Asia Property Fund
Country: Regional
Project number: 38245
Business sector: Property
Public/Private: Private
Environmental category:
Board date: 23 October 2007
Status: Passed concept review, Pending final review
Date PSD disclosed: 21 September 2007
Date PSD updated:

Project description and objectives:

The proposed project is an equity investment into EPG East Euro Asia Property Fund (the "Fund"), an investment vehicle pursuing long term capital appreciation through real estate investments. The Fund will be established for the purpose of developing, reconstructing, acquiring, owning and managing real estate property in Russia, the CIS countries, and South-Eastern Europe ("the Region"), with aggregate capital commitments of up to EUR 300 million.

Transition impact:

The key objective of the Bank's involvement lies in the support of a real estate fund which will concentrate its activity on real estate markets in Russia, the CIS countries and South-Eastern Europe focusing purely development projects rather than acquisitions.

The Fund will foster the development of the primary and secondary real estate markets by developing institutional quality properties which still only fragmentally exists in the Region. This will provide much needed liquidity and encourage equity

investors to expand their participation in the real estate sector in the Region.

In part thanks to EBRD's participation, the setting up of the Fund will help introduce new investors to the CIS real estate markets.

- The client:** A special purpose vehicle, organised under the laws of the British Virgin Islands managed by EPG. EPG is a reputable real estate investment developer which has a solid track record of projects developed in the Czech Republic.
- EBRD finance:** 20% of the Fund's total equity up to EUR 60 million.
- Total project cost:** EUR 300 million.
- Environmental impact:** Screened FI.
- For the proposed Project, the environmental due diligence 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 Funds 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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H.

Project name:	NBD-Bank Syndicated Loan
Country:	Russia
Project number:	38027
Business sector:	Lending to banks
Public/Private:	Private
Environmental category:	FI
Board date:	9 October 2007
Status:	Passed final review, Pending board approval
Date PSD disclosed:	21 September 2007
Date PSD updated:	

Project description and objectives:

NBD Bank (NBD) is planning to raise a senior A/B loan of up to USD 20 million, of which USD 5 million (A loan) will be the EBRD portion and up to USD 15 million (B loan) will be syndicated to commercial banks. This is expected to take place over the coming months and is subject to market conditions.

The project is aimed to assist NBD in raising its first international syndicated loan and increasing the number of its partners in the international capital market, which will contribute to develop and diversify NBD's funding base going forward, as the bank has so far been largely reliant on IFI funding. The proceeds will be used for the purpose of on-lending to micro-, small and medium-sized enterprises.

Transition impact:

This project will further enhance the transition impact made by EBRD to date by facilitating the development of the strong regional MSME bank in the Volga district and hence - increase of the financial intermediation in the MSME sector in this economically important district of Russia. The proposed project will assist NBD to: a) diversify its

funding base by attracting a first international syndicated loan; b) reduce refinancing risk by securing a longer term amortising facility; c) further enhance its competitive position in the local market by increasing availability of longer-term funding to MSMEs.

The client:

NBD Bank (NBD) is a full service regional MSME bank in Nizhny Novgorod region and among the top 20 regional banks in the Privolzhye Federal District. As of end-June 2007, NBD ranked the third largest regional bank by total assets and the second – by the customer loan portfolio in Nizhny Novgorod region. The bank operates through 14 offices in the Nizhny Novgorod region and 2 offices in the neighbouring regions of Ivanovo and Chuvash Republic with the plans for further expansion in other neighbouring regions.

EBRD finance:

EBRD will provide NBD with an A loan of USD 5 million.

Total project cost:

Senior A/B loan of up to USD 20 million, of which USD 5 million (A loan) will be the EBRD portion and up to USD 15 million (B loan) will be syndicated to commercial banks.

Environmental impact:

NBD follows EBRD's Environmental Procedures for Intermediated Finance through Local Banks in its lending activities as well as environmental standards required by its other IFI partners. NBD is also in full compliance with applicable national environmental, health and safety requirements and adheres to the Environmental Exclusion and Referral List.

Technical cooperation:

Up to EUR 500,000 TC financing under Russian Regional Banks Institutional Building Programme to assist the bank in strengthening strategic planning and risk management skills in view of the ongoing branch network expansion.

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

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I.

Project name: Podgorica Water Infrastructure Project

Country: Montenegro

Project number: 38464

Business sector: Municipal and environmental infrastructure

Public/Private: Public

Environmental category: B

Board date: 20 November 2007

Status: Passed concept review, Pending final review

Date PSD disclosed: 21 September 2007

Date PSD updated:

Project description and objectives:

The proposed project will provide the City of Podgorica with investments in the water and wastewater sector. These will consist mainly of pumping stations, stormwater sewer collectors, extensions of the water supply network and sewage system and associated facilities. The investments will make the water and sewer system more efficient and extend service to areas of the City and neighboring communities that are currently not supplied. The facilities will be transferred to the City-owned Water and Sewer company for operation.

Transition impact: The Project is expected to achieve Transition Impact in the following ways:

Demonstration Effect of providing non-sovereign

long-term financing to municipalities for investment in infrastructure projects to medium-sized cities in Montenegro and the region;

Framework for Markets through developing cost-based tariff system for the water and sewer sector in Podgorica; and

Commercialisation of the water and sewer company through technical assistance support for identifying a financial and operating performance improvement programme.

The client:

The City of Podgorica is the capital and largest city in Montenegro, with a population of approximately 170,000. The Podgorica Water and Sewer Company is a public enterprise owned by the City of Podgorica.

EBRD finance:

The proposed project would be financed by a EUR 8.3 million loan co-financed by EBRD and DexiaKommunalkredit.

Total project cost:

EUR 8.3 million.

Environmental impact:

Screened B/1.

The project offers the opportunity to improve water supply and wastewater collection in the City of Podgorica. Environmental due diligence needs to be carried out to identify current environmental conditions and to predict potential impacts of the construction of the water supply mains and wastewater collector, and to assess the ability of the project to bring the facilities toward compliance with national and EU environmental standards. It should be noted that the proposed project will only involve sewerage collector and no wastewater treatment is envisaged. Therefore, it will not fully comply with the EBRD's Environmental Policy requirements. Moreover, the construction of the stormwater collector and potential discharge of wastewater into water bodies without treatment may be associated with significant environmental impacts. Those will need to be adequately assessed within the framework of environmental due diligence. The Client should commit to carry out further investments to achieve full compliance with the EU environmental standards.

Technical cooperation:

The Project may receive technical assistance support through the European Union's Environmental Project Preparation Facility for the Western Balkans.

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

EBRD contact:

Arthur Schankler, Operation Leader:
schankla@ebrd.com

Business opportunities:

Visit [EBRD Procurement](#)
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General enquiries:

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J.

Project name:

Primsotsbank Syndicated Loan

Country:

Russia

Project number:

38026

Business sector:

Lending to banks

Public/Private:

Private

Environmental category:

FI

Board date:

9 October 2007

Status:

Passed final review, Pending board approval

Date PSD disclosed:

21 September 2007

Date PSD updated:

Project description and objectives:

EBRD will provide up to RUB 600 million syndicated loan to Primsots bank under A/B loan structure. This is expected to take place over the coming months and is subject to market conditions.

Primsots bank is a relatively small regional bank which has limited access to international capital markets but which aims to diversify its sources of funding and leverage on EBRD financing. The EBRD

transaction will be the first international syndication for the bank. The loan will help the bank to increase its financing to private SME and retail clients, as well as trade financing for corporate clients.

Transition impact:

Transition impact is expected to be achieved in the following areas:

Supporting the business growth of the borrower and financial intermediation in the RFE. The proceeds of the syndicated loan will be largely used to finance the expansion of the bank and help it compete with other banks in RFE, as well as increase financial intermediation in this important region. The EBRD's syndicated facility will help to mobilise funding from commercial banks to support further growth.

Demonstration effect. It will create a positive demonstration effect by assisting assist a private bank committed to high standards of transparency to grow into a viable commercial institution in one of the regions of the Russian Federation where the penetration of banking services is lowest.

The client:

Primsotsbank is a privately owned Russian bank located in the Russia's Far East with headquarters in Vladivostok. Primsots' total assets as of 1Q2007 were EUR 169 million, total equity EUR 11.3 million, and net profit EUR 1.5 million. The bank is the third largest regional bank in Primorye region with a good regional network across the RFE region and a strategic focus on SME and retail lending.

EBRD finance:

RUB 150 million.

Total project cost:

RUB 600 million.

Environmental impact:

Primsotsbank will be required to comply with EBRD's Environmental Procedures for Intermediated Finance through local banks and to apply them to all commercial lending activities under the syndicated loan including SME sub-loans. The implementation of the above procedures will ensure Primsotsbank's compliance with the applicable national environmental, health and safety legislation, adherence to the EBRD's Environmental Exclusion and Referral List for FIs, appointment of a member of senior management responsible for the

implementation of the environmental procedures, 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](#).

Company contact:

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EBRD contact:

Viktor Marchenko, Operation Leader:
marchenv@ebrd.com

Business opportunities:

For business opportunities or procurement, contact the client company.

General enquiries:

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K.

Project name:

IKEA Ukraine

Country:

Ukraine

Project number:

35688

Business sector:

Property

Public/Private:

Private

Environmental category:

C

Board date:

14 May 2007

Status:

Board approved, Pending signing

Date PSD disclosed:

21 September 2007

Date PSD updated:

Project description and objectives:

The proposed project will support IKEA's entry into a new market by financing the acquisition of sites and

financing of the construction of MEGA Shopping Centres developed and anchored by IKEA in several Ukrainian regions.

MEGA shopping centres would be the first of their kind in Ukraine, introducing new, modern forms of retail in the country.

Transition impact:

The EBRD financing is expected to promote competition in the sector and raise standards in the retail market, which would eventually lead to a more efficient market environment. Local customers would be provided with an innovative, customer oriented retail environment. IKEA, which is regarded worldwide as a professional company with stringent operating rules and high standards, would help raise industry standards and transfer skills to various players across the retail and property markets as well as set sound corporate governance standards.

The client:

IKEA Dnipro LLC, Ukrainian subsidiary of the IKEA Group

EBRD finance:

USD 100 million debt facility consisting of up to four loans to finance land acquisition and construction of MEGA shopping centres in Ukraine.

Total project cost:

Approximately USD 414 million.

Environmental impact:

This project has been screened C/1 requiring a corporate environmental audit. IKEA is an existing client and their environmental and social commitment is internationally recognized. IKEA's preceding operations in Russia with the Bank confirms that they have capacities and experience to meet the Bank's environmental and social requirements for the upcoming operation in Ukraine For the project, IKEA will carry out adequate environmental due diligence and monitoring of each sub-project under the Bank's financing as well as implement their global environmental and social commitment for each sub-project. IKEA will also ensure that each sub-project complies with national and EU environmental, health and safety standards and requirements. IKEA will be reporting annually to the Bank on environment, health and safety matters. The Bank will monitor the project during the life of the project through a review of Annual Environmental Report and monitoring visits

	where necessary and appropriate.
Technical cooperation:	None. For consultant opportunities for projects financed by technical cooperation funds, visit procurement of consultants .
Company contact:	Please contact Julia Stepanova (see below).
EBRD contact:	Julia Stepanova, Operation Leader: stepanoj@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

L.

Project name:	Baltcap Private Equity Fund
Country:	Regional
Project number:	37075
Business sector:	Equity funds
Public/Private:	Private
Environmental category:	FI
Board date:	23 October 2007
Status:	Passed final review, Pending board approval
Date PSD disclosed:	21 September 2007
Date PSD updated:	
Project description and objectives:	BaltCap Private Equity Fund will be a private equity fund investing primarily in the Baltic states - Estonia, Latvia, and Lithuania. The fund will be managed by the local team of professionals, who draw their experience from the operations of 2 previous BaltCap managed funds.

The target size of the fund is EUR 75 million. The fund will provide expansion capital and buy-out financing to small- and medium-sized companies operating in various sectors such as manufacturing or retail and services.

Transition impact:

The investment in BaltCap Private Equity Fund offers the Bank the opportunity to further advance the development of private equity industry in the Baltic states, thereby contributing to increasing financial intermediation.

The financing would allow the fund to increase the scope and range of investment in small and medium size companies in Estonia, Latvia and Lithuania that typically have limited access to financing. A significant source of the transition impact will be the active management advisory services, provided by the team to the investee companies.

The Bank's investment in the fund is also expected to help Estonian, Latvian and Lithuanian companies to expand beyond the domestic markets and to establish their operations in neighbouring countries.

The client:

The client is a new private equity fund, BaltCap Private Equity, raised by the team of BaltCap.

EBRD finance:

Up to EUR 20 million.

Total project cost:

The target size of the fund is EUR 75 million. The maximum size is capped at EUR 100 million.

Environmental impact:

BaltCap Private Equity 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:

None.

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

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EBRD contact: Wojciech Ciszek, Operation Leader:
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Business opportunities: For business opportunities or procurement, contact the client company.

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M.

Project name: SKB Bank Subordinated Loan

Country: Russia

Project number: 38353

Business sector: Lending to banks

Public/Private: Private

Environmental category: FI

Board date: 9 October 2007

Status: Passed structure review, Pending final review

Date PSD disclosed: 21 September 2007

Date PSD updated:

Project description and objectives: The proposed project envisages providing upper Tier II capital in the form of a subordinated loan. The operation will support the Company's growth and enable the Company to pursue its strategy of business expansion in the Urals and enhance its competitive position in the retail and SME markets.

Transition impact:

- The project will enhance the ability of a strong regional bank to compete and promote competition in the Russian banking sector by extending access to capital beyond the state-

- owned banks and large Moscow-banks.
- By channelling additional capital into the banking system, the project will increase financial intermediation in the banking sector.

The client:	SKB is one of the leading regional financial institutions in the Urals region, offering a wide range of banking services to medium-size and small companies as well as individuals through a network of 62 outlets in the Urals region.
EBRD finance:	A ten-year subordinated loan of RUB 600 million (equivalent of EUR 17 million), to be included under the Subordinated Loan Framework for Russian Mid-sized Banks.
Total project cost:	RUB 600 million (equivalent of EUR 17 million).
Environmental impact:	SKB will be required to comply with EBRD's Environmental Procedures for Intermediated Financing through Local Banks and to apply these procedures to the whole range of its commercial lending operations. This includes adherence to the FI Environmental Exclusion and Referral List, compliance with the applicable national environmental, health and safety and labour legislation, appointment of a member of senior management with overall responsibility for the implementation of environmental procedures, and submission of annual environmental reports to EBRD.
Technical cooperation:	None. For consultant opportunities for projects financed by technical cooperation funds, visit procurement of consultants .
Company contact:	Mr. Mikhail Khodorovsky, Chairman of the Board of Directors e-mail: skb@skbbank.ru telephone: +7 343 355-75-01 fax: +7 343 261-60-10
EBRD contact:	Ekaterina Grigorieva, Operation Leader: grigorie@ebrd.com
Business opportunities:	For business opportunities or procurement, contact the client company.

General enquiries:

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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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