EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT: OCTOBER 2004 PROJECT PIPELINE UPDATE

This report was last updated on **8 October 2004**. 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:

Project finance is the EBRD's core business. The EBRD has committed more than €22.7 billion (about $28 billion) to both private and state sector projects. All projects provide a number of procurement opportunities and U.S. companies can access information about EBRD's projects through the EBRD's website www.ebrd.com/oppor/procure/opps/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 listing of projects scheduled for Board consideration. These projects then and appear on the Projects Approved page of the EBRD's website.

We would like to draw U.S. companies' attention to state sector projects, in that they are followed with international tendering processes, whereas procurement under private sector projects are completed by the EBRD's client. In the case of private sector procurements, U.S. companies should 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 for Reconstruction and Development. General assistance for U.S. companies is also provided by the U.S. Commercial Service Liaison Office – please see Additional Assistance section at the end of this report for full contact details.

II. PROJECTS SCHEDULED FOR BOARD CONSIDERATION:

	Project name	Country	Date disclosed
A.	Absolutbank SME Credit Line	Russia	6 Oct 2004
B.	Togliatti Urban Transport Project	Russia	30 Sep 2004
C.	Grandi Stazioni Ceska Republika	Czech Republic	30 Sep 2004
D	Interglass	Kyrgyz Republic	28 Sep 2004
E.	HVB Ukraine Leasing	Ukraine	28 Sep 2004
F.	Krakow Public Transport Commercialisation& Financing	Poland	20 Sep 2004
G.	Russian Standard Bank - Syndicated Loan	Russia	16 Sep 2004
H.	DeltaLeasing Senior Loan	Russia	16 Sep 2004
I.	Dnipropetrovsk Municipal Water	Ukraine	15 Sep 2004
J.	Unitel	Uzbekistan	15 Sep 2004
K.	BCC Agricultural Equipment Financing	Kazakhstan	15 Sep 2004
L.	KKB Agricultural Equipment Financing	Kazakhstan	15 Sep 2004
M.	ATF Agricultural Equipment Financing	Kazakhstan	15 Sep 2004
N.	Port of Dubrovnik Infrastructure Modernisation Project	Croatia	14 Sep 2004
O.	ISTIL (Ukraine) II	Ukraine	14 Sep 2004
P.	Export & Credit Bank - SME Credit Line	FYR Macedonia	14 Sep 2004
Q.	M-Pro	Azerbaijan	8 Sep 2004
R.	Bank Gospodarki Zywnosciowej (BGZ) Equity Investment	Poland	8 Sep 2004
S.	Baring Vostok Private Equity Fund III	Regional	3 Sep 2004

A.

Project name: Absolutbank SME Credit Line
Country: Russia
Project number: 35304
Business sector: Financial Institutions: Bank equity/Bank lending
State/Private: Private sector
Environmental category: FI
Board date: 16 November 2004
Status: Passed concept review, Pending final review
Date PSD disclosed:
Date PSD updated: 6 October 2004

Project description and objectives:

The proposed project consists of a senior loan in the amount of US$ 10 million for on-lending to private sector Small and Medium-sized Enterprises (SMEs).

Transition impact:

The proposed project is expected to have transition impact in two main areas:

- In supporting private sector SMEs by providing term funds the project will raise the level of financial intermediation and allow EBRD funds to reach SME sub-borrowers to finance their investment projects, for which long-term funding is currently not readily available.

- The proposed project seeks to contribute to the transformation of Absolut Bank into an independent commercial bank working according to transparent principles of business conduct. Achievement of this goal is expected to increase Absolut Bank's attractiveness to creditors and potential investors.

The client:

Absolut Bank was established in 1993 as a universal bank by a group of private entrepreneurs. Currently, Absolut Bank is a medium-sized privately-owned bank that provides a full range of retail and corporate banking services.

EBRD finance:

US$ 10 million senior loan for on-lending to private SMEs

Total project cost:

US$ 10 million.

Environmental impact:

AB will be required to comply with EBRD's Environmental Procedures for Intermediated Finance through local banks, including ensuring compliance with the applicable national environmental, health and safety legislation, adherence with EBRD's Environmental Exclusion List 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:

Mr. Nikolay Sidorov, Senior Deputy Chairman
Fax: (7 095) 935 0052
E-mail: nis@absolutbank.ru
Web site: www.absolutbank.ru

B.

Project name:	Togliatti Urban Transport Project
Country:	Russia
Project number:	35407
Business sector:	Municipal and environmental infrastructure
State/Private:	State sector
Environmental category:	B
Board date:	14 December 2004
Status:	Passed concept review, Pending final review
Date PSD disclosed:	
Date PSD updated:	30 September 2004

Project description and objectives:

The proposed project comprises restructuring and modernisation of the public transport sector in the client city of Togliatti (pop. 740,000) on the river Volga, as part of which the Bank will provide financing for approximately 100 new buses. The proceeds of up to € 10 million (RUR equivalent) will be used to procure the buses, as well as to upgrade maintenance facilities, as required. TC funding in the amount of approximately € 600,000 will be sought to implement the necessary institutional reforms, including assisting the City in enhancing creditworthiness.

Transition impact:

Togliatti has an opportunity to define a model for the role of the public and private sector in Russia, develop a model of "regulated competition" and to rationalise its municipal operating entities. Specific transition impact will be delivered through restructuring of the public transport, i.e. developing a regulatory framework for private and public operators; possible out-sourcing of services; merging the municipal bus companies to realise efficiencies; corporatisation of the municipal bus company, through inter alia introduction of business planning; and introduction of Public Service Contracts, which will enable the bus company to move away from negotiated subsidies towards transparent multi-year payments for service against defined targets.

The client:

The city of Togliatti (pop. 741,000), an industrial centre in the Samara Region of Russia, on the river Volga.

EBRD finance:

Senior loan to the City, denominated in Russian roubles, in an amount equivalent to up to €10 million.

Total project cost:

Up to €12.5 million (RUR equivalent)

Environmental impact:

The Project has been screened B/0.
The introduction of new bus fleet will improve public transport as well as reduce traffic, noise and air pollution in the City of Togliatti. The buses to be purchased will need to comply with Russian and "Euro" EC air emission standards. An environmental audit of the existing bus maintenance workshops/depots will be needed to identify environmental risks and liabilities due to possible poor environmental management (e.g. improper management of fuel, waste oils, lubricants, etc.). The Environmental Analysis will focus on confirming that the tender specifications address reduction of air emissions and implementation of fuel efficiency requirements as well as on quantifying the environmental benefits of the project

C.

Project name: Grandi Stazioni Ceska Republika
Country: Czech Republic
Project number: 34573
Business sector: Transport
State/Private: Private sector
Environmental category: C
Board date: 2 November 2004
Status: Passed final review, Pending board approval
Date PSD disclosed:
Date PSD updated: 30 September 2004

Project description and objectives:

The proposed project consists in the refurbishment and management of three railway stations, Prague Main, Karlovy Vary and Marianske Lazne, on a commercial basis. In 2003 Grandi Stazioni won a long term concession agreement following the open tender issued by Ceske Drahy, the Czech National Railways. The investments and commercial strategy are aimed at turning the stations into profit centres by reconfiguring the layout, while ensuring continuous operation of the primary services of the stations. The Bank's funds would finance part of the Company's equity.

Transition impact:

Management and operation of railway property on a commercial basis is still in its early years in the Bank's countries of operations. Important transition benefits can be expected from the demonstration of products and processes which are new to the local market, expansion of private ownership and transfer and dispersion of market-based conduct and skills, thanks to the involvement of the private sector in an area previously under the control of the state sector.

The client:

Grandi Stazioni Ceska Republika is a special purpose company registered under the laws of the Czech Republic by Grandi Stazioni, an Italian company which is co-owned by the Italian Railways and the private sector. Grandi Stazioni manages the network of 13 largest Italian stations. In 2003 Grandi Stazioni posted revenues of € 138 million and net income of € 13.8 million.

EBRD finance:

€ 3.8 million equity investment in the Czech company.

Total project cost:

€ 31.3 million.

Environmental impact:

Screened C/1. The implementation of the 30 year concession contract for the refurbishment and management of the three railway stations may be associated with some environmental issues, including waste disposal, air emissions, effluent quality and noise problems and cultural heritage at some of the project stations. These impacts can be easily prevented or mitigated by sound design and construction practices. The refurbishment will also improve the energy management of the three railway stations resulting in energy savings. The due diligence showed that the Sponsor has satisfactory procedures and experience to manage the environmental issues in accordance with applicable Czech environmental regulations and EU standards. The Company will be required to carry out the three refurbishment projects in accordance with applicable Czech environmental, health and safety laws and regulations and EU environmental standards.

The Bank will monitor ongoing compliance of the Company with Czech and EU environmental, health and safety standards during the lifetime of the project by evaluating reports submitted annually to the Bank by the Company, supplemented with field visits by the Bank staff when deemed appropriate.

Technical cooperation:

None.

For consultant opportunities for projects financed by technical cooperation funds, visit procurement of consultants.

Company contact:

Mr. Massimo Paglialunga, General Manager
Grandi Stazioni Ceska Republika s.r.o.
Narodni 1435
11000 Prague 1
Czech Republic
Web-site: www.grandistazioni.it

Business opportunities:

For business opportunities or procurement, contact the client company.

D.

Project name: Interglass
Country: Kyrgyz Republic
Project number: 34616
Business sector: General manufacturing
State/Private: Private sector
Environmental category: B
Board date: 2 November 2004
Status: Passed structure review, Pending final review
Date PSD disclosed:
Date PSD updated: 28 September 2004

Project description and objectives:

The proposed project involves implementation of a new investment program targeted to increase efficiency and profitability of operations at the float glass plant owned by Interglass Ltd. and located in Tokmak, Kyrgyz Republic.
The investment program includes introduction of two new production lines – silver mirror glass and tempered glass lines, which will add value to the current flat glass production, the purchase of standby generators, energy efficiency investments and additional working capital to serve increasing production and sales.

Transition impact:

a) The proposed project will increase competition in mirror glass and tempered glass sectors in CIS countries.
b) Enhance environmental standards and energy efficiency through development of Environmental Action Plan to achieve compliance with the EU standards, and an energy audit and review for implementation of energy saving investments.
c) Improve corporate governance through introduction of IFRS annual reporting and new cost and management control systems.

The client:

Interglass Limited Liability Company, registered in the Kyrgyz Republic, a 100% owned subsidiary of Steinert Industries GmbH & Co KG (Germany).

EBRD finance:

€ 5.5 million senior loan, with a 7-year tenor.

Total project cost:

€ 13.7 million

Environmental impact:

The project was screened B/1 requiring an environmental analysis and audit. Environmental due diligence, including a site visit carried out by the Bank's Environmental Specialist, confirmed that a range of environmental, health and safety (EHS) issues in particular, control of emissions of oxides of nitrogen (NOx) and sulphur (SOx) are associated with the operation. Stack emissions indicate relatively high levels of particulate matter and monitoring and control of stack emissions will be addressed in an environmental action plan (EAP) to be agreed with the Company. The Company however, has made significant progress in addressing the control of dust pollutants inside the facility. General housekeeping throughout, including the management of health and safety, is excellent. This project may provide significant opportunities for introduction of energy efficient/conservation measures and the Bank is working closely with the Sponsor to develop a range of energy saving initiatives.

Technical cooperation:

The Company will benefit from an energy efficiency audit conducted under an existing framework contract with a Greek consulting firm Energo, The TC work will be financed by the Greek Government. The total value of the framework is € 200,000; expenditure for this assignment will be € 20,000 For consultant opportunities for projects financed by technical cooperation funds, visit procurement of consultants.
For consultant opportunities for projects financed by technical cooperation funds, visit procurement of consultants.

Company contact:

Mr. Vladimir Steinert
Interglass Ltd.
551, Frunze street, Bishkek, Kyrgyz Republic, 720001
E-mail: info_kg@steinertind.com
Web-site: www.interglass.kg
Tel. + 996 312 902 649; +996 302 902 650
Fax. + 996 312 902 653

Business opportunities:

For business opportunities or procurement, contact the client company.

E.

Project name: HVB Ukraine Leasing

Country: Ukraine
Project number: 31369
Business sector: Financial Institutions: Bank equity/Bank lending
State/Private: Private sector
Environmental category: FI
Board date: 2 November 2004
Status: Passed concept review, Pending final review
Date PSD disclosed:
Date PSD updated: 28 September 2004

Project description and objectives:

The proposed project is a medium term financing to HVB Ukraine for on-lending purposes to private sector clients and will include two credit facilities: a US$ 10 million senior loan (Corporate Facility) for on-lending to local corporate sub-borrowers and a US$ 5 million leasing credit line (Leasing Facility) to finance the financial leases of the client.
The following achievements are expected from the proposed financing:

- support growth and development of private companies.
- support private sector financial intermediaries which provide new products to the market, especially to the private sector.

Transition impact:

Successful completion of the proposed project will enable HVB Ukraine to diversify its medium-term funding sources and ensure that the bank's corporate clients have continued access to medium and long-term financing both in form of investment loans as well as financial leases.
Implementation of the Leasing Facility will increase the availability of leasing financing done under the internationally acceptable business practices to local private sector, promote competition in the sector, support leasing as a financial product and have a significant demonstration effect across the Ukrainian financial sector.

The client:

HVB Ukraine is the universal commercial bank operating in Ukraine since 1998 with total assets of € 89.6 million and equity of € 14.6 million as of June 2004. 91% of the bank's stake is owned by HVB AG, Germany.

EBRD finance:

EBRD will provide two facilities:

- US$ 10 million bank to bank credit line to finance the corporate clients of the borrower.
- US$ 5 million bank to bank credit line to finance the financial leases issued by the borrower.

Tenor of the two debt facilities is 5 years with initial grace period.

F.

Project name: Krakow Public Transport Commercialisation & Financing Project
Country: Poland
Project number: 34554
Business sector: Municipal and environmental infrastructure
State/Private: State sector
Environmental category: B
Board date: 30 November 2004
Status: Inactive
Date PSD disclosed:
Date PSD updated: 20 September 2004

Project description and objectives:

The proposed project comprises investments in public transport infrastructure (tram/busway) and rolling stock (trams) to be implemented by the City of Krakow and its public transport company (MPK).
Project objectives are to improve public transport services; improve the framework of public transport regulation in the city; enable private sector participation in bus services; and demonstrate feasibility and best practices in public transport financing with EU Structure Funds.
The project is expected to be one of the first public transport projects co-financed with EU Structural Funds.

Transition impact:

- Public transport services will become more commercially organised through a long-term Public Service Contract, moving away from annual negotiated subsidies to transparent multi-year payments for service against defined targets.
- Through the Project the City will separate the regulatory, operations and infrastructure management functions currently carried out by overlapping institutions, and establish a Public Transport Authority to regulate public and private sector transport operators in the City.
- Through the Project, the City will tender out a substantial portion of the bus network to the private sector for the first time, increasing competition in the sector.

- As one of the first projects in Poland anticipated for support by EU Structural Funds, it should set an example for project preparation and appraisal to international standards. Lessons learned during the project are also likely to be widely disseminated given the public transport company's active engagement in the Polish Chamber of Transport Companies and the International Association for Public Transport (UITP).

The client:

- Miejskie Przedsiebiorstwo Komunikacyjne S.A. (Krakow Public Transport Company, MPK) a joint stock company fully owned by the City providing bus and tram services in Krakow.
- The City of Krakow, Poland's third largest city with a population of 740,000.

EBRD finance:

The project is expected to comprise two syndicated loans from the Bank, of which EBRD portion would be:

- Up to EUR 14 million (or PLN equivalent) senior loan to the public transport company (MPK)
- Up to EUR 3.5 million (or PLN equivalent) loan to the City.

Total project cost:

EUR 62 million (or PLN equivalent).

Environmental impact:

The project has been screened B/0, requiring an Environmental Analysis. The investigations showed that any environmental impacts of project have been assessed to be limited and that adequate mitigation measures have been incorporated in the project design. Construction impacts will be mitigated by adhering to good international work practices and planning. The Project will improve public transport reliability, safety and efficiency, reduce congestion, and help maintain the share of public transport in total transport, with associated air quality benefits. The introduction of a new tram fleet will help develop public transport alternatives as well as reducing traffic congestion, noise and air pollution in Krakow. The trams to be purchased will need to comply with Polish and EU standards.
This section will be updated as soon as environmental due diligence will have been completed.

Technical cooperation:

EUR 93,000 call-off from EU-Phare Bangkok facility-funded framework contract to support economic, environmental and institutional appraisal of the project.
For consultant opportunities for projects financed by technical cooperation funds, visit procurement of consultants.

Procurement or tendering opportunities:
Visit EBRD Procurement
Enquiries: Tel: +44 20 7338 6534; Fax: +44 20 7338 7472, Email: procurement@ebrd.com

G.

Project name:	Russian Standard Bank - Syndicated Loan
Country:	Russia
Project number:	35429
Business sector:	Financial institutions: Non-bank FIs
State/Private:	Private sector
Environmental category:	FI
Board date:	2 November 2004
Status:	Passed final review, Pending board approval
Date PSD disclosed:	
Date PSD updated:	16 September 2004

Project description and objectives:

Senior term loan of up to US$ 90 million, with an A/B structure, B loan to be syndicated, to be provided to Russian Standard Bank (RSB) to support its consumer finance activities, with a particular focus on developing consumer lending in the regions.
The primary objective of the project is to assist RSB in diversifying its funding base and support its regional expansion. The proposed A/B structure aims to make the loan more attractive to foreign investors, and, therefore, have a positive impact on a syndication outcome.

Transition impact:

The project will foster development of consumer finance in Russia and promote competition in the project sector with a wide geographical spread. With additional funding RSB will be able to achieve broader regional outreach, thus making consumer finance available to a larger number of Russian households. At present consumer finance is available predominantly in large metropolitan areas. Greater competition in consumer finance market will contribute to interest rates reduction and is seen to bring more formality and regulation in this sector.

The client:

RSB was established in June 1999 by Mr. Roustam Tariko and became the first Russian commercial bank with a strategic focus on consumer finance. Its business strategy was based on a business plan and marketing study produced by McKinsey & Co. specifically for RSB.
At the end of 2003, RSB ranked 27th among Russian banks by total assets and 50th by net worth (by Russian accounting standards). RSB has a long-term counterparty credit rating of B from Standard & Poor's Rating Service, and a long-term foreign currency deposit rating of Ba3 from Moody's Investor's Service Inc.
In July 2004 RSB announced a sale of a 50% stake in a holding company which controls over 90% of RSB's shares to BNP Paribas Group via its Cetelem subsidiary. This sale is pending approval by the Central Bank of Russia and the Russian anti-monopoly regulator, and is expected to be completed by the end of 2004. The International Finance Corporation (IFC), the private sector financing arm of the World Bank Group, holds 6.42% of RSB's shares.

EBRD finance:

Senior term loan of up to US$ 90 million, with an A/B structure, B loan to be syndicated.

Total project cost:

US$ 90 million.

Environmental impact:

There are no environmental risks associated with the consumer financing, therefore there will be no environmental requirements associated with this operation.

Technical cooperation:

None.
For consultant opportunities for projects financed by technical cooperation funds, visit procurement of consultants.

Company contact:

Levan Zolotarev, Senior Vice President.
Email: lzolotarev@rs.ru
Tel.: +7 095 797 84 09
Fax: +7 095 797 84 40
Nina Filimonova, Vice President, International Department.
Email: filimonova@rs.ru

Tel.: +7 095 797 84 05
Fax: +7 095 797 84 40

Business opportunities:

For business opportunities or procurement, contact the client company.

H.

Project name: DeltaLeasing Senior Loan
Country: Russia
Project number: 32308
Business sector: Financial institutions: Non-bank FIs
State/Private: Private sector
Environmental category: FI
Board date: 2 November 2004
Status: Passed final review, Pending board approval
Date PSD disclosed:
Date PSD updated: 16 September 2004

Project description and objectives:

The proposed project envisages providing a loan of US$ 5 million to DeltaLeasing (formerly known as DeltaLease – Far East), a leasing company providing leasing services to SMEs operating in the Russian Far East and Siberia. The Project is aimed at supporting the leasing sector in the Russian Far East and Siberia and the growth of the company's leasing portfolio.

Transition impact:

The transition impact potential of the Project arises mainly from its support of the development of the Russian leasing sector, and the leasing sector of the RFE in particular. The Project will support a wider application of the leasing practice developed and proven by the market leader Europlan and have a significant demonstration effect across the financial markets.
The Project will strengthen the development of the regional SMEs by promoting financial intermediation and increasing the level of available medium-term resources. The Project will also attract more attention of the business community to the Russian Far East.

The client:

DeltaLeasing (former name DeltaLease-Far East), a Russian leasing company established in 1999 and wholly-owned by the US-Russia Investment Fund (TUSRIF).

EBRD finance:

A five-year senior loan of US$ 5 million.

Total project cost:

US$ 5 million.

Environmental impact:

DeltaLeasing will be required to comply with EBRD's Environmental Procedures for Leasing which require adherence to the Bank's Environmental Exclusion and Referral List, compliance with the applicable national environmental, health and safety 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.

Company contact:

Mr. Gregory Sundstrom, Chairman
e-mail: gregorys@deltaleasing.ru
Mr. Oleg Rakitsky, CEO
Tel: 4232 – 491221
Fax: 4232-491220
e-mail: rakitsky@deltaleasing.ru
Website: www.deltaleasing.ru

Business opportunities:

For business opportunities or procurement, contact the client company.

I.

Project name:	Dnipropetrovsk Municipal Water
Country:	Ukraine
Project number:	32011
Business sector:	Municipal and environmental infrastructure
State/Private:	State sector
Environmental category:	B
Board date:	30 November 2004
Status:	Passed concept review, Pending final review

Date PSD disclosed:
Date PSD updated: 15 September 2004

Project description and objectives:

The proposed project involves a loan to the municipal water utility of the City of Dnipropetrovsk. Key objectives are to reduce operation and maintenance costs, water losses and discharge of untreated sewerage into Dnipro river and the Black Sea Basin and to improve the operational and financial performance of the municipal water and waste-water services in Dnipropetrovsk. Part of the loan proceeds would be used to finance a Project Engineer responsible for the preparation of tender documents, design, engineering services, procurement management and the construction supervision.

Transition impact:

The project would have an impact on the transition process through commercialisation and institutional strengthening of the Dnipropetrovsk water utility and the municipality, including an incentive based service contract, selected outsourcing and improved financial and operational performance. It would also contribute towards development and implementation of a tariff setting methodology, ensuring cost recovery, consumption-based billing, reduction of cross-subsidies, transparent tariff formula, and greater predictability of regulatory decisions.

The client:

The borrower will be the water utility (the Company) of the City of Dnipropetrovsk.

EBRD finance:

A senior loan of €20 million to Dnipropetrovsk water utility.

Total project cost:

Equivalent to €30 million.

Environmental impact:

The Project has been screened B/1. The Project is designed to improve quality and supply of drinking water to major portions of the population and to result in considerable energy savings. The operation would also support the achievement of important environmental objectives in the Dnipro River and the Black Sea region by improving waste water management. The project would be structured

in accordance with Ukrainian and EU environmental standards that would be directly applicable to the project. Construction-related impacts that may arise in projects are likely to be localised, short term in nature and can be easily mitigated or prevented by good construction practice.
The Company and the City will, together with the PIU and with a help of a reputable international consultant will prepare an Environmental Action Plan guiding the Company and the City towards achieving water services compliant with international standards. The EAP will be implemented within a timeframe acceptable to the Bank and other parties involved with an intention to protect the City's water sources from potential further pollution.

Technical cooperation:

The project has benefited from the following technical cooperation programmes:

- Technical Feasibility Study financed by the Netherlands and Canada;
- Update of the Technical Feasibility Study financed by the EU TACIS JEP facility.

It is foreseen that the proposed project would include further technical cooperation support:

- Creditworthiness Enhancement Programme to the City (donor to be identified);
- Corporate Development Programme to the Company (donor to be identified);
- Environmental Action Plan to the City and the Company (donor to be identified);
- Project Engineer to the Company (donor to be identified).

For consultant opportunities for projects financed by technical cooperation funds, visit procurement of consultants

J.

Project name:	Unitel
Country:	Uzbekistan
Project number:	35347
Business sector:	Telecommunications & Media and Informatics
State/Private:	Private sector
Environmental category:	C
Board date:	21 September 2004
Status:	Board approved, Pending signing
Date PSD disclosed:	
Date PSD updated:	15 September 2004

Project description and objectives:

The proposed project will consist of an equity investment by the Bank of up to US$ 9 million (€ 7.4 million) to finance the acquisition of Unitel, the second largest mobile operator in Uzbekistan, alongside other members of the Equity Consortium comprised of Germanos SA, Mr. Panos Germanos and the Black Sea Fund.
In addition, the Bank will provide a loan to the Company in the amount of US$ 30 million (€ 24.8 million) that will allow the Company to further develop and modernise its GSM network, by expanding its geographic coverage and product range.

Transition impact:

The proposed transaction represents the first commercial long-term commitment by an international bank in the telecommunications sector in Uzbekistan. By participating in the project, the Bank aims to make mobile communication services more affordable and accessible to a greater part of the Uzbek population.
Unitel is planning to significantly expand and upgrade its network over the coming years and is committed to introduce new and innovative service packages, including pre-pay service, which is currently not available on the market. This will increase the affordability of mobile services and enable Unitel to capture the lower income segment of the population. By supporting the second player in the Uzbek mobile market, the Bank will contribute in creating a viable competitor to the market leader and will facilitate the growth in the penetration, which remains very low at 1.5%.

The client:

Unitel, launched in 1997, is the second largest GSM network operator in Uzbekistan with over 106,000 subscribers and a market share of 25%. The Company is currently 100% owned by Daewoo International, a company derived from the restructuring of the Daewoo Group in 2001.
The Sponsors of the project are Germanos SA and Mr. Panos Germanos.
Germanos SA, a listed company on the Athens Stock Exchange (symbol: GERM), is the leading retail network of mobile service and equipment centres in Greece and the second largest company of its kind in Europe. It has a network of 295 outlets in Greece and over 400 outlets in Central and Eastern Europe. Mr. Panos Germanos is the Chairman of the Board of Directors of Germanos SA.

EBRD finance:

The Bank's proposed financing will consist of up to US$ 9 million in equity and up to US$ 30 million in debt for the Bank's own account.

Total project cost:

The acquisition of Unitel, which will be fully funded through equity, is expected to cost up to US$ 73.5 million (€ 60.8 million). The subsequent capital expenditure plan, which will be partly financed by the Bank's US$ 30 million debt facility, is estimated at US$ 83.3 million (€ 68.8 million) over the next three years. The remaining US$ 53.3 million (€ 44.4 million) will be comprised of vendor financing and the internally generated cash.

Environmental impact:

The project was rated C/0 with a low risk rating. The project is unlikely to involve significant environmental issues. Environmental due diligence has confirmed that the Company is compliant with relevant Environmental, Health and Safety standard and requirements. The Company is required to continue to comply with national and EU EHS standards and requirements as well as submit an annual environmental, health and safety report.

Technical cooperation:

None.
For consultant opportunities for projects financed by technical cooperation funds, visit procurement of consultants.

Company contact:

Loukas Petkidis, Financial Services Director
Germanos Group of Companies
23rd km of the Athens - Lamia N.H.
145 65 Ag. Stefanos GREECE

For business opportunities or procurement, contact the client company

K.

Project name: BCC Agricultural Equipment Financing
Country: Kazakhstan
Project number: 35099
Business sector: Agribusiness
State/Private: Private sector
Environmental category: FI
Board date: 19 October 2004
Status: Passed final review, Pending board approval
Date PSD disclosed:
Date PSD updated: 15 September 2004

Project description and objectives:

The proposed project will aim at facilitating and increasing financing available to private farms, agribusiness companies and traders for purchasing/leasing key agricultural equipment, mainly Russian-made grain combine-harvesters and tractors but also Western made machinery, especially seeding implements.

Transition impact:

Transition impact is expected to derive from the strengthening of linkages with agricultural equipment manufacturers and increase of interregional trade, as the majority of the equipment expected to be financed will be Russian-made. A direct positive impact on the availability and quality of grain is expected by usage of better and newer machinery. Better grain quality will enhance competitiveness of exports from Kazakhstan and allow the country to build further on its competitive advantages.

The client:

Privately owned agribusiness companies operating in Kazakhstan. The financing will be channelled Bank CenterCredut, the fifth largest bank in Kazakhstan. The bank will leverage on the already established grain producing and trading clients and offer better access to finance and a wider range of banking services.

EBRD finance:

US$ 6 million to Bank CenterCredit.

Total project cost:

US$ 6 million.

Environmental impact:

The Bank will require Bank CenterCredit to adhere to the Bank's Environmental Procedures for Leasing and to the Environmental Exclusion and Referral List and this condition is one of the criteria for granting financing to the sub-borrowers. In addition, Bank CenterCredit will require the sub-borrowers to comply with national standards for environment, health and safety and confirm to the Bank on an annual basis that these requirements have been met.

Technical cooperation:

None.
For consultant opportunities for projects financed by technical cooperation funds, visit procurement of consultants.

Company contact:

Galiya Essim
Bank CenterCredit
100 Shevchenko Str.
480072 Almaty
Republic of Kazakhstan
Tel. +7 (3272) 588 952

L.

Project name: KKB Agricultural Equipment Financing
Country: Kazakhstan
Project number: 27447
Business sector: Agribusiness
State/Private: Private sector
Environmental category: FI
Board date: 19 October 2004
Status: Passed final review, Pending board approval
Date PSD disclosed:
Date PSD updated: 15 September 2004

Project description and objectives:

The proposed project will aim at facilitating and increasing financing available to private farms, agribusiness companies and traders for purchasing/leasing key agricultural equipment, mainly Russian-made grain combine-harvesters and tractors but also Western made machinery, especially seeding implements.

Transition impact:

Transition impact is expected to derive from the strengthening of linkages with agricultural equipment manufacturers and increase of interregional trade, as the majority of the equipment expected to be financed will be Russian-made. A direct positive impact on the availability and quality of grain is expected by usage of better and newer machinery. Better grain quality will enhance competitiveness of exports from Kazakhstan and allow the country to build further on its competitive advantages.

The client:

Privately owned agribusiness companies operating in Kazakhstan. The financing will be channelled Kazkommertsbank, the biggest bank in Kazakhstan. The bank will leverage on the already established grain producing and trading clients and offer better access to finance and a wider range of banking services.

EBRD finance:

US$ 12 million to Kazkommertsbank.

Total project cost:

US$ 12 million.

Environmental impact:

The Bank will require Kazkommertsbank to adhere to the Bank's Environmental Procedures for Leasing and to the Environmental Exclusion and Referral List and this condition is one of the criteria for granting financing to the sub-borrowers. In addition, Kazkommertsbank will require the sub-borrowers to comply with national standards for environment, health and safety and confirm to the Bank on an annual basis that these requirements have been met.

Technical cooperation:

None.
For consultant opportunities for projects financed by technical cooperation funds, visit procurement of consultants.

Company contact:

Kazkommertsbank
Structured Trade Finance Department
135-zh Gagarin Ave.
480060 Almaty
Kazakhstan
Tel: +7 (3272) 585 309

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

M.

Project name:	ATF Agricultural Equipment Financing
Country:	Kazakhstan
Project number:	27448
Business sector:	Agribusiness
State/Private:	Private sector
Environmental category:	FI
Board date:	19 October 2004
Status:	Passed final review, Pending board approval

Date PSD disclosed:
Date PSD updated: 15 September 2004

Project description and objectives:

The proposed project will aim at facilitating and increasing financing available to private farms, agribusiness companies and traders for purchasing/leasing key agricultural equipment, mainly Russian-made grain combine-harvesters and tractors but also Western made machinery, especially seeding implements.

Transition impact:

Transition impact is expected to derive from the strengthening of linkages with agricultural equipment manufacturers and increase of interregional trade, as the majority of the equipment expected to be financed will be Russian-made. A direct positive impact on the availability and quality of grain is expected by usage of better and newer machinery. Better grain quality will enhance competitiveness of exports from Kazakhstan and allow the country to build further on its competitive advantages.

The client:

Privately owned agribusiness companies operating in Kazakhstan. The financing will be channelled ATF Bank, the fourth largest bank in Kazakhstan. The bank will leverage on the already established grain producing and trading clients and offer better access to finance and a wider range of banking services.

EBRD finance:

US$ 10 million to ATF Bank.

Total project cost:

US$ 10 million.

Environmental impact:

The Bank will require ATF Bank to adhere to the Bank's Environmental Procedures for Leasing and to the Environmental Exclusion and Referral List and this condition is one of the criteria for granting financing to the sub-borrowers. In addition, ATF Bank will require the sub-borrowers to comply with national standards for environment, health and safety and confirm to the Bank on an annual basis that these requirements have been met.

Technical cooperation:

None.
For consultant opportunities for projects financed by technical cooperation funds, visit procurement of consultants.

Company contact:

Mikhail Sheen
ATF Bank
100 Furmanov St.,
480091 Almaty
Kazakhstan
Tel. +7 (3272) 58 30 72

Business opportunities:

For business opportunities or procurement, contact the client company.

N.

Project name:	Port of Dubrovnik Infrastructure Modernisation Project
Country:	Croatia
Project number:	13451
Business sector:	Transport
State/Private:	State sector
Environmental category:	B
Board date:	25 January 2005
Status:	Passed structure review, Pending final review
Date PSD disclosed:	
Date PSD updated:	14 September 2004

Project description and objectives:

The proposed project will finance the extension of the berth area in the Port of Gruz, Dubrovnik as the first step in creating additional space for increased number and larger sizes of cruise vessels and adding valuable land area for planned future port area development under private sector concessions.

Transition impact:

- **Frameworks for markets/ Institution building.**
  There is an urgent need for strengthening the management framework at the Port Authority to ensure that the port's operational strategy is based on commercially beneficial and financially sustainable principles. The conditions of the Bank's financing will include preparation of a medium

term Business Plan as well as a Marketing Strategy, with particular focus on tariff policy and customer/market orientation.

- **Private ownership/ new private provision of goods and services**
  The Bank's involvement in the Project will result in private sector development of the port area in Dubrovnik and opening of a market, traditionally operated by state-owned enterprises, to the private sector.

- **Transfer of skills.**
  (a) the supporting TC component will include training modules for the Port management in business planning and market strategy preparation as well as the introduction of a dual accounting system and reporting under international financial reporting standards

  (b) the preparation and completion of the open tendering procedure will provide valuable skills transfer in the procurement area, which can then be expanded and built upon during the subsequent second phase of the port development and preparation of the private concession tender.

- **Demonstration effect.**
  The development option adopted in Dubrovnik, with the infrastructure upgrade linked closely to plans for private sector development of port property area, is expected to invite replication in other ports in the area.

The client:

Port of Dubrovnik Authority (PDA).

EBRD finance:

A loan of € 26.5 million.

Total project cost:

€ 33.7 million.

Environmental impact:

According to the Croatian environmental requirements, EIA for this project was required and it was carried out by the the Croatian Institute of Oceanography and Fisheries, Split, September 2003. A review of this EIA was prepared by Haskoning, the environmental consultancy, UK.
The main potential environmental impacts were identified including:
(i) effects of underwater mining operations, (ii) pollution caused by oil and oil derivates
(iii) pollution by sewerage discharge
(iv) pollution by anti-fouling paints

(v) noise caused by increased traffic
(vi) visual impacts on the bay landscape.
The EIA suggested adequate measures to reduce these potential environmental impacts. These include preparing waste management plan, identifying procedures for dealing with sewerage from ships using the port, prevention of using harmful anti-fouling agents, comparing the road improvements planned in the City Master Plan to improve traffic and trasport. The EIA concluded that the potential impacts are evaluated to be limited and temporary in terms of its environmental impact magnitude and significance. Based on the EIA, Croatian Ministry for Environmental Protection and Physical Planning defined detailed environmental protection measures which need to be implemented during project preparation, implementation and its operation. Croatian legislation does not require public consultation to be carried out for this type of rehabilitation project.

Technical cooperation:

- € 313,000 (Spanish, UK and US funds), already contracted out to prepare an information memorandum for potential investors/operators that may have an interest in financing and operating new passenger terminal facilities;

- € 180,000 TC funded by the Dutch TC Fund for project due diligence; completed;

- € 200,000 TC assistance to be mobilised for UR 198,000 for assistance with institutional development of the Port Authority including introduction of IFRS accounting, preparation of the marketing strategy and business planning procedures.

For consultant opportunities for projects financed by technical cooperation funds, visit procurement of consultants.

Procurement or tendering opportunities:

Visit EBRD Procurement
Enquiries: Tel: +44 20 7338 6534; Fax: +44 20 7338 7472, Email: procurement@ebrd.com

O.

Project name: ISTIL (Ukraine) II
Country: Ukraine
Project number: 35435
Business sector: General manufacturing
State/Private: Private sector
Environmental category: B

Board date: 19 October 2004
Status: Passed concept review, Pending final review
Date PSD disclosed:
Date PSD updated: 14 September 2004

Project description and objectives:

The proposed project includes:
a) an increase of operating working capital to meet the growing demand for larger shipments of steel products by ISTIL (Ukraine)'s clients, and
b) capital expenditures during 2004 and 2005 aimed at increasing ISTIL (Ukraine)'s competitiveness through production and energy efficiency improvements.
EBRD will finance part of ISTIL (Ukraine)'s capital expenditures and working capital increase.

Transition impact:

Although a small steel producer in volume terms, ISTIL (Ukraine) is one of the few producers in Ukraine that uses modern production technology based on electric arc furnace and continuous casting process for a range of steel products. The Bank's financing would assist ISTIL in implementing its strategy of improving its competitiveness through the introduction of energy efficiency improvements. It will also enable the company to ensure the reliable delivery of large orders to its key export customers.
The company has already made a contribution to greater efficiency in the steel sector of Ukraine as a result of the introduction of modern steel making technology in 1999-2001, and the Bank's financing will help to ensure this process continues. As a result the project can be expected to continue to have a positive demonstration effect on other steel producers in Ukraine as to how investment projects can be successfully implemented in this important industrial sector.

The client:

ISTIL (Ukraine), a joint stock company based in Donetsk, south-eastern Ukraine, is the only modern mini steel mill in Ukraine operating electric arc furnace, continuous casting machine and blooming mill. The company produces quality steel products, such as rolled and cast billets and special quality bars that are sold to rolling mills, seamless pipe manufacturers, engineering plants, distributors and stockists worldwide.

EBRD finance:

US$ 35 million corporate loan to ISTIL (Ukraine) with A/B structure consisting of two components:

a) revolving loan of US$ 25 million to support ISTIL's (Ukraine) growing working capital needs, and
b) term loan of US$ 10 million for capital investments.
The revolving loan is the renewal of a US$ 25 million financing to ISTIL (Ukraine) approved by the EBRD in September 2001.

Total project cost:

US$ 144 million (€118 million), of which EBRD financing represents 24%.

Environmental impact:

The project is categorised as B/1 requiring an environmental audit and analysis of environmental impacts of the proposed investments. Such audit and analysis is currently carried out by an independent consultancy firm as part of technical due diligence study.
The audit will provide recommendations in form of an Environmental Action Plan (EAP) to bring the plant into compliance with EU Integrated Pollution Prevention and Control standards for environment, health and safety in steel making.

Technical cooperation:

None.
For consultant opportunities for projects financed by technical cooperation funds, visit procurement of consultants.

Company contact:

Mr. Abid Junejo, Vice-President
ISTIL (Ukraine), 122, I.Tkachenko St.,
Donetsk,
Ukraine, 83062
Tel: (+380 62) 385-0440
Fax: (+380 62) 332-2421

E-mail: istil@istil.com.ua

Business opportunities:

For business opportunities or procurement, contact the client company.

P.

Project name: Export & Credit Bank - SME Credit Line
Country: FYR Macedonia
Project number: 34990
Business sector: Financial Institutions: Bank equity/Bank lending
State/Private: Private sector
Environmental category: FI
Board date: 2 November 2004
Status: Passed concept review, Pending final review
Date PSD disclosed:
Date PSD updated: 14 September 2004

Project description and objectives:

The proposed project will provide € 5 million medium-term funding to Export & Credit Bank (ECB) for on-lending to private small and medium enterprises (SMEs). Loan proceeds will be used to finance capital expenditure programmes and related working capital needs.
The project will support ECB's further growth and market establishment as a bank dedicated to SMEs.

Transition impact:

The project will provide medium term funding for private SMEs, which is limited due to the predominantly short-term deposit base in the country.
The main transition challenge for the project is to increase the financial intermediation which is still very low.

The client:

Export & Credit Bank is a private universal commercial bank registered as a joint stock company under the laws of FYR Macedonia. ECB's strategic focus is on micro and SMEs.
The EBRD is ECB's largest shareholder, holding 24% of the voting capital.

EBRD finance:

SME credit line of € 5 million with up to five years maturity.
The credit line will be on-lent to private SMEs across various sectors of economy, including production and manufacturing, services, wholesale and trade.

Total project cost:

€ 5 million.

Environmental impact:

ECB will continue to comply with EBRD's Environmental Procedures for Local Banks. In implementing these procedures, ECB will require its borrowers to comply, at a minimum, with the national health, safety, environmental requirements.
ECB will also continue to adhere to EBRD's Environmental Exclusion and Referral Lists and will continue to submit to EBRD annual environmental, health and safety report. In addition, ECB is required to comply with relevant national employment laws and standards and Conventions of the International Labour Organisation related to the employment of children and young people, discrimination at work, and forced labour.

Technical cooperation:

Export & Credit Bank has already benefited from three technical cooperation projects with the EBRD:
1. Strategy Expert funded by the Balkan Region Special Fund
2. Retail Expert funded by the Balkan Region Special Fund
3. Director for Business Development funded by the FYR Macedonian Financial Sector Fund.

No new technical cooperation is envisaged for the proposed project.
For consultant opportunities for projects financed by technical cooperation funds, visit procurement of consultants.

Company contact:

Elena Urumovska, Associate Banker,
EBRD Skopje Resident Office
Tel: + 389 23 297 804
E-mail: urumovse@ebrd.com

Business opportunities:

For business opportunities or procurement, contact the client company.

Q.

Project name:	M-Pro
Country:	Azerbaijan
Project number:	35377
Business sector:	Agribusiness
State/Private:	Private sector
Environmental category:	B
Board date:	19 October 2004
Status:	Passed final review, Pending board approval

Date PSD disclosed:
Date PSD updated: 8 September 2004

Project description and objectives:

The proposed project involves the construction of a new dairy processing plant in Baku and also the modernization and upgrade of an existing plant in Goychay, Central Azerbaijan. As a result, the Company will double its capacity, improve quality and expand its raw material base.

Transition impact:

The Transition impact of the proposed project is expected to be derived mainly from the contribution of the project to the expansion of the dairy sector in Azerbaijan. The Azeri dairy market is characterised by imports of up to 75% and Milk-Pro represents a significant part of the formal, organised dairy sector in Azerbaijan. Its capacity constraints now act as a severe limitation to its ability to expand.
As well as growth in sales and profitability, the standards of the company and its position relative to other players in the market means that expansion in this context should also have a significant impact on the development of hygienic and quality standards, and on the overall availability of a greater range of consistently packaged and presented dairy products that will be transparently priced for the consumer.
Milk-Pro is the single largest purchaser of milk in Azerbaijan. This collection activity brings regular cash and dairy farm support services to rural areas that often have no other form of regular cash receipts. The expansion of the Company will require an increase in the amount of milk collected, by the addition of collection tanks in areas where the Company is not present currently and an extension of the encouragement given to additional farmers to increase milk yields and to improve milk quality.

The client:

Milk-Pro, a dairy processing company based in Baku, Azerbaijan.

EBRD finance:

Up to € 5 million, in the form of an equity investment of between € 1.5 million and a loan of € 3.5 million.

Total project cost:

€ 6.3 million.

Environmental impact:

The project is screened B/1 by the Bank requiring an environmental audit of the Goychay facility and an analysis of environmental impacts associated with the construction of the new plant in Baku. Independent consultants have been retained to undertake these studies which will be completed prior to Final Review of this project. If necessary, the consultants will structure an environmental action plan to address any issues revealed during the auditing process and to ensure compliance with relevant national and EU standards.
A more detailed summary of environmental issues will be provided following the completion of due diligence which will be translated and posted locally and as an attachment to this PSD.

Technical cooperation:

Technical co-operation funding will be sought to provide post-investment assistance, including in the areas of production planning, marketing, sales and distribution.
For consultant opportunities for projects financed by technical cooperation funds, visit procurement of consultants.

Company contact:

Tair Mamedov, Deputy Director, Finance
Tel: (994 12) 4904554; (994 50) 3222019 (mob.)

Business opportunities:

For business opportunities or procurement, contact the client company.

R.

Project name:	Bank Gospodarki Zywnosciowej (BGZ) Equity Investment
Country:	Poland
Project number:	3525
Business sector:	Financial Institutions: Bank equity/Bank lending
State/Private:	Private sector
Environmental category:	FI
Board date:	7 September 2004
Status:	Signed
Date PSD disclosed:	
Date PSD updated:	8 September 2004

Project description and objectives:

The proposed project is an equity investment in Bank Gospodarki Zywnosciowej ("BGZ"), the tenth largest Polish bank in terms of assets and the main provider of banking services to the Polish agribusiness sector and to rural areas.
The EBRD will participate in a capital increase which will result in a minority stake of 15% in partnership with Rabobank International, which will purchase shares from regional and cooperative banks wishing to exist. Additionally it is expected that EBRD and Rabobank will purchase subordinated convertible bonds that will qualify as Tier II capital for BGZ.
The investment by Rabobank and the EBRD will ensure the capital and strategic support necessary to transform BGZ into a modern and efficient universal bank focusing on rural finance. The investment also paves the way for an eventual IPO of BGZ to further strengthen private ownership of BGZ.

Transition impact:

The Project represents both a key milestone in the process of final transformation of the Polish banking sector and in the restructuring of BGZ.
The Project will ensure the transfer of ownership of BGZ to the private sector which in and of itself will represent a catalyst for change. BGZ will benefit from the support of the EBRD and Rabobank in the implementation of its Development Strategy. The recapitalisation of BGZ will have an important impact on the transition of the country's large agricultural and rural communities given the BGZ's strong role in this sector. It will also provide needed capital to the regional and cooperative banks as it will release them from the shareholdings in BGZ; the transformation of the co-operative sector has been hindered by the slow transformation process of BGZ
Second, the introduction of changes to the Statute of BGZ is a condition for the investment by Rabobank and the EBRD, which will promote appropriate corporate governance standards in this bank including fostering of transparency, accountability and responsibility amongst the shareholders, supervisory board members, managers and employees.
Third, the EBRD's experience in many previous privatisation and pre-privatisation investments will ensure that BGZ will successfully complete its restructuring to improve profitability and expand its range of products and services as a universal commercial bank.

The client:

BGZ is the tenth largest Polish bank in terms of assets (PLN 16.6 billion as at end-2003, EUR 3.5 billion equivalent) and the main provider of banking services to the Polish agribusiness and agricultural sectors and rural areas.

EBRD finance:

The EBRD will purchase 15% of the share capital and voting rights of BGZ and purchase subordinated convertible bonds when issued for a total investment not to exceed PLN 357 million.

Total project cost:

The EBRD and Rabobank together will purchase shares of BGZ and purchase the subordinated convertible bonds when issued for a total amount of circa PLN 1.2 billion.

Environmental impact:

BGZ will carry out its operations in accordance with EBRD's Environmental Procedures for Local Banks across the full range of its operations. In implementing these procedures, BGZ will require its borrowers to comply, at a minimum, with national health, safety and environmental requirements.

Technical cooperation:

None.
For consultant opportunities for projects financed by technical cooperation funds, visit procurement of consultants.

Company contact:

Press Officer
Bank Gospodarki Zywnosciowej
Head Office
Ulica Kasprzaka 10/16
01-211 Warsaw
Poland
Tel: +48 22 860
Fax: +48 22 860
Website: www.bgz.pl

Business opportunities:

For business opportunities or procurement, contact the client company

S.

Project name: Baring Vostok Private Equity Fund III
Country: Regional
Project number: 35376
Business sector: Equity funds
State/Private: Private sector
Environmental category: FI
Board date: 2 November 2004
Status: Passed final review, Pending board approval
Date PSD disclosed:
Date PSD updated: 3 September 2004

Project description and objectives:

The proposed project envisages commitment of up to US$ 65 million to BVPEF III, the successor Fund to First NIS Regional Fund (First NIS), NIS Restructuring Facility (NISRF) and Baring Vostok Private Equity Fund (BVPEF), all managed by Baring Vostok Capital Partners Limited (BVCP), a private equity firm.
The Fund's objective is to seek intermediate and long-term capital appreciation through negotiated transactions involving primarily equity and equity-like investments in companies operating in Russia and the newly independent states of the former Soviet Union.

Transition impact:

BVPEF III is well-positioned to meet the transition criteria of EBRD by having one of, if not the most experienced and dedicated private equity teams in Russia/CIS. By investing in the third fund, the EBRD will support a leading private equity group with a strong franchise in the region thus contributing to the development of the local private equity market and consolidation of scarce financial resources in the hands of the best qualified and successful managers.
Since 1994, the Baring Vostok team has been able to raise in total close to USD 400 million primarily from quality institutional investors. The team has a successful track record in all forms of private equity investments in CIS which is evidenced by successful exits, good corporate governance history and network of industry and political contacts that are crucial for any long-term business strategy. Baring Vostok can be rated as having strong transitional impact, as well as a sustainable track record in one of the most difficult and volatile environments for private equity investments.

The client:

Established in 1997, the Fund's Investment Advisor is Baring Vostok Capital Partners Limited, a private equity firm with its office in Moscow. BVCP's roots date back to 1994 and the formation of the First NIS by Sovlink Corporation

("Sovlink"), a Russian-American merchant bank, and Baring Asset Management Limited ("BAM"). First NIS was initially managed and advised by a dedicated team of four investment professionals from BAM and Sovlink including Michael Calvey.
In 1997, the two investment teams from BAM and Sovlink responsible for the management of the First NIS Fund were merged to form BVCP. BVCP is part of the global network of partners comprising Baring Private Equity Partners (BPEP) International.

EBRD finance:

The Bank commits to invest up to US$ 65 million in equity in BVPEF III. The Fund's target size is US$ 350 million.

Total project cost:

Up to US$ 65 million.

Environmental impact:

The Fund will carry out its operations in accordance with the EBRD's Environmental Procedures for Private Equity Funds. The Procedures include compliance with the Bank's Environmental Exclusion and Referral List. The Fund will be required to submit annual environmental reports to the EBRD. Investee companies will be required to comply, at a minimum, with all applicable national health, safety, environmental and public information/consultation requirements.

Technical cooperation:

None.
For consultant opportunities for projects financed by technical cooperation funds, visit procurement of consultants.

Company contact:

Michael Calvey , Co-Managing Partner
Ducat Place II, Suite 750, Gasheka str. 7, bldg 1
Moscow, 123056,
Russia
Tel: +7 095 967 13 07
Fax: +7 095 967 13 08
Email: info@bvcp.ru

Business opportunities:

For business opportunities or procurement, contact the client company.

III. PROJECTS RECENTLY APPROVED BY THE BOARD::

The EBRD's lists of approved and signed project feature recent Board Approvals, and names and figures of all signed projects. However, the lists do not include project descriptions or other details.

Note: Some of the these projects, especially the private sector projects, may have already been tendered. However, we offer this information for U.S. companies which wish to track the progress of a project through the EBRD Board approval process.

Country	Project Name	Funds Approved EUR million	Approval Date	Type
Uzbekistan	Uz-Arctech	7.8	20.07.04	Loan
Poland	Polaniec Power Plant	35.0	20.07.04	Equity
Bulgaria	Maritza East 2	34.0	20.07.04	Loan
Moldova	Mobiasbanca SME Credit Line	1.6	20.07.04	SME Credit Line
Armenia	Armenian Economy Development Bank Equity Investment	0.79	20.07.04	Purchase of 25% plus one share of capital and voting rights
Regional	Wienerberger Multi Project Facility First sub-project: Wienerberger Romania - Sibiu	50.0	20.07.04	Multi Project Facility
Romania	SNP Petrom Equity Privatisation	60.5	20.07.04	Equity
Hungary	M5 Phase II	31.0	20.07.04	Hedging Facility

Hungary	M5 Phase II	200.0	20.07.04	Loan
Russia	Raiffeisen-Leasing Syndicated Loan	84.0	06.07.04	Loan
Russia	Lenta	24.9	06.07.04	Loan
Lithuania	Kaunas Public Transport Project	10.0	06.07.04	Loan
Russia	Anadolu Cam	17.5	06.07.04	Financing Package
Croatia	Dubrovnik Urban Transport Development Project	7.5	06.07.04	Loan
Russia	Nokian Tyres Russia	50.0	06.07.04	Loan
Ukraine	Khmelnitsky Unit 2 and Rovno Unit 4 Post Start-Up Safety and Modernisation Programme	34.8	06.07.04	Sovereign Guaranteed Loan

IV. ADDITIONAL INFORMATION AND ASSISTANCE:

A. US Commercial Service EBRD Liaison Office (CS-EBRD): CS-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 either:

Alice Davenport
Senior Commercial Officer

Commercial Service EBRD Liaison Office

Ayse Ozcan
Senior Commercial Specialist
Commercial Service EBRD Liaison Office

Tel: 44-20-7588-8490, fax: 44-20-7588-8443.
Web: www.buyusa.gov/ebrd
E-mail: Alice.Davenport@mail.doc.gov or Ayse.Ozcan@mail.doc.gov.

Note: CS-EBRD can offer its services only to US companies. EBRD procurement opportunities can be viewed at www.ebrd.com/oppor/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.

C. **CEEBIC:** Central and Eastern Europe Business Information Center (CEEBIC). Countries of covered: Albania, Bosnia & Herzegovina, Bulgaria, Croatia, Czech Republic, Estonia, FYR Macedonia, Hungary, Latvia, Lithuania, Poland, Romania, Serbia & Montenegro, Slovak Republic, Slovenia. Web: http://www.mac.doc.gov/ceebic Tel: +(202) 482 2645, Fax: +(202) 482 4473