

EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT:
APRIL 2005 PROJECT PIPELINE UPDATE

International copyright U.S. & Foreign Commercial Service and U.S. Department of State, 2004. All rights reserved outside of the United States.

This report was last updated on **1 April 2005**. 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
 - b. BISNIS
 - c. CEEBIC

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/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 Project Pipeline 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 which case 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	K-Mobile loan	Kazakhstan	29 Mar 2005
B	Urban Transport Programme - Sibiu	Romania	21 Mar 2005
C	Tbilisi Public Transport Project	Georgia	21 Mar 2005
D	Kyrgyz MSE Finance Facility II	Kyrgyz Republic	18 Mar 2005
E	Regional: Saint Gobain Packaging Equity Facility	Russia	18 Mar 2005
F	Kazkommertsbank Capital Increase	Kazakhstan	18 Mar 2005
G	Sevojno Rolling Mill - long term loan	Serbia and Montenegro	18 Mar 2005
H	Distrigaz Sud	Romania	15 Mar 2005
I	Bydgoszcz Water Infrastructure Consolidation and Financing	Poland	10 Mar 2005
J	Baku to Samur	Azerbaijan	10 Mar 2005
K	Bosnia and Herzegovina Regional Railway Project	Bosnia and Herzegovina	10 Mar 2005
L	Euroventures Ukraine II	Ukraine	4 Mar 2005
M	Stirom	Romania	4 Mar 2005
N	Urban transport programme - Arad	Romania	2 Mar 2005
O	Banca Sociala - Credit Line for SMEs	Moldova	2 Mar 2005

A

Project name: K-Mobile loan
Country: Kazakhstan
Project number: 34782
Business sector: Telecommunications & Media and Informatics
State/Private: Private sector
Environmental category: C
Board date: 4 May 2005
Status: Passed concept review, Pending final review

Date PSD disclosed:

Date PSD updated: 29 March 2005

Project description and objectives:

The proposed project will consist of

- (a) a USD 100 million A/B loan where the A-tranche, to be funded by the Bank, will
 - (i) finance new capital investments in KaR-Tel's network and
 - (ii) refinance short-term banks and/or suppliers credits and the B-tranche, to be financed by commercial banks, will re-finance short-term loans from Kazakh banks

- (b) approximately USD 130 million of ECA backed vendor provided or arranged financing and internally generated cash, which will finance further new capital investments, refinance other indebtedness and support other operations of K-Mobile.

Transition impact:

By participating in the project, the Bank will be supporting the expansion of KaR-Tel, the second GSM operator in Kazakhstan. Following its recent acquisition by Vimpelcom of Russia, KaR-Tel is embarking on a fresh round of significant capital expenditures to upgrade its network. The Bank's financing will allow KaR-Tel to

- (i) improve the quality of its service and extend its geographical coverage thus making KaR-Tel better competitor
- (ii) further strengthen competition in Kazakhstan's mobile market and (iii) encourage further FDI in to the telecoms sector of Kazakhstan.

The client:

KaR-Tel LLP, operating under brand name K-Mobile, is the second largest GSM network operator in Kazakhstan with over 1 million subscribers and a market share of over 31%. The Company is currently 100% owned by Vimpelcom of Russia through Limnotex, a Cypriot company, which in turn is owned by VimpelCom Finance B.V., a Dutch company, which is wholly owned by VimpelCom.

Vimpelcom, a Russian open joint stock company, that is listed on the New York Stock Exchange (symbol: VIP), is the second largest GSM operator in Russia with 28.3 million subscribers as of end of January 2005.

EBRD finance:

The Bank's proposed syndicated financing will consist of A-tranche of USD 50 million five-year senior loan and B-tranche of USD 50 million three-year loan.

Total project cost:

The total project cost is estimated at USD 230 million over the next two years of which the Bank will provide USD 100 million. The remaining estimated USD 130 million will be comprised of ECA backed vendor financing and 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:

Kirill Podlipchuk, Director of Treasury
KaR-Tel LLP
28g, Timiryazeva St.,
480090, Almaty, Kazakhstan
E-mail: kirill.podlipchuk@kar-tel.kz

Business opportunities:

For business opportunities or procurement, contact the client company.

General enquiries:

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

B

Project name: Urban Transport Programme - Sibiu
Country: Romania
Project number: 35665
Business sector: MEI
State/Private: State sector
Environmental category:
Board date: 14 June 2005
Status: Passed concept review, Pending final review
Date PSD disclosed:
Date PSD updated: 21 March 2005

Project description and objectives:

Sibiu has been selected as Cultural Capital of Europe for 2007 and is seeking to rehabilitate key aspects of its infrastructure, including:

- rehabilitation of a rail/bus/road interchange (Station Square)
- rehabilitation of selected city streets
- public lighting in the Historic Zone.

A further component of the proposed project will entail commercialisation and involvement of the private sector in Sibiu's public transport company.

Transition impact:

The Project will help the City to prepare for EU Accession by building up capacity to prepare and implement major infrastructure projects. It will also improve the performance of the public transport system through increased commercialisation of the public transport company.

This will include implementation of a multi-year public service contract between the City and the public transport company as well as the involvement of the private sector, as appropriate.

The terms of a public service contract are expected to include

- (a) a transparent multi-year payment for service
- (b) utilising targets and incentives to increase efficiency
- (c) making the transport company responsible for investment planning and financing.

The client:

Sibiu Municipality, located in the central part of Romania.

EBRD finance:

EUR 15 million sub-sovereign loan to Sibiu Municipality.

Total project cost:

Approximately EUR 19 Million.

Environmental impact:

The project was screened B/0.

There are unlikely to be any significant environmental impacts associated with the project and a number of very tangible benefits are likely to arise. The proposed project will contribute to the preparation of 2007 Sibiu Cultural Capital of Europe .

An Environmental Analysis, which is currently underway, will identify all potential environmental impacts and develop an environmental action plan (EAP), to ensure compliance with both national and EU environmental, health and safety requirements.

Technical cooperation:

It is expected that Technical Cooperation assistance will be provided to assist the city of Sibiu for

- (1) procurement and design
- (2) project management
- (3) preparation of tender documents for private sector involvement
- (4) site supervision.

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

General enquiries:

EBRD project enquiries not related to procurement:

Tel: +44 20 7338 7168; Fax: +44 20 7338 7380

Email: projectenquiries@ebrd.com

C

Project name:

Tbilisi Public Transport Project

Country: Georgia
Project number: 35602
Business sector: Municipal and environmental infrastructure
State/Private: Private sector
Environmental category: B
Board date: 26 July 2005
Status: Passed concept review, Pending final review
Date PSD disclosed:
Date PSD updated: 21 March 2005

Project description and objectives:

The objectives of the proposed project will be to:

- (i) finance municipal buses, spare parts and workshop equipment
- (ii) reform the regulatory framework for public transport in Tbilisi.

Transition impact:

Transition impact will be achieved in the following way:

- **Commercialisation**
The project will support the City and the Company in developing a Public Service Contract (PSC) to replace the annual city transfer payment to the Company. This will establish transparent standards for the provision of public transport services and shift it from an annual subsidy to a transparent, multi-year “payment-for-service”. Assistance will also be provided to prepare a Business Plan to increase operational efficiency, improve financial reporting by adopting IFRS, and strengthen capital investment planning capacity.
- **Private Sector Participation**
The project will support the development of the private transport sector by developing transparent procedures for route tendering.
- **Demonstration effect**
The project will demonstrate the added value of renewing an urban bus fleet in the context of a broader sector reform in conjunction with commercialisation of a municipal bus company.
- **Standards**
Procurement standards will be improved through application of the Bank’s Procurement Policies and Rules in relation to the purchase of both the new and used buses, the PSC will improve corporate governance since it clearly defines and allocates responsibilities for service delivery, finances, safety, tariff setting, passenger control, traffic control, marketing, ticketing, fare evasion and handling customer complaints.

The client:

The Tbilisi Bus Company.

EBRD finance:

EUR 5.0 million loan to the Tbilisi Bus Company.

Total project cost:

EUR 8.0 million.

Environmental impact:

Modernising the bus fleet will decrease traffic congestion, increase traffic safety and improve air quality in Tbilisi. The tender specifications will address air emission and fuel efficiency requirements in line European Union's environmental standards for urban buses.

Technical cooperation:**Pre-signing:**

- Assistance to prepare:
 - (i) an audit and restatement of the Company's accounts
 - (ii) a Business Plan
 - (iii) a tender for the supply of buses
 - (iv) credit analysis of the City of Tbilisi.

Post-signing:

- A Public Transport Restructuring Programme which will comprise advice on:
 - (i) further restructuring of the public transport sector
 - (ii) improving the private sector route-tendering regime
 - (iii) negotiation of the Public Service Contract.
- Assistance to the Company to strengthen planning, accounting, management, and operational capacity.

- A Municipal Financial Management and Budget Training Programme to strengthen the City's MIS and capital planning and budgeting capacity.

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

General enquiries:

EBRD project enquiries not related to procurement:

Tel: +44 20 7338 7168; Fax: +44 20 7338 7380

Email: projectenquiries@ebrd.com

D

Project name:	Kyrgyz MSE Finance Facility II
Country:	Kyrgyz Republic
Project number:	35778
Business sector:	Financial Institutions: Bank equity/Bank lending
State/Private:	Private sector
Environmental category:	FI
Board date:	19 April 2005
Status:	Passed concept review, Pending final review
Date PSD disclosed:	
Date PSD updated:	18 March 2005

Project description and objectives:

KMSFF II continues and expands EBRD's existing MSE Finance Facility, which was started in early 2002 and disbursed 15,000 loans to MSEs so far. Within the established framework structure EBRD will extend credit lines to existing and potentially new partner banks in the Kyrgyz Republic, who will on-lend these funds exclusively to micro and small enterprises (MSEs). The project aims to broaden the access for MSEs to formal sector finance. Special emphasis will be placed on first time borrowers and MSEs in rural areas.

Sub-projects:

View a list of [sub-projects](#) for this and other framework projects.

Transition impact:

The transition impact is expected to be high. The institution building and strengthening of local banks will continue by providing the necessary debt funding and technical assistance. Special emphasis is placed on the regional development of the Kyrgyz small business and financial sector.

The client:

Commercial banks in the Kyrgyz Republic to be selected by EBRD, including AKB Kyrgyzstan, Halyk Bank Kyrgyzstan, Kazkommertsbank Kyrgyzstan, Inexim Bank.

EBRD finance:

USD 20 million EBRD financing.

Total project cost:

Up to USD 30 million, including potentially bi-lateral funds for on-lending and technical assistance.

Environmental impact:

The partner banks will follow the EBRD's environmental Procedures for Small and Micro Loans in relation to all sub-loans financed through the credit line. In implementing these procedures, the banks will assess potential environmental issues associated with sub-projects, which are required to comply, at a minimum, with local/national health, safety, environmental and public consultation requirements.

Technical cooperation:

EUR 1.1 million EU funds. Additional TC up to EUR 1.9 million will be sought. For consultant opportunities for projects financed by technical cooperation funds, visit [procurement of consultants](#).

Company contact:

Oksana Pak
email: pako@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

E

Project name: Kazkommertsbank Capital Increase
Country: Kazakhstan
Project number: 35774
Business sector: Financial Institutions: Bank equity/Bank lending
State/Private: Private sector
Environmental category: FI
Board date: 19 April 2005
Status: Passed concept review, Pending final review
Date PSD disclosed:
Date PSD updated: 18 March 2005

Project description and objectives:

EBRD will invest up to KZT 3.6 billion (USD 27.5 million equivalent) to maintain its pro-rata voting rights by subscribing new shares in two tranches in the context of capital increases. The proceeds from these capital increases will be used to support asset growth and upgrade of operational structures.

Transition impact:

The capital increase reinforces the objectives of the original EBRD investment. The proposed investment is the first step towards the implementation of a capital restructuring exercise. EBRD is the only large international investor in KKB, therefore its participation in this capital increase and maintenance of its voting rights shows continued support to the bank's management and their business plan.

The client:

Kazkommertsbank ("KKB"), the longest standing EBRD client in Kazakhstan. KKB is the largest bank in Kazakhstan with total assets of USD 5.4 billion and total BIS Tier 1+2 capital of USD 670.7 million (IFRS) at year-end 2004. KKB has long-term ratings of BB- from Standard & Poor's, Baa2 from Moody's and BB from Fitch.

EBRD finance:

Acquisition of ordinary voting registered shares for up to KZT 3.6 billion (USD 27.5 million equivalent).

Total project cost:

KZT 23.8 billion (USD 183.3 million equivalent).

Environmental impact:

KKB is already implementing the Bank's Environmental Procedures for Local Banks including the Exclusion and Referral List across all its operations. KKB will continue to apply EBRD's Environmental Procedures for local banks for all of its activities. KKB's clients will be required to comply with, at a minimum, Kazakh environment, health and safety regulations and standards.

Technical cooperation:

None.

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

Company contact:

Olzhas Sartayev, Investor Relations
Phone: +7 3272 585 111
Fax: +7 3272 585 242
e-mail: Osartayev@kkb.kz
www.kkb.kz

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

F

Project name:	Sevojno Rolling Mill - long term loan
Country:	Serbia and Montenegro
Project number:	34997
Business sector:	General manufacturing
State/Private:	Private sector
Environmental category:	B
Board date:	19 April 2005
Status:	Passed concept review, Pending final review

Date PSD disclosed:

Date PSD updated: 18 March 2005

Project description and objectives:

The proposed project will enable East Point Holdings Limited (EPH) implement their post-privatisation capital investment programme in Sevojno. The loan will support the finance of new equipment and modernization of existing equipment in order to increase production capacity, improve operational efficiency and product quality.

Transition impact:

The operational restructuring and new investments in Sevojno, a company privatised under the Government privatisation scheme, will demonstrate to the local and foreign investors that such privatisation can be successful in terms of increasing efficiency and profitability.

The proposed project will also accelerate the Company's own corporate governance changes by committing it to high standards of corporate behaviour and timely and accurate financial reporting to external parties.

The client:

East Point Holdings Limited, a commodities trading company from Cyprus, and Sevojno, a copper mill producing semi-finished copper and brass products based in Serbia and Montenegro.

EBRD finance:

EUR 16 million senior loan.

Total project cost:

EUR 30.1 million.

Environmental impact:

This project was screened C/1 requiring an environmental audit.

The audit identified a range of environmental, health & safety issues associated with the operations, in particular those relating to air emissions from foundry and rolling mill operations; wastewater discharge, hazardous waste management and worker health and safety issues. The Company has implemented an Environmental Management System in accordance with ISO 1400.

The Investment Programme will contribute to environmental upgrades which were identified in the EBRD's Environmental Action Plan (EAP). The Bank's

Environmental Department is working closely with the Company to finalise the implementation details of the EAP.

Technical cooperation:

An energy efficiency audit was conducted in December 2004, under a Central European Initiative funded agreement.
For consultant opportunities for projects financed by technical cooperation funds, visit [procurement of consultants](#).

Company contact:

Mr. Zoran Drakulic, President
30 Vyronos Avenue
1096 Nicosia,
Cyprus
Email: zoran@as400.point-group.com
tel: + 357 226 79 490
fax: + 357 226 79 485

Business opportunities:

For business opportunities or procurement, contact the client company.

General enquiries:

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

G

Project name:	Ambra Regional Facility
Country:	Russia
Project number:	35991
Business sector:	Agribusiness
State/Private:	Private sector
Environmental category:	C
Board date:	19 April 2005
Status:	Passed structure review, Pending final review
Date PSD disclosed:	
Date PSD updated:	18 March 2005

Project description and objectives:

The aim of the project is to:

- act as a catalyst for the restructuring and modernisation of essential parts of the food and beverage chain;
- support the development and operational efficiency of private privately-owned glass packaging facilities;
- develop the domestic market and improve the quality and availability of glass packaging products.

Transition impact:

The REF is expected to have a strong transition impact, as it will contribute to the restructuring of the food and beverage industry in the area of packaging as well as marketing and distribution. It will help to develop technological and management know-how as a result of continuous support from SG Packaging and the training of local personnel. It will also contribute to domestic market expansion with greater choice, better quality packaging and customised products.

The client:

Saint Gobain Packaging Division (“SG Packaging”) of the Compagnie de Saint-Gobain.

The Compagnie de Saint-Gobain is the leading building material group, manufacturing and distributing engineered materials (glass, ceramics, plastics, cast iron, and other), with a market capitalisation of EUR 16 billion. SG is rated A-/A2 by S&P's and A2 by Moody's with stable outlook.

With 20,000 people spread across its world-wide operations, SG Packaging is a major global player in three business areas:

- manufacturing glass bottles and jars for the food and drink industry;
- producing specialty bottles made from glass for perfumes, cosmetics and the pharmaceutical industry;
- manufacturing plastic pumps used in the packaging of cleaning, health and beauty and pharmaceutical products.

EBRD finance:

Uncommitted EUR 25 million Regional Equity Facility (“REF”) for equity co-investments with SG Packaging in several of the Bank’s countries of operation.

Total project cost:

To be determined on a case-by-case basis.

At the EBRD's discretion, the Bank's equity contribution in each sub-project can be up to 25 per cent of total project costs.

Environmental impact:

Screened C/1. Each sub-project is approved by the EBRD on an individual basis upon review of the environmental due diligence report prepared by the Client, with due regard to the EBRD's environmental policies and procedures. An environmental action plan will be jointly agreed. The Client will report annually to the EBRD on the environmental, health and safety performance of the sub-projects encompassed by the REF.

Technical cooperation:

None.

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

Company contact:

To be communicated.

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

H

Project name:	Distrigaz Sud
Country:	Romania
Project number:	34888
Business sector:	Power and Energy utilities
State/Private:	Private sector
Environmental category:	C
Board date:	12 July 2005
Status:	Passed structure review, Pending final review
Date PSD disclosed:	
Date PSD updated:	15 March 2005

Project description and objectives:

The Bank is supporting the privatisation of the gas distribution company by providing support to strategic investors. The Bank would partner with Gaz de France, the winner for the recent tender for 51% shares in Distrigaz Sud (DGS) in one of the first gas sector privatisations in Romania. Distrigaz Sud (DGS) is the gas distributor and supplier in the southern part of Romania, including Bucharest (serving approx. 1 million clients).

Transition impact:

Bank's participation will support the gas sector liberalisation process in Romania and in the region in line with the EU directive on Gas and with the South East Europe Regional Energy Market. Specifically the Bank will:

- support the first private participation in gas distribution sector and the establishment of competition in the sector;
- support the establishment of transparent and market based tariff methodology;
- provide comfort to Gaz de France seeking to invest in Romania by providing additional assurance with respect to political and regulatory risk;
- facilitate operational and financial efficiencies derived from the entrance of GdF;
- enhance the transparency and credibility of the privatisation process; and
- indirectly catalyse the privatisation of the electricity distribution companies (demonstration effect).

The client:

GDF International.

EBRD finance:

The transaction consists of an indirect equity investment in DGS through purchase of shares from GDF International.

Total project cost:

tbc

Environmental impact:

The project was screened C/1 requiring an environmental audit of the distribution company to be privatised.

An environmental audit of the Company has already been undertaken as part of the privatisation process, which confirmed that there are unlikely to be any significant environmental issues associated with the Company's operations. However, a range of issues were identified including hazardous waste production and disposal; fugitive emissions of greenhouse gasses from pipelines and combustion gas emissions.

The Bank's environmental due diligence, which included a site visit by the Bank's Environmental Specialist, will address corporate environmental, health and safety issues and identify any potential liabilities. The due diligence will also establish the current status of compliance with Romanian and EU environmental health, safety requirements and develop an environmental action plan (EAP) to address any deficiencies. There are likely to be considerable environmental opportunities associated with the privatisation process particularly given the presence of experienced and environment-sensitive gas companies. The potential for Greenhouse Gas reduction may also be significant.

Technical cooperation:

None.

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

Company contact:

Ms Valerie RUIZ-DOMINGO,
Gaz de France
E-mail: valerie.ruiz-domingo@gazdefrance.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

I

Project name:	Bydgoszcz Water Infrastructure Consolidation and Financing
Country:	Poland
Project number:	31203

Business sector: Municipal and environmental infrastructure
State/Private: State sector
Environmental category: C
Board date: 17 May 2005
Status: Passed concept review, Pending final review
Date PSD disclosed:
Date PSD updated: 10 March 2005

Project description and objectives:

The proposed project will provide the Client, Bydgoszcz Water Company (MWiK) with long term financing enabling consolidation and improvements of the water and sewerage system in Bydgoszcz. The financing will come from a European Union Cohesion Fund grant and revenue bonds issued by the Client, of which the EBRD will purchase ca. 40%.

The objectives of the project are to improve quality of water services, clean-up pollution caused in the past by inadequate treatment of waste water, and increase efficiency of water services in the City.

Transition impact:

The transition potential of the project comes from introduction to the financial market of a new financial instrument, namely revenue bonds. The target investors are pension funds, a growing group of institutional investors which regularly finance infrastructure in western Europe but not so far in Poland. If this first transaction is successful, it will create ways for other infrastructure projects to be financed by tapping into the local and regional institutional investors' market.

The client:

Miejskie Wodociągi i Kanalizacja w Bydgoszczy (MWiK). A Water Company owned by the City of Bydgoszcz, one of the ten largest cities in Poland. The company has been established in 1990 and since 1999 is successfully implementing the EU ISPA/EBRD financed Bydgoszcz Water Services Improvement Project, the first ISPA environmental project in Central Europe.

EBRD finance:

Purchase of Revenue Bonds up to EUR 40 million. Remainder of the bonds, up to EUR 60 million would be purchased by pension funds and other institutional investors, mostly from Poland. The bonds will have maturity of 15 years and strong security package envisaged by Polish Law on Bonds.

The European Union has recently approved an investment grant for this project of EUR 100 million.

Remainder of funds will be provided by the Client from internally generated cash flow.

Total project cost:

Total project cost is EUR 222 million.

Environmental impact:

Screening categories and rationale for classification

The proposed project has been screened B/1 at Concept Review, and subsequently revised to C/1.

Participation in the purchase of revenue bonds is not associated with significant environmental issues. The proposed priority investment programme is not sufficiently defined at this stage to allow for adequate assessment of all environmental impacts associated with the sub-projects under the programme. These will need to be assessed by the Client at a later stage in line with the EBRD's Environmental Policy.

Information reviewed during the environmental appraisal

- Environmental Impact Assessment for Bydgoszcz Programme for Rehabilitation and Reclamation of Water and Sewerage System prepared by DSC Consulting in July 2004.
- Environmental Audit of the Kapusciska Water Company prepared by DHV in September 2003

Environmental impacts and mitigation measures

The proposed investment programme is associated with limited adverse environmental impacts and will result in significant environmental benefits. An environmental audit of the Kapusciska Water Company, including soil sampling, has been carried out in accordance with the Bank requirements. The audit confirmed that there are unlikely to be environmental liabilities associated with the assets. An environmental analysis of the proposed investment programme has also been carried out as part of the feasibility study. Environmental impacts during construction and operation phases have been assessed for each project component, with mitigation measures proposed for inclusion in the designs.

The main negative environmental impacts are potentially associated with the planned extension of the Fordon waste water treatment plant. More detailed

task-specific environmental investigations will take place for the Fordon expansion and the sludge incinerator. The Company will be required to carry out these environmental investigations in compliance with EBRD's Environmental Policy, and provisions will be made in the Framework Agreement between the Bank and the Company to the effect that the Bank would not contribute to an issue of bonds designated for payments towards the relevant construction contracts unless the Bank's environmental requirements will have been met.

Environmental opportunities

The proposed project is expected to bring significant environmental benefits, including improved drinking water quality, protection of surface water and groundwater sources, improved treatment of municipal waste water and storm water, connection of 15,000 people to the sewerage system, and improved treatment and disposal of sewage sludge. As a result of the Project implementation, the Company will achieve full compliance with Polish and EU environmental standards and regulations.

Monitoring

The Bank will evaluate the project's compliance with the applicable environmental and social requirements during the lifetime of the project by reviewing annual environmental reports (AERs) prepared for the project covering:

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

Technical cooperation:

One commitment for €130,919 against OPID 31203.
Commitment Name: Bydgoszcz Water Consolidation - Kapusciska Due Diligence
Commitment Number: ECP2000-2002-12-08/04
Fund Approved Date: 28/07/03
Commitment Amount: €130,919
Disbursement Amount: €119,578
Fund Name: EU-EBRD Cooperation Agreement, Bangkok Facility (PHARE programme)

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

General enquiries:

EBRD project enquiries not related to procurement:

Tel: +44 20 7338 7168; Fax: +44 20 7338 7380

Email: projectenquiries@ebrd.com

J

Project name:	Bosnia and Herzegovina Regional Railway Project
Country:	Bosnia and Herzegovina
Project number:	35418
Business sector:	Transport
State/Private:	State sector
Environmental category:	B
Board date:	12 July 2005
Status:	Passed concept review, Pending final review
Date PSD disclosed:	
Date PSD updated:	10 March 2005

Project description and objectives:

The proposed project will comprise a programme of track renewal on key sections of the north-south corridor Vc and the east-west section, which runs parallel to Corridor X, together with rehabilitation of the station signalling system and purchase of track machinery.

The project will also support the restructuring of the railways in BiH, through the separation of infrastructure from operations and joint financing with European Investment Bank of these important regional rail links.

Transition impact:

The project will facilitate transition in the following ways:

- Approval of the new Railways Law
- Creation of the BiH Infrastructure Management Company (ies)
- Establishment of the State Regulatory Body

- Accounting separation of passengers and freight operations within Railways of Federation of Bosnia and Herzegovina (ZBH) and Railways of Republika Srpska (ZRS).
- Preparation and implementation of a restructuring plan

The client:

The Client will be the Government of Bosnia and Herzegovina. The implementing agency will be Bosnia and Herzegovina Railways Public Corporation (BHRPC) on behalf of ZBH and ZRS.

EBRD finance:

EURO 70 million Sovereign Loan to Bosnia and Herzegovina.

Total project cost:

EURO 194 million.

Environmental impact:

The project is classified B/1.

The project is likely to improve the safety and environmental standards as well as improve operation and maintenance of the railway systems. The existing facilities will need to undergo an Environmental Analysis and Audit to identify and assess the current environmental, health and safety conditions and the likely impact of measures proposed under this project. The due diligence will need to review the status of the implementation of existing Environmental Action Plans and define measures for supporting the introduction of the modern environmental management in these two railway companies.

Technical cooperation:

Technical co-operation funds are being sought for assistance for detailed design, procurement and railway restructuring.

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

General enquiries:

EBRD project enquiries not related to procurement:

Tel: +44 20 7338 7168; Fax: +44 20 7338 7380

Email: projectenquiries@ebrd.com

K

Project name: Baku to Samur
Country: Azerbaijan
Project number: 34723
Business sector: Transport
State/Private: State sector
Environmental category: B
Board date: 14 June 2005
Status: Passed concept review, Pending final review
Date PSD disclosed:
Date PSD updated: 10 March 2005

Project description and objectives:

The proposed project will upgrade and rehabilitate a 60 km section of road, from Sumgait to Zarat, which is located on the main north – south route from Baku to Samur (which is located at the Russian border). The client will be the Road Transport Services Department (RTSD), which forms part of Azerbaijan's Ministry of Transport (MOT).

The funds will be used to finance two civil works contract. The project will be implemented through a Project Implementation Unit, which is within the RTSD.

Transition impact:

The project will assist transition in the roads sector in the following ways:

1. Creation of 4 – 6 regional maintenance units.
2. Establishment of a 'service level agreement' between these regional maintenance units and the in-house 'suppliers' undertaking the road maintenance work.
3. Strengthen the role of the Roads Advisory Board to empower it to audit the operation of the service-level-agreement in place between the Ministry and RTSD.

The client:

The beneficiary company is the Roads Transport Services Department (RTSD), which is a department of the MOT. It is responsible for the administration, management and execution of the roads programme on a road network which is 18,723 km in total.

EBRD finance:

The EBRD loan amount is USD 100 million.

Total project cost:

The total project cost is USD 110 million.

Environmental impact:

Based on the findings of an Initial Environmental Examination (IEE), carried out by the Bank's Environmental Specialist, the project was screened B/0 requiring an Environmental Analysis.

The environmental impacts associated with the proposed upgrading and rehabilitation of the existing road from Sumgait to Zarat is unlikely to be significant. The road is located in an isolated area, where the terrain is completely flat and the road runs in long straight lines. Consultants have already carried out a partial environmental analysis as part of an overall feasibility study. The key issues that were identified were the protection of water sources, restoration of borrow pits (quarries), road safety measures and the environmental impact related to construction. It also identified a number of "opportunities for positive environmental enhancement", including improvement of road safety, reduction of soil pollution and waste management. A full Environmental Analysis will begin shortly in accordance with the Banks policy and procedures.

Technical cooperation:

Assistance to RTSD in the preparation and implementation of a service-level-agreement for the road maintenance units.

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

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: Stirom
Country: Romania
Project number: 34977
Business sector: Agribusiness
State/Private: Private sector
Environmental category: B
Board date: 5 April 2005
Status: Passed concept review, Pending final review
Date PSD disclosed:
Date PSD updated: 4 March 2005

Project description and objectives:

The proposed investment project is with Stirom SA, largest Romanian glass manufacturer, based in Bucharest, Romania. Yioula Glassworks of Greece acquired Stirom in 2003 and commenced a restructuring and modernisation effort.

Yioula is seeking the Bank's support to complete the post-acquisition restructuring process, to proceed with the expansion of the Company's glass container plant and possibly to support its further regional expansion, through:

(a) Phase 1

Refurbishment of one furnace and other production and distribution investments. The project will also bring considerable energy savings and operational improvements, principally via lowering costs, better utilisation of capacity and plant specialisation. It will also aim to modernise its packaging processes and warehouse facilities.

(b) Phase II

To be utilised either to (i) refurbish an additional furnace or (ii) to provide acquisition finance for further regional expansion.

Transition impact:

Transition impact of the proposed project is expected to be derived from the following:

- Strong demonstration effect through successful restructuring post acquisition of an existing operation. The proposed transaction will

contribute to modernisation of the plant via refurbishment and restructuring investment programmes that will bring the quality of the assets, human resources and processes up to standard seen in the sector in more mature markets. It will be the first investment and turnaround project in the Romanian glass container sector which to date has not seen any foreign direct investment

- Demonstration effect of new replicable behaviour/activities, transfer of know-how and overall improved corporate governance. Stirom provides a strong demonstration of the benefits of sound and transparent business practice, , improvement in quality standards, profitability and regained customers
- Contribution to market development, enhanced competition and consumer benefits: The Project will enable a leading food-packaging manufacturer to maintain expansion in a growing and dynamic market and ensure that it continues to be a competitive player in its market
- The project is consistent with the Bank's Energy Policy (BDS00-010) which calls on the Bank to "prioritise projects ... on the basis of their contribution to improved energy efficiency" and to "support investments in the modernisation of energy-intensive industries". The project fully meets these criteria, as it involves reduction of energy and maintenance costs, improvements in the general reliability of the plant and improvements in the plant availability.

The client:

Stirom SA Romania, a glass container producer, located in Bucharest, Romania, subsidiary of Yioula SA, the largest producer of food and beverage containers and machine-made glass tableware in Greece. Stirom is a joint stock company, listed on the Romanian RASDAQ Stock Exchange.

EBRD finance:

Up to EUR 20 million senior secured loan for investment purposes with full corporate guarantee from Yioula.

Total project cost:

EUR 44 million.

Environmental impact:

The project was screened B/1 requiring an environmental audit and an environmental analysis.

These studies were carried out by independent environmental consultants in November 2004. The general conclusion of the consultants was that environment, health and safety issues have been well managed by the Company. Stirom has the required environmental permits to operate and the compliance programme including in its authorisation has almost been completed.

Some issues related to air emissions, hazardous substances and energy conservation were noted by the consultants and actions to address these issues have been incorporated into an environmental action plan. The action plan has been reviewed and agreed by the Company, implementation of which should ensure compliance with both national and relevant EU environment, health and safety standards. Key amongst the actions required is the need to apply for an integrated permit to ensure compliance with the EU's IPPC Directive.

In accordance with national and Bank requirements, a public announcement on the project was in a newspaper, presenting information on the project, and inviting people to express any concerns. The Company will provide the Bank with an annual environmental report.

Technical cooperation:

None.

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

Company contact:

George Fragoulis,
Yioula Group's CFO
5 Orizomylon Street
122 44 Aegaleo
Athens
Greece
Tel: + 30 210 540 3415
Fax: + 30 210 544 2421
E-mail: gfragoulis@yioula.gr

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

M

Project name: Euroventures Ukraine II
Country: Ukraine
Project number: 35020
Business sector: Equity funds
State/Private: Private sector
Environmental category: FI
Board date: 5 April 2005
Status: Passed concept review, Pending final review
Date PSD disclosed:
Date PSD updated: 4 March 2005

Project description and objectives:

The proposed project is to invest in the successor fund of the EBRD sponsored Euroventures Ukraine Post Privatisation Fund (UPPF). The Fund will be the first private equity fund raised by the fund manager (Euroventures Ukraine) from a diverse pool of investors. EBRD will be a significant minority investor whereas it financed virtually all of investments under the UPPF.

The main objectives of the Fund are

- to provide equity capital to local private companies to help finance the expansion of their businesses
- to assist the fund manager build a sustainable private equity business
- to achieve positive returns to the Fund's investors.

Transition impact:

Transition impact will be achieved by

- supporting the sustainability of one of the few active private equity teams in Ukraine by helping them raise a 2nd fund, diversify their investor base, and develop the team and investment strategy;
- through Euroventures Ukraine hands-on and control-oriented investment strategy, to have a positive impact on the investee companies of the Fund; and

- through the Fund Manager's considerable technical expertise, facilitate transfer of knowledge and create positive demonstration effects in private sector in the country.

The client:

Euroventures Ukraine, a fund manager for Euroventures Ukraine II Fund.

EBRD finance:

EBRD investment will be up to USD 25 million. EBRD will provide 1/3 of the total committed amount of the Fund. The other investors will include private investors as well as institutional investors active in the region.

Total project cost:

Up to USD 75 million.

Environmental impact:

The Fund will be required to implement environmental procedures based on the Bank's Environmental Procedures for Private Equity Funds, which include the Bank's Environmental Exclusion and Referral List. As a matter of policy, investee companies will be required to comply, at a minimum, with national regulations for environment, health and safety.

Technical cooperation:

None for the proposed fund.

Its predecessor, UPPF, was a donor sponsored fund. The Dutch government provided technical cooperation funds to be used to finance the fund management expenses as well as pre-and post-investment support to the investee companies. Canadian International Development Agency (CIDA) and the Swiss government also provided technical assistance funds for pre- and post-investment support to the local companies.

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

Company contact:

Euroventures Ukraine; Mr Valeriy Schekaturov
e-mail: valeriy@evu.kiev.ua;
Tel: +38 044 494 3237

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

N

Project name:	Urban transport programme - Arad
Country:	Romania
Project number:	35664
Business sector:	MEI
State/Private:	State sector
Environmental category:	B
Board date:	1 June 2005
Status:	Passed structure review, Pending final review
Date PSD disclosed:	
Date PSD updated:	2 March 2005

Project description and objectives:

The proposed project is intended to improve the City of Arad's urban transport infrastructure through investment in

- (i) tram track rehabilitation
- (ii) street upgrading in the city centre
- (iii) traffic signal modernisation.

The project is also intended to improve the overall operational performance of the public transport system in the city of Arad.

Transition impact:

The proposed project will improve the performance of the public transport system through increased commercialisation of the public transport company.

This will include implementation of a multi-year Public Service Contract between the City and the company as well as the involvement of the private sector, as appropriate. The terms of a Public Service contract are expected to include

- (a) a transparent multi-year payment for service
- (b) utilising targets and incentives to increase efficiency
- (c) making the company responsible for investment planning and financing.

The client:

Arad Municipality, located in the western part of Romania, has a population of 173,000.

EBRD finance:

A sub-sovereign loan to Arad Municipality of EUR 20 million.

Total project cost:

Approximately EUR 25.2 Million.

Environmental impact:

The project was screened B/0.

There are unlikely to be any significant environmental impacts associated with the project and a number of very tangible benefits are likely to arise. The proposed project will contribute to improve public transport reliability, safety and efficiency, reduce congestion, and help maintain the market share of public transport, with associated air quality benefits. An Environmental Analysis, which is currently underway, will identify all potential environmental impacts and develop an environmental action plan (EAP), to ensure compliance with both national and EU environmental, health and safety requirements.

Technical cooperation:

It is expected that Technical Cooperation assistance will be provided to assist the city of Arad in the development of private sector participation and commercialization of the Public Transport company.

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

General enquiries:

EBRD project enquiries not related to procurement:

Tel: +44 20 7338 7168; Fax: +44 20 7338 7380

Email: projectenquiries@ebrd.com

O

Project name: Banca Sociala - Credit Line for SMEs

Country: Moldova
Project number: 35617
Business sector: Financial Institutions: Bank equity/Bank lending
State/Private: Private sector
Environmental category: FI
Board date: 19 April 2005
Status: Passed concept review, Pending final review
Date PSD disclosed:
Date PSD updated: 2 March 2005

Project description and objectives:

The proposed project is a credit line for up to EUR 5 million in two tranches to BS to be on-lent by BS to Small and Medium Sized Enterprises (SMEs) in Moldova. The proceeds of the credit line will be used by BS to provide medium-term financing to SMEs for production, investment, trade, services and working capital needs. The proposed project also includes a Trade Facilitation Program (TFP) of USD 1 million which will support the development of BS' documentary trade operations in favour of Moldovan enterprises.

Transition impact:

Transition impact potential derives from the demonstration effect associated with supporting the growth of SME lending which is still underdeveloped in Moldova. The TFP component will also support the development of the private SME sector and international trade between Moldova and other countries. Development of a market for medium term SME lending will further build up on the successful implementation of the other credit lines granted by the EBRD to Moldovan banks since 1995. Supporting the growth of BS and the diversification of its funding base will strengthen the banking sector by providing much-needed medium-term financing for SMEs and thus increasing competition.

The client:

BS is the fifth largest Moldovan banks with around 9% market share of total banking assets at end-2004, total assets of some USD 93 million, total equity of USD 14.5 million and net profit of USD 2 million (2004 figures, MAS, unaudited). Shareholders include 637 individuals and companies, both Moldovan and foreign based.

EBRD finance:

A loan for up to EUR 5 million and a TFP of USD 1 million extended by the Bank to BS.

Total project cost:

EUR 5.7 million equivalent in total for both transactions.

Environmental impact:

BS will operate in accordance with EBRD's "Environmental Procedures for Local Banks". In implementing these procedures, it will require its borrowers to comply, at a minimum, with national/local health, safety, environmental, and public consultation requirements.

Technical cooperation:

None.

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

Company contact:

Mr. Vladimir I. Suetnov, President
Banca Sociala SA
61, Banulescu-Bodoni Street
MD 2005, Chisinau,
Republic of Moldova
Phone: +373 22 22 14 81
Fax: +373 22 22 11 23
E-mail: office@socbank.md

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

III. 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:

Alice Davenport
Senior Commercial Officer
Commercial Service EBRD Liaison Office

OR

Louise Hardiman
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 Louise.Hardiman@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