

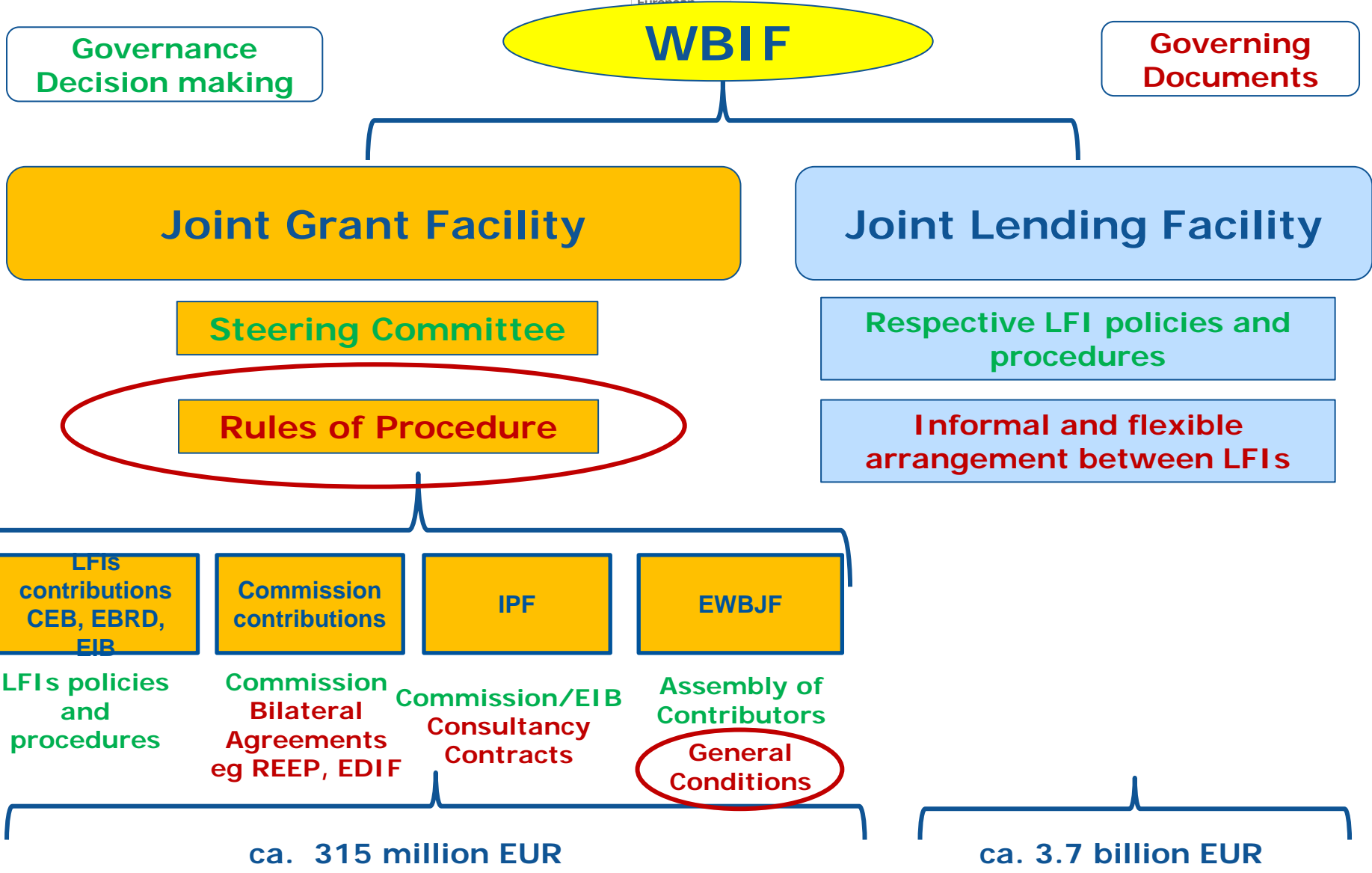


WBIF

WBIF
Roadmap
Implementation

WBIF

WBIF Overview





WBIF

Joint Grant Facility

Rules of Procedure



Overview of main elements of RoP

Key document overarching the whole WBIF structures and procedures

Title: "Rules of Procedure" (formerly Terms of Reference)

General: Mentioning all partners; Added § on new methodology and reason for amendment

- *These Rules of Procedure apply in relation to the WBIF and set out:*
 - (a) *the objectives and general principles of the WBIF;*
 - (b) *the provisions relating to eligibility of projects under the WBIF;*
 - (c) *the governance structure of the WBIF;*
 - (d) *the provisions relating to the processing of project requests for financing under the Joint Grant Facility under the WBIF; and*
 - (e) *the provisions relating to reporting under the WBIF.*



Objectives and general principles:

Focus on WBIF as a blending platform, in particular to prepare and/or finance priority investment projects; but also opening to other forms of financing; reference to National Investment Committees; Resources: JGF + JLF



Eligibility rules: largely remain
Provision for "graduates" (i.e. Croatia)

***Eligible sectors/ entities: remain – Transport, Energy,
Environment & Social***

***Governance Structure: remain Steering Committees & PFG (&
support by WBIF Secretariat)***

***Application and Selection Process: remains basically the same
– extended specifically to Co-financing of investment projects
(use Grant Application Form)***



Reporting

Reports under the Joint Grant Facility

- Lead Financial Institution will prepare the annual implementation report; EIB, in its capacity as a manager of the EWBJF, will provide to the Assembly of Contributors of the EWBJF a summary implementation report*
- EBRD, in its capacity as a manager of the EWBJF, will provide to the Assembly of Contributors of the EWBJF the annual financial statements of the EWBJF and a financial summary relating to the EWBJF*
- Infrastructure Preparation Facility (IPF): A semi-annual monitoring report based on information provided by the IPF contractor shall be submitted to the WBIF Secretariat by 30 April and 31 October.*

Reporting (cont.)

Reports at WBIF level

- *Semi-annual monitoring reports*

A high-level report extracting key data from the annual implementation report, the IPF reports and information provided on the joint lending activities (compiled by WBIF Secretariat based on MIS); submitted 4 weeks before PFG

- *Annual WBIF Report*

A report highlighting the main achievements of operations under the WBIF, presenting a financial overview of funds used and any other information considered relevant and of interest to the wider public shall be produced by the WBIF Secretariat.

WBIF

**European Western
Balkan Joint Fund
EWBJF
General Conditions**

High level overview of changes

- **Key changes to reflect the Commission's requirements, in particular based on the EU financial regulations**
- **Consolidation and streamlining of other provisions with the aim of improving efficiency and clarity, including simplification in downstream contracting**
- **More detailed description of the tasks of the EBRD and the EIB as co-managers of the EWBJF**

Purpose of the EWBJF and eligibility criteria

- **Consolidation of all eligibility criteria for actions financed from EWBJF resources into the General Conditions:**
 - **Sectors**
 - **Beneficiaries**
 - **Activities**
- **No substantive changes to the eligibility criteria but now these are clearly set out within the General Conditions as the core governing document for the EWBJF**

Management and administration of the Fund

- **More detailed description of the collective tasks of the Managers and the tasks of each of the EBRD and the EIB. In particular, among other things:**
 - **The EBRD is responsible for the management of the Fund Account and specific reporting relating to the Fund Account and financial matters**
 - **The EIB is responsible for compiling a summary implementation report based on the annual implementation reports provided by Lead IFIs**

Implementation Provisions

- **New Section V setting out implementation provisions applicable in respect of the implementation of each Action by a Lead IFI**
- **Previously, substantively similar provisions (except for certain specific Commission requirements) were set out in a separate implementation agreement with each Lead IFI**
- **These provisions govern, among other things:**
 - **Conditions for transfer of a Grant to the relevant Lead IFI**
 - **Use of the Grant and recovery in the event of misuse**
 - **Compliance matters including compliance with the Lead IFI's policies and procedures in the implementation of an Action**
 - **Reporting requirements on a Lead IFI**

High level overview of Commission requirements

- **Eligibility of costs**
- **Active management of the Fund Account and Grant Account, specifically to mitigate impact of negative interest**
- **Recovery of funds in the event of misuse**
- **Reporting requirements**
- **Criteria for exclusion of certain entities**
- **Commission scrutiny (including European Anti-Fraud Office and European Court of Auditors)**
- **Visibility**
- **Annual management declaration**

Other relevant documents

- **Streamlining and consolidation of General Conditions leads to downstream simplification:**
 - **No need for individual Implementation Agreements**
 - **Completed and agreed Grant Application Form becomes a key document**
 - **Adherence Agreement to the General Conditions signed by each Lead IFI only once**
 - **Contribution Arrangements signed by a Contributor also serve as adherence to the General Conditions**

Contribution Arrangement architecture

- **Parties:** EBRD, EIB and Contributor
- **Purpose:** to specify the amount of the Contribution by the Contributor to the EWBJF
- **Contribution:** set out total amount of Contribution in Euro or other currency (if applicable), payment terms (e.g. single or multiple instalments) and details of the Fund Account in which the Contribution will be paid
- **General terms:**
 - Contributor agrees that the General Conditions shall apply to the Contribution
 - Managers confirm that the resources of the Fund will only be used/made available to Lead IFIs in accordance with the General Conditions
- **Execution:** to be signed by EBRD, EIB and Contributor

Replenishment: A replenishment letter (in a form similar to the current template) could be signed by a Contributor in relation to replenishments; i.e. no need for the Managers to also sign

Adherence Agreement architecture

- **Parties**: EBRD, EIB and Lead IFI
- **Preamble**: setting out relevant background
- **Application of General Conditions**: Lead IFI agrees that it shall be bound by the General Conditions and shall ensure that it complies with the General Conditions in relation to the implementation of any Action funded with Fund Resources by that Lead IFI
- **Amendments**: If the General Conditions are amended pursuant to their terms, any such amendments will only be binding on the Lead IFI if that Lead IFI has consented to such amendments
- **Notices**: details of contacts for notices
- **General terms**: provisions on entry into effect (date when the General Conditions are adopted) and the fact that the General Conditions will prevail over the Adherence Agreement
- **Execution**: to be signed by EBRD, EIB and Lead IFI

Payment Request template

- **Letter from Lead IFI to EBRD**
- **Reference to be made to the Action and GAF in relation to that Action to be attached (first payment request only)**
- **Provide details of amount of Grant, currency, Grant Account details**
- **Acknowledgment by the Lead IFI that disbursement of payments will be made in accordance with the General Conditions**
- **Undertaking by the Lead IFI to implement the Action and to administer the Grant in accordance with the General Conditions and the GAF**
- **To be signed by Lead IFI**

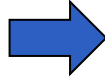


WBIF

**EU Contributions to the
EWBJF
Agreement Structure**



Yearly Financing Decisions



Commission

GR

ES

IT

NOR

DE

AT

SE

Contribution Arrangement

General Conditions

*Fund Resources

*General Provisions

*Termination Amendments
Dispute Settlement

*Governance and Administration of the Fund

- > responsibility and task of the Managers
- > reporting/visibility/recovery

*Implementation Provisions

- > Responsibility and tasks of the Lead IFIs
- > reporting/visibility/recovery
- > access to CoA/verifications

Grant Application Form



Reporting Template

Adherence Agreement

LFI

LFI

LFI

LFI

LFI



Additional provisions required by Commission

- I. Provisions to reinforce responsibility of Managers and Lead IFIs**
- II. Provisions to reinforce the monitoring/supervision function of Assembly of Contributors**
- III. Bilateral relations between Commission and Lead IFIs**

Additional provisions required by Commission

I. Provisions to reinforce responsibility of Managers and Lead IFIs

- I
M
P
A
C
T**
- Tasks of Managers
 - Reinforcement of text for responsibility
 - Management of Fund Account and Grant Account
 - Exclusion Criteria
 - Visibility and Communication activities - additional information in GAF

Additional provisions required by Commission

II. Provisions to reinforce the monitoring/supervision function of Assembly of Contributors

I
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- Suspension of payments
- Three-phase recovery process
 - ❖ *Obligation of Lead IFI to recover any misused funds under their procedures.*
 - ❖ *If Lead IFI cannot recover: Assembly of Contributors.*
 - ❖ *If Manager cannot recover: Commission or Contributors.*
- Reporting with enhanced quality

Additional provisions required by Commission

III. Bilateral relations between Commission and Lead IFIs

**I
M
P
A
C
T**

- Management declaration
- Verifications, on the spot checks, investigations, audits and evaluations by Commission, European Anti-Fraud Office, European Court of Auditors.



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Grant Application Form

Grant Application Form

- **Tailor- made EUBEC form**
- **Dual purpose**
- **Purpose besides application form = to contain the necessary info so as to function as description of action**
- **And link the grant to the action**
- **Living document that is being updated**
- **Ownership with the beneficiary but assuming IFI involvement of the Lead IFI in filling in**
- **Only for Investment Grant applications and only in the WBIF context**

Grant Application Form

- **Contains important information such as:**
- **Budget of a project, financing sources, implementation modalities**
- **Also, elements such as indicators, and estimated timelines, which will form the basis for reporting**
- **It is also registering the entire assessment process → transparency**
- **And endorsement by the lead IFI when submitted with the disbursement request.**

Grant Application Form- next steps - 2016 round

- **This is a final version but non- substantial changes might be introduced in the course of January**
- **One of them= methodology for amendment as this is a living document (substantial vs non substantial)**
- **This will not prevent the beneficiaries from filing their applications for the 2016 round- nothing substantial will change**
- **Help will be at hand: IFICO consultants, helpline and workshop early February**
- **IMPORTANT: start early and go to the workshop with a first draft at hand**



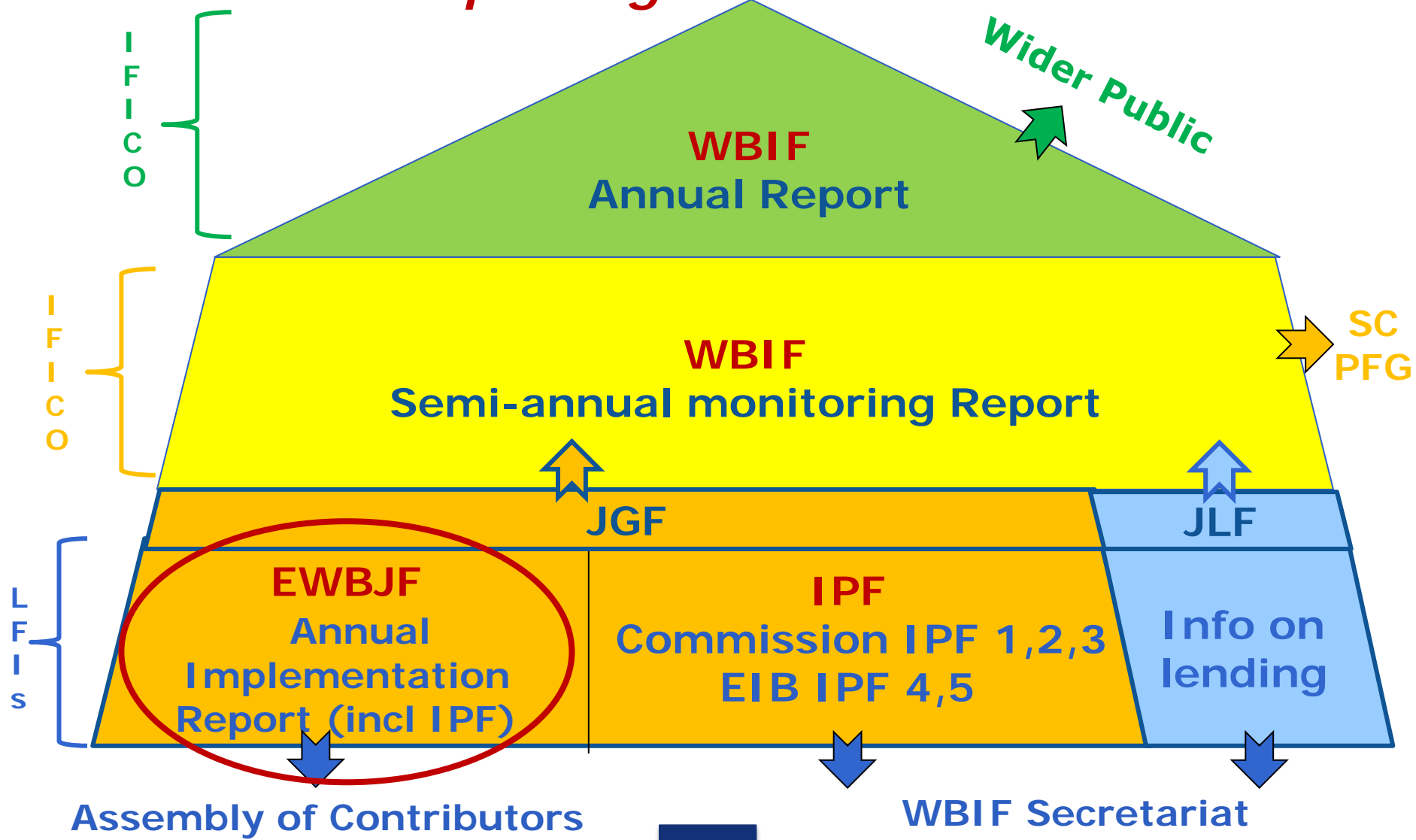
WBIF

WBIF
Reporting



European Commission

Reporting under the WBIF





Reporting under the EWBJF

-> Prepared by the Managers of the Fund:

Operation of the Fund (Article 3.03.c GC):

- ❖ annual audited financial statements
- ❖ Overview of Contributions received, disbursements made and unutilised funds returned to the Fund

15/02 each year to the Assembly of Contributors and Commission Accountant



Reporting under the EWBJF

-> Prepared by the Managers of the Fund:

Implementation of the Projects (Article 3.03.d):

Summary implementation report based on the implementation reports prepared by the LFIs, containing:

- ❖ Executive Summary description of the progress made
- ❖ Problems encountered
- ❖ Aggregate financial data

By 31/05 each year to the Assembly of Contributors



Reporting under the EWBJF

-> Prepared by the LFIs:

Implementation of the Projects:

Implementation report which covers all projects on going or completed within a given calendar year

- ❖ Identification of the Project and Action
- ❖ Narrative Section
- ❖ Financial Section
- ❖ Annexes



Reporting under the EWBJF

-> Prepared by the LFIs:

Narrative Section

- ❖ Project Description
- ❖ Project Context
- ❖ Activities carried out during reporting period
- ❖ Actual Results
- ❖ Risk Assessment
- ❖ Visibility and communication activities
- ❖ Monitoring activities



Reporting under the EWBJF

-> Prepared by the LFIs:

Financial Section

- ❖ Budget and Financing Plan (GAF)
- ❖ Financial data on
 - ✓ Legal commitments
 - ✓ Disbursements
 - ✓ Implementation cost incurred
- ❖ Controls and audits carried out



Reporting under the EWBJF

-> Prepared by the LFIs:

**By 31/03 each year full set of reports to Managers
(but already available to Contributors through MIS)**

By 30/09 each year update of progress made in MIS



WBIF

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**Process for approval of
documents**

Process for approval of the General Conditions

- **Endorsement of the General Conditions as circulated in advance of the Steering Committee meeting and acknowledgement of certain open matters**
- **Open matters to be resolved as soon as possible in January 2016**
- **By 31 January 2016, the final version of the General Conditions to be circulated to all members of the Assembly of Contributors**
- **By 31 March 2016, all members of the Assembly of Contributors to complete internal approval processes for the General Conditions and submit their response**
- **If a member of the Assembly of Contributors does not submit a response by 31 March 2016, that member will be deemed to have approved the final text as circulated by 31 January 2016**

Process for approval of the Rules of Procedure

- **Endorsement of the Rules of Procedure as circulated in advance of the Steering Committee meeting**
- **By 31 January 2016, the final version of the Rules of Procedure will be circulated to all members of the Steering Committee**
- **By 31 March 2016, all members of the Steering Committee to complete internal approval processes for the Rules of Procedure and submit their response**
- **If a member of the Steering Committee does not submit a response by 31 March 2016, that member will be deemed to have approved the final text as circulated by 31 January 2016**

Approval process for other documents

- Final versions of other documents (as listed below) will be circulated as soon as possible in January 2016
- Such other documents to be approved by 31 March 2016, in line with the process applicable in relation to the General Conditions and the Rules of Procedure

Assembly of Contributors	Steering Committee
Template for Contribution Arrangement	Grant Application Form
Template for Adherence Agreement	
Template for Payment Request	
Template for annual implementation report by LFI	
Template for final report on implementation by LFI	