



INDIRECT MANAGEMENT

FR as of 01/01/2014

**PROPOSAL FOR A NEW IMPLEMENTATION
STRUCTURE OF THE WBIF**

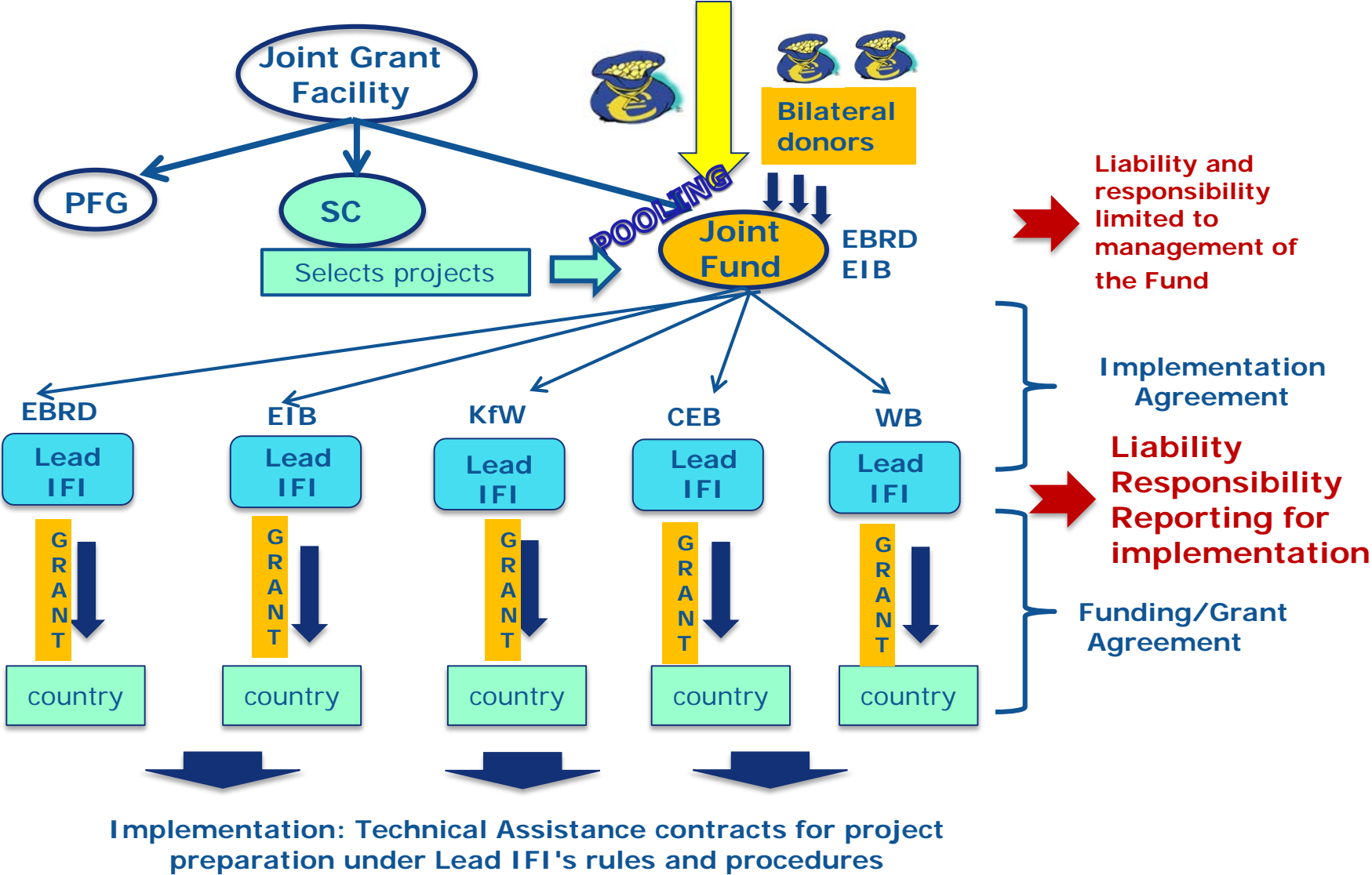


INDIRECT MANAGEMENT

FR as of 01/01/2014

CURRENT STRUCTURE OF WBIF

Financing Decision on allocation to the facility to EBRD/EIB under joint management



Liability and responsibility limited to management of the Fund

Implementation Agreement

Liability Responsibility Reporting for implementation

Funding/Grant Agreement

Implementation: Technical Assistance contracts for project preparation under Lead IFI's rules and procedures



INDIRECT MANAGEMENT

FR as of 01/01/2014

Obligations and responsibilities of entrusted entities under indirect management Art. 60 FR

Entrusted entities must:

- guarantee a level of protections of the financial interests of the Union equivalent to that required under the FR when they manage Union funds;
- prevent, detect and correct irregularities and fraud when executing tasks relating to the implementation of the budget;
- carry out ex-ante and ex-post checks and where appropriate on the spot checks on transactions to ensure that the actions financed from the budget are effectively carried out and implemented correctly;
- recover funds unduly paid and bring legal proceedings where necessary in this regard;



INDIRECT MANAGEMENT

FR as of 01/01/2014

Obligations and responsibilities of entrusted entities under indirect management Art. 60 FR

Entrusted entities must provide the Commission:

- with a report on the implementation of the tasks entrusted to them;
- their accounts drawn up for the expenditure incurred in the execution of the tasks entrusted to them;
- a management declaration confirming that:
 - Information is complete and accurate
 - Expenditure was used for the intended purpose as defined in the delegation agreement
 - The control systems in place give the necessary guarantees concerning the legality and regularity of the underlying transactions
- summary of final audit reports and controls carried out

-> the above report and management declaration has to be accompanied by an independent audit opinion



IMPACT ON STRUCTURE OF WBIF

Article 84 FR: The Financing Decision shall specify:

- Objective pursued
- Expected results
- Method of implementation
- Total amount
- Description of the actions/amount per action/timetable

For indirect management:

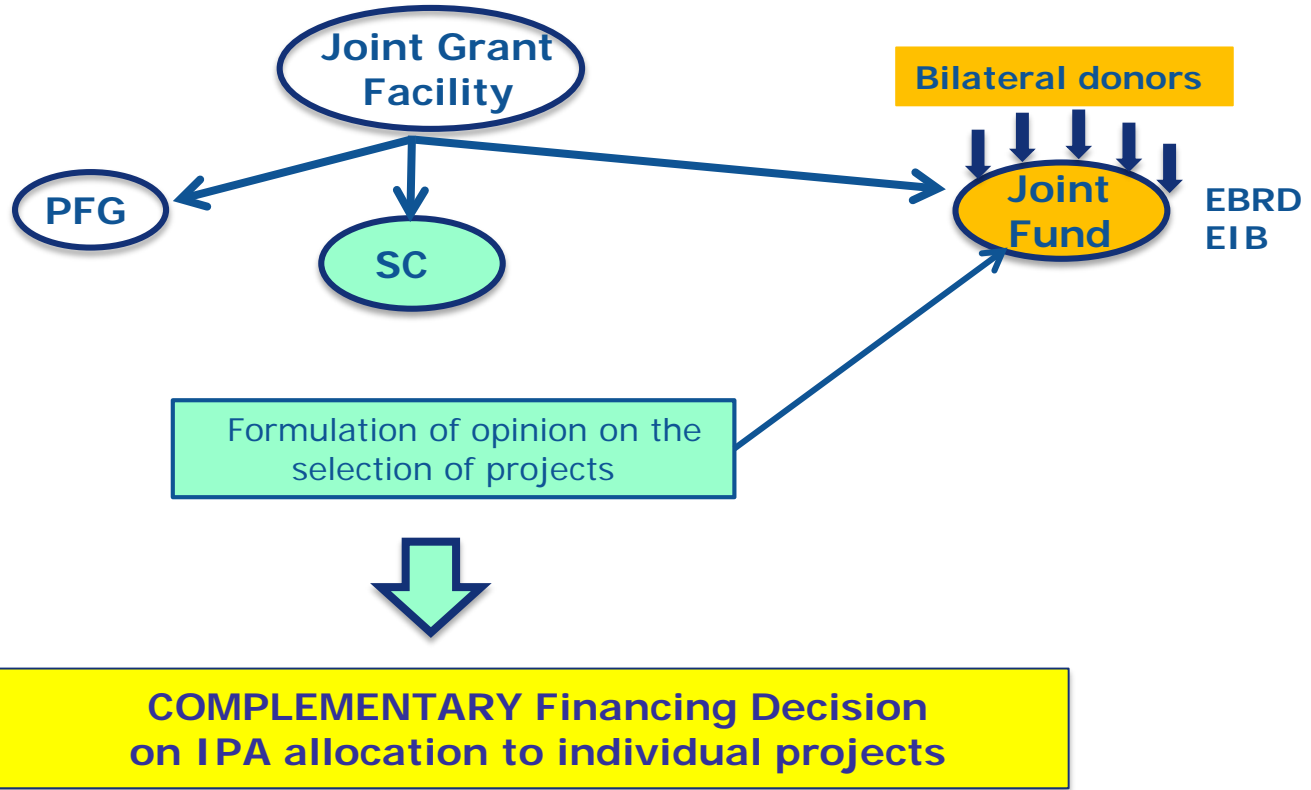
- Entrusted entity
- Selection criteria
- Entrusted tasks



PROPOSED NEW STRUCTURE OF WBIF

GLOBAL Financing Decision on allocation of IPA funds to the facility

Political commitment



COMPLEMENTARY Financing Decision on IPA allocation to individual projects

Bilateral donors



Delegation Agreement with Commission

Implementation Agreement with Fund Managers

EBRD

EIB

KfW

CEB

WB

Lead IFI

Lead IFI

Lead IFI

Lead IFI

Lead IFI

Liability Responsibility Reporting for implementation

POOLING

BLENDING

GRANT

GRANT

GRANT

GRANT

GRANT

LOAN

LOAN

LOAN

LOAN

LOAN

country

country

country

country

country

Grant Agreement

Implementation: Service and Works contracts under Lead IFI's rules and procedures

GLOBAL Financing Decision on allocation of IPA funds to the facility

05/15

SC

06/15

SC

12/15

SC

06/16

5P

5P

5P

Complementary
FD

09/15

Complementary
FD

03/16

Complementary
FD

09/16

↓

↓

↓

Delegation
Agreements
Commission
Lead IFI

11/15

Delegation
Agreements
Commission
Lead IFI

05/16

Delegation
Agreements
Commission
Lead IFI

11/16

↓

↓

↓

Agreements
Lead IFI
Country

03/16

Agreements
Lead IFI
Country

09/16

Agreements
Lead IFI
Country

03/17

N=2015

MAX:

**31/12/N+1
31/12/2016**

**31/12/N+1
31/12/2016**

**D+3
d/m/≤2019**

Other potential options

- EBRD/EIB manage EU funds as entrusted entity
- EU Trust Fund according to Article 187 FR 
 - EWBJF does not qualify as EU Trust Fund
- Article 4(3) CIR on EU funds being contributed to funds  If Art. 60 FR respected
 - established by EIB, MS, partner countries and regions or international organisations
 - Must be read in combination of Article 60 FR
- "Revamped" General Conditions 
 - GC to set out most responsibilities of all, including Lead IFIs
 - Still does not give a legal basis to the Commission to disburse funds
- Multi Party Delegation Agreements 
 - Would set out the responsibilities of the Fund Manager and a specific Lead IFI
 - No added value of re-directing EU funds through the Joint Fund if it can be paid directly to the Lead IFI



Next steps

- Prepare timeline for different stages in the new structure
- General consensus of all WBIF stakeholders
- Screen ToR and GC and identify if and where amendments are necessary
- Explore the need to change the timetable of the WBIF SC
- Finalise delegation agreement templates with Lead IFIs