

21ST MEETING OF THE WBIF PROJECT FINANCIERS' GROUP (PFG)

THE HOTEL - BRUSSELS, MAY 18-19, 2016

Draft Minutes of Meeting

Day 1: Project Related (closed) Session

Welcoming

The **PFG Co-chairs** (Catherine Wendt, acting Director DG NEAR and Massimo Cingolani, EIB) welcomed the participants to the 21st PFG and reviewed the various activities and challenges at hand, such as the last and final steps for the “New WBIF Methodology” under way, the activities pertaining to the first official call for Investment Grant (IG) co-financing, and the preparations for the Western Balkan 6 (WB6) summit in Paris, on 4th of July.

The finalisation of the WBIF set-up allows now for substantial IPA II funds to be channelled via WBIF to the beneficiaries. Four new documents, the General Conditions (GCs), the Rules of Procedure (RoP), the Grant Application Form (GAF) and the reporting template were approved at the 13th WBIF SC meeting in Paris; the COM’s inter-service consultation has cleared these documents and therefore, at the 14th WBIF SC meeting in Oslo, the contribution agreements can be signed.

The 15th round for Technical Assistance (TA) projects, launched without restrictive eligibility criteria, has seen a jump in the number of applications. A total of 34 Project Grant Application Forms (PGAFs) were received with a total grant request of € 51 M. Due to the absence of nation-wide sector strategies in the TRA and ENE sectors in Bosnia and Herzegovina, the COM could not screen the Bosnia and Herzegovina applications. Since there are no available funds left in the EWBJF, the 14th WBIF SC could opt to suspend one call, unless the Bilateral Donors (BDs) increase their contributions.

Another milestone was the launch of the first official call for IG co-financing. A total of 10 GAFs were received, totalling in excess of € 347 M. Criteria such as maturity, connectivity relevance, quality of the GAF as well as sectoral strategies are taken into account in the screening and assessment process. In order to allow more time for the next call for IG co-financing, the 2nd call could be launched as early as this autumn; this will be discussed at the 14th WBIF SC meeting in Oslo.

The **PFG Co-chair** (M Cingolani) reaffirmed the EIB’s firm commitment to the new methodology and mentioned the importance of the new institutions - National Investment Committees (NICs) and Single Project Pipelines (SPPs) - for the region, and finally introduced the new EIB organisational structure and new EIB representatives.

DG NEAR (W Schläger) announced the appointment of a new Director for DG NEAR “Directorate D”, Mrs Genoveva Ruiz-Calavera, who will take office from 01 June 2016 and thanked, on behalf of the entire PFG Mrs Catherine Wendt for her efforts and leadership as acting Director.

Screening and Assessment Round 15 Projects

DG NEAR (W Schläger) reminded the participants that the restrictive eligibility criteria were lifted at the 13th WBIF SC meeting in Paris. 34 project applications were received with a value in excess of € 51.5 M. The project applications received from Bosnia and Herzegovina were not screened due to the lack of progress in the development of nation-wide sector strategies. The COM reviewed the quality of the applications critically and the outcome of the screening and assessment is shown below.

Positive Conclusion

ID	Grant Code	Abbreviated Name	Description	Sector	Country	IFI	Grant requested [€] AMOUNT AFTER REVISION
1	ALB-ENE-001	Albania Kosovo Gas Pipeline	FS and ESIA	ENE	ALB	EBRD	300,000
2	MULTI-ENE-001	Ionian Adriatic Gas Pipeline, MNE and ALB	PD and DD	ENE	MULTI	EBRD	2,500,000
3	MULTI-ENE-002	REEP PLUS	Program	ENE	MULTI	EBRD	1,800,000
4	MNE-ENV-005	WWTP Podgorica	SoW	ENV	MNE	KfW	1,145,834
5	SRB-ENV-002	WWTP Novi Sad	FS, EIA, TD	ENV	SRB	EIB	1,000,000
6	MKD-SOC-002	Hospital Skopje and Shtip	TA for PIU	SOC	MKD	CEB	1,400,000
7	SRB-SOC-001	Post-earthquake housing Kraljevo	TD & SoW	SOC	SRB	CEB	300,000
8	ALB-TRA-001	Railway Vora - Hani Hotit (MNE)	DD	TRA	ALB	EBRD	800,000
9	KOS-TRA-001	Railway Route 10 Mitrovica - Lesak – Serbia	DD	TRA	KOS	EBRD	1,300,000
10	MKD-TRA-001	Motorway section A2 Gostivar - Kichevo	DD	TRA	MKD	EBRD	2,000,000
11	MKD-TRA-003	Railway Tabanovce - Gevgelija, Signaling and ETCS	FS, DD and	TRA	MKD	EBRD	500,000
12	MKD-TRA-004	Railway Skopje - Kicevo	FS, PD and	TRA	MKD	EBRD	300,000
13	MKD-TRA-005	Railway line Tabanovce-Gevgelija GSM-R system	FS, DD and	TRA	MKD	EBRD	300,000
14	MNE-TRA-002	Highway Bar - Boljare, section Matesevo -	PD and ESIA	TRA	MNE	EBRD	3,100,000
15	MNE-TRA-003	Highway Bar - Boljare, bypass Podgorica	PD and ESIA	TRA	MNE	EBRD	2,390,000
16	SRB-TRA-002	Highway E-80 Kosovo - Plocnik	FS, ESIA and	TRA	SRB	EIB	2,195,000
17	MNE-ENV-002	Wastewater & water supply 12 municipalities	FS, DD, TD	ENV	MNE	EIB	540,000
18	SRB-SOC-004	High Education Infrastructure	FS, ESIA, PD,	SOC	SRB	EIB	880,000

Negative Conclusion

ID	Grant Code	Abbreviated Name	Description	Sector	Country	IFI	Grant requested [€] AMOUNT AFTER REVISION
19	MKD-TRA-002	Railway Veles - Bitola	FS, PD and	TRA	MKD	EBRD	800,000
20	BIH-ENE-001	Cultivation of Biomass	FS	ENE	BIH	KfW	250,000
21	BIH-ENE-002	HPP Krivaja	FS and ESIA	ENE	BIH	EBRD	800,000
22	MNE-ENE-001	Energy Retrofitting in Informal Housing	TA to PIU	ENE	MNE	EBRD	300,000
23	MNE-ENE-002	Software for processing permits for renewable	Policy	ENE	MNE	EBRD	1,000,000
24	ALB-SOC-004	Social housing	FS and DD	SOC	ALB	CEB	1,430,817
25	MNE-SOC-002	Construction of 5 educational facilities	DD	SOC	MNE	CEB	441,750
26	ALB-TRA-002	Railway Durres - MKD	DD	TRA	ALB	EBRD	3,300,000
27	ALB-TRA-003	Railway Pogradec - Greece	FS	TRA	ALB	EBRD	650,000
28	BIH-TRA-001	Motorway Svilaj-Odžak, BC and Bridge	Contract	TRA	BIH	EIB	350,000
29	BIH-TRA-002	Sava river waterway rehabilitation	ESIA, DD, TD	TRA	BIH	WB	860,000
30	BIH-TRA-003	Port of Brcko	FS and ESIA	TRA	BIH	EBRD	500,000
31	BIH-TRA-004	Motorway Buna – Počitelj	TA to PIU	TRA	BIH	EBRD	2,500,000
32	BIH-TRA-005	Motorway Mostar south–Buna	Revision	TRA	BIH	EIB	3,500,000
33	BIH-TRA-006	Motorway Nemila – Zenica North	TA to PIU	TRA	BIH	EIB	2,500,000
34	BIH-TRA-007	Motorway Tunnel Zenica - Tunnel Pečuj	Revision	TRA	BIH	EBRD	2,000,000

Total per Conclusion	No.	Grant REV
Total positive	18	22,750,834
Total negative	16	21,182,567
Grand total	34	43,933,401

In conclusion, 18 projects were screened and assessed positively and will be proposed to the 14th WBIF SC meeting in Oslo for approval. The amounts and IPF/JGF allocations will be clarified in the period until the 14th WBIF SC.

Germany requested that screening conclusions are made available. **Greece** questioned certain cost elements (€/km) in projects. **Norway** asked for clarification on how the WBIF Secretariat intends to accommodate the increased amount of projects and required funds, given the JF is almost depleted. **Sweden** requested clarification on the future of Bosnia and Herzegovina in the WBIF.

DG NEAR clarified that the screening conclusions are available via the MIS, certain key indicators will require further evaluation, and given the depletion of the JF, DG NEAR suggests to suspend the next round unless there is an increase in pledges by the BDs. As for Bosnia and Herzegovina, DG NEAR confirmed that the COM will revisit its restrictive policy vis-à-vis Bosnia and Herzegovina, as soon as there is tangible progress with the introduction of country-wide sector strategies in Bosnia and Herzegovina.

Availability of Funds

DG NEAR (E Loppé) reported on the remaining funds available for WBIF and time-related implications (for ex. the IPF 7 - estimated € 30 M - can be used for commitments only in 2017).

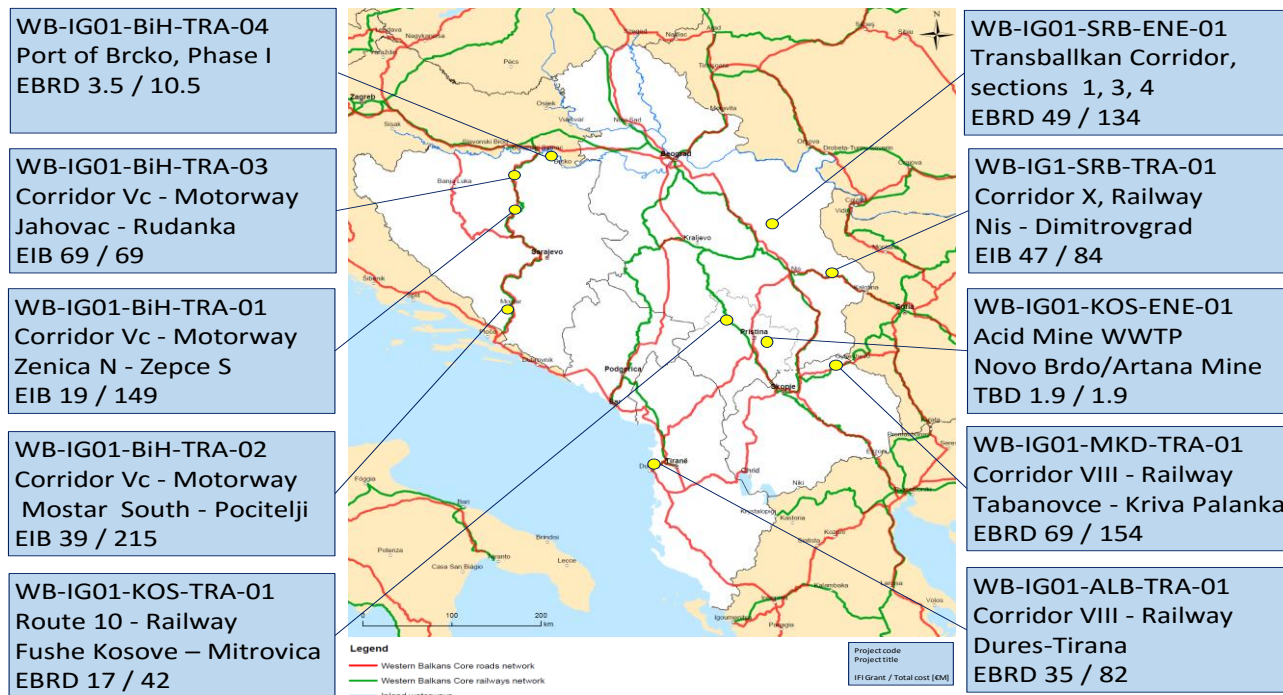
Source	Amount € M	Comment
IPF 3	0,13	

Source	Amount € M	Comment
IPF 4	0,23	
IPF 5	6,63	€ 15.37 M already committed from previous rounds.
IPF 6	21,5	This is an estimate, no grants assigned as yet.
EWBJF status	3,43	According to un-audited balance note from EBRD.
EWBJF cancellations	TBD	Subject to 14 th WBIF SC adopting this.
Total	TBD	

EBRD mentioned that cancellations will benefit and increase the EWBJF balance.

Status update 1st call for IG co-financing

DG NEAR (W Schläger) reviewed the 1st official call for IG co-financing which was launched at the 13th WBIF SC meeting in Paris (Dec 2015), with a deadline for the beneficiaries to submit their respective GAFs by the 31st March 2016. A total of 10 applications were received, one in the ENV sector, one in the ENE sector and 8 TRA sector projects. The screening and assessment of these projects is under way. Criteria taken into account are the existence of sector strategies, IFI support, the maturity of these projects and the connectivity relevance, as well as the rhythm of implementation of the agreed soft measures, where progress is slower than expected. A summary of the projects received is shown below.



Grant Code	Abbreviated Project title	Sector	Country	Lead IFI	Grant requested [€M]
WB-IG01-ALB-TRA-01	Railway Durres- Tirana and Rinas branch	TRA	ALB	EBRD	35.4
WB-IG01-BIH-TRA-01	Corridor Vc Motorway section Zenica sjever - Zepce jug, subsection Ponirak – Donja Gračanica	TRA	BIH	EIB	19.0
WB-IG01-BIH-TRA-02	Corridor Vc Motorway section Mostar south – Počitelj	TRA	BIH	EIB	39.0
WB-IG01-BIH-TRA-03	Corridor Vc motorway section interchange Johovac and interchange Rudanka	TRA	BIH	EBRD	69.0
WB-IG01-BIH-TRA-04	River Port of Brcko – Phase 2	TRA	BIH	EBRD	3.5
WB-IG01-KOS-ENV-01	Acid Mine Water Treatment Plant in Novo Brdo/Artana Mine	ENV	KOS	TBD	1.9
WB-IG01-KOS-TRA-01	Railway Route 10 section Fushe Kosove - Mitrovica	TRA	KOS	EBRD	17.2
WB-IG01-MKD-TRA-01	Railway Corridor VIII section Beljakovce – Kriva Palanka	TRA	MKD	EBRD	69.0
WB-IG01-SRB-ENE-01	Transbalkan corridor – Section I, III and IV	ENE	SRB	EBRD	49.3
WB-IG01-SRB-TRA-01	Railway line Nis – Bulgarian border, section Sicevo – Stanicenje – Dimitrovgrad	TRA	SRB	EIB	43.6
Grand total		No.	10		347

Day 2: Policy and Strategy (open) Session

Update on Rules of Procedure and General Conditions

DG NEAR (B Banki) reviewed the evolution of the WBIF “New Methodology” documents and informed the participants of the positive outcome of the COM inter-service consultation. The RoP set out the objectives and principles of WBIF such as general governance, project selection, progress and reporting. The GCs address the purpose of the EWBIF, its resources, governance and administration, as well as implementing principles.

Following the (positive) COM inter-service consultation, DG NEAR is now in a position to recommend to the 14th WBIF SC in Oslo, with effective date 16 June 2016:

- (a) To adopt the General Conditions and the Rules of Procedure; and
- (b) To sign the “Side Letters” between the COM and each Lead IFI;
- (c) To sign the “Contribution Arrangement” between the COM and the EWBIF Managers;
- (d) Signature of the “Contribution Arrangements” between the EWBIF Managers and the Bilateral Donors; and
- (e) Signature of the “Adherence Agreements” between each Lead IFI and the EWBIF Managers.

In addition, DG NEAR is drafting a “Vademecum” where input from the implementing entities is encouraged. This Vademecum will be finalised and presented to the 15th WBIF SC meeting in London in December 2016.

A signing ceremony will be organised for the 14th WBIF SC meeting in Oslo, where the relevant WBIF stakeholders will be asked to ratify / sign the respective documents. A notification of this signing ceremony will be sent out to the WBIF SC members and no-objection and / or no attendance at the 14th WBIF SC meeting in Oslo will be seen as tacit approval.

EIB mentioned that not all required (internal) approvals may be in place enabling EIB to sign at the 14th WBIF SC meeting. Should this be the case, the required signatures will follow in the nearest future. **KfW** and **CEB** is likely to have their internal processes completed and **EBRD** confirmed to be in a position to sign these documents.

Feedback and Discussion: Investment GAF

The **PFG Co-Chair** (M Cingolani) recalled the events regarding the submission of the first GAFs. The call was launched at 13th WBIF SC meeting in Paris with a GAF submission deadline 31 March 2016. Two seminars (BEO and BRU in Feb 2016) were held assisting the beneficiaries with their efforts in drafting the GAFs. IFICO provided one-to-one assistance. 10 GAFs were received for a value of € 346.9 million. The screening and assessment are being finalised. IFICO has, together with the beneficiaries, identified some challenges and needs, which will be addressed until and after the 14th WBIF SC meeting in Oslo.

DG NEAR (E Vossou) presented the challenges and needs encountered along this first official round of submission. The main objectives for future rounds are (i) improved quality of the GAFs and (ii) a lower level of ambiguities at the drafting stage. The particular challenges and needs are as shown below.

Challenge	Objective	Proposed Solution
Institutional weakness.	Better quality GAFs meeting IFI requirements.	<ul style="list-style-type: none"> - Continued capacity building; - On the job assistance; - Additional training.
Enhanced cooperation in pre-selection phase.	Avoid submitting GAFs with eligibility deficiencies.	<ul style="list-style-type: none"> - Closer cooperation of decision makers; - Elaboration in NIC; - Early involvement of IFIs, EUD, etc.
Review and completion of GAF & guidelines.	Clear set of GAF & guidelines, clarity on certain GAF boxes.	<ul style="list-style-type: none"> - Unitary approach for grant calculation; - List of eligible TA costs; - List of non-eligible costs; - Method for calculating certain grant elements; - GAF evaluation and criteria.

The COM will make further support available to the beneficiaries, by organising a workshop in the region in autumn and by mandating IFICO to provide additional assistance. The 2nd round of IG co-financing will be launched in September 2016 by written procedure and submission will be via the MIS.

EIB mentioned that the GAFs are the logical next step for eligible and mature SPP projects and added that, given the importance of the work of the NICs for the overall success of the WBIF strategy until 2020, some forms of capacity building offering support by direct knowledge transfer from the IFIs to the beneficiaries (NICs and NIPACs) could be studied in the near future, based also on the positive result of a first pilot experience of EIB in this field. **EBRD** emphasised the importance of early IFI involvement and the need for consistency when drafting the financial sections of the GAF. **Bosnia and Herzegovina** mentioned that the Chairman of the Council of Ministers had written to the Commissioner Hahn, reporting on the progress made in adopting a country-wide TRA strategy and that more time is required for the GAF submission process. Additionally, feedback on the lessons learned from the first call for investment grants was given and pointed that more than three months is needed for preparation of GAFs and that better coordination with EUDs is needed prior to the official submission of GAFs. **The former Yugoslav Republic of Macedonia** seconded Bosnia and Herzegovina regarding time and requested additional training. **Serbia** enquired if parts of an existing loan could be substituted by an IG, and encouraged close cooperation of the NIC/NIPAC and the COM & IFIs in the maturing and eventual submission of a project / GAF.

Efficiency Gains TA Project Application

DG NEAR (W Schläger) informed the participants about the uneven quality of applications for TA grants, which has been a recurrent issue over the years. This leads to complications in the screening and assessment process and to (partly) significant delays when implementing the technical assistance activities. Improving the quality of the applications is therefore instrumental to improve the efficiency of the WBIF assistance. Measures to address this will include and result in (a) shorter period between the grant approval and the initiation of the assistance, (b) more efficient implementation of the assistance and (c) qualitative and verifiable deliverables. To further and support this, the submission process will be revised, providing more time to the IFIs to review and endorse the projects. The PGAF will become a TA-GAF, eventually merging it with the IG Co-financing GAF, following the EUBEC recommendations (particular attention to the definition of the scope of the assistance, the estimation of the budget). DG NEAR will organise a training workshop for the NIPACs and other key representatives of the beneficiaries this coming autumn and will further consider the involvement of relevant IPFs into the screening process. A concept note will be disseminated for further discussion at the 14th WBIF SC meeting in Oslo.

Norway encouraged the WBIF Secretariat to follow the recommendations of the “Detailed Review” and the cancellation policy in their efforts to improve the overall quality and voiced the wish of the BDs to be consulted in drafting this concept note. **DG NEAR** (D. Kunc) suggested that the quality of PGAFs could be improved if the IFIs would get involved prior to submission. **EBRD** and **CEB** welcomed this additional deadline for the IFIs.

Monitoring Report and Projects for Cancellation

The WBIF Secretariat (S Andresen) reported about the round of visits and consultations with the Lead IFIs, where their specific project portfolios were reviewed as to the progress and potential for cancellations. These visits were seen very fruitful by all and should be institutionalised.

IFICO (S van der Touw) presented cumulative figures including up to Round 14 as well as the 2015 Co-financing Round (00) and exclusive of all cancelled grants. The WBIF updated main facts and figures include:

- 199 grants;
- €472m in grants;
- €3.7bn in signed loans;
- €8bn total estimated loans;
- €13bn estimated total investments.

Norway enquired why projects for cancellation are not included in the Monitoring Report and that more details should be made public to this end. **Austria** seconded Norway and requests these projects to be listed to convey a clearer picture, for example projects “on track”, “delayed” could then be discussed at the PFG. **EBRD** also concurred with Norway and Austria and suggested that a “list for cancellation” should be shared with the PFG.

The **PFG Co-chair (EIB)** concluded that a list of “Projects for Possible Cancellation” will be shared ahead of the PFG in the future.

Projects for Modifications and Cancellation

DG NEAR (E Loppé) introduced the projects identified for modifications and cancellation.

ID	Grant Code	Abbreviated Name	Round	Date of Award	Sector	Country	IFI	Grant amount [€]	EWBJF / IPF
The following projects will be proposed at SC for cancellation, the exact remaining amounts to be returned to the EWBJF are to be defined by the Lead IFIs									
1	WB7-HR-SOC-04	Student Accommodation universities of Rijeka and Osijek	7	Jun-12	SOC	HR	EIB	2,600,000	EWBJF
2	WB8-BIH-ENV-29	Sewage collectors and WWTP in Mordrac Lake basin	8	Dec-12	ENV	BIH	EBRD	800,000	EWBJF
The following project will transferred to IPF5/IPF6/EWBJF - pending the discussions on the duration of the services including the Supervision and the Defect Liability Period									
3	WB9-SER-SOC-01	Belgrade Judiciary facilities (Palace of Justice)	9	Jun-13	SOC	SER	EIB	540,000	IPF3
The following project will be discussed at the SC and possibly be cancelled, depending on the reported progress									
4	WB10-MKD-ENV-01	Water and sewerage programme	10	Dec-13	ENV	MKD	KfW	400,000	IPF5
The following project will be transferred from Lead IFI KfW to EBRD. The following project will be transferred from EWBJF to IPF (lead IFI: EBRD/KfW to be decided)									
5	WB14-SER-ENE-01	TA for 400 kV OHL Obrenovac – Bajina Basta	14	Sep-15	ENE	SER	KfW	800,000	EWBJF

Regarding the project WB 10-MKD-ENV-01, the NIPAC of the **former Yugoslav Republic of Macedonia** will submit to the WBIF Secretariat proof that the difficulties have been overcome and this project therefore not be suggested to the 14th WBIF SC meeting for cancellation.

EWBJF Statement

EBRD presented the state of play of the EWBJF, highlighting the importance of bilateral donor contributions throughout the years. For the 14th WBIF SC meeting, the audited financial statements of the EWBJF for 2015 will be provided.

Bilateral Donor's Perspective

The **WBIF SC Co-chair NORWAY** (O Reinertsen) informed the participants of the efforts of the bilateral donor community. Since the 13th WBIF SC meeting in December in Paris, the BD community has met on 2 occasions. The WBIF SC Co-Chair informed the participants of BDs support the new methodology with co-financing of investments. In this context, the BDs acknowledge the importance of the connectivity agenda as part of the WB6/Berlin process.

However, the BDs would like to pursue the opportunity for also co-finance ENV and SOC projects under the WBIF. As long as European Commission's IPA funds only can be used for connectivity projects, such co-financing can only be financed by the BD, via the EWBJF. In order to avoid earmarking of funds, the BD suggest that IFICO prepares a list of the most mature and relevant ENV/SOC projects based on the SPPs at the beneficiaries. This list should be sent to the Norwegian co-chair and the WBIF Secretariat by latest 10 June. This list will then be discussed at the 14th SC meeting in Oslo.

At the 14th SC meeting in Oslo – concretely under the 3rd project oriented session on day 2 – beneficiaries will be encouraged to also submit ENV/SOC project proposals as part of the 2nd call with official launch in September 2016. With formal approval in December 2017 possible co-financing can then take place in 2018. Again, with no earmarking of funds

DG NEAR (W Schläger) expressly welcomed the initiative of the BDs and their desire to co-finance ENV and SOC projects. **CEB** welcomed this initiative and announced that a partial pipeline of mature SOC projects is already available and that most ENV and SOC projects would need incentive grants in the range of € 1-3 M. **KfW** seconded CEB and also welcomed the BDs initiative.

The STAREBEI Report, Update

The **PFG Co-Chair** (M Cingolani, EIB) announced that the first comprehensive (and final) STAREBEI report will soon be available. This report offers also a tool for the NICs for their respective framework programming and further allows the NICs to build their view of the future; the latter can then be discussed at regional level and become progressively a shared view on the future of the region supported by donors and beneficiaries in the WBIF. The report itself demonstrates the need for investments at the Western Balkans, based on macro-economic analysis and a prediction of the infrastructure needs (TRA, SOC, ENV, ENE and SME). It also discusses the need and best split (public / private) of additional debt stimulating the achievement of development goals and eventually convergence with EU standards. Various scenarios predict different outcomes, with investment and debt levels ranging from Low to High Growth, requiring € 14 to 30 billion annual investment respectively. The report also links the growth projections to possible path for employment growth and unemployment rates, showing that, even with a fast growth scenario, the convergence towards EU levels is likely to take several years. In conclusion, four factors will play a major role at the Western Balkans and their countries' attempts in reaching EU living standards, these being (1) the need for additional public investment, (2) increase in the borrowing capacities, (3) inclusion of the ENV and SOC sectors into the overall investment policy and (4), the NICs should be defining the investment criteria and coordinate those regionally. In the discussion, Bosnia Herzegovina and Germany mentioned that, once the report is distributed, it would be suitable to foresee tailor made presentations for the final beneficiaries and for the donors, in addition to the one already foreseen for the Commission's services.

Bosnia and Herzegovina proposed to other NIPACs to consider using RESPA facilities in Danilovgrad for further presentation of this model and discussion how it can be best applied in beneficiary countries and asked if the University of Nice could provide support to this end. **EBRD** requested to verify the figures on its lending portfolio before circulation of the report to the Steering Committee.

WBIF Evaluation Report: Follow up

The **WBIF Secretariat** (S Andresen) reported about the progress of actions following the WBIF Evaluation Report. The WBIF Evaluation was commissioned to the AETS Consultants and was done in the first half 2015. Due to the dynamic developments at that time (implementation of the new methodology) the Evaluation Report had a cut-off date June 2015 and was submitted in November 2015. All relevant stakeholders were consulted, in the region and in Brussels,

including regional organisations, and various national beneficiaries' administrations. The Conclusions & Recommendations of the Report are either already implemented, or are under implementation (this is shown in the power point presentation "Update on WBIF Evaluation Report"). In conclusion, the WBIF has been classified as relevant and highly important response to development needs of Western Balkans. The pooling of grants and leverage is largely effective. The Management, coordination, monitoring are adequate / very good (room for improvement) and the investment projects show substantial and sustainable impacts.

Norway expressed their appreciation to the WBIF Secretariat to follow up on the recommendations and to publish the outcome.

PPP Blending

DG NEAR (E Vossou) presented a project for the long discussed WBIF PPP blending initiative (see for example the extensive coverage of this topic at the 11th WBIF SC meeting in December 2014 in Luxembourg). This project is the Vinca/Belgrade "Waste to Energy" PPP in Belgrade, where the tender is already under way. If and to the extent the WBIF would show an interest to also contribute to this project (sums, timing and modalities to be defined), then a signal should be sent to the tender implementing consultants (IFC). The added value for co-financing of this project is the fact that a grant would support affordability and lead (faster) to full compliance with EU standards. The project as such is a € 250 M PPP project, with a strong private interest; a number of short listed bidders already negotiating with the City of Belgrade and the IFC. EIB also expressed its interest to follow the development of this important project.

SERBIA confirmed that this project is in the stage of tender and will progress with or without WBIF contribution. **EBRD** confirmed their positive view of this project and their close cooperation with the City of Belgrade.

DG NEAR (W Schläger) summed up by confirming that this projects would appear to be a "good" project and even national IPA contributions could be explored. The project could be modelled along structural fund guidelines, combining structural funds, with grants and private investment.

Preparation of 14th WBIF SC Meeting, Oslo

The **Norwegian WBIF SC Co-chair** (O Reinertsen) reviewed the draft agenda for the WBIF SC meeting in Oslo and added the PFG discussed agenda points of the Signing Ceremony, the GAF improvement efforts, the discussion of the ToR Concept Note and the discussion of the BDs perspective and their request for a methodology for co-financing of ENV and / or SOC projects, without earmarking of funds.

AOB

The **WBIF Secretariat** (S Andresen) informed that the "New Dates" will be announced in Oslo for both the TA and IG co-financing and reported on the Regional Connectivity GAP Analysis and Regional Hydro Master Plan.

Initiated in October 2015, the **regional connectivity gap analysis** addresses the most important transport and energy interconnections within the Western Balkans and with the EU. The study

will identify the projects needed to complete the energy and transport regional networks as well as gaps in the project preparation. It will provide valuable work plans and timeframes for mobilising and tailoring our technical assistance and will allow us to maximise the progress in building our connectivity project pipeline. The scoping phase was completed in February and the main study will be completed ahead of the Paris Summit on 4 July.

The **regional hydro master-plan** was proposed by the European Commission on the occasion of the WB6 meeting of Energy and Transport Ministers in Brussels on 1 March (in response to a request from Montenegro and others). The study will identify the scope for additional plants in the region, as well as upgrades/rehabilitation of existing capacity as a first line of investments. It will take into account technical, economic and environmental aspects. It will also consider the framework in which investments take place in the Balkans, including how to stimulate such investments. The scoping phase has just been initiated and should also be completed ahead of the Paris Summit. It will be followed by the development of a full master-plan, combined with a series of regional and national workshops.

The **2015 Annual Report** has been substantially revamped and a graphic design company has been engaged; a copy has been disseminated for comments, printed versions will be available at the 14th WBIF SC meeting in Oslo.

IFICO (A Trelea) reported on the overhaul of the WBIF website and the MIS. Both will be presented to the WBIF SC meeting in Oslo, with the co-financing module becoming operational in September 2016.

The **PFG Co-chairs** thanked the participants for yet another fruitful PFG meeting.