

25th MEETING OF THE WBIF PROJECT FINANCERS' GROUP Skopje 26 April 2018

Minutes of Meeting

Welcoming remarks and introduction

The Head of EU Delegation to the former Yugoslav Republic of Macedonia, Mr Samuel Žbogar opened the 25th PFG in Skopje by welcoming and updating participants on most recent developments, such as the recommendations for the opening of negotiations with the former Yugoslav Republic of Macedonia and the official opening of the last part of Corridor X, connecting Salzburg to Thessaloniki. On a political level, the former Yugoslav Republic of Macedonia has entered into bilateral negotiations with Greece, a friendship agreement was signed with Bulgaria and the 6 flagship initiatives under the WB strategy are being worked on and implemented. Today, the overall socio-economic situation in the former Yugoslav Republic of Macedonia is much better than only a year ago with a positive economic prognosis for the coming years; and the Government, the EU, the IFIs and other key stakeholders are working hand-in-hand towards a better future.

The PFG Co-chairs, Mr Wolfgang Schläger (DG NEAR) and Mr. Massimo Cingolani (EIB) also welcomed participants by outlining past achievements and most recent developments, highlighting the WBIF relevant flagship initiatives under the credible enlargement perspective and specific achievements for the former Yugoslav Republic of Macedonia in the past period.

Screening and assessment of TA Round 19 Projects

DG NEAR (Wolfgang Schläger) reminded participants about the eligibility criteria for TA Round 19, which were set at the 17th WBIF SC meeting in Frankfurt: *“applications are restricted to the existing WBIF pipeline (no new projects / grants), with the proviso that the Albanian pilot project in digital infrastructure discussed at PFG could be exempted, depending on the results of the EIB’s technical check on the status of preparation of the project; ENE and TRA sector applications need to have a clear regional dimension or unblock an existing project, in addition, TRA sector projects must relate to the Core Network.”*

DG NEAR (Elodie Loppé) reported on the availability of funds and confirmed that all funds adopted under previous IPA Multi-country Programmes have already been entirely committed. Further commitments, including grants to be approved under TA Round 19, will come from IPA Multi-country Programme 2018, which includes a EUR 50 million envelope for WBIF technical assistance through IPFs. TA Round 19 grants will be approved with a suspension clause, as IPA Multi-country Programme 2018 will only be proposed for adoption to the IPA-Committee in July.

Round 19: Applications

The following grant requests were received:

- Total number of applications received: 14
- Total grant amount requested: €25,167,500;
- Applications per country: ALB 4, BiH 3, KOS 1, MKD 1, MNE 3, SRB 2, REG 0;
- Applications per sector: TRA 8, ENE 1, ENV 4, SOC 1;
- In addition: 1 grant was rolled over from Rd 18 to Rd 19 (WB19-ALB-ENV-02) for €1,800,000.

The following GAFs totalling €21,855,000 were screened and assessed positively and will be recommended for approval at the 18th WBIF SC:

#	Grant code	Title	Sector	Country	Lead IFI	Grant amount submission (€)	Grant amount revised (€)	Proposed funding source
1	WB19-ALB-ENV-01	Albania, Mati River Flood Protection Infrastructure	ENV	ALB	EIB	450,000	450,000	IPF
2	WB19-ALB-ENV-02 / WB18-ALB-ENV-02	Albania, Water Supply and Sewerage Systems in Himara Municipality and its Coastal Villages (Round 18)	ENV	ALB	KfW	1,800,000	1,800,000	JF
3	WB19-BIH-ENV-01	Bosnia and Herzegovina, Flood Hazard and Flood Risk Maps in Bosnia and Herzegovina – Phase II	ENV	BIH	EIB	1,785,000	1,785,000	IPF
4	WB19-BIH-ENV-03	Bosnia and Herzegovina, Flood Risk Management Project in Republika Srpska - Phase II	ENV	BIH	EIB	1,000,000	750,000 maximum amount to be further adjusted before the Steering Committee	IPF
5	WB19-MKD-ENV-01	The former Yugoslav Republic of Macedonia, Skopje Wastewater Treatment Plant	ENV	MKD	EIB	350,000	350,000	IPF
6	WB19-ALB-DII-01	Albania, Regional Broadband Infrastructure Development	DII	ALB	EIB	520,000	520,000	IPF
7	WB19-BIH-TRA-01	Mediterranean Corridor (CVc): Pocitelj – Zvirovici Motorway Subsection	TRA	BIH	EIB	5,000,000	5,000,000	JF
8	WB19-KOS-TRA-01	Orient/East-Med Corridor (R7): Pristina - Merdare Highway	TRA	KOS	EBRD	4,200,000	4,200,000	JF

#	Grant code	Title	Sector	Country	Lead IFI	Grant amount submission (€)	Grant amount revised (€)	Proposed funding source
9	WB19-MNE-TRA-01	Mediterranean Corridor (R1), Adriatic-Ionian Highway: Budva Bypass	TRA	MNE	KfW	1,512,500	1,500,000	IPF
10	WB19-SRB-TRA-02	Orient/East-Med Corridor (CXc): Nis Rail Bypass	TRA	SRB	EIB	2,000,000	2,000,000	IPF
11	WB19-SRB-TRA-03	Orient/East-Med Corridor (CX): Nis – Presevo – MKD Railway Line	TRA	SRB	EIB	3,500,000	3,500,000	IPF

The final grant amounts to be approved by the Steering Committee will include, in addition, the relevant implementation fees.

GAF No. WB19-ALB-ENV-02 was first presented, and screened positively, under TA Round 18. Following the decision of the 17th WBIF SC, the application was rolled over to TA Round 19, due to the limited funds then available in the EWBIF.

The GAFs WB19-BIH-TRA-01 and WB19-KOS-TRA-01 need to be implemented through the EWBIF, as the grant implementation periods are longer than IPF contract durations. However, to avoid straining the resources available in the EWBIF, the EC announced that the costs of these two TA grants will be included in the forthcoming IPA Multi-country Programme Connectivity 2018-2019, to be presented at the Sofia summit in May and adopted by the end of the year.

The following applications were screened negatively or withdrawn:

#	Grant code	Title	Sector	Country	Lead IFI	Grant amount (€)	Conclusion
1	WB19-ALB-ENE-02	Albania, Dumre Underground Natural Gas Storage	ENE	ALB	EBRD	800,000	Negative
2	WB19-ALB-TRA-02	Mediterranean Corridor (R2): Tirana Railway Segment Public Transport Terminal - Central Railway Station	TRA	ALB	EBRD	550,000	Withdrawn
3	WB19-MNE-TRA-02	Comprehensive Network (R2b): Scepan Polje – Pluzine Main Road	TRA	MNE	EBRD	1,000,000	Negative
4	WB19-MNE-TRA-03	Mediterranean Corridor (R2): Podgorica – Albania Railway Line	TRA	MNE	KfW	2,500,000	Negative

Overall TA Round 19 shows the following result:

Screening and assessment results	N°	Grant amount [€]
All grant requests received	14	25,167,500
Grant request to be withdrawn	1	(550,000)
Negative	3	(4,300,000)
Grant from Round 18	1	1,800,000
Positive	10	20,055,000
Total grants to be submitted to the 18th WBIF SC	11	21,855,000

DG NEAR (Wolfgang Schläger) started a first discussion on the potential eligibility criteria for TA Round 20. Appreciating the lack of ENE projects in the past round, but also the scarcity of funds and the COM restrictions regarding the TRA sector (core network) the following eligibility criteria are proposed:

- Allow new projects / applications in DII, SOC and ENV sectors;
- limit TRA to regional dimension or unblocking of existing projects (no new projects), TRA must relate to the core network.

Because of the lack of ENE projects in the last rounds, the following could apply to the ENE sector (for discussion):

- expand eligibility further than the PECl and PMI list;
- allow new projects;
- allow for national projects.

The Energy Community Secretariat (ECS) (Violeta Kogalniceanu) supported the opening up of the ENE sector for new projects and recommended that district heating, solar and biomass projects, smart grids, etc. should be included. **EBRD** (Caroline Clarkson) recommended the ENE sector to be unrestricted, allowing sub-sectors as well as national projects to be eligible for funding. **KfW** (Simone Wunsch) enquired if ENE TA projects need coverage by the SPP. **Sweden** (Johan Willert) raised concerns about opening up of the ENE sector, since there still is a big financing gap in the WBIF pipeline and new projects would only increase this gap. **Germany** (Sabrina Brabetz) seconded Sweden's concerns and enquired if the COM would also plan to commit funds to the ENV and SOC sectors (covered by the WB credible strategy).

DG NEAR (Wolfgang Schläger) summarised that the eligibility criteria for TA Round 20 will be more open than TA Round 19. While the TRA sector will be restricted (regional & core network), all other sectors should be open to new projects. Both the ECS and DG NEAR will draft a short discussion paper, reflecting on the status of the ENE sector and circulate this ahead of the next WBIF SC meeting. ENE TA projects do not need to be on the SPPs.

Status update INV Rounds

DG NEAR (Wolfgang Schläger) presented a status update of the past INV rounds. The grant amounts from INV Rounds 0 and 1 were adjusted and confirmed at the 17th WBIF SC meeting in Frankfurt, along

with the approval of the INV Round 2 GAFs. On this occasion, 4 INV GAFs were screened positively but rolled over to INV Round 03. The former Yugoslav Republic of Macedonia resubmitted two GAFs: (1) Core Network (Road CVIII): Rehabilitation and Widening of Kriva Palanka - Deve Bair Border Crossing; and (2) Core Network (Road CVIII): Construction of Gostivar - Kicevo Motorway. The other two INV GAFs rolled over, were from BiH, namely (1) Mediterranean Corridor (Road CVC): Construction of Tarcin - Konjic Motorway Section, Subsection 1: Tarcin - Ivan, PART I and (2) second GAF for PART II (same project).

INV Round 03 was launched at the 16th WBIF SC meeting in Stockholm, with the submission deadline end of November 2017 and the IFI endorsement deadline at the end of January 2018. The following GAFs were received:

#	Code	Title	Lead IFI	Grant amount submission (€)	Grant amount revised (€)	Conclusion
1	WB-IG03-BIH-ENV-01	Bosnia and Herzegovina, WATSAN Programme in the Federation of Bosnia and Herzegovina	EIB	11,632,080	11,632,080	NEG
2	WB-IG03-BIH-ENV-02	Bosnia and Herzegovina, Plava Voda Regional Water Supply System	EBRD	1,737,600	1,737,600	NEG
3	WB-IG03-BIH-ENV-03	Bosnia and Herzegovina, Gradacac Water Supply Project	EBRD	2,125,550	2,156,760	POS
4	WB-IG03-MNE-ENV-01	Montenegro, Boka Bay Water Supply and Wastewater Collection	KfW	9,146,051	9,151,605	POS
5	WB-IG03-MNE-ENV-02	Montenegro, Bijelo Polje Wastewater Treatment Plant	EIB	3,157,534	3,053,320	POS
Total Environment			5	27,798,815	27,731,365	
6	WB-IG03-SRB-ENE-01	Trans-Balkan Electricity Corridor: Grid Sections III and IV in Serbia	KfW	27,226,000	27,226,000	Withdrawn
7	WB-IG03-ALB-TRA-01	Extension of TEN-T Core Network: Reconstruction of Durrës Port, Quays 1 & 2	EBRD	25,072,000	27,627,000	POS
8	WB-IG03-BIH-TRA-06	Mediterranean Corridor: Bosnia and Herzegovina – Croatia CVC Road Interconnection, Buna – Počitelj Subsection	EBRD	9,016,323	9,016,323	POS
9	WB-IG03-MKD-TRA-02	Orient/East-Med Corridor: The former Yugoslav Republic of Macedonia – Bulgaria CVIII Road Interconnection, Kriva Palanka – Deve Bair Section	EBRD	2,620,400	2,620,400	POS
10	WB-IG03-MKD-TRA-03	Orient/East-Med Corridor: The former Yugoslav Republic of Macedonia – Albania CVIII Road Interconnection, Bukojčani – Kičevo Subsection	EBRD	20,348,000	20,348,000	POS

#	Code	Title	Lead IFI	Grant amount submission (€)	Grant amount revised (€)	Conclusion
11	WB-IG03-MNE-TRA-01	Mediterranean Corridor: Montenegro – Croatia – Albania R1 Road Interconnection, Budva Bypass	KfW	41,124,000	42,095,000	POS
12	WB-IG03-MNE-TRA-02	Orient/East-Med Corridor: Montenegro - Serbia R4 Rail Interconnection, Bar – Vrbnica Section	KfW	21,672,000	21,672,000	POS
13	WB-IG03-SRB-TRA-01	Orient/East-Med Corridor: Serbia – Kosovo* R7 Road Interconnection, Niš (Merošina) – Pločnik (Beloljin) Section	EIB	41,412,000	41,412,000	POS
14	WB-IG03-SRB-TRA-02	Rhine-Danube Corridor: Extension of Capacities of Smederevo Port	EIB	21,906,500	21,906,500	NEG
Total Connectivity			9	210,397,223	213,923,223	
Grand Total			14	238,196,038	241,654,588	

Overall, the following GAFs were screened and assessed positive:

Environment	
3 GAFs	€ 14,361,685
Connectivity	
7 GAFs	€ 164,790,723
Positive Round 2 BiH GAFs (Tarcin Parts I & II)	€ 23,805,200
Sub-total Connectivity	€ 188,595,923
Total ENV & TRA	€ 202,957,608

For WB-IG03-MNE-TRA-02 Bar-Vrbnica, there is an open question regarding the financing of “rolling stock”, which is still under deliberation with KfW and might lead to a downward adjustment of the requested GAF amount.

For WB-IG03-BIH-ENV-01 WATSAN Programme in the Federation of Bosnia and Herzegovina, and for WATSAN Programme in Republika Srpska presented under INV Round 2, future approval by the Steering Committee must be based on the submission of individual GAFs per municipality.

Germany (Sabrina Brabetz) enquired about the differences between the WB summit in Sofia in May and the WB6 summit in London in July. **Italy** (Raffaella Di Emidio) enquired why grant amounts (at times) exceed the loan amounts. **France** (Gregoire Fauquier) requested a (detailed) list of ENV projects for the 18th WBIF SC meeting in Paris. **Sweden** (Johan Willert) stated that the BDs are in general content to follow COM screening but requested clarification if ENV projects need to be included in the SPP or not in order to be eligible for INV co-financing.

DG NEAR (Wolfgang Schläger and Elodie Loppé) confirmed that the connectivity projects will be presented and endorsed during the WB summit in Sofia. In addition, DG NEAR announced that INV applications in the environment sector in Bosnia and Herzegovina, formally endorsed by the NICs, could be eligible, even in the absence of a sector SPP. Internal discussions were still on-going in DG NEAR and will be formalised ahead of the Steering Committee meeting. It was recommended that a more detailed discussion with the BD community about the 3 proposed ENV projects for potential co-financing should take place. Finally, it was specified that the grant to loan ratio is a result of the interaction between the IFIs and the beneficiaries.

WBIF Technical Updates

Presentation draft Monitoring Report

Stine Andresen (WBIF Secretariat) presented the highlights of the draft Monitoring Report (MR). Due to the shorter timeline in preparing the MR, the draft MR does not reflect all the latest updates but will be finalised based on the latest data available in the MIS. Under WBIF, 156 projects were supported to date, with 110 signed loans for a total of approximately € 5.2 billion and an estimated investment volume of € 16.2 billion. In 18 Rounds of TA and 3 Rounds of INV, 256 grants were allocated, for a total of approximately € 722 million. The overall progress of the INV projects was presented as were the traditional overviews, together with the updated leveraging factors, showing the highest leveraging for the SOC sector.

Two projects were presented for cancellation:

- (1) A Round 9 project from Croatia: Zadar University: New Campus and Learning Resource Centre, with grant amount of € 1.2 million; and
- (2) A Round 15 project from Serbia: High Education Infrastructure, with a grant amount of € 880 thousand.

EIB will review the projects and come back with additional information before the end of May.

Status update: Joint Fund Balance

EBRD (Caroline Clarkson) presented the update of the balance of the Joint Fund, showing an overall balance of € 48 million, of which approximately € 7 million are unallocated contributions from Bilateral Donors.

Update on EWBFJ Annual Implementation Report

EIB (Massimo Cingolani) reminded participants that, by 31 March, each Lead-IFI (LIFI) submits the AIR on implemented actions under their responsibility to EIB. EIB, as Co-Managers of the Joint Fund, reviews these reports by the LIFIs and consolidates these into the "Summary AIR" (SAIR). This SAIR consist of an executive summary, a section on problems encountered and a section on the aggregate financial data. EIB proposes improvements to the methodology in developing the AIR, namely, a digitalisation of the AIR and the integration of the AIR into the MIS. EIB also reported on some delays

in preparing this year's AIR but expressed confidence that the AIR will be prepared and submitted by the end of May.

WBIF Strategic Updates

WB Strategy

DG NEAR (Wolfgang Schäfer) presented the main points of the COM Credible Enlargement Perspective for the WBs, which shows a concrete accession perspective for Montenegro and Serbia by 2025. Under this credible enlargement perspective, 3 out of the 6 Flagship initiatives are directly relevant to the WBIF; these are No. 3: Support socio economic development; No. 4: Support connectivity; and No. 5: Digital agenda. Overall, 57 concrete actions were drawn up in the respective Action Plans, many of those highly relevant for the WBIF. These actions will now be discussed between the EU member states and then proceed to being implemented.

Upcoming summits (Sofia, London)

DG NEAR (Wolfgang Schäfer) confirmed that the WB accession is a priority for the Bulgarian EU presidency. This is why a WB summit will take place back to back with the Presidency / EU Council meeting on 17th May 2018 in Sofia. At this WB summit, the WBIF connectivity package will be presented for endorsement. The WB6 summit will take place in London, 12 July 2018 and the relevant WBIF connectivity projects will also be presented.

WB 6 Guarantee mechanism

DG NEAR (Thomas Adams) presented the new "guarantee mechanism". As outlined in the "WB Strategy" introduced by W. Schäfer, the COM appreciates that enhancing WB6 integration and growth requires more investment and additional efforts, against limited fiscal space in the WB6 economies and a constrained private sector. This is why the COM is creating a new guarantee instrument for the WB6. The guarantee will be available to partly insure eligible investments against bottleneck risks, potentially in conjunction with TA or investment grants, unlocking private capital and focusing public funds on areas that can otherwise not be covered. The purpose of this new mechanism will be to scale-up investments for sustainable economic growth and regional integration. It will address market gaps in a broad range of sectors and leverage € 150 million of EU budget funds via IFIs working with the private sector.

Additionality and complementarity are main design principles of the guarantee mechanism, which will cover all 3 WBIF areas (RE/EE, Infrastructure, SMEs) and possibly others. The existing WBIF governance bodies will be consulted to ensure coherent strategic integration under the WBIF "umbrella". The formal rules of the WBIF will not need to be adjusted, as the new instrument is expected to be managed by the COM, contracting IFIs under indirect management for specific guarantee projects.

In line with its Financial Regulations, the COM is carrying out an ex-ante evaluation for the new instrument. Colleagues from IFICO and IPF3, who assist with this ex-ante assessment will contact

relevant WBIF stakeholders in the near future. The ex-ante evaluation will be in 2 parts, the first part being a market assessment and the second being the design of the new instrument. Following the ex-ante evaluation, the launch of this new instrument is planned early 2019 and contribution agreements with IFIs are planned to be signed by 2020.

EBRD (Donald Mishaxhiu) enquired where the combination of guarantees and grants may make sense in the transport sector, given the public sector beneficiaries. **Bosnia and Herzegovina** (Sabina Dizdarevic) requested more details on the guarantee mechanism and coverage. **Kosovo** (Lum Mita) informed participants about an existing private sector guarantee framework in place in Kosovo. **KfW** (Simone Wunsch) enquired about the contractual setup to be used between the COM and IFIs.

DG NEAR (Wolfgang Schläger and Thomas Adams) replied that Public Private Partnerships are an example of an approach that could possibly benefit from a combination of guarantees and grants. The ex-ante evaluation will be used to direct the instrument to where it is needed and ensuring complementarity to existing instruments. The contracts between the COM and IFIs will be based on standard COM templates for Financial Instruments under indirect management.

Update on the Hydropower Strategy

DG NEAR (Elodie Loppé) presented an update on the “Regional Strategy for Sustainable Hydropower in the Western Balkans”. The exercise will come to an end with the organisation of an Environment and Energy Ministerial meeting in the autumn to present guiding principles – based on EU requirements – and a short list of projects, whose viability could be further explored (the inclusion of any project on such a list is not a guarantee that it will be built, only a recognition that it could be possible to build such a plant in a sustainable fashion). The list of projects is addressing rehabilitation of existing infrastructures as a priority and a limited number of potential greenfield projects. As of to-date, 3 workshops were conducted, the last one (almost) parallel to the 17th WBIF SC meeting in December 2017. The EC has engaged with all stakeholders during this exercise and will continue doing so until its completion, reaching final agreement on the documents through bilateral discussions with the various stakeholder groups.

KfW (Bodo Schmülling) enquired why bilateral talks are held if the Hydropower projects, by nature, are regional. **DG NEAR** (Elodie Loppé) replied that many projects are regional and energy generated can be shared across borders, however, all documents proposed at the ministerial meeting need first to be agreed on a bilateral basis by the various stakeholders.

AFD Engagement in WBs

The Agence Française de Développement (Dominique Hautbergue) introduced its mandate and activities to the participants. AFD is active in 108 countries worldwide, but not yet in the WBs. The fields of action cover all WBIF sectors, including all aspects of digital economy and PSD (private sector development). AFD also co-finances projects together with their partners, which include the EU, WBG, KfW and others. Key for AFD is their integrated partnership approach, which includes civil societies, the private sector, universities, local governments and NGOs side to side with international donors and the EU. AFD provides loans and grants to State and non-state actors alike and expects

commitments to reach € 12.7 billion by 2020. In the WBs, AFD is progressing talks with Albania, Serbia is on stand-by and the mandate should be extended to the other countries by the end of the year. AFD expressed their hope to join the WBIF by end 2018 and to support the WB convergence towards EU standards.

Final output of the WBIF Gas to Power

The WBG (Rhodon Begolli and Fred Beelitz / ECA) presented the final outcome and results of the “Gas Ring Study”. The WBG was commissioned with the Gas Ring Study (1st phase) in 2012. The interim results were presented in 2015; these included the recommendation of additional feasibility analyses for a gas to power plant in Vlora Albania (PP Vlora) and a review of the 2014 study on the Ionian Adriatic Pipeline (IAP). Both these projects / concepts were presented in detail. Specifically for the IAP, key drivers for the further development of the IAP include Croatia as off-taker and international transmission provider on the one hand and an expansion of the IAP and access to wider gas resources and gasification strategies for Albania, Montenegro and Bosnia and Herzegovina on the other hand. For the idle PP Vlora, two potential rescue models were presented. The favoured one is a leasing model, where the plant is leased to an operator, the Government of Albania remains owners of the assets (plant); the alternative (and second best) option is a “Tolling Model” [fuel conversion], where the “Tolling Company” receives the tolling fee and carries some operational and technical risks.

Bilateral Donors update

The WBIF SC Co-chair France (Gregoire Fauquier) updated participants on the Bilateral Donor’s priorities, by referring to the BD statement (disseminated as background paper) and reiterating the positive context under which the WBIF operates in the WBs. The BD further recommend consideration of a result-based framework, where details on “how projects are implemented” and their respective impacts and results are made visible. The BDs appreciate the additional efforts and achievements regarding communication and visibility, this trend should be upheld and upgraded; events like the one ahead of this PFG (visit of the school) should be repeated.

DG NEAR (Wolfgang Schläger) thanked the BDs for their efforts and increased pledging, enabling the WBIF to especially co-finance also ENV and SOC projects.

Update: Digital Infrastructure - Guidelines

DG NEAR (Wolfgang Schläger) introduced this agenda point, by reminding participants of the adoption of DII as an additional eligible WBIF sector at the 17th WBIF SC meeting in December 2017 and of the detailed actions proposed under the 5th Flagship of the Credible Enlargement perspective. DG NEAR is cooperating with DG CONNECT, who will be screening applications and providing the sector expertise. Concretely, the WBIF needs to draw up guidelines for this new sector, a respective Discussion Paper was circulated ahead of this PFG.

DG CONNECT (David Ringrose) presented the need for better broadband connectivity in the WBs, an initiative covered by the 5th Flagship (Digital Agenda) and set the scene by comparing the WBs to the EU average. While the fixed broadband penetration rate in the WBs ranges from 9 to 20%, the same

is at 37% on average in the EU. Similarly, the average broadband speed in the WBs ranges from less than 10 Mbps to a maximum of 30 Mbps, while the EU average shows 75% of all broadband connections in excess of 30 Mbps and the entire EU now moving now toward the Gigabit society. The technologies used at the WBs are mostly cable and copper based, while the trends in the EU clearly move towards fibre. Better broadband connections are vital for basic services, such as connection of schools, health institutions and administrations. Interventions from the WBIF would make most sense and complement other (ongoing) activities, in the following fields: (1) detailed mapping, with a focus on the white zones; (2) explore possible investment models and (3) preparation of broadband development models. The most recent Round 19 ALB DII GAF is a good start; similar studies should be undertaken in the other beneficiary countries.

Kosovo (Lum Mita) reported on the advancements with the WBG on a similar DII initiative in Kosovo. **KfW** (Bodo Schmuelling) welcomed the dissemination of the discussion paper and enquired if the focus will be on broadband only; in addition, there are unused broadband transmission lines in the WBs and enquired if these were planned to be used and requested more information if co-financing for DII is foreseen, in particular for the rural-urban divide, where co-financing is needed. **WBG** (Alexander Rowland) welcomed the disseminated guidelines and mentioned the WBG completed Digital Highway Initiative, which identifies project potentials in the WBs as well as broadband roll out concepts. The main results of this study could be presented at the forthcoming WBIF SC meeting. **The former Yugoslav Republic of Macedonia** (Orhideja Kaljosevska) informed participants of the establishment of a Sector Working Group for DII and of a broadband mapping initiative, covering the entire country; the former Yugoslav Republic of Macedonia will also include DII in their next SPP.

DG CONNECT (David Ringrose) replied that other flagship agenda points, such as cyber security, are addressed in other initiatives and bodies, hence no need for WBIF to include these. There is, however, a key need for WBIF to address issues pertaining to digitalisation of industry and society, broadband roll out and innovation and overall better compliance with the requirements of the EU Broadband Cost Reduction Directive (where other utility connections must be used for broadband lines).

WBIF Secretariat Updates

The WBIF Secretariat (Stine Andresen) updated participants on the latest developments.

- (1) Both the Vademecum and the Rules of Procedure (RoP) were updated and both draft proposals disseminated ahead of this PFG. The RoP will be subject to a Written, the Vademecum will be updated and both documents will be disseminated at the next WBIF SC meeting; In addition, a “sanitised” version of the Vademecum will be drafted, good for publication on the WBIF website;
- (2) The Communication and Visibility plan and guidelines were intensively discussed, and final comments are invited to these (30 June for the guidelines and plan);
- (3) The new WBIF Annual Report 2017 is in the final stages of printing and will be disseminated in the near future;
- (4) New and updated WBIF factsheets are in production and are expected to be presented at the next WBIF SC meeting;

- (5) The WBIF website shows now details (new tabs/sections) on the Bilateral Donors and Connectivity;
- (6) The last NIC Reports and the YESS have been disseminated for comments and will be finalised in the coming weeks and disseminated as background papers ahead of the next WBIF SC meeting.

The WBIF Secretariat also reminded participants of the adoption of the new methodology documents at the 13th WBIF SC meeting in Paris (16 December 2015). At this event, the WBIF SC also stated that a review by the COM will be carried out, approximately at the time of the mid-term review of the financial regulations. The WBIF Secretariat is currently drafting the outline of this assessment and plans to initiate this as “Self-assessment”. The methodology for this self-assessment will be disseminated as discussion paper ahead of the next WBIF SC meeting, where this Self-assessment is expected to be launched.

The following dates are proposed for the rest of this year.

- TA Round 20
 - o Launch 18 WBIF SC, 19th June
 - o Pre-notification 17 August
 - o Submission d/l 07 September
 - o IFI endorsement 14 September
 - o Screening (3 weeks) 03 October
 - o Assessment (3+ weeks) 01 November
- INV Round 04
 - o Pre-notification 02 November
 - o Submission d/l 30 November
 - o IFI endorsement 31 January 2019
- Meetings
 - o 1st PG in Brussels 11 October
 - o 2nd PG & PFG in BRU 06 – 07 November
 - o 19th SC Luxembourg 05 – 06 December

AOB & Concluding remarks

DG NEAR (Antonio Garcia Suarez) informed participants about the latest developments of the ConnectTA project and an imminent extension to cover additional Connectivity Transport Reform Measures.

EBRD (Donald Mishaxhiu) requested a detailed update of ConnectTA’s activities and project portfolio at the next PFG.

The PFG Co-Chairs DG NEAR and EIB thanked the participants for another successful WBIF PFG meeting.

End of minutes.