



EUROPEAN COMMISSION
Enlargement Directorate-General

Financial instruments and Regional Programmes
Regional Programmes

Brussels
DG ELARG D3

Minutes and conclusions- Revised version March 2011

Third Meeting OF THE WESTERN BALKANS INVESTMENT FRAMEWORK (WBIF) Steering Committee

London, Thursday 16 December 2010

Conclusions

The meeting was the third meeting of the Steering Committee (SC) of the Joint Grant Facility of the WBIF and took place in a spirit of good collaboration. The key conclusions were:

Overall

- The Annual Report was presented and was acknowledged to promote a very positive account of the WBIF after its first year of operation
- The WBIF website has been launched
- The review of WBIF has been undertaken. The SC approved the major part of the recommendations of the WBIF Review with three important exceptions needed to be presented in more detail (documents to be submitted for June Steering Committee)
- The need for new resources remains.

Strategic

- The transport sector was presented by European Commission Directorate General MOVE (Mobility and Transport) and SEETO (South East Europe Transport Observatory)
- The sectoral approach adopted for the SC meetings should be continued with "Social" to be the topic in June 2011 and "Competitiveness" in December 2011;
- All IFIs and bilateral donors will need to verify the information contained in the investment flows database
- There was clear support for participation of the World Bank in the WBIF, subject to the same rules as the other IFIs

Operational

- The SC took note of the work prepared by the PFG and endorsed the grant allocation proposed for the 3 projects presented;
- There is currently a new call for project submissions in 2011 with a deadline of 10 February.
- Norway was appointed as co-chair of the SC for 2011. The next SC meeting will be on 23/24 June 2011 in Norway.

WBIF Steering Committee meeting – Minutes

The meeting took place at the EBRD in London and was opened by Mr Jan Fischer, Vice President, Operational Policies, EBRD. It was co-chaired by Mr. Pavel Stepanek, Ministry of Finance, Czech Republic and EBRD Board Director for the Czech Republic, and Mr Gerhard Schumann-Hitzler, Director DG Enlargement, European Commission (EC).

Welcoming remarks

The meeting was opened with introductory remarks from Mr Fischer, Mr Schumann-Hitzler and Mr Stepanek.

- Mr Fischer stated that the EBRD focus is moving south and east and that the Bank stands ready to assist Western Balkans countries with the challenges posed by the global financial crisis. He emphasised the solid cooperation that the EBRD enjoys with EIB and the World Bank and saw WBIF as providing an excellent framework for collaboration and the blending of grants and loans. He stressed that EBRD welcomed the leading role played by the EC in WBIF and said that he looked forward to the discussions on how to make it more efficient and effective.
- Mr Schumann-Hitzler thanked the EBRD for hosting the meeting. He anticipated that the challenges set out for Member States in the 2020 strategy would also provide a helpful framework for the potential candidates from the region. He drew two conclusions from the IPA meeting held earlier in the week. Firstly, it should be remembered that the primary goal is to prepare for accession and that this necessitates a clear strategic planning. Secondly, the huge investments required demand a blending of grants and loans and also require that the debt is manageable in each beneficiary.
- Mr Stepanek thanked the other speakers and highlighted the fact that WBIF benefited from a number of features that distinguished it from other similar facilities. He then introduced the next two speakers who would brief the meeting on the latest political and economic developments in the region, Mr Oleg Levitin and Mr Peter Sanfey.

Update on latest Political and Economic Developments in the region

Mr Oleg Levitin, Senior Political Counsellor, EBRD highlighted continuing progress in bilateral relations between individual countries, particularly in the triangular Belgrade-Zagreb-Sarajevo, the momentum in EU approximation process, particularly progress in Croatia's accession talks, anticipated decision of the December European Council to grant formal status of EU candidate country to Montenegro, which will mean that for

the first time in the last five years a new country will have obtained candidacy, and the beginning of the work on the Questionnaire in Serbia. He mentioned the dialogue due to take place next year between Belgrade and Prishtina as an example where the process itself is important because it can additionally relax atmosphere in the region. He noted that the progress in regional cooperation was less linear, and expressed some practical concerns regarding the functioning of CEFTA in 2011. He expressed concern that recent surveys had detected a decrease in popular support for the accession process among some aspirant countries, suggesting that a greater emphasis on communication would be needed in order to reverse this trend.

Mr Peter Sanfey, Lead Economist, Office of the Chief Economist, EBRD, presented an overview of the economic perspectives for the region. There has been little sign of a recovery in 2010, but an upturn was expected in 2011. In the Western Balkans region only Albania managed to maintain a positive growth in the last two years, although the expectation is for the Albanian economy to slow down in the course of the next year. Serbia, Montenegro and FYR Macedonia had similar patterns of negative growth in 2009, but improving in 2010, with all having benefited from global metal prices. Croatia has been worst affected by the recession, and was likely to be the slowest to recover. Overall he estimated that there was a strong catch-up potential of these countries, and that medium term growth rates would be higher than those of Western Europe. Substantial EU funds would be available, and trade and investment links would be enhanced by the implementation of the CEFTA agreement. However, he anticipated that the growth drivers in the future would be different from those prior to the crisis, and that there would need to be a focus on removing barriers to growth prospects.

Project submissions for approval

Seven grant requests for projects were submitted in September 2010 to the Project Financiers' Group, and of these, five passed the screening phase. Two of the five projects assessed were determined not to be sufficiently mature, resulting in three being proposed for approval to the Steering Committee. Each project and grant was presented and described by the beneficiaries with support from the relevant IFIs. All projects required urgent support and were proposed despite there being no formal call for projects in the second half of 2010. The projects submitted by the Beneficiaries were: FYR Macedonia 1 (energy); Serbia 1 (energy); Regional 1 (energy project shared between Albania and FYR Macedonia).

All 3 grants were approved by the Steering Committee. The total grant value of the 3 applications approved was 2,183,000 EUR, and the provisional breakdown of the contributions from the available WBIF sources was as follows: European Western Balkans Joint Fund (EWBJF) 1,358,000 EUR; EIB 500,000 EUR; and EBRD 325,000 EUR. The SC was informed that the EBRD had asked the EC whether the Regional energy project might be implemented by the IPF consultants (for practical reasons), and the EC stated that they would consider this in early 2011.

Serbia informed the meeting that the earthquake in the previous month at Kraljevo had caused damage estimated at 150 million EUR, and that the government was looking

for immediate urgent support. Mr. Stephan Sellen, Deputy Director General for Loans, CEB confirmed that the Bank had received a request for assistance from the Serbian Government, and were considering it.

The completed project grant application forms for the approved projects are attached to these Minutes.

Presentation of the WBIF 2010 Annual Report

The EC introduced the report. This was designed to be easy to understand, and to present the work that had been carried out over the first year of WBIF, together with the pipeline of projects in hand and their status. In total, the WBIF gave 78 grants, representing 136 million EUR. This leads to loans of 3,2 billion EUR, corresponding to a potential investment of almost 7 billion EUR.

The version presented was a final draft with the end product to be printed in the New Year, after incorporating any changes required as a result of the SC discussion. The comments were complimentary about the quality and presentation of the report. Enhancements to be included in the final version included: addition of a table specifying the amounts donated by each donor to the EWBJF; and correction to project TA-SER-26 in the Annex, in which the EIB should be mentioned in the column of lead IFIs.

WBIF Review: Presentation and Discussion

Mr Schumann-Hitzler introduced the review by stressing the importance of striving to achieve a process of continuous improvement within the WBIF framework.

Mr. Göksu, Deputy Director of the Official Co-Financing Unit, EBRD, gave a broad outline of the review and its objectives. The report, circulated to the SC in advance of the meeting, was written by a team of 5 persons (Pavel Stepanek for the EWBJF Chair, Christos Gofas for the EC, Massimo Cingolani for the EIB, Engin Göksu for the EBRD, Léon Herrera for CEB) who formed a Working Group (WG). The members of the WG outlined the process that they had adopted to undertake the review, including consultation with all stakeholders, and a two-week mission to five of the Beneficiaries, and summarised the main conclusions to be:

- Providing a degree of predictability of the grant funds available in the region
- Strengthening cooperation with IPA national programmes
- Streamlining the work of PFG to enhance efficiency and effectiveness
- Better cost coverage, including study of the possibility for a fee for the lead IFI
- Improving IFI's coordination with the IPF consultants
- Follow up of the WBIF objectives and impact through use of a Logical

Framework

- WBIF to be an open structure to new institutions, such as the World Bank
- Fully integrate the IFI Advisory Group (IFIAG) into the WBIF
- Establish a database from pipelines of potential investment projects
- Extend WBIF to SMEs and energy efficiency
- Recognition of the role played by DG Enlargement as the WBIF Secretariat and the need to formalise this arrangement, open to seconded members of IFIs and bilaterals at their own cost
- Increase pooling of grants into the EWBJF.

The major comments received during the preparation of the review were:

- General satisfaction with WBIF, which is seen as a powerful mechanism for mixing grants and loans
- General satisfaction with IPF
- Project selection process of the WBIF is unclear to the NIPACs, and information from the PFG arrives late
- The beneficiaries require more training on WBIF procedures and project preparation cycle
- Increase WBIF's visibility with end Beneficiaries
- Better coordination between WBIF and national IPA programmes
- Necessity to strengthen the NIPAC role
- Focus on project implementation and monitoring for all projects including for already signed loans
- Improve the dissemination of the WBIF work programme dates and the amounts available for each round
- Strengthen local ownership for projects initiated by IFIs
- Improve involvement and coordination with regional bodies.

Nine bilateral donors (Austria, Czech Republic, Hungary, Luxembourg, Netherlands, Norway, Slovak Republic, Slovenia, United Kingdom) submitted a written statement, the key points of which were:

- Administration fee for IFIs to be limited to 2% (without additional remuneration for lead IFI)
- Welcomed the involvement of the World Bank
- Streamlining of EC project screening and IFI assessment
- All bilateral institutions and development agencies must be treated equally
- Better link from PFG to donors and NIPACs
- Logframe utilisation

- Results of WG on the additionality of grants in the framework of blending mechanisms should be utilised.
- SC co-chairing donor should become a member of the PFG
- Priorities for investments in the relevant sectors need to be defined.

There followed a thorough discussion of the proposals involving each group of stakeholders. Each of the partner IFIs spoke to endorse the recommendations.

EBRD highlighted the importance of streamlining, increasing flexibility ensuring efficient use of donor resources

EIB tabled a document (attached to these minutes) presenting the key issues from their perspective, namely: simplification (streamlining and pooling of grant resources into one single entity), and the need for a transparent cost recovery system. EIB stated that World Bank is welcomed, subject to the same rules as the other participants.

The CEB corrected the impression that there are “IFI projects” by reminding the audience there were only “Beneficiary Projects”. The CEB also explained that the pooling of resources issue should not be over-estimated, and gave a welcome to the World Bank. CEB insisted also on the need of more control of the IPF consultants’ work by the Lead IFI.

A number of the Donors spoke to endorse the recommendations in their written statement circulated ahead of the meeting. The Italian representative asked for pooling resources into one pot, as originally implied by the initiative. The Italian representative thinks that it would improve efficiency, enhance coordination and visibility and help contain costs. She asked that argument preventing a full pooling of resources be investigated and discussed by the Committee.

The Beneficiaries provided their feedback with a number commenting on the importance of WBIF being closely linked to the IPA planning process. Several also stated that they would be keen to receive more information on those projects for which grants were being managed by the IFIs. Some also mentioned they had just received the Review and would have liked the opportunity to comment it.

Finally the World Bank thanked the audience for the welcome extended to them, and stated that they looked forward to their obligations and rights being worked out. They explained that they hoped that their added value would be in two key areas, namely that their financing also tackles tough regulatory reform issues, and that they offer strong analytical expertise, such as the sector appraisals, on which they spend 3 million EUR per annum.

The EC recommended a preliminary conclusion which confirmed that the Steering Committee welcomed and approved most of the report and split the detailed recommendations into two categories, namely points of agreement and those that needed to be further developed, as follows:

The main points of agreement are:

- Exploring all possibilities of pooling resources as suggested by the review
- Integrate further with the IPA process and work towards a more sector (as opposed to project) approach
- Full integration of IPF and IFI AG into WBIF
- The co-chair of the SC should also attend the PFG meetings
- Involvement of the World Bank, subject to the conditions equal to other partner IFIs
- Need for a Secretariat. The creation of a secretariat is primarily to confirm and recognise the work carried out by DG Enlargement. There will be no new costs to cover and it will contribute to the transparency of costs incurred for the WBIF management and there may be potential for IFIs and bilaterals to second staff at their own cost.

Points to be further developed

- Ways of pooling of resources and what that would mean in terms of cost reduction (incl. detailed estimate of the cost).
- Streamlining: the integration of the screening and assessment stages of the pipeline development
- Extension to the sectors which are to be also included and could best help candidate countries to progress.
- Detailed conditions and Terms of Reference for the creation of the Secretariat of the WBIF

All other recommendations were approved in principle

This approach was considered to be consistent with that the principles of learning and continuous improvement that were highlighted earlier in the meeting.

Role of WBIF in promoting accession and investments in the transport sector

In line with the practice of highlighting specific issues relating to an individual WBIF sector, Mr Ricardo Pascual Bremon, DG MOVE (European Commission Mobility and Transport), Head of Unit – International Transport and Enlargement, reviewed EU transport policy and the development of associated infrastructure in the Western Balkans. In terms of policy, he reported that the adoption of EU transport acquis were well advanced, although administrative capacity still needed to be strengthened, and there was still progress to be made in rail transport. While the text of the Transport

Community Treaty had been agreed, it remains to be initialled as agreement has to be reached on references to individual contracting parties. The text includes a reference to WBIF. Under infrastructure development he highlighted the need for rail and port investments still to be financed and stressed the importance of the role of the South East Europe Transport Observatory (SEETO) in promoting priority investments along the core transport network. He highlighted two upcoming developments which would influence transport policy in the region the first was the forthcoming White Paper on Transport. This would present a projection for ten years ahead and highlight the environmental challenges deriving from climate change and the social challenges stemming from an ageing population. Secondly he explained that in future the Trans European Transport Links would be orientating towards a core network.

Mr Nenad Nicolić, acting General Manager, SEETO, provided an overview of SEETO's current priorities and activities. SEETO supervises the implementation of the MoU on the South East Europe Core Regional Transport Network in the Western Balkans which was signed by the various beneficiaries and the European Commission in 2004 and which is fully in line with the TENS- T. SEETO operates through a Steering Committee comprising representatives of each signatory party which is supported by the Belgrade based SEETO office. SEETO seeks to develop the core transport network through the implementation of a multi-annual development plan (MAP) which is updated each year. The MAP for 2011 highlights progress made to date on implementing the core transport network and outlines a series of 38 projects valued at € 3.607 billion that have been agreed by the signatories as being of priority for the network. These projects are at different stages of preparation and SEETO welcomes the increased dialogue with the IFIs on the feasibility of these projects. The 2011 MAP was adopted at the recent 6th Annual Meeting of Ministers of the SEETO parties which also concluded that further efforts are required to make the results of regional cooperation more visible, to improve the efficiency and quality of the core network, assure full compliance with TEN-T and to initiate dialogue on future system and core network financing. In the discussion the EC underlined the strong regional focus of WBIF and the significant number of WBIF transport projects which were currently part of the SEETO plan.

The SC agreed to consider the SEETO multi-annual plan as a priority for the WBIF projects.

Current Investment Flows in the WBIF Region

Dr Paul Bernd Spahn, Senior Consultant to the EC financed IFI Coordination Office, presented the database for current investment flows which is being upgraded and updated at present. He explained that it had been converted from an excel database to relational database and should therefore provide greater information and more in-depth analysis including distinguishing between loan and grant financing. The database provides information on all investment flows from the EC, IFIs and bilateral donors since 2007 to the main WBIF sectors in the Western Balkans. A first update based on publicly available sources of information has populated the database with 717 approved projects totalling 22 billion EUR. The IFI Coordination Office is currently reviewing and revising the register and developing a range of user friendly report

features. The next step will be to ask all financiers (EC, IFIs and bilateral donors) to verify and complete the data concerning their respective projects in early 2011. The database will eventually be publicly available to all stakeholders via the WBIF website.

PFG Work Programme 2011 and WBIF website

The EC reported that the objectives of the current work programme had been met (Review, Monitoring tool, Communication Plan, Screening and Assessment of projects, Development of the strategic component of the programme and the two missions to the region).

The outline programme for 2011 was presented by Mr. Göksu with four proposed meetings of the PFG, and the next Steering Committee to be held on 23rd and 24th June. The EBRD hands over to the CEB as the co-chair of the PFG meetings. It was requested by the CEB that the date of the December SC be reviewed, as it was very close to Christmas. Mr. Göksu clarified that it will be the objective to try and hold the PFG meetings on one day.

Ms Mary O'Mahony Head of the EC financed IFI Coordination Office, presented the revamped WBIF website which had been extensively restructured and updated to provide more comprehensive information and links on stakeholders strategies, policies and activities in the Western Balkans. The new format was received positively and the consultant welcomed all comments and updates. The target set was for comments to be received by mid January in order that they could be incorporated by end January. In the discussion it was clarified that provision had been made for placing minutes of the Steering Committee meetings on the website.

In the discussion on monitoring the development and implementation of projects approved under the WBIF, it was also clarified that the NIPACs will be able to view the Management Information System being developed by the IPF Consultants. In particular they will be able to access the Monitoring module used to assist in reporting on the projects.

Next Call for Projects in 2011 and Resources of WBIF

Mr Yngve Engström, Head of Unit Regional Programmes, DG Enlargement, presented an overview of the resources to be made available to WBIF in 2011. Whereas there had been less IPA financing available in 2010, it was hoped that this would be increased in 2011 as follows: €30m for IPF; €10m contribution to EWBJF and €30m for private sector finance with a decision in the first half of 2011 to confirm this. The bilateral donor funds remaining in EWBJF totalled €5.9m and the amounts remaining from the funds donated by the IFIs were: EIB €5.63m; EBRD €6.73 and CEB €7.1m

Mr Richard Jones, Director, Official Co-Financing Unit of EBRD presented the latest position with respect to EWBJF. He informed the meeting that €12.7 fresh funds had been received since the launch of WBIF one year ago. He announced that additional pledges had been received from Sweden and Norway in the last two weeks, which would lift the balance of the fund to a total of approximately €10m. He also reported that it was possible that a significant allocation was possible from the 2011 Work Plan of the EBRD Shareholder Special Fund in terms of grant resources for the Western Balkans region. A proportion of this allocation could potentially be provided through the WBIF.

Greece clarified that the internal procedures relating to their pledge for 2010 were almost completed. The Czech Republic announced that they were planning to contribute a further €1m. Austria stated that they were in the process of finalising their contribution of €3m. Germany confirmed a contribution of €1,8m. Norway and Sweden announced each an additional contribution of €2m.

EIB informed the meeting that they had made proposals at the November Podgorica workshop to use two instruments for the private sector initiative (loan guarantee facility and a venture capital facility). Concerning possible future contributions, EIB made reference to the written document distributed at the meeting and stated that they were optimistic that the problems raised by the Bank would be solved by the next Steering Committee. Accordingly, there was good hope that the conditions would be fulfilled to propose the EIB Board to replenish their contribution. The EIB welcomed the EU Commission initiative to put EUR 10 m in the EWBJF and indicated the intention to follow the Commission in placing the remaining from their contribution into EWBJF in 2011.

The EC clarified with regard to the provision of the secretariat that they had provided background secretariat in the form of consultants, in addition to their own staff, and that they also had a secondee working in their department provided by Greece. They also highlighted the fact that the Czech Republic had kindly provided the venue and organisation for the June SC, as EBRD had for the present meeting.

The EC further clarified that there are different ways of providing SME support, including the proposals made by the EIB and the concept of the technology fund promoted by Serbia, and that a decision will be submitted to the SC in due time.

It was highlighted that the deadline for submissions in relation to the next call for projects was 10 Feb 2011.

Conclusions and Recommendations

Mr. Pavel Stepanek announced that Norway has agreed to be the co-chair for the Steering Committee for the next year and that the June 2011 SC meeting would be held in Norway. The CEB will co-chair the PFG meetings for the next semester and informed the meeting that the sectoral focus would be on social issues.

The conclusions of the meeting were summarised as follows:

- 3 grants approved
- Next SC will be held in Norway on 23/24 June 2011
- The SC takes note of the Annual Report and the 2011 Work Plan of the PFG
- There is a need for inputs from all financiers into the investment flows database
- The SC approves most of the recommendations of the WBIF Review with four issues to be presented in more detail (note to be submitted for discussion at the June SC)
 1. Ways of pooling of resources and what that would mean in terms of cost reduction (incl. detailed estimate of the cost coverage).
 2. Streamlining: the integration of the screening and assessment stages of the pipeline development
 3. Extension to the sectors which are to be also included and could best help candidate countries to progress
 4. Detailed conditions and Terms of Reference for the creation of the Secretariat of the WBIF
- New call for projects in 2011 to be submitted by 10 February 2011
- Launch of the updated WBIF website
- Uniform support for inclusion of the World Bank within WBIF under specific conditions equal to other partner IFIs.
- Social sector to be featured at the next SC
- Need for better predictability of resources made available by donors to the WBIF
- Continuing need for more resources.

Mr Stepanek concluded that the WBIF had proved to be a very successful instrument within a year of its existence and that the last year had been characterised by a great openness to towards donors and beneficiaries.

Mr Schumann-Hitzler thanked the co-Chairman for their work together and closed the meeting after highlighting that WBIF is a success story and that in the next year they would strive to make it even more successful.

ANNEXE:

WBIF Steering Committee of 16 December 2010
Western Balkans Investment Framework's (WBIF) Review
Statement by Romualdo Massa Bernucci
Director of the Adriatic Sea Department – Operations in Europe
European Investment Bank

The Bank asked for a Review of the WBIF after its first year of existence. We are thus pleased that this is now done and that a number of recommendations were made unanimously by the Working Group, which confirms the cooperative spirit in which the Review was carried out. While the Bank broadly endorses these recommendations and the positive judgment on the operational results achieved so far by the WBIF, there are key issues on which we consider necessary to go further.

The first point concerns the pooling of all grant resources in the European Western Balkans Joint Fund. The current JGF's set-up pools the funds of the bilateral donors into the EWBJF, whereas for the Commission and the partner IFIs, pooling is achieved only virtually, by the consensus decisions reached at the PFG. The initial step announced by the Commission to pool EUR 10 m of its 2011 budget in the Joint Fund is positive, and the Bank is ready to follow already in 2011, but it is insufficient. If we want a single shop, we must have also a single pot. Full pooling would enable critical mass, simplify the structure and make the system more effective. This is a key precondition before starting any discussion on the possible Joint Fund's replenishment.

The Bank took note that, in their majority, the 11 countries that replied to the Review's questionnaire consider possible and suitable to arrive at a "single pot". Also bilateral donors see clear advantages in terms of simplification and streamlining. Although we understand the reasons why it may not be easy, we think that our partners of the EBRD, the CEB and the EU Commission should also recognize these advantages. At least a deadline should be set with an indication of the precise steps to be undertaken to achieve full pooling. If the will is there, technical and legal obstacles can be overcome and full pooling can be achieved quickly.

A second issue very important for the Bank is that of the cost coverage. A lower fee paid by bilateral donors is sometimes taken as an indication of a more efficient blending mechanism. This is however not always correct: there is no uniform inverse relation between the level of the fee and the efficiency of the system. The issue is to estimate the true cost of the blending mechanism and understand how it is covered. The Review acknowledges that trust fund mechanisms such as the WBIF generally have costs of the order of 5% of the grants managed (or more). The WBIF manages grants of some EUR 135 m. Hence a reference absolute figure for its true cost is of the order of EUR 7 m. This is obviously independent from the way in which this cost is covered. Let's assume for the sake of the argument that after subtracting monetary benefits that IFIs derive from the WBIF, such as the 2% management fee provided to the managers of the EWBJF, a cost gap of 3% remains. This gap will be covered either by:

- the beneficiary, in the form of interest rate increases or commitment and other specific fees attached to IFIs loans;

- the surplus available to the IFIs shareholders, if the gap is covered by the budget of the IFIs; or,
- the EU Member States, if the gap is covered by the budget of the Commission.

The EIB position is that whatever solution is chosen, it should be the result of an open and transparent discussion between EU Member States, WBIF members and WBIF beneficiaries. For the Bank, ideally all the cost of managing the WBIF should be paid by the WBIF itself, so as to guarantee the independence of the mechanism. For the time being, we would propose to increase the Management Fee of the EWBJF to 3% (unless full pooling is achieved immediately, in which case, the management fee could remain unchanged) and to introduce a fee for the Lead IFI along the lines of what is done for the NIF. The Bank can only accept alternative arrangements after consultation of its higher management.

Finally a comment is due on the participation of the World Bank to the WBIF. The EIB welcomes this participation, either under present arrangements, or in case of full participation. Today the World Bank is not a Partner IFI, and therefore cannot be a Lead IFI, but it is associated in various forms to the works of the Steering Committee and of the PFG. Tomorrow, if the World Bank is interested to enter as a full member of the WBIF at the same conditions as the other Partner IFIs, it is welcome as well. This means that it should also pool a contribution of EUR 10 m into the EWBJF, as suggested by the Review for all contributions of new Partner IFIs. In addition, the Bank would also suggest thinking about some form of reciprocity, for instance letting European IFIs access World Bank Trust Funds for the ECA region.