

## WBIF PROJECT FINANCIERS' GROUP 7

Wednesday, 25 November 2010  
Martin's Central Hotel, BRUSSELS

### Minutes

#### Attendees:

GOFAS Christos	DG ENLARG	Joint Chair	Wed23; Thur24
GOKSU Engin	EBRD	Joint Chair	Wed23; Thur24
DE BETHUNE Thomas	DG ENLARG		Wed23; Thur24
DI SEBASTIANO Valentina	DG ENLARG		Wed23; Thur24
GIANFRANCHI Rachele	DG ENLARG		Thur24
PAPANASTASSIOU Panayotis	DG ENLARG		Wed23; Thur24
BEGEOT Francois	DG MOVE		Thur24
CINGOLANI Massimo	EIB		Wed23; Thur24
ARNOUX Jean-Marc	EIB		Wed23; Thur24
HEBRERO Luis	EIB		Wed23; Thur24
CLARKSON Caroline	EBRD		Wed23; Thur24
VIEZZOLI Claudio	EBRD		Wed23; Thur24
HERRERA Leon	CEB		Wed23; Thur24
STRAUSS Reinhold	KfW		Wed23; Thur24
ROWLAND Alexander	World Bank		Thur24
CVEK Nadja	SID Bank Slovenia		Wed23; Thur24
PENNY Brian	UK DFID		Wed23; Thur24
REINERTSEN Olav	Ministry of Foreign Affairs, Norway		Wed23; Thur24
KONTOPANAYOTOU Stamatia	Rep Greece		Wed23; Thur24
PADRINI Flavio	Rep Italy		Wed23; Thur24
O'MAHONY Mary	PM Group		Thur24
PURVIS Gordon	PM Group		Thur24
LAZENBY Jeremy	WYG		Thur24
SINCLAIR Nicolas	WYG		Thur24
EVMOLPIDIS Vassilis	COWI		Thur24

*These minutes are mainly focussed on the key results and actions to undertake by the PFG. More elaborate content can be found in the attached presentations and documents of the meeting.*

The meeting took place in Brussels over two days in the presence of representatives of some contributor States including Greece, Norway, Slovenia and United Kingdom and in a climate of good will and cooperation. It was co- chaired by the EU Commission and by EBRD. The meeting discussed strategic issues and matters of general interest, including the PFG Work Programme for 2010, the Review of WBIF, the Annual Report, the Management Information System, the monitoring of the projects, the WBIF website, the projects database, the activities of the IFI AG and the 5 project grant applications screened in September 2010. The project grant applications were assessed with 3 being selected for presentation to the Steering Committee to be held in London on 16 December 2010.

### **Wednesday 24 September**

*Christos Gofas (Head of Section, ELARG D3)* opened the meeting by welcoming participants and co-chaired the meeting with *Engin Göksu ( Official Co-financing Unit, EBRD)*.

#### **General session on the PFG Work Programme**

The minutes of the PFG6 were approved as a fair and accurate record. A calendar of the past and future events was reviewed. Each respective participant commented on the mission to Beneficiaries and the results, and the Prague meeting. A specific report on the regional workshop held in Podgorica was presented during the second day of the meeting. The JGF and in particular the EWBIF balance were reviewed without the need for any important changes when compared to the figures presented to the previous PFG. The SC3 agenda was discussed point by point. The PFG agreed its preference for concluding SC3 business in one day and for the event to include a session covering an introduction of the economical and political situation in the region (by EBRD). Concerning the communication plan: the factsheet has been updated, the annual report is nearly finalised, a press release has been issued covering the regional workshop, and the Web site will be presented during this PFG and launched before the SC3. There has been no contact between the communications' departments of the IFIs as was proposed in the last PFG.

#### **Review of the WBIF**

The draft document of the review had been communicated to the PFG members before the meeting. The consultants of IPF and the IFI advisory group have not been invited for this part of the meeting and were not in attendance. The co-chairs present the 13 items and the recommendations one by one. There is a common agreement on the results of the review within the PFG. All agreed that the document can be presented to the SC in December by the co-chairs. The presentation will be a summary outlining the recommendations. Some particular issues were highlighted and discussed by the PFG; points noted were: i) the fees and the need for the cost of the management to be more transparent at each level; ii) the role of the NIPACs and their need to be supportive of projects without adding a new layer of approval into the process; iii) the grant calculation and rationale.

Additionally, a presentation by DFID was made concerning the impact evaluation of the projects and a one page proposal was presented. It is proposed to better record the achievements through number of beneficiaries – quantity – quality and governance effects of the investments. It has been agreed to organise, within the work program following the review, to organise a workshop on this issue. Additional factual comments are to be sent within 5 days (Monday 29 November 2010)

***Annual report***

WYG presented a updated draft of the 30 page Annual Report for feedback based on the format agreed at the PFG held in September. A number of comments were received during the meeting and a deadline of Monday 29 Nov was agreed for submission of final comments with a view to completion of the version to be submitted to the SC by Thursday 2 Dec.

***Monitoring of the WBIF pipeline***

WYG presented an updated version of the monitoring report which had been first developed for the September PFG meeting. The report is designed to brief executives attending the PFG on the status of the WBIF pipeline of projects and it had been issued prior to the meeting for this purpose. The only significant change resulting from comments on the previous report was the addition of two new columns designed to monitor the latest estimates for loans and total costs requested.

***Management Information System of the WBIF***

WYG presented an overview of the status of the three modules of the MIS (Selection, Implementation and Monitoring) explaining that the first two modules were now operational and populated. The Monitoring module had been developed and it remained to check and verify the database and implement the reporting formats. The next step is to implement the training programme and WYG outlined that the plan was to proceed first with DG Enlargement in December and to continue in January with the IFIs.

***Updating of the WBIF website***

The consultant supporting the IFI AG (PM Group) presented the re-modelled website which was well received. EIB asked if approved project fiches could be viewed on the website and whether information on procurement could be made available through the site both of which were confirmed as being possible (through links). It was also confirmed that the website could serve as a forum for communication between NIPACs although this could also be achieved using the Management Information System. The World Bank promised to provide the information required from their side and also commented that there would be benefit in having a common approach to the visual identity of the website and the Annual Report. It was agreed that the respective consultants should review the scope for achieving this in a simple manner. The EC recommended that a regular updating of information should be undertaken with information to be submitted one month before the Steering Committee meetings.

***Presentation of the projects database***

PMI presented the investment flows database that had been compiled using publicly available data existing since 2008. The information has been moved from Excel to a Relationship database and the contents broken down into i) Projects Investments and ii) Financing Arrangements. The database was focussed on the main WBIF sectors and contained a total of 707 projects amounting to €22 billion of investment. The next step will be to clean the registers and for them to be verified by the IFIs. DG Enlargement clarified that the purpose was to highlight the overall investment background that WBIF is a part of and reminded the meeting that it had been the MS who had insisted upon the database. It was further clarified that national investments are not included and that there is no threshold at present on the magnitude of an investment.

### **Review of IFI AG activities**

A summary of the IFI AG group related activities was presented. Two items highlighted were the preparation activities for the re-launch of the socio-economic working group and work related to horizontal/cross cutting issues including a synopsis of studies undertaken by the EC and IFIs on new growth initiatives.

### **Review and selection of the grants requested**

PFG6 screened the 7 grant requests submitted and passed five for assessment. The assessments had all been undertaken by the respective lead IFI and were presented to the meeting. Three were recommended for submission to the Steering Committee and two were considered not to be mature. The final recommendations for the 7 grant requests is summarised in the table below:

<b>Code</b>	<b>Title</b>	<b>Action</b>
<b>Approved for submission to the Dec 16 SC</b>		
WB4bis-REG-ENE-01	Albania – FYROM 400kV interconnection	EBRD assessed positively. Final approval from Min of Finance in FYROM still to be obtained but likely prior to SC. As service requested is FS this is not on critical path and so was recommended for approval.
WB4bis-MKD-ENE-03	Electricity production Zletovica	EIB assessed positively and justified the urgency of the application so that it was recommended for approval.
WB4bis-SER-ENE-05	Rehabilitation District Heating Systems – Phase IV	Urgent first phase (€0.5 million) assessed positively by KfW and recommended for approval.
<b>Not approved following assessment</b>		
WB4-SER-ENV-02	Integrated Solid Waste Management	EIB assessed and concluded that the project was not sufficiently mature.
WB4-BIH-ENV-08	Sarajevo WWTP reconstruction	EIB assessed and concluded that the project was not sufficiently mature.
<b>Considered not eligible</b>		
WB4-BIH-ENV-10	Landfill in NEUM Municipality	Considered not eligible as KfW, or another IFI of the WBIF, are not able to support this project.
WB4-BiH-ENV-12	Plava Voda Water Supply	Considered not eligible. Not immediately urgent and no funds are available for investment grants. It was agreed that it should wait until March 2011 when current design TA will be completed.

### **Conclusions of the meeting**

- **Minutes of the PFG 6 are approved**
- **The next Project Financiers' Group meeting (PFG 8) was confirmed for 23 and 24 March 2011 and will be held in Brussels. A proposed agenda will be circulated.**
- **The next Steering Committee meeting is scheduled for 16 December and will be held in London. The agenda is approved.**
- **The main principles of the review are approved and the co-chairs of the PFG will present the results during the next SC.**

- **The draft Annual Review was discussed and details agreed for finalisation**
- **The updated Annual Report was reviewed and will be finalised for presentation to the Steering Committee.**
- **The updated Monitoring Report was presented and discussed.**
- **The WBIF Management Information System is ready for launch in January 2011 and training of users was proposed.**
- **The updated WBIF website was presented and will go live before 16 December.**
- **The newly developed database capturing the investment flows into the Western Balkans was presented.**
- **The five project grant applications assessed by the IFIs were presented by the respective lead IFI. Three applications were recommended for approval to the Steering Committee and two were considered not to have reached sufficient maturity.**