

## WBIF PROJECT FINANCIERS' GROUP 6

Wednesday, 29 September 2010  
Belgrade Art Hotel, Knez Mihajlova 27, BELGRADE

### Minutes

#### Attendees:

|                         |                                     |             |
|-------------------------|-------------------------------------|-------------|
| GOFAS Christos          | DG ELARG                            | Joint Chair |
| GOKSU Engin             | EBRD                                | Joint Chair |
| DE BETHUNE Thomas       | DG ELARG                            |             |
| DI SEBASTIANO Valentina | DG ELARG                            |             |
| CINGOLANI Massimo       | EIB                                 |             |
| ARNOUX Jean-Marc        | EIB                                 |             |
| LOHR Jan-Willem         | EIB                                 |             |
| HEBRERO Luis            | EIB                                 |             |
| CLARKSON Caroline       | EBRD                                |             |
| VASISTHA Manish         | EBRD                                |             |
| HERRERA Leon            | CEB                                 |             |
| TABACARU Cristian       | CEB                                 |             |
| STRAUSS Reinhold        | KfW                                 |             |
| CVEK Nadja              | SID Bank Slovenia                   |             |
| PENNY Brian             | UK DFID                             |             |
| REINERTSEN Olav         | Ministry of Foreign Affairs, Norway |             |
| KARANTZIS               | U.F.A Athens, Greece                |             |
| O'MAHONY Mary           | PM Group                            |             |
| LAZENBY Jeremy          | WYG                                 |             |
| SINCLAIR Nicolas        | WYG                                 |             |
| EVMOLPIDIS Vassilis     | COWI                                |             |

*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 Belgrade 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 Management Information System, the monitoring of the projects, the communication plan, the annual report, the terms of reference for the review of WBIF and the 7 project grant applications submitted in September 2010. The project grant applications were screened with 5 being selected for assessment during the next Project Financiers' Group confirmed to be held in Brussels on 24 & 25 November 2010.

*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)*.

### ***Review of PFG Work Programme***

The planned future work programme was presented together with the objectives of the mission to five countries in the region over the period 27 Sept to 8 Oct. Concerning the status of EWBJF it was confirmed that 5.4m Euros remains in the fund. As far as future resources are concerned the EC confirmed that there would be 15m Euros of IPF funding available in 2011, 10m EUROS contribution to the EWBJF and also that there would be 20m Euros of funding available for private sector development. It was announced that the next call for projects would be prior to the March 2011 PFG meeting and that the deadline for submissions would be 10 February 2011; the NIPACs would be written to in November advising them of available resources. Calendar of WBIF events is also reviewed before the end 2010.

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

WYG presented the current development of the MIS which is planned to comprise three modules covering the project section process, the management of the projects under implementation and the monitoring of the WBIF pipeline. The first two modules have been completed and have reached "release candidate status" in terms of testing. The plan is that there will now be a review workshop for the IFIs followed by a narrow launch and training. At the same time the third module on monitoring will be developed in draft prior to the November PFG for completion by the end of the year. The full release and training is planned for January 2011.

### ***Monitoring of the WBIF pipeline***

WYG presented a first version of the monitoring report for comment and feedback. The report is four pages of text and seven tables which aim to summarise the composition of the pipeline, the status of project preparation and the status of project financing. Initial comments included: the need to add a glossary of definitions; the checking of loan data against the information in the EIB input pipeline database; the usefulness of providing more information on the value as opposed to the number of the grants; and the need in the longer term to measure the impact of the projects. It was agreed to circulate the report electronically for comment by 15 October and for an updated version to be produced for the November PFG meeting.

### ***WBIF Communication Plan***

DG Enlargement presented a draft communication plan broken down into: objectives; communication environment; target groups; messages/principles; plan and organisation; and reporting. This was well received and its importance as a means of attracting new funds was highlighted by Norway. EIB recommended that the press officers of the respective IFIs work together, if necessary by video conference, to develop a set of communication actions and this was accepted.

### **General strategic issues**

The consultant supporting the IFI AG reported that the IFI AG working group on transport had met in Brussels on 16<sup>th</sup> and 17<sup>th</sup> Sept and that priority projects for the Western Balkans had been reviewed. The consultant also presented the new draft version of the WBIF website and a link will be circulated which will allow people to view it and feedback comments before 15 October. It was announced that the next Steering Committee meeting would be held on 16 December in London with invitations to be issued before the next PFG meeting. The draft agenda was presented with a long list of potential topics and there was a discussion on how to manage this within the time available. The conclusion was that the transport sector will be presented following the suggestion of the IFI AG consultant and that it will be asked to some NIPAC to present their financial perspectives. A shortened agenda, with sufficient time for the review, will be re-submitted and presented to the CZ co-chairs.

### **Annual report**

WYG presented a first draft of the 30 page Annual Report for feedback and comment following the format agreed at the last Steering Committee meeting. Norway requested that there should be no differentiation between Member States and other donors with simply a reference to bi-lateral donors. It was agreed that the document should be circulated for comment, ideally in word format to allow track changes to be used. Comments should be sent by 15 October and a final draft will be presented at the November PFG meeting.

### **Review of the WBIF**

An outline of how the review would be undertaken was presented and it was confirmed that it would be undertaken by Pavel Stepanek (EWBJF Chair), Christos Gofas (EC), Massimo Cingolani (EIB), Engin Goksu (EBRD), and Léon Herrera (CEB). The scope of the review will cover: achievements of the WBIF so far; comparison with other blending mechanisms; performance assessment; co-financing principles in general; co-financing rules of EWBJF; extension of scope to all sectors and instruments; resources of the WBIF; review of cost coverage; monitoring and use of the logframe; pipeline; role of consultants; integration of World Bank/ bi-lateral donors; integration of IFI-AG group into WBIF; and possibility of pooling all grant resources into a single fund. The aim is to produce a report of 10 pages in length.

**Review and selection of the grants requested** Steering Committee No 2 had decided to review the 10 postponed projects at PFG6, if they were re-submitted, and DG Enlargement presented the 7 projects which had been submitted. Of the seven submissions three were indeed postponed projects and four were new projects. The actions agreed following discussions of each project were as follows:

| Code           | Title                             | Action   |
|----------------|-----------------------------------|--|
| WB4-BIH-ENV-08 | Sarajevo WWTP reconstruction      | PGDF to be revised by NIPAC to present the whole project. EIB to assess based on revised fiche.  |
| 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. |
| WB4-SER-ENV-02 | Integrated Solid Waste Management | EIB to assess but with questions to be answered: overlapping with EU IPA projects; ratification of   |

|                   |  |  |
|-------------------|--|--|
|                   |  | loan by Parliament; urgency.   |
| WB4bis-SER-ENE-05 | Rehabilitation District Heating Systems – Phase IV | First phase agreed to be urgent (0.5 million Euros). KfW to assess.              |
| WB4bis-REG-ENE-01 | Albania – FYROM 400kV interconnection              | Eligible. EBRD to assess.  |
| WB4bis-MKD-ENE-03 | Electricity production Zletovica                   | EIB to assess and provide answer to the question over justification for urgency. |

During the meeting the following general points were discussed:

**Database on upstream projects developed by EIB** – EIB consider it necessary to have an “input” pipeline including also **co-financed projects by 2 IFIs - even without grants**. EIB has developed a database up until August 2010 in collaboration with EBRD and CEB. They wish this work to be continued and kept up to date with the intention of adding all regional priority projects.

**Clarification on logframe** – DFID have an obligation to provide a single logframe for the whole of WBIF and not for each project.

#### Conclusions of the meeting

- **The next Project Financiers’ Group meeting was confirmed for 24 and 25 November 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 WBIF Management Information System, designed to specifically assist the operations of the PFG, will be completed and tested in the next three months and launched in January 2011**
- **The draft WBIF Communication Plan is approved and will be developed and implemented by IFI communication officers and EC with the objective of further developing the actions of communications**
- **Draft versions of the submitted Monitoring Report and Annual report will be circulated for comments to be received by 15 October with the aim of issuing revised drafts by 10 November**
- **The plan for undertaking the review of the WBIF was presented and the draft report will be presented at PFG 7**
- **The seven project grant applications received in September were screened. Five were passed for assessment (three of them with questions to be answered or revised fiche).**