



32nd PFG Meeting: 18 and 19 November 2021

Summary of Meeting

18 November: (closed) Project Oriented Session – PFG public sector

The PFG Co-chairs, DG NEAR and KFW welcomed participants to the 32nd WBIF PFG meeting, which, due to the pandemic situation was held fully virtual¹. DG NEAR informed participants about the WBIF's evolution and progress towards compliance with the IPA III Regulations². The IPA III multiregional programming is being finalised, including the WBIF, public and private sector blending and the guarantee facility. The EU financing packages and envelopes for WBIF amount to about €3 billion. For the period 2021-2023, an envelope of about €1.9 billion will be allocated to public and private sector blending and to the EFSD+ guarantee facility and various other instruments (REEP, GGF, etc.) The package will be presented to the IPA Committee, composed by EU Member States early in December, before the December WBIF Operational and Strategic Boards meetings. KFW referred to the strong WBIF project pipeline, which will assist the beneficiaries in their green and digital transition and recovery from the pandemic.

Status update: Joint Fund Balance

EBRD presented the Joint Fund Balance and confirmed that Luxembourg signed a new contribution agreement, resulting in an unallocated balance for the Bilateral Donors of over €1.2 million, and another €9.86 million in free funds from European Commission contribution.

Screening and Assessment TA Round 26 and INV Round 6

DG NEAR recalled the eligibility for TA Round 25 and INV Round 6, set at the 23rd WBIF SC virtual meeting³, applying also to TA Round 26 and extended INV Round 6⁴. DG NEAR further confirmed the approximate available funds of €11.06 million under the Joint Fund (€1.2 and €9.86 million), and another approximately €16 million under the IPF instrument.

TA Round 26

DG NEAR presented the status of TA Round 26. Overall, 6 applications were submitted, 1 screened negative, 2 GAFs will be merged into one (2 DII applications in ALB), thus 4 GAFs will be presented to the 1st WBIF Operational Board in December 2021. Details are shown in the table below. The Lead IFIs confirmed their commitment to these projects.

¹ Article 4.6.4 Rules of Procedure enable the PFG to take decisions also in video and teleconferences.

² Regulation (EU) 2021/1529 of 15 September 2021 establishing the Instrument for Pre-accession Assistance (IPA III).

³ Document 6, disseminated as background document to the 23rd WBIF Steering Committee meeting and approved via WBIF Written Procedure No. 44 following this meeting.

⁴ Following endorsement of these eligibility criteria and extension of INV Round 6 at the 31st WBIF PFG meeting.

#	Grant code	Short title	Lead IFI	TA amount (€)	Source of funds
1	WB26-ALB-DII-01	Establishment of High-Performance Computing for Government Institutions Data: Feasibility Study, Cost-Benefit Analysis	EBRD	1,000,000	Joint Fund
	WB26-ALB-DII-02	Setting up a Secure Information Exchange Network to Enable Regional Interoperability in Western Balkans: Feasibility Study, Cost-Benefit Analysis			
2	WB26-KOS-ENE-01	Development of Financial Models for KEEF for Investments in Energy Efficiency Measures for Residential and SME: Gap Analysis	EIB	200,000	IPF
3	WB26-ALB-ENV-01	Rehabilitation and Improvement of Agricultural Dams: Pre-feasibility Study	WB	1,000,000	Joint Fund
4	WB26-BIH-ENV-01	Secondary Sewerage Network for Mostar City: Feasibility Study Update, ESIA, Detailed Design, Tender Dossiers	EIB	700,000	IPF
Total				2,900,000	

Conditionalities: The two DII GAFs for ALB need to be merged into one. The GAFs for agricultural dams in ALB (WB26-ALB-ENE-01) and energy efficiency in KOS (WB26-KOS-ENE-01) need to be revised.

Bilateral Donors need time to contemplate financing of projects from the Joint Fund ahead of the PFG meeting. The other project would be financed from the funds from European Commission contribution.

The 32nd WBIF PFG endorsed the submitted applications under TA Round 26, screened and assessed positively, and, subject to fulfilment of the conditionalities (where applicable), will submit these to the 1st WBIF Operational Board for advisory opinion.

INV Round 6

DG NEAR presented the status of 11 applications received under the extended INV Round 6 and recalled the eligibility criteria and priorities for mature, investment ready flagship projects. 6 projects received positive screening and assessment. The Lead IFIs confirmed their commitment to these projects.

#	Code	Short title	Lead IFI	TA amount (€)	INV amount (€)	Grant incl. impl. fee (€)
1	WB-IG06E-SRB-DII-01	Rural Broadband Rollout Phase 2	EBRD	3,000,000	30,000,000	33,720,000
2	WB-IG06E-SRB-ENE-02	Trans-Balkan Corridor: Serbia – Montenegro – Bosnia and Herzegovina 400 kV Interconnection	KfW	1,540,000	6,960,000	8,700,800
3	WB-IG06-ALB-TRA-01	Tirana Bypass (Blue Highway)	EBRD	0	34,743,997	35,438,877
4	WB-IG06-BIH-TRA-09	Corridor Vc: Johovac Interchange – Vukosavlje Interchange Motorway Section	EIB	13,070,000	166,760,000	183,688,000
5	WB-IG06E-SRB-TRA-01	Corridor X: Stalać – Đunis Railway Section	EIB	150,000	80,000,000	81,756,000
6	WB-IG06E-SRB-TRA-02	Removal of WWII German Sunken Vessels from the Danube, Prahovo Sector	EIB	2,600,000	13,250,000	16,219,000
Total				20,360,000	331,713,997	359,522,677

The following have conditionalities attached, which can be fulfilled until the end of November 2021.

#	Grant code	Short title	Lead IFI	TA amount (€)	INV amount (€)	Grant incl. impl. fee (€)
1	WB-IG06E-SRB-ENE-01	Advanced System for Remote Meter Reading Phase 1A	EBRD	0	14,700,000	14,994,000
2	WB-IG06-ALB-TRA-02	Route 2: Vora/Vorë – Han i Hotit Railway Line	EBRD	7,600,000	125,813,039	136,233,300
3	WB-IG06-MNE-ENV-01	Podgorica Wastewater Treatment Plant	KfW	561,464	22,373,819	23,405,218
Total				8,161,464	162,886,858	174,632,518

Conditionalities attached to these 3 applications:

- WB-IG06E-SRB-ENE-01: Application to be improved/updated in line with the outstanding screening comments.
- WB-IG06-ALB-TRA-02: Outstanding conditions that must be met, i.e. proof of the country's capacity for implementing the infrastructure project (properly staffed PIU for the project), confirmation of the financing plan of the project (EIB loan co-financing request), connection of the railway line to the new Porto Romano.
- WB-IG06-MNE-ENV-01: Re-confirmation of the location of the wastewater treatment plant.

DG NEAR presented the applications positively screened and assessed with conditions on approval at 31st PFG in May 2021.

#	Code	Short title	Lead IFI	TA amount (€)	INV amount (€)	Grant incl. impl. fee (€)
1	WB-IG06-ALB-ENE-01	Vau i Dejës Floating Solar PV Plant	EBRD	460,000	2,136,562	2,657,693
2	WB-IG06-MKD-ENE-03	Oslomej 1 10 MW Solar PV Plant	EBRD	0	1,532,556	1,563,207
3	WB-IG06-BIH-TRA-04	Corridor Vc: Medakovo – Ozimice Motorway Subsection	EIB	5,770,000	73,302,600	80,769,452
4	WB-IG06-BIH-TRA-05	Corridor Vc: Mostar South – Kvanj Tunnel Motorway Subsection	EBRD	3,545,000	26,785,818	31,008,334
5	WB-IG06-KOS-TRA-01	Route 7: Pristina – Merdare Motorway Section (Peace Highway)	EBRD	0	38,045,835	38,806,751
6	WB-IG06-MKD-TRA-01	Corridor VIII: Kriva Palanka – Border with Bulgaria Railway Section	EIB	15,181,000	133,983,044	152,450,945

The conditionalities attached to all these 6 applications have been fulfilled.

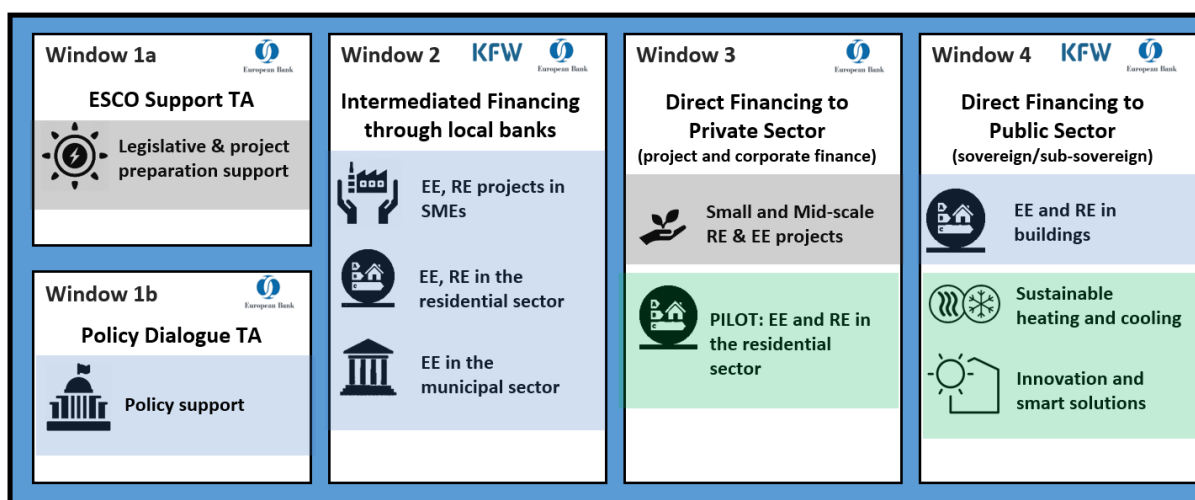
DG NEAR clarified that applications that did not pass screening can be resubmitted. Applications that did not pass assessment can be improved and resubmitted under INV Round 7. Applications conditionally endorsed by the 32nd PFG must be further improved and updated prior to the OB meeting on 17 December.

DG NEAR further informed that only mature and investment ready projects, in line with the eligibility criteria will be selected and submitted to the 1st WBIF Operational Board; therefore, it might be that not all projects discussed and endorsed at this 32nd PFG will be submitted. Italy requested the Bilateral Donors to be informed about the final selection of projects that will be submitted to the Operational Board.

The 32nd WBIF PFG endorsed the submitted applications under INV Round 6, screened and assessed positively, and, subject to fulfilment of the conditionalities (where applicable) and to a decision of DG NEAR, will submit these to the 1st WBIF Operational Board for opinion.

Presentation new contribution to REEP

EBRD presented an overview of the REEP objectives, activities and results to date. REEP is seen as an ideal instrument for the implementation of the EIP (Flagship 6 - Renovation wave), in line with the Green Agenda for the Western Balkans. The proposed replenishment of over €100.546 million would scale up financing of up to €1 billion. The replenishment would be spread over the REEP windows as shown below.



new activity

scale up

**including visibility budget and fees*

The **Energy Community Secretariat** welcomed the potential replenishment of REEP. The **EUD Serbia** mentioned that funds for REEP measures (e.g. for public buildings) are available under National IPA.

Projects with limited progress

DG NEAR presented projects with limited progress.

#	Code	Title	Lead IFI	Grant approved	Remaining funds	Source of funds	Reason
1	WB15-MKD-TRA-01	Preparation of Detailed Design for Construction of Motorway Section A2 Gostivar – Kichevo Phase 2: Subsection Gostivar – Gorna Gjonovica	EBRD	17/06/16	2.1 M	EWBJF	Cancelled by Beneficiary
2	WB15-SRB-ENV-01	Central Wastewater Treatment Facility in Novi Sad	EIB	17/07/18	0.6 M	IPF	Cancelled by Beneficiary
3	WB21-KOS-SOC-01	Kosovo*, Construction and Rehabilitation of Healthcare Infrastructure: Feasibility Study, Conceptual Design, Other	EIB	26/06/19	1.0 M	IPF	Limited progress
4	WB-IG03-MNE-TRA-01	Mediterranean Corridor: Montenegro – Croatia – Albania R1 Road Interconnection, Budva Bypass	KfW	06/12/18	42.1 M	EWBJF	No longer the main priority
5	WB-IG03-ALB-TRA-01	Reconstruction of Durrës Port, Quays 1 & 2	EBRD	06/12/18	27.7 M	EWBJF	Strategy change by Beneficiary

The respective Lead IFIs confirmed cancellation for No. 1, 2 and 5. Regarding WB21-KOS-SOC-01, EIB requested until the end of November 2021, and will engage with the beneficiary. Regarding WB-IG03-MNE-TRA-01 and WB-IG03-ALB-TRA-01, DG NEAR confirmed to send a formal communication to the beneficiaries.

18 November: (closed) Project Oriented Session – PFG private sector

The chair updated on the state of play of the IPA III programming for WBIF and briefly outlined the main items of the agenda.

Update on platform coordination

The EIF presented the main visibility activities in the last few months, focusing on the preparation of the new edition of the WB EDIF Annual Report, which will feature many interesting interviews and case studies. The EIF would share and publish the report, as well as any other visibility material on the EDIF website and disseminate it via various communication channels, including the WBIF website.

Investment priorities private sector: blending and budgetary guarantee

DG NEAR presented the WBIF Intervention Areas which include sustainable transport, clean energy, environment & climate, digital future, private sector and human capital focusing on the private sector blending investment priority and its key areas of interventions: green transition; sustainable agriculture; digital transition; trade and international value chains; financial inclusion; financial and financing diversification; and business climate development.

DG NEAR also briefly outlined the proposed investment windows, notably: (i) MSME financing, (ii) connectivity: energy, transport and digital, (iii) sustainable agriculture, biodiversity, forests and water, (iv) sustainable cities, (v) sustainable finance and impact investing and (vi) human development.

DG NEAR informed that two separate calls for proposals for funding would be launched at the beginning of 2022, one related to the EFSD+ with the Western Balkans Guarantee Facility, one related to WBIF blending operations. Projects and programmes underpinning the private sector competitiveness and development in Western Balkans would be part of both calls.

GAF private sector blending & MIS implementation

DG NEAR informed participants about the conclusion of the consultation process and drafting of the Grant Application Forms for the private sector blending, including its encoding in the WBIF management information system (MIS). Key result indicators have been identified and encoded so that the MIS can facilitate reporting requirements. PFG members would have till end of November to comment and revert to DG NEAR and the final version of the GAFs for the private sector will be conclude by end of 2021.

IFICO reported on the encoding of the private sector GAFs in the MIS and outlined the different steps of the appraisal and approval process, including new functionalities such as the possibility to download the GAFs as word documents, insertion of additional fields, pictures, maps and documents.

Informal Expert Group on private sector recommendations: Private sector/EDIF advisory group

The EIF illustrated the results and main recommendations made by the Informal Expert Group on private sector development (IEG). The IEG met three times between June and July 2021, was very well attended by IFIs, EUDs and local beneficiaries, and circulated a report and draft recommendations in August 2021. Main recommendation of the group can be clustered in three main strands (i) how to improve the effectiveness of financial instruments on the ground, (ii) the importance of technical assistance, and (iii) the need for a governance and WBIF structure more conducive for the private sector development.

The EIF noted that most of these recommendations have been reflected in the outline of the priorities investments for blending and in the draft text of the upcoming call for proposals for blending investments.

DG NEAR expressed appreciations for the work of the Informal Expert Group on private sector led by the EIF and to all the contributing IFIs.

Projects focus: state of play (tour de table per pillar)

Representatives from the EIF, EBRD, EIB presented the state of play of ongoing projects part of the each of the four pillars of the WB EDIF platform, notably equity, loans, guarantees and services. All projects are on track and no specific areas of concern was raised. It was noted that many projects are either fully deployed (e.g. equity, guarantee facility windows) or in very advanced status of deployment, and the real challenge will be to replicate and improve the success of said instruments with equally and more effective ones in the near future, whether blending for private sector or Western Balkans Guarantee Facility.

Prof. Sartore presented on behalf of the EIB the report on Prospective analysis of the SME sector in the Western Balkans.

The meeting ended at 17.30

The **PFG Co-chairs DG NEAR and KFW** welcomed participants. **DG NEAR** updated the PFG on the policy framework for the Western Balkans in the form of the Economic and Investment Plan (EIP), providing the blueprint for the entire region's recovery. The 10 flagships will be implemented with a substantial financial package over €9 billion, over seven years, expected to leverage €20 billion of private capital through the Western Balkans Guarantee Facility. The WBIF will play a key role in the implementation of the EIP, through 6 intervention areas: 1) Sustainable transport; 2) Clean energy; 3) Environment and climate change; 4) Digital; 5) Competitiveness of the private sector; and 6) Human Capital development. Following the "Policy first approach" principle, public and private sector blending and budgetary guarantees are two instruments, within the same toolbox, supporting these 6 intervention areas. Complementarity and synergies between blending and guarantees instruments must be ensured.

The IPA III regulation was adopted on 20 September 2021 and the multiregional programming is currently being finalised, with a substantially increased package for WBIF amounting to about €3.2 billion. The IPA III regulation requires updating of WBIF's governance, as already sketched out by DG NEAR's DDG Katarina Mathernová at the informal WBIF meeting in June 2021. The new governance will see, among other updates, an Operational and Strategic Board replacing the Steering Committee and participation of the EU 27 Member States in both advisory bodies.

The **PFG Co-chairs** expressed their gratitude to Constanze Kreiss, for her valuable contributions to WBIF over the past years.

PFG Co-chair statement

KFW⁵ reflected on WBIF's progress in this year of transition and implementation of the EIP. Vital components of WBIF will be transposed into the new governance, such as the inclusiveness and therefore preserving WBIF's platform nature. WBIF's achievements have been remarkable, EIP projects are already implemented and assisting beneficiaries in their recovery from the pandemic and in their green and digital transition. WBIF's policy steer can be reflected through WBIF's eligibility criteria and make, this way, an impact on the ground immediately. The IFIs particularly welcome the review of the co-financing rates, the extensions of REEP and the implementation of the recommendations of the informal expert groups.

WBIF governance

DG NEAR informed participants on the progress of transposition of relevant parts of the IPA III regulation. Under EFSD+, WBIF will cover blending operations (public and private) and budgetary guarantees for the Western Balkans. This requires updates to WBIF's governance, the main issues concerned are the new governance, namely the Strategic Board and the Operational Board, an updated membership structure and related voting, and full inclusion of the private sector and guarantee facility. Among other functions, the Strategic Board will provide for policy steer and the Operational Board will review the applications submitted by the PFG. At PFG level, the existing structures will largely remain in place.

The objective of the governance update is to keep the existing governance in place to the extent possible. For example, membership will cover all EU member states, but will be designed so that also (eligible) non-EU member states, such as Norway, will continue to be members of WBIF. Inclusiveness of WBIF will be preserved, as stated by Recital 44 of the IPA III Regulations: "*The specific strategic board for the EFSD+ operations covering the Western Balkans should continue to be as inclusive.*" The EU Parliament will have observer status.

⁵ Combines KFW's introductory and Co-chair statement.

Outcome of Discussion

It is understood that changes to the Rules of Procedure (RoP) have an impact on the General Conditions (GC). A consolidated version of the RoP will be submitted to the legal drafting group and the impact on the GC will be discussed there. The Assembly of Contributors will meet early in 2022 and adopt the updated GC and endorse⁶ the GAFs under the Joint Fund. The final updated version of the RoP needs to be presented to the new WBIF members, these are the EU member states not already WBIF members. Adoption is planned for the 1st WBIF Operational Board meeting by consensus.

Intervention areas: guarantee investment windows and blending investment priorities

DG NEAR presented the 6 WBIF Intervention Areas for the Western Balkans: (1) sustainable transport, (2) clean energy, (3) environment & climate, (4) digital future, (5) private sector and (6) human capital. Two sets of instruments will deliver on these, the Western Balkan Guarantee Facility (EFSD+) under the Investment Windows and WBIF Blending (public and private) under Investment Priorities. The Guarantee Facility is split into the EIB dedicated window and the “open architecture”, which is available for all IFIs. The EIB window covers sovereign non-commercial lending exclusively, while commercial sub-sovereign lending and access to finance for SMEs is open for both instruments. The Open Architecture offers the following six Investment Windows: 1. MSME finance, 2. Connectivity: Energy, Transport and Digital, 3. Sustainable Agriculture, Biodiversity, Forests and Water, 4. Sustainable Cities, 5. Sustainable Finance and Impact Investing and 6. Human Development. The 6 Investment Priorities under Blending are: 1. Sustainable Transport; 2. Clean Energy; 3. Environment & Climate; 4. Digital future; 5. Competitiveness of the private sector; and 6. Human capital development. The instruments under Blending are INV and TA grants but could also concern risk-sharing and equity participation in funds.

Outcome of discussion⁷

DG NEAR confirmed that details on the delineation of Investment Areas, Windows and Priorities and the respective eligibility criteria will be provided in writing. If the European Commission cannot finance a specific project, for example social sector infrastructure (other than digitization and energy efficiency), then aside from national IPA, also the Bilateral Donors may consider financing of these. Under the Environment and Climate, the EC will concentrate on larger projects, smaller ones can be supported by either the Bilateral Donors or national IPA/SOPs. DG NEAR offered dedicated (virtual) informative sessions with IFIs and NIPAC/beneficiary representatives (such as Ministries of Finance) in the coming weeks.

Recommendations from Informal Expert Groups

DG NEAR presented the main recommendations issued by the Informal Expert Groups (IEG)⁸, each led by a Lead IFI. Recommendations were received, presented and discussed in the main WBIF Working Group meetings, together with concrete actions and implementation progress already underway. The recommendations of the IEG on Acceleration of Implementation (TA and INV) are split into before, at/during and after GAF submission. These concern specific measures addressing project maturity issues and capacity shortfalls. The IEG on the Green Agenda split their recommendations into short and medium term, some general and some others sector specific. Overall, these relate to the alignment of the WBIF pipeline with the Green Agenda, including the greening of existing projects. The Grant Application Forms and guidelines for both the Acceleration and Green Agenda recommendations are being updated. The IEG on Integrated and Socially Responsible Procurement (ISRP)

⁶ In the past, under the “old” governance, was deemed to have met consecutively with the WBIF Steering Committee.

⁷ Comments raised here relating to the co-financing rates are included in the section below (on co-financing rates).

⁸ The informal expert group on “efficient capital investment planning” is still active and will issue their recommendations in February 2022.

recommends a pilot project be implemented under WBIF and based on the demonstrable benefits of this project, institutionalization of ISRP. The IEG on Private Sector delivered 3 main “umbrella” type of recommendations, addressing an increase in effectiveness and thus impact of the private sector instruments on the ground, better coordination of TA measures and efficiency gains in better governance.

Outcome of Discussion

DG NEAR confirmed that the specific requirement for the Ministry of Finance to confirm project financing plans only applies to public blending. Issues related to maturity of project at submission state of applications will also be addressed by the update of the GAF and guidelines. **EIB** offered to share the final presentation of the IEG on the acceleration of implementation.

The 32nd WBIF PFG unanimously endorsed the final recommendations submitted by the Informal Expert Groups.

Economic and Investment Plan flagships: synergies WBIF and IPA national programming & Update on co-financing rates

DG NEAR presented the delineation of the support provided under WBIF and national Sectoral Operational Programs (SOP).

Inv. Priorities	Sub-sector	SOPs/bilateral programmes	WBIF /investments in public infrastructure
TRANSPORT	Roads infrastructure	<ul style="list-style-type: none"> Roads not included in core network 	<ul style="list-style-type: none"> Core transport network
	Railways infrastructure	<ul style="list-style-type: none"> Railway stations (rehabilitation/modernisation) 	<ul style="list-style-type: none"> Railway TEN-T Core networks
	Maritime transport/inland waterways	<ul style="list-style-type: none"> Coastal protection Inland waterways non-core network 	<ul style="list-style-type: none"> Port infrastructure Inland waterways - core network
	Intermodality		<ul style="list-style-type: none"> Terminals / multi-modal hubs
	Urban Mobility	<ul style="list-style-type: none"> sustainable transport* 	<ul style="list-style-type: none"> Rapid transit systems
ENERGY	electricity	<ul style="list-style-type: none"> Transmission of internal electricity transmission lines, if not on the PECE/PMI lists, that significantly contributes to market integration and/or to the integration of RES distribution 	<ul style="list-style-type: none"> Transmission lines digitalization of the network energy storage
	Renewable energy production		<ul style="list-style-type: none"> solar, wind farm, etc
	Energy efficiency	<ul style="list-style-type: none"> public buildings district heating 	<ul style="list-style-type: none"> public buildings, (only hospitals and education facilities)+ REEP Facilities for SMEs and private dwellings (GGF, REEP)
	hydrocarbons		<ul style="list-style-type: none"> gas pipelines (including pipe interconnectors) underground gas storage
DIGITAL	infrastructure	<ul style="list-style-type: none"> e-governance, e-procurement, e-education, e-health, electronic public services projects supporting alignment with EU's rules related to data protection EU practices to mitigate cybersecurity risks 	<ul style="list-style-type: none"> ultra-fast and secure broadband with a view to ensure universal access secure, energy-efficient and trustworthy data centres, edge and cloud infrastructures, as well as linking to EU initiatives on high performance computers and/or GEANT programme Exploring synergies with other connectivity areas such as transport and energy in the context of infrastructure sharing (e.g. Balkans Digital Highway)
ENVIRONMENT	Water management	<ul style="list-style-type: none"> Drinking water and waste water (≤ 15 million)* River basin management/flood prevention 	<ul style="list-style-type: none"> Drinking water and waste water (> 15 € million)
	Waste management	<ul style="list-style-type: none"> Waste management centres (≤ 20 € million)* closure of non-compliance landfill Equipment* 	<ul style="list-style-type: none"> Waste management centres (> 20 € million)

Inv. Priorities	Sub-sector	SOPs/bilateral programmes	WBIF /investments in public infrastructure
			<ul style="list-style-type: none"> closure of non-compliance landfill (only if in association with waste management centres)
	Air quality/noise	<ul style="list-style-type: none"> Services/ works/ equipment * 	<ul style="list-style-type: none">
	Nature protection	<ul style="list-style-type: none"> Management of natural resources, resource protection (deployment of reservoirs, irrigation; ecological green and blue infrastructures; ecosystem restoration and resilience; restoration of carbon rich habitats; water retention)* 	
	Industrial pollution/chemicals	<ul style="list-style-type: none"> Services (studies) cleaning of chemical dump-sites on local level 	<ul style="list-style-type: none"> industrial decarbonisation and depollution (including through WBIF private sector)
HUMAN CAPITAL DEVELOPMENT	Health	<i>Not a priority under SOPs, to be addressed through bilateral programmes:</i> <ul style="list-style-type: none"> any activity in line with IPA III programming framework, EIP, ERP 	<ul style="list-style-type: none"> Only interventions related to digitalisation and energy efficiency
	Education & Skills	<ul style="list-style-type: none"> Investments contributing to the Economic and Investment Plan Flagship 10 Youth Guarantee* any other activity in line with IPA III programming framework, EIP, ERP* 	<ul style="list-style-type: none"> Only interventions related to digitalisation and energy efficiency
	Social inclusion	<ul style="list-style-type: none"> any activity in line with IPA III programming framework, EIP, ERP* 	
	Employment	<ul style="list-style-type: none"> any activity in line with IPA III programming framework, EIP, ERP* 	

* Priority areas for Sector Operational Programmes.

The proposed co-financing rates are as follows (~~strike through~~ shows the amended rate):

Investment Priority	max. co-financing rate (%)
Sustainable Transport	
Roads construction and re-construction	40
Railways (new construction, rehabilitation, track renewal, signalling, telecommunication, etc.)	50
Rapid Urban Transit Systems (part of Urban Mobility)	40
Inland waterways and ports	50
Maritime ports	50
Clean Energy / Energy Efficiency	
Energy supply - renewable energy sources	30 ²⁰
Energy interconnections, electric power transmission, distribution, electrification of urban and rural areas	20
Energy efficiency in buildings (REEP+)	30 ⁵⁰
Gas infrastructure, future-proof gas pipelines	20
Environment and Climate Change	
Drinking water treatment and supply, waste water collection and treatment, sewerage systems	70 ⁵⁰
Waste management (collection, source-separation, recycling, treatment and disposal technologies),	70
Flood prevention and protection infrastructure,	70
Digital Infrastructure	
Ultra-fast and secure broadband roll-out (particular focus on connecting 'white zones' / rural area, education and healthcare institutions)	30 ⁹
Energy-efficient and secure data centres, high performance computers	30
Exploring synergies with other connectivity areas such as transport and energy in the context of infrastructure sharing (e.g. Balkans Digital Highway)	30
Social Infrastructure	
Digitalisation and energy efficiency in public universities, schools	30
Digitalisation and energy efficiency in hospitals and health centres	30

⁹ In line with the co-financing rates proposed for the telecom sector under the Connecting Europe Facility (as of 2019)

Outcome of Discussion

DG NEAR informed that infrastructure not covered under WBIF, such as district heating, prisons, could be eligible under national IPA programs, for district heating the “old” co-financing rate applies (50%). The thresholds for large projects represent the grant amount and provide early guidance for applicants to decide whether to submit a project under WBIF or national IPA. In this respect, Bilateral Donors are encouraged to consult with beneficiaries and IFIs for the support of smaller projects outside the presented sectors and financial IPA thresholds. Further, the thresholds can be discussed and adjusted slightly, subject to justification. Gas projects will be eligible under WBIF, provided these contribute, as transition fuel, to the objectives of the Green Agenda. On the co-financing rates and thresholds, IFIs and NIPACs/beneficiaries will be consulted further. The “previous” sectors and sub-sectors are now either under WBIF’s Investment Priorities, or under the national programs, IFI’s portfolios should thus not be affected. The “regional requirement” for the environment and climate change, and human capital will be dropped.

Summary on TA Round 26 and INV Round 6; Overview Projects with insufficient progress

DG NEAR presented the outcome of Day 1 public blending session and an overview of projects with insufficient progress.

WBIF Secretariat Updates

The **WBIF Secretariat** announced that presently 2 TA rounds are planned for the coming year, and 1 INV round, covering both public and private blending. Due to the uncertain pandemic situation, dates and venues will be fixed at a later stage.

Communication and Visibility

DG NEAR presented the main Communication and Visibility (C&V) activities and products delivered and/or under finalisation. C&V covers three main areas: (1) a comprehensive grasp of the narrative under WBIF, which can be found in the Annual Report and the website. (2) reflection and presentation of C&V products through the updated factsheets and summaries, covering sectors, beneficiaries, corridors, WBIF as such. Most of these are available in all local languages, as well as in English. (3) synergies and coordination in the dissemination of WBIF’s C&V products, via in-house and external platforms and media channels. At present, the WBIF website is being updated and a modern, comprehensive and all instruments encompassing website will be launched ahead of or at the upcoming 1st WBIF Strategic and Operational Board.

AOB

DG NEAR informed that while the new governance structure will be different, GAF/project presentation will be in the Operational Board meeting (as usual), with a scene setter introduction for the new members of the WBIF.

Annexure

1. Final agenda
2. Chat transcript (relevant parts)
3. List of participants

All submitted as separate documents.

----- End of summary -----