



**European
Investment
Bank**

The ED bank

EIB workshop on disbursements and monitoring Ukraine Transport Framework Loans

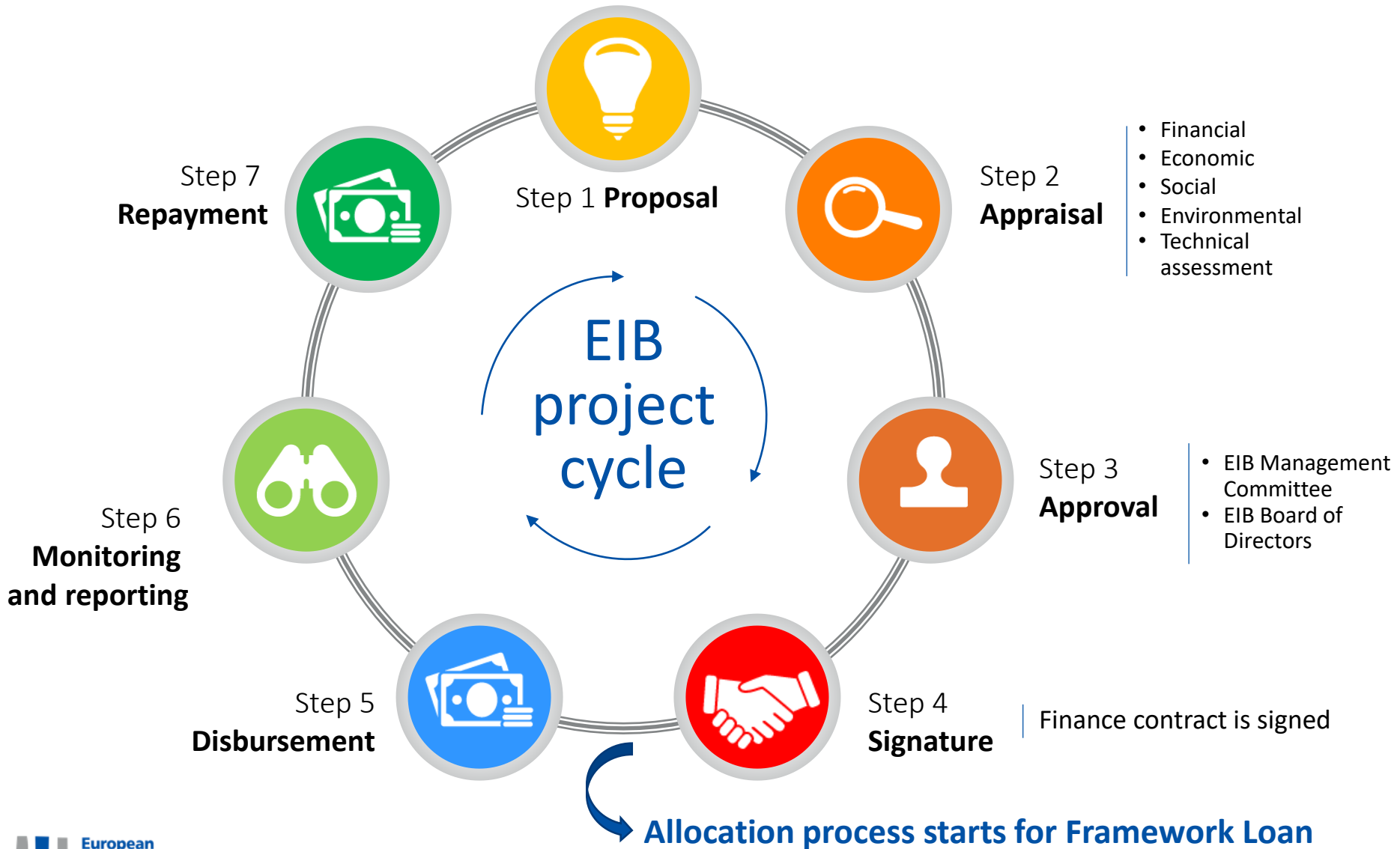
Kiev, 11 March 2019

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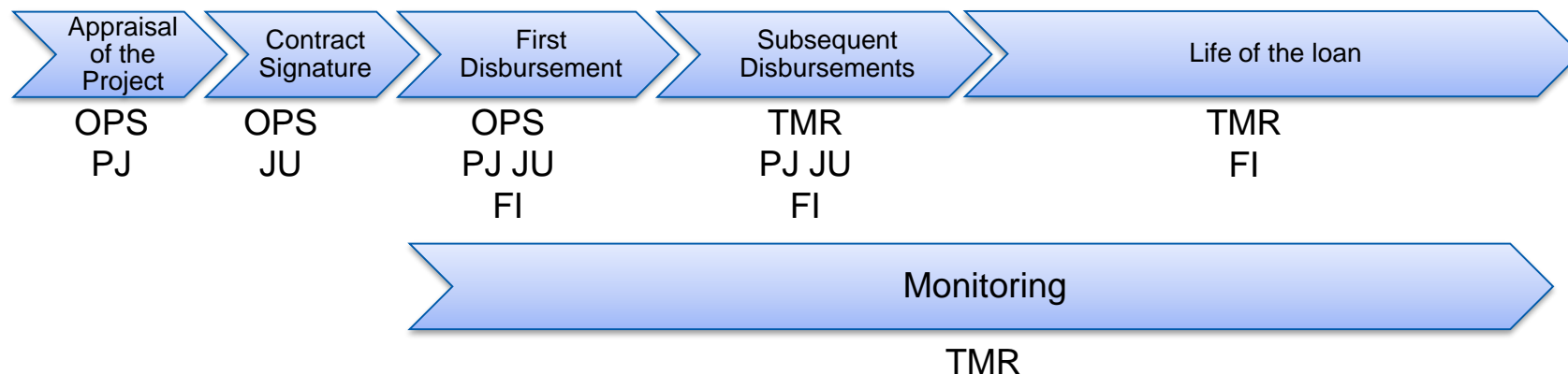
1. EIB project cycle and involved services



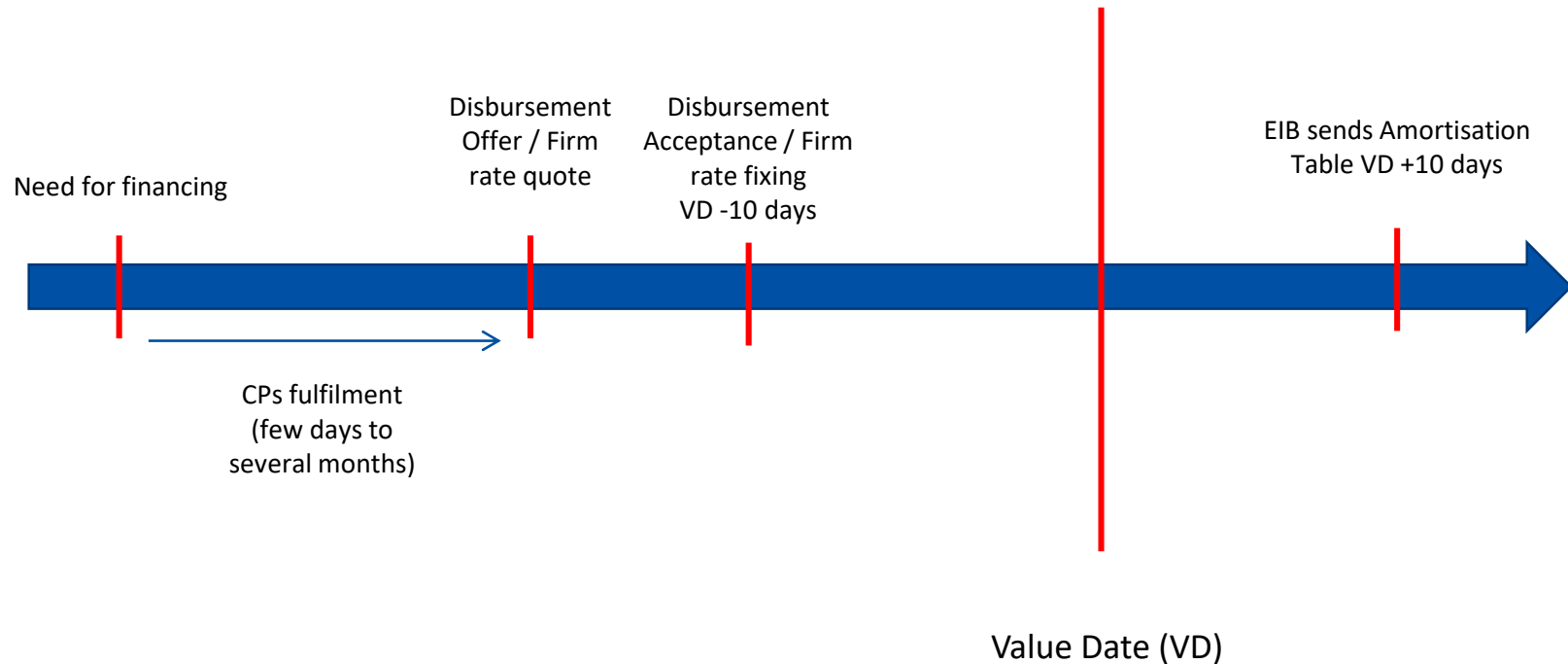
1. EIB project cycle and involved services

Out of 11 directorates:

- Operations Directorate (OPS)
- Projects Directorate (PJ)
- Legal Directorate (JU)
- Finance Directorate (FI)
- Transaction Management and Restructuring (TMR)



2. Timeline of the disbursement process



3. Finance Contract's important articles

- Art 1.02 – Disbursement procedure
- Art 1.04 – Conditions Precedent
(First, all or particular Tranches)
- Art 1.05 Deferment of disbursement
- Art 3 Interest rate
- Art 4 Repayment methodology
- Art 5 Payment dates

4. Fulfilment of the conditions precedent UKRAINE URBAN PUBLIC TRANSPORT FL

- Art 1.04 A - Conditions for the First Tranche
 - Legal opinion
 - No consent under exchange control legislation
 - No conflict with IMF Debt Operation
 - Operational programme management and support unit ("PMSU")
 - Established Steering Committee
 - Approved programme procedures manual ("PPM")

4. Fulfilment of the conditions precedent UKRAINE URBAN PUBLIC TRANSPORT FL

- Art 1.04 B - Conditions for second and subsequent Tranches
 - **Utilisation of the Tranche:** min. 60% of all previous disbursements available to the Final Beneficiaries (“FB”) pursuant to Loan Fund Transfer Agreements (“LFTAs”) for eligible costs.

4. Fulfilment of the conditions precedent UKRAINE URBAN PUBLIC TRANSPORT FL

- Art 1.04 C - Conditions for all Tranches
 - Disbursed amount in State budget
 - Disbursed amount to be utilised within 6 months
 - Borrower's certificate
 - **Project Implementation Agreement (PIA) between FB, MoI and MoF if allocation > EUR 50m**
 - Signatures autorisation and specimen
 - Authorisations
 - Fees
 - Technical support to PMSU and FBs
 - Procurement plan and disbursement schedule
 - Finance Contract's facts and information still valid

4. Fulfilment of the conditions precedent UKRAINE URBAN ROAD SAFETY

- Art 1.04 A - Conditions for the First Tranche
 - Legal opinion
 - No consent under exchange control legislation
 - No conflict with IMF Debt Operation
 - Operational programme management and support unit ("PMSU")
 - Established Steering Committee
 - Approved programme procedures manual ("PPM")
 - **PIUs established by all FBs**
 - **Effective LFTA**
 - **Technical support to PMSU and FBs**

4. Fulfilment of the conditions precedent UKRAINE URBAN ROAD SAFETY

- Art 1.04 B - Conditions for all Tranches
 - Disbursed amount in State budget
 - Disbursed amount to be utilised within 6 months
 - Borrower's certificate
 - Signatures autorisation and specimen
 - Authorisations
 - Fees
 - **PIUs and PMSU in place**
 - Procurement plan and disbursement schedule
 - **Alignment with PPM / Guide to Procurement**
 - Finance Contract's facts and information still valid

5. Disbursement Offer/Acceptance & rate setting

- Once all CPs fulfilled, at least 10 days before VD
- Different verifications
 - Amount
 - Interest rate and capital repayment
 - First and last repayment dates
 - Bank account
 - Authorised signatories etc.
- Disbursement Offer/Acceptance
 - Firm quotation calculated
 - Disbursement Offer issued by EIB (Schedule C template)
 - Countersigned by Borrower as Disbursement Acceptance
 - Firm quotation accepted



Art 1.05 Deferment of disbursement

6. Documents sent by the EIB

- Amortisation Table
- Payment Advice
- Interest Rate Notification (floating rates)



Clients will have access to a repository which includes their current key financial data and relevant loan notifications.



What can you do with ClientConnect?

ClientConnect provides access to a wide range of key financial information related to loans:

- € **Contracts:** an overview of all the contracts per client number and contract number
- € **Disbursements:** the full list of disbursements and details of the disbursement schedule
- € **Repayments:** information on the repayment schedule
- € **Fees and indemnities:** information on fees and indemnities

Clients will also have the possibility to download selected notifications and to submit questions related to their account.

<https://clientconnect.eib.org/subscribe>

➤ Need more information? Please contact:

clientconnect-helpdesk@eib.org

Phone: +352 43 79 25 555

Fax: +352 43 79 66 198

<https://clientconnect.eib.org>

7. Next disbursement(s)

- After first disbursement and full allocation (except specific cases)
- EIB projects transferred to Transaction Management and Restructuring Directorate (TMR)
- Monitoring Officer: Slawomir Zultak
- Disbursement Officer:
TMRdisbursements@eib.org

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PART 2 – EIB loan administration

1. Project progress monitoring
2. Counterpart monitoring
3. Know Your Customer (KYC)

1. Project progress monitoring

Project Progress Reports ("PPR")

- FC art. 8.01(d) -> Schedule A.3, §3
- Frequency: semi-annually
- Content: Update on
 - Allocation process
 - Technical support
 - Expected completion
 - Sub-projects costs
 - Issues with social or environmental impact
 - Procurement procedures
 - Sub-Projects' demand or usage
 - Risks affecting Sub-Projects' operation
 - Legal actions
 - (road accidents and PPM monitoring indicators for URS)

1. Project progress monitoring

Project Completion Report (“PCR”) and 1st year of operation

- FC art. 8.01(d) -> Schedule A.3, §4
- Frequency: 15 months after project completion
- Content: Final status of
 - Allocation process
 - Sub-projects’ completion
 - Sub-projects’ costs
 - Employment
 - Issues with social or environmental impact
 - Procurement procedures
 - Sub-Projects’ demand or usage
 - Risks affecting Sub-Projects’ operation
 - Legal actions
 - PPM monitoring indicators
 - (road safety impact for URS)

1. Project progress monitoring

Reporting 3 years after PCR

- FC art. 8.01(d) -> Schedule A.3, §5
- Frequency: 3 years after PCR
- Content: Final status of
 - PPM monitoring indicators

All reporting in English

2. Counterpart monitoring

Annual Project account audit

- FC art. 8.02(a)
- Deadline: Within 6 months after FYE
- Content:
 - Audited Project accounts and auditor's reports in English

3. Know Your Customer (KYC)

- In application of “EIB Group Anti-Money Laundering and Combating Financing of Terrorism”
- Regular review of KYC identification data:
 - When new EIB project approval and/or signature;
 - When post-approval change affecting KYC (change of ownership etc.);
 - On a case-by-case basis at the request of EIB Compliance Directorate.

Thank you!

Questions... Answers