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1. EIB project cycle and involved services

Step 1: Proposal
- Proposal submitted

Step 2: Appraisal
- Financial assessment
- Economic assessment
- Social assessment
- Environmental assessment
- Technical assessment

Step 3: Approval
- EIB Management Committee
- EIB Board of Directors
- Finance contract is signed

Step 4: Signature
- Finance contract is signed

Step 5: Disbursement
- Allocation process starts for Framework Loan

Step 6: Monitoring and reporting

Step 7: Repayment

European Investment Bank Group
12/03/2019
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

- Need for financing
- Disbursement Offer / Firm rate quote
- Disbursement Acceptance / Firm rate fixing VD -10 days
- EIB sends Amortisation Table VD +10 days

CPs fulfilment (few days to several months)

Value Date (VD)
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
  o Legal opinion
  o No consent under exchange control legislation
  o No conflict with IMF Debt Operation
  o Operational programme management and support unit ("PMSU")
  o Established Steering Committee
  o 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
  o Disbursed amount in State budget
  o Disbursed amount to be utilised within 6 months
  o Borrower’s certificate
  o Project Implementation Agreement (PIA) between FB, MoI and MoF if allocation > EUR 50m
  o Signatures autorisation and specimen
  o Authorisations
  o Fees
  o Technical support to PMSU and FBs
  o Procurement plan and disbursement schedule
  o 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
  o Legal opinion
  o No consent under exchange control legislation
  o No conflict with IMF Debt Operation
  o Operational programme management and support unit ("PMSU")
  o Established Steering Committee
  o Approved programme procedures manual ("PPM")
  o PIUs established by all FBs
  o Effective LFTA
  o 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 authorisation 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](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