

Eastern Partnership Technical Assistance Trust Fund (EPTATF)

Rules of establishment and administration



European
Investment
Bank

The EU bank 

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As adopted by the EIB Board of Directors on 5 May 2021.

WHEREAS

Considering the need for technical support for project preparation and implementation in Eastern Partnership Countries¹, and building on successful experience of the European Investment Bank (EIB) in managing similar activities for the Mediterranean region, it was proposed to establish a funding instrument for that purpose dedicated to Eastern Partnership Countries.

In its meetings of 14 July and 21 September 2010, the EIB Board of Directors approved the proposal for the establishment of a multi-purpose and multi-sectoral fund, the Eastern Partnership Technical Assistance Trust Fund (the “EPTATF”). By a subsequent decision dated 27 April 2018 (the “2017 Amendment”), pursuant to a unanimous decision of the Donors, the EIB Board of Directors has approved the revised rules of the EPTATF (the “EPTATF Rules”). By a later decision dated 5 May 2021 (the “2021 Amendment”), pursuant to a unanimous decision of the Donors, the EIB Board of Directors has approved these revised rules (the EPTATF Rules).

Article 1 PURPOSE

1.1 General Purpose

The EPTATF is a multi-year standing fund. Its purpose is to enable the European Investment Bank to provide technical assistance to improve the quality and development impact of the Bank’s Eastern Partnership operations through targeted technical support.

1.2 Guiding principles

The EPTATF shall enable the Bank to contribute to successful and faster implementation of investment projects based on the following guiding principles:

- *Complementarity*: the EPTATF finances activities that cannot currently benefit from similar resources under existing Bank mandates in the Eastern Partnership Countries. The EPTATF therefore complements and averts duplication with existing instruments.

¹ Eligible countries of the EPTATF are: Armenia, Azerbaijan, Belarus, Georgia, Moldova, Ukraine.

- *Catalytic Impact*: the EPTATF encourages catalytic opportunities, by providing funding for activities that can contribute to subsequently mobilizing resources, partners, or further technical assistance in supported areas.
- *Ownership*: the EPTATF is a demand-driven instrument, i.e., activities for which a concrete, tangible demand already exists on the ground. The Bank, acting as the administrator of the EPTATF, shall consult with Eastern Partnership Countries as to priority areas of activity. The EPTATF will ensure that partner countries are involved throughout the duration of supported operations.
- *Cost-Sharing*: Final beneficiaries, whenever possible, shall make an appropriate contribution to the operations financed under the EPTATF in accordance with modalities to be determined by the Contributors and the Bank.
- *Flexibility*: to conform to the principles above, the EPTATF shall be a relatively flexible instrument, capable of providing rapid support, and of responding to the evolving needs of the Eastern Partnership Countries, in accordance with the activities referred to in Article 3.1.

Article 2 RESOURCES

2.1 Resources

The resources of the EPTATF shall consist of:

- amounts accepted by the Bank for inclusion in the EPTATF pursuant to Articles 2.2 to 2.4;
- any income generated by the activities of the EPTATF and any capital returned on completion of an operation; and
- the interest accrued on the balance of the EPTATF Account.

2.2 Contributions

- Any Member State of the European Union, the European Commission, beneficiary countries as well as other interested countries or entities (a "**Contributor**") may contribute funds (a "**Contribution**") to the EPTATF. Such funds shall be contributed by a Contributor pursuant to a letter ("**Contribution Instrument**"), which shall be delivered to the Bank and shall specify the amount of the Contribution. The Contribution Instrument includes the elements listed in Annex 1 hereto and may contain such other matters as may be required or permitted by these Rules.
- By signing a Contribution Instrument, the Contributor shall be deemed to accept the application of these EPTATF Rules to the funds contributed under such Contribution Instrument.
- A Contribution can be provided at any time of the duration of the EPTATF. A Contributor may also at any time decide an increase in the amount of its Contribution by delivering a further Contribution Instrument. The provisions of these EPTATF Rules relating to Contributions shall apply equally to additional amounts so contributed.

- d) Up until the 2017 Amendment, Contributions from EU and EFTA countries as well as beneficiary countries and the European Commission are automatically accepted upon receipt of the Contribution Instrument and payment of the funds. Following the 2017 Amendment, Contributions from Contributor are accepted upon approval by the Bank. Contributions from other interested countries are subject to approval by the Contributors Committee and the Bank.

2.3 Payment of Contributions

Each Contribution shall be denominated in euro and shall be made available to the Bank in immediately available funds. Contributions shall be made (i) as a single installment, or (ii) in tranches as set out in the relevant Contribution Instrument.

2.4 Replenishment

When available resources in the EPTATF after disbursements and commitments for projects amount to less than one million euros (€ 1,000,000), the Bank may request from any Contributor a Contribution or, as the case may be, a further Contribution by way of replenishment, in accordance with article 2.2.

Article 3

OPERATIONS

3.1 Scope of Activity

Within the Bank's mandate the EPTATF will support, mainly in the public sector, capacity building through the financing of pre-feasibility and feasibility studies, institutional and legal appraisals, environmental and social impact assessments, project management and borrower support through the project implementation process, as well as financing upstream studies and horizontal institutional activities directly or indirectly fostering private sector growth.

3.2 Approval of Operations

- a) Potential operations shall first be submitted for approval to the Bank Management Committee, or otherwise approved in accordance with the Bank's rules of delegation. If approved by the Bank Management Committee, including in accordance with the Bank's rules of delegation, operations shall then be submitted for approval to the Contributors Committee as defined by, and in accordance with, Article 4 (operations approved by the Contributors Committee shall be referred to as the "**Eligible Operations**").
- b) Operations cannot be eligible if available resources in the EPTATF after disbursements of contributions minus existing commitments for projects and administrative fees amount to less than the proposed amount for the operation.
- c) The Bank may extend the implementation of an operation beyond the period approved by the Contributors by up to 50% without the approval of the Contributors' Committee. Any extension beyond that time will require the approval of the Contributors Committee.

Article 4

CONTRIBUTORS COMMITTEE

4.1 Purpose

The Contributors Committee serves as an advisory and decision-making body for the EPTATF, by providing guidance on the EPTATF's strategy and orientations and by approving proposals.

4.2 Membership and Rules of Procedure

- a) Each Contributor who has signed and sent a Contribution Instrument to the Bank shall have the right to be represented in the Contributors' Committee and to participate in its meetings, provided that only Contributors who have, at the date of the meeting of the Committee, paid part or all of their Contribution may vote.
- b) Rules relating to the organisation of meetings, quorum and vote are governed by the Rules of Procedure of the EPTATF Contributors Committee (the "**Rules of Procedure**").
- c) The Contributors Committee approves the Rules of Procedure. The Rules of Procedure shall be in line with the Rules Relating to the Establishment and Administration of the EPTATF contained in this document (the "EPTATF Rules"). In the event of there being a conflict between the EPTATF Rules and the Rules of Procedure, the EPTATF Rules shall prevail.
- d) The Rules of Procedure may be modified by a unanimous decision of the Contributors Committee on a proposal by the Bank.

4.3 Responsibilities

The Contributors Committee shall:

- i. determine the principal orientations and strategies of the EPTATF;
- ii. authorise the use of EPTATF resources for operations submitted to it by the Bank, in accordance with the provisions of Article 3.2;
- iii. review the effectiveness of the activities financed with the resources of the EPTATF;
- iv. approve the annual EPTATF financial statements in accordance with Article 6.2;
- v. approve a report on the activities financed with the resources of the EPTATF (the "**Annual Report**");
- vi. ensure that the appropriate visibility is given to the activities financed by the EPTATF, taking into account the needs of the various Contributors;
- vii. approve or reject proposed amendments to the EPTATF Rules, in accordance with Article 9;
- viii. approve and revise its Rules of Procedure in accordance with Article 4.2;

- ix. approve the minutes of the Contributors Committee in accordance with the Rules of Procedure;
- x. exercise other functions that may be necessary from time to time to contribute to the achievement of the objectives of the EPTATF; and
- xi. decide the termination of the EPTATF, in accordance with Article 8.

Article 5

ADMINISTRATION AND MANAGEMENT

5.1 Administration

The EPTATF and its resources will be managed and administered by the Bank acting on behalf of the Contributors in accordance with Article 5.2 below, the provisions of these EPTATF Rules and such other guidelines which may be adopted by the Contributors Committee in accordance with these EPTATF Rules.

The Bank shall fulfill its role by:

- i. making available the Bank staff and other experts with the skills and competence required to administer the EPTATF;
- ii. preparing and administering Eligible Operations, including entering into agreements with beneficiaries, where appropriate, and otherwise operating the EPTATF in accordance with the provisions of these EPTATF Rules;
- iii. liaising and coordinating, to the extent necessary to fulfill its managerial role, with Contributors and other relevant partners;
- iv. preparing the Annual Report for review and approval by the Contributors Committee;
- v. preparing the meetings of the Contributors Committee and serving as secretariat of such meetings;
- vi. drawing up an indicative programme of activities for the EPTATF for submission to the Contributors Committee;
- vii. submitting to the Contributors Committee all agreed reports detailed in Article 6.4 of these EPTATF Rules and technical documentation, including the Annual Report. Such reports will provide a comprehensive overview of the implementation of the EPTATF's programme.
- viii. ensuring that in communicating internally and externally, appropriate visibility is given to the EPTATF and its Contributors; and
- ix. carrying out such other functions as may be necessary for the efficient administration of the EPTATF, except for functions which pertain to the competence of the Contributors Committee and have not been delegated to the Bank.

5.2 Operating Procedures

The Bank shall manage the EPTATF and all operations thereunder in accordance with its rules and procedures. Procurement of goods, works and services financed from the resources of the EPTATF will be administered in accordance with the Bank's procurement policy for its operations. The Bank's transparency policy shall apply to the EPTATF and its operations.

The Bank may adopt such internal operating procedures, compatible with the EPTATF Rules, as shall be considered necessary or appropriate for the efficient administration of the EPTATF.

5.3 Administrative Fee

For the management of the EPTATF, the Bank shall receive from the EPTATF a fixed fee of 4% of the total amount of the Contributions made available. Such fee, which will be used to cover costs of staff dedicated to the management of the EPTATF, shall be payable out of the amount of the Contributions at the time the Contribution is actually paid in.

Article 6

ACCOUNTING AND REPORTING

6.1 Accounts

- a) The Bank shall open a separate account in its books, called "Eastern Partnership Technical Assistance Trust Fund Account" for the receipt of the Contributions and the disbursement of the monies to the Eligible Operations. The Bank shall maintain the accounts of the EPTATF in Euro. The Bank shall prepare the EPTATF financial statements in Euro, in accordance with accounting policies described in the notes to the financial statements. The Bank will invest the unused funds and transmit the proceeds to the EPTATF. The details of how such unused funds shall be invested shall be set out in a side letter addressed by the Bank to the Contributors.
- b) The financial year of the EPTATF shall be the calendar year, except for the first financial period which shall begin with reception of the first Contribution and end on 31st December 2010.

6.2 Approval of Financial Statements

Once they have been audited in accordance with Article 7.1 below, the EPTATF's financial statements shall be submitted to the Contributors Committee for review and approval.

6.3 Valuation of Currencies

Whenever it shall be necessary for purposes of preparation or presentation of financial statements to determine the value of any currency in terms of another currency or of the unit of account of the Bank, the valuation shall be made by the Bank, using the same principles as the Bank applies for its ordinary operations.

6.4 Information and Reporting

The Bank shall provide each Contributor with:

- the Annual Report, describing the operations of the EPTATF;
- yearly audited financial statements;
- operation completion reports;
- general policy documents related to the EPTATF.

Limited additional reporting may be agreed with any of the Contributors on a bilateral basis, in which case the additional reports will be shared with all Contributors.

Article 7

AUDIT AND CONTROL

7.1 Audit

Financial transactions and financial statements with respect to the EPTATF shall be subject to external auditing, the costs of such audit shall be borne by the EPTATF.

7.2 Control

The management of the EPTATF by the Bank pursuant to Article 5.2 shall include appropriate control measures.

Article 8

DURATION OF THE EPTATF

8.1 Termination of the EPTATF

- a) The EPTATF shall remain in force so long as there remain funds, commitments or investments with respect to the EPTATF.
- b) Notwithstanding paragraph (a) above, the EPTATF may be terminated at any time by a decision of the Contributors Committee taken with the unanimous consent of Contributors and the Bank.

8.2 Disposal of Resources on Termination of the EPTATF

Upon a decision of the Contributors Committee in view of the termination of the EPTATF, the following provisions shall apply with respect to its resources:

- i. the Bank shall forthwith cease all activities relating to such resources, except those incidental to the orderly realisation, conservation and preservation of such resources and the settlement of the direct or contingent obligations to which they may be subject.
- ii. the Bank shall establish appropriate financial statements, which shall be subject to the audit procedure referred to in Article 7.1 above. These audited financial statements shall then be submitted to the Contributors Committee for approval in accordance with Article 6.2 above; and
- iii. the Bank shall discuss with Contributors as to possible uses of the funds available and not yet committed at the time of termination, with a view to integrate such funds into the Bank's activities in Eastern Partnership Countries.

Article 9 AMENDMENTS

The EPTATF Rules may be amended upon proposal made by the Bank to its Board of Directors pursuant to a unanimous decision by the Contributors Committee. The amendments shall be deemed approved by the Contributors if they have not addressed a written objection to the Bank regarding the amendments within 30 working days.

Article 10 DISPUTE RESOLUTION

The parties shall endeavour to settle amicably any dispute or complaint relating to the interpretation or fulfillment of the EPTATF Rules, including its existence, validity and termination. For the purposes of any dispute hereunder the parties hereby submit to the jurisdiction of the Court of Justice of the European Union.

Article 11 FINANCIAL ARRANGEMENTS

The Bank will provide all the logistical arrangements associated with the Contributors Committee meetings. Contributors or their representative should however cover their own costs of participation.

ANNEX 1 – ELEMENTS TO BE INCLUDED IN THE CONTRIBUTION INSTRUMENT

- i. Name of contributing country/entity (incl. name of the contact person)
- ii. Total amount of the Contribution
- iii. Payment modalities (number of installments, timing)
- iv. Confirmation that the Contribution will be governed by the Rules Relating to the Establishment and Administration of the Eastern Partnership Technical Assistance Trust Fund.
- v. The Contribution entity shall systematically inform the Back-Office Treasury of the EIB by email (FI_PRO_BOT_LPC_CM@eib.org) when a transfer of funds has been initiated. The EIB shall systematically confirm to the Contribution entity the receipts of funds. The SWIFT message instruction shall include the remittance information (field 70): "Contribution to EPTATF Account from [Name of the Contribution Entity]".

N.B: effective contributions are to be transferred to the following bank account:

Currency: EUR
Beneficiary bank: European Investment Bank
BIC CODE: BEILLULLXXX
Direct TARGET: /RT
IBAN: LU929980000000000001

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