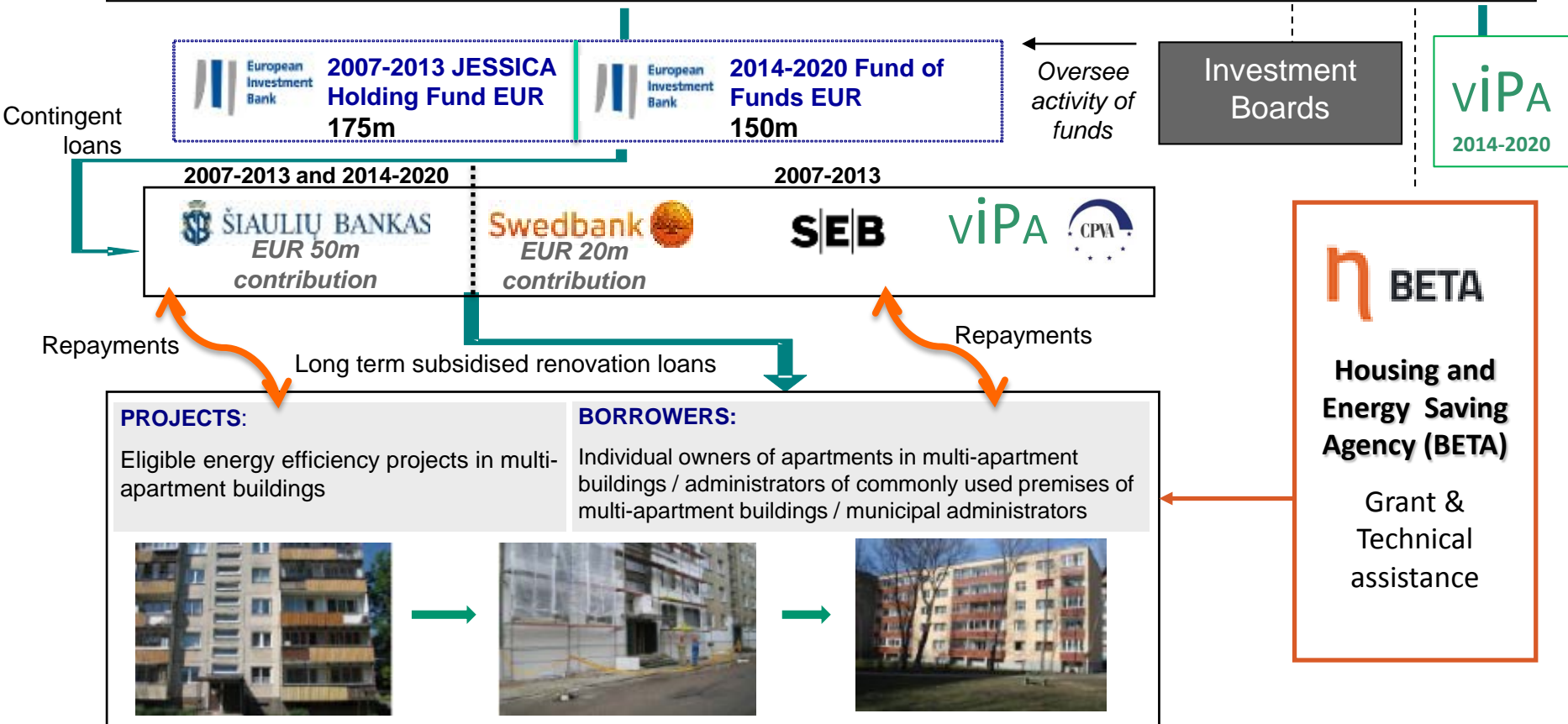




Lithuanian case study: 2007-2013 and 2014-2020

Lithuanian case study: 2007-2013 and 2014-2020

Ministry of Finance and Ministry of Environment
 contribution from Operational Programme
 « Promotion of Cohesion 2007-2013 » and contribution from 2014-2020 ESIF Operational Programme





- **Creation and development of the financial product**; further analysis of legal and economic situation and recommendations for the structure of the financial product, to ensure the legality and economical viability of the instruments, as well as safety of the funds
- **Launch of Calls for Expression of Interest, selection of financial intermediaries; drafting and negotiating of operational agreements**
- Implementation of **public relations campaign** (if applicable)
- **Assistance to the authorities in creation, maintaining and development of legal base** (if applicable)
- **Assistance to the financial intermediaries** in clarifying the upcoming questions, the relationships with the final recipients and/or other participants of the relevant process, advise on the agreements with the final recipients;
- **Assistance to the authorities and final recipients**, providing explanations and clarifications of different legal aspects of the process;
- **Monitoring of the legal procedures and agreements** implemented by the financial intermediaries to ensure that the funds are lent on diligently and their recovery is ensured to the reasonable extent
- **Middle Office activities**

Middle Office Activities and Services

Reporting – quarterly, semi-annually, annual and ad hoc reports to Managing Authorities.

Treasury Control – sound management of contributions and repayments via Term Deposits or Money Market Funds.

Payments and Repayments to UDFs

Control of information received from third parties – UDFs/Fund Managers including verification of :

Reported projects – Co-financing, regional split, grace periods, maturity, final recipients data etc.

Cash movements, management fees, accrued interest on loans and accounts, overdues etc.

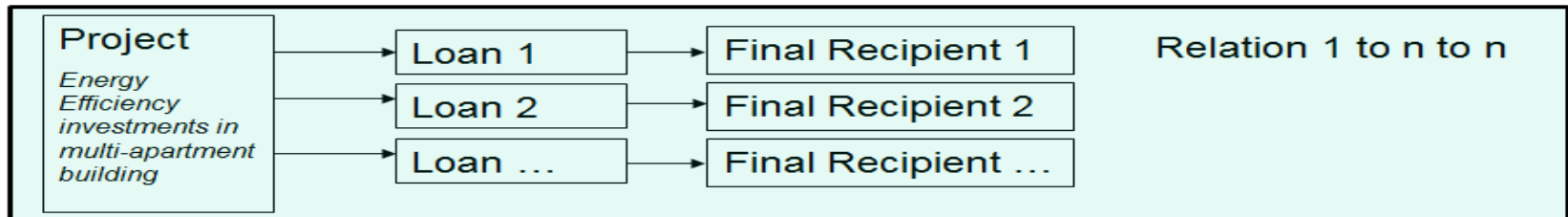
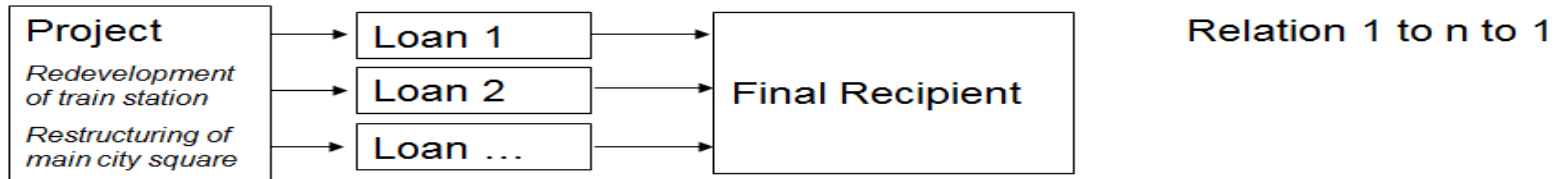
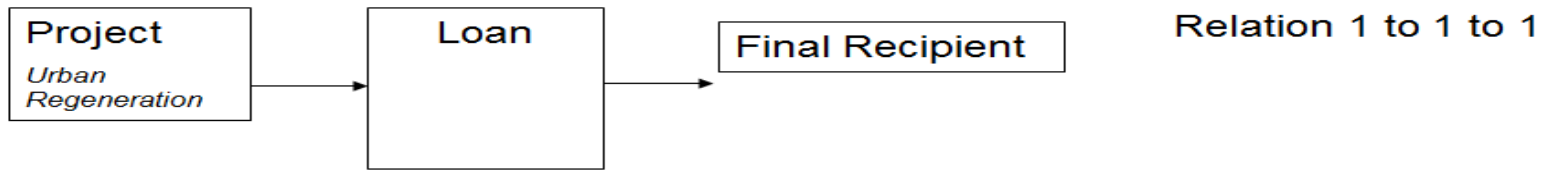
Monitoring – Desk based reviews, Questionnaires and on-site monitoring visits / verifications

Audit and Financial Statements – Verifications by National Audit Authorities, Managing Authorities, ECoA and EC; EIB's External Auditors in charge of Annual Audited Financial Statements of the Holding Funds/FoF

Internal processes – Procurement , fee bookings, budgeting and cost control, IT developments etc.



Project vs. Loan



Current Lithuanian statistics

- 7 Urban Development Funds
- 4 Fund Managers
- Over 900 projects with over 6000 loans
- Over 34,000 disbursements and 70,000 repayments



Monitoring – Overview Management Verifications



Indicators review

Timing: each year-end

Desk Based Verifications

Timing: each year-end

On-site Verifications

Timing: ad-hoc

Monitoring Indicators

Indicator Number	Indicator Type	Indicator Name
1		Operational Programme Diversification Indicator (OPDI)
2	Common for Loan and Equity	Performance of Visibility Indicator (PVI)
3		Audit Opinion Indicator (AOI)
4		Credit Rating Evolution Indicator (CREI)
5	Loan-specific	Co-financing Investment Indicator (CII)
6		Evolution of the Disbursement of the Facility Indicator (EDFI)
7		Timely Disbursement of the Facility Indicator (TDFI)
8		Timely Repayment to Reserve Account Indicator (TRARI)
9		Indicator of Management Fees Compliance (IMFC)
10		Writing-off on Loan Indicator (WOLI)
11	Equity-specific	Co-investment Indicator (CII)
12		Evolution of the Disbursement of the Facility Indicator (EDFI)
13		Timely Disbursement of the Facility Indicator (TDFI)
14		Indicator of Management Fees Compliance (IMFC)
15		Write-off of Equity Investment Indicator (WOEII)

Checklist Nr. 1

- Administrative verifications of transfers and verification of On-Lending Agreement

Questionnaire Nr. 1

- focuses on the transparency of the UDF regarding notifications on changes and independence

Checklist Nr. 2

- verification of investment strategy and eligible expenditures , as well as administrative verification of the On-Lending Agreement

Questionnaire Nr. 2

- focuses on the Events of Default

Questionnaire Nr. 3

- verify crucial points of the UDF's internal control system from an operational point of view

Contact details

Fund Structuring

Junona Bumelyte

j.bumelyte@eib.org

Phone: +370-52-69-00-50

Reporting and Monitoring

Paul Sullivan

p.sullivan@eib.org

Phone: +352-4379-88497

European Investment Bank
100, Bvd. Konrad Adenauer
L-2910 Luxembourg