



Brussels, 1 February 2019  
(OR. en)

5923/19

ECOFIN 90  
UEM 30  
DEVGEN 16  
CADREFIN 54

## NOTE

---

From: General Secretariat of the Council  
To: Permanent Representative Committee 2

---

Subject: High-level Group of Wise Persons on the European Financial Architecture  
for Development  
- Information note

---

### I. INTRODUCTION

1. In September 2018 Germany and France launched an initiative to establish a High-level Group of Wise Persons on the European Financial Architecture for Development ("Wise Persons Group") by circulating a proposal for Terms of Reference (WK 13633/2018). The initiative goes back to the Meseberg declaration from June 2018.
2. On 24 October 2018 Germany and France presented the initiative to the Permanent Representatives Committee. Many delegations welcomed the initiative while also raising a number of questions. On 25 October 2018 the Economic and Financial Committee was also informed.
3. As mandated by the Permanent Representatives Committee the Financial Counsellors Working Party followed up to this issue on 30 October 2018.
4. On 13 November 2018 a further exchange of view took place. Delegates from the Working Party on Development Coordination (CODEV) and the Ad Hoc Working Party on the Neighbourhood, Development and International Cooperation Instrument (NDICI) were invited.

5. To frame the discussion the Austrian Presidency circulated a questionnaire to ask for delegations' guidance on the creation of the Wise Persons Group, scope of the mandate, association of relevant bodies, secretarial support, budget, coordination, information and follow-up. Based on replies received new draft Terms of Reference were circulated on 7 December 2018 (WK 15322/2018).
6. On 11 December 2018 another meeting with CODEV and NDICI delegates took place to discuss the draft. There was broad agreement in principle while many delegations enquired about the selection process. The draft Terms of Reference were subsequently revised in light of the comments made.

## **II. WAY FORWARD**

7. As announced in the Financial Counsellors Working Party on 29 January, the name of Thomas Wieser has been suggested as Chair of the Wise Persons Group. If member states could support this, the Presidency can mandate Thomas Wieser to present a proposal for a group of six to eight experts, based on the principles reflected in the draft Terms of Reference. The group should be balanced and enjoy broad support from member states before being presented to Coreper.
8. Coreper will subsequently examine this proposal.
9. The Council will appoint the Chair and the members of the Wise Persons Group.

## HIGH-LEVEL GROUP OF WISE PERSONS ON THE EUROPEAN FINANCIAL ARCHITECTURE FOR DEVELOPMENT

### TERMS OF REFERENCE

#### 1. The Wise Persons Group

##### Composition

The Wise Persons Group shall comprise six to eight independent and impartial experts. Its members shall be appointed on the basis of professional and technical expertise and experience in finance, development and the respective institutional landscape. Its composition shall take into account gender and geographical balance. The group shall reflect a broad spectrum of these criteria and take into account institutional diversity among the Member States. The experts shall declare upon appointment that they have no conflict of interest and that they are independent and impartial.

##### Selection

The Council shall appoint the Chair and the members of the Wise Persons Group after examination by Coreper. The Chair shall be responsible for proposing a limited group of wise persons, reflecting the principles laid out above. Comprehensive curricula vitae of all proposed candidates shall be provided to the Member States in advance.

##### Financial provisions

Members of the Wise Persons Group required to travel away from their place of residence in order to carry out their duties in Brussels shall be entitled to reimbursement of their travel expenses and an allowance in accordance with Decision No. 21/2009 of the Deputy Secretary General of the Council of the European Union on the reimbursement of mission expenses of persons other than staff members of the Council of the European Union. The corresponding expenditure shall be borne by the Council.

## 2. Timeline

Shortly after its appointment, the Wise Persons Group shall present its work programme to Coreper. It shall inform Coreper, within three months of its establishment, of the state of play. The relevant Council bodies (including Financial Counsellors Working Party, Working Party on Development Coordination, Ad Hoc Working Party on the Neighbourhood, Development and International Cooperation Instrument) shall be regularly updated by the Wise Persons Group upon request.

The Wise Persons Group shall deliver the final report to the Council six months after appointment. The purpose of this report and any recommendations made in fulfilling this mandate shall be to inform and assist the Council in its discussions and possible decision-making. Therefore, under no circumstances may this report be construed as the position of the Council, including in respect of ongoing legislative procedures. The Council shall decide on the follow-up to the report. The involvement and cooperation of the Economic and Financial Affairs Council and the Foreign Affairs Council (Development) shall be ensured.

## 3. Scope of the mandate

Within the framework of these Terms of Reference, the European financial architecture for development includes the European Investment Bank (EIB), the European Bank for Reconstruction and Development (EBRD), and the financial instruments managed by the Commission. The analysis of the European financial architecture for development shall take a system-wide perspective.

It shall notably consider how to maximise the added value of the European financial architecture for development within the existing diverse landscape of relevant national bodies in the Member States, e.g. national development financial institutions and agencies, and international and multilateral institutional bodies such as the Council of Europe Development Bank or the World Bank, to avoid duplication of existing activities and to encourage opportunities for further cooperation with other key development actors. It shall also take into account the overall developments and needs that have shaped the global financial architecture over time and how it has been adapted to them.

The Wise Persons Group shall be given the task of setting out the challenges and opportunities for rationalising the European financial architecture for development (dealing in particular with the respective roles of the EIB and of the EBRD) and of recommending scenarios for its evolution, including clear prioritisation and sequencing taking into consideration the potential associated costs, based on:

- an assessment of the current financial development architecture's capacity to deliver on EU policy priorities for external action and development, notably in terms of development impact, effectiveness, additionality, overlaps and value for money;
- an analysis of the respective strengths and weaknesses of the mandates and instruments of all actors involved, including the risk management, governance, shareholding and incentive structures of the EIB and the EBRD;
- an examination of the strategies put forward by the EIB, the EBRD and the Commission to further develop their mandates with a view to enhancing private sector development and sovereign lending, including, as appropriate, in least-developed and fragile countries.

#### **4. Consultation**

The Wise Persons Group may consult with the relevant EU institutions and bodies, including the European Parliament, the Commission and the EIB, and the relevant national institutional bodies, e.g. national development financial institutions and agencies, in the Member States. It may also consult the EBRD. Where necessary, the Wise Persons Group may invite other bodies, including from beneficiary countries, to provide written input or contribute during meetings.

The Wise Persons Group shall ensure transparency in the consultation process by listing all consultations in the appendix to the report.

## **5. Secretariat**

The General Secretariat of the Council shall be responsible for the Wise Persons Group's secretariat. It shall provide the administrative support necessary to ensure the functioning of the Wise Persons Group, including the publication of documents. The corresponding costs, including those linked to organisation and meetings, shall be borne by the Council.

---