



Call for Expression of Interest:

Ref.: VP-1117

Subject: JESSICA Holding Fund in Lithuania – Selection of Financial Intermediaries

The European Investment Bank (“EIB”) is launching a Call for Expressions of Interest (“Call for EoI”), under the Joint European Support for Sustainable Investment in City Areas (“JESSICA”) initiative, with the aim of selecting up to four financial intermediaries (“FIs”) that will receive financing from the JESSICA Holding Fund Lithuania (“JHF”). The funds will be used by the FIs to extend preferential loans (“Modernisation Loans”) to natural or legal persons owning premises in multi-apartment buildings (“Final Recipients”) or to Administrators of Common Property for the energy efficiency renovation of multi-apartment buildings (“Renovation Projects”).

Each FI will initially be awarded with funding of EUR 10 million and will be able to request additional tranches of funding of EUR 10 million each once the previous tranche(s) has been substantially contracted with Final Recipients or Administrators of Common Property under the conditions set out below. The initial amount of JHF funds allocated to this Call for EoI is EUR 60 million. The maximum amount of JHF funds allocated to this Call for EoI is EUR 100 million, which may also be made available (depending on the conditions attaching thereto) from the Lithuanian EU Structural and Cohesion Funds operational programmes for the multiannual financial framework 2014-2020. The selection of the FIs will proceed as described below. If you wish to participate in this Call for EoI, please forward your Expression of Interest (“EoI”), prepared in accordance with the instructions in this document enclosed in two sealed envelopes, the outer envelope bearing instructions not to open the inner envelope, which should be marked:

DO NOT OPEN:

Ref.: VP-1117

Subject: JESSICA Holding fund Lithuania – Selection of Financial intermediaries

Deadline for receipt of expression of interest: 17.06.2013

and posted either by:

(a) registered post, to the following address:

EUROPEAN INVESTMENT BANK
For the attention of Véronique Paulon
Ref. VP-1117
Purchasing and Administrative Services Division
98-100 boulevard Konrad Adenauer
L-2950 LUXEMBOURG

by midnight on 17.06.2013 at the latest, as evidenced by the postmark; or by,

(b) handing it in (by messenger or courier) at the reception desk of the

EUROPEAN INVESTMENT BANK
For the attention of Véronique Paulon
Ref. VP-1117
Purchasing and Administrative Services Division
98-100 boulevard Konrad Adenauer
L-2950 LUXEMBOURG

The Eols, as described below, must be posted or handed in by **17.06.2013** at the latest (up to midnight Luxembourg time in the case of delivery as described in (b) above).

The receipt dated and signed by the employee at the reception desk of the EIB who receives the Eol (reception desk open 24 hours a day) shall form the evidence of the Eol having been handed in.

Applications will not be accepted if they:

- a) are not sent in two sealed envelopes;
- b) are not sent or delivered by hand to the EIB before the specified deadline (as evidenced by the postmark or receipt signed and dated by the officer at the reception desk);
- c) do not conform to the provisions of this Call for Eol.

Applicants are directed to the important notices below. Unless expressly stated otherwise the terms and expressions used in this document shall have the meanings as defined in the document or set out in Appendix C. Any references in this Call for Eol to Annexes and Appendices are, save if explicitly stipulated otherwise, references respectively to annexes and appendices to this Call for Eol.

Applicants must take account of the following provisions (more detail is provided in Annex 3):

1. The selection of FIs will proceed as follows:
 - a. Applying the exclusion, selection and award criteria: Eols will first be assessed against the exclusion criteria ("Exclusion Criteria" as outlined in section II, d of Annex 3). Eols which are not excluded in accordance with the Exclusion Criteria will be assessed on the basis of the selection criteria ("Selection Criteria" as outlined in section II, e of Annex 3). All applicants that meet the Selection Criteria will be assessed on the basis of their offers in the form of a Business Plan prepared in line with the Terms of Reference ("Offer"). The Offers will be evaluated on the basis of the award criteria ("Award Criteria", as described in Appendix A).
 - b. Negotiation of Operational Agreements: up to four successful applicants shall be invited to negotiate the final terms and conditions of the Operational Agreement to be signed with the EIB, as further detailed in Annex 3.

The indicative timetable for this Call for Eol, which may be subject to change, is therefore:

Activity	Timing
Issue of Call for Eol	30.04.2013
Deadline for requests for additional information	17.05.2013
Deadline for submission of the Eol	17.06.2013
Notification to applicants of outcome of the Eol assessment	July 2013
Negotiation of Operational Agreements following Investment Committee approval	July 2013

2. Offers must be firm and non-revisable, quoted in Euros and free of taxes and duties, the EIB being exempt there from under the Protocol on the Privileges and Immunities of the European Communities.
3. Each applicant must declare that it has taken note of the conditions of the Call for EoI and the Terms of Reference contained herein and has had the opportunity to gauge the scope and quality of the services required, as well as the possible difficulties.
4. An applicant cannot invoke any error, inaccuracy or omission in its application and/or Offer to call any contract into question or to attempt to have any contract amended.
5. The EIB reserves the right to reject any application that fails to comply with the specifications of this Call for EoI.
6. The EIB reserves the right to reject any applicant:
 - (i) guilty of material misrepresentation;
 - (ii) who contravenes any of the terms of this document; and/or,
 - (iii) undergoing a change in identity, control, financial standing or other factor impacting on the selection and/or evaluation process affecting the applicant.
7. Applications must be drawn up in writing in English (applications in other languages will not be accepted). Any official documents in a language other than English must be accompanied by a certified translation.
8. Documents of general interest submitted by applicants will be taken to form an integral part of the application.
9. Applicants must respond to the specifications item by item.
10. The initial amount of JHF funds allocated to this Call for EoI is EUR 60 million. The maximum amount of JHF funds allocated to this Call for EoI is EUR 100 million, which may also be made available (depending on the conditions attaching thereto) from the Lithuanian EU Structural and Cohesion Funds operational programmes for the multiannual financial framework 2014-2020.
11. The EIB reserves the right to award funding to up to four applicant(s) (subject to the approval of the Investment Committee), in accordance with the Award Criteria set out in the specifications, or not to award funding to any applicant.
12. The EIB may cancel this procurement procedure or any part of the funds available hereunder without notice at any time. Applicants should only participate in the FI selection process on the understanding that they would not be entitled to any form of compensation, should the EIB decide to interrupt the procurement procedure or cancel the procurement process before the contract is signed.
13. Participation in this Call for EoI shall be taken as acceptance of all the terms and conditions mentioned in this Call for EoI and the conditions of the specifications.
14. The following documents shall form an integral part of this Call for EoI:
 - Annex 1 -"Template for Expression of Interest"
 - Annex 2 -"Declaration to be made by the applicant"
 - Annex 3 -"Technical specifications" (Terms of Reference)
15. Any requests for additional information on the EoI, should be addressed in writing by **17.05.2013** at the latest to Véronique Paulon fax: +352 4379-68167 e-mail: bei.asa@eib.org. The EIB will reply to requests before the deadline for submission of applications. Please note that the EIB responses to any queries or clarification requests may be circulated to all applicants at the EIB's discretion.
16. If necessary and at the request of EIB a series of clarification meetings may be arranged with the selected applicant(s) after submission of Offers (in the form of a Business Plan). The EIB

may arrange these meetings in due course with selected applicant(s) following the completion of the Exclusion and Selection processes.

17. Applicants may be invited to make a presentation, if the EIB so decides. Applicants will not be permitted to modify the terms and conditions of their application during their presentation or at any other time after the application has been submitted to the EIB. The EIB reserves the right to seek additional detail from an applicant to clarify any part of an applicant's submission.
18. The EoI must be drawn up on paper in duplicate, i.e. one original and one copy, clearly marked as "Original" and "Copy". One electronic copy should also be submitted on CD or USB stick.
19. Before an Operational Agreement is signed, the selected applicant must undertake to comply with all current laws and provisions and to obtain all relevant permits required to provide the services described.
20. Applicants will be informed by post of the outcome of their applications.
21. Any dispute concerning procurement conducted by the EIB falls under the jurisdiction of the European Court of Justice.

DISCLAIMER

The EIB (including any employees, officers, advisers and / or contractors of the EIB who contributed to the preparation of this document) makes no representation, warranty or undertaking of any kind in relation to the accuracy or completeness of any information provided in, or in connection with, this Call for EoI (for the purposes of this section the "Information").

The EIB will not be liable or responsible to any person in relation to any inaccuracy, error, omission or misleading statements contained in the Information. The EIB will not be liable or responsible to any person in relation to any failure to inform any person of inaccuracy, error, omission or misleading statement contained in such Information of which it becomes aware after the date of release of that Information. The EIB shall not be liable to any person for any damages, losses, costs, liabilities or expenses of any kind which it may suffer as a consequence of relying upon such Information.

Any person considering making a decision to enter into contractual relationships with the EIB and/or any other person on the basis of the information provided to (or otherwise received by) applicants (whether prior to this Call for EoI or at any point during the FI selection process) in relation to the selection process should make their own investigations and form their own opinion. In particular, the distribution or receipt of this Call for EoI shall not constitute, or be construed as, the giving of investment advice or a recommendation by the EIB of any kind.

Only the express terms of any written contract (as and when it is executed) shall have any contractual effect in connection with the FI selection process.

All applicants are solely responsible for their costs and expenses incurred in connection with the FI selection process including the preparation and submission of submissions and participation in all future stages of this process. Under no circumstances will the EIB be liable for any costs or expenses borne by applicants or any of its supply chain, partners or advisors in this process.

CONFLICTS

The EIB requires all actual or potential conflicts of interest to be resolved to the EIB's satisfaction prior to the delivery of an applicant's submission. Failure to declare such conflicts and/or failure to address such conflicts to the reasonable satisfaction of the EIB could result in an applicant being disqualified at the sole discretion of the EIB.

CANVASSING AND NON COLLUSION

The EIB reserves the right to disqualify (without prejudice to any other civil remedies available to the EIB and without prejudice to any criminal liability which such conduct by an applicant or consortium member (as the case maybe) may attract) any applicant or consortium member who, in connection with this document:-

- (i) offers any inducement, fee or reward to any Investment Committee member, employee or officer of EIB or any person acting as an adviser for EIB in connection with this Call for EoI;
- (ii) contacts any Investment Committee member, employee or officer of EIB about any aspect of this document in a manner not permitted by this document;
- (iii) fixes or adjusts the amount of his offer or submission by or in accordance with any agreement or arrangement with any other applicant or consortium member or supply chain member of any other applicant (other than its own consortium members or supply chain);
- (iv) enters into any agreement or arrangement with any other applicant or potential applicant or consortium member of any other applicant or potential applicant to the effect that it shall refrain from making a submission or as to the amount of any submission;
- (v) causes or induces any person to enter such agreement as is mentioned above or to inform the applicant or a consortium member of the applicant of the amount or approximate amount of any rival submission;
- (vi) canvasses any person in connection with this document who is not one of its own consortium members or one of its own team;
- (vii) offers or agrees to pay or give or does pay or give any sum of money, inducement or valuable consideration directly or indirectly to any person for doing or having done or causing or having caused to be done in relation to any other submission or proposed submission; or
- (viii) communicates to any person other than EIB the amount or approximate amount of his proposed submission (except where such disclosure is made in confidence in order to obtain quotations necessary for the preparation of a submission).

INTELLECTUAL PROPERTY

The copyright in this document is vested in the EIB.

This document may not be reproduced, copied or stored in any medium without the prior written consent of the EIB except in relation to the preparation of a submission.

All documentation supplied by the EIB in relation to this selection process is and shall remain the property of the EIB and must be returned on demand, without any copies being retained. Applicants are not authorised to copy, reproduce, or distribute such documents at any time except as is necessary to produce a submission.

PUBLICITY

Applicants shall not undertake (or permit to be undertaken) at any time, any publicity activity with any section of the media in relation to the FI selection process other than with the prior written agreement of the EIB. Such agreement shall extend to the content of any publicity. In this paragraph the word "media" includes (but without limitation) radio, television, newspapers, trade and specialist press, the internet and email accessible by the public at large and the representatives of such media.

COMMUNICATIONS

Applicants should note that they are expressly prohibited from contacting directly any of the Investment Committee members, advisers and/or contractors of the EIB who contributed to the preparation of this document from the date that the Call for EoI has been issued. All clarifications should be through the EIB as set out in the introduction to this Call for EoI.

PRIVACY STATEMENT

The personal data provided by you will be processed in accordance with Reg.45/2001. The information requested for the call for EoI is necessary in order to assess your EoI and will be used solely for that purpose under the authority of the EIB Procurement and Purchasing division (PROCUR), in accordance with the EIB guide for procurement, approved by the Management Committee of the EIB. Please note that for your EoI to be considered, it may be mandatory to answer some or all of the questions in the declaration to be made by the applicant. The mandatory/optional nature of these questions is outlined in the specific call for EoI document.

In order to assess the EoI and if applicable, the Offer, the personal data provided by you will be accessed by members of the Selection Panel and the Directorate which requested the Call for EoI.

Upon request, access to this data may be granted to the EIB's Office of the Chief Compliance Officer, the legal service or the Inspectorate General. The data of the successful applicants shall be retained for the duration of the contract, plus two years in the central archives, unless these are needed in the context of litigation or claims. The data of unsuccessful applicants shall be retained for four years, unless these are needed in the context of litigation or claims. You have the right to access and rectify or update your data. You can exercise these rights by contacting the Head of the ASA division (bei.asa@eib.org). You also have the right to have recourse at any time to the European Data Protection Supervisor.

TABLE OF CONTENTS

ANNEX 1 8
ANNEX 2 12
ANNEX 3 14
APPENDIX A 21
APPENDIX B 24
APPENDIX C 28
APPENDIX D 31
APPENDIX E 32

ANNEX 1

TEMPLATE FOR EXPRESSION OF INTEREST

(name of an applicant)

EXPRESSION OF INTEREST

(place of signature)

(date)

(Stamp of the applicant – if available)

1. Information about the applicant

1.1. General information about the applicant¹

An Expressions of Interest (“Eoi”) may also be submitted by a consortium that, if awarded the contract, may assume a legal form by incorporation, partnership or otherwise which would enable the members of the consortium to contract as a single entity. Where such a consortium exists the applicant shall be responsible towards the EIB and shall act as the interface between the EIB and the members of the consortium. This principle shall also apply to individual applicants who may describe the legal form that they will adopt (where they do not currently hold this legal form) should they be selected. If successful, the relevant Applicant must take this legal form before signature of the Operational Agreement.

Name of the applicant	
Address (registered office)	
Registration number ² (copy of certificate to be attached)	

¹ In case the Eoi is submitted by a consortium, it will be necessary to include the information contained in the table above for each of the members of the consortium. The aforementioned information must be accompanied by a cooperation agreement signed by each of the members, including their commitments to participate in this Call of Eoi, an authorisation from all the consortium’s members to be represented by the leading party at all stages of the procedure, and the identification of the percentage that each of them represents in the consortium.

² Registration with the official companies registry, chamber of commerce, or other competent authority.

Telephone No.	
Fax	
Email	
Names and organisation registration numbers of proposed subcontractors / consortium members if applicable	

1.2. Person authorised to submit the EoI

Name, surname	
Position	
Contacts: Address Telephone No. Fax Email	

1.3. Person for communications (if different from paragraph 1.2)

Name, surname	
Position	
Contacts: Address Telephone No. Fax Email	

By submitting this EoI, the undersigned declare(s) that:

- having taken note of this Call for EoI;
- having taken note of the specifications and the documents referred to therein;
- having taken note of the key terms and conditions of the Operational Agreement [Appendix B]; and
- having completed the requisite declaration Annex 2,
- hereby declare(s) that:
 - there is no Exclusion Criteria preventing its selection under the terms of this Call for EoI;
 - the applicant is fully aware that resources of the JHF are provided by the European Union (“EU”) Structural Funds Operational Programme for the Promotion of Cohesion 2007–2013 (“Operational Programme”) using measure No. VP3-1.1-AM-01-V “JESSICA Holding Fund”³;
 - the information contained in this EoI and its Annexes is complete and correct in all its elements; and
 - the applicant has taken note of and accepted the conditions of the Call for EoI, the Terms of Reference contained herein and the key terms and conditions of the Operational Agreement [Appendix B] and has had the opportunity to understand the scope and quality of the services required.
- undertakes unconditionally, in accordance with the provisions of the aforementioned documents, to supply the services on the terms set out below, this application being binding upon the organisation, however, only if its acceptance is notified by the EIB within 180 days of the date of opening of applications.
- declares that is authorised to do so on behalf of any subcontractors / consortium members listed in 1.1 of Annex 1 and in doing so commits those subcontractors / consortium members to supply the services on the terms set out below in this Call for EoI, for 180 days from the date of opening of applications.

ENCLOSED:

1. Declaration to be made by the applicant in Annex 2
2. Supporting documents relating to Annex 2 (to be completed by the applicant):
 - a) ...
 - b) ...
 - c) ...
3. Evidence relating to the Exclusion Criteria as set out in section II D of Annex 3 below:
 - a) ...
 - b) ...
 - c) ...

³ Approved by the Regulation No. 787 of the Government of the Republic of Lithuania regarding Amendments to the Resolution No. 787 of the Government of the Republic of Lithuania of 23 July 2008 on the Approval of the Annex to the Operational Programme for Promotion of Cohesion of 28 July 2008.

4. Offer in the form of a Business Plan as set out in Annex 3

(position)

(name, surname)

(signature)

ANNEX 2

DECLARATION TO BE MADE BY THE APPLICANT

1. Name of the applicant
2. Type of business
3. Represented by (name and position):.....

Questions 4 to 13 should be answered on behalf of the applicant and any proposed subcontractors / consortium members. These questions will be assessed on a pass/fail basis. Responses should be stated in the form of "Yes" / "No" or "Certified" with accompanying detail provided where requested, either in the space provided or on separate sheets which should be referenced by the applicant.

4. Number and date of entry in trade register:
.....
5. Are there any liens or charges outstanding against the organisation at a commercial court (or any other relevant authority)?
.....
.....
6. Is the applicant/consortium member in receivership or the subject of bankruptcy, recovery or composition proceedings (or the subject of equivalent proceedings)?
.....

If so:

(a) date of the receivership or the bankruptcy order or date of opening of the above mentioned proceedings:

(b) on what terms is the applicant/consortium member authorised to carry on its activity? Specify in particular:

the name and address of the receiver(s):

.....

the date and period of validity of the authorisation given by the official receiver or the court to continue the business or activity:

.....

- 7. Is the applicant's/consortium member's organisation or any of the persons authorised to act on its behalf in liquidation?
.....

- 8. Has the applicant/consortium member or any of the persons authorised to act on its behalf been the subject of any sentence, with the force of *res judicata*, for fraud, corruption, involvement in a criminal organisation or any other illegal activity detrimental to the Community's financial interests, or found guilty of grave professional misconduct, as sanctioned by disqualification or penalty regarding the proper pursuit of commercial or industrial occupations, or under the rules on prices and competition?
.....

- 9. Has the applicant/consortium member or any of the persons authorised to act on its behalf a conflict of interest that may affect the performance of the tasks referred to into this Call for Eol?
.....

- 10. Has the applicant/consortium member complied with its obligations relating to the payment of social security contributions or the payment of taxes in accordance with the legal provisions of the country in which it is established or with those of Lithuania, including compliance with prudential requirements compulsory to financial institutions, where applicable?.....
.....

- 11. The applicant certifies that it has been established as a financial institution, in accordance with the Law on Financial Institutions of the Republic of Lithuania (Official Gazette, 2002, No. 91-3891).
- 12. The applicant certifies its compliance with the principles of gender equality and non-discrimination in carrying out its activities.
- 13. The applicant certifies that the information given above is correct and is supplying all the information required under this Call for Eol in good faith and without misrepresentation.

.....

Done at (date)

STAMP

NAME(S)

SIGNATURE(S)

ANNEX 3

TECHNICAL SPECIFICATIONS (TERMS OF REFERENCE)

I. GENERAL INFORMATION

1. JESSICA

JESSICA responds to the request by several Member States and the European Parliament to give special attention to the need for urban regeneration and urban investments, and is based on the scarcity of investment funds to finance integrated urban renewal and regeneration projects in pursuit of more sustainable urban communities. JESSICA has therefore been launched with a view to providing new opportunities for managing authorities responsible for the current generation of cohesion policy programmes by:

- ensuring long-term sustainability through the revolving character of the EU Structural Funds contribution to urban development funds or financial intermediaries specialising in investing in urban projects;
- creating stronger incentives for successful implementation of urban projects by beneficiaries, by combining grants with loans and other financial instruments;
- leveraging additional resources for urban projects with a focus on sustainability/recyclability in the regions of the EU;
- contributing financial and managerial expertise from specialist institutions such as EIB, CEB, and other international Financial Institutions.

More on the EU Structural Fund Regulations specifically related to JESSICA can be found at: http://ec.europa.eu/regional_policy/thefunds/instruments/jessica_legislation_en.cfm#1

2. JESSICA in Lithuania

A Lithuanian Housing Strategy was approved in 2004 with the aim to ensure an effective use of existing housing, its maintenance, upgrading and modernisation, and a rational use of energy resources. In this context, and the broader Lithuanian Recovery Plan for the Economy, the Government of Lithuania decided to support a programme of energy efficiency investments for the modernisation of multi-apartment buildings through a revolving funding instrument promoted through the JESSICA initiative.

The Ministry of Finance and the Ministry of Environment of the Republic of Lithuania (“Ministries”) and the EIB signed a Funding Agreement on 11 June 2009 (“Funding Agreement”), establishing the JHF as a “separate block of finance” within EIB, for the primary purpose of investing funds in urban energy efficiency projects in Lithuania. The functioning of JHF is supervised and certain decisions of the JHF are to be endorsed by an investment committee consisting of the members appointed by the Ministries (“Investment Committee”).

3. Background information

The EU has set itself the objective of achieving 20 % primary energy savings in 2020 and has made this objective one of the five headline targets of the Europe 2020 Strategy for smart, sustainable and inclusive growth. The idea is to oblige Member States to take additional steps towards achieving these energy saving targets and to give priority to increasing energy efficiency and recognizing the important role cities and local authorities play in helping to deliver this.

Against this background, the FIs are required to extend Modernisation Loans pursuant to modernisation loan agreements (the "Modernisation Loan Agreements") to Final Recipients or to Administrators of Common Property (as defined) implement eligible Renovation Projects, in accordance with the provisions of the Law of the Republic of Lithuania on State Support for Acquisition or Lease of Housing and Renovation (Modernisation) of Multi-apartment Buildings, as may be amended or supplemented (Official Gazette (Valstybes Zinios) 2002, No 116-5188) (the "Law on Support for Housing").

Energy efficiency renovation of multi-apartment buildings in a city or a district, which are jointly procured, baseline audited and implemented should achieve economy of scale pricing and timing benefits. This methodology, to be promoted by Lithuanian municipalities and administrators, is expected to facilitate acceleration in the renovation of multi-apartment block buildings across Lithuania.

An important factor in the evaluation of the FI's Offers will be the ability of the FI to risk-share, as further described in point I.4 and II.F.3 and II.F.4 below.

To ensure a proper and timely deployment of the funds initially allocated to the FI(s) the FI is required to demonstrate its ability to develop a robust pipeline of Renovation Projects (as further set out in Point II.F.3 below) and to set out how it will work with potential Final Recipients, Administrators of Common Property and local stakeholders regarding the identification of Renovation Projects.

Please consult Appendix E for the terms of a Modernisation Loan.

4. Risk Sharing

The applicant may propose to share credit risk (risk participation) with the JHF, of not less than 10% of the principal funding amount. In this case the FI shall have the right to an annual guarantee fee. The guarantee fee shall be expressed as a percentage of not more than 3% per annum of the principal guaranteed amount of the Modernisation Loans and shall remain unchanged until the expiration or release of the guarantee. The annual guarantee fee and other commercial terms shall be proposed in the Offer. For the avoidance of doubt, in the scenario where the applicant proposes to provide a guarantee, the whole funding will come from JHF.

The FI shall immediately transfer the guaranteed amount of any Modernisation Loan to the JHF once any portions of a loan remains unpaid by a Final Recipient or Administrator of Common Property as the case may be, for a period of 60 (sixty) days from the date on which the respective portion of the loan should have been paid pursuant to a Modernisation Loan Agreement. Details on the guarantee mechanism shall be agreed in the Operational Agreement.

II. SELECTION PROCESS

A. AMOUNT

The initial amount of JHF funds allocated to this Call for EoI is EUR 60 million. The maximum amount of JHF funds allocated to this Call for EoI is EUR 100 million, which may also, depending on the conditions attaching thereto, be made available from the Lithuanian EU Structural and Cohesion Funds operational programmes for the multiannual financial framework 2014-2020. .

Each of the selected FIs, with which an Operational Agreement is signed, will initially be awarded a tranche of funding of EUR 10 million.

Where a FI has contracted at least 60% of its initial EUR 10 million allocation to Modernisation Loans with Final Recipients or Administrators of Common Property it may, at its request and in accordance with specific conditions of the Operational Agreement, be allocated one or more further tranches of EUR10 million

The initial allocation of EUR 10 million must be invested in Renovation Projects by 31 December 2015. Where funds are made available from the Lithuanian EU Structural and Cohesion Funds operational programmes for the multiannual financial framework 2014-2020 this deadline may be extended.

B. EOIS

Applicants which are not excluded in accordance with the Exclusion Criteria will be assessed on the basis of the Selection Criteria. The Exclusion and Selection Criteria are set out below.

C. OFFERS

All applicants that meet the Selection Criteria will be further assessed on the basis of their Offers (including detailed Business Plans). The Offers will be evaluated on the basis of the Award Criteria, as described in Appendix A.

Applicants must score at least 15 points for each of the Award Criteria components No. I. and No. II as described in Appendix A attached. In connection with the Award Criteria, it will also be required that the EoI and the Offer (in the form of a Business Plan) is in compliance with the general operation selection criteria as set out in Appendix D, which were approved by the monitoring committee, being a committee established by the government of Lithuania in accordance with Articles 63 et seq. of Reg. 1083 and the Resolution No. 1139 of the government of Lithuania of 17 October 2007 responsible for the control and quality of the implementation of the Operational Programme, as well as the performance of the tasks set out in Article 65 of Reg. 1083 ("General Operation Selection Criteria"). The Award Criteria is in compliance with the technique on compliance of managers of financial engineering instruments to the general and special project selection criteria approved by the monitoring committee.

Up to four of the highest scoring applicants shall be invited to sign Operational Agreements with EIB once their selection has been approved by the Investment Committee. The terms of the Operational Agreements shall reflect the provisions of the Call for EoI and the terms of the respective Offer.

EIB may, at its sole discretion, undertake due diligence of the applicants selected for the negotiation of Operational Agreements which may include the verification of any relevant ethical, professional and technical requirements submitted by the selected applicants under this Call for EoI. The conclusion of an Operational Agreement shall be conditional on the Investment Committee's approval of the key terms and conditions of the Operational Agreement.

D. EXCLUSION CRITERIA

Applicants will be excluded from participating in this Call for EoI if any of the following Exclusion Criteria apply to them:

- a) they are bankrupt or are being wound up, are having their affairs administered by the courts, have entered into an arrangement with creditors, have suspended business activities, are the subject of proceedings concerning those matters, or are in any analogous situation arising from a similar procedure provided for under national laws or regulations;
- b) they have been convicted of an offence concerning their professional conduct by a judgment which has the force of *res judicata*;
- c) they have been guilty of grave professional misconduct proven by any means which the contracting authority can justify;
- d) they have not fulfilled obligations relating to the payment of social security contributions or the payment of taxes in accordance with the legal provisions of the country in which they are established or with those of the country of the contracting authority or those of the country where the contract is performed;

- e) they have been the subject of a judgment which has the force of *res judicata* for fraud, corruption, involvement in a criminal organisation or any other illegal activity detrimental to the Communities' financial interests;
- f) they are guilty of misrepresentation in supplying the information required by the contracting authority as a condition for participation in this Call for EoI or fail to provide such information.

Applicants must show that they are not in one or more of the situations listed above by providing the following evidence in relation to the items mentioned above:

1. In relation to items (a), (b), and (e) above, relevant extract(s) from the judicial record or, failing that, equivalent documentation issued by a competent judicial or administrative authority in the country of establishment showing that those requirements are satisfied, not earlier than 3 months before the deadline for the submission of the EoI. Having regard to the national laws of the Member State where the applicants are established, such requests shall relate to legal and/or natural persons, including, if appropriate, company directors and any person having powers of representation, decision or control in respect of the applicant and, in particular, to the person(s) empowered to represent the applicant and sign the Operational Agreement if the applicant is successful. If such documents are not available in the country establishment, the applicant: may provide a declaration on oath or, in Member States where there is no provision for declarations on oath, by a solemn declaration made by the person concerned before a competent judicial or administrative authority, a notary or a competent professional or trade body, in the country of origin or in the country from where that person comes, stating that such documents are not available and that Exclusion Criteria (a), (b) and (e) do not apply to it.
- In relation to item (d) above, the most recent certificates issued by the competent social security and tax authorities of the country where they are established. The certificate (or substitute declaration or statement) provided must be dated not earlier than 3 months before the final date for submission of EoIs. Having regard for the national laws of the Member State where the applicants are established, such requests shall relate to legal and/or natural persons, including, if appropriate, company directors and any person having powers of representation, decision or control in respect of the applicant and, in particular, to the person(s) empowered to represent the applicant and sign the Operational Agreement if the applicant is successful. Where such certificate is not issued in the country of establishment, this can be replaced by a declaration on oath or, in Member States where there is no provision for declarations on oath, by a solemn declaration made by the person concerned before a competent judicial or administrative authority, a notary or a competent professional or trade body, in the country of origin or in the country from where that person comes, declaring that such documents are not available and that Exclusion Criteria (d) does not apply to it.
- In relation to items (c), and (f) above, a declaration made as indicated above stating that the applicant is not guilty of professional misconduct, and is supplying all the information required under this Call for EoI in good faith and without misrepresentation. This solemn declaration should be signed by the person(s) empowered to represent the applicant and sign the contract if the applicant is selected and dated less than 4 months before the final date for submission of applications.

E. SELECTION CRITERIA

Applications not excluded in accordance with the Exclusion Criteria, will be assessed on the basis of the following Selection Criteria:

- 1) The EoI is prepared in accordance with Annex 1 and all supporting documents are provided and;
- 2) Declarations indicated in Annex 2 are completed to the satisfaction of the EIB.

The EIB reserves the right to verify the correctness of the information received. The EIB may, on its own initiative, inform applicants of any error, inaccuracy, omission or any other error in their application. If clarification is required or if obvious clerical errors in the application need to be corrected, the EIB may request the applicant to provide clarifications and/or additional information provided the terms of the EoI documents are not modified as a result.

F. OFFER IN THE FORM OF A BUSINESS PLAN

The Business Plan for use of resources received from the JHF and demonstrating economic viability of the investment strategy shall include the following elements:

<p>1. The organisational and administrative capacity, credit risk assessment, risk management and loan recovery procedures, monitoring, reporting</p>
<p>The applicant shall describe:</p> <ul style="list-style-type: none"> ▪ Its governance structure as well as organisational and administrative capacities in place to meet its business objectives and Renovation Project demand in respect of this Call for EoI. ▪ Detailed risk management procedures in place, including loan issuance and creditworthiness appraisal processes, credit risk assessment and management procedures and loan monitoring and work-out procedures that will be applied for overdue loans. ▪ How it will carry out adequate information and publicity measures, in accordance with the provisions of the EU Structural Funds Regulations, including that Renovation Projects are fully or partially financed from the EU Structural and Cohesion Funds; <p>The applicant shall confirm that:</p> <ul style="list-style-type: none"> ▪ it will report to the JHF quarterly in a format to be stipulated by EIB as the JHF manager, including performance against the relevant output targets as stipulated in the Annex of the Operational Programme; and ▪ it shall notify the EIB and the relevant governmental authority of any Irregularities in accordance with applicable laws in the event that it becomes aware of any Irregularities pertaining to a Modernisation Loan. <p>The applicant must provide a copy of the documents regulating its economic activities (by-laws, founding documents, licences, patents, etc.) evidencing the provision of financial services and its status as a Financial Institution. The applicant must also provide information on its ownership structure.</p>
<p>2. Presentation of relevant lending experience</p>
<p>In this part of the Business Plan the applicant shall describe its relevant experience in identifying and extending financing from own or other funds for Renovation Projects, including experience in assessing the creditworthiness of potential Final Recipients and/or Administrators of Common Property.</p> <p>The applicant shall present any relevant experience it has in managing and administering EU Structural Funds (including EU Structural Funds as grants). The applicant shall also present any other experience which it deems to be relevant in this context.</p>
<p>3. The investment strategy of the FI(s)</p>
<p>In this part of the Business Plan the applicant should set out its investment strategy, including the applicant's approach to identifying and financing Renovation Projects.</p>

The investment strategy should describe at least the following:

- (a) The strategic focus of the FI(s) in terms of:
- The target market, geographical coverage, plan to capture a share of the identified market potential, and related priorities;
 - The key stages/parameters that will be used to assess Renovation Projects;
 - Terms and conditions for extending Modernisation Loans (including a description of the main financial covenants (ratios and others) to be put in place),and
 - Any other relevant criteria that the applicant would consider appropriate;
- (b) The applicant shall indicate how it intends to exit from investments in Renovation Projects (which might be simply through normal repayment amortisation in respect of loan financing, for example).
- (c) The approach to managing engagement with potential Final Recipients, Administrators of Common Property and local stakeholders (including municipalities) regarding the identification of Renovation Projects.

The applicant is required to demonstrate its ability to develop a robust Renovation Project pipeline (as described in section I. 3 above).

4. Risk-sharing

An important factor in the evaluation of the Offer will be the ability of the FI to risk-share.

The applicant shall indicate its willingness to risk share and in such case the percentage as described in the point I.4. of the Terms of Reference.

In case of risk-sharing the applicant shall set out its annual guarantee fee, expressed in percentage as described in point I.4 of the Terms of References, and limited to 3% per annum of the principal guaranteed amount outstanding.

5. Annual management fee

The applicant should indicate in its Business Plan the percentage for each of the following three components that make up its total annual management fee offer in respect of each of the contribution ranges indicated above:

- the annual management fee for administering loans (maximum 2% per annum), payable until the maturity of the loan and calculated on the average amount of loans disbursed to the Final Recipients and not yet repaid or accelerated and/or written-off in the quarter immediately preceding the quarter in which the management fee is paid
- the management fee for extending loans payable once only on the amount of loans disbursed to Final Recipients (maximum 3% of amounts disbursed) in the quarter directly preceding the quarter in which the management fee is paid; and
- the management fee component payable once only on loan amounts repaid/recovered by the FI (including interest) in the quarter directly preceding the quarter in which the management fee is paid (and being a maximum of 5% of amounts repaid/recovered from Renovation Project investments). This fee component may only be paid from loan amounts repaid/recovered.

The overall management fee must be **capped at 3% per annum** of the amounts contributed to the FI by the JHF, and that after 2015; all management fee components may only be paid from amounts received back by the FI from investments made in Renovation Projects financed from the ERDF Operational Programme for the Promotion of Cohesion 2007-2013. Similar provisions may

apply with respect to any further amount made available under the Lithuanian EU Structural and Cohesion Funds operational programmes for the multiannual financial framework 2014-2020.

6. The cash flow forecasts and operational budget of the FI, including the level of management fees to be charged

In this part the applicant shall set out its annual operational budget and the cash flow forecast for the duration of the Modernisation Loans taking into account its proposals above for the management fees.

The cash flow forecast should identify clearly the total costs to be borne by the JHF, the applicant, the Final Recipient or Administrator of Common Property and/or any other parties, as appropriate.

7. Other elements, if any, relevant for the evaluation of the Business Plan in accordance with the Award Criteria, as described in the Terms of Reference

The applicant shall indicate any other elements relevant for the evaluation of the Business Plan in accordance with the Award Criteria.

APPENDIX A

AWARD CRITERIA

The Offers (in the form of a Business Plan) for use of resources received from the JHF shall be assessed on the basis set out below.

Criterion	Description and assessment rules	Maximum points for the section
I. APPRAISAL OF ORGANISATIONAL AND ADMINISTRATIVE CAPACITY, CREDIT RISK ASSESMENT AND MANAGEMENT, LOAN RECOVERY CAPACITY, MONITORING, REPORTING PROCESSES, RELEVANT EXPERIENCE	<p>The applicant may receive up to 25 points for the following elements of the Business Plan:</p> <ul style="list-style-type: none"> ▪ Governance structure, organisational and administrative capacities to meet objectives as presented in the Business Plan; ▪ Description of control procedures; ▪ Risk management procedures, including loan issuance and creditworthiness appraisal process; ▪ Credit risk assessment and management procedures; ▪ Loan monitoring and work-out procedures that will be applied for overdue loans; ▪ Approach to carrying out (or ensure that the Renovation Projects will carry out) adequate information and publicity measures, in accordance with the provisions of the EU Structural Funds Regulations; and ▪ Confirmation by the applicant that it will report to the JHF quarterly in a format to be stipulated by EIB as the JHF manager and that it shall notify the EIB and the relevant governmental authority of any Irregularities in accordance with applicable laws; ▪ Relevant experience in identifying and extending financing from own or other funds for Renovation Projects; and ▪ Relevant experience in managing and administrating EU Structural Funds. <p>Assessment rule: Professional, independent, reliable structures, capacity and processes under which the FI will operate to ensure robust and appropriately prudent project investment decisions/project implementation/monitoring; Relevant experience in identifying and extending loans from own or other funds for Renovation Projects and in managing and administrating EU Structural Funds.</p> <p>The application must score at least 15 points for this criterion.</p>	25
II. INVESTMENT STRATEGY AND PROJECT PIPELINE	<p>The applicant may receive up to 25 points for the following elements of the Business Plan:</p> <p>The applicant's FI's investment strategy; with respect to:</p> <ul style="list-style-type: none"> ▪ The strategic focus of the FI; 	25

Criterion	Description and assessment rules	Maximum points for the section
	<ul style="list-style-type: none"> ▪ The exit strategy from investments in Renovation Projects; ▪ The approach to develop a robust project pipeline and to managing engagement with potential Final Recipients, Administrators of Common Property and local stakeholders (including municipalities) as regards identification and financing of Renovation Projects; and ▪ The terms and conditions for extending Modernisation Loans. <p><u>Assessment rule:</u> A robust and credible methodology for identifying and appraising Renovation Projects; A sound approach to managing engagements with potential Final Recipients, Administrators of Common Property and relevant stakeholders; A sound exit strategy; and</p> <p>The application must score at least 15 points for this criterion.</p>	
III. RISK-SHARING	<p>The applicant may receive up to 20 points for the following elements of the Business Plan:</p> <ul style="list-style-type: none"> ▪ Percentage of risk-sharing <p><u>Assessment rule:</u></p> <p><u>Appraisal of the share of risk-sharing</u> The applicant may receive up to 10 points for the share of risk-sharing with 10 points being awarded to the applicant proposing the highest share of risk sharing and the other applicants being scored pro rata. Zero points shall be awarded to any applicant proposing risk sharing of less than a 10%.</p> <p><u>Appraisal of the share of risk-sharing guarantee fee</u> The applicant may receive up to 10 points for the guarantee fee in the case of risk participation with 10 points being awarded to the applicant proposing the lowest guarantee fee and the other applicants being scored pro rata. Zero points shall be awarded to any applicant proposing a guarantee fee of more than 3%</p>	20
IV. APPRAISAL OF MANAGEMENT FEES PROPOSED BY THE APPLICANT	<p>The applicant may receive up to 30 points for its management fee proposal. The management fee scoring will be based on the levels proposed for the three components thereof. The overall management fee must be capped at 3%per annum of the amounts contributed to the FI by the JHF.</p> <ul style="list-style-type: none"> – The proposed annual management fee for administering Modernisation Loans I (maximum 2% per annum), payable until the maturity of the Modernisation Loan and calculated on the average amount of loans 	30

Criterion	Description and assessment rules	Maximum points for the section
	<p>disbursed to the Final Recipients or Administrators of Common Property and not yet repaid or accelerated and/or written-off in the quarter immediately preceding the quarter in which the management fee is paid</p> <ul style="list-style-type: none"> – the management fee for extending Modernisation Loans payable once only on the amount of Modernisation Loans disbursed to Final Recipients or Administrators of Common Property (maximum 3% of amounts disbursed) in the quarter directly preceding the quarter in which the management fee is paid; and – the management fee component payable once only on Modernisation Loan amounts repaid/recovered by the FI (including interest) in the quarter directly preceding the quarter in which the management fee is paid (and being a maximum of 5% of amounts repaid/recovered from Renovation Projects investments). <p>The overall management fee must be capped at 3% per annum of the amounts contributed to the FI by the JHF, and that after 2015; all management fee components may only be paid from amounts received back by the FI from investments made in projects financed from the ERDF Operational Programme for the Promotion of Cohesion 2007-2013.</p> <p>Assessment rule: The applicant may receive up to 10 points for each of the fee components mentioned above.</p>	
Total maximum points		100

APPENDIX B

INDICATIVE SUMMARY TERMS OF THE OPERATIONAL AGREEMENT

This indicative summary is an outline of the principal terms and conditions for the Operational Agreement described herein, which are subject to change and non-exhaustive. This document is intended to provide a basis to guide applicants on what is to be expected to be contained within the actual Operational Agreement and does not constitute a binding commitment either implicit or explicit on the part of the EIB or the JHF Lithuania. A commitment to provide funds under an Operational Agreement will only be made after approval by the Investment Board of the JHF Lithuania and the signature of the Operational Agreement.

It is intended that the EIB and the applicants selected pursuant to this call for expressions of interest (the FI(s)) will conclude Operational Agreements. Pursuant to the Operational Agreement the EIB will be extending funds in one or more tranches to the FI(s) which, in turn, will be on-lending the funds pursuant to Modernisation Loan Agreements to Final Recipients or Administrators of Common Property implementing Renovation Projects.

1. An obligation on the FI to pursue the objectives set out in the Operational Agreement, which shall include the obligation to act in accordance with its investment strategy as presented in the Business Plan.
2. An obligation on the FI to keep all relevant records in accordance with applicable EU Rules.
3. An obligation on the FI to allow access to documents related to the JESSICA initiative for any national or European entity duly empowered by applicable rules to carry out audit and/or control activities.
4. A description of procedures for submission by the FI of semi-annual and annual accounts for each contribution by the JHF to the FI as well as for auditing procedures to be complied with by the FI.
5. The right of EIB to recover any losses incurred by the JHF due to a breach by a FI of its obligations under the relevant Operational Agreement, in accordance with suitable market-standard clauses.
6. The right of EIB to transfer the Operational Agreements to the Lithuanian government or any entity that may succeed EIB as a manager of the JHF.
7. An undertaking by the FI that all authorisations, licences, permits, approvals, consents, resolutions, exemptions, filings and registrations (howsoever described) ("Authorisations"), which it requires to carry on business have been obtained or effected and are in full force and effect and no steps have been taken to challenge, revoke, annul or cancel them, together with an obligation to obtain when required and maintain in full force and effect and renew, where necessary, such Authorisations.
8. An undertaking by the FI to be in compliance with all the EU State Aid Rules, EU Structural Funds Regulations and EU Rules as well as any applicable laws and regulations with no limitation of contractual liability of the FI in connection with, inter alia, the selection and management of the Renovation Project.
9. An obligation on the FI to provide EIB with all information required by EIB to comply with its reporting obligations towards the Ministries.

10. The JHF may advance funds allocated to the FI in one or more tranches. The EIB shall have the right to make the final decision on each tranche, which shall be set out in the Operational Agreement.
11. The JHF funds allocated to the FI shall be kept in a separate interest-bearing bank account (the "Disbursement Account") in the name of the FI to which all disbursements under the Operational Agreement are made. Interest payable on the Disbursement Account shall be based on market pricing. Any interest accruing on the balance standing to the credit of the Disbursement Account shall be added to the Disbursement Account and shall be used by the FI for the purpose of providing funds pursuant to Modernisation Loan Agreements.
12. The funds allocated to a FI should be fully contracted (i.e. loan agreements signed with Final Recipient or Administrator of Common Property) within the period prescribed in the Operational Agreement. Upon the expiration of this term, any remaining funds of the JHF which were not contracted and are still held by the FI, shall be returned to the JHF together with any accrued interest thereon.
13. The funds contracted by a FI shall be fully disbursed to the Renovation Projects within the deadline prescribed by the Operational Agreement.
14. Funds collected by the FI but not yet repaid to the JHF, shall be placed into a separate interest-bearing bank account (the "Reserve Account"). Interest payable on the Reserve Account shall be market pricing.
15. The Disbursement Account and the Reserve Account shall both be pledged in favour of EIB.
16. In carrying out its responsibilities the FI will act as a diligent business entity applying at least the standard of professional care that can be expected from an EU regulated bank. In particular, the FI shall use all reasonable efforts to assess the creditworthiness of Final Recipients or Administrators of Common Property in line with the market practice for this specific or similar products for the renovation of multi-apartment houses, use reasonable efforts to collect amounts due and write off the amounts due only if the collection of the amounts due can no longer be reasonably expected. The FI shall cooperate with the Administrator of Common Property in order to ensure the best management process of the Modernisation Loans and implementation of the Renovation Projects.
17. The FI will, amongst others, be responsible for the following procedures for verification of compliance of the Renovation Projects with the applicable laws and regulations:
 - (i) Signature of the Modernisation Loan Agreement in accordance with the provisions of the Operational Agreement. The FI shall verify legality, validity, binding effect and enforceability of the resolution of the Final Recipients or corporate authorizations and other decisions of the Administrators of Common Property to implement the Renovation Project, take the Modernisation Loan, enter into and perform the Modernisation Loan Agreement and implement such other actions, which are necessary for completion of the Renovation Project.
 - (ii) The responsibility of the FI will include, without limitation, responsibility for verification that the Final Recipients or Administrators of Common Property have validly adopted a decision to start the Renovation Project and apply for the Modernisation Loan and have validly recorded such decision. In particular the FI will be responsible for ensuring that each Final Recipient who is named as having signed the decision, was in fact present at the meeting or meetings, as the case may be, (directly or through duly authorised representative) and adopted a decision on the Renovation Project and Modernisation Loan (i.e. voted in favour or against) as well as that the Final Recipients owning apartments in a multi-apartment house have approved the Renovation Project and the Modernisation Loan Agreement, or mandated to the Administrator of Common Property to sign the Modernisation Loan Agreement on their behalf, thus making these documents binding on all the multi-apartment building apartment owners. The FI shall ensure that the decision or agreement of the owners of apartments, authorizing the Administrator of Common Property to sign the Modernisation Loan Agreement on their behalf, sets out the right of Administrator of Common Property to recover the total amount of

the investment assigned to a respective Final Recipient according to the Renovation Project, who is in default with payments for more than 60 (sixty) days after the due date.

- (iii) Disbursement of the Modernisation Loan, acting as a diligent business entity, applying at least the standard of professional care that can be expected from an EU regulated bank.
 - (iv) The responsibility of the FI will include, without limitation, before disbursing the Modernisation Loans, review the documents submitted to it and confirm to its reasonable satisfaction the completeness, validity and enforceability thereof, in particular that the certificate was issued for the Renovation Project, that the expenditure has been made to implement the Renovation Project, that the invoice was issued by a person who has the right to receive payment for implementation of the Renovation Project, that HUDA or another agency or authority, as the case may be, has duly verified the works undertaken during implementation of the Renovation Project.
 - (v) Completion of the Renovation Project: The FI shall be responsible for collection of the construction completion deed executed by, among others, an authorised technical supervisor of the renovation works confirming that the renovation works of the multi-apartment building for which the Renovation Project was prepared are completed.
18. An undertaking that, in every Modernisation Loan, the FI shall provide that the Final Recipient or Administrator of Common Property shall comply with all obligations imposed on it by the EU Rules and any other applicable laws and that the Final Recipient or Administrator of Common Property shall do such things as may be necessary to allow the FI to comply with its obligations under EU Rules, any other applicable laws and the Operational Agreement. In particular, every Modernisation Loan shall provide the following, where appropriate and to the extent applicable:
- (a) the information that the Modernisation Loan is fully or partially financed from the EU Structural Funds.
 - (b) the FI or the Final Recipient or Administrator of Common Property shall carry out adequate information and publicity measures in accordance with the provisions of the EU Structural Funds Regulations.
 - (c) the Final Recipient or the Administrator of Common Property shall collect and keep necessary accounts and other documents evidencing that the funds were used for the Renovation Project in accordance with applicable EU laws and regulations.
 - (d) the representatives of the Ministries, the Commission, the European Court of Auditors, the EIB or its agents and any other national or European entity duly empowered by applicable law to carry out audit and/or control activities may access the premises and documents of the Final Recipient or Administrator of Common Property for the purpose of ensuring the legality and regularity of the financial contribution;
 - (e) all authorisations, which the Final Recipient or the Administrator of Common Property requires to carry on a Renovation Project shall be obtained or effected, together with an obligation to obtain when required and maintain in full force and effect and renew, where necessary, such authorisations.
 - (f) the Final Recipient and the Administrator of Common Property shall engage in no action or decision contrary to applicable law.
 - (g) the provision allowing the FI to assign all receivables and other rights pursuant to the Modernisation Loan Agreements to the Bank or any other person nominated by the Bank.
 - (h) the FI shall be entitled to recover any losses due to a breach by a Final Recipient or Administrator of Common Property of its obligations under the relevant Modernisation Loan Agreement.
 - (i) the FI shall diligently, whether by negotiation or legal action, enforce its claims against the Final Recipient or Administrator of Common Property;
 - (j) Events of Default on Modernisation Loan Agreements:

(i) A Modernisation Loan Agreement entered into directly by Final Recipients, shall be classified as being in default ("Event of Default") if, amongst others, the conditions set out below occur:

- non-payment;
- an Irregularity;
- insolvency or any other bankruptcy procedure affecting the Final Recipient under the Modernisation Loan Agreement;
- suspension or cancellation of the rights attached to the Modernisation Loan Agreements.

Any such information (a "Default List") shall include a description and the amount of the Modernisation Loan Agreement and the nature of the Event of Default. Inclusion in the Default List will require additional monitoring in respect of the Modernisation Loan Agreement and additional reporting to the Bank.

(ii) In case a Modernisation Loan Agreement is concluded with the Administrator of Common Property, any Event of Default listed above shall only entitle the Administrator of Common Property to recover the full amount of investments, allocated to the specific Final Recipient in default. The Modernisation Loan Agreement as a whole shall not be classified as being in default, except for the purpose of the Management and Guarantee Fee calculation and shall not be accelerated unless instructed to do so by the Bank or applicable legal acts provide otherwise.

APPENDIX C

DEFINITIONS AND ABBREVIATIONS USED FOR THE PURPOSE OF THIS CALL FOR EXPRESSIONS OF INTEREST

For the purpose of this Call for EoI words in the singular shall include the plural and vice versa.

Administrator of Common Property	means (i) the association of the owners of apartments and other premises of multi-apartment building, (ii) a person acting under a partnership agreement concluded by the apartment owners, (iii) any other person authorized by the decision or agreement of the owners of apartments and other premises of multi-apartment building, which is entitled to administer the property under applicable laws, (iv) an administrator of common property, appointed under Article 4.84 of the Civil Code of the Republic of Lithuania (Official Gazette 2000 No 74-2262, 2000 No 77, 2000 No 80, 2000 No 82) which will implement or is implementing a Renovation Project or (v) any other person or entity that may enter into the Modernisation Loan Agreement in accordance with relevant legal acts.
Annex	means an annex to this Call for Expressions of Interest which shall form an integral part hereof
Award Criteria	means the criteria used to assess Offers as set out in Appendix A
Final Recipients	means natural or legal persons owning premises in multi-apartment buildings, implementing a Renovation Project.
Business Plan	means the business plan prepared by each applicant in accordance with EU Structural Funds Regulations relating to extending loans to Final Recipients implementing Renovation Projects
Call for EoI	Call for Expression of Interest
EIB	means the European Investment Bank
EoI	Expression of Interest
ERDF	means the European Regional Development Fund
EU	means the European Union
EU Rules	means the EU Structural Funds Regulations and any other applicable EU Regulations, Directives or Guidelines
EU Structural Funds Regulations	means Reg. 1080, Reg. 1081/2006, Reg. 1083/2006 and Reg. 1828/2006 , as well as any other EU legislation from time to time applicable to the EU Structural Funds, as may be amended or replaced.
Exclusion Criteria	means the criteria set out in section II, d of Annex 3
Financial Institution	means an entity, which (i) is a financial undertaking or a credit institution as defined under Lithuanian Law of Financial Institutions of the Republic of Lithuania (Official Gazette Valstybės Žinios, 2002, No. 91-3891) and (ii) has a right to extend loans to legal persons
Funding Agreement	means the agreement signed between the Ministry of Finance and the Ministry of Environment of the Republic of Lithuania and the EIB on 11 June 2009 establishing the “JESSICA Holding Fund for Energy Efficiency Investments in Lithuania”
General Operation Selection Criteria	means the criteria set out in section Appendix D

HUDA	means Housing and Urban Development Agency
Investment Committee	means the committee consisting of members appointed by the Ministries of Finance and Environment of Lithuania, established in accordance with the Funding Agreement
Irregularities	has the meaning given to it in Article 2 of Reg.1083
JHF	means the JESSICA Holding Fund in Lithuania, established pursuant to the Funding Agreement, and in accordance with Reg.1083 and Reg.1828
JESSICA	means “Joint European Support for Sustainable Investment in City Areas”, initiative launched by the European Commission and EIB in collaboration with CEB, in order to promote sustainable investment, growth and jobs in urban areas
Operation	means contribution by the JHF into a FI
Operational Agreement	means an agreement providing for the contribution by the JHF to a FI as attached as Appendix B
Operational Programme or OP	means the Lithuanian Operational Programme for the Promotion of Cohesion 2007-2013
Law on Support for Housing	Law of the Republic of Lithuania on State Support for Acquisition or Lease of Housing and Renovation (Modernisation) of Multi-Apartment Houses (Official Gazette 2002, No 116-5189), as amended by Resolution No. 1725 of the Government of the Republic of Lithuania of 18 July 2012, as may be amended or supplemented.
FI or FIs	means (a) Financial Institution(s) selected pursuant to this Call for EoI to receive funds from the JHF to extend loans under the terms of the Operational Agreement, to be signed by the selected Financial Institution(s) and EIB.
Modernisation Loan Agreement	has the meaning given to it in Annex 3, Section I. 3.
Ministries	means the Ministry of Finance and the Ministry of Environment of the Republic of Lithuania.
Offer	means the Business Plan to be prepared in line with the Terms of Reference
Reg. 1080/2006	means Regulation (EC) No. 1080/2006 of the European Parliament and of the Council of 05 July 2006 on the European Regional Development Fund and repealing Regulation 1783/1999/EC, as amended by Regulation (EC) No. 397/2009 of the European Parliament and of the Council of 6 May 2009 and Regulation (EC) No. 437/2010 of the European Parliament and of the Council of 19 May 2010
Reg. 45/2001	means Regulation (EC) No. 45/2001 of the European Parliament and the Council of 18 December 2000 on the protection of individuals with regard to the processing of personal data by the Community institutions and bodies and on the free movement of such data
Reg. 1081/2006	means Regulation (EC) No. 1081/2006 of the European Parliament and of the Council of 5 July 2006 on the European Social Fund and repealing Regulation (EC) 1784/1999 as amended, supplemented or modified from time to time
Reg. 1083/2006	means Council Regulation (EC) No. 1083/2006 of 11 July 2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Regulation (EC) No. 1260/1999 as amended, inter alia. by Council Regulation (EC) No. 284/2009 of 7 April 2009 and Council Regulation (EC) No. 539/2010 of 16 June 2010

Reg. 1828/2006	means Commission Regulation (EC) No. 1828/2006 of 8 December 2006 setting out rules for the implementation of Council Regulation (EC) No. 1083/2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and of Reg. 1080/2006, as amended, as amended by Commission Regulation (EC) No. 846/2009 of 1 September 2009 and Commission Regulation (EU) No. 832/2010 of 17 September 2010.
Renovation Projects	means projects for the energy efficiency renovation of multi-apartment buildings in accordance with the Law on Support for Housing, approved by HUDA or another agency or authority, as the case may be, as an eligible renovation project
Selection Criteria	means the criteria set out in section II, e of Annex 3

APPENDIX D

GENERAL OPERATION SELECTION CRITERIA

No.	Title of criteria
1.	The Operation is in line with at least one target, measure of the Operational Programme and it's priority as well as includes the activities financed from a specific priority
2.	The Operation is compatible with the national strategic documents
3.	The Operation aims at specific quantified indicators corresponding to the targets of the national Operational Programme
4.	The Operation is compatible with the sustainable development policy
5.	The Operation is compatible with the gender equality and non-discrimination policy
6.	The Operation implementation is harmonised with the provisions of other relevant European Union policies
7.	Organizationally applicant is able to implement the Operation in time and according to the set requirements
8.	The Operation has a clear package of financing: well-defined, specific and ensured project financing sources
9.	Effective use of funds required for project implementation is ensured

APPENDIX E

DESCRIPTION MODERNISATION LOAN

This description of the terms of a modernisation loan is indicative and non-exhaustive may be subject to change in accordance with the relevant legal acts and the final terms of the Operational Agreement.

1. Financing under the JESSICA initiative will be implemented as part of the state support for renovation of multi-family apartment houses under the Law on Support for Housing, as may be amended or supplemented.
2. Support for renovation of multi-apartment houses may be granted to Final Recipients or to an Administrator of Common Property, implementing a Renovation Project and meeting the eligibility criteria set out in the Law on Support for Housing. This support will consist of two key elements: a Modernisation Loan and additional support elements, including subsidy-type incentives ("Additional Incentives").
3. A basic description of selected parameters of Modernisation Loans and Additional Incentives is provided in the Law on Support for Housing.
4. Modernisation Loans shall be denominated in Euro.
5. Modernisation Loans shall be granted for the period of up to 20 years.
6. The FI shall ensure that the annual fixed interest rate on the Modernisation Loans granted to the Final Recipients or the Administrator of Common Property does not exceed 3% during the term of a Modernisation Loan.
7. The FI has the right to issue Modernisation Loans only after confirmation of compliance by HUDA (or another agency or authority, as the case may be) of Renovation Projects with the legal and technical requirements indicated in the Rules for Providing State Support for the Renovation and Modernisation of Multi-Apartment Buildings and Preparation and Implementation of Renovation and Renovation Projects ("Rules for Provision of State Support").
8. The FI shall use all reasonable efforts to assess the creditworthiness of Final Recipients and/or Administrators of Common Property. Modernisation Loans shall be issued only to Final Recipients or Administrators of Common Property complying with eligibility criteria established by the FI in accordance with relevant market practice.
9. The FI may require from the Final Recipients or the Administrators of Common Property a down payment accounting for not more than 5% of the value of the projects representing the Final Recipients' own contribution to the financing of the projects.
10. Modernisation Loans shall be disbursed by making direct payments to contractors against invoices issued by contractors for works performed. Advance payments may be also foreseen in the agreements with the contractors. Modernisation Loans shall be disbursed only after the eligibility of expenses or advance payments has been confirmed in accordance with applicable legislation.
11. Upon the completion of a Renovation Project, its eligibility to benefit from the state support shall be verified in accordance with applicable legislation. Following the verification, the Renovation Project may become eligible to benefit from Additional Incentives, which shall be financed from the JHF or from such other funds as indicated in the Rules for Provision of State Support in accordance with the procedure established therein. If required, the FI shall amend relevant Loan Agreements to the extent necessary to reflect the consequences of the payment of the Additional Incentives by the JHF and inform EIB of such amendments without undue delay.
12. If the maximum amount of a monthly instalment paid according to Modernisation Loan Agreement exceeds the maximum amount established in the Renovation Project and

confirmed by HUDA, or another agency or authority, as the case may be, the remaining unpaid amounts due by a Final Recipient or the Administrator of Common Property to the FI shall be payable after the final maturity date of the relevant Modernisation Loan with no interest, in accordance with the applicable legal acts.

13. Repayment of the principal amount of a Modernisation Loan may be deferred, upon request of the Final Recipient or the Administrator of Common Property, until the completion of the Renovation Project, but in any case not longer than for 24 months from the date of the first disbursement of the Modernisation Loan or as otherwise agreed between the EIB and the FI. During the above-mentioned period only interest shall be paid by the Final Recipient or the Administrator of Common Property.
14. The Final Recipients or the Administrator of Common Property shall have the right to prepay the Modernisation Loan Agreements before their maturity date without incurring penalties or administrative charges, subject to the condition that the repayable part of the Modernisation Loan Agreements shall be of a reasonable amount, by submitting to the FI a notification within a reasonable time prior to such repayment. Detailed procedures for prepayment should be set out in the Modernisation Loan Agreements. Amounts prepaid may not be re-borrowed. The FI and the EIB shall establish detailed procedures in the Operational Agreement for returning prepaid amounts of Modernisation Loans applicable to the JHF, without any additional costs for JHF.
15. Administrators of Common Property shall collect payments from the apartment owners for the implementation of the Renovation Project in a separate ring-fenced account. The FI shall ensure that the Administrators of Common Property access to such account shall be limited to the payment for the implementation of the Renovation Project and shall secure the right of FI to directly debit monthly instalments to the account.
16. The FIs shall agree with the Administrator of Common Property the procedure for verifying the total amount of the funds received by the Final Recipient.
17. The FIs shall agree with the Administrator of Common Property the procedure for delays in payments and events of defaults by multi-apartment building apartment owners, which shall provide for the assignment of the demand rights to the FI and to the EIB to recover the due amounts directly from the Final Recipients.
18. The FI shall ensure that Final Recipients and the Administrators of Common Property comply with all obligations imposed on them by EU laws and regulations and any other applicable laws and that the Final Recipient and the Administrator of Common Property shall do such things as may be necessary to allow the FI to comply with its obligations under EU laws and regulations and any other applicable laws.