

Call for Expression of Interest:

Ref.: VP-950

**Subject: Third Financial Intermediary selection for the JESSICA
Holding Fund in Lithuania**

Joint European Support for Sustainable Investment in City Areas (“JESSICA”) is an initiative developed by the European Commission and the European Investment Bank (“EIB”) in collaboration with the Council of Europe Development Bank in order to promote sustainable investment, growth and jobs in urban areas.

The Ministry of Finance and the Ministry of Environment of Lithuania and the EIB signed a Funding Agreement on 11 June 2009 (“Funding Agreement”), establishing the “JESSICA Holding Fund for Energy Efficiency Investments in Lithuania” (“JHF”).

On 30 April 2009, the Republic of Lithuania’s Parliament amended and restated the Law on Science and Study of the Republic of Lithuania (“Law on Science and Study”)¹ which allows for a systematic restructuring of Lithuania’s higher education and scientific research system. The Law on Science and Study seeks to modernize and improve the quality of Lithuania’s higher education by changing the academic system’s financial infrastructure and reorganizing academic institutions’ administrative policies. The Law on Science and Study also seeks to reform collegiate and university educational funding, widen the scope of possible funding sources to include private entities, and to redirect national funds to higher-achieving students. It will also ensure social accessibility to higher education, reform these institutions’ administrative infrastructures and grant them more autonomy.

As part of the new Law on Science and Study, Lithuanian state higher education institutions (“HEIs”) will obtain a new legal status. The legal status of HEIs will change from a simple budgetary item to a special public entity status. The many different types of currently existing scientific institutions will also acquire a new legal status as scientific research institutions. HEIs will gain the right to own property and will enjoy expanded rights to manage the property entrusted to them by the state. HEIs will also obtain the right to borrow.

In parallel, a number of Lithuanian vocational education and training institutions (“VETIs”) have obtained the status of a public entity provided by the Law on Vocational Education of the Republic of Lithuania (“Law on Vocational Education”)² of 14 October 1997 and have hence gained the right to borrow and to own property.

In this context, the EIB, in its capacity as JHF manager is launching a Call for Expressions of Interest (“Call for EoI”), with the aim of selecting a Lithuanian financial intermediary (“FI”) that will receive financing of at least EUR 20 million from the JHF to extend loans to Final Recipients to finance student dormitory renovations in Lithuania (“Renovation Loans”). Further funding might be allocated from the JHF depending on demand.

¹ Official Gazette *Valstybės žinios*, 2009, No. 54-2140

² Official Gazette *Valstybės žinios*, 1997, No. 98-2478

The selection of the FI 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-950
Subject: Third Financial Intermediary selection for the JESSICA
Holding Fund in Lithuania
Deadline for receipt of expression of interest: 7 March 2012

and delivered either by:

- (a) registered post, to the following address:

EUROPEAN INVESTMENT BANK
For the attention of Véronique Paulon
Ref. VP-950
Purchasing and Administrative Services Division
98-100 boulevard Konrad Adenauer
L-2950 LUXEMBOURG

by midnight on **07.03.2012** 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-950
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 **07.03.2012** 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 EoI (reception desk open 24 hours a day) shall form the evidence of the EoI 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 EoI.

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 EoI to Annexes and Appendices are, save if explicitly stipulated otherwise, references respectively to annexes and appendices to this Call for EoI.

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

1. The selection of UDFs 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 the Operational Agreement: one applicant 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	12.01.2012
Deadline for requests for additional information	09.02.2012
Deadline for submission of the Eol	07.03.2012
Notification to applicants of outcome of the Eol assessment	April 2012
Start of negotiations on Operational Agreement following Investment Committee approval	April/May 2012

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 Eol 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 Eol.
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 EIB reserves the right to award a contract to the applicant of its choice (subject to the approval of the Investment Committee), in accordance with the Award Criteria set out in the specifications, or not to award a contract to any applicant. The EIB may cancel this procurement procedure 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.
11. 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.
12. 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)
13. Any requests for additional information on the EoI, should be addressed in writing by **09.02.2012** 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.
14. If necessary, 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.
15. 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.
16. 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.
17. Applicants will be informed by post of the outcome of their applications.
18. Applicants may be invited to 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.
19. 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 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.

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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 applicant³

An Expressions of Interest (“Eol”) 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 ⁴ (copy of certificate to be attached)	
Telephone No.	
Fax	
Email	

³ In case the Eol 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 Eol, 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.

⁴ Registration with the official companies registry, chamber of commerce, or other competent authority.

Names and organisation registration numbers of proposed subcontractors / consortium members if applicable	
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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; and
- having completed the requisite declaration Annex 2,

hereby

1. declare(s) that:
 - a. there is no Exclusion Criteria preventing its selection under the terms of this Call for EoI;
 - b. the applicant is fully aware that resources of the JHF, which aims to carry out energy efficiency measures in student dormitories, are provided by the European Union ("EU") Structural Funds Operational Programme for the Promotion of Cohesion 2007–2013 using measure No. VP3-1.1-AM-01-V "JESSICA Holding Fund";
 - c. the information contained in this EoI and its Annexes is complete and correct in all its elements; and
 - d. the applicant has taken note of 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.
2. 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.
3. 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) ...
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 will ensure compliance with the requirements for financial institutions, prescribed by the Law on Financial Institutions of the Republic of Lithuania (Official Gazette, 2002, No. 91-3891) from the moment of signature and for the duration of the Operational Agreement;
- it has experience in extending loans from own or other funds, for building renovation projects, including experience in assessing creditworthiness of borrowers, credit risk management, and loan recovery.

12. In case the entity, which shall act as the FI, is to be established after submission of the Offer, the applicant shall provide a timetable and a description of the process to establish the FI.

13. The applicant certifies its compliance with the principles of gender equality and non-discrimination in carrying out its activities.

14. The applicant certifies that the information given above is correct 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

a. Introduction

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 UDFs 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_en.cfm

JHF has been established in the books of the EIB for the purpose of investing funds in 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 Ministry of Finance and the Ministry of Environment of Lithuania ("Investment Committee").

A JESSICA evaluation study for Lithuania was presented in January 2009, providing an in-depth analysis of the Lithuanian public, financial and urban environment, and identifying significant potential for JESSICA's deployment. A supplementary and more targeted study was finalised in April 2009 to revise and refine the JESSICA implementation strategy as proposed initially. Following positive results of the first stage of the implementation of JESSICA in Lithuania, the Ministries of Education and Science, of Finance and of Environment asked EIB to review the possibility of extending the scope of the energy efficiency actions beyond traditional housing, to include student dormitories, under the jurisdiction of the Ministry of Education and Science. Such a development necessitated a supplementary study which was finalised on 3 February 2010.

In this context, the government of Lithuania and EIB have agreed to extend JHF's support for the programme of energy efficiency investments to the renovation of student dormitories, considered an important component of housing under Lithuanian legislation.

You can consult the studies by going to:

http://www.eib.org/products/technical_assistance/jessica/studies/index.htm

b. Background information

Higher education reform

The higher education reform in Lithuania was launched when the Law on Science and Study came into effect in April 2009. This law provided for the reform of the legal status, management and funding of state academic institutions.

Since 2009-2010, collegiate or university students receiving national funding have been able to apply it towards tuition fees in any public or private Lithuanian institution of higher learning. The money is tied to the student rather than to the institution. Students not covered by national scholarships have to pay their own tuition fees. All applicants are able to obtain national student loans to help finance their studies. In order to improve schools' competitive and creative potential, increasingly more funding is distributed according to scientific achievements rather than just generic institutional funding.

c. Governance

HEIs

The management structure of HEIs will also be reformed due to the new Law on Science and Study. This new law stipulates that the management structure of HEIs will have the following governing and administrative bodies:

- 1) *Council*
→ Highest governing body responsible for strategic decisions.
- 2) *Senate (Academic council)*
→ Highest administrative body responsible for the management of a HEI (management body of academic affairs of that higher education institution).
- 3) *Rector*
→ Highest body responsible for academic matters, approving study programs and securing admittance to academic standards. The management body of the higher education institution, that will act in the name of the said institution and represent it.

VETIs

The activities and functioning of VETIs are established by the Law on Public Establishments of the Republic of Lithuania ("Law on Public Establishments")⁵. The founder and/or shareholder of the VETIs is the Ministry of Education and Science. VETIs have the following governing and administrative bodies:

- 1) *The general meeting of shareholders*
→ Responsible for the management of the VETI.
- 2) *Administrative Director*
→ Acts as administrator on behalf of a VETI and assumes responsibility for its results

VETI self-governing bodies (which may differ):

- 1) *The Central Board*
→ Highest self-governing body responsible for the VETI's educational and development strategy, the approval of distribution of income and expenditure, establishment of procedures and the control of the teaching quality. It also has to approve the adoption of the statute of a public establishment and amendments thereto.
- 2) *The Council of Teachers*
→ A collegial self-governing body responsibly for the programmes of pedagogical activities.
- 3) *The Student Council*
→ Provides proposals for the improvement of the teaching process, helps the administration in solving social and residential problems of students.

⁵ Official Gazette *Valstybės žinios*, 1996, No. 68-1633

d. HEIs' conversion to public entities and transfer of ownership of property

According to the Law on Science and Study, all HEIs are required to change their legal status and to convert to public entities before the end of 2011. Most HEIs in Lithuania have now adopted the new legal status. As set out further below, only as public entities can HEIs borrow and directly own property and therefore this status is a pre-requisite for HEIs to be able to receive Renovation Loans (unless otherwise decided by the government).

Following the conversion of HEIs to public entities, the government may also transfer the ownership of student dormitory buildings to HEIs. After transfer, HEIs will have full control of these properties, meaning that HEIs can buy, sell, mortgage (subject to limitations as described below and subject to the approval of the Ministry of Education and Science) or develop these properties further.

The Law on Science and Study states that HEIs have the right to borrow, which is to sign loan and lease (financial lease) agreements and other promissory debt instruments, within the limits set by the relevant Law on the Approval of Financial Indicators of the State Budget and Municipal Budgets of the Republic of Lithuania⁶ and allocated by the Ministry of Education and Science. HEIs will account for their debt obligations to the Ministry of Education and Science in accordance with the procedure laid down by the latter. HEIs are not allowed to mortgage more than 20% of the tangible assets managed through their right of ownership in order to secure the performance of debt obligations. Before concluding immovable property mortgage contracts HEIs are required to obtain, in a manner prescribed by the Lithuanian government, the consent of the Ministry of Education and Science.

e. VETIs ownership of property

In line with Article 10, Clause 8 of the Law on Public Establishments, VETIs have full ownership of property and can sell, lease, transfer under a loan for use contract, pledge their fixed assets or the use thereof as a security for the discharge of obligations by other parties (excluding state and municipal assets) by decision of the general meeting of shareholders.

f. The need for student dormitory renovation

HEIs

As at September 2009, there were 124 HEI student dormitories (of which 45 belonged to colleges and 79 to universities). Some 28,000 students lived in these dormitories and the average occupancy rate was 92% (the total existing accommodation capacity was approximately 31,000 places)⁷.

These dormitories were built in different periods between 1905 and 1996, following the then applicable construction standards and rules. Most of the dormitories:

- rely on outdated, permeable and worn local networks of district heating;
- make use of heating system pipes which have not been replaced since they were built; they have systems, the operation of which is not controlled and is not based on external temperature, use outdated heating devices, pipes, armatures and equipment;
- have outdated and worn cold, hot and circulating water supply and sewage systems;
- do not have mechanical ventilation systems in kitchens, showers and toilets;
- have outdated, permeable roofing;
- have many premises which are worn out because of a lack of related maintenance, rainwater permeating old roofs, and humidity;
- have outdated and worn electric power systems which do not meet the existing demand for electric power, outdated lighting equipment and low lighting in premises;
- have outdated and worn toilets, showers and related equipment; and
- have old and worn-out kitchens.

HEIs use income received from accommodation services as well as other funds to maintain and make minor repairs in dormitories. However, these funds are insufficient to pay for comprehensive

⁶ For example, of 2011: Official Gazette *Valstybės žinios*, 2010, No. 151-7712

⁷ Source: Jessica Instrument for Energy Efficiency In Lithuania. Supplementary study (ESTEP; Sutkiene, Pilkauskas & Partners, February 2010 <http://www.eib.org/attachments/documents/annex-to-supplementary-study-on-jessica-instrument-for-energy-efficiency-in-lithuania.pdf>)

renovation work. Some of the dormitories, however, have been partly or fully renovated using state grants or with funds from the operating budgets of the HEIs.

VETIs

VETI student dormitories have been built in different periods, following the then applicable construction standards and rules. The renovation of VETI student dormitories was launched in 2009 and, during the period 2009 to 2011, nearly LTL 15 million (EUR 4 million) of state budget resources was allocated for partial renovation of 74 student dormitories.

No major repairs have been undertaken in recent decades, and they are therefore highly energy inefficient. As a consequence students and teachers are forced to reside in room temperatures that barely reach 16°C during the heating season.

Most of the dormitories:

- are equipped with outdated and worn-out kitchen facilities, WCs, electricity systems, etc;
- lighting is insufficient;
- ventilation systems are inadequate;
- water-supply and sewerage systems are worn out; and
- heating pipes, facilities, fittings and other equipment are outdated and excessively worn.

g. Energy efficiency renovation measures

The types of energy efficiency renovation measures that can be financed using resources from the JHF are stipulated in Order No. No. V-2551/D1-1038 of the Minister of Education and Science of the Republic of Lithuania of 29 December 2011 on the Approval of the Programme for Renovation (Modernisation) of Student Dormitories of Public Higher Education Institutions as well as of Vocational Education and Training Institutions ("Energy Efficiency Renovation Works").

The Renovation Loan product is described in Section III below.

h. Main tasks and responsibilities of the FI

The FI shall be responsible to carry out, amongst others, the following specific tasks:

- Assessing the conformity with EU and national eligibility and other technical requirements:
 - The FI shall ensure that the Energy Efficiency Renovation Works comply with EU Structural Fund Regulations, the Operational Programme requirements and other relevant national legislation; and
 - The FI shall ensure that the Final Recipients uses the funds extended through Renovation Loans exclusively for the implementation of the Renovation Project, by undertaking appropriate construction work supervision, et cetera.
- Lending and administrating Renovation Loans:
 - The FI shall independently assess the creditworthiness of Final Recipients in accordance with standard lending practice;
 - The FI shall administer and monitor the Renovation Loans by, amongst other, reviewing financial documents, making payments to contractors in accordance with the Renovation Loan agreements, and monitor compliance with the provision of the Renovation Loan agreements; and
 - If there is an event of default under a Renovation Loan, the FI shall remain responsible for the administration and the enforcement of any rights in respect of the Renovation Loan.
- Reporting to the JHF:

- The FI shall 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 to the Operational Programme⁸.
- Reporting to the Ministry of Finance (or another designated body):
 - When extending Renovation Loans, the FI will be required to confirm to the Ministry of Finance (or another designated body) the following:
 - The eligibility of energy efficiency renovation measures for financing from JHF;
 - The amount of Renovation Loan being provided; and
 - Completion of the project.
- Fulfilling publicity requirements:
 - The FI shall carry out (or will ensure that the Final Recipients carry out) adequate information and publicity measures in accordance with the provisions of the EU Structural Funds Regulations.
- Monitoring and reporting of Irregularities:
 - The FI shall notify the EIB and the relevant governmental authority of any Irregularities in accordance with applicable laws in the event that the FI becomes aware of any Irregularities under a Renovation Loan. The FI shall provide reports to EIB on Irregularities on a quarterly basis.

Additionally, the FI may be expected to provide Technical Assistance to Final Recipients in connection with the preparation and implementation of Renovation Projects which are to be financed. This Technical Assistance shall include, amongst others, assistance with preparing and implementing Renovation Projects and/or assistance with preparing and conducting procurements, including those of technical advisors.

II. SELECTION PROCESS

A. AMOUNT

In the above described context, the JHF is aiming to channel a third tranche of its funds to Final Recipients through the FI selected in accordance with this Call for EoI.

The initial amount that the JHF will allocate to this Call for EoI for renovations of student dormitories is EUR 20 million, which shall be used to finance Energy Efficiency Renovation Works.

The amounts invested by the JHF may be increased at a later stage by, inter alia, allocating additional funds from the JHF, reutilising any returns on investment in the FI, the JHF's cash management activities, or through additional funding contributed to the JHF for this purpose.

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.

⁸ Resolution No. 1140 of the Government Resolution of the Republic of Lithuania of 12 August 2010 on Resolution No. 787 of the Government Resolution of the Republic of Lithuania of 23 July 2009 on the Amendment to the Approval of Annex to the Operational Programme for Promotion of Cohesion; Official Gazette *Valstybės žinios*, 2011, No. 95-3720

Applicants must score at least 40 points for the Award Criteria components No. I., No. II and No. III 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 highest scoring applicant shall be invited to negotiate the final terms and conditions of an Operational Agreement to be signed with the EIB once its selection has been approved by the Investment Committee.

The terms of the Operational Agreement shall reflect the provisions of the Call for EoI and the terms of the Offer.

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

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:

- 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 origin or provenance 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 of origin or

provenance, 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 Eols. 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, or provenance, 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 Eol 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 Eol 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 Eol 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:

1. Presentation of relevant experience

In this part of the Business Plan the applicant shall provide information on its track record relevant to the targeted market. In particular, the applicant should describe its experience in providing financing and support to government related entities and/or providing financing to energy efficiency investments and Renovation Projects in residential and/or for public buildings in general.

The applicant shall present any experience in managing and administrating EU Structural Funds (including EU Structural Funds as grants) and assessing eligibility of projects for EU Structural Fund financing and controlling the implementation thereof, including monitoring and reporting thereon, and/or experience in conducting or supervising public procurements. The applicant shall

also present any other experience which it deems to be relevant in this context.

2. The investment strategy of the FI for the proposed Renovation Projects

In this part of the Business Plan the applicant should describe its investment strategy including the applicant's approach to working with and assisting Final Recipients in identifying, preparing, procuring and implementing their Renovation Projects.

3. Reporting to JHF, fulfilling publicity requirements, monitoring and reporting on Irregularities, assessment of eligibility of project expenditure

The applicant shall indicate the following:

- how it will carry out (or how it will ensure that the Final Recipients 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 Funds;
- how it will ensure that the eligibility of Energy Efficiency Renovation Works will be verified and monitored and how it will ensure that funds are used exclusively for the implementation of a Renovation Project, by undertaking appropriate construction work supervision, etc; and
- how it will ensure that the Energy Efficiency Renovation Works comply with EU Structural Fund Regulations, the Operational Programme requirements and relevant national legislation.

The applicant shall confirm that:

- 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 Renovation Loan.

4. The policy of the FI concerning exit from Renovation Loans

The applicant shall indicate how it will exit from Renovation Loan investments (which might be simply through the repayment of these loans by Final Recipients).

5. The organisational and administrative capacity, governance structure, including provisions on professionalism, competence and independence of the FI's management

The applicant shall describe its governance structure as well as organisational and administrative capacities in place to meet objectives as presented in the Business Plan, including the ability and experience of the personnel responsible for decision making and its skills and capacity in administrating and monitoring Renovation Projects.

The applicant shall describe accounting and control procedures, which will be applied in the exercise of its function as FI.

6. The credit risk assessment, risk management and loan recovery procedures

The applicant shall describe in detail its credit risk assessment procedures for Final Recipients, including the main risk factors which it will be taken into account in this respect. The applicant should describe which factors it will consider when categorising Final Recipients as either "low", "medium" or "high" risk.

The applicant should also describe in detail its risk management, monitoring and loan recovery procedures and loan promotion strategy that shall be applied for Renovation Loans.

7. The by-laws and the ownership of the FI

The applicant must provide a copy of the documents regulating economic activities (by-laws, founding documents, licences, patents, etc) evidencing the provision of financial services and its status as a Financial Institution or a detailed description of the FI which shall be established. The applicant must also provide information on its ownership structure.

In case the entity, which shall act as the FI, is to be established after submitting the Offer, the applicant must describe in detail how and by whom this entity will be established and its planned ownership structure.

8. Annual management fee

The applicant's management fee shall be expressed as a percentage per annum, over the expected duration of the Renovation Loans.

The management fee structure should incentivise disbursement and recovery of the JHF funds. The management fee shall be divided into three components as follows:

- the annual management fee for administering Renovation Loans (maximum 1% per annum), payable until the maturity of the loan
- the management fee for extending Renovation Loans based on the amounts actually on-lent (maximum 2% of amounts on-lent); and
- The management fee component based on Renovation Loan amounts repaid (maximum 5% of amounts repaid by Financial Recipients).

The overall management fee must be capped at 3% per annum of the amounts contributed to the FI by the JHF. **After 2015, the management fee may only be paid from Renovation Loan repayments.**

9. 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 Renovation 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, Final Recipients and/or any other parties as appropriate.

10. Terms and conditions of loans to Final Recipients

In this part, the applicant shall propose its main terms and conditions, in line with Section III below, for extending Renovation Loans to Final Recipients. The applicant is expected to also describe the main financial covenants (ratios and others) to be put in place. The applicant shall also describe any security or other collateral requirements for Final Recipients (including for "low", "medium" and "high" risk Final Recipients).

11. 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.

III. DESCRIPTION OF A RENOVATION LOAN

1. Renovation Loans shall be denominated in Euro.
2. Renovation Loans shall be granted for a period of up to 20 years.

3. Final Recipients shall be charged a fixed interest rate of 3 percent per annum on Renovation Loans drawn down.
4. The FI may issue Renovation Loans only after checking compliance of Energy Efficiency Renovation Works with EU Structural Funds Regulations and national legislation.
5. The FI shall use all reasonable efforts to assess the creditworthiness of Final Recipients. Renovation Loans shall be extended only to Final Recipients complying with criteria established by the FI in accordance with standard lending practice.
6. The FI may be allowed to require from Final Recipients an appropriate down payment representing the Final Recipients' own contribution to the financing of the Renovation Projects, based on appropriate credit risk criteria.
7. Prior to commencing Energy Efficiency Renovation Works, Final Recipients will need to acquire ex-ante Energy Certificate. The Energy Efficiency Renovation Works plan will need to be designed to achieve a minimum 20% energy savings. The energy savings achieved will again need to be verified post construction (ex-post Energy Certificate).
8. Should the energy savings achieved be greater than or equal to 25%, proven by an ex-post Energy Certificate, the Final Recipient can apply for an interest subsidy of equivalent to up to 15% of the initial Renovation Loan principal amount.
9. Repayment of the principal amount of a Renovation Loan may be deferred, upon request of the Final Recipients, until the completion of the Renovation Project. During this period only interest shall be paid by the Final Recipients.

IV. OTHER FINANCIAL PARAMETERS

1. The FI will receive funds from the JHF to extend Renovation Loans to Final Recipients.
2. Financing for the Other Renovations Works will be made available from non-Operational Programme resources directly to the Final Recipients.
3. 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 the size of each tranche, which shall be set out in the Operational Agreement, following the analysis of the Business Plan submissions and likely demand.
4. The JHF funds allocated to the FI shall be kept in a separate interest-bearing bank account (the "Disbursement Account") unless otherwise agreed between the EIB and the FI in the Operational Agreement. Interest payable on the Disbursement Account shall be based on market pricing. Exact terms and conditions for this shall be further defined in the Operational Agreement.
5. The funds allocated to a FI should be fully contracted (i.e. Renovation Loan agreements signed with Final Recipients) within 12 months following the date of signature of the Operational Agreement unless EIB agrees to extend this term. 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.
6. 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 banking market related.
7. The Disbursement Account and the Reserve Account shall both be pledged in favour of EIB.

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 AND GOVERNANCE, ENSURING TRANSPARENCY AND COMPLIANCE WITH THE RELEVANT LEGAL ACTS	<p>The applicant may receive up to 20 points for the following elements of the Business Plan:</p> <ul style="list-style-type: none"> ▪ Description of organisational and administrative capacities in place to meet objectives as presented in the Business Plan, including ability and experience of the personnel, responsible for decision making and skills and capacities in administrating and monitoring Renovation Projects; ▪ Management processes and loan promotion strategy; ▪ Description of control procedures and management structures to ensure eligibility and proper use of funds in financed Renovation Projects, including eligibility of expenditure as well as compliance of the Renovation Projects with the requirements of legal acts regulating the use of EU Structural Funds. <p>The application must score at least 10 points for this criterion.</p>	20
II. APPRAISAL OF RISK MANAGEMENT CAPACITY	<p>The applicant may receive up to 25 points for the following elements of the Business Plan:</p> <ul style="list-style-type: none"> ▪ Risk management procedures, including loan issuance and creditworthiness appraisal process, credit risk assessment and management procedures and loan monitoring and work-out procedures that will be applied for overdue Renovation Loans. <p>The application must score at least 15 points for this criterion.</p>	25

Criterion	Description and assessment rules	Maximum points for the section
III. APPRAISAL OF EXPERIENCE IN SUPERVISING AND CONTROLLING SIMILAR TYPES OF PROJECTS	<p>The applicant may receive up to 25 points for the following elements of the Business Plan:</p> <ul style="list-style-type: none"> ▪ Experience in assessing eligibility of projects for EU Structural Fund financing and controlling the implementation thereof, including monitoring and reporting thereon; ▪ Experience in conducting or supervising public procurements. <p>The application must score at least 15 points for this criterion.</p>	25
<i>Minimum points for the criteria No. I., No. II and No. III</i>		40
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> <p>The applicant may receive up to 5 points for:</p> <ul style="list-style-type: none"> - the proposed annual management fee for administering Renovation Loans (maximum 1% per annum); <p>The applicant may receive up to 10 points for:</p> <ul style="list-style-type: none"> - the proposed management fee for extending Renovation Loans based on the amounts actually on-lent (maximum 2% of amounts on-lent); and <p>The applicant may receive up to 15 points for:</p> <ul style="list-style-type: none"> - The management fee component based on Renovation Loan amounts repaid (maximum 5% of amounts repaid by Financial Recipients). <p>Lower management fees that include a balance of fixed and appropriately incentivized components will receive a higher scoring.</p>	30
Total maximum points		100

APPENDIX B

SUMMARY TERMS OF THE OPERATIONAL AGREEMENT

It is intended that the EIB and the preferred applicant selected pursuant to the call for expressions of interest process (the "FI") will conclude an Operational Agreement. Pursuant to the Operational Agreement the EIB will be extending funds (a "Contingent Loan") in one or more tranches (the "Tranche") to the FI, which in turn will be on-lending the funds pursuant to Renovation Loan agreements (the "Renovation Loans") to Final Recipients implementing Renovation Projects in student dormitories.

Each Operational Agreement shall include as a minimum the following terms. Each applicant acknowledges that it shall be bound to accept these terms should it be selected under this Call for EoI:

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 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 Agreements to an 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 that, in every Renovation Loan, the FI shall provide that the Final Recipient shall comply with all obligations imposed on it by the EU Rules and any other applicable laws and that the Final Recipient 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 Agreement. In particular, every Renovation Loan shall provide the following, where appropriate and to the extent applicable:
 - (a) the Final Recipient shall collect and keep necessary accounts and other documents evidencing that the funds were used for the Renovation Projects in accordance with the applicable EU Rules;
 - (b) the FI shall be entitled to recover any losses due to a breach by a Final Recipient of its obligations under the relevant Renovation Loan Agreement;
- I the FI shall diligently, whether by negotiation or legal action, enforce its claims against the Final Recipient;
- (d) the representatives of the Lithuanian Ministry of Finance and the Ministry of Environment, the Commission, the European Court of Auditors, the EIB 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 for the purpose of ensuring the legality and regularity of the financial contribution;

(e) the FI and/or Final Recipient shall carry out adequate information and publicity measures in accordance with the provisions of the EU Structural Funds Regulations;

(f) information that the Renovation Loan is fully or partially financed from the EU Structural Funds;

(g) all Authorisations, which the Final Recipient requires to carry on a Renovation Project 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;

(h) the Final Intermediary shall engage in no action or decision contrary to applicable law.

9. An obligation on the FI to provide EIB with all information required by EIB to comply with its reporting obligations towards the Lithuanian Ministry of Finance and the Ministry of Environment.

APPENDIX C

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

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
Business Plan	means the business plan prepared by each applicant in accordance with EU Structural Funds Regulations relating to extending Renovation Loans to Final Recipients implementing Renovation Projects in student dormitories
EIB	means the European Investment Bank
Energy Certificate	means a certificate issued following the procedure the Ministry of the Environment of the Republic of Lithuania, evaluating the energy consumption by the building and indicating the energy efficiency class as required by Construction Technical Regulation STR 1.12.05:2002 "Mandatory requirements for operation and maintenance of residential buildings and their implementation procedure" approved by Order No. 351 of the Minister of the Environment of the Republic of Lithuania of 1 July 2002 (Official Gazette <i>Valstybės Žinios</i> , 2002, No. 81-3)
Energy Efficiency Renovation Works	means the energy efficiency renovation measures set out in relevant I legislation that are considered by the Managing Authority as being eligible under the Operational Programme
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, Reg. 1083 and Reg. 1828 , as well as any other EU legislation from time to time applicable to the EU Structural Funds
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 <i>Valstybės Žinios</i> , 2002, No. 91-3891) and (ii) has a right to issue loans to legal persons
Financial Intermediary or FI	means a Financial Institution selected pursuant to this Call for EoI to receive funds from the JHF under Operations to extend Renovation Loans under the terms of a Operational Agreement, to be signed by the selected Financial Institution and EIB
Financial Model	means an organisational mechanism to channel JHF funds to Final Recipients through Financial Intermediaries
Funding Agreement	means the agreement signed between the Ministry of Finance and the Ministry of Environment of Lithuania and the EIB on 11 June 2009 establishing the "JESSICA Holding Fund for Energy Efficiency Investments in Lithuania"
Final Recipients	means HEIs, VETIs, subsidiaries and joint ventures thereof in Lithuania or other person or entity acting for the benefit of HEIs and VETIs that render services for the implementation of projects and other services related to the increase of energy efficiency.

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 into a FI and including in accordance with the key terms and conditions presented in Appendix B hereto
Operational Programme	means the Lithuanian ERDF Operational Programme for the Promotion of Cohesion 2007-2013
Renovation Loan Agreement	means an agreement providing for the financing by the FI of a Renovation Loan in accordance with the terms presented in Annex 3.
Reg. 1080	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	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	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	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 Regulation (EC) No. 1080/2006 of the European Parliament and of the Council on the European Regional Development Fund, 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 Project	means an investment plan for the renovation of a student dormitory
Technical Assistance	means the assistance to be provided by the FI to Final Recipients to prepare and implement Renovation Projects

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