



REGIONE AUTONOMA DELLA SARDEGNA



REPUBBLICA ITALIANA



UNIONE EUROPEA



European Investment Bank
Banque européenne d'investissement

**Call for Expressions of Interest:
Ref. VP- 993**

**Subject: JESSICA Holding Funds for Sardinia
Selection of Urban Development Funds**

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

The EIB is launching a Call for Expressions of Interest ("Eol") with the aim of selecting entities as Urban Development Fund(s) ("UDF(s)") that will receive resources from the JESSICA Holding Fund for Sardinia ("JSHF"), to facilitate the disbursement of European Union ("EU") Structural Funds through financial engineering instruments in the form of actions which make repayable investments in public-private partnerships or other projects included in Integrated Plans for Sustainable Urban Development ("Urban Projects") or to legal or natural persons carrying out specific investment activities in energy efficiency and use of renewable energy in buildings included in Integrated Plans for Sustainable Urban Development ("EE/RE Urban Projects").

The selection will be carried out in two stages, as described below. The entities willing to participate in this Call for Eol are requested to forward their Eol, encompassing their responses to Stage 1, as stated in Annex 3, 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- 993

Subject: JESSICA Urban Development Funds in Sardinia

Deadline for reception of Expressions of Interest: 7 November 2011

and delivered:

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

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

by midnight on 07 November 2011 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 Ms. Véronique Paulon
Purchasing and Administrative Services Division
98-100 boulevard Konrad Adenauer
L-2950 LUXEMBOURG

The EoI must be posted or handed in by 07 November 2011 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 officer 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.

Submissions 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.

Those applicants who are selected to proceed to Stage 2 will be notified in writing of the submission date for Offers (the "Submission Date"), in the form of a Business Plan.

The indicative timetable for this Call for EoI, which may be subject to change at EIB's discretion, is therefore:

Activity	Timing
Issue of Call for EoI	04 October 2011
Deadline for Stage 1 requests for additional information	20 October 2011
Deadline for submission of Stage 1 EoI	07 November 2011
Notification to applicants of outcome of Stage 1 EoI assessment	21 November 2011
Deadline for submission of Stage 2 Offers (i.e. Submission Date)	28 December 2011
Notification to applicants of outcome of Stage 2 Offers, following Investment Board approval	01 February 2012
Start of negotiations on Operational Agreements	16 February 2012

Applicants must pay attention to the important notices below. Unless expressly stated otherwise, the terms and expressions used in this document shall have the meanings set out in Appendix F.

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

1. The selection of the UDF(s) will proceed in two stages:

- I. **Stage 1** (applying the Exclusion and Selection Criteria): EoIs will first be assessed against the Exclusion Criteria (as outlined in Section III of Annex 3). Admitted EoIs, will then be assessed according to the Selection Criteria, also included in Section III of Annex 3.
- II. **Stage 2** (applying the Award Criteria): all selected applicants will be invited to submit their Offers (including detailed Business Plans, drafted according to the indications set in Annex 3). The Offers will be evaluated according to the Award Criteria, as outlined in Appendix A.

2. Information on both Stages 1 and 2 is included in this document. However the first required submission relates solely to Stage 1, which entails the application of the Exclusion and Selection criteria only. Applicants wishing to commence work on the Offer prior to notification of selection will do so entirely at their own risk and costs.
3. Offers must be firm and the price, non-revisable, must be quoted in EURO and free of taxes and duties, the EIB being exempt there from under the Protocol on the Privileges and Immunities of the European Union.
4. 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.
5. The applicants cannot invoke any error, inaccuracy or omission in their submissions - meaning both EoI and Offer (the "Submissions") - to call any Operational Agreement (as defined in Appendix F) into question or to attempt to have any Operational Agreement amended.
6. The EIB reserves the right to reject any Submission that fails to comply with the specifications of this Call for EoI.
7. The EIB reserves the right to reject any applicant:
 - I. guilty of material misrepresentation;
 - II. who contravenes any of the terms of this document; or
 - III. undergoing a change in identity, control, financial standing or other factors impacting on the selection and/or evaluation process affecting the applicant.
8. Submissions must be drawn up in writing in English. EoI and/or Offers submitted in other languages will not be accepted.
9. Applicants must respond to the specifications, set out in the Terms of Reference, item by item.
10. The EIB reserves the right to award the Operational Agreement(s), subject to the approval of the Investment Board (as defined in Appendix F), in accordance with the criteria set out in the Terms of Reference, or not to award an Operational Agreement to any applicant or to extend the deadline for the submission of the EoI or the Submission Date, at its own discretion. The EIB may cancel the procedure at any time excluding any claim by the applicants to any rights, including any rights arising under any pre-contractual liability. Applicants should only participate in this Call for EoI on the understanding that they would not be entitled to any form of compensation, should the EIB decide to interrupt the procurement procedure before the Operational Agreement(s) is/are signed. In the event that only one application is received during Stage 1, the EIB reserves its right to proceed to the next stage or to cancel the procurement process. Likewise, the EIB reserves the right to award the Operational Agreement(s) to a single applicant, provided that the applicant satisfies all the requirements set out under this Call for EoI.
11. Participation in this Call for EoI involves acceptance of all the terms and conditions mentioned in the present Call for EoI.
12. The following documents are 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 -"Terms of Reference"
13. Any requests for additional information on Stage 1 should be addressed, in writing, at the latest by 20 October 2011, to Ms Veronique Paulon, fax: +352- 437962545, e-mail: bei.asa@eib.org. Please note that the EIB responses to any queries or clarification requests will be made available to all applicants through publication on the Call for EoI website before the deadline for submission of the EoI expires.
14. EoI must be drawn up on paper in duplicate, i.e. one original and one copy, clearly marked as "Original" and "Copy". An electronic copy in MSWord or PDF format on a single CD-ROM marked with the name of the entity shall also be submitted.

15. Before an Operational Agreement is signed, the selected applicant(s) must undertake to comply with all current laws and provisions and to obtain all relevant permits required to provide the services to be awarded.
16. Applicants will be informed of the outcome of their Submissions by communication sent out to the e-mail address that is indicated by the applicant in the EoI.
17. Applicants that have submitted Offers may be invited to a presentation, if the EIB so decides. Applicants will not be permitted to modify the terms and conditions of their Submissions during their presentation or at any other time after the Submissions have been transmitted to the EIB. The EIB reserves the right to seek additional detail from an applicant to clarify any part of its Submissions.
18. Any dispute concerning procurement conducted by the EIB falls under the exclusive jurisdiction of the European Court of Justice.

DISCLAIMER

The EIB (including any employees, officers, Investment Board members, advisers and/or contractors of the EIB who contributed to the preparation of this Call for EoI) 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, JSHF 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 UDF(s) selection process - in relation to it should make their own investigations and form their own opinion. In particular, the distribution or receipt of this Call for EoI shall not be considered, nor understood as providing any kind of investment advice or a recommendation by the EIB.

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

All applicants are solely responsible for their costs and expenses incurred in connection with the UDF(s) selection process, including the preparation and submission of EoIs and Offers and participation in all 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 selection process.

CONFLICTS

The EIB requires all actual or potential conflicts of interest to be resolved to the EIB's satisfaction prior to the submission of an EoI. 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 - irrespectively to the legal form chosen to participate in the selection procedure - who, in connection with this document:

- I. offers any inducement, fee or reward to any Investment Board member, employee or officer of EIB or any person acting as an adviser for EIB in connection with this Call for Eol;
- II. contacts any Investment Board member, employee or officer of the EIB about any aspect of this Call for Eol in a manner not permitted by it;
- III. fixes or adjusts the amount of his Offer 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 Offer;
- 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 Offer;
- VI. canvasses any person related to this Call for Eol 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 any of the above activities 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 Offer, except where such disclosure is made in confidence in order to obtain quotations necessary for the preparation of the Offer.

INTELLECTUAL PROPERTY

All documentation supplied by the EIB in relation to this UDF(s) 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 with any section of the media in relation to the UDF(s) 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, internet and emails accessible by the public at large and the representatives of such media.

COMMUNICATIONS

Applicants should note that they are expressly prohibited from contacting, in connection with this Call for Eol, any of the Investment Board members, advisers and/or contractors of the EIB who contributed to the preparation of this Call for Eol from the date that it has been issued. All clarifications should be through the EIB as stated in the introduction to this Call for Eol.

PRIVACY STATEMENT

The personal data provided by the applicants will be processed in accordance with Regulation (EC) 45/2001 of the European Parliament and of the Council of 18 December 2000 on the protection of individuals with regard to the processing of personal data by the EU institutions and bodies and on the free movement of such data. The information requested for the Call for Eol is necessary in order to assess the Submission, and will be used solely for that purpose under the authority of the EIB

Procurement and Purchasing division (PROCUR), in accordance with the EIB procurement rules, approved by the Management Committee of the EIB. Please note that for the Submission to be considered, it may be mandatory to answer some or all of the questions in the declaration to be made by the applicant.

In order to assess the EoI and, if applicable, the subsequent Offer, the personal data provided 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 applicant 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. Applicants have the right to access and rectify or update their data. They can exercise these rights by contacting the Head of Division Procurement and Purchasing (bei.asa@eib.org). They also have the right to call upon the European Data Protection Supervisor at any time.

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ANNEX 1

TEMPLATE FOR EXPRESSION OF INTEREST

(name of the applicant)

EXPRESSION OF INTEREST

(place of conclusion)

(date)

(Stamp of the applicant)

1. Information about the applicant

1.1. General information about the applicant¹

EoI may be submitted by a consortium that, if awarded the Operational Agreement, shall assume a legal form by incorporation, partnership or any other form required by the EIB, 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 act as the interface between the EIB and the members of the consortium.

Name of the applicant	
Address (registered office)	
Registration number ² (copy of certificate to be attached)	
Telephone No.	
Fax	
Email	
Names and organisation registration numbers of proposed consortium members, if applicable	

1.2. Person authorised to submit the EoI³

Name, surname	
Position	
Contacts: Address Telephone No Fax Email	

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. In any case, there should be a leading party within the consortium holding more than 50% of participation.

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

³ A power of attorney authorising the person to submit the Submissions and to represent the applicant/consortium at all stages of the selection procedure is necessary.

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

Name, surname	
Position	
Contacts: Address Telephone No Fax Email	

1.4. Lot for which the applicant wishes to express interest, as defined in Annex 3. Applicants may express interest in either one lot only or in both lots. The current Call for EoI includes two lots as follows:

Lot 1. Urban Projects	
Lot 2. EE/RE Urban Projects	

By submitting this EoI, the undersigned having:

- taken note of this Call for EoI;
- taken note of the specifications and the documents referred to therein; and
- completed the requisite declaration (see 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 JSHF, whose aim is to finance Urban Projects and EE/RE Urban Projects, are provided by the EU Structural Funds 2007-2013;
- c) the information contained in this EoI and its Annexes is complete and correct in all its elements;
- 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) undertake(s), unconditionally, in accordance with the provisions of the aforementioned documents, to supply the services on the terms set out in this Call for EoI, the Offer to be submitted being binding upon the applicant, however, only if its acceptance is notified by the EIB within 180 days from the Submission Date.

3) declare(s) that is authorised to do so on behalf of any consortium members listed in paragraph 1.1 of Annex 1 and in doing so commits those consortium members to supply the services on the terms set out below in this Call for EoI, for 180 days from the Submission Date.

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 III of Annex 3 (Exclusion Criteria) below:
 - a) ...
 - b) ...
 - c) ...

(position)

name, surname)

signature)



ANNEX 2

DECLARATION TO BE MADE BY THE APPLICANT

- 1. Name of the applicant.....
- 2. Type of business
- 3. Address (registered office)
-
-
- 4. Number and date of entry in trade register
-
- 5. Represented by (name and position):
-

Questions 6 to 16 should be answered on behalf of the applicant and any proposed consortium members. These questions will be assessed on a pass/fail basis. Responses to questions 6 to 12 and questions 15 and 16 should be stated in the form of "Yes"/ "No" or "Certified" with accompanying details provided where requested. In case of a consortium, questions 14 and 15 will refer to the member of the consortium holding the relevant requirement.

- 6. Are there any liens or charges outstanding against the applicant/consortium member at a commercial court (or any other relevant authority)?
-
- 7. 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:

.....

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

.....

.....

9. 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?

.....

.....

10. 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 EoI?

.....

.....

11. 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 Italy, including compliance with prudential requirements compulsory to financial institutions, where applicable?

.....

.....

12. Is the applicant/consortium member authorised to carry out business in Italy under the applicable regulatory framework? If applicable, a copy of all authorisations, licences, permits, approvals, consents, resolutions, exemptions, filings and registrations provided by a competent authority evidencing that the applicant/consortium member is authorised to carry out business in Italy under the applicable regulatory framework should be enclosed.

.....

.....

13. The applicant/consortium member certifies relevant experience in the targeted market of Urban Projects or EE/RE Urban Projects. The experience requested from the applicant/consortium member includes the execution of different types of Urban Projects or EE/RE Urban Projects and different roles held by the applicant in the project, including advisory services, financing of the projects, execution, monitoring, audit and others.
Relevant experience may be provided by the applicant/consortium member, its shareholders or founders.

Relevant experience for Lot 1:

NO.	NAME OF THE PROJECT	PERIOD OF EXECUTION OF THE PROJECT (MM/YYYY – MM/YYYY)	DESCRIPTION AND ESTIMATED VALUE OF THE PROJECT (INCLUDING INFORMATION ON PRIVATE AND/OR PUBLIC PARTNERS ENGAGED IN THE PROJECT, IF APPLICABLE)	APPLICANT'S ROLE IN THE PROJECT	RELEVANCE OF THE PROJECT TO JESSICA MECHANISM

Relevant experience for Lot 2:

NO.	NAME OF THE PROJECT	PERIOD OF EXECUTION OF THE PROJECT (MM/YYYY – MM/YYYY)	DESCRIPTION AND ESTIMATED VALUE OF THE PROJECT (INCLUDING INFORMATION ON PRIVATE AND/OR PUBLIC PARTNERS ENGAGED IN THE PROJECT, IF APPLICABLE)	APPLICANT'S ROLE IN THE PROJECT	RELEVANCE OF THE PROJECT TO JESSICA MECHANISM

Explanatory note:

Should the portfolio of the applicant/consortium member's experience, relevant to JESSICA mechanism, consist of a considerable amount of items, it is possible to present relevant experience in an aggregated form (e.g. projects aggregated by types or by types of the applicant's role). In a case of a consortium the above table should be completed separately by each member of the consortium. Contact names and details should be provided for project investments quoted by the applicant where the EIB may seek a reference.

Information provided under the item "RELEVANCE OF THE PROJECT TO JESSICA MECHANISM" should include: funding requirements, method and sources of funding, details of whom the funding was provided to and the terms of the investment and exit strategy.

.....

14. The applicant/consortium member certifies a rating of:

Explanatory note:

Should the applicant be a consortium, the leading party (which should hold more than 50% of participation and be a financial entity with proven experience in financial services) or any of the parties undertaking joint and several liability with the other members of the consortium, shall provide the rating or the parent company's expression of support, as specified in Annex 3, under section III, paragraph A, point 3.

15. The applicant/consortium member has/ commits to procure within 6 months from the signature of the Operational Agreement, availability of at least one structure (e.g. local office, branch or representative office, etc) located in the province of Cagliari and operating in the whole Sardinia region.

16. The applicant/consortium member certifies that all information submitted in the previous paragraphs is correct and is supplying all the information required under this Call for EoI in good faith and without misrepresentation.

.....

Done at (date)

STAMP

NAME(S)

SIGNATURE(S)

ANNEX 3

TERMS OF REFERENCE

(I) GENERAL INFORMATION

A. Background on JESSICA

JESSICA is an initiative developed by the Commission and the EIB, in collaboration with the CEB, in order to promote sustainable investment, growth and jobs in urban areas.

Under EU Structural Funds Regulations, Member States are being given the option of using part of their EU Structural Funds allocation to make repayable investments in projects forming part of relevant Integrated Plans for Sustainable Urban Development.

JESSICA responds to the request by several Member States and the European Parliament to pay special attention to the need for urban regeneration and urban investments, including projects in energy efficiency and renewable energy sources, and the initiative 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 been launched with a view to providing new opportunities for managing authorities responsible for the current cycle of Cohesion Policy programmes by:

- ensuring long-term sustainability through the revolving character of the EU Structural Funds' contribution to UDF(s) investing in Urban Projects and/or EE/RE Urban Projects;
- creating stronger incentives for successful implementation by beneficiaries, by combining loans and other financial instruments;
- leveraging additional resources for PPPs and other public or public-private initiatives for urban development, with a focus on sustainability and funds recyclability in EU regions;
- contributing financial and managerial expertise from specialised institutions such as the EIB, the CEB and other (international) financial institutions.

B. European Regional Development Fund Operational Programme in Sardinia

The Sardinia OP of the RAS initially approved by the Commission through Decision C(2007) 5728 on November 20th, 2007 contains the following seven Priority Axes:

1. Information Society;
2. Inclusion, Social Services, Education and Lawfulness;
3. Energy;
4. Environment, Attractiveness of Natural and Cultural Resources, Tourism;
5. Urban Development;
6. Competitiveness; and
7. Technical Assistance.

The Sardinia OP has been recently amended so as to include the possibility of using financial engineering instruments, specifically JESSICA, to finance initiatives under Axis 5, as well as under Axis 3.

Within the Sardinia OP, EUR 296,309,295 (approx. 17% of total funding), of which EUR 118,523,718 from the ERDF, are dedicated to Axis 5 - Urban Development, and EUR 182,184,735 (approx. 11% of total funding), of which EUR 72,873,894 from the ERDF, are dedicated to Axis 3 - Energy.

Axis 3 - Energy

Axis 3 of the Sardinia OP is mainly focused on improvement and sustainable management of energy sources. Specific goals consist in the promotion of solar energy, energy produced by biomasses, hydraulic energy and wind power (in particular, promoting small and micro sized plants). Interventions will also be promoted in order to pursue energy efficiency and energy savings in public buildings as well as in public use of energy. At the same time, local enterprises will be incentivised to adopt high-efficiency technologies for energy savings, to be applied to buildings, factories, and warehouses.

Axis 5 - Urban Development

Through Axis 5 of the Sardinia OP, the RAS aims at realising integrated infrastructural actions in Sardinian cities and towns, in order to promote urban rehabilitation and regeneration improving environmental, social and productive conditions and strengthening relationships with the territory. Integrated infrastructural actions could also support the development of disadvantaged minor areas, tackling the decline and valuing the historical, productive heritage and landscape.

The implementation strategy of Axis 5 consists in improving the quality of life in urban areas through the diffusion of high quality services, and the valorisation and rehabilitation of urban environment. This should also contribute to foster tourism, improve sustainable urban transport and flexible mobility, and promote sustainable buildings, including either construction of new buildings or renewal of existing infrastructures.

This will be done by focusing investment on sectors which would contribute to achieve the following objectives:

- Optimizing sustainable mobility, urban transport connections and accessibility;
- Redevelopment of public areas (including public parks and gardens and historical heritage), and setting up of new infrastructures aimed at providing innovative urban services and promoting socio-economic activities;
- Enhancing social inclusion through interventions aimed at promoting integration and development of human capital;
- Promoting pilot actions aimed at supporting territorial entrepreneurship,
- Recovery of environmental heritage and protection of historical and cultural territorial features;
- Supporting specific territorial know-how and promoting productive systems in minor urban centres.

C. Integrated Plans for Sustainable Urban Development to implement JESSICA in Sardinia

Pursuant to Article 44 of Regulation 1083, Urban Projects, financed by JESSICA, must be part of an Integrated Plan. An Integrated Plan comprises a system of interlinked actions, seeking to bring about a lasting improvement in the economic, physical, social and environmental conditions of a city - or even just an area within the city - or a network of cities.

According to recent amendments to the EU Structural Funds Regulations⁴, projects related to energy efficiency and renewable energy in buildings do not necessarily have to be part of an Integrated Plan. However, where a UDF also invests in energy efficiency and use of renewable energy in buildings together with other projects, such EE/RE Urban Projects should be included in Integrated Plans.

The EU Structural Funds Regulations do not include a precise definition of, or specific requirements for, an Integrated Plan. Consequently, such plans or strategies are defined by the competent authorities in the Member States and/or Managing Authorities, taking into account Article 8 of Regulation 1080 and the specific urban, administrative and legal context of each region.

In the context of the execution of JESSICA in Sardinia Integrated Plans, according to Article 44 of Regulation 1083, are implemented through:

- i. PISU, i.e. "*Piani Integrati di Sviluppo Urbano*";
- ii. PAES, i.e. "*Piani d'azione per le Energie Sostenibili*" (Sustainable Energy Action Plan).

⁴ Regulation (EU) No 539/2010 of the European Parliament and of the Council.

c.i. PISU

The implementation strategy defined for the Axis 5 of the Sardinia OP foresees the development of adequate planning tools for the implementation of the “*Piani Strategici Comunal*” of city areas and/or the “*Piani Strategici Inter-comunal*” of networks of small cities (“Strategic Development Plans”). According to this strategy, PISU shall translate urban development strategies into integrated sets of projects, identified through a dialogue among main stakeholders (RAS, municipalities, private partners, citizens).

As of today, 34 municipalities belonging to the 8 Sardinian urban areas of Cagliari, Carbonia-Iglesias, Nuoro, Olbia-Tempio, Oristano, Medio Campidano, Sassari and Ogliastra have defined their own Strategic Development Plans.

In 2009, the Managing Authority provided financial support to the above mentioned 34 municipalities for the development of feasibility studies and of preliminary projects in order to prepare their PISU.

PISU are created through a bottom up approach: first, key projects are identified and then PISU are prepared. Although no PISU has been finalized yet, a list of initiatives has been identified by the 34 municipalities, some of which, following the awarding of grants from the RAS, have been, or will soon be, translated into feasibility studies or preliminary projects.

To date, implementation of PISU in Sardinia is still on-going. Promoters shall verify compliance of Urban Projects with the relevant “*Piani Strategici Comunal*” or the “*Piani Strategici Inter-comunal*” prior to any request for financing to the UDF(s).

c.ii. PAES

Reduction of CO2 emission is a key objective of the regional policy of the RAS and it is translated in the Sardinia OP, which aims at taking concrete actions for improving energy efficiency and increasing the share of energy produced via renewable sources.

In such framework, the RAS is carrying out the Sardinia CO2.0 initiative to stimulate the recourse to energy efficiency and renewable energy.

Sardinia CO2.0 is an innovative pilot initiative promoted by the *Giunta Regionale della Sardegna* (Sardinia Regional Council) whose ambitious goal is to reduce CO2 emissions in Sardinia by increasing the use of renewable energies, and improving energy efficiency and savings thus fostering, in a long term perspective, the transformation into a carbon free economy.

The initiative includes several strategic initiatives for the sustainable development of the territory, in particular:

- Smart City – Comuni in Classe A⁵ (“Smart Cities - Energy efficiency Class A labelled Municipalities”);
- Reconversion of the oil power plant of Porto Torres into a biomass power plant;
- Realisation of the network infrastructure for the gas transmission and distribution in the region connected with the GALSI (Algeria-Sardinia gas interconnector).

To date, implementation of PAES in Sardinia is still on-going. As a consequence, the Managing Authority may consider the inclusion in the PAES of additional projects and/or initiatives provided they are consistent with the Sardinia OP.

Technical Assistance

The RAS has earmarked EUR 4,000,000 from the Sardinia OP for the communication to stakeholders and the provision of technical assistance for the start-up phase of the Sardinia CO2.0 project.

Technical and administrative assistance will be provided by Sardegna Ricerche, an in-house research institute of the RAS, while financial advisory will be provided by the SFIRS SpA, the in-house financial body of the RAS, in order to develop their PAES.

⁵ <http://www.regione.sardegna.it/jv75?s=1&v=9&c=1505&c1=1505&id=25699>

Technical and economic advice will be provided on assessment of projects capacity to yield financial returns, on administrative procedures and on financial structuring of projects. In addition, under this initiative the Pioneer communities will benefit of coaching activities for their technical staff: the support will focus on analysis of local community energy consumption, current greenhouse gas (GHG) emissions, existing energy policies, and analysis of potential measures to reduce GHG emissions.

D. JESSICA Holding Fund in Sardinia

The Funding Agreement for the establishment of the JSHF between the EIB and the RAS – which was represented by the Managing Authority - was signed on July 20th, 2011.

Governance of the JSHF

The JSHF has been established as a separate block of finance within the EIB for the purpose of investing the contributed funds as repayable investments in PPPs and other Urban Projects or specific investment activities in EE/RE Urban Projects. The functioning of the JSHF is supervised by its Investment Board, an independent body currently consisting of five independent members appointed by the Managing Authority, after consultation with the EIB.

The Investment Board is mainly responsible for approving or rejecting recommendations made to it by the EIB, as the JSHF manager including, inter alia, the contract terms and conditions of the Operational Agreement with the UDF(s).

E. Urban Development Fund(s) in Sardinia

In light of the new stimulus provided by recent developments in EU Structural Funds Regulations⁶, financial engineering instruments, such as UDFs, have emerged as key investment priorities for achieving sustainable urban development objectives. At the same time, energy efficiency and renewable energy measures can play a significant role in achieving sustainable urban development.

It was, therefore, decided to launch a Call for EoI for the selection of UDF(s) divided in 2 Lots:

- Lot 1: devoted to Urban Projects, using resources from Axis 5;
- Lot 2: devoted to EE/RE Urban Projects, using resources from Axis 3.

Following the award of each Lot, a financial mechanism will be set-up whereby funds from the JSHF will be channelled into the UDF(s) and then finally invested into specific Urban Projects and/or EE/RE Urban Projects.

Loans, equity and equivalent financial instruments are the investment products that can be used by the JSHF.

a. The role of the UDF(s)

In line with the JESSICA concept, UDF(s) should be active partners with regional and local authorities in stimulating the development of individual areas, while investing in Urban Projects or EE/RE Urban Projects with a long-term perspective. Broadly speaking, the main tasks of the UDF(s) will be to:

- identify, invest in and lead the negotiation and structuring of financial investments in viable Urban Projects or EE/RE Urban Projects, fitting the agreed Business Plan of the UDF, the Investment Strategy of the JSHF and the eligibility requirements and criteria applicable to the Sardinia OP;
- work in coordination with the Managing Authority to identify possible investment opportunities in Urban Projects or EE/RE Urban Projects, either within the project pipeline of the relevant Integrated Plans or new projects that fit within the agreed Investment Policy of the UDF;
- monitor projects to provide the necessary information in order to comply with the reporting obligations of the Commission in accordance with the EU Structural Funds Regulations;
- source additional co-financing to the extent possible. This aims at enabling the investment by the JSHF to be further leveraged for Investment in Urban Projects or EE/RE Urban Projects and

⁶ EC Regulations 539/2010 of 16 June 2010

to ensure that sufficient Eligible Expenditure can be declared in those projects in accordance with EU Structural Fund Regulations; and

- recommend and manage appropriate exit strategies from Investments in Urban Projects or EE/RE Urban Projects.

UDF(s) must ensure that the Urban Projects and the EE/RE Urban Projects are viable from an economic, social and technical point of view, and that they meet the eligibility criteria established in the EU Structural Funds Regulations as well as the specific eligibility criteria of the JSHF.

Therefore, the UDF(s) must analyse the associated risks, the financing structure and income foreseen for the parties involved in the Urban Projects and the EE/RE Urban Projects, in order to establish the conditions required for the participation of the UDF(s) in the financing of these projects.

b. Legal and ownership form

UDF(s) may be established as: joint stock companies, PPPs, investment funds, or as a separate block of finance within a financial institution or other organisational forms requiring a special legal regulation/statute. The proposed legal form must be acceptable to the JSHF and compliant with EU and Italian regulations applying to the investment activities to be carried out.

The UDF may be owned and/or managed either by private investors (e.g. Italian or international banks, real estate developers, fund managers, private companies, etc.) and/or public entities (e.g. local authorities, municipal companies, local agencies, etc.).

c. Focus of the UDF(s)

The key investment activities anticipated of the UDFs include:

- direct lending (senior, junior or mezzanine);
- equity investments;
- other equivalent financial instruments.

F. Eligible Urban Projects and EE/RE Urban Projects

UDF(s) may only make investments or commit to investment in projects which, *inter alia*:

- are in compliance with the relevant Strategic Development Plans or PAES;
- according to the EU Structural Funds Regulations, are part of an Integrated Plan, such as those mentioned in Section I C) above (i.e. PISU or PAES);
- offer an acceptable return on investment in line with market standard following the contribution of JESSICA funds;
- have not been already completed. A UDF shall not re-finance acquisitions or participate in projects already completed;
- demonstrate soundness in terms of business model, cash flows, partners, etc.;
- are capable of ensuring economic and/or social benefits (including quantitative outputs as set in Appendix D);
- are implemented by:
 - Public entities;
 - Private companies and natural or legal persons;
 - PPPs (including mixed public-private companies and private partners of contract-type PPPs);And solely for EE/RE Urban Projects:
 - Energy Services Company (ESCOs).

F.I. Specific types of Urban Projects

Typical Urban Projects would be part of urban renewal schemes and relate to the productive, environmental and service sectors eligible under Sardinia OP, particularly Priority Theme 61, such as:

- a) rehabilitation or upgrading of existing basic urban infrastructure, including streets and other public spaces, utilities, public transport stations, parking facilities, etc.;
- b) infrastructures and buildings accommodating innovative activities and SMEs, including research centres, office facilities, industrial estates supporting innovation and entrepreneurship, etc.;
- c) cultural and historical heritage restoration and re-use;
- d) redevelopment of derelict areas (e.g. old industrial and depot sites) for non-residential purposes;
- e) local development initiatives and structures providing neighbourhood services and creating jobs;
- f) sustainable tourism investments.

F.II. Specific types of EE/RE Urban Projects

The types of EE/RE Urban Projects targeted by the UDF are defined by the Priority Themes below and are detailed as follows:

Renewable Energy, wind power, solar power, biomass, hydroelectricity, geothermal power, others (Priority Theme codes number 39, 40, 41 and 42)

The themes cover all investments which have the main objective of producing energy from renewable sources. Projects are eligible only if the energy is mainly produced for the self sustainability of the local communities. Priority will be given to renewable energy projects that are integrated in an overall energy efficiency operation.

Energy Efficiency, Cogeneration and Energy Management (Priority Theme code number 43)

The theme covers all investments which have the main objective of reducing energy consumption and increasing the energy efficiency in the eligible sectors. Projects can involve public and private buildings to support increased energy efficiency.

Investment can also include projects related to clean and energy-efficient public transport where projects can improve the energy efficiency of the transport fleet and support the integration of renewable energy sources, e.g. hybrid buses and changing to a cleaner fuel (e.g. ethanol); electrical or low-carbon propulsion systems; increasing public transport fleet; electric vehicle infrastructure etc. Eligible projects should apply pollution standards stricter than the minimum standards, in particular concerning energy efficiency.

General financial eligibility criteria for energy efficiency projects and public transport

Investments should result in an increase in energy efficiency of at least 20% compared to the situation without the project. Investments made by the UDF that result in an increase in energy efficiency of less than 20%, should contribute to decreasing energy consumption and/or increasing the energy efficiency in the eligible sectors. The energy savings generated by these investments should justify at least 50% of the investment cost, in terms of Net Present Value (NPV), and using a discount rate of 5%.

Furthermore, the following projects are eligible despite not being subject to the financial eligibility criteria described above:

- a) Energy savings/ Energy efficiency in buildings
 - Investments for the renovation of existing buildings which aim to improve energy efficiency through measures such as improving the building envelope, upgrading or replacing inefficient heating/cooling systems with more energy efficient HVAC

(Heating Ventilating, and Air Conditioning), and installing more energy efficient lighting systems.

- Investments in new buildings achieving an energy efficiency standard class A or B. Funds can finance the additional cost in relation to the minimum standards.

b) High-efficiency Co-generation of Heat and Power

High efficient Co-generation (Combined Heat and Power, CHP) are eligible provided that they meet the criteria for high-efficiency cogeneration according to the relevant EU Directive (2004/8/EC and subsequent amendments thereof)⁷. CHP projects using renewable energy or the recovery of industrial products that are currently wasted are eligible.

c) Renovation or extension of existing district heating or cooling networks

Renovation and extension of district heating networks (and cooling networks) are eligible provided that the long-term heat supply costs, including all necessary reconstruction and renovation, are competitive with the supply costs from individual heat boilers.

(II) AMOUNT ALLOCATED FOR THE CALL FOR EOI

1. The amount of JSHF funds to be allocated in response to this Call for Eoi is approximately EUR 66,220,000. The amounts invested may be increased at a later stage by any returns on investment in the UDF, additional EU Structural Funds or any other funding that may be held by or become available to the JHFS, subject to applicable public procurement rules. It is also highlighted that, in addition to JSHF resources, all investments mentioned below will be eligible for receiving grants directly by the Managing Authority following appropriate procedures, or as freely decided by RAS in any other circumstances and in compliance with all applicable legislation, including EU State Aid Rules.
2. The amount allocated under this Call for Eoi is further divided in two Lots, as described below:

Lot	Amount Available (EUR)
Lot 1 – Urban Projects	Approximately 33,110,000
Lot 2 – EE / RE Urban Projects	Approximately 33,110,000

3. Applicants may apply for a single Lot or for both Lots, by specifying the preferred option in their Eoi. In case they apply for both Lots, selected applicants shall submit two separate Offers in the form of a Business Plan. For the sake of clarity, even if an applicant has submitted an Eoi for both Lots, subsequently he can choose to submit an Offer only for one Lot. However, the reverse is not allowed.
4. Applicants shall mention in their Offer the Lot(s) they are bidding for. Each Lot will be individually evaluated and awarded.

(III) PROCUREMENT PROCESS FOR THE UDF(S) SELECTION

The process, by which the JSHF will engage with one or several UDF(s), begins with this Call for Eoi and consists of two phases which are described in detail in the following sections.

⁷ Directive 2004/8/EC of the European Parliament and of the Council of 11 February 2004 on the promotion of cogeneration based on a useful heat demand in the internal energy market and amending Directive 92/42/EEC, as subsequently amended by Regulation (EC) n. 219/2009 of the European Parliament and of the Council of 11 March 2009.

PHASE 1 – Call for EoI

This phase is split in two stages.

- **Stage 1** (applying the Exclusion and Selection Criteria): EoIs will first be assessed against the Exclusion Criteria (as outlined in Section III of Annex 3). Admitted EoIs will be then assessed according to the Selection Criteria, also included in Section III of Annex 3.
- **Stage 2** (applying the Award Criteria): all selected applicants will be invited to submit their Offers (including detailed Business Plans, drafted according to the indications set in Annex 3). The Offers will be evaluated according to the Award Criteria, as outlined in Appendix A.

A. Stage 1

1. Submission of EoI

Each EoI submitted by an applicant shall be prepared in accordance with the template attached as Annex 1 and shall be accompanied by the following annexes:

- A declaration, to be made by the applicant, as per the form attached as Annex 2; and
- Any supporting documents.

2. Exclusion Criteria

Applicants will be excluded from participating in this Call for EoI if any of the following Exclusion Criteria applies to them or, if the EoI has been submitted by a consortium, to any of its members, namely if:

- a) they are bankrupt or being wound up, having their affairs administered by the courts, have entered into an arrangement with creditors, have suspended business activities, the subject of proceedings concerning those matters, or 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 EIB can justify;
- d) they have not fulfilled their 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 Community's financial interests;
- f) they are guilty of misrepresentation in supplying the information required by the contracting authority for participation in this Call for EoI or have not provided such information.
- g) Applicants must show that they are not in one or more of the situations listed above by answering to the questions included in Annex 2, as well as 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:

- i. For any entity incorporated in Italy, such entity may provide a substitutive self-declaration further to Presidential Decree, 28 December 2000, 445;
 - ii. For any entity not incorporated in Italy, such entity 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:
- i. For any entity incorporated in Italy, such entity may provide a substitutive self-declaration further to Presidential Decree, 28 December 2000, 445;
 - ii. For any entity not incorporated in Italy, such entity 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, 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 not earlier than 3 months before the final date for submissions.

Applicants may also be excluded where a conflict of interest subsists, whose absence must be declared under Annex 2.

3. Selection Criteria

Applicants not excluded due to the Exclusion Criteria will be assessed on the basis of the following Selection Criteria:

- a) The Eol is prepared in accordance with Annex 1, and all supporting documents are provided;
- b) Declarations indicated in Annex 2 are completed to the satisfaction of the EIB. In particular:
 - b.1. declarations and questions relating to the Exclusion criteria are completed and the relevant documents as requested by Section III.A.2 are enclosed;
 - b.2. declarations and questions relating to the following Selection Criteria are completed, i.e.:

- b.2.1. Authorisation to carry out business in Italy under the applicable regulatory framework. If applicable, a copy of all authorisations, licences, permits, approvals, consents, resolutions, exemptions, filings and registrations provided by a competent authority evidencing that the applicant/consortium member is authorised to carry out business in Italy under the applicable regulatory framework should be enclosed;
- b.2.2. Experience in the relevant targeted market: at least two years out of the last five (i.e. from 2007 to 2011), spent in the management of equivalent or similar projects to those foreseen in this Call for EoI. Applicants that apply for two Lots shall demonstrate relevant experience in both fields targeted by Lot 1 and Lot 2;
- b.2.3. Minimum rating of BBB/Baa2 provided by either Standard & Poor's Rating Services (a division of The McGraw-Hill Companies Inc.), Moody's Investors Service Inc. or Fitch Ratings Ltd.; or presentation by the applicant of a letter of support from a parent company /or other company having a specific agreement with the applicant/consortium member, which meets the same minimum rating, confirming that it will support the performance of the UDF's obligations under the Operational Agreement and that the applicant has the financial capacity and suitability to be involved in the management of equivalent or similar projects to those foreseen in this Call for EoI;
- b.2.4. Presence in the Sardinia region: the applicant has, or commits to procure within 6 months from the signature of the Operational Agreement, availability of at least one structure (e.g. local offices, branch or representative office, etc) located in the province of Cagliari and operating in whole region..

The experience requested from the applicant under point b.2.2 above includes that derived from different types of Urban Projects or EE/ER Urban Projects executed and from different types of roles played by the applicant, including advisory services, financing of the project, execution, monitoring, audit and others.

For Lot 1, relevant experience in Urban Projects related to:

- improvement of social integration;
- development of cultural, sport and recreation infrastructures;
- creation of entrepreneurial support structures and development of creative industries clusters;
- improvement of mobility;
- reconversion of buildings, including residential ones, for non residential uses;
- reconversion of industrial and degraded areas.

For Lot 2, relevant experience in EE/RE Urban Projects related to:

- Energy savings/ energy efficiency in buildings
 - Insulation of building envelope (wall, roof, balcony "glazing")
 - Heating control systems, energy consumption regulators
 - Lighting upgrades, self-ballasted lamps
- Cogeneration (CHP)
 - Renovation or extension of existing district heating or cooling networks with high - efficiency CHP
- Renewable Energy
 - Solar photovoltaic (PV) for electricity, Solar thermal for heating water
 - Biomass
 - Wind
- Clean Transport
 - Electric vehicles, including automobiles, motorcycles and bicycles
 - Fleet management and biofuels to improve energy efficiency.

The EIB will particularly look for:

- Relevant track record in appraising, making and managing financial investments (in particular loans) made for Urban Projects or EE/RE Urban Projects.

- For Lot 2, track record of financing energy efficiency projects “off” the public sector balance sheet (i.e. where the financing associated with energy efficiency assets does not count as public sector borrowing), e.g. direct lending to special purpose energy efficiency asset financing vehicles established by energy service providers/banks etc; asset financing organisations for energy efficiency in public buildings and/or social housing.

Relevant experience shall be provided by the applicant, its shareholders or founders, members of the consortium or parties to a cooperation agreement as specified in Annex 2, point 13. However, experience of other members of the consortium, the applicant’s parent company or other companies in its group will only be relevant to the extent that these other entities are directly involved in the delivery of the services, or to the extent that the applicant will be able to demonstrate that it will directly benefit from the quoted experience when performing the required services under the Call for EoI.

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.

B. Stage 2

1. Submission of Offers

Applicants who are not excluded and meet the Selection Criteria, will be invited to submit Offers, in the form of a Business Plan, for the use of the JSHF resources and demonstrating economic viability of the Investment Policy. The Business Plans shall be completed using the structure and the format provided in Section IV. If any of the information required in the Business Plan is different in case the applicant is awarded both Lots, this information should be provided separately.

The Offers will be evaluated on the basis of the Award Criteria, which are described in Appendix A. Appendix A also gives guidance on the evaluation criteria which will be applied to assess each section of the Business Plan.

Upon the final evaluation of the Offers, the EIB will identify the applicant(s), in each Lot, whose Offer(s) (in the form of Business Plan) is evaluated as the Preferred Bidder(s), and will recommend the Preferred Bidder(s) to the Investment Board for its approval. This will be determined on the basis of the highest total points out of 100, after assessing the Award Criteria.

PHASE 2 – Negotiation and conclusion of the Operational Agreement

Once accepted by the Investment Board, the Preferred Bidder(s) of each Lot may be invited to negotiations with the EIB concerning the terms and conditions of the Operational Agreement. The negotiation may be developed in several phases.

In the period before an Operational Agreement is concluded, it is envisaged that the Preferred Bidder(s) will continue to develop projects included in its Business Plan and to look for other projects not identified at the time of submission of the Offer.

The negotiations with the Preferred Bidder(s) should be limited to a fine-tuning of the Operational Agreement, so as to increase the efficiency of the Business Plan and its coherence with the Sardinia OP priorities and to discuss new Urban Projects or EE/RE Urban Projects included in the Business Plan in the meantime.

In any case, it must be assured that the adjustments agreed upon would not have changed the result of this procurement process if they had been reflected in any of the Offers submitted by any of the applicants; also, it must be assured that those adjustments do not violate any of the mandatory provisions of this Call for EoI and that they respect all its mandatory specifications.

Once negotiations have been concluded, the EIB shall make a proposal on the awarding of the Operational Agreement to the Investment Board for approval. Such a proposal shall include the key terms and conditions of the Operational Agreement to be signed between the EIB, acting as manager of the JSHF according to the Funding Agreement, and the selected UDF.

Before signature of the Operational Agreement, the EIB reserves the right to verify any relevant ethical, professional and technical requirements submitted by the selected UDF under this Call for EoI.

(IV) BUSINESS PLAN

As described in Section III, during Stage 2 of the procurement process the selected applicants are invited to submit an Offer for each of the Lots they intend to apply for, in the form of a Business Plan.

The Business Plan should contain the following information:

1. Legal and ownership structure of the UDF

Applicants shall provide information on the proposed legal structure and on the ownership structure of the UDF, which must be acceptable to the EIB on the basis of the requirements of Italian legislation on the provision of financial services.

The applicant shall identify the UDF manager who will be either the applicant itself or a member of its group or a member of the consortium or their respective groups.

2. By-laws of the UDF

Where applicable, the by-laws of the UDF and licences from the competent Italian authorities giving permission to grant loans and provide equity to legal and natural entities, the validity of which should not be limited, should be enclosed. For the avoidance of doubt, signature of the Operational Agreement will be conditional on receipt of these documents to the satisfaction of EIB.

3. Governance structure

The UDF will have to propose a practical, cost-effective method to achieve a satisfactory management and governance system.

The applicant shall describe the management, administration and accounting procedures, which will be applied in carrying out the activities of the UDF. The applicant shall also present the governance provisions of the UDF, including internal control and risk management procedures that will be applied to the operations of the UDF. The governance provisions shall define the mechanisms to guarantee compliance of Urban Projects or EE/ER Urban Projects with eligibility criteria under the Sardinia OP (as described in Section I (F)), applicable local and regional legislation and the EU Structural Funds Regulations as well as the fulfilment of all obligations arising from ERDF co-financing according to Eligibility Rules.

The UDF will be responsible for obtaining all relevant authorisations and licences relevant thereto.

The applicant should pay particular attention to the procedures to be adopted to ensure the compliance of Urban Projects or EE/RE Urban Projects with Eligibility Rules and technical/economic quality requirements.

Project appraisal could be carried out internally, within the UDF, or through a third party fulfilling the relevant ethical, professional and organisational requirements under this Call for EoI. In this case, the intention to use subcontractors and the extent of the recourse to them shall be included in the Offer and the UDF shall notify the EIB of any subcontractor upon signing the relevant contract, in order for the EIB to assess the fulfilment of the above mentioned requirements.

Project appraisal should ensure that the Urban Projects or the EE/RE Urban Projects are feasible from an economic, social and technical point of view. It should also analyse the risks involved, the financial structure and the expected revenues for the different stakeholders in order to set up the conditions for the participation of the UDF in the financing of these projects.

Moreover, the applicant shall specify the strategy to reinforce local presence in the Sardinia region through existing and/or newly established local structures, in order to develop and maintain

appropriate contacts and relationships with relevant authorities (mainly the Managing Authority and local authorities) as well as local stakeholders and project promoters.

In setting up the governance structure of the UDF, the bodies having the decision-making power and those responsible for, inter alia, the approval of projects' financing should be outlined. The applicant shall indicate possible ways of coordination with the Managing Authority through consultation or propose other ways for the participation of the Managing Authority in the process of project implementation.

There will be a general presumption by the EIB that all required due diligence, including credit risk appraisal, will be conducted by the UDF, on the basis of the procedures agreed by the UDF and detailed in the Operational Agreement.

4. Key experts

The applicant shall indicate a team of experts with experience in relevant fields, which shall be established and is available in order to complete the JESSICA action's objectives.

Should any of the key experts not be at the direct disposal of the applicant, the applicant shall present a declaration of other entities confirming availability of the key expert (according to the template provided in Appendix E).

Applicants applying for both Lots are allowed to indicate the same key expert(s) for both Lots.

Lot 1

	NAME AND SURNAME	SCOPE OF DUTIES ENTRUSTED	YEARS OF EXPERIENCE
1		Key Manager of the UDF	
2		Expert on Urban Planning with specific experience on participative processes for Urban Planning	
3		PPP expert with specific knowledge of administrative procedures and public procurement	
4		Project Finance expert	
5		Public sector finance expert	
6		Team Manager for monitoring and reporting	

The applicant shall provide the relevant experience of its key experts of the team in implementing the Investment Policy as described in point 5, including:

1. An explanation of their experience of and approach to working with its proposed team;
2. Any experience of working with PPPs;
3. Their track record in Urban Projects, in line with criteria indicated in Section I (F).
 For each example include: a description of the project; when it was established; total funds managed and number and amount of investments made.
 In addition, the applicant should provide details of the split between proprietary and advisor project sourcing. Contact name and details should be provided for at least two projects where the EIB may seek a reference.

Relevant experiences of key experts should be provided on not more than three A4 pages each.

Lot 2

	NAME AND SURNAME	SCOPE OF DUTIES ENTRUSTED	YEARS OF EXPERIENCE
1		Key Manager of the UDF	
2		Expert on Energy Efficiency and/or Renewable Energy	
3		PPP expert with specific knowledge of administrative procedures and public procurement	
4		Project Finance expert	
5		Public sector finance expert	
6		Team Manager for monitoring and reporting	

The applicant shall provide the relevant experience of its key experts of the team in implementing the Investment Policy as described in point 5, including:

1. An explanation of its experience of and approach to working with its proposed team;
2. Any experience of working with ESCOs
3. Any experience of working with PPPs;
4. Their track record in Urban Projects or EE/RE Urban Projects as relevant, in line with criteria indicated in Section I (F). For each example include: a description of the project; when it was established; total funds managed and number and amount of investments made.
In addition, the applicant should provide details of the split between proprietary and advisor project sourcing. Contact name and details should be provided for at least two projects where the EIB may seek a reference.

Relevant experiences of key experts should be provided on not more than three A4 pages each.

5. Investment Policy

Applicants shall describe their Investment Policy for the purpose of the Business Plan. The Investment Policy should be the starting point for the identification of a portfolio of projects, for Lot 1 and Lot 2 respectively, or at least the typology of Urban Projects or EE/RE Urban Projects the applicants intend to finance, in accordance with Section I (F).

To the extent possible, applicants are asked to support their Investment Policy with details of concrete Urban Projects or EE/RE Urban Projects already identified ("Pipeline"), as outlined in point 6. However, it is understood that an existing Pipeline of Urban Projects or EE/RE Urban Projects could be difficult to outline at this stage due to the incipient nature of the targeted sectors or the early project completion stages of projects. Hence, the presentation of the applicant's Investment Policy may be based on project examples, largely based on applicant's experience and on the best practices and benchmarks in the relevant field which will be identified based on a clearly defined identification and evaluation methodology.

The implementation of the Investment Policy should be quantified through a sustainable financial model, as described in point 13.

The Investment Policy will describe the following:

Lot 1

- a) Compliance with Axis 5 of the Sardinia OP.
- b) The strategic focus of the UDF in terms of:

- The targeted market, geographical coverage, plan to capture a share of the identified market potential, and related priorities;
 - Conditions of investment products offered by the applicant as outlined in point 8;
 - Any other relevant criteria that the applicant would consider appropriate.
- c) The approach to managing engagement with public or private sector stakeholders and project promoters such as local authorities or private entities, as regards identification and financing of Urban Projects.

The Investment Policy for Lot 1 will have the following specific provision:

- The target geographic area will cover all municipalities that have developed Strategic Development Plans. Hence, the UDF shall initially invest in projects located in the 34 municipalities that have defined their own Strategic Development Plans.

Lot 2

The Investment Policy will describe the following:

- a) Compliance with Axis 3 of the Sardinia OP, particularly the following Priority themes:
- Renewable Energy, wind power (category 39)
 - Renewable Energy, solar power (category 40)
 - Renewable Energy, biomass (category 41)
 - Renewable Energy, hydroelectricity, geothermal power, others (category 42)
 - Energy Efficiency, cogeneration and energy management (category 43).
- b) Compliance with existing energy policies and/or regional plans.
- c) The strategic focus of the UDF in terms of:
- The targeted market, geographical coverage, plan to capture a share of the identified market potential, and related priorities;
 - Categories of EE/RE Urban Projects in terms of eligibility criteria, types and targets as outlined in Section I (F);
 - Conditions of investment products offered by the applicant as outlined in point 8;
 - Any other relevant criteria that the applicant would consider appropriate.
- d) The approach to managing engagement with public or private sector stakeholders and project promoters such as local authorities, private entities or ESCOs being procured by a public and/or private entity to perform actions in the field of energy efficiency or renewable energy, as regards identification and financing of EE/RE Urban Projects.

Additionally, the Investment Policy for Lot 2 will have the following specific provisions:

- limits for the geographic area: although no geographic limit were established, the UDF will initially invest in projects located in the Pioneer communities identified under the Smart City Comuni in classe A initiative.
- limits for diversification of Priority Themes: the Priority Themes for the targeted EE/RE Urban Projects are those from the Sardinia OP (i.e. priority themes 39, 40, 41, 42 and 43), no specific limits were established.

6. Pipeline

Applicants shall be responsible for the identification of types of Urban Projects (Lot 1) or EE/RE Urban Projects (Lot 2) to be included in their Business Plan in accordance with indications provided in Section I (F) for each Lot. Applicants should demonstrate the feasibility, robustness and compliance of such Pipeline with the proposed Investment Policy to be adopted.

The description of the Pipeline shall include, at the very least, the following parameters:

- a) General description of the project and the project's timetable;
- b) Justification for selection;
- c) Identification of risks (including technical, market, financial, etc.);
- d) Compliance with the requirements as described in Section I (F) including:
 - a. for Lot 1, the extent to which each Urban Project shall contribute to the objectives of the Axis 5 of Sardinia OP,
 - b. for Lot 2, the extent to which each EE/RE Urban Project shall contribute to the objectives of the Axis 3 of Sardinia OP.
- e) Preliminary assessment of the socio-economic performance including a description of the social and environmental benefits in line with the indicators included in the template provided in Appendix D.
- f) Preliminary structure of the financing, including an estimate of the expected contribution from JSHF resources.

There are no specific requirements imposed on Urban Projects or EE/RE Urban Projects with respect to financial criteria other than those described in these Terms of Reference, particularly in Section I (F). The criteria as well as the investment products selected (loans, equity and any other instrument as indicated in point 8 hereof) will differ according to the type of projects and shall be established by the UDF on a case by case basis. These criteria may include: internal rate of return, net present value, pay-back period, cash flow profile, availability and form of collateral, other financial indicators typically used in credit analysis, etc. Nevertheless, it is acknowledged that for some projects precise calculation of financial indicators may not be possible at the time of presenting the Offer. In such cases the Offer will still be acceptable.

Since it is required that Urban Projects or EE/RE Urban Projects are included in PISU or PAES, the Pipeline presented by applicants in their Business Plans shall comply with the assumptions and guidelines for local authorities as regards the key characteristic required from the existing planning documents.

Lot 1

As already mentioned (Section I.C) the integrated planning procedure put in place for Axis 5 is based on a bottom-up approach where key projects are identified first and PISU are then prepared. As most projects submitted by Sardinian local authorities (municipalities and provinces) still remain in the conceptual stage, the list of projects presented by an applicant may contain only general information whilst no financial or economic analysis may have been carried out. Therefore, feasibility studies or business plans and a reasonable cost-benefit analysis may be difficult to perform at this stage.

Lot 2

Due to the early stage of the Sardinia CO2.0 initiative, no project is currently available.

Against this background, applicants should be advised that the description of Pipeline required is aimed at testing the applicants' approach to the selection, analysis and financing of Urban Projects or EE/RE Urban Projects. It is hence recognised that some project details may be less well developed than others and that the Pipeline/financial plan will need to be subject to flexibility and further development/agreement going forward. Provisions for this will be made in the Operational Agreement to be signed with the UDF.

In spite of the above, applicants that are able to provide evidence of a Pipeline of real projects and specific details of "quick wins" projects, will provide a greater degree of comfort to the EIB that they are

in a position to invest the allocated funds from the JSHF within the relatively tight timescales envisaged for investment.

7. Methodology for the identification and evaluation of future projects

The applicant's Pipeline prepared in conformity with previous point 6 shall not be interpreted as an exhaustive or definitive list. It is expected that the selected applicant will continue to look for other Urban Projects or EE/RE Urban Projects not identified at the time of submitting the Offer. To this end, the applicant should describe the methodology for the identification and evaluation of future projects to be incorporated into Integrated Plans.

The proposed methodology shall contain provisions to ensure that the selected Urban Projects or EE/RE Urban Projects to be financed by the UDF will comply with all requirements indicated in Section I (F).

In particular, the methodology shall detail the means and the key steps applied to ensure the selected Urban Projects or EE/RE Urban Projects reach the necessary level of advancement for investment under the JESSICA financing. Such methodology shall cater for the different stages of development of each project, including projects which are now only at conceptual stage.

Based on the applicant's knowledge of the local market and local needs, the applicant shall play an active role in terms of cooperation with local authorities regarding identification, selection and financing of Urban Projects or EE/RE Urban Projects and describe the proposed cooperation procedures. In particular, it is expected that the selected UDF will actively engage in preparing selected projects for investments, so as to verify whether they meet the JESSICA financial viability's requirements.

The proposed methodology should describe how the UDF will appraise financial and economic characteristics of each project. The assessment of Urban Projects or EE/RE Urban Projects as regards their economic performance and impact should cover, to the extent possible, the following aspects: cost/benefit analysis (a qualitative analysis in all cases and, where possible, also a quantitative one); contribution to meet relevant output indicators of the Sardinia OP; and potential to attract additional funding from other public and private sources.

Finally, the applicant should also include a full description of the internal scoring system used for the credit risk assessment of each project and for the pricing of the operations, if applicable.

8. Conditions for the investment products of the UDF

The UDF will receive resources from the JSHF to invest in a revolving way in Urban Projects or EE/RE Urban Projects. For these purposes, loans, equity and other equivalent financial instruments are the investment products that can be used by the UDF. There are neither maximum/minimum requirements for loans and/or equity investments, nor limits in terms of the mixture of these products. However, it is recommended that additional co-financing from other sources should be made available.

The UDF will analyse the best investment product or combination of investment products to be provided to each project. It is expected that at the end of its investment period (i.e. before end of 2015) the range of investment products covered by the UDF will be market driven.

There are no maximum or minimum limits for the number of projects that can be financed by the UDF.

It should be stressed that, when defining the most appropriate combination of investment products to be provided to each Urban Project or EE/RE Urban Project, the UDF will have to comply with EU State

Aid Rules⁸, including the reference rate framework⁹ and EU guidelines on State aid for environmental protection¹⁰, where appropriate or any other State aid scheme cleared by the Commission applicable to JSHF pursuant to a notification procedure under the TFEU. Applicants are expected to take their own legal advice in relation to State aid.

Conditions for the UDF financial products providing support to Urban Projects or EE/RE Urban Projects shall be based on the following guidelines:

- a) Only projects, in which the sum of all project cash flows from operating and investing activities is positive before discounting (for all projects this include initial expenditure; in the case of PPP-type or similar projects this includes all potential payments to be received from relevant public authorities/other project promoters e.g. availability payments, shadow tolls, etc.), and are, therefore, consistent with the concept of the JESSICA repayable investment, should be invested in.
- b) The market sector is not fully developed and hence the JESSICA intervention has been identified as suitable.
- c) The intensity of UDF financing should not exceed the level sufficient to encourage a project promoter to execute an Urban Project or EE/RE Urban Project. The key is to limit UDF's interventions to what is necessary to proceed with project and to ensure that private partners do not benefit from a higher-than-market rate of return on investment. Following the investment from a UDF, the rate of return for equity investors and providers of debt shall not exceed the Normal Equity IRR and Normal Debt IRR respectively.
- d) The terms and conditions of project financing from the UDF must be determined before the Urban Projects or EE/RE Urban Projects are implemented and must be performed on the basis of the anticipated financial and economic results, presented as part of the financial analysis (i.e. as part of the financial plan of the project).
- e) The terms and conditions of engaging the UDF should be determined on an individual basis.

The compatibility of a new JESSICA State aid scheme providing for different financial conditions that can be applied to JESSICA's related investment products is currently being considered by the competent EU authorities and under the EU State Aid Rules. Subject to a final decision on this matter by the EU authorities, Offers (in the form of a Business Plan) shall be submitted in line with existing State aid rules. The Managing authority reserves the right to decide, later on, whether to establish a State aid scheme in relation to JSHF funds. Should this have an impact on the Operational agreement, the decision will be adopted in compliance with applicable public procurement rules.

9. Policy of the UDF concerning exit from Investment in Urban Projects

The applicant shall describe the rules governing the exit by the UDF from Investments in Urban Projects (Lot 1) or EE/RE Urban Projects (Lot 2).

10. Reutilisation of resources by the UDF.

The UDF undertakes to repay funding received to the JSHF or to recycle it into other Urban Projects or EE/RE Urban Projects.

⁸ For information on State aid rules, please refer to footnote no. 10.

⁹ See http://ec.europa.eu/competition/state_aid/legislation/reference.html for further details.

¹⁰ http://ec.europa.eu/competition/state_aid/legislation/horizontal.html

The JSHF retains the discretion to allow the UDF to reinvest repayments from Investments in Urban Projects or EE/RE Urban Projects into other Urban Projects or EE/RE Urban Projects, respectively. This will be decided by the Managing Authority in due course and the basic assumption for the purposes of the Offer should be that capital repayments from investments are in the first instance reinvested by UDF during a maximum period of 10 years ("Revolving Period"), as this will be specified in the Operational Agreement. After the expiry of the Revolving Period, repayments are transferred to the JSHF.

Detailed procedures for the return of resources to JSHF or for the reutilisation of such resources by the UDF, including the winding-up provisions, shall be described as part of the Offer.

11. Co-financing - Leverage

An important factor in the evaluation of the Offer will be the ability of the UDF to provide co-financing, either in cash terms or in kind, and to raise finance from other private or public sources. For that reason, the applicant shall present the strategy for obtaining further financing from sources other than the JSHF.

Applicants must distinguish whether the co-financing commitment is carried out at the UDF level and/or at the projects level.

One particular condition is that the UDF has no right to require a project to accept co-financing from the UDF or any other entity as a pre-condition to receiving financing from the JSHF resources managed by the UDF.

The provisions of this paragraph 11 are subject to EU State Aid Rules and any State aid scheme cleared by the Commission applicable to JSHF pursuant to a notification procedure under the TFEU.

12. Annual Management Fee

UDF(s) will be entitled to receive a Management Fee in accordance with the EU Structural Funds Regulations for their origination and servicing of the Urban Projects or EE/RE Urban Projects.

The Management Fee shall include all fees and expenses to be incurred by the UDF in relation to the selection, monitoring, supervision, administration, management and arrangement of the financing to Urban Projects or EE/RE Urban Projects and other auxiliary activities provided. If the UDF foresees receiving a combination of its proposed Management Fee along with remuneration also received from Urban Projects or EE/RE Urban Projects, then this will have to be clearly stated in its Offer. However, should this not be the case, the UDF shall not have the right to request remuneration from Urban Projects or EE/RE Urban Projects.

The Management Fee shall in principle be calculated either as (i) a percentage of the resources contributed by the JSHF to the UDF, or (ii) a percentage of the resources allocated through the UDF to the Urban Projects or EE/RE Urban Projects, not yet repaid by Final Recipients or written-off excluding any amounts which are overdue (i.e. for 60 days or more) or (iii) other amounts as indicated in the Offer. The detailed calculation criteria will be based on the UDF proposal included in the Business Plan.

The applicant should indicate in the Business Plan the percentage of the total managed JSHF resources to be claimed by the UDF as an annual management fee.

The applicant may specify whether a discount on the Management Fee will be applied in case of being awarded both Lots.

In any case, the Management Fee may not exceed, on an annual average until 31 December 2015, 3% per annum of the capital contributed from the JSHF to the UDF, in accordance with EU Structural Funds Regulations¹¹. However, the EIB is expecting Management Fee, defined by the outcome of the competitive process, to be below this cap, especially for the period post initial identification and Investment in Urban Projects or EE/RE Urban Projects. A substantial decrease on the Management Fee is expected over time; particularly since, as from 2016, the EU Structural Funds monitoring requirements and workload requested from the UDF is expected to decline. The Management Fee shall not be calculated on the amounts due by any Urban Project or EE/RE Urban Project to a UDF and not returned, due to a failure by an Urban Project or an EE/RE Urban Project to pay.

The Management Fee shall be paid in advance, unless otherwise agreed in the Operational Agreement. The detailed provisions concerning the Management Fee shall be clearly defined in the Operational Agreement. The Operational Agreement will include the rights, obligations and liabilities associated with the services that the UDF manager provides to the UDF.

The Management Fee paid from JSHF resources will not exceed the time period for eligibility of costs under the EU Structural Funds Regulations, i.e. December 31, 2015. After that period, the Management Fee will be paid from moneys returned into the UDF from investments in Urban Projects or EE/RE Urban Projects. To assess the Management Fee structure, EIB will take into consideration, amongst others, the following fee elements:

- fees payable on the amount of funds invested by the UDF during the investment period under the current programming period of the ERDF i.e. until 31 December 2015;
- fees payable in respect of returns received from investments after the end of the investment period under the current programming period of the ERDF i.e. after 31 December 2015.

The Management Fee should include a fixed and a contingent component, subject to the absolute cap of 3% defined above.

A. Fixed part

- i. Project appraisal and structuring;
- ii. "EU Structural Funds monitoring" consisting of monitoring, reporting and other services related to ensuring the compliance with EU Structural Funds Regulations and EU Rules; and
- iii. Administration of the investments in Urban Projects or EE/RE Urban Project.

B. Contingent part

It is suggested that the fixed component of the Management Fee may be replaced by or integrated with additional performance incentives. In particular, the contingent part should provide the UDF with incentives to proceed to milestone disbursement and to ensure that EU Structural Funds are invested in Urban Projects or EE/RE Urban Projects in a professional and in an economically efficient way in compliance with JESSICA policy objectives, the investment strategy and State aid rules. The contingent component may be composed of either one or both the following elements:

- i. a performance incentive fee based on disbursements/investments. The rationale of this fee stems from the fact that the industry, both at UDF level and at revenue generating project level, is still immature;
- ii. an incentive based on the *ex-post* quality of the portfolio of Urban Projects or EE/RE Urban Projects. Charging fees on invested/disbursed capital only would in fact encourage the UDF manager to invest too quickly, hence a well constructed performance fee should alleviate the risk of putting money to work too quickly and in unprofitable/risky projects.

¹¹ Art. 43(4) of Regulation 1828/2006 (amended by Commission Regulation (EC) 846/2009)

Additionally, incentives can also be set in relation to the achievement of socio-economic targets set out in Appendix D. Investment targets will be indicated in the Business Plan presented by the applicant and should be aligned with the investment timetable as detailed in point 13. Failure to meet investment targets may result in the termination of the Operational Agreement, unless otherwise agreed by the EIB, or in a reduction of the level of the Management Fee. Conversely, an earlier allocation of the resources shall be rewarded by means of appropriate incentives proposed by the applicant.

13. Financial forecasts and operational budget of the UDF

The applicant shall describe the financial forecasts and operational budget of the UDF according to the template provided in Appendix C (“Financial Model”), on the assumption that the total amount allocated for each UDF would be:

- approximately EUR 33,110,000 for Lot 1;
- approximately EUR 33,110,000 for Lot 2.

The key implementation parameters of the Financial Model of the UDF are as follows:

- a) Resources committed by the JSHF into the UDF for Investment in Urban Projects or EE/RE Urban Projects will be advanced upfront upon completion of all condition precedents set out in the Operational Agreement in one tranche and shall be kept as bank deposits, unless otherwise agreed between the EIB and the UDF in the Operational Agreement. Detailed explanation of the Financial Model shall be established in the Business Plan, based on this hypothesis. The exact terms and conditions for the JSHF deposits, and other arrangements as agreed between the parties, shall be defined in the Operational Agreement.
- b) The amount contributed to the UDF by the JSHF plus any interest accrued on the deposits, other than the portion used to meet UDF management costs, shall only be used to finance eligible Urban Projects or EE/RE Urban Projects;
- c) The boundary conditions for investment products to be offered by the UDF to Urban Projects or EE/RE Urban Projects are described in previous point 8;
- d) The exit policy from the portfolio of Urban Projects or EE/RE Urban Projects should reflect the one proposed by the applicant under point 9;
- e) The level/form of co-financing offered by the UDF should reflect the one proposed by the applicant in previous point 11;
- f) The UDF will compensate the UDF manager for the administration services provided in the form of a Management Fee, as described in point 12;
- g) The EU Structural Fund Regulations require that all ERDF and national contributions must be invested by the UDF into Urban Projects or EE/RE Urban Project by 31 December 2015. It is requested, however, to prepare a Financial Model imposing a shorter period for this investment to take place according to the following scheme:

50% of the allocated funds shall be invested by 31 December 2013
90% of the allocated funds shall be invested by 31 December 2014
100% of the allocated funds shall be invested by 30 April 2015

It is likely that the Operational Agreement will impose the same investment timeline on the selected applicant. The Operational Agreement shall also provide for monitoring dates, set before and between the ones outlined above, in which the effectiveness of the UDF’s investment activity will be reviewed. Such monitoring shall enable the identification of potential implementation issues to be made in sufficient time, in order to allow for revisions to the Investment Policy to be made accordingly.

In addition to managing the JSHF, the EIB may consider providing financial support on its own funds for Urban Projects or EE/RE Urban Projects in whatever form under its own rules and procedures and within the limits set out by applicable rules. Such potential financial support may include financing extended to the UDF (provided such a UDF meets the relevant EIB credit criteria) with a view to co-financing projects.

In particular, the EIB is evaluating the possibility to provide a loan of approximately EUR140m to the selected UDF(s), if and when in line with its own eligibility and credit criteria. Therefore, UDFs are invited to provide possible additional financial structures including:

- the possibility to manage a total of EUR 210m of which, EUR 70m as funds coming from the JSHF and EUR 140m as additional EIB lending to the UDF (with EIB credit risk related to the UDF);
- the possibility to use part of the JSHF funds as a component of the UDFs's regulatory capital requirements.

14. Terms and conditions of the Operational Agreement with the JSHF

The Operational Agreement shall, notwithstanding any other terms set out in this Terms of Reference, include:

- a) the relevant rights and obligations of the UDF according to the Business Plan presented by the applicant in its Offer, the conditions established in the Terms of Reference, and the results of the selection process;
- b) the financial conditions which will apply to the JSHF resources delivered to the UDF;
- c) the events of default under the Operational Agreement and the liabilities that the UDF will assume in this particular situation.

In any case, the Operational Agreement must fulfil the requirements set forth in these Terms of Reference, the EU Structural Funds Regulations and any other applicable EU Rules, in particular EU State Aid Rules, as well as other applicable rules on the nature of Urban Projects or EE/RE Urban Projects and on the source of financing.

Following signature of the Operational Agreement, upon approval by the EIB and, where appropriate, the Investment Board, funds will be disbursed from the JSHF to the UDF in accordance with the Operational Agreement. A number of standard terms and conditions will apply to disbursement, including the provision to temporarily keep the disbursed funds in deposits. Interest on these deposits shall be used to meet UDF Management Fee or increase the amount of funds available for Investment in Urban Projects or EE/RE Urban Projects.

(V) MODIFICATION OF THE BUSINESS PLAN DURING THE OPERATIONAL PERIOD

It is accepted that the Investment Policy may evolve throughout the deployment phase of the UDF (i.e. the Operational Period) as projects are developed in greater detail and move into the delivery phase.

It will be important that, while there may be some changes in or shifting between individual projects, the UDF continues to deliver investment within the parameters of its Investment Policy. For this reason, any revisions to the initial Business Plan will be subject to review and approval by the EIB and, where appropriate, the Investment Board to ensure it continues to align with the Investment Strategy of the JSHF. This may be achieved through the participation of the EIB in a supervisory or advisory committee of the UDF, according to the provisions set forth in the Operational Agreement.

The Business Plans for use of resources received from the JSHF shall be completed and assessed on the basis set out below. The applicants scoring less than 20 points out of 55 on the technical quality (Criteria 1 to 6) will be disregarded. This threshold is aimed at excluding offers deemed unsuitable at EIB's own discretion.

Award criteria		
Criterion	Description and assessment rules	Scoring for criterion
QUALITATIVE AWARD CRITERIA (1 – 6)		0-55
1. LEGAL, OWNERSHIP AND GOVERNANCE STRUCTURE	<p>The applicant should:</p> <ul style="list-style-type: none"> • Present information on and prove the credibility of the ownership and the legal structure of the UDF. Where a separate legal entity is envisaged, provide details on the legal structure and constitution of the UDF and where appropriate the fund management vehicle, including where these will be/are domiciled together with the form the JSHF' investment into the UDF will take. • Describe the approach envisaged to guarantee regular contacts with local stakeholders and project promoters in the regional context by means of local structures (e.g. offices, info points, etc.). • Describe management, administrative and accounting procedures which will be applied in the functioning of the UDF. • Illustrate the organisational model and the corporate governance provisions for the UDF, including internal control procedures. • Propose assumptions in respect of monitoring, reporting and controlling the process of project execution. • Describe the risk management procedures that will be applied for implementation of functions of the UDF. <p><u>Assessment rule:</u></p> <ul style="list-style-type: none"> • Credibility of the legal and ownership structure and its suitability to the objectives set for the UDF. • Reliability and credibility of the proposed management, administration, accounting, monitoring, reporting and controlling procedures; and the risk management procedures taking into account requirements of relevant EU and national legislation. • Reliability of processes that will be implemented to manage any possible conflicts of interest between the UDF and any other similar investments managed by the applicant. • Level and quality of an applicant (or of its parent company) Tier 1 capital. 	0-10

Award criteria		
Criterion	Description and assessment rules	Scoring for criterion
2. KEY EXPERTS	<p>The applicant shall indicate the dedicated team of experts with experience in relevant fields, which shall be established and be available in order to achieve the UDF's objectives and project identification / implementation proposals. Applicants should provide:</p> <ul style="list-style-type: none"> • A structure diagram/table outlining key roles and responsibilities of each individual and the time they will dedicate to the UDF, both on Sardinia and outside (e.g. deal sourcing, negotiation, monitoring, back office, relationship management with the EIB); • Curriculum Vitae for key experts of the applicant (including sub-contractors and/or advisors where applicable) which outlines their relevant experience and competence in the targeted sectors (including a demonstration of the adequacy of each key experts with the role to be carried out). This should include, amongst other things, deal sourcing, negotiation, monitoring and back office skills. This information should be provided on no more than two A4 pages <p><u>Assessment rule:</u> Adequacy and relevance of the experience (years of experience, similarity of past experience with JESSICA initiative, relevant project experience, etc.) of each key expert with the role foreseen in the proposed team structure.</p>	0-10
3. INVESTMENT POLICY	<p>The applicant shall:</p> <ul style="list-style-type: none"> • Prove its understanding of the objectives to be achieved through the implementation of JESSICA mechanism in the Region. • Define the goals of the UDF and objectives of its Investment Policy. • Describe the targeted market and geographical coverage • For Lot 1 prove the compliance of the Investment Policy with Sardinia OP , particularly Priority Axis 5) • For Lot 2 prove the compliance of the Investment Policy with Sardinia OP (particularly Priority Axis 3) and other relevant regional energy policies. <p><u>Assessment rule:</u></p> <ul style="list-style-type: none"> • The portfolio allocation in terms of geographic and sectorial coverage the applicant will put in place to ensure successful implementation of Urban Project and/or EE/RE Urban Projects. • For Lot 1 level of understanding of and compliance with JESSICA objectives and Priority Axis 5 of Sardinia OP. • For Lot 2 level of understanding of and compliance with JESSICA objectives and Priority Axis 3 of Sardinia OP. 	0-10

Award criteria		
Criterion	Description and assessment rules	Scoring for criterion
4. PIPELINE	<p>The applicant shall:</p> <ul style="list-style-type: none"> • Present the Pipeline including an assessment of how these projects currently deliver against the Investment Policy. • Prove the compliance of the Pipeline's objectives with the general objectives set for in the JESSICA initiative. • Prove the compliance of the Pipeline's objectives with the objectives of Axis 5 (for Lot 1) and Axis 3 (for Lot 2) of the Sardinia OP. • Describe the level of maturity/preparation of the selected projects included in the Pipeline. • Forecast and describe the expected socio-economic performance of the Pipeline, including the social and environmental benefits and costs, if any. <p><u>Assessment rule:</u></p> <ul style="list-style-type: none"> • Level of compliance of the Pipeline with the Investment Policy. • Presence of "quick wins" projects in the Pipeline. As far as reasonably practicable, applicants are encouraged to demonstrate 'quick wins' that are at an advanced stage of development and ready for delivery using the UDF investment in compliance with the processes for inclusion in the Integrated Plans. • Level of maturity/preparation of the projects in the Pipeline and probability of their execution. • Financial and socio-economic performance of the Pipeline (considering indicators listed in Appendix D). 	0-5
5. METHODOLOGY FOR THE IDENTIFICATION AND EVALUATION OF URBAN PROJECTS or EE/RE URBAN PROJECTS	<p>The Pipeline provided by the applicant shall not be interpreted as an exhaustive and definitive list. The applicant should hence explain the methodology for identification and the investment process that it will put in place to ensure that the resources of the UDF are channelled into Urban Projects or EE/RE Urban Projects which provide the most promising investment opportunities. For each category of beneficiaries (e.g. Local Authorities, PPPs, private entities, etc.) the description should include the following:</p> <ul style="list-style-type: none"> • The key stages/parameters, including the internal scoring system, that will be used to assess projects • The role of any external advisory support to the beneficiaries • The timescale which allows investment to commence in a timely manner <p><u>Assessment rule:</u></p> <ul style="list-style-type: none"> • Appropriateness of the methodology to the specificity of Urban Projects or EE/RE Urban Projects. • The presence of external support for the development of potential eligible Urban Projects and/or EE/RE Urban Projects. 	0-10
6. FINANCIAL FORECASTS, OPERATIONAL BUDGET OF THE UDF;	<p>The applicant should:</p> <ul style="list-style-type: none"> • Present the financial model that, as far as reasonably practicable, sets out the projected financial operations of the UDF. • Illustrate the financial terms and the contractual arrangements to be applied to Urban Projects or EE/RE Urban Projects. 	0-10

Award criteria		
Criterion	Description and assessment rules	Scoring for criterion
CONDITIONS OF INVESTMENT PRODUCTS AND EXIT POLICY	<ul style="list-style-type: none"> • Use an operational budget for the UDF based on the expected financial results of the UDF participation in Urban Projects or EE/RE Urban Projects. • Describe how the financing available to the UDF (i.e. from the JSHF) will be combined to offer the most competitive form of financing to the project promoters. • Describe how the possible additional financing made available by the EIB will be combined to offer the most competitive form of financing to the project promoters. • Describe the schedule for disbursement that will cater for JSHF resources to be invested before the end of 2015, including in case of co-financing, any provision for asymmetrical disbursement between JSHF' and external financing's resources. • Describe the winding-up provisions/exit policies of the UDF, including the reutilisation of resources that may be returned to the UDF from Investments in Urban Projects or EE/RE Urban Projects. The applicant shall present any other provisions which will apply upon the ceasing of operations by the UDF. <p><u>Assessment rule:</u></p> <ul style="list-style-type: none"> • Credibility of the financial forecasts and compliance with the Investment Policy. • The timing and quantum of the projected cash flows. • The alignment of investment timetable with the calendar presented in Section IV.13. • The benefit of the leverage through the possible additional financing made available by the EIB. • The evidence that proposals are compliant with EU State Aid Rules. • The reliability and credibility of the winding-up provisions and proposals for reutilisation of resources. 	

Award criteria		
Criterion	Description and assessment rules	Scoring for criterion
QUANTITATIVE AWARD CRITERIA (7-8)		0-45
7. CO-FINANCING - LEVERAGE	<p>The applicant shall present the strategy for obtaining potential financing from external sources with a view to co-financing Urban Projects or EE/RE Urban Projects and/or the UDF itself. Proposals should describe commitments for the provision of additional financing where these are in place and if they are not committed when this will happen.</p> <p><u>Assessment rule:</u> The potential amount of external funds, including any commitment for the provision of additional financing. The larger the amount invested and the higher the capacity to attract private funds to the initiative - at UDF and/or at project level -, the higher the points awarded. The absence of co-financing will result in a zero score. An applicant committing to provide the greatest co-financing shall receive the maximum number of points available, the score will decrease proportionally until 0 in case of absence of co-financing. Scores are based on the following normalised method:</p> <p>Score = (co-financing amount X 25) / (maximum proposed co-financing)</p>	0-25
8. ANNUAL MANAGEMENT FEE	<p>The applicant should present the level of the Management Fee required, in line with the methodology presented in this Call for EoI, broken down by component. Specifically, the applicant should explain:</p> <ul style="list-style-type: none"> • how the Management Fee (and any individual component parts of it such as set up, project appraisal, ERDF monitoring/reporting and loan administration costs) would be calculated and charged (with examples); • how the fee structure incentivises the UDF to invest in Urban Projects or EE/RE Urban Projects in a timely and efficient manner; • how the applicant will ensure that the Management Fee does not adversely impact on the ability of the UDF to raise additional funding. <p><u>Assessment rule:</u> Lower management fees with significant performance-related elements will receive greater credit under this criterion than higher fees and/or fee proposals with no or minimal performance related elements. Performance has, inter alia, three key aspects; (1) investment of JSHF resources by 31 December 2015; (2) generation of financial returns on a timely basis; and (3) delivery of socio-economic performance defined in Appendix D. An applicant offering the lowest management fee for the period until 31 December 2015 shall receive the maximum number of points available, the score will decrease proportionally until 0 in case of an applicant offering a management fee of 3% or higher for the period until 31 December 2015. Scores are based on the following normalised method:</p>	0-20

Award criteria		
Criterion	Description and assessment rules	Scoring for criterion
	Score = (lowest proposed management fee X 20) / (proposed management fee)	

OUTLINE OF MAIN TERMS AND CONDITIONS OF THE OPERATIONAL AGREEMENT

Outline of the terms of the Operational Agreement

Each Operational Agreement shall include *inter alia* 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 UDF to pursue the objectives set out in the Operational Agreement, which shall include the obligation to act in accordance with its Investment Policy and Business Plan.
2. An obligation on the UDF to regularly report to EIB in a standardised form and scope to be decided by EIB.
3. An obligation on the UDF to report to EIB on State aid issues.
4. An obligation on the UDF to maintain a separate accounting system or use a separate accounting code for any co-financed expenditure down to the final level of an Urban Project and/or an EE/RE Urban Project.
5. An obligation on the UDF to allow access to documents related to its JESSICA operations for any national or European entity duly empowered by applicable rules to carry out audit and/or control activities.
6. Procedures for submission of accounts by the UDF to EIB and auditing procedures to be complied with by the UDF.
7. The right of EIB to recover any losses incurred by JSHF due to a breach by the UDF of its obligations under the relevant Operational Agreement, in accordance with suitable market standard clauses.
8. The right of the UDF to payment of market-standard management costs, which shall not exceed the cap provided in these Terms of Reference, as resulting from the Offer.
9. An undertaking by the UDF that all 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.
10. An undertaking by the UDF to be in compliance with all the EU State Aid Rules and EU Rules and to provide to EIB all relevant information regarding planned investments in Urban Projects or EE/RE Urban Projects. This information shall be forwarded by EIB to the Managing Authority in order to enable the Managing Authority to comply with its obligations under national or EU rules regarding State aid.
11. An undertaking that, in every investment agreement between the UDF and an Urban Project or an EE/RE Urban Project ("Investment Agreement"), the UDF shall provide that each project shall comply with all obligations imposed on it by the EU Rules and any other applicable laws and that each Urban Project shall do such things as may be necessary to allow the UDF to comply with its obligations under EU Rules, any other applicable laws and the Operational Agreement. In particular, every Investment Agreement shall include, *inter alia*, the following, where appropriate:
 - a) the Urban Project or EE/RE Urban Project shall keep necessary accounts;
 - b) the UDF shall be entitled to recover any losses due to a breach by the Urban Project or the EE/RE Urban Project of its obligations under the relevant Investment Agreement;
 - c) the UDF shall diligently, whether by negotiation or legal action, enforce its claims against the Urban Project or the EE/RE Urban Project;
 - d) the representatives of the Managing Authority, the Commission, the European Court of Auditors, 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 Urban Project or the EE/RE Urban Project (right to carry out on-site control) for the purpose of ensuring the legality and regularity of the JESSICA financing;
 - e) the UDF and/or Urban Project or the EE/RE Urban Project shall carry out adequate information and publicity measures in accordance with the provisions of the EU Structural Funds Regulations;
 - f) Investment in Urban Project or EE/RE Urban Project comes in full or in part from EU Structural Funds;

- g) all authorisations, which the Urban Project or the EE/RE Urban Project 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;
- h) the Urban Project or the EE/RE Urban Project complies with the objectives of the Sardinia OP; and
- i) the Urban Project or the EE/RE Urban Project shall engage in no action or decision contrary to EU Rules.

Financial conditions for the Operational Agreement

JSHF resources will be provided by EIB (acting as JSHF Manager) to the selected UDF, to provide a funding instrument bearing equity, loans or other financial instruments to Urban Projects or EE/RE Urban Projects (Investment Agreements).

The remuneration of the JSHF funds will depend upon the income generated by the Portfolio of Urban Projects and/or EE/RE Urban Projects of the UDF. The repayment of the JSHF funding will depend on the cash-flow generated by the flows received by the UDF under the Investment Agreements (on-lending agreements in case of loans, equity investment agreements in case of equity participation, or the specific Investment Agreements that could be signed in case of other equivalent financial instruments) composing the Portfolio of Urban Projects or EE/RE Urban Projects of the UDF.

The Investment Agreements is signed between the UDF and the entities that will develop the Urban Projects or the EE/RE Urban Projects ("Final Recipients").

The UDF further undertakes to develop (for the Portfolio of Urban Projects or the EE/RE Urban Projects), with the received JSHF funding, a new loan/equity/financial instrument partly funded from the disbursed funds and partly co-financed by external resources. The origination, due diligence, documentation and execution of the Urban Projects or the EE/RE Urban Projects will be performed by the UDF in accordance with the methodology for project selection agreed with JSHF and applying all normal standard procedures and governance structure of the UDF.

In this context, JSHF will not have any direct or indirect client funding relationship with each Urban Project or EE/RE Urban Project.

FINANCIAL FORECASTS AND OPERATIONAL BUDGET OF THE UDF

Objective

The financial forecasts and operational budget shall provide EIB with a sufficient degree of comfort that the applicant has assimilated the functioning of the whole structure from a quantitative point of view. In fact, the exercise consists in converting the Offer and, in particular, the aspects linked to investment product proposed (loan, equity, and other equivalent financial instruments), its main features (rates, subordination or “*pari passu*” and others), and the management fees plus co-financing proposals, into quantified cash flows.

General comments:

- Since underlying projects’ ability of generating returns is crucial for most of the future cash flows, a direct link with Urban Projects or EE/RE Urban Projects should be inserted, to the extent possible, in the financial forecasts and the operational budget of the UDF. In case the applicant has not been able to provide a list of specific Urban Projects or EE/RE Urban Projects, pilot projects in line with the Business plan, for which realistic assumptions should be specified, could be used. In case the financial forecasts and the operational budget are not based on project assumptions, the applicant should mention it.
- The operational budget shall be understood as a presentation of expected future key financial figures describing the functioning of the UDF, based on the assumptions made.
- The results and assumptions should be provided on an annual basis (the projections may be prepared for shorter periods, but the results should be aggregated).
- The assumption items listed are a minimum set; if there are any other assumptions with material impact, they should be included.

The attached template consists of the following sections:

Assumptions:

The information provided by the UDF applicant in this section includes the assumptions on which the financial projections of the UDF applicant are based. This will enable an evaluation of whether the forecasts are realistic, as well as full comparison of the results of the projections and their methodological consistence with other applicants.

I. Macroeconomic assumptions

- a) The UDF applicant should provide all the macroeconomic variables taken into account in the forecast that have an impact on the results.
- b) In particular, the UDF applicant must show the forecasted levels of the key interest rate on which the cost of financing the Urban Projects or the EE/RE Urban Projects will be based (if there is more than one rate, all rates should be provided).
- c) The variables listed are a minimum set and if there are other macroeconomic variables that have an impact on the results, they should be included.

II. UDF assumptions

To the extent possible, assumptions about the funding structure should also be detailed, including: the JSHF resources, the UDF funds, in case of co-financing, and the external funding. Assumptions about the financial product used for each source of funding should also be detailed.

- a) This section should include the assumptions adopted for the purposes of the financial projection.

- b) There will be no default assumptions on loans/equity investments.
- c) The assumptions concerning UDF funds and the terms of financing the Urban Projects or the EE/RE Urban Projects should be supplemented with other financing parameters if used in the projection, e.g. commission for granting the financing, commitment fee, etc.
- d) Average equity IRR required, financing costs and Management Fee are to be in line with the requirements set out in other sections of this EoI.
- e) Other assumptions:
 - o The projection should include all other assumptions that the applicant considers relevant to the results of the financial projections;
 - o The amount of external financing obtained by the UDF should be provided on a per year basis;
 - o The assumed rate of return of the UDF should take into account all cash flows of the UDF and be calculated using IRR methodology.

III. Projects Indicators

As described in the first point of the General Comments above, this section should give, to the extent possible, the assumptions concerning the Urban Projects' or EE/RE Urban Projects' performance as a basis for the cash flows of the UDF. As a result and to the extent possible, some key average indicators linked to the chosen Urban Projects and/or EE/RE Urban Projects should be given:

- o Average IRR;
- o Average Maturity;
- o Average Payback period.

The indicators shall enable an assessment of the projects' quality and of UDF Investment Policy.

IV. Results of the projection

This section shall include all the results of the projection, including all expected UDF inflows and outflows:

1. Pro forma balance sheet statements for each year of the projection, which will depend on the final structure of the UDF.
2. Pro forma profit and loss accounts for each year of the projection, which will depend on the final structure of the UDF.
3. Pro forma cash flow statements for each year of the projection.

UDF Business Plan	Unit	2011	2012	2013	2014	2015	2016	2017	2018... ¹²
		0	1	2	3	4	5	6	7
I-Macroeconomic assumptions									
CPI (price increase)									
Reference Interest rate ⁽¹⁾									
⁽¹⁾ used as the base rate for the financing (e.g. IRS Term, Euribor, etc.)									
II-UDF assumptions									
Eligibility Period									
UDF Maturity									
Total JSHF funds under management									
Total external funds under management									
Total funds available to UDF									
Loan & Interests									
Total JSHF debt financing									
Unused portion of JSHF debt financing									
JSHF debt financing interest rate (gross margin)									
Average debt portfolio maturity									
Average grace period									
Total external funds debt financing									
Unused portion of external funds financing									
External funds financing interest rate (gross margin)									
Average debt portfolio maturity									
Average grace period									

¹² Maturity shall be adapted to the UDF Portfolio of Urban Projects or EE/RE Urban Projects.

Total debt financing			
Equity			
Total JSHF equity financing			
Average expected returns to be earned from equity investments			
Total external funds equity financing			
Average expected returns to be earned from equity investments			
Total equity financing			
Total Amount invested in projects by UDF			
Management Fee (MF)⁽²⁾			
MF Fixed part			
	I-Appraisal fee		
	II-EU Monitoring fee		
	III-Financing administration fee		
MF Contingent part			
	I- Performance fee		
	II-Portfolio quality fee		
		
⁽²⁾ To be adapted according to the Management fees mechanism assumed by the applicant			
Total Management Fees amount			
III- Projects indicators			
Average IRR			
Average Project Portfolio maturity			
Average Project Portfolio payback period			

IV Results of the projections

Balance sheet

Total assets

Loans granted

Investments in Urban Projects and/or EE/RE Urban Projects

Cash

Other assets

Liabilities and reserves

Sums due to JSHF

Other liabilities and reserves

Cash flow statement

Net cash flow from operating activities

I. Inflows

1) dividends received

2) interest from loans received

3) sale of investment

4) loans repayment

5) other

II. Outflows

1) equity investments

2) loans issued

3) fixed management fee

4) contingent management fee

5) other

Net cash flow from investing activities

I. Inflows

1) interest from deposits

II. Outflows

Net cash flow from financing activities

I. Inflows

1) transfers from JSHF

II. Outflows

1) transfers to JSHF

Total Net cash flow

Economic Analysis

Economic analysis is a determination of the cost effectiveness of a project by comparing the benefits derived and the costs incurred in a project, including social factors. Hereafter, one of the possible methods applicable is presented for illustrative purposes: the Cost-Benefit analysis (CBA).

Such analysis is carried out to determine whether, or to what extent, that project is worthwhile from a social perspective. Cost-benefit analysis differs from a straightforward financial appraisal in that it considers all gains (benefits) and losses (costs) to social agents. CBA analysis hinges on two main parameters: Economic rate of return (ERR) and ENPV.

- ERR is the internal rate of return calculated using the economic values,
- ENPV stands for Economic Net present Value.

Both parameters express the socio-economic profitability of a project.

Economic Growth and Quality of Life Improvements

The economic growth and the quality of life improvements shall be considered when assessing the potential Urban Projects or EE/RE Urban Projects to be funded by the UDF. Contribution to the achievement of quantitative outputs established in Sardinia OP will depend on the character of each of the Urban Projects or EE/RE Urban Projects.

The tables below present the indicators that are closely linked to those relevant for the Priority Axes (and related specific objectives) that have contributed resources to the JSHF. The list includes both general indicators and specific ones and can be used to assess the impact of single Urban Projects or EE/RE Urban Projects or the Portfolio as a whole. It is understood that individual projects will not necessarily address all areas of economic growth and quality of life improvements.

- Lot 1: Urban Projects

Area		Indicator
General (for all areas)		Number of financed Urban Projects
		Potential to attract additional funding from other public and private sources
		Potential to attract investors in other projects , which would be complementary or which could create economic or social synergies
		Private financing Leverage of the UDF
		Generated investment (EUR)
Specific areas	Enhance integrated regeneration of urban areas improving environmental, social and productive conditions and strengthening the connections of these areas with the whole territory	Number of inhabitants that will use new services and infrastructures realized within the territory concerned
		Number of funded Urban Projects
	Enhance development of minor, disadvantaged centres swimming against decline and improving historical/landscape and productive heritage	Number of interventions aimed at regenerate architectural and urban areas with historical relevance
		New entrepreneurial activities located within the area of intervention

- Lot 2: EE/RE Urban Projects

Area		Indicator
General (for all areas)		Number of financed EE/RE Urban Projects
		Potential to attract additional funding from other public and private sources
		Potential to attract investors in other projects , which would be complementary or which could create economic or social synergies
		Private financing Leverage of the UDF
		Generated investment (EUR)
		Number of White Certificates (or Energy Efficiency Titles) introduced following the implementation of energy savings measures in final uses
Specific areas	Enhance energy efficiency and energy production based on Renewable Energy Sources (RES)	Number of local integrated plans aimed at improving energy efficiency
		Number of enterprises that use renewable energies
		Yearly energy savings obtained in public areas both regenerated or interested by new infrastructures

Done at (date)

EUROPEAN INVESTMENT BANK
For the attention of _____
Purchasing and Administrative Services Division
98-100 boulevard Konrad Adenauer
L-2950 LUXEMBOURG

JESSICA HOLDING FUND FOR SARDINIA
SELECTION OF URBAN DEVELOPMENT FUNDS

KEY EXPERTS AVAILABILITY DECLARATION

As a legal representative of the company seated inregistered in theregister with a registration number, I hereby confirm that the companywill be authorised to engage the following persons:

1.
(name, surname)
2.
(name, surname)
3.
(name, surname)

to execute the role of, for the JESSICA Holding Fund Sardinia.

I confirm that upon signature of the contract between and European Investment Bank, the above -mentioned list of persons will be delegated to work on the project tasks.

Yours sincerely,

.....
(name, surname)

.....
(signature)

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

“Activities”	means the specific actions and areas requiring support on which funding will be concentrated following directly from the Priority Axes of the Sardinia OP.
“Award Criteria”	means the criteria used to select the Preferred Bidder as outlined in Appendix A.
“Business Plan”	means each business plan, relating to any Lot, prepared in accordance with the EU Structural Funds Regulations in Article 43 paragraph two of the Implementing Regulation.
“Call for Expressions of Interest” or “Call for Eol”	means this Call for Expression of Interest.
“CEB”	means the Council of Europe Development Bank.
“Cohesion Policy”	means the EU's strategy to promote and support the " <i>overall harmonious development</i> " of its Member States and regions. Enshrined in the Treaty (Art. 174), the EU's Cohesion Policy aims to strengthen economic and social cohesion by reducing disparities in the level of development between regions. Approximately 35.7% of the EU budget 2007-13 is allocated to financial instruments which support Cohesion Policy. These are managed and delivered in partnership between the European Commission, the Member States and stakeholders at the local and regional level.
“Commission”	means the Commission of the European Union.
“Directorate”	means a directorate of the EIB.
“EE/RE Urban Projects”	means specific investment activities in energy efficiency and use of renewable energy in buildings included in Integrated Plans for Sustainable Urban Development.
“EIB”	means the European Investment Bank.
“Eligible Expenditure”	means expenditure applied in compliance with the Eligibility Rules.
“Eligibility Rules”	means the rules on eligible expenditure contained in articles 48 to 53 of the Commission Regulation (EC) No. 1828/2006 (amended by EC 846/2009 and 832/2010), which apply in accordance with article 13 of Regulation 1080/2006 (amended by EC 397/2009) of the European Parliament and of the Council (subject to the list of ineligible expenditure in article 7 of Regulation 1080) and those contained in articles

56 and 78 of Regulation 1083/2006 (amended by EC 539/2010), as well as the national rules on eligible expenditures according to Presidential decree of October 3, 2008, n. 196.

"EoI"	means an expression of interest submitted under this Call for Expression of Interest.
"ERDF"	means the European Regional Development Fund.
"ESCO"	means an Energy Services Company.
"EU Rules"	means the EU Structural Funds Regulations and any other applicable EU Regulations, Directives or Guidelines.
"EU Structural Funds"	means together the ERDF, the European cohesion funds and the European social funds.
"EU Structural Funds Regulations"	means Regulation 1080, Regulation 1081, Regulation 1083 and the Implementing Regulation and relevant amendments, as well as any other EU legislation from time to time applicable to the EU Structural Funds.
"EU State Aid Rules"	means those rules embodied in Articles 107-109 of Section 2, Title VII, of the Common Rules on Competition, Taxation and Approximation of Laws Consolidated versions of the TFEU (2008/C 115/01) (previously embodied in Articles 87 to 89 of the EC Treaty), including any secondary legislation such as frameworks, guidelines and block exemptions produced by the European Commission, case law of the European Courts and decisions of the European Commission regarding the application of Articles 107 to 109 TFEU.
"EU"	means European Union.
"European Parliament"	means the European Parliament of the EU.
"Exclusion Criteria"	means the criteria used in Stage 1 of this Call for EoI to exclude applicants.
"Final Recipient/s"	means the entities that will develop the Urban Projects or the EE/RE Urban Projects, pursuant to the Investment Agreement.
"Financial Model"	means the financial model according to the template provided Appendix C.
"Funding Agreement"	means the agreement establishing the JESSICA Holding Fund for Sardinia signed by the RAS and the EIB, signed on 20 July 2011.

“Implementing Regulation”	means Commission Regulation (EC) No. 1828/2006 of 8 December 2006, amended by Commission Regulation (EC) No 846/2009 of 1 September 2009 and Commission Regulation (EC) No 832/2010 of 17 September 2010, 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 on the European Regional Development Fund, as amended, supplemented or modified from time to time.
“Integrated Plans for Sustainable Urban Development”	means an integrated plan for sustainable urban development comprising a system of interlinked actions which seeks to bring about a lasting improvement in the economic, physical, social and environmental conditions of a city or an area within the city.
“Integrated Plans”	means the plans or strategies defined by the competent authorities in the Member States and/or the Managing Authority, taking account of Article 8 of Regulation 1080 and the specific urban, administrative and legal context of the RAS.
“Investment Agreement”	means an agreement signed between a UDF and a Final Recipient providing for financing of the Urban Project or the EE/RE Urban Project.
“Investment Board”	means the board, established in accordance with the Funding Agreement, entrusted with responsibilities regarding the JESSICA Holding Fund for Sardinia.
“Investment in Urban Project or EE/RE Urban Project”	means each contribution by the UDF into an Urban Project or an EE/RE Urban Project.
"Investment Policy"	means the investment policy of the UDF as presented to the EIB in the selection process and as amended from time to time.
“Investment Strategy”	means the document concerning the investment strategy and the planning of the activities of the JSHF in relation to the JESSICA initiative, attached to the Funding Agreement signed between EIB and the RAS.
“JESSICA”	means the initiative “Joint European Support for Sustainable Investment in City Areas” launched by the Commission and

EIB, in collaboration with the CEB, in order to promote sustainable investment, growth and jobs in urban areas.

“JESSICA Holding Fund for Sardinia” or “JSHF”	means the JESSICA holding fund for Sardinia, established pursuant to the Funding Agreement and in accordance with Regulation 1083 and the Implementing Regulation.
“Management Committee”	means the EIB’s permanent collegiate executive body.
“Management Fee”	means the fee payable to the UDF, in consideration for the services provided under the Operational Agreement.
“Managing Authority”	means the RAS Managing Authority, responsible for the Sardinia OP.
“Member States”	means the Member States of the EU.
“Offer”	means the Business Plan to be submitted by applicants in Stage 2 of this Call for EoI.
“Operational Agreement”	means the agreement between the EIB, acting as JSHF manager, and the selected UDF(s).
“Operational Period”	means the period following Operational Agreement’s signature until full reimbursement from the UDF to JSHF of the contribution received. Hence, it also includes the period in which JSHF resources are disbursed to the UDF but not yet invested into Urban Projects or EE/RE Urban Projects.
“PAES”	means “ <i>Piani d’azione per le Energie Sostenibili</i> ” (Sustainable Energy Action Plan).
“Pipeline”	means the Urban Projects or EE/RE Urban Projects, included in the Offer.
“PISU”	means the <i>Piano Integrato di Sviluppo Urbano</i> , an Integrated Plan for Sustainable Urban Development representing one of the main tools for the achievement of the main goals under Priority Axis 5 of Sardinia OP, aimed at strengthening urban services in metropolitan areas and medium-size cities.
“Portfolio”	means the final Urban Projects or EE/RE Urban Projects, selected to be financed by the UDF.
“PPP”	means public-private partnership.
“Preferred Bidder”	means an applicant whose Offer is evaluated as the most favourable.

“Priority Axis” or “Axis” (or “Axes”, if plural)	means a set of specific aims within the Sardinia OP that are to be tackled by the delivery of particular Activities in the Sardinia OP.
“Priority Themes”	means the Lisbon priorities that are relevant to the Sardinia OP according to the category codes detailed in annex II: Categorisation of Funds assistance for 2007-2013 of the Implementing Regulation.
“RAS”	means the <i>Regione Autonoma della Sardegna</i> .
“Regulation 1080”	means Regulation (EC) No. 1080/2006 of the European Parliament and of the Council of 5 July 2006 on the European Regional Development Fund and repealing Regulation 1783/1999/EC, as amended, supplemented or modified from time to time.
“Regulation 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.
“Regulation 1083”	means Council Regulation (EC) No. 1083/2006 of 11 July 2006 and amended by Regulation (EU) No 539/2010 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund, repealing Regulation (EC) No 1260/1999, and as amended, supplemented or modified from time to time.
“Revolving Period”	means the period during which capital repayments from investments made in Urban Projects or EE/RE Urban Projects are in the first instance reinvested by the UDF(s).
“Sardinia ERDF OP 2007-2013” or “Sardinia OP”	means the European Regional Development Fund Operational Programme 2007-2013 for Sardinia, developed in accordance with Article 37 Regulation 1083, a part of which shall be administered by the JHFS, in accordance with the provisions of the Funding Agreement.
“Selection Criteria”	means the criteria used in Stage 1 of this Call for EoI to select those applicants who will be invited to submit an Offer (in the form of a Business Plan), under Stage 2.
“Selection Panel”	means the panel assessing the EoI, and if applicable, the subsequent Offer of the applicants using the Award Criteria.

“Submission”	means the EoI and the Offer submitted by an applicant under this Call for EoI.
“Submission Date”	means the closing date for the submission of the Offers as notified in writing by the EIB to the applicants selected to proceed to Stage 2 of the UDF(s) selection process.
Strategic Development Plans	means together Piani Strategici Comunali and Piani Strategici Inter-comunali.
“Terms of Reference”	means terms of reference for the selection of the UDFs set out in Annex 3.
“TFEU” or “Treaty”	means Treaty on the Functioning of the European Union.
“Urban Development Fund” or “UDF”	means a vehicle investing in one or more Urban Projects or EE/RE Urban Projects, as defined in Article 44 of Regulation 1083.
“Urban Project”	means a PPP or other project included in an Integrated Plan for Sustainable Urban Development, as described in Article 44 Regulation 1083.