

CLARIFICATION DOCUMENT

Call for Expression of Interest to select financial intermediaries that will receive resources from a fund of funds established in cooperation between Ministero dell'Istruzione, dell'Università e della Ricerca ("MIUR") and the European Investment Bank ("EIB") to implement a financial instrument to finance post-graduate studies and to improve access to tertiary education in Italy

Reference: MHA-1434

No	Question	Answer
1	<p>Out of 46.5 million euros disbursed by the EIB to the financial intermediary, how is the annual 0.5% of the contributions paid to the Financial Intermediary calculated? And for the same amount, how is the annual 1% of contributions paid to final beneficiaries calculated?</p>	<p>With regard to the percentages of Management Fees, reference is made to Art. 13 of Commission Delegated Regulation (EU) No 480/2014 which rules:</p> <p>Art. 13 ---</p> <p>2. For bodies implementing financial instruments providing equity, loans, guarantees, as well as micro-credits, including when combined with grants, interest rate subsidies or guarantee fee subsidies in accordance with Article 37(7) of Regulation (EU) No 1303/2013, management costs and fees which can be declared as eligible expenditure pursuant to Article 42(1)(d) of that Regulation shall not exceed the sum of:</p> <ul style="list-style-type: none"> (a) a base remuneration which shall be calculated as follows: <ul style="list-style-type: none"> (ii) for a financial instrument in all other cases, 0,5 % per annum of programme contributions paid to the financial instrument, calculated <i>pro rata temporis</i> from the date of effective payment to the financial instrument until the end of the eligibility period, the repayment to the managing authority, or to the fund of funds, or the date of winding up, whichever is earlier; and (b) a performance-based remuneration which shall be calculated as follows: <ul style="list-style-type: none"> (ii) for a financial instrument providing loans, 1 % per annum of the programme contributions paid within the meaning of Article 42(1)(a) of Regulation (EU) No 1303/2013 to final recipients in the form of loans, as well as of resources re-invested which are attributable to

		<p>programme contributions, which have yet to be paid back to the financial instrument, calculated <i>pro rata temporis</i> from the date of payment to the final recipient until repayment of the investment, the end of the recovery procedure in the case of defaults or the end of the eligibility period, whichever is earlier;</p> <p>3.The aggregate amount of management costs and fees over the eligibility period laid down in Article 65(2) of Regulation (EU) No 1303/2013 shall not exceed the following limits:</p> <p>(c) for a financial instrument providing loans, 8 % of the total amount of programme contributions paid to the financial instrument;</p>
2	What is meant by aggregate amount of costs and management fees? Out of 46.5 million euros, how is the maximum cap equal to 8% of the total amount of contributions paid to the financial instrument calculated?	Please refer to answer n. 1.
3	The number of years to consider is equal to 5, given that the project foresees an end by 31/12/2023?	As specified in the CEoI, the final date for disbursement to final recipient is 30/06/2023; a grace period up to 30 months applies and starts after the scheduled conclusion of the last academic year foreseen for the chosen course (according to the calendar determined by the relevant University). The reimbursement of the loan can go up to 20 years starting from the date the grace period ends, by then the student must obtain the certificate of the study completion (e.g. laurea, diploma di master, etc.). The grace period may be extended for loans covering university courses "a ciclo unico".
4	It is confirmed that the student will have an interest rate of zero, for the amounts coming from the Fund of the Funds and that instead the student will have an interest rate higher than 0%, declined by the bank itself, for the amounts coming from the additional credit disbursed from the bank?	<p>The portion of Student Loans funded by the FoF must have an interest equal to zero. The potential portion of the Student Loans funded by the Financial Intermediary could have an interest higher than 0%. As specified in the CEoI, while there is no minimum co-financing requirement for the EoI, the Applicants are invited to the extent possible and on a best effort basis, to co-finance the Financial Instrument with additional resources. EoIs inclusive of co-finance will be deemed advantageous and scored accordingly.</p> <p>If Co-financing is being proposed, the Applicant should specify the amount of the expected co-financing, taking in consideration that such co-financing may be used, among others, to:</p> <ul style="list-style-type: none"> • cover for expenditure additional to the maximum amount covered by the Student Loan, upon Final Recipients' request; • provide additional support to students, in case resources from the FoF are terminated.

5	If the student loan request is higher than that provided by the EIB to the Financial Intermediary, and the latter does not want to place additional credit, what happens?	<p>The Final Recipient can request for each academic year of duration of the chosen course an amount up to the sum of:</p> <ul style="list-style-type: none"> - the yearly tuition fees <p>and</p> <ul style="list-style-type: none"> - EUR 10,000 <p>The Financial Intermediary will verify the congruity of the amount requested.</p>
6	Are there guarantees from the EIB or MIUR? If so, how are they structured (monographically on each individual loan or portfolio)?	No guarantees are foreseen on the funds of the FoF provided to the Financial Intermediary.
7	How much is recognized as a total cost on the credits disbursed by the banks outside the NOP? 1%	Terms and conditions of the Management Fees described in answer n.1 apply to sums funded by the FoF only. Fees, commissions and costs related to potential sums disbursed to the student with funds provided by the Financial Intermediary are at Financial Intermediary discretion and will be part of the potential co-financing offer (see also answer n.4).
8	How are the management fees estimated? Could you briefly explain how are they calculated.	Please refer to answer n.1.
9	Considering that the eligibility period is from 2019 to 2023 thus a period shorter than 5 years, how should the loan be allocated? For instance, in the specific case, that a student wants to attend a full 5 years course, how is that case to be managed? The period financed by the bank is of 4 years how should we take action for the fifth year? (To be noted that the length of the student career in Italy is normally 5 years; 3 years bachelor followed by 2 years of master degree)	<p>With regard to the eligibility of the courses, please refer paragraph 3.d. "Specification of eligible Final Recipients" of the CEoI and to the NOP R&I. As specified in the CEoI, the final date for disbursement to final recipient is 30/06/2023; a grace period up to 30 months applies and starts after the scheduled conclusion of the last academic year foreseen for the chosen course (according to the calendar determined by the relevant University). The reimbursement of the loan can go up to 20 years starting from the date the grace period ends, by then the student must obtain the certificate of the study completion (e.g. laurea, diploma di master, etc.). The grace period may be extended for loans covering university courses "a ciclo unico".</p>
10	In the event that the number of loan requests is higher than the amount expected by the PON, how should we proceed?	<p>Under this CEoI, it is planned to allocate an initial amount for the FoF of EUR 93,000,000. This amount may be increased at a later stage due to, for example, positive interests or additional funding contributed to the FoF for this purpose.</p> <p>Applicants are invited to the extent possible and on a best effort basis, to co-finance the Financial Instrument with additional resources.</p> <p>If Co-financing is being proposed, this may be used, among others, to:</p>

		<ul style="list-style-type: none"> cover for expenditure additional to the maximum amount covered by the Student Loan, upon Final Recipients' request; provide additional support to students, in case resources from the FoF are terminated.
11	In the call for expression it is intended that in case of fraudulent behavior of the students(they do not reimburse the loan) the MIUR will intervene. Is there some sort of guarantee fund? If yes, how much is it and how does it work?	No guarantees are foreseen on the funds of the FoF provided to the Financial Intermediary. In the event of breaches under the agreements between Financial intermediaries and final recipients, the selected Financial Intermediaries will have to implement reasonable recovery procedures, in line with their internal standards and policies, and in accordance with the Operational Agreement to be signed with the EIB.
12	Once the financial intermediary will be nominated, when is it supposed to start deliver to the final beneficiary (students)?	The deadline for the notification to Applicants of the outcome of the selection process is 16/09/2019. The EIB has no obligation to enter into an Operational Agreement with a Selected Applicant. Following the selection of an Applicant, the EIB may enter into an Operational Agreement subject to (i) successful commercial and legal negotiations and (ii) the relevant EIB internal approvals under the EIB's own rules and procedures. Once the Operational Agreement is signed, the Financial Intermediary will start the operational activities aimed to the student Loans disbursement.
13	Is the zero interest rate applied to the whole financing period, grace period and the reimbursement period?	Yes
14	Is there a specific periodicity we should follow for the submission of the monitoring reports? If yes, how is it structured?	These elements will be negotiated and included in the Operational Agreement to be potentially signed with with selected Applicant(s). In similar instruments, the monitoring reports are provided by Financial Intermediary to EIB on a quarterly basis.
15	The fund is supposed to cover the annual admission fees of the students applying for the loan. Is there a minimum and maximum to the amounts we should finance or it is irrelevant and the fees is to be totally paid does not matter the amount?	According to Art. 3.c "Investment products to be offered by the Financial Intermediaries", <i>The Final Recipient can request for each academic year of duration of the chosen course an amount up to the sum of: i) the yearly tuition fees and, ii) EUR 10,000</i> <i>The Financial Intermediary will verify the congruity of the amount requested.</i> There is not a minimum or a maximum tuition fee indication.

16	Please specify the cases when the Financial Intermediary should repay the loans to the EIB in the event of default of the Final Recipient.	Terms and conditions of the reimbursements (from the Financial Intermediary to the EIB) of the sums related to the Student Loans will be ruled in the Operational Agreement to be signed with the EIB, including possibility of write-offs. Please also refer to the answer under 11 above.
17	Can the loan be provided to students attending or who want to attend private universities or telematic universities (e.g. CEPU, Pegasus, LUISS)?	Yes. The Financial Intermediary will verify the congruity of the amount requested.
18	What is the procedure to be followed if the student does not graduate within the course scheduled duration?	A grace period up to 30 months applies and starts after the scheduled conclusion of the last academic year foreseen for the chosen course (according to the calendar determined by the relevant University). The grace period may be extended for loans covering university courses “a ciclo unico”. In case the certificate of study completion is not obtained by the end of the grace period, the Applicant should foresee in the on-lending agreements specific provisions, among others, in accordance with the provision of the NOP, the FoF investment strategy and the relevant EU Regulations concerning the financial instruments
19	Which procedure is to be followed in case students drop out before graduating due to force majeure issues (e.g. serious health issues) and its personal and family income can't afford to repay the loan in the meantime disbursed and paid?	<p>The Applicant must describe the methodology, criteria and measures that will be adopted in dealing with special cases including:</p> <ul style="list-style-type: none"> ○ Discontinuation of studies; ○ Drop out; ○ Unemployment after the grace period; ○ Others relevant cases <p>taking into account, among others, the provisions of the NOP and of the FoF investment strategy.</p> <p>In the event of breaches under the agreements between Financial intermediaries and final recipients, the selected Financial Intermediaries will have to implement reasonable recovery procedures, in line with their internal standards and policies, and in accordance with the Operational Agreement to be signed with the EIB.</p> <p>Under no circumstances, the loan funded by MIUR resources can be turned into a grant.</p>
20	Clarifications needed about the operating implications of the following sentence (second bullet page 26): “Applicants are expected to propose a management fee that incentivises Student Loans in a timely and efficient manner, with maximised investment targets. Detailed provisions concerning the management fee shall be established in the Operational Agreements“	Please refer to answer n. 1

21	Are origination fees (spese d'istruttoria) eligible expenses to be charged to the final recipient? If not eligible, can they be applied and paid by the final recipient's own resources?	The FoF will compensate the Financial Intermediary for its operations in the form of a management fee. It is pointed out that: <ul style="list-style-type: none"> o The required level of a management fee payable to the Financial Intermediary by the FoF shall be indicated in the Business Plan. o The management fee shall include all fees and expenses to be incurred by the Financial Intermediary in relation to administration services and other auxiliary activities provided. o If the Financial Intermediary foresees a combination of its management fee proposal with remuneration received also from Final Recipients this must be clearly stipulated in its Eol.
22	Can an Intermediary apply a cap on tuition fees to be financed (i.e. max 100.000 euros for the cycle?)	This can be part of the product proposal.
23	What is the "rewarding mechanism" (par. I.iii.vii) expected to be like for performing students? Could it be envisaged a haircut (by 2/5%) on the outstanding amount to be ruled on the operational agreement (as if it was turned into a grant)?	The rewarding mechanism shall be proposed by the Applicant. Under no circumstances, the loan funded by MIUR resources can be turned into a grant.
24	Which kind of reporting must be required to the final recipients concerning their use of the loan amount granted (as described in par. 3.c)? Are they supposed to give evidence of every receipt or are they allowed to freely spend the loan amount granted subject to no reporting obligation?	The Financial Intermediary will verify the congruity of the amount requested by the student. The Applicant should describe the methodology for the evaluation of the applications received, which should take into account, inter alia, the congruity of the proposed amount. The Applicant shall provide details on the quality of its IT systems, its monitoring and reporting procedures, and how they will be applied (and if necessary adapted) in the context of the implementation of the Student Loans. Those procedures should include: <ul style="list-style-type: none"> o the monitoring of the progress of the study of the Final Recipients in order to verify the achievement of the criteria required to receive the loan tranches and to maintain eligibility; o the monitoring of payments of tuition fees.
25	Must students graduate within December 31st 2023 or is it sufficient (in case reporting mechanisms are in place) they do not spend the loan amount granted after December 31st 2023? If final recipients must graduate within December 31st 2023, it implies that all students enrolling in a.y. 2019/2020 in university courses "a ciclo unico" are not eligible?	For the purpose of the Business Plans, Applicants are requested to prepare a financial model based on the following indicative timetable for the selection of the Final Recipients and the related disbursements: <ul style="list-style-type: none"> 10 per cent of the funds allocated to each Financial Intermediary shall be disbursed by 31/12/2019 20 per cent of the funds allocated to each Financial Intermediary shall be disbursed by 30/06/2020 50 per cent of the funds allocated to each Financial Intermediary shall be disbursed by 30/06/2021 80 per cent of the funds allocated to each Financial Intermediary shall be disbursed by 30/06/2022

		<p>100 per cent of the funds allocated to each Financial Intermediary shall be disbursed by 30/06/2023.</p> <p>A grace period up to 30 months applies and starts after the scheduled conclusion of the last academic year foreseen for the chosen course (according to the calendar determined by the relevant University). The reimbursement of the loan can go up to 20 years starting from the date the grace period ends, by then the student must obtain the certificate of the study completion (e.g. laurea, diploma di master, etc.). The grace period may be extended for loans covering university courses “a ciclo unico”.</p> <p>Therefore, 30/06/2023 is the deadline to disburse the last tranche to the final recipients. Then, by the end of the last academic year the grace period starts and it can go up to 30 month (or more for ciclo unico). During this grace period, the student must obtain the certificate of the study completion.</p>
26	With reference to a.y. 2019/2020, since the Fund will be operating after the period of enrolment at the university,, can the loan amount cover for tuition fees or periods preceding the granting of the Student Loan?	If the loan is obtained after the starting of the academic year and the related tuition fees have been already paid, the amount of these fees can be retroactively included in the amount of the loan.
27	In case the Applicant is a consortium and the Operational Agreement is signed by the leader of the consortium, can some of the operating activities be carried out by a third party belonging to the same banking Group of the signing party and empowered by the latter?	<p>The Bank should be aware of all parties involved in the delivery of the procured services.</p> <p>In case the Applicant wishes to subcontract some of the operative activities to a third party, which is a separate legal entity distinct from the banking group leading the consortium, this should be mentioned in the expression of interest (annexes 2 and 3).</p>
28	In case the Applicant is a consortium, Annexes 1, 2, 3 must be provided by all the consortium members or just by the leader of the consortium?	<p>Annex 1 the cover letter must be provided by the duly authorised consortium Leader</p> <p>Annex 2 the expression of Interest must be provided by the consortium leader, having a power of attorney or a cooperation agreement authorising the attorney to submit the EoI and to represent the consortium at all stages of the selection procedure on behalf of the partners jointly applying for the contract.</p> <p>Annex 3 the declaration to be made by the tenderer must be provided by all consortium members</p> <p>Annex 4 Declaration on Honour on Exclusion Criteria and Absence of Conflict of Interest must be provided by all consortium members</p>

The foregoing clarification document shall form an inseparable part of the procurement documents.