



**Call for Expressions of Interest:  
Ref. VP-1004**

**Subject: F.I.D.A.E. – Fondo de Inversión en Diversificación y Ahorro de Energía  
(Spanish JESSICA Holding Fund  
for Investment in Efficiency and Energy Savings)**

**Selection of Urban Development Fund(s)**

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.

On 8 May 2007, the Commission adopted the decision on the National Strategic Reference Framework for the period 2007 – 2013 submitted by the *Ministerio de Economía y Hacienda* of Spain. In accordance to said decision the following Operational Programmes (“Spanish OPs”) for the Autonomous Cities and Communities of Melilla, Ceuta, Castilla y León, Extremadura, Murcia, Galicia, Valencia, Andalucía, Islas Canarias y Castilla la- Mancha (the “CC.AAs”) were approved:

- the OP Melilla on 20 November 2007 by Decision C(2007) 5718;
- the OP Ceuta on 20 November 2007 by Decision C(2007) 5720;
- the OP Castilla y León on 28 November 2007 by C(2007) 5925;
- the OP Extremadura on 28 November 2007 by Decision C(2007) 5928;
- the OP Murcia on 28 November 2007 by Decision C(2007) 5931;
- the OP Galicia on 28 November 2007 by Decision C(2007) 6709;
- the OP Valencia on 29 November 2007 by Decision C(2007) 5929;
- the OP Andalusia on 3 December 2007 by Decision C(2007) 6118;
- the OP Canary Islands on 3 December 2007 by Decision C(2007) 6120; and
- the OP Castilla La Mancha on 7 December 2007 by Decision C(2007) 6317.

Based on article 2.6 of Council Regulation (EC) No. 1083/2006 of July 2006 (“Regulation 1083”) laying down general provisions on the European Regional Development Fund (“ERDF”), the European Social Fund and the Cohesion Fund, on 14 May 2008, the *Dirección General de Fondos Comunitarios* of the *Ministerio de Economía y Hacienda* (the “Managing Authority” designated IDAE as Intermediate Body for the administration of part of the above referred Operational Programmes (“IDAE Spanish OPs”).

For the purposes of JESSICA, the focus for the IDAE Spanish OPs is to carry out particular actions on energy conservation and efficiency and develop renewable sources of energy, concentrated in sectors with the greatest potential, which require increased support to achieve a planned urban development.

In this context, IDAE and EIB signed a Funding Agreement on 1 July 2011 (the “Funding Agreement”) establishing the Spanish JESSICA Holding Fund for Investment in Efficiency and Energy Savings (“F.I.D.A.E.” – *Fondo de Inversión en Diversificación y Ahorro de Energía*). The amount of the F.I.D.A.E. funds to be allocated in response to this Call for EoI is EUR 122,000,000<sup>1</sup>.

The EIB is launching a Call for Expressions of Interest (“EoI”) with the aim of selecting entities as Urban Development Fund(s) (“UDF(s)”) that will receive resources from the F.I.D.A.E., to facilitate the disbursement of European Union Structural Funds (“EU Structural Funds”) through financial engineering instruments which make repayable investments in urban projects on energy efficiency and use of renewable energy in line with the priority theme codes as specified in Regulation 1083 for the IDAE Spanish OPs (“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 EoI are requested to forward their EoI (the “Submission of the EoI”), 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-1004**

**Subject:**

**JESSICA Urban Development Fund(s)**

**for F.I.D.A.E. – Fondo de Inversión en Diversificación y Ahorro de Energía**

**(Spanish JESSICA Holding Fund for Investment in Efficiency and Energy Savings)**

**Deadline for reception of Expressions of Interest: 27 January 2012**

and delivered:

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

EUROPEAN INVESTMENT BANK  
For the attention of Ms. Véronique Paulon  
Ref.:VP-1004  
Purchasing and Administrative Services Division  
98-100 boulevard Konrad Adenauer  
L-2950 LUXEMBOURG

by midnight on **27 January 2012** at the latest, as evidenced by the postmark, or by

---

<sup>1</sup> This amount may vary as stated latter in this Call for Expressions of Interest.

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

EUROPEAN INVESTMENT BANK  
For the attention of Ms. Véronique Paulon  
Ref.: VP-1004  
Purchasing and Administrative Services Division  
98-100 boulevard Konrad Adenauer  
L-2950 LUXEMBOURG

The EoI must be posted or handed in by **27 January 2012** at the latest (up to midnight Luxembourg time in the case of delivery as described in (b) above).

The receipt dated and signed by the 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 deadline for submission of the Offer (the "Submission of the Offer").

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	15 December 2011
Deadline for Stage 1 requests for additional information	10 January 2012
Deadline for Submission of the EoI (Stage 1)	27 January 2012
Notification to applicants of outcome of Stage 1	3 February 2012
Deadline for Submission of the Offer (Stage 2)	12 March 2012
Notification to applicants of outcome of Stage 2	16 April 2012
Start of negotiations on Operational Agreement(s)	30 April 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 H of Annex 3.

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.A.2 of Annex 3). Admitted EoIs, will then be assessed according to the Selection Criteria (as outlined in Section III.A.3 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 of Annex 3).
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. Each applicant must declare that it has taken note of the conditions of the Call for EoI and the Terms of Reference contained in Annex 3 (the “Terms and Conditions of the Call for EoI”) and has had the opportunity to gauge the scope and quality of the services required, as well as the possible difficulties.
4. Applicants cannot invoke any error, inaccuracy or omission in their submissions - meaning both EoI and Offer (the “Submissions”) - to call any Operational Agreement into question or to attempt to have any Operational Agreement amended.
5. The EIB reserves the right to reject any Submission that fails to comply with the Terms and Conditions of the Call for EoI.
6. The EIB reserves the right to reject any applicant:
  - I. guilty of material misrepresentation;
  - II. who contravenes any of the terms of this document; or
  - III. undergoing a change in identity, control, financial standing or other factors impact on the selection and/or evaluation process affecting the applicant.
7. Submissions must be drawn up in writing in English. EoI and/or Offers submitted in other languages will not be accepted.
8. Applicants must respond to the specifications, set out in the Terms of Reference, item by item.
9. The EIB reserves the right to award the Operational Agreement(s), subject to the approval of the Investment Board in accordance with the procedure set out in the Terms of Reference, or not to award an Operational Agreement to any applicant or to extend the deadline for the Submissions, 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 Agreements to a single applicant, provided that the applicant satisfies all the requirements set out under this Call for EoI.

10. Participation in this Call for EoI involves acceptance of all the Terms and Conditions of the Call for EoI.
11. 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”
12. Any requests for additional information on Stage 1 should be addressed, in writing, at the latest by **10 January 2012**, to Ms Veronique Paulon, fax: +352 4379 62545, e-mail: [bei.asa@eib.org](mailto: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.
13. 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.
14. 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.
15. 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.
16. 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.
17. 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, F.I.D.A.E. 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 the Operational Agreement (as and when it is executed) shall have any legally binding effect in connection with the selection process.

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 deadline for the Submission of the 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 EoI;
- II. contacts any Investment Board member, employee or officer of the EIB about any aspect of this Call for EoI 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 EoI 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 the Submissions.

## **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 EoI, any of the Investment Board members, advisers and/or contractors of the EIB who contributed to the preparation of this Call for EoI from the date that it has been issued. All clarifications should be through the EIB as stated in the introduction to this Call for EoI.

## **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 EoI 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](mailto:bei.asa@eib.org)). They also have the right to call upon the European Data Protection Supervisor at any time.



**TABLE OF CONTENT**

**ANNEX 1..... 10**  
**ANNEX 2..... 14**  
**ANNEX 3..... 18**  
**APPENDIX A ..... 40**  
**APPENDIX B..... 47**  
**APPENDIX C ..... 51**  
**APPENDIX D ..... 58**  
**APPENDIX E..... 60**  
**APPENDIX F..... 62**  
**APPENDIX G ..... 65**  
**APPENDIX H..... 66**

**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 applicant<sup>2</sup>

EoI may be submitted by a financial entity or by a consortium led by a financial entity holding more than 50% of participation that, if awarded the Operational Agreement, shall assume a legal form by incorporation, partnership or any of other legal forms accepted by EIB, which would enable the members of the consortium to contract as a single entity. Where such a consortium exists, the applicant: i) shall be responsible towards the EIB and act as the interface between the EIB and the members of the consortium, ii) will undertake joint and several liability with the other members of the consortium. The financial entity must be duly authorized to operate in Spain as a financial entity according to the Spanish general mercantile regulations and the specific regulations on financial entities.

Name of the applicant	
Address (registered office)	
Registration number <sup>3</sup> (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 EoI<sup>4</sup>

Name, surname	
Position	

<sup>2</sup> 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 member at all stages of the procedure, and the identification of the percentage that each of them represents in the consortium.

<sup>3</sup> Registration with the official companies registry, chamber of commerce, or other competent authority.

<sup>4</sup> 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.

Contacts: Address Telephone No Fax Email	
--	--

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

Name, surname	
Position	
Contacts: Address Telephone No Fax Email	

By submitting this EoI, the undersigned having:

- taken note of the Terms and Conditions of the Call for EoI; 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 and Conditions of the Call for EoI;
- b) the applicant is fully aware that resources of the F.I.D.A.E., whose aim is to finance 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 the Terms and Conditions of the Call for EoI 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 and Conditions of the 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 deadline for the Submission of the Offer.

3) declare(s) that is authorised to do so on behalf of all 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 and Conditions of the Call for EoI, for 180 days from the deadline for the Submission of the Offer.

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.A.2 of Annex 3 (Exclusion Criteria) below:
  - a) ...
  - b) ...
  - c) ...

\_\_\_\_\_  
(position)

\_\_\_\_\_  
(name, surname)

\_\_\_\_\_  
(signature)

<b>DECLARATION TO BE MADE BY THE APPLICANT</b>
--

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 Spain, including compliance with prudential requirements compulsory to financial institutions, where applicable?

.....  
.....

12. Is the applicant/consortium member authorised to carry out business in Spain 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 Spain under the applicable regulatory framework should be enclosed.

.....  
.....

13. The applicant/consortium member certifies relevant experience in the targeted market EE/RE Urban Projects. The experience requested from the applicant/consortium member includes the execution of different types of 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.

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/leading member of the consortium certifies a rating of: .....

**Explanatory note:**

*In case the EoI is submitted by a consortium, the applicant or the leading party of the consortium (which should hold more than 50% of participation and be a financial entity) shall provide the rating or the parent company's expression of support, as specified in Annex 3, under section III. A.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) with capacity to operate in the whole territory of the CC.AAs.

.....



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)

## 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 (“IPSUD”).

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 EE/RE Urban Projects;
- creating stronger incentives for successful implementation by beneficiaries, by combining loans and other financial instruments;
- leveraging additional resources for Public Private Partnerships (“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 financial institutions.

#### B. ERDF Regional Operational Programmes 2007-2013

The Spanish policy concerning energy efficiency and renewable energy sources is designed to meet international and EU commitments, such as those mentioned above, as well as national objectives thus contributing to energy diversification and protection of the environment. In this context, the Spanish Council of Ministers has approved:

- the Renewable Energy Plan 2011-2020 (*Plan de Energías Renovables*), on 11<sup>th</sup> November 2011, and
- the Energy Saving and Efficiency Action Plan in Spain 2011-2020 (*Plan de Ahorro y Eficiencia Energética*) on 29<sup>th</sup> July 2011.

F.I.D.A.E. expects to finance initiatives in the IDAE Spanish OPs of Andalusia, Extremadura, Galicia, Castilla-La Mancha, Castilla y León, Valencia, Canary Islands, Murcia and the Autonomous Cities of Ceuta and Melilla, approved by the following Commission Decisions:

- The OP Andalusia on 3 December 2007 by Decision C(2007) 6120,
- The OP Extremadura on 28 November 2007 by Decision C(2007) 5928,
- The OP Galicia on 28 November 2007 by Decision C(2007) 6709,
- The OP Castilla-La Mancha on 7 December 2007 by Decision (C2007) 6317,
- The OP Castilla y León on 28 November 2007 by Decision (C2007) 5925,
- The OP Valencia on 29 November 2007 by Decision (C2007) 5929,
- The OP Canary Islands on 3 December 2007 by Decision (C2007) 6120,
- The OP Murcia on 28 November 2007 by Decision (C2007) 5931,
- The OP Ceuta on 20 November 2007 by Decision (C2007) 5720 and
- The OP Melilla on 20 November 2007 by Decision (C2007) 5718.

Whereas the Community Strategic Guidelines on Cohesion 2007-2013 and the National Reference Strategic Framework, the IDAE Spanish OPs are focusing on seven Priority Axes:

- Axis 1. Development of Knowledge Economy (R+D+i, Education, Information Society and ICT);
- Axis 2. Development and business innovation;
- Axis 3. Environment, Natural Surroundings, Water Resources and Risk Prevention;
- Axis 4. Transport and Energy;
- Axis 5. Local and Urban Sustainable Development;
- Axis 6. Investments in Social Infrastructure; and
- Axis 7. Technical Assistance and reinforcement of institutional capacity.

However, there are three specific allocations for Ceuta, Melilla and Canary Islands.

- Specific ERDF allocation for Ceuta and Melilla.
- Additional allocations will be managed by the General Administration of the State, such as, for instance: a greater participation of the two Autonomous Cities in the Spanish OPs for the Knowledge-based Economy, which includes actions intended to encourage the development of the Information Society, allocating funds to infrastructures and the development of research projects; a sufficient allocation of the Natura Network actions within the environmental Priority. Additional allocation for the Canary Islands, as outermost region, that includes two priorities related to reduction of additional costs hindering the outermost regions development. Capital expenditure (Axis 8) and operating expenses (Axis 9).

To these effects, according to Article 59 of Regulation 1083, the Managing Authority, designated IDAE as Intermediate Body for the administration of ERDF funds in the IDAE Spanish OPs within the framework of Axis 4.

Through the IDAE Spanish OPs, Spain aims at stimulating concrete investments in improving energy efficiency and developing renewable sources of energy. This will be done by focusing investment on actions sectors or areas with the greatest potential and which require increased support to achieve planned objectives (the “Activities”). The Activities correspond to those included in Axis 4 of the IDAE Spanish OPs by the following priority themes as designated in

the EU Structural Funds Regulations: 40 - Solar Energy; 41 - Biomass; 43 - Energy Efficiency, Co-generation and Energy Management); and 52 - Support to Clean Urban Transport.

The IDAE Spanish OPs have been amended after its approval, in the meetings of the Monitoring Committees which took place on June and July of 2011, so as to include the possibility of using financial engineering instruments, specifically JESSICA, to finance initiatives under Axis 4 on transport and energy. The content of this modification coincides, in general terms, with the terms included in this Call for EoI including those aspects related to eligibility and proprietary themes.

Therefore, under the Axis 4 F.I.D.A.E. will finance initiatives framed in the National Renewable Energy Plan and in the Energy Saving and Efficiency Action Plan, and other innovative activities that facilitate the achievement of the objectives of energy saving and efficiency and renewable energy.

The projects will be developed, primarily, in the following areas:

- Renewable Energy: The priority will be focused on renewable energy projects that integrate energy efficiency operations (solar and biomass).
- Energy Efficiency, Co-generation and Energy Management: Includes all investments that aim reducing the energy consumption and increasing energy efficiency in eligible sectors.
- Promotion of clean urban transport.

### **C. Integrated Plans for Sustainable Urban Development to implement F.I.D.A.E.**

EE/RE Urban Projects must comply with the applicable EU Structural Funds Regulations in order to be financed by JESSICA. Pursuant to Article 44 of Regulation 1083, projects financed by JESSICA must be part of an IPSUD. An IPSUD 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.

However, as remarked by the Coordination Committee of the Funds (COCOF)<sup>5</sup>, the EU Structural Funds Regulations do not include a precise definition of IPSUD neither specific requirements for its components. Consequently, such plans or strategies are defined by the competent authorities in the Member States, taking into account Article 8 of Regulation 1080 and the specific urban, administrative and legal context of each region. Nevertheless, in order to enable local stakeholders to properly identify and determinate which EE/RE Urban Projects and IPSUD can be considered JESSICA-compliant, the establishment, only with guidance purposes, of specific operational guidelines tailored to countries, regions or groups of regions is therefore needed to.

In this context Appendix G establishes the relevant guidelines on how to deal with this requirement.

### **D. F.I.D.A.E.**

The Funding Agreement for the establishment of the F.I.D.A.E. was signed in order to realise the following benefits:

- to support Spanish energy and environmental goals;

---

<sup>5</sup> "Guidance Note on Financial Engineering Instruments under Article 44 of Council Regulation (EC) No 1083/2006". 21/02/2011.

- to create a tool that will “re-cycle” the financial resources dedicated to EE/ER Urban Projects;
- to achieve significant leverage from ERDF subsidies and investment that will be mobilized through the use of innovative financial instruments. In addition, funds are recyclable, so this incentivises the percentage of losses to be minimised. By creating a financial instrument dedicated to these types of projects and by facilitating access to credit at competitive conditions, IDAE intends to attract private capital into EE/RE Urban Projects to promote the long-term development and implementation of EE/RE Urban Projects. This includes promoting awareness of the importance of developing and supporting energy efficient and renewable energy projects which achieve socio-environmental gains along with economic and financial returns. IDAE seeks to encourage local and regional administrations as well as private companies to plan investments which are capable of being financially self-sustainable whilst ensuring long-term economic, social and environmental benefits; and
- to create jobs through the EE/RE Urban Projects.

### **E. Urban Development Fund(s) which will receive contributions from F.I.D.A.E.**

In light of the new stimulus provided by recent developments with regards to EU Structural Funds Regulations<sup>6</sup>, financial engineering instruments, such as UDF(s), have emerged as key investment priorities for achieving sustainable urban development objectives. At the same time, energy efficiency and renewable energy initiatives can play a significant role in achieving sustainable urban development.

Therefore, the main objective of these UDF(s) is to provide financing in the form of loans, equity or other equivalent financial instruments to EE/RE Urban Projects improving the energy efficiency and/or using renewable energy to be implemented by PPPs and private company promoters including ESCOs.

The selection of the UDF(s) will be carried out using a public procurement process to identify, *inter alia*, suitably qualified experienced professionals to manage and invest the assets of the UDF. EIB, as manager of F.I.D.A.E. will evaluate, select and formally accredit the UDF(s) on the basis of the UDF compliance with the Selection Criteria establish in Section III.A.3 of this Annex and on the Award Criteria of the Business Plan prepared in accordance with the EU Structural Funds Regulations in article 43 paragraph two of the Regulation 1083.

#### **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 areas, while investing in 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 EE/RE Urban Projects, fitting the eligibility requirements and criteria applicable to the Spanish OPs (the “Eligibility Criteria”) according to the EU Structural Funds Regulations (the “Eligibility Rules”), the agreed Business Plan of the UDF and the Investment Strategy of F.I.D.A.E.);

---

<sup>6</sup> EC Regulations 539/2010 of 16 June 2010.

- work in coordination with IDAE to identify possible investment opportunities EE/RE Urban Projects, either within the project pipeline of the relevant IPSUD or new projects that fit within the agreed Investment Policy of the UDF Business Plan (the “Investment Policy”);
- 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 F.I.D.A.E. to be further leveraged for investments in EE/RE Urban Projects and to ensure that sufficient eligible expenditure can be declared in those projects in accordance with Eligibility Rules (the “Eligible Expenditure”); and
- recommend and manage appropriate exit strategies from investments in EE/RE Urban Projects.

UDF(s) must ensure that the EE/RE Urban Projects are viable from an economic, social and technical point of view, and that they meet the Eligibility Criteria.

Therefore, the UDF(s) must analyse the associated risks, the financing structure and income foreseen for the parties involved in 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

UDFs may be established as joint stock companies, PPPs, limited liability companies 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 F.I.D.A.E. and compliant with EU and Spanish regulations applying to the investment activities to be carried out.

UDFs may be owned and/or managed either by a financial entity and/or consortium led by a financial entity.

c. Focus of the UDF(s)

The key investment products anticipated of the UDF(s) (the “Investment Products”) include:

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

d. Investments limits for the UDF(s)

The following outlines UDF(s) limits for the number of operations and the mixture of Investment Products:

- limits on the number of EE/RE Urban Projects: there are no maximum or minimum limits for the number of projects financed by the UDF(s);

- limits for diversification of Investment Products: there are no limits for the mixture of the Investment Products and UDF(s) will analyse the best Investment Product or combination of Investment Products to be provided to each EE/RE Urban Project. However it is expected that at the end of the investment period foreseen in IDAE Spanish OPs (the “Operational Period”) the range of Investment Products covered by the UDF(s) will have been market driven. It should be stressed that when defining the most appropriate combination of Investment Products to be provided to each EE/RE Urban Project, the UDF(s) will have to comply with State aid regulations (i.e. for pricing, proportionality and efficiency);
- percentage of equity stake: for equity investments there shall be no maximum or minimum limits for shares in EE/RE Urban Projects by UDF(s);
- percentage of loan amount: for loans or quasi-equity (i.e. participative loans) there is no limit as regards the percentage of total investment cost that can be covered;
- territorial distribution of the EE/RE Urban Projects: F.I.D.A.E. funds shall be allocated in accordance with the following chart, being the amounts allocated to each CC.AAs mandatory and not being possible to transfer them from one OP to another:

CC.AA	TOTAL AMOUNT
<b>Andalucía</b>	16,162,060
<b>Extremadura</b>	20,221,208
<b>Galicia</b>	27,869,675
<b>Castilla La Mancha</b>	18,997,949
<b>Murcia</b>	6,409,774
<b>Ceuta</b>	553,732
<b>Melilla</b>	508,816
<b>Castilla y León</b>	9,420,634
<b>Comunidad Valenciana</b>	15,224,394
<b>Islas Canarias</b>	6,548,193

These amounts will be increased in the relevant proportion once settled the definitive amounts of F.I.D.A.E. funds to be allocated according to the Section II of this Annex.

The UDF must have separate accounts for each of the IDAE Spanish Ops to ensure that at any time the funds allocated in each do not exceed the maximum indicated. For that reason the Operational Agreement will establish the reporting obligations of the UDFs taking into account that in case of each lot being awarded to different UDFs the funds managed for both of them shall have to be added in order to control this territorial limitation.

## F. EE/RE Urban Projects

The UDF(s) may only make investments or commit to Investment in EE/RE Urban Projects.

These projects must:

- fit the Eligibility Criteria;
- have received a validation by IDAE on their compliance with the objectives from the IDAE Spanish OPs;
- be covered by one of the four priority themes 40, 41, 43 and 52 as detailed in Appendix F;
- be included in an IPSUD as defined in Appendix G; and
- be included in the following sectors:
  - Buildings
    - Public buildings including social housing
    - Private buildings but excluding private residential buildings
  - Industry
    - SMEs
    - Large industries
  - Transport
    - Public and private (for public use) transport infrastructure and fleet
  - Public services infrastructure related to energy
    - Street lighting and traffic lights
    - Local infrastructure and information & communications technology infrastructure related to the priority themes under defined in Appendix F , i.e. energy efficiency, renewable energy and clean transport;
- be implemented by:
  - Energy Services Companies (ESCOs)
  - Other Private companies
  - Public-Private entities

Public bodies are specifically excluded from being a final recipient of UDF(s). Public body means a body that belongs to the Public Administration Sector according to European System of Accounts 95 (ESA-95)<sup>7</sup>.

- offer an acceptable return on investment in line with market standard following the contribution of JESSICA funds;
- have not already been completed. An UDF(s) shall not re-finance acquisitions or participate in projects already completed.

---

<sup>7</sup> According to ESA 95, an entity that belong to the Public Administration Sector is defined as a body created by a public authority or a legal entity governed by private law with a public service mission, financed for more than 50% by public sources, whose internal procedures and accounts are subject to control by a public authority and for whose liabilities a public authority will accept responsibility in the event that the public body ceases its activities



## **G. Technical Unit**

Technical assistance is needed to carry out all necessary preparatory work for the involvement of private companies, including ESCOs which will participate as promoters of energy efficiency and renewable energy services. These tasks are of paramount importance for the success of the operation, especially in the public sector where, compared to the private sector, there may not be as many incentives for increasing energy efficiency and using renewable energy.

Therefore an independent technical assistance unit is being established, aimed at helping public entities, such as national/regional (CC.AAs) bodies, local authorities and other public entities to develop EE/RE Urban Projects. This unit will be procured by IDAE and then provide services to selected public entities. The budget of the technical unit will be covered by the separate Operational Programme “Technical Assistance Operational Programme for Spanish Regions”

## **II. AMOUNT ALLOCATED FOR THE CALL FOR EoI**

The amount of F.I.D.A.E. funds to be allocated in response to this Call for EoI is EUR 122,000,000 approx.

The amount is divided into 2 lots.

The value of each lot is EUR 61,000,000 approx.

This amount could be increased if the CC.AAs contribute additional funds to the F.I.D.A.E. pursuant to the Funding Agreement or with other additional contribution to the F.I.D.A.E., in special with a potential EIB financing up to EUR 100m or with a final redistribution of the amount initially assigned to each UDF.

Any applicant may apply for both lots. If this is the case, a single EoI shall be submitted, indicating that the applicant applies for two lots and specifying the conditions applicable to each lot (if different).

## **III. PROCUREMENT PROCESS FOR THE UDF(S) SELECTION**

The process, by which F.I.D.A.E. 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.

### **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 this Section III.A.2 of this Annex 3). Admitted EoIs will be then assessed according to the Selection Criteria (as outlined in this Section III.A.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 this Annex 3). The Offers will be evaluated according to the Award Criteria (as outlined in Appendix A).

## **A. Stage 1**

### **1. Submission of the 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):

- a) they are bankrupt or are being wound up, are having their affairs administered by the courts, have entered into an arrangement with creditors, have suspended business activities, are the subject of proceedings concerning those matters, or are in any analogous situation arising from a similar procedure provided for under national laws or regulations;
- b) they have been convicted of an offence concerning their professional conduct by a judgment which has the force of res judicata;
- c) they have been guilty of grave professional misconduct proven by any means which the contracting authorities 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 who have not provided such information.

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

- a) 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 where they are established, not earlier than 6 months before the deadline for the Submission of the EoI or, if that it is not issued in that country, by a solemn declaration of the applicant;
- b) 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 dated less than 4 months before the final date of the Submission of the EoI. Where such certificate is not issued in that country, this can be replaced by a solemn declaration of the applicant;
- c) In relation to items (c), and (f) above, a solemn declaration stating that the applicant is not guilty of professional misconduct, and is supplying all the information required under this Call for EoI in good faith and without misrepresentation.

The solemn declarations should be signed by the person(s) empowered to represent the applicant and sign the contract if the applicant is selected and dated less than four (4) months before the final date for submission of applications.

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 EoI 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, declarations and questions relating to the following Selection Criteria are completed, i.e.:
  - b.1. Authorisation to carry out business in Spain 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 Spain under the applicable regulatory framework should be enclosed;
  - b.2. Experience in the relevant targeted market: at least two years out of the last five (i.e. from 2007 to 2011), spent in providing financial services and in the

management of equivalent or similar projects to those foreseen in this Call for EoI.

- b.3. Minimum rating of BBB-/Baa3 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 first request guarantee from a parent company or other company having a specific agreement with the applicant/consortium leading 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.4. Representative office in Spain: the applicant has, or commits to procure within 6 months from the signature of the Operational Agreement a representative office in Spain accrediting that it may operate in any territory located within the CC.AAs.

The experience requested from the applicant under point b.2 above shall include that derived from different types EE/RE Urban Projects implemented and from different types of roles played by the applicant, including advisory services, financing of the project, execution, monitoring, audit and experience in EE/RE Urban Projects.

The EIB will particularly look for:

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

Applicants not excluded that meet the Selection Criteria will be invited to submit the Offer for the use of the F.I.D.A.E. resource in the form of a Business Plan. The Business Plans shall be completed using the structure and the format provided in Section IV.

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) whose Offer(s) 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) 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 IDAE Spanish OPs and to discuss the 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 F.I.D.A.E. according to the Funding Agreement, and the selected UDF(s).

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(s) 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 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 Spanish 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 Spanish 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 provisions on professionalism, competence and independence of the management, 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 EE/RE Urban Projects with the Eligibility Criteria. 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 EE/RE Urban Projects with the Eligibility Rules, the applicable local and regional legislation, 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 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 Spain 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 the most adequate team of experts with experience in relevant fields, which shall be established and is available in order to complete F.I.D.A.E. 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).

	<b>NAME AND SURNAME</b>	<b>SCOPE OF DUTIES ENTRUSTED</b>	<b>YEARS OF EXPERIENCE</b>
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 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 the typology of EE/RE Urban Projects the applicants intend to finance, in accordance with Section I (F) and Appendix F.

To the extent possible, applicants are asked to support their Investment Policy with details of concrete EE/RE Urban Projects already identified in the Business Plan (“Pipeline”), as outlined in point 6. However, it is understood that an existing Pipeline of 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:

- a) Compliance with the following Priority themes:
  - Renewable Energy, solar power (category 40)
  - Renewable Energy, biomass (category 41)
  - Energy Efficiency, cogeneration and energy management (category 43).
  - Clean Transport (category 52)
- b) Compliance with existing national 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 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 private entities, PPPs 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.

## 6. Pipeline

Applicants shall be responsible for the identification of types of EE/RE Urban Projects to be included in their Business Plan in accordance with indications provided in Section I (F). Applicants should demonstrate the feasibility, robustness and compliance of such Pipeline with the proposed Investment Policy to be adopted. To these effects, note that IDAE through the so called PLAN 2000 ESE(s) tries to carry out an exemplary duty in those buildings held by the public administration in order to activate the market of the energetic services.

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 the extent to which each EE/RE Urban Project shall contribute to the objectives of the IDAE Spanish OPs.
- 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 F.I.D.A.E. resources.

There are no specific requirements imposed on 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.

## **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 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 an IPSUD.

The proposed methodology shall contain provisions to ensure that the selected 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 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 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 methodology will also describe the synergies that may exist between the actions the UDF must develop and other actions undertaken by other investment funds that already exist in the energy sector, especially if those funds are administered by the own UDF manager.

The proposed methodology should also describe how the UDF will appraise financial and economic characteristics of each project. The assessment of 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 IDAE Spanish OPs; 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 F.I.D.A.E. to invest in 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 the Operational Period 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 EE/RE Urban Project, the UDF will have to comply with EU State Aid Rules<sup>8</sup>, where appropriate or any other State aid scheme cleared by the Commission applicable to F.I.D.A.E. 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 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 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 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.

---

<sup>8</sup> For information on State aid rules, please refer to footnote no. 10.

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 EU competent 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 F.I.D.A.E. 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 EE/RE Urban Projects**

The applicant shall describe the rules governing the exit by the UDF from investments in EE/RE Urban Projects.

## **10. Co-financing - Leverage**

An important factor in the evaluation of the Offer will be the ability of the UDF to provide co-financing at project level, 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 F.I.D.A.E..

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 F.I.D.A.E. resources managed by the UDF.

Notwithstanding the abovementioned, any co-financing obtained by the projects different than the financing of the UDF may be considered as a senior financing (as the case may be). The provisions of this paragraph are subject to EU State Aid Rules and any State aid scheme cleared by the Commission applicable to F.I.D.A.E. pursuant to a notification procedure under the TFEU.

## **11. 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 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 EE/RE Urban Projects and other auxiliary activities provided.

The applicant should indicate in the Business Plan the percentage of the total managed F.I.D.A.E. resources to be claimed by the UDF as an annual management fee. 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 F.I.D.A.E. to the UDF, in accordance with EU Structural Funds Regulations<sup>9</sup>. 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 EE/RE Urban Projects. The Management Fee shall not be calculated on the amounts due by any

---

<sup>9</sup> Art. 43(4) of Regulation 1828/2006 (amended by Commission Regulation (EC) 846/2009)

EE/RE Urban Project to an UDF and not returned, due to a failure by an EE/RE Urban Project to pay.

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

#### *A. Fixed part*

The fixed part may be calculated as a percentage of the resources contributed by F.I.D.A.E. to the UDF according to the Operational Agreement, covering: i) the EE/RE Urban Project appraisal and structuring, ii) the “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) the administration of the investments in EE/RE Urban Projects.

#### *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 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. A well constructed performance fee should also alleviate the risk of putting money in unprofitable/risky projects and incentive the *ex-post* quality of the Portfolio.

In this context, the contingent component may be composed by a “performance” incentive fee calculated as a percentage of the investments allocated through the UDF to EE/RE Urban Projects during the Operational Period not yet repaid by the Final Recipients; or/and a “portfolio quality” incentive fee calculated as a percentage of returns received and effectively paid by the Final Recipients since the date of the Operational Agreement.

Finally incentives can also be set in relation to the achievement of socio-economic targets set out in Appendix D.

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 F.I.D.A.E. 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 EE/RE Urban Projects.

Investment targets will be also 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.

## **12. 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 EUR 61,000,000 approx.

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

- a) Resources committed by F.I.D.A.E. into the UDF for Investment in EE/RE Urban Projects will be advanced upfront upon completion of all condition precedents set out in the Operational Agreement in one or more tranches 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 F.I.D.A.E. deposits, and other arrangements as agreed between the parties, shall be defined in the Operational Agreement.
- b) The amount contributed to the UDF by F.I.D.A.E. plus any interest accrued on the deposits, other than the portion used to meet UDF management costs, shall only be used to finance eligible EE/RE Urban Projects;
- c) The boundary conditions for investment products to be offered by the UDF to EE/RE Urban Projects are described in previous point 8;
- d) The exit policy from the Portfolio 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 10;
- f) The UDF will compensate the UDF manager for the administration services provided in the form of a Management Fee, as described in point 11;
- g) The EU Structural Fund Regulations require that all ERDF and national contributions must be invested by the UDF into EE/RE Urban Projects by 31 December 2015. Notwithstanding the foregoing, it is requested, however, to prepare a Financial Model imposing a shorter period for this investment to take place according to the following scheme:

<b>35%</b> of the allocated funds shall be invested by <b>31 December 2013</b>
<b>90%</b> of the allocated funds shall be invested by <b>31 December 2014</b>
<b>100%</b> of the allocated funds shall be invested by <b>30 April 2015</b>

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 F.I.D.A.E., the EIB may consider providing financial support on its own funds for 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 EUR100m 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:

- a) the possibility to manage a total of EUR 161m of which, EUR 61m as funds coming from F.I.D.A.E. and EUR 100m as additional EIB lending to the UDF (with EIB credit risk related to the UDF);
- b) the possibility to use part of the F.I.D.A.E. funds as a component of the UDFs' regulatory capital requirements.

### **13. Terms and conditions of the Operational Agreement with F.I.D.A.E.**

The Operational Agreement according to the Terms and Conditions established in Appendix B 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 F.I.D.A.E. 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 EE/RE Urban Projects and on the source of financing.

Following signature of the Operational Agreement, upon approval by the EIB and, where appropriate, by the Investment Board, funds will be disbursed from F.I.D.A.E. 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 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 F.I.D.A.E.. 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.



## APPENDIX A

The Business Plans for use of resources received from F.I.D.A.E. 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 technically unsuitable.

Award criteria		
Criterion	Description and assessment rules	Scoring for criterion
<b>QUALITATIVE AWARD CRITERIA (1 – 6)</b>		<b>0-55</b>
1. LEGAL, OWNERSHIP AND GOVERNANCE STRUCTURE	<p>The applicant should:</p> <ul style="list-style-type: none"> <li>• 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 and the form F.I.D.A.E.S’ investment into the UDF will take.</li> <li>• Describe the approach envisaged to guarantee regular contacts with project promoters in the regional context by means of local structures (e.g. offices, info points, etc.).</li> <li>• Describe management, administrative and accounting procedures which will be applied in the functioning of the UDF.</li> <li>• Illustrate the organisational model and the corporate governance provisions for the UDF, including internal control procedures.</li> <li>• Propose assumptions in respect of monitoring, reporting and controlling the process of project execution.</li> <li>• Describe the risk management procedures that will be applied for implementation of functions of the UDF.</li> </ul> <p><u>Assessment rule:</u></p> <ul style="list-style-type: none"> <li>• Credibility of the legal and ownership structure and its suitability to the objectives set for the UDF.</li> <li>• Reliability and credibility of the proposed management, administration, accounting, monitoring, reporting and</li> </ul>	0-10

Award criteria		
Criterion	Description and assessment rules	Scoring for criterion
	<p>controlling procedures; and the risk management procedures taking into account requirements of relevant EU Rules and national legislation.</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• Level and quality of an applicant (or of its parent company) Tier 1 capital.</li> </ul>	
2. KEY EXPERTS	<p>The applicant shall indicate the most adequate 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"> <li>• A structure diagram/table outlining key roles and responsibilities of each individual and the time they will dedicate to the UDF(e.g. deal sourcing, negotiation, monitoring, back office, relationship management with the EIB);</li> <li>• Experience of the 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</li> </ul> <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

Award criteria		
Criterion	Description and assessment rules	Scoring for criterion
3. INVESTMENT POLICY	<p>The applicant shall:</p> <ul style="list-style-type: none"> <li>• Prove its understanding of the objectives to be achieved through the implementation of JESSICA mechanism in the region.</li> <li>• Define the goals of the UDF and objectives of its Investment Policy.</li> <li>• Describe the targeted market and geographical coverage.</li> <li>• Prove the compliance of the Investment Policy with IDAE Spanish OPs and other relevant national and regional energy policies.</li> </ul> <p><u>Assessment rule:</u></p> <ul style="list-style-type: none"> <li>• The portfolio allocation in terms of geographic and sectorial coverage the applicant will put in place to ensure successful implementation of EE/RE Urban Projects.</li> <li>• Level of understanding of and compliance with JESSICA objectives and IDAE Spanish OPs.</li> </ul>	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"> <li>• Present the Pipeline including an assessment of how these projects currently deliver against the Investment Policy.</li> <li>• Prove the compliance of the Pipeline’s objectives with the general objectives set for in the JESSICA initiative.</li> <li>• Prove the compliance of the Pipeline’s objectives with the objectives of IDAE Spanish OPs.</li> <li>• Describe the level of maturity/preparation of the selected projects included in the Pipeline.</li> <li>• Forecast and describe the expected socio-economic performance of the Pipeline, including the social and environmental benefits and costs, if any.</li> </ul> <p><u>Assessment rule:</u></p> <ul style="list-style-type: none"> <li>• Level of compliance of the Pipeline with the Investment Policy.</li> <li>• 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 for Sustainable Urban Development.</li> <li>• Level of maturity/preparation of the projects in the Pipeline and probability of their execution.</li> <li>• Financial and socio-economic performance of the Pipeline (considering indicators listed in Appendix D).</li> </ul>	0-5
5. METHODOLOGY FOR THE IDENTIFICATION AND EVALUATION OF 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 EE/RE Urban Projects which provide the most promising investment opportunities. For each category of beneficiaries (e.g. PPPs, private entities, ESCOs, etc.) the description should include the following:</p> <ul style="list-style-type: none"> <li>• The key stages/parameters, including the internal scoring system, that will be used to assess projects;</li> <li>• The role of any external advisory support to the beneficiaries;</li> <li>• The potential relationship with other energy funds;</li> <li>• The timescale which allows investment to commence in a timely manner;</li> <li>• The synergies that may exist with other investment funds that already exist in the energy sector.</li> </ul>	0-10

Award criteria		
Criterion	Description and assessment rules	Scoring for criterion
	<p><u>Assessment rule:</u></p> <ul style="list-style-type: none"> <li>• Appropriateness of the methodology to the specificity of EE/RE Urban Projects.</li> <li>• The presence of external support for the development of potential eligible EE/RE Urban Projects.</li> </ul>	
6. FINANCIAL FORECASTS, OPERATIONAL BUDGET OF THE UDF; CONDITIONS OF INVESTMENT PRODUCTS AND EXIT POLICY	<p>The applicant should:</p> <ul style="list-style-type: none"> <li>• Present the financial model that, as far as reasonably practicable, sets out the projected financial operations of the UDF.</li> <li>• Illustrate the financial terms and the contractual arrangements to be applied to EE/RE Urban Projects.</li> <li>• Use an operational budget for the UDF based on the expected financial results of the UDF participation in EE/RE Urban Projects.</li> <li>• Describe how the financing available to the UDF (i.e. from F.I.D.A.E.) will be combined to offer the most competitive form of financing to the project promoters.</li> <li>• 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.</li> <li>• Describe the schedule for disbursement that will cater for F.I.D.A.E. resources to be invested before the end of 2015, including in case of co-financing, any provision for asymmetrical disbursement between F.I.D.A.E.' and external financing's resources.</li> <li>• Describe the winding-up provisions/exit policies of the UDF. The applicant shall present any other provisions which will apply upon the ceasing of operations by the UDF.</li> </ul> <p><u>Assessment rule:</u></p> <ul style="list-style-type: none"> <li>• Credibility of the financial forecasts and compliance with the Investment Policy.</li> <li>• The timing and quantum of the projected cash flows.</li> <li>• The alignment of investment timetable with the calendar presented in Section IV.13.</li> <li>• The benefit of the leverage through the possible additional financing made available by the EIB.</li> </ul>	0-10

Award criteria		
Criterion	Description and assessment rules	Scoring for criterion
	<ul style="list-style-type: none"> <li>The evidence that proposals are compliant with EU State Aid Rules.</li> <li>The reliability and credibility of the winding-up provisions.</li> </ul>	
<b>QUANTITATIVE AWARD CRITERIA (7-8)</b>		<b>0-45</b>
7. CO-FINANCING – LEVERAGE	<p>The applicant shall present the strategy for obtaining potential financing from external sources with a view to co-financing EE/RE Urban Projects. 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 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> <p>The mentioned rule will only be applicable in case of binding financing commitments.</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"> <li>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);</li> <li>how the fee structure incentivises the UDF to invest in EE/RE Urban Projects in a timely and efficient manner;</li> </ul>	0-20

Award criteria		
Criterion	Description and assessment rules	Scoring for criterion
	<ul style="list-style-type: none"> <li>how the applicant will ensure that the Management Fee does not adversely impact on the ability of the UDF to raise additional funding.</li> </ul> <p><u>Assessment rule:</u></p> <p>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, <i>inter alia</i>, three key aspects; (1) investment of F.I.D.A.E. resources by 31 December 2015 (fixed part); (2) investments in EE/RE Urban Projects or/and generation of financial returns on a timely basis (contingent part); and (3) delivery of socio-economic performance defined in Appendix D.</p> <p>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% (the maximum allowed) for the period until 31 December 2015. Scores are based on the following normalised method:</p> <p>Score = (lowest proposed management fee X 20) / (proposed management fee)</p>	

## 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.

- 1.1 Execution of, and amendments to, Operational Agreements shall be made only upon the prior approval of the relevant Operation, (including modifications of the terms of such Operation, if any), by the Investment Board.
- 1.2 The Operational Agreement shall, notwithstanding any other terms set out in this Agreement, include the following conditions:
  - 1.2.1 the obligation of the UDF to pursue the objectives set out in the Operational Agreement, which shall include the obligation to act in accordance with its Investment Strategy and Business Plan;
  - 1.2.2 the obligation of the UDF to regularly report to the EIB in a standardised form and scope to be decided by the EIB, particularly on State aid issues;
  - 1.2.3 the obligation of the UDF to allow access to documents and to provide the EIB with relevant information related to JESSICA operations for the purposes of monitoring;
  - 1.2.4 the obligation of the UDF to maintain a separate accounting system or use a separate accounting code for any co-financed expenditure down to the final level and for the territorial distribution of the EE/RE Urban Projects;
  - 1.2.5 the obligation of the UDF to allow access to documents related to the JESSICA operations for any national or European entity duly empowered by applicable rules to carry out audit and/or control activities;
  - 1.2.6 procedures for submission of annual accounts for the Operation by the UDF to the EIB and auditing procedures to be complied with by the UDF;
  - 1.2.7 the right of the EIB to recover any losses incurred by the F.I.D.A.E. due to a breach by a UDF of its obligations under the relevant Operational Agreement, in accordance with suitable market-standard clauses;
  - 1.2.8 the right of the UDF to payment of market-standard management costs, which shall not exceed the cap provided under Article 43(4) of the Regulation 1083 and the cap provided in these Terms of Reference, as resulting from the Offer;
  - 1.2.9 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;
  - 1.2.10 an undertaking that, in every agreement providing for a financial contribution between the UDF and an EE/RE Urban Project (the “Investment Agreement”), the



UDF shall provide that each EE/RE Urban Project shall comply with all obligations imposed on it by the EU Rules and any other applicable laws and that each EE/RE 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:

- (i) the EE/RE Urban Project shall keep necessary accounts;
- (ii) the UDF shall be entitled to recover any losses due to a breach by the EE/RE Urban Project of its obligations under the relevant Investment Agreement;
- (iii) the UDF shall diligently, whether by negotiation or legal action, enforce its claims against the EE/RE Urban Project;
- (iv) the representatives of IDAE, the Commission, the European Court of Auditors, the EIB and any other national or European entity duly empowered by applicable law to carry out audit and/or control activities may access the premises and documents of the EE/RE Urban Project (right to carry on-site control) for the purpose of ensuring the legality and regularity of F.I.D.A.E. financial contribution;
- (v) the UDF and/or EE/RE Urban Project shall carry out adequate information and publicity measures in accordance with the provisions of the EU Structural Funds Regulations;
- (vi) the financial contribution in EE/RE Urban Projects comes in full or in part from EU Structural Funds;
- (vii) all authorisations, which 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;
- (viii) the EE/RE Urban Project complies with the objectives of the IDAE Spanish OPs; and
- (ix) the EE/RE Urban Project shall engage in no action or decision contrary to EU Rules.

### **Financial conditions for the Operational Agreement**

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

The remuneration of F.I.D.A.E. funds will depend upon the income generated by the Portfolio of the UDF. The repayment of F.I.D.A.E. 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 the UDF.

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

The UDF further undertakes to develop (for the Portfolio), with the received F.I.D.A.E. funding, a new loan/equity/financial instrument partly funded from the disbursed funds and partly co-financed by external resources.

The selection, due diligence, documentation and execution of the EE/RE Urban Projects will be performed under the liability of the UDF in accordance with the methodology for project selection agreed with F.I.D.A.E. and applying all normal standard procedures and governance structure of the UDF.

In the execution of its tasks under the Operational Agreement, the UDF will be permitted to consult and share information with IDAE. Any information received by the UDF from IDAE and other National Authorities in this context should be considered as one of the aspects that UDF may decide to appraise within the analysis of the EE/RE Urban Projects to be financed, not releasing the UDF from conducting its own due care due diligence process and from its own liability in respect of the conclusions of this process.

In this context, F.I.D.A.E. will not have any direct or indirect client funding relationship with each EE/RE Urban Project.

Any Proceeds of Operations from the EE/RE Urban Projects shall be paid to F.I.D.A.E. without any unreasonable delay. In this context, the UDF shall ensure that any account that could be contemplated in the Operational Agreement will be, while they are accounts in the books of the UDF, opened as an interest bearing account yielding an interest rate commensurate with market rates.

## FINANCIAL FORECASTS AND OPERATIONAL BUDGET OF THE UDF

### A. 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.

### B. General comments

- Since underlying projects’ ability of generating returns is crucial for most of the future cash flows, a direct link with 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 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.

### C. 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 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: F.I.D.A.E. resources, the UDF funds 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 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:
  - The projection should include all other assumptions that the applicant considers relevant to the results of the financial projections;
  - The amount of external financing obtained by the UDF should be provided on a per year basis;
  - 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 paragraph B above (General Comments), this section should give, to the extent possible, the assumptions concerning the 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 EE/RE Urban Projects should be given:

- Average IRR;
- Average maturity;
- 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:

- a) Pro forma balance sheet statements for each year of the projection, which will depend on the final structure of the UDF.
- b) Pro forma profit and loss accounts for each year of the projection, which will depend on the final structure of the UDF.

Pro forma cash flow statements for each year of the projection.

UDF Business Plan	Unit	2011	2012	2013	2014	2015	2016	2017	2018...
		0	1	2	3	4	5	6	7
<b>I-Macroeconomic assumptions</b>									
CPI (price increase)									
Reference Interest rate <sup>(1)</sup>									
<sup>(1)</sup> used as the base rate for the financing (e.g. IRS Term, Euribor, etc.)									
<b>II-UDF assumptions</b>									
<b>Eligibility Period</b>									
<b>UDF Maturity</b>									
<b>Total F.I.D.A.E. funds under management available to UDF</b>									
<b>Loan &amp; Interests</b>									
Total F.I.D.A.E. debt financing									
Unused portion of F.I.D.A.E. debt financing									
F.I.D.A.E. 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									

<sup>10</sup> Maturity shall be adapted to the UDF Portfolio.

Average grace period		
<b>Total debt financing</b>		
<b>Equity</b>		
Total F.I.D.A.E. 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		
<b>Total equity financing</b>		
<b>Total Amount invested in projects by UDF</b>		
<b>Management Fee (MF)<sup>(2)</sup></b>		
MF Fixed part		
	I-Appraisal fee	
	II-EU Monitoring fee	
	III-Financing administration fee	
MF Contingent part		
	I- Performance fee	
	II-Portfolio quality fee	
	....	
<sup>(2)</sup> To be adapted according to the Management fees mechanism assumed by the applicant		
<b>Total Management Fees amount</b>		

**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 EE/RE Urban Projects  
Cash  
Other assets

Liabilities and reserves

Sums due to F.I.D.A.E.  
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 F.I.D.A.E.

II. Outflows

1) transfers to F.I.D.A.E.

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. CBA 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 economic net present value (ENPV).

- ERR is the internal rate of return calculated using the economic values,
- ENPV.

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 EE/RE Urban Projects to be funded by the UDF. Contribution to the achievement of quantitative outputs established in Spanish OPs<sup>11</sup> will depend on the character of each of the 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 F.I.D.A.E. The list includes both general indicators and specific ones and can be used to assess the impact of single 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.

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

<sup>11</sup> “Without prejudice of indicators expressly mentioned, the EIB may ask for other indicators with the aim of allowing the IDAE to comply its obligations as intermediate body of ERDF OPs in the framework of EU Cohesion Policy Regulations and to determine additional indicators related to outputs and results of EE/RE Urban Projects or the Portfolio as a whole”.

Area		Indicator
		Private financing leverage of the UDF
		Generated investment (EUR)
		Number of white certificates (or energy efficiency titles) that may be 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

**SPANISH JESSICA HOLDING FUND FOR INVESTMENT IN EFFICIENCY AND  
ENERGY SAVINGS  
SELECTION OF URBAN DEVELOPMENT FUNDS**

**KEY EXPERTS AVAILABILITY DECLARATION**

As a legal representative of the company ..... seated in  
.....registered in the .....register with a registration number  
....., I hereby confirm that the company .....will be authorised  
to engage the following persons:

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

to execute the role of ..... for the Spanish JESSICA Holding Fund for  
investment in efficiency and energy savings.

I confirm that upon signature of the Operational Agreement 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)

## **GUIDELINES FOR TYPES OF EE/RE URBAN PROJECTS**

All eligible projects shall be prepared and operated by qualified technicians, as well as comply with relevant Spanish laws and regulations and the relevant EU Rules. Only investment costs directly related to the generation of renewable energy or energy efficiency gains are eligible.

The priority themes targeted are:

### 1.- Renewable Energy

Priority will be given to renewable energy projects that are integrated in energy efficiency operations. The types of eligible renewable energy projects are:

#### (i) Solar (priority theme code number 40)

Solar projects can include both solar thermal for the production of thermal energy and solar photovoltaic (PV) projects for off-grid applications. However, grid-connected solar PV applications could be included, when they are part of an energy efficiency project in a building and the electricity capacity of the PV project in each individual building is less than 1000 kWp (kwatt-peak).

#### (ii) Biomass (priority theme code number 41)

The following biomass projects for thermal and electricity production in eligible sectors can be considered for financing:

- Facilities for thermal energy production from biomass;
- Combined heat and power (CHP) stations using biomass, when the heat is used in a building or on a network to provide heat mainly to buildings;
- Use of biomass for energy applications in the eligible sectors;
- Production of second and third generation biofuels including biofuel from algae energy crops, that meet the EU criteria relating to environmental sustainability;
- Facilities for the treatment of biomass for energy purposes (grinding, chipping, manufacturing pellets, etc.);
- Installation of pumps at service stations for the supply of biofuels.

### 2.- 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. These investments could include the eligible renewable energy projects indicated above.

General eligibility criteria: Investment must 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 ENPV terms and using a discount rate of 5% in real terms (without inflation). The projects can include, amongst others, energy efficiency measures in buildings, SMEs, district heating, CHP and upgrading/modernising of street and traffic lighting.

In addition, the following projects are eligible and not subject to the general eligibility criteria described above:

(i) Energy Savings/ Energy Efficiency in Buildings

Projects can involve public and private buildings to support increased energy efficiency. The following projects are eligible:

- Investments for the renovation of existing buildings which have a main aim of improving energy efficiency. This aim can be achieved through measures such as putting in thermal insulation in the building envelope, 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 (i.e. class D) under the current Technical Building Code.

(ii) Renovation or extension of existing district heating or cooling networks

Renovation, extension or new district heating networks (and cooling networks) are eligible provided the base load heat demand is covered by high efficiency cogeneration (see (v) below), renewable energy or waste heat recovered that were not used prior to the project.

The heat supply costs, including all necessary reconstruction and renovation, must be competitive with the supply costs from individual heat boilers.

(iii) High- efficiency Combined Heat and Power

High efficient CHP (i.e. co-generation) in buildings is eligible provided that it meets the criteria for high-efficiency cogeneration according to the relevant EU Directive (2004/8/EC)<sup>12</sup> and using the reference values proposed in the Council's decision C (2006) 6817. Micro-cogeneration units in buildings as defined in the Directive are eligible. In addition, high efficient CHP in industries with a maximum electricity capacity of 50 MW is eligible, provided it meets the criteria for high-efficiency cogeneration mentioned before.

3.- Clean Transport (priority theme code number 52)

General criteria: Eligible projects in this area must contribute to improving energy efficiency or to use of renewable energy.

The following projects are eligible:

- Electric and plug-in hybrid vehicles, including automobiles, motorcycles and bicycles;
- Electric and Hybrid buses;

---

<sup>12</sup> 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.

- Charging infrastructure for electric or plug-in hybrid vehicles;
- Equipment for the energy recovery from braking of electric public transport (trains, tramways, subways, etc.);
- Implantation of bicycles for public use, excluding the construction of bicycle lanes;
- Fleet Management, to help improve energy efficiency;
- Other investments aiming at improving energy efficiency and renewable energy, which meet the general eligibility criteria.

## KEY FEATURES ON IPSUDs

Without prejudice to future specifications of the Managing Authority concerning IPSUDs, and adaptations of the regional legislative context, there are key conditions to be fulfilled for integrated planning processes to be considered as satisfying the requirements for a JESSICA-compliant IPSUD.

First, a **Target Area** should be defined. The geographical area of intervention for the IPSUD should be precisely defined. Target areas wider than a city or a metropolitan area are also acceptable when the rationale for the wider territorial scope is justified on the basis of the expected impacts on energy efficiency or the promotion of renewable energy sources.

Second, the plans, programmes or strategies constituting the IPSUDs will be **approved by a public authority**, preferably including consultation procedures with other urban stakeholders.

Third, the objectives of the above plans, programmes or strategies must be **in line with other plans, programmes or strategies agreed at a higher level (national or regional)**, ensuring therefore the coherence of the IPSUD with other relevant strategic documents.

Apart from the above key features, full compliance with European and national regulations of the EE/RE Urban Projects included in IPSUDs is required.

The following documents are examples of plans, programmes or strategies agreed at different levels which can be referred to as constituting JESSICA-compliant IPSUDs:

- At national level: such the “Energy Saving and Efficiency Action Plan 2011-2020” or the “Renewable Energies Plan 2011-2020”,
- At regional level: EE/RE strategies (For example the “Energetic Plan of Canary Islands” or the “Sustainable Energetic Development Agreement of Extremadura”); Regional strategies for urban development (as the “Urban Sustainability Andalusian Strategy”); Regional spatial planning documents (as the “Territorial Strategy of the Comunidad Valenciana” or Canarian “Special Territorial Plans for Energetic Infrastructures”).
- At local level: Local Sustainable energy action plans in the context of the “Covenant of Majors<sup>13</sup>”; Local 21 Agendas; Urban strategies adopted in the context of urban initiative; Spatial planning documents adopted at local level.

Applicants of beneficiary projects shall demonstrate how candidate projects are integrated into IPSUDs<sup>14</sup>. In addition to the document or documents presented as constituting the IPSUD, applicants shall submit a synthetic presentation, justifying the coherence of the proposed project with the IPSUD.

In order to reduce the risk of excluding a great number of potentially valuable EE/RE Urban Projects from using JESSICA instruments, and to facilitate the parallel

<sup>13</sup> [http://www.eumayors.eu/actions/sustainable-energy-action-plans\\_en.html](http://www.eumayors.eu/actions/sustainable-energy-action-plans_en.html)

<sup>14</sup> For the avoidance of doubt, those EE/RE Urban Projects that are not expressly included on IPSUDs, can be eligible if they contribute to/ are in line with the objectives and/or measures of applicable IPSUD.



development of IPSUDs and of a system of UDFs, a flexible approach should be adopted in cases where appropriate integrated planning procedures are not in place. EE/RE Urban Projects satisfying requirements other than being part of Integrated Plans should be accepted as candidates for UDF funding when:

- there is a commitment by the relevant local authorities to engage in a planning process satisfying the Integrated Plan criteria within the period of the current Structural Funds programming period ending in 2013, and
- the Urban Projects presented for financing by UDFs are expected to be included<sup>15</sup> in the Integrated Plan in preparation.

All EE/RE Urban Projects included in or coherent with these IPSUDs – either in place or to be established in the programming period - can be considered within the scope of operation of a UDF (i.e. “suitable” for funding), although only a part of them, or part of the expenditures incurred in implementing them, may turn out to be eligible for ERDF funding.

---

<sup>15</sup> See previous footnote concerning the need of express inclusion into IPSUD.

**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 IDAE Spanish OPs.
“Award Criteria”	means the criteria used to select the Preferred Bidder as outlined in Appendix A.
“Business Plan”	means each business plan, 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 EoI”	means this Call for Expression of Interest.
“CC.AAs”	means the autonomous cities and communities of Melilla, Ceuta, Castilla y León, Extremadura, Murcia, Galicia, Valencia, Andalusia, Canary Island and Castilla La Mancha.
“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 urban projects in line with priority theme codes as specified in Council Regulation EC 1083/2006 for the IDAE Spanish OPs. .

“EIB”	means the European Investment Bank.
“Eligible Expenditure”	means expenditure applied in compliance with the Eligibility Rules.
“Eligibility Criteria”	means the eligibility requirements and criteria applicable to the Spanish OPs in accordance 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).
“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”	means European Union.
“European Parliament”	means the European Parliament of the EU.
“EU Rules”	means the EU Structural Funds Regulations and any other applicable EU Regulations, Directives or Guidelines.
"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 Structural Funds”	means together the ERDF, the European cohesion funds and the European social funds.

“EU Structural Funds Regulations”	means Commission Regulation (EC) No 1080/2006, Commission Regulation (EC) No 1081/2006, Commission Regulation (EC) No 1083/2006 and the Implementing Regulation, as well as any other EU legislation and amendments from time to time applicable to the EU Structural Funds. (Note specifically Regulation 397/2009 amending 1080/2006 and Regulation 539/2010 amending No 1083/2006);
“Exclusion Criteria”	means the criteria used in Stage 1 of this Call for EoI to exclude applicants.
“F.I.D.A.E.”	means the Spanish JESSICA holding fund for Investment in Efficiency and Energy Savings, established pursuant to the Funding Agreement, and in accordance with Regulation 1083 and the Implementing Regulation.
“Final Recipient(s)”	means the entities that will develop 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 Spanish JESSICA Holding Fund signed by IDAE and the EIB, signed on 1 July 2011.
“IDAE”	means <i>Instituto para la Diversificación y Ahorro de la Energía</i> .
“IDAE Spanish OPs”	means Operational Programmes in Spain (Regional Operational Programme Andalusia, Regional Operational Programme Canarias, Regional Operational Programme Castilla y León, Regional Operational Programme Castilla La Mancha, Regional Operational Programme Ceuta, Regional Operational Programme Comunidad Valenciana, Regional Operational Programme Extremadura, Regional Operational Programme Galicia, Regional Operational Programme Melilla and Regional Operational Programme Región de Murcia, and any others which may be added to this list) for a part of which the Managing Authority has designated IDAE as Intermediate Body, and which shall be administered by the F.I.D.A.E., in accordance with the provisions of the Funding Agreement;

“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” or “IPSUD”	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 in accordance with the key features established in Appendix G.
“Intermediate Body”	means IDAE.
“Investment Agreement”	means an agreement signed between a UDF and a Final Recipient providing for financing of the EE/RE Urban Project.
“Investment Board”	means the board, established in accordance with the Funding Agreement, entrusted with responsibilities regarding the F.I.D.A.E.
“Investment in EE/RE Urban Project”	means each contribution by the UDF into 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 Products”	means direct lending, equity investments and other equivalent financial instruments.
“Investment Strategy”	means the document concerning the investment strategy and the planning of the activities of F.I.D.A.E. in relation to the JESSICA initiative, attached to the Funding Agreement signed between EIB and IDAE.

“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.
“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 national public authority designated by Spain to manage the Spanish OPs: <i>Subdirección General de Administración</i> of FEDER, <i>Dirección General de Fondos Comunitarios of the Ministerio de Economía y Hacienda</i> . .
“Member States”	means the Member States of the EU.
“Monitoring Committee”	means the committee, having the composition, tasks and powers set out in Articles 63 et seq. of Reg. 1083, established by Spanish managing authorities in connection with the Spanish OPs;
“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 F.I.D.A.E. manager, and the selected UDF(s).
“Operational Period”	means the period following Operational Agreement’s signature until full reimbursement from the UDF to F.I.D.A.E. of the contribution received. Hence, it also includes the period in which F.I.D.A.E. resources are disbursed to the UDF but not yet invested into EE/RE Urban Projects.
“Pipeline”	means the EE/RE Urban Projects, included in the Offer.
“Portfolio”	means the final 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.

“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 EE/RE Urban Projects are in the first instance reinvested by the UDF(s).
“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.
“Spanish OPs”	means the European Regional Development Fund Operational Programmes 2007-2013 for Spain, developed in accordance with Article 37 Regulation 1083.
“Submissions”	means the EoI and the Offer submitted by an applicant under this Call for EoI.
“Submission of the EoI”	means the submission of the EoI by applicants encompassing their responses to Stage 1.
“Submission of the Offer”	means 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.
“Technical Unit”	means an independent technical assistance unit aimed at helping IDAE and other public administrations to develop EE/RE Urban Projects.

“Terms and Conditions of the Call for the EoI”

means the conditions of the Call for EoI and the Terms of Reference contained in Annex 3.

“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” or “UDF(s)”

means a vehicle investing in one or more EE/RE Urban Projects, as defined in Article 44 of Regulation 1083.