



REPUBBLICA ITALIANA



UNIONE EUROPEA



European Investment Bank
Banque européenne d'investissement

**Call for Expressions of Interest:
VP-1056**

**Subject: JESSICA Holding Fund for Campania
Selection of Urban Development Funds**

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

The EIB is launching a Call for Expressions of Interest ("Eol") with the aim of selecting entities as Urban Development Funds ("UDFs") that will receive resources from the JESSICA Holding Fund for Campania ("JHFC"), to facilitate the disbursement of European Union ("EU") Structural Funds through financial engineering instruments in the form of actions which make repayable investments in public-private partnerships or other projects included in Integrated Plans for Sustainable Urban Development ("Urban Projects").

The selection will proceed in one stage as described below. The entities wishing to participate in this Call for Eol, are requested to forward their Eol (prepared in accordance with the instructions in this document) together with their Offer (in the form of Business Plan(s) as detailed in this document) enclosed in two sealed envelopes, the outer envelope bearing instructions not to open the inner envelope, which should be marked:

DO NOT OPEN:

Ref.: VP-1056

Subject: JESSICA Urban Development Fund in Campania

Deadline for reception of Expressions of Interest and Offer: 13 August 2012

and delivered:

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

EUROPEAN INVESTMENT BANK
For the attention of Ms. Véronique Paulon
Ref.: VP-1056
Procurement and Purchasing Division
98-100 boulevard Konrad Adenauer
L-2950 LUXEMBOURG

by midnight on 13 August 2012 at the latest, as evidenced by the postmark, or by

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

EUROPEAN INVESTMENT BANK
For the attention of Ms. Véronique Paulon
Ref.: VP-1056
Procurement and Purchasing Division
98-100 boulevard Konrad Adenauer
L-2950 LUXEMBOURG

The EoI and the Offer must be posted or handed in by 13 August 2012 at the latest (up to midnight Luxembourg time in the case of delivery as described in (b) above).

By the deadline indicated in points (a) and (b) above, the applicants are kindly requested to send an electronic copy of the submission to the Procurement and Purchasing Division by e-mail (OCCO-procurement@eib.org) for the attention of Mrs. Veronique Paulon (with a request for receipt of submission), specifying the title and reference number of this procurement procedure, together with the name, email address, and the telephone number of the applicant.

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	07 July 2012
Deadline for requests for additional information	26 July 2012
Deadline to request right to access to information on potential projects	26 July 2012
Deadline for submission of EoI and Offer ("Submission Date")	13 August 2012
Notification to applicants of outcome of the evaluation, following Investment Board approval	10 September 2012
Start of negotiations on Operational Agreements	25 September 2012

The receipt dated and signed by the officer at the reception desk of the EIB who receives the EoI and the Offer (reception desk open 24 hours a day) shall form the evidence of the EoI and the Offer 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.

Applicants are directed to the important notices below. Unless expressly stated otherwise, the terms and expressions used in this document shall have the meanings set out in Appendix F. For clarity, any references to Annexes and Appendices in this Call for EoI are, unless explicitly stated otherwise, references to annexes and appendices in this Call for EoI.

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

1. The selection of the UDF will proceed in one stage divided in 2 steps as described below:
 - I. **Step 1: Assessment against Exclusion and Selection Criteria**

Eols will first be assessed against the Exclusion Criteria. Eols which are admitted in accordance with the Exclusion Criteria will be then assessed on the basis of the Selection Criteria (as outlined in Section III of Annex 3);
 - II. **Step 2: Assessment against Award Criteria**

The Offers, in the form of Business Plan(s) (prepared in line with Section IV of Annex 3), sent by the applicants not excluded and that meet Selection Criteria in accordance with Step 1 above, will be evaluated on the basis of the Award Criteria, as outlined in Appendix A.
2. Information on both Steps above is included in this document.
3. Offers must be firm and non-revisable, quoted in EURO and free of taxes and duties, the EIB being exempt therefrom under the Protocol on the Privileges and Immunities of the European Communities.
4. Each applicant must declare that it has taken note of the conditions of the Call for Eol and the Terms of Reference contained herein and has had the opportunity to gauge the scope and quality of the services required, as well as the possible difficulties.
5. The applicant cannot invoke any error, inaccuracy or omission in their submissions to call any contract into question or to attempt to have any contract amended.
6. The EIB reserves the right to reject any submission that fails to comply with the specifications of this Call for Eol.
7. The EIB reserves the right to reject any applicant:
 - I. guilty of material misrepresentation;
 - II. who contravenes any of the terms of this document; or
 - III. undergoing a change in identity, control, financial standing or other factor impacting on the selection and/or evaluation process affecting the applicant.
8. Submissions must be drawn up in writing in English (offers in other languages will not be accepted).
9. Applicants must respond to the specifications item by item.
10. The EIB reserves the right to award contracts to the applicants of its choice (subject to the approval of the Investment Board), in accordance with the criteria set out in the Terms of References or not to award a contract to any applicant or to extend the deadline for the Submission Date before the expiration date of the Call for Eol documents, at its own discretion. The EIB may cancel the procedure at any time excluding any claim of the applicants to any rights, including any rights arising under any pre-contractual liability. Applicants should only participate in the Call for Eol process 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 contract is signed, the EIB reserves the right to award this contract to a single applicant, provided that the applicant satisfies the requirements set out under this Call for Eol.
11. Participation in this Call for Eol involves acceptance of all the terms and conditions mentioned in the present Call for Eol.
12. The following documents shall form an integral part of this Call for Eol:
 - Annex 1 -“Template for Expression of Interest”
 - Annex 2 -“Declaration to be made by the applicant”
 - Annex 3 -“Technical specifications” (Terms of Reference)

13. Any requests for additional information should be addressed in writing, at the latest by 26 July 2012, to Mrs Veronique Paulon, fax: +352-4379662545, e-mail: OCCO-procurement@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 Submission Date.
14. EoI must be drawn up on paper in duplicate, i.e. one original and one copy, clearly marked as "Original" and "Copy". An electronic copy in MSWord or PDF format on a single CD-ROM marked with the name of the entity shall also be submitted.
15. Before the Operational Agreement is signed or before the funds are transferred by the EIB to the selected UDF(s), the selected applicant must undertake to comply with all current laws and provisions and to obtain all relevant permits required to provide the services described.
16. Applicants will be informed of the outcome of their submissions by communication sent out to the e-mail address that is indicated by the applicant in the EoI.
17. Applicants may be invited to a presentation, if the EIB so decides. Applicants will not be permitted to modify the terms and conditions of their submission during their presentation or at any other time after the submission has been transmitted to the EIB. The EIB reserves the right to seek additional detail from an applicant to clarify any part of an applicant's submission.
18. A list of potential projects may be made available to the applicants by the Regione Campania prior to the Submission Date. Should this be the case, applicants will be granted access to such information subject to the signature of a confidentiality agreement. In any case, the EIB reserves its right not to grant access to such information, should the application be clearly frivolous.
19. Any dispute concerning procurement conducted by the EIB falls under the jurisdiction of the European Court of Justice.

DISCLAIMER

The EIB (including any employees, officers, Investment Board members, advisers and/or contractors of the EIB who contributed to the preparation of this document) make 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 statements 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, JHFC 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 selection process) in relation to the selection process should make their own investigations and form their own opinion. In particular, the distribution or receipt of this Call for EoI shall not constitute, or be construed as, the giving of investment advice or a recommendation by the EIB of any kind.

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

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

CONFLICTS

The EIB requires all actual or potential conflicts of interest to be resolved to the EIB's satisfaction prior to the delivery of an applicant's submission. Failure to declare such conflicts and/or failure to address

such conflicts to the reasonable satisfaction of the EIB could result in an applicant being disqualified at the sole discretion of the EIB.

CANVASSING AND NON COLLUSION

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

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

INTELLECTUAL PROPERTY

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

PUBLICITY

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

COMMUNICATIONS

Applicants should note that they are expressly prohibited from contacting, 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 document from the date that the Call for EoI has been issued. All clarifications should be through the EIB as set out in the introduction to this Call for EoI.

PRIVACY STATEMENT

The personal data provided by 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 EoI and the Offer, 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 EoI to be considered, it may be mandatory to answer some or all of the questions in the declaration to be made by the applicant. The mandatory/optional nature of these questions is outlined in the specific Call for EoI document.

In order to assess the EoI and the 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 the Division Procurement and Purchasing (OCCO-procurement@eib.org). They also have the right to have recourse at any time to the European Data Protection Supervisor.

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ANNEX 1

TEMPLATE FOR EXPRESSION OF INTEREST

(name of the applicant)

EXPRESSION OF INTEREST

(place of conclusion)

(date)

(Stamp of the applicant)

1. Information about the applicant

1.1. General information about the applicant¹

EoI and Offer may be submitted by a consortium that, if awarded the contract, may assume a legal form by incorporation, partnership or otherwise which would enable the members of the consortium to contract as a single entity. Where such a consortium exists the applicant shall be responsible towards the EIB and shall act as the interface between the EIB and the members of the consortium.

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

1.2. Person authorised to submit the EoI and the Offer³

Name, surname	
Position	
Contacts Address Telephone No. Fax Email	

¹ In case the EoI and the Offer are submitted by a consortium, it will be necessary to include the information contained in the table above for each of the members of the consortium. The aforementioned information must be accompanied by a cooperation agreement signed by each of the members, including their commitments to participate in this Call of EoI, an authorisation from all the consortium's members to be represented by the leading party at all stages of the procedure, and the identification of the percentage that each of them represents in the consortium. In any case, there should be a leading party within the consortium holding more than 50% of participation.

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

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

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

Name, surname	
Position	
Contacts Address Telephone No. Fax Email	

By submitting this Eol and the Offer, the undersigned having:

- taken note of this Call for Eol;
- taken note of the specifications and documents referred to therein; and
- completed the requisite declaration (see Annex 2)

hereby

1) Declare(s) that:

- a) there is no Exclusion Criteria preventing its selection under the terms of this Call for Eol;
- b) the applicant is fully aware that resources of the JHFC, whose aim is to finance Urban Projects, are provided by the EU Structural Funds 2007-2013;
- c) the information contained in this Eol and its Annexes, and in this Offer is complete and correct in all its elements;
- d) the applicant has taken note of conditions of the Call for Eol and the Terms of Reference contained herein and has had the opportunity to gauge the scope and quality of the services required, as well as the possible difficulties.

2) Undertake(s), unconditionally, in accordance with the provisions of the aforementioned documents, to supply the services on the terms set out in this Call for Eol, the Offer to be submitted being binding upon the applicant, however, only if its acceptance is notified by the EIB within 180 days from the Submission Date.

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

ENCLOSED:

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

(position)

(name, surname)

(signature)

ANNEX 2

DECLARATION TO BE MADE BY THE APPLICANT

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

Questions 6 to 14 should be answered on behalf of the applicant and any proposed subcontractors/consortium members. These questions will be assessed on a pass/fail basis. Responses should be stated in the form of "Yes"/"No" or "Certified" with accompanying details provided where requested.

6. Are there any liens or charges outstanding against the organisation at a commercial court (or any other relevant authority)?
7. Is the applicant 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 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 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 European

Union's financial interests, or found guilty of grave professional misconduct, as sanctioned by disqualification or penalty regarding the proper pursuit of commercial or industrial occupations, or under the rules on prices and competition?

.....

.....

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

.....

.....

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

.....

.....

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

.....

13. The applicant/consortium member certifies relevant experience in the targeted market of Urban Projects. The experience requested from the applicant/consortium member includes the execution of different types of Urban Projects and different roles held by the applicant/consortium member 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/consortium member certifies that all information submitted in the previous paragraphs is correct and is supplying all the information required under this Call for EoI in good faith and without misrepresentation.

.....
.....

Done at (date)

STAMP

NAME(S)

SIGNATURE(S)

ANNEX 3

TERMS OF REFERENCE

I. GENERAL INFORMATION

A. Background on JESSICA

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

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

JESSICA responds to the request by several Member States and the European Parliament to give special attention to the need for urban regeneration and urban investments, including projects in energy efficiency, 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 UDFs investing in Urban Projects;
- creating stronger incentives for successful implementation by beneficiaries, by combining loans and other financial instruments;
- leveraging additional resources for Public-Private Partnerships ("PPP") and other public or private initiatives for urban development, with a focus on sustainability and funds recyclability in EU regions;
- contributing financial and managerial expertise from specialised institutions such as the EIB, the CEB and other (international) financial institutions.

B. European Regional Development Fund Operational Programme in Campania

The European Regional Development Fund Campania Operational Programme 2007-2013 (OP Campania)⁴ contains the following seven Priority Axes:

1. Environmental sustainability, cultural and heritage attractiveness;
2. Competitiveness of Regional productive system;
3. Energy;
4. Accessibility and transport;
5. Information Society;
6. Sustainable Urban development;
7. Technical Assistance and Cooperation.

The OP Campania currently envisages the possibility of using financial engineering instruments, specifically JESSICA, to finance initiatives under Priority Axis 6.

The aim of Priority Axis 6 is to improve inhabitants' living conditions by incorporating actions for urban development into actions to promote social inclusion and wellbeing.

⁴ Initially approved by the Commission through Decision C(2007) 4265 on September 11th, 2007 and recently modified as approved through Decision C(2012)1843 on March 27th, 2012.

Regione Campania was the first of the Convergence Regions to contemplate the possibility of incorporating JESSICA instruments in the OP Campania with the priority of employing JESSICA funds on funding revenue-generating projects and/or plan components included in the Priority Axis 6.

Projects that can be financed under Priority Axis 6 have the following general objectives:

- environmental recovery, social and economic regeneration;
- regeneration and re-use of “waterfronts”;
- renewal, regeneration and re-use of under-used or unused urban assets to create urban parks;
- aggregation of shops in particular city areas to establish outdoor retail centres, handicraft labs, expo areas, and social aggregation areas;
- improvement of local mobility systems;
- energy savings consistently with Priority Axis 3 of the OP Campania⁵.

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

Pursuant to Article 44 of Regulation 1083, Urban Projects financed by JESSICA must be a part of an Integrated Plan for Sustainable Urban Development. An Integrated Plan for Sustainable Urban Development 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.

The EU Structural Funds Regulations do not include a precise definition of, or specific requirements for, an Integrated Plan for Sustainable Urban Development. Consequently, such plans or strategies are defined by the competent authorities in the Member States and/or the managing authorities, taking into account Article 8 of Regulation 1080 and the specific urban, administrative and legal context of each region.⁶

Specifically in Campania, two Integrated Plans have been set-up for the implementation of Priority Axis 6:

- “*PIU Europa*”: this initiative is aimed at urban regeneration in 19 medium-sized cities⁷, identified with DGR no. 282/2008. According to the Regulation 1080 and the Commission’s Thematic Strategy on Urban Environment, the Regione Campania launched the process for PIU Europa on February 15th, 2008. The PIU Europa represents integrated interventions that aim at enhancing competitiveness and attractiveness of urban territories in Campania;
- “*Altre Città*”: this initiative is aimed at urban regeneration in 21 medium-sized cities⁸ (not included in the 19 from “PIU Europa”), identified with DGR no. 1026/2009. Pursuant to the public notice issued on April 11th, 2010, cities have been invited to develop projects aligned both with criteria of the Priority Axis 6 and with those defined in the framework of JESSICA. According to the chosen procedure, projects are presented by the cities during defined lapses of time - “windows” (two windows were organised in 2010: the first one from April to July and the second one from September to November; other windows may be organised, if needed).

For further details on these Integrated Plans, including their current status of implementation, please also refer to:

- PIU Europa: <http://abitare.regione.campania.it/web/home/piueuropa>.
- Altre Città: <http://abitare.regione.campania.it/web/home/avvisi>.

⁵ In accordance with the document “Criteri di selezione delle operazioni POR CAMPANIA FESR 2007/2013” approved by DGR 1663 of November 6th, 2009.

⁶ It should be noted that in Regione Campania, Integrated Plans for Sustainable Urban Development are defined by the Regional Law no. 16/2004 “Rules for territory governance” (“*Norme sul governo del territorio*”) and further specified in the delegated acts of Axis 6 of the OP Campania.

⁷ Salerno, Giugliano in Campania, Torre del greco, Pozzuoli, Casoria, Caserta, Castellammare di Stabia, Afragola, Benevento, Marano di Napoli, Portici, Avellino, Ercolano, Cava de’ Tirreni, Aversa, Battipaglia, Acerra, Scafati, and Casalnuovo di Napoli.

⁸ San Giorgio a Cremano, Torre Annunziata, Nocera Inferiore, Marigliano, Pomigliano d’Arco, Quarto, Maddaloni, Arzano, Eboli, Caivano, Melito, Pagani, Somma Vesuviana, Mugnano di Napoli, Santa Maria Capua Vetere, Nola, Sarno, Frattamaggiore, Sant’Antimo, Angri, and Marigliano.

Projects that are included in the two initiatives above are eligible for financing under the JESSICA initiative subject to the evaluation by the UDF.

As of today, Regione Campania is giving priority to those projects submitted by local authorities which have been proposed within the above mentioned Integrated Plans. The possibility to include further projects - eligible under Priority Axis 6 and/or other Priority Axes of the OP Campania and carried out in accordance with the applicable laws and the procedures set out by the Regione Campania - including inter alia interventions related to Major Projects of OP Campania with a significant contribution from private investors is currently under evaluation by the Regione Campania. Potential changes to the investment targets, including but not limited to geographical areas, eligible beneficiaries or alternative integrated planning procedures may be therefore introduced at later stage by Regione Campania.

D. JESSICA Holding Fund in Campania

The Funding Agreement for the establishment of the JHFC between the EIB and the Regione Campania⁹ was signed on March 25th, 2010.

The JHFC has been established as a separate block of finance within the EIB for the purpose of investing the contributed funds in UDF(s) which will make repayable investments in PPPs and other type of Urban Projects.

The functioning of the JHFC is supervised by its Investment Board, an independent body currently consisting of five independent members appointed by the Regione Campania.

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

The Investment Board has approved the launch of this Call for Eol for the selection of UDF(s), which will channel (under the form of loans, equity and any other equivalent financial product¹⁰) the funds contributed to it by the JHFC into specific Urban Projects.

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

- identify, appraise and lead the negotiation and structuring of financial investments in viable Urban Projects, fitting within the agreed Investment Policy of the UDF, the Investment Strategy of the JHFC and the eligibility requirements and criteria applicable to the OP Campania;
- work in coordination with the EIB, the Managing Authority and the ROO to identify possible investment opportunities in Urban Projects, either within the project pipeline of the relevant Integrated Plans or new projects that fit within the Investment Strategy of the JHFC (which may be subject to changes and modification subject to an approval by the Investment Board);
- monitor and report to the EIB on projects and other relevant matters, 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 in Urban Projects by the JHFC to be further leveraged and to ensure that sufficient Eligible Expenditure can be declared in those projects in accordance with EU Structural Fund Regulations;
- recommend and manage appropriate exit strategies from investments in Urban Projects;
- participate to meetings, promotional and marketing events and offer full support to the Managing Authority and the ROO, the Investment Board and the EIB in connection with the needs of monitoring, reporting, marketing of the JESSICA initiative in Campania.

⁹ represented by the Managing Authority of the OP Campania and the officer in charge of the Operational Objective 6.1 ("Responsabile dell'Obiettivo Operativo 6.1" o "ROO")

¹⁰ The key investment activities of the UDF(s) include, inter alia, direct lending (senior, junior or mezzanine), equity investments and other equivalent financial instruments.

E. Eligible Urban Projects

UDF(s) shall ensure that the Urban Projects are viable from an economic, social and technical point of view, and that meet the specific eligibility criteria of the JHFC. Therefore, the UDF(s) must analyse the associated risks, the financing structure and income foreseen for the parties involved in the Urban Projects, in order to establish the conditions required for the participation of the UDF in the financing of these projects, in accordance with the EU Structural Funds Regulations and the local law.

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

- are part of an Integrated Plan or are included in alternative integrated planning procedures¹¹;
- are aligned with the Investment Strategy of the JHFC (that may be subject to changes and modification by the Investment Board);
- are aligned with the relevant EU Structural Funds Regulations;
- offer an acceptable return on investment in line with market standard following the contribution of JESSICA funds;
- demonstrate soundness in terms of business model, cash flows, partners, etc.;
- are capable of ensuring economic and/or social benefits (including quantitative outputs as set in Appendix D);
- are compliant with EU State Aid Rules;
- have not been already completed (a UDF shall not re-finance acquisitions or participate in projects already completed).

II. AMOUNT ALLOCATED FOR THE CALL FOR EOI

The initial amount of JHFC funds to be allocated in response to this Call for Eoi is approximately EUR 95,250,000.

The initial amount under this Call for Eoi may be increased at a later stage by, *inter alia*, any returns on investment in the UDF, the JHFC's cash management activities, or any additional funding contributed to the JHFC for this purpose.

Previous experiences in implementing the JESSICA initiative evidenced the necessity to diversify the operational risk related to the commitment to invest and disburse to the final recipients all the amount contributed to the JESSICA initiative by 31st December 2015.

Accordingly, the EIB will allocate to each of the selected UDFs under this Call for Eoi a minimum amount of EUR 31,750,000 ("Minimum Amount") or multiples of it with the aim of having at least two (2) UDFs managing the resources contributed by the JHFC. In principle, the maximum amount to be awarded to a single applicant, being the highest scoring applicant as identified pursuant to the Award Criteria set out in Appendix A according to the procedure outlined in Section III (A)(3), is twice the Minimum Amount. However, the EIB reserves the right to award the entire amount of EUR 95,250,000 to a single UDF in case only one Offer under this Call for Eoi is received or the other applicants' Offers do not fulfil the minimum requirements set out under this Call for Eoi.

Each Offer shall clearly indicate if the applicant is applying for the Minimum Amount or for a multiple of it (and specify the respective applicable conditions), including the availability of the applicant of managing the total amount of EUR 95,250,000, if it is the case.

¹¹ Projects included in alternative planning procedure, in accordance with the relevant national and regional applicable law, the Eligibility Rules, and the objectives and selection criteria of the OP Campania, need to receive from the ROO a validation on their compliance with criteria specified within Priority Axis 6.

III. PROCUREMENT PROCESS FOR THE UDF SELECTION

The process by which the JHFC will engage with one or several UDFs consists of a single phase in which the applicants will be evaluated initially against the Exclusion and Selection Criteria and then against the Award Criteria.

- **Exclusion and Selection Criteria:** applicants not excluded due to the Exclusion Criteria will be assessed against the Selection Criteria (defined below);
- **Award Criteria:** all the Offers submitted by the applicants that are not excluded and meet the requirements set out under the Selection Criteria, will be evaluated on the basis of the Award Criteria set out in Appendix A. Appendix A also gives guidance on the evaluation criteria which will be applied to assess each section of the Business Plan.

The selection phase is described in detail in the following sections.

A. Submission of EoI and Offer

Each submission 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 in the form attached as Annex 2;
- Any supporting documents; and
- Offer in the form of a Business Plan as detailed in the section IV of Annex 3.

A.1. 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 and Offer have been submitted by a consortium, to any of its members, namely if:

- 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 EIB can justify;
- d) they have not fulfilled their obligations relating to the payment of social security contributions or the payment of taxes in accordance with the legal provisions of the country in which they are established or with those of the country of the contracting authority or those of the country where the contract is performed;
- e) they have been the subject of a judgment which has the force of *res judicata* for fraud, corruption, involvement in a criminal organisation or any other illegal activity detrimental to the Community's financial interests;
- f) they are guilty of misrepresentation in supplying the information required by the contracting authority for participation in this Call for EoI or who have not provided such information;
- g) applicants must show that they are not in one or more of the situations listed above by answering to the questions included in Annex 2, as well as providing the following evidence in relation to the items mentioned above:
 - in relation to items (a), (b), and (e) above, relevant extract(s) from the judicial record or, failing that, equivalent documentation issued by a competent judicial or administrative authority in the country of origin or provenance showing that those requirements are satisfied, not earlier than 3 months before the Submission Date. Having regard to the national legislation of the country in which they are established, these documents must relate to legal persons and/or natural persons, including, if appropriate, company directors and any person with powers of representation, decision-making or control in respect of the applicant/consortium member and,

in particular, to the person(s) empowered to represent the applicant/consortium member and sign the Operational Agreement if the applicant/ consortium member is successful. If such documents are not available in the country of origin or provenance the applicant:

- i. for any entity incorporated in Italy, such entity may provide a substitutive self-declaration pursuant to Presidential Decree, 28 December 2000, 445;
 - ii. for any entity not incorporated in Italy, such entity may provide a declaration on oath or, in Member States where there is no provision for declarations on oath, a solemn declaration made by the person concerned before a competent judicial or administrative authority, a notary or a competent professional or trade body entitled to such declaration in the country of origin stating that such documents are not available and that Exclusion Criteria (a), (b) and (e) do not apply to it.
- In relation to item (d) above, the most recent certificates issued by the competent social security and tax authorities of the country where they are established. The certificate (or substitute declaration or statement) provided must be dated not earlier than 3 months before the Submission Date. Having regard for the national laws of the Member State where the applicants are established, such requests shall relate to legal and/or natural persons, including, if appropriate, company directors and any person having powers of representation, decision or control in respect of the applicant and, in particular, to the person(s) empowered to represent the applicant and sign the Operational Agreement if the applicant is successful. Where such certificate is not issued in the country of establishment, or provenance, this can be replaced by:
- i. for any entity incorporated in Italy, such entity may provide a substitutive self-declaration pursuant to Presidential Decree, 28 December 2000, 445;
 - ii. for any entity not incorporated in Italy, such entity may provide a declaration on oath or, in Member States where there is no provision for declarations on oath, a solemn declaration made by the person concerned before a competent judicial or administrative authority, a notary or a competent professional or trade body entitled to such declaration in the country of origin, declaring that such documents are not available and that Exclusion Criteria (d) does not apply to it.
- In relation to items (c), and (f) above, a declaration made as indicated above, stating that the applicant is not guilty of professional misconduct, and is supplying all the information required under this Call for EoI in good faith and without misrepresentation. This solemn declaration should be signed by the person(s) empowered to represent the applicant and sign the contract if the applicant is selected and dated not earlier than 3 months before the final date for submissions.

A.2. Selection Criteria

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

- a) The EoI and the Offer are prepared in accordance with Annex 1, and all supporting documents are provided;
- b) Declarations indicated in Annex 2 are completed to the satisfaction of the EIB. In particular:
 - b.1. declarations and questions relating to the Exclusion criteria are completed and the relevant documents as requested by Section III.A.2 are enclosed;
 - b.2. declarations and questions relating to the following Selection Criteria are completed, i.e.:
 - b.2.1. authorisation to carry out business in Italy under the applicable regulatory framework, if applicable, a copy of all authorisations, licences, permits, approvals, consents, resolutions, exemptions, filings and registrations provided by a competent authority evidencing that the applicant/consortium member is authorised to carry out business in Italy under the applicable regulatory framework should be enclosed;

b.2.2.experience in the relevant targeted market: at least two years out of the last five (i.e. from 2007 to 2011), spent in the management of equivalent or similar projects to those foreseen in this Call for EoI.

The experience requested from the applicant under point b.2.2 above includes that derived from different types of Urban Projects executed and from different types of roles played by the applicant, including advisory services, financing of the project, execution, monitoring, audit and others. Relevant experience is related to:

- environmental recovery, social and economic regeneration;
- renewal, regeneration and valorisation of “waterfronts”;
- renewal, regeneration and valorisation of under-used or unused urban spaces to create urban parks, outdoor shopping centres, artisan labs, expo areas, and social aggregation areas;
- improvement-redesign of local mobility systems;
- safety and security improvement interventions;
- interventions on urban development including energy efficiency solutions (i.e. initiatives which have among the main objectives the purpose of reducing energy consumption and increasing the energy efficiency in the eligible sectors).

The EIB will particularly look for relevant track record in appraising, making and managing financial investments (in particular loans) made for Urban Projects.

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

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

A.3. Award Criteria

For those applicants who are not excluded and meet the Selection Criteria, Offers, in the form of Business Plan(s), will be evaluated. The Business Plan demonstrating economic viability of the Investment Policy shall be completed using the format provided in Section IV.

The EIB will identify the applicant(s) whose Offer(s) is/are evaluated as the most favourable and 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 assessment of the Award Criteria, which are outlined in Appendix A.

If applicants are willing to apply for twice the Minimum Amount, they should clearly indicate it in their Offer, and submit different Business Plans in a “modular form” (i.e. tailored to the amount envisaged to be managed so as to account for the respective applicable conditions). Offers will be first evaluated in relation to the Minimum Amount.

As regards the award of twice the Minimum Amount, the following rules shall apply:

- Should only one of the top two ranked applicants apply for twice the Minimum Amount, such amount will be awarded to such applicant provided that the Business Plan submitted for twice the Minimum Amount complies with the minimum requirements set out in Appendix A;

- Should both top two ranked applicants under such evaluation have applied for twice the Minimum Amount, their Offers will be further evaluated on the basis of the Business Plan submitted for twice the Minimum Amount in order to award such amount.

However, in case neither the first nor the second ranked applicants have expressed their wish to manage twice the Minimum Amount, the top three ranked applicants will be each awarded with the Minimum Amount

B. Operational Agreement

B.1 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(s).

In the period before an Operational Agreement is concluded it is envisaged that the Preferred Bidder(s) will continue to develop projects included in the Business Plan(s) and/or to look for other Urban 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, inter alia, improve the Investment Policy and its consistency with the OP Campania and to consider the possible inclusion of new Urban Projects.

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 to the Investment Board for approval on the awarding of the contract. 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 JHFC according to the Funding Agreement, and the selected UDF(s). The conclusion of an Operational Agreement shall be conditional on the Investment Board's approval of the award of an Operational Agreement and its key terms and conditions.

Before signature of an 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.

B.2 Term and financial conditions of the Operational Agreement with the JHFC

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

- a) the relevant rights and obligations of the UDF and the UDF manager 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 conditions which will apply to the JHFC resources contributed to the UDF, the events of default, if applicable, under the Operational Agreement and the liabilities that the UDF and/or the UDF manager will assume in this particular situation.

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

Following signature of the Operational Agreement, and upon approval by the EIB and, where appropriate, the Investment Board, funds will be disbursed from the JHFC to the UDF in accordance

with an approved disbursement profile and 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 charged in favour of the EIB or the right of the EIB to disburse the JHFC resources in several tranches. Interest on the deposits shall only be used to cover Management Fee or increase the amount of funds available for investment in Urban Projects.

The Operational Agreement signed with the UDF(s), including its main terms and conditions, may be subject to modifications, to be agreed between the parties, in case of changes of prevailing circumstances.

IV. BUSINESS PLAN

As described in Section III.A.3, the Offers in the form of Business Plan(s) are assessed against the Award Criteria.

Each Business Plan should contain the following information.

1. Legal, ownership and governance structure of the UDF¹²

1.1. Legal and ownership structure

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 the Italian legislation on the provision of financial services and compliant with the Italian regulations applying to the investment activities to be carried out.

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

The applicant shall indicate 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.

1.2. By-laws of the UDF

Where applicable, the by-laws of the UDF and licences from the competent Italian authorities giving permission to grant loans and/or provide equity and any other equivalent financial instruments to legal and natural entities should be enclosed. Such licenses should not contain any restrictions as to their validity. The UDF will be responsible for obtaining all relevant authorisations and licences relevant thereto.

For the avoidance of doubt, signature of the Operational Agreement will be conditional on receipt of these documents to the satisfaction of EIB.

1.3. Governance structure

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

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 should be outlined.

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 the internal control and the risk management procedures that will be applied to the operations of the UDF. The governance provisions shall define the mechanisms to

¹² Applicants applying for multiples of the Minimum Amount are allowed to indicate the same legal, ownership and governance structure, if this is the case, regardless of the amount that they are offering to manage.

guarantee the compliance of Urban Projects with eligibility criteria under the OP Campania, applicable local and regional legislation, and the EU Structural Funds Regulations.

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

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.

Moreover, the applicant shall specify the strategy to reinforce local presence in the Campania region through existing and/or newly established local structures, in order to develop and maintain appropriate contacts and relationships with relevant authorities (mainly the Managing Authority, the ROO and local authorities) as well as local stakeholders and project delivery bodies. As the Investment Board and the ROO are based in Naples, should the UDF structures not be located in the province of Naples but in other provinces of Campania (e.g. Salerno, Benevento, Caserta, Avellino), full availability for meetings in Naples should be ensured even if on short notice.

Finally, the applicant shall indicate possible way(s) of coordination with the Managing Authority and the ROO through consultation or propose other ways for the participation of the ROO in the process of project implementation.

2. Key Experts¹³

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

	NAME AND SURNAME	SCOPE OF DUTIES ENTRUSTED	YEARS OF EXPERIENCE	EXAMPLES OF RELEVANT EXPERIENCE
1		Key Manager of the UDF		
2		Expert on Urban Planning		
3		Expert on Energy Efficiency		
4		PPP and Project Finance Expert with specific knowledge of administrative procedures and public procurement		
5		EU Structural Funds expert		
6		Public sector finance expert		
7		EU Structural Funds financing, monitoring and reporting		

Applicants should provide the relevant experience of its Key Experts of the team in implementing the Investment Policy as described in point 3, including:

- an explanation of its experience of and approach to working with the proposed team;
- a structure diagram/table outlining key roles and responsibilities of each individual and the time they will dedicate to the UDF, both on Campania and outside (e.g. deal sourcing, negotiation, monitoring, back office, relationship management with the EIB);
- curriculum Vitae for the key experts (including sub-contractors and/or advisors where applicable) which outlines their relevant experience and competence in the targeted sectors

¹³ Applicants applying for multiples of the Minimum Amount are allowed to indicate the same key expert(s), if this is the case, regardless of the amount that they are offering to manage.

and the adequacy of each key expert with the role to be carried out. This information should be provided on no more than two A4 pages;

- Key Experts' track record in Urban Projects, in line with the objectives mentioned in Section I.B, for each example include: a description of the project; when it was established; total funds managed and number and amount of investments made. Contact name and details should be provided for at least two projects where the EIB may seek a reference.

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).

Following the signature of the Operational Agreement, any replacement or amendment of the composition of the Key Expert's team shall be notified to EIB, acting as a manager of the JHFC.

3. Investment Policy

Applicants shall describe their Investment Policy for the purpose of the Business Plan(s). The Investment Policy will be the starting point for the identification of a portfolio of Urban Projects, or at least the typology of Urban Projects they foresee to finance.

The Investment Policy will describe the following:

- a) Compliance with the objectives established in the OP Campania, in particular with those of the Priority Axis 6;
- b) Strategic focus of the UDF in terms of:
 - targeted market, particularly the sectorial and geographical coverage;
 - pipeline of Urban Projects;
 - conditions of investment products;
 - exit policy from Urban Projects;
 - conditions for reutilisation of JHFC resources; and
 - any other relevant criteria that the applicant would consider appropriate.

In defining the Investment Policy, the following outlines the limits for the number of projects and investment targets to be followed by the UDF:

- limits for the number of Urban Projects: There are no maximum or minimum limits for the number of projects that can be financed by the UDF;
- limits for the geographic area: the UDF will invest in priority in Urban Projects located in the 19 medium-sized cities identified by DRG n. 282/08, and in the 21 medium-sized cities identified by DRG n. 1026\2009. However, the geographic target may be enlarged at a later stage upon decision by the Regione Campania.

3.1. Pipeline for Urban Projects¹⁴

The implementation of the Investment Policy should be quantified through a sustainable financial model, as described in point 5, to the extent possible supported by details of concrete Urban Projects already identified ("Pipeline of Urban Projects").

The Pipeline of Urban Projects may consist of a list of projects included in the existing Integrated Plans. Some of these projects have been proposed to be funded through JESSICA and it is worth highlighting that:

¹⁴ The amount covered by the Pipeline shall be scaled up to the multiple of the Minimum Amount that the applicants are offering to manage.

- twenty-six (26) projects have been submitted by municipalities under the Altre Città initiative. The Regione Campania, through the ROO, will proceed to assess the compliance of these projects with the OP Campania before the end of June 2012;
- the PIU Europa initiative is at advanced completion status with a list of projects which have applied, amongst others, for grants. Further documents, including feasibility studies or business plans, were required by the Regione Campania, through the ROO, to allow for an appropriate cost-benefit analysis to be carried out.

Should the available information on such projects (including technical, financial, and economic data) be sufficient to perform financial or economic analysis, the applicants may be granted access to information on these projects (e.g. through virtual data room, CD-ROM, etc.) by the Regione Campania prior to the Submission Date.

In such case, applicants will be required to indicate their wish to have access to such information in writing to Mrs Veronique Paulon, fax: +352-4379662545, e-mail: OCCO-procurement@eib.org no later than 26 July 2012, and to sign a non-disclosure agreement before acceding to such information. In any case, the EIB reserves its right not to grant access to such information, should the application be clearly frivolous.

Alternatively, the presentation of the applicant's Pipeline of Urban Projects may refer to showcases of Urban Projects, either real - others than those ones included in the Integrated Plans – or fictitious ones which will be identified based on a clearly defined identification and evaluation methodology, as outlined in point 4, and it should be based on the best practices and benchmarks in the relevant field.

The presentation of real projects in Campania which may be sourced from the network of the applicant and which could be additional to the ones included in the existing Integrated Plans will be positively evaluated. Since it is required that Urban Projects are included in an Integrated Plan for Sustainable Urban Development, potential real projects should be in line with the requirements for Integrated Plans.

Against this background, applicants should be advised that the description of the typology of Urban Projects required is aimed at testing the applicants' approach to the selection, analysis and financing of Urban Projects.

In any case, the Pipeline of Urban Projects shall include at 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) conformity with the Urban Projects eligibility requirements as described in Section I (E);
- e) preliminary assessment of the socio-economic performance including a description of the social and environmental benefits in line with the main contents of Appendix D;
- f) preliminary structure of the financing, including an estimate of the expected contribution from JHFC resources.

There are no specific requirements imposed on Urban Projects with respect to financial criteria. The criteria as well as the investment products selected (loans, equity and any other instrument as indicated in point 3.2 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.

3.2. Conditions for the investment products

The UDF(s) will receive resources from the JHFC to invest in a revolving way in Urban Projects. For these purposes, loans, equity and equivalent financial instruments are the investment products that can be used by the UDF(s).

The UDF will analyse the best investment product or combination of investment products to be provided to each Urban Project according to the following boundary conditions.

- Limits for the number of investment products: there are neither maximum and/or minimum limits for loans and/or equity investments in Urban Projects nor limits in terms of the mixture of these products;
- Limits for the amount of JESSICA funds: while it is recommended that additional co-financing from other sources should exist, there is no minimum and/or maximum amount of JESSICA resources to be invested in each Urban Project to the extent the financial products comply with EU State Aid Rules;
- Limits for the technical forms: there are no limits in connection with the technical form of the investment/financing in Urban Projects by the UDF (e.g. equity, senior or junior loan, quasi-equity, shareholder loan, etc).

It is expected that the range of investment products covered by the UDF will be market driven. It should be stressed that when defining the most appropriate combination of investment products to be provided to each Urban Project, the UDF(s) will have to comply with EU State Aid Rules¹⁵, including the reference rate framework¹⁶ and EU guidelines on EU State Aid Rules for environmental protection¹⁷ where appropriate.

Applicants are expected to take their own legal advice in relation to EU Structural Funds and EU State Aid Rules.

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

The Regione Campania reserves the right to decide, later on, whether to establish a State aid scheme in relation to JHFC funds. Meanwhile, Offers shall be submitted in line with existing EU State Aid rules. Should this have an impact on the Operational Agreement to be signed, the decision will be adopted in compliance with applicable public procurement rules.

¹⁵ For information on State aid rules, reference can be found in the State aid Vademecum on the following European Commission's website:

http://ec.europa.eu/competition/state_aid/legislation/compilation/index_en.html

¹⁶ See http://ec.europa.eu/competition/state_aid/legislation/reference.html for further details

¹⁷ http://ec.europa.eu/competition/state_aid/legislation/horizontal.html

3.3. Policy of the UDF concerning exit from Urban Projects

The applicant shall describe the rules governing the exit of the UDF from investments in Urban Projects.

3.4. Reutilisation of resources by the UDF.

The UDF undertakes to repay funding received to the JHFC or to recycle it into other Urban Projects.

The JHFC retains the discretion to allow the UDF to reinvest repayments from investments in Urban Projects into other Urban Projects¹⁸. This will be decided by the Investment Board in due course.

Detailed procedures for the return of resources to JHFC or for the reutilisation of such resources by the UDF, including the winding-up provisions, if applicable, shall be set out in the Operational Agreement.

4. Methodology for the identification and evaluation of future Urban Projects¹⁹

Any specific Urban Project composing the applicant's Pipeline of Urban Projects in conformity with previous point 3 shall not be interpreted as an exhaustive or definitive list. It is expected that the selected applicant(s) will continue to look for other Urban Projects not identified at the time of presenting the Offer. To this end, the applicant should describe the methodology for the identification and evaluation of future Urban Projects including and/or reconfiguring Urban Projects to be incorporated into the existing Integrated Plans.

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

In particular, the methodology shall detail the means and the key steps applied to ensure the selected 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 needs, the applicant shall play an active role in terms of cooperation with local authorities regarding identification, selection and financing of Urban Projects and describe the proposed cooperation procedures. In particular, it is expected that the selected UDF will actively engage in structuring selected projects for investments, so as to verify whether they meet the JESSICA financial viability's requirements.

The proposed methodology should describe how the UDF will appraise financial and economic characteristics of each project. The assessment of Urban Projects 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 OP Campania; and potential to attract additional funding from other public and private sources.

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.

5. 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"), for each of the multiples of the Minimum Amount they are offering to manage.

¹⁸ In compliance with Regulation (EU) n. 1310/2011 amending Council Regulation (EC) N. 1083/2006 as regards repayable assistance, particularly Article 43b "Reuse of repayable assistance": "*Repayable assistance, repaid to the body that provided that assistance or to another competent authority of the Member State, shall be reused for the same purpose or in line with the objectives of the relevant operational programme. Member States shall ensure that an adequate record of the repayable assistance repaid is shown in the accounting system of the appropriate body or authority.*"

¹⁹ Applicants applying for multiples of the Minimum Amount are allowed to indicate the same methodology, if this is the case, regardless of the amount that they are offering to manage.

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

- a) resources committed by the JHFC to the UDF for investment in Urban Projects will be advanced upfront upon completion of all condition precedents set out in the Operational Agreement in one or several tranches (as defined in the Operational Agreement) and shall be kept as bank deposits charged in favour of the EIB, 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 terms and conditions for the bank deposits, including an indicative remuneration thereof, shall be presented in the Business Plan, although the exact terms and conditions of such deposits, and other arrangements as agreed between the parties, will be better specified in the Operational Agreement.
- b) the amount contributed to the UDF by the JHFC plus any interest accrued on the deposits shall only be used to finance eligible Urban Projects or to cover Management Fee;
- c) the financial forecast shall be in line with the Investment Policy, including the characteristics of the Pipeline of Urban Projects, the conditions for investment products, and the exit policy from the portfolio of Urban Projects;
- d) the level/form of additional financing offered by the UDF should reflect the one proposed by the applicant in point 6 below;
- e) the UDF will compensate the UDF manager for the services provided in the form of a Management Fee, as described in point 7;
- f) the EU Structural Fund Regulations require that all ERDF and national contributions must be invested by the UDF into Urban Projects by 31 December 2015. For the purpose of the Business Plan(s), it is requested, however, to prepare a Financial Model imposing a shorter period for this investment to take place according to the following scheme:

25% of the allocated funds shall be committed by 31 December 2013
70% of the allocated funds shall be invested by 31 December 2014
100% of the allocated funds shall be invested by 30 August 2015

It is likely that the Operational Agreement will impose the same investment timeline on the selected applicant(s). The Operational Agreement may 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.

6. Additional financing - Leverage²⁰

An important factor in the evaluation of the Offer will be the ability of the UDF to provide a best effort commitment to source additional financing at project level, either in cash terms or in kind, and to raise finance from other private sources. For that reason, the applicant shall present the strategy for obtaining further financing from sources other than the JHFC.

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

Notwithstanding the abovementioned, any additional 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

²⁰ The amount of additional financing shall be scaled up, if this is the case, to the multiple of the Minimum Amount that the applicants are offering to manage.

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

7. Management Fee²¹

In accordance with the EU Structural Funds Regulations, the UDF(s) will be entitled to receive a Management Fee, covering all fees and/or expenses to be incurred by the UDF, in relation, but not limited, to the selection, monitoring, supervision, administration, management and arrangement of the financing to Urban Projects and other auxiliary activities provided.

If the UDF foresees receiving a combination of its proposed Management Fee along with remuneration also received from Urban Projects, then this will have to be clearly stated in its Offer. However, should this not be the case, the UDF shall not have the right to request remuneration from Urban Projects.

The following conditions shall apply to the proposed Management Fee:

- Management Fee may not exceed, on an annual average until 31 December 2015 (“Investment Period”), 3% per annum of the capital contributed from the JHFC to the UDF²². However, the EIB is expecting Management Fee, as defined by the outcome of the competitive process, to be below this cap, especially for the period post initial identification and investment in Urban Projects;
- Management Fee shall not be calculated on the amounts due by any Urban Project to a UDF and not returned, due to a failure by an Urban Project to pay;
- Management Fee paid from JHFC resources will not exceed the time period for eligibility of costs under the EU Structural Funds Regulations, i.e. December 31, 2015. After that period, the Management Fee will be paid from moneys returned into the UDF from investments in Urban Projects.

The Management Fee should include a fixed and a contingent component, as described below:

A. Fixed part

The Fixed part of the Management Fee shall be calculated as a percentage of the resources contributed by the JHFC to the UDF for the duration of the Investment Period.

The EIB expects that the Fixed part component shall not represent more than 75% of the Management Fee.

B. Contingent part

The fixed component of the Management Fee shall be integrated with additional performance incentives. In particular, the Contingent part should provide the UDF with incentives for (i) disbursements/investments exceeding the pre-defined investment milestones, (ii) the ex-post quality of the portfolio of Urban Projects and (iii) investment of EU Structural Funds in a professional and economically efficient way in compliance with JESSICA policy objectives and EU State Aid rules. Additionally, incentives can also be set in relation to the achievement of socio-economic targets set out in Appendix D.

The Contingent part of the Management Fee shall be calculated, for the Investment Period, as a percentage of the resources allocated through the UDF to the Urban Projects, excluding the amounts written-off. After the Investment Period, Management Fee shall instead being calculated as a percentage of the repayment from the Final Recipients.

For ease of comparability of the Business Plan(s) the applicant should make reference to the investment timetable as detailed in point 5. An earlier allocation of the resources could be rewarded by means of appropriate incentives proposed by the applicant. The detailed provisions concerning the Management Fee, and the most appropriate incentive mechanism, shall be clearly defined in the Operational Agreement. Conversely, failure to meet investment

²¹ Applicants should indicate the Management Fee applicable to the multiples of the Minimum Amount that they are offering to manage, including any potential discount applied.

²¹ Art. 43(4) of Regulation 1828/2006 (amended by Commission Regulation (EC) 846/2009)

milestones 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.

The applicant should clearly indicate in the Business Plan(s) the resulting expected annual Management Fee, as a percentage of the total managed JHFC resources, broken for the periods before and after 31 December 2015. To assess the Management Fee structure, EIB will take into consideration fees payable to the UDF until 31 December 2015.

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. Potential modifications to the Investment Policy may also arise from the absence of market demand for some type of investments.

It will be important that, while there may be some replacements or amendments in terms of the individual projects, the UDF continues to deliver investment within the parameters of its Investment Policy. For this reason, any revisions to the initial Investment Policy will be subject to review and approval by the EIB and, where appropriate, the Investment Board to ensure it continues to align with the Investment Strategy of the JHFC. 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.

VI. POTENTIAL EIB FINANCIAL CONTRIBUTION TO THE UDF

Independently from managing the JHFC, the EIB may consider providing financial support on its own funds for 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 a UDF (provided such a UDF meets the relevant EIB credit criteria) or a loan extended by the EIB to the Regione Campania or any other third parties eligible to obtain financing from the EIB with a view to co-financing Urban Projects or UDF.

The Business Plan(s) for use of resources received from the JHFC shall be completed and assessed on the basis set out below. The applicants scoring less than 45 points out of 70 on the technical quality (Criteria 1 to 5) will be disregarded. This threshold is aimed at excluding offers deemed unsuitable at EIB's own discretion.

Award criteria		
Criterion	Assessment rules	Scoring for criterion
QUALITATIVE AWARD CRITERIA (1 - 5)		0-70
1. LEGAL, OWNERSHIP AND GOVERNANCE STRUCTURE	<p><u>Assessment rule:</u></p> <ul style="list-style-type: none"> • Suitability of the legal and ownership structure to the objectives set for the UDF; • Reliability and credibility of the proposed management, administration, accounting, monitoring, reporting and controlling procedures and the risk management procedures taking into account requirements of relevant EU and national legislation; • Reliability of processes that will be implemented to manage any possible conflicts of interest between the UDF and any other similar investments managed by the applicant; • Level of presence and proximity ensured by the regional network of offices and their relevant functions; • Credibility of the approach of managing engagement with public sector stakeholders, such as local authorities, and project delivery bodies as regards identification and financing of projects. 	0-10
2. KEY EXPERTS	<p><u>Assessment rule:</u></p> <ul style="list-style-type: none"> • Adequacy and relevance of the experience (years of experience, similarity of past experience in urban and/or energy project, etc.), with the JESSICA initiative and with the role foreseen in the proposed team structure; • Time availability of Key Experts in order to complete the UDF's objectives, particularly project identification/implementation proposals. 	0-10

3. INVESTMENT POLICY	<p><u>Assessment rule:</u></p> <ul style="list-style-type: none"> • Level of understanding of and compliance with JESSICA objectives and OP Campania priorities, particularly Priority Axis 6; • Level of maturity/preparation of the projects in the Pipeline of Urban Projects and probability of their execution; • Financial and socio-economic performance of the Pipeline of Urban Projects; • Presence of “quick wins” projects in the Pipeline. 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; • Evidence that investment products are compliant with EU State Aid Rules; • Reliability and credibility of the provisions for the exit policy from investments, the winding-up procedures and proposals for reutilisation of resources. 	0-30
4. METHODOLOGY FOR THE IDENTIFICATION AND EVALUATION OF URBAN PROJECTS	<p><u>Assessment rule:</u></p> <ul style="list-style-type: none"> • Appropriateness of the methodology to the specificity of Urban Projects and of the regional context; • The presence of external support for the development of potential eligible Urban Projects; • Reliability and credibility of the proposed marketing and promotional strategy; • Appropriateness of the methodology to assess eligibility of projects for EU Structural Funds financing; • Effectiveness and rapidness of the product development, time to market and organisational capacity. 	0-10

5. FINANCIAL FORECASTS, OPERATIONAL BUDGET OF THE UDF	<p><u>Assessment rule:</u></p> <ul style="list-style-type: none"> • Credibility of the financial forecasts and consistency with the Investment Policy; • The level of remuneration on idle funds (i.e. money not yet invested in Urban Projects); • The timing and quantum of the projected cash flows. 	0-10
QUANTITATIVE AWARD CRITERIA (6 - 7)		0-30
6. ADDITIONAL-FINANCING - LEVERAGE	<p><u>Assessment rule:</u></p> <p>The potential amount of external funds, including any commitment for the provision of additional financing at Urban Project level. The larger the amount invested and the higher the capacity to attract private funds to the initiative - at Urban 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 10) / (maximum proposed co-financing)</p>	0-10
7 MANAGEMENT FEE	<p><u>Assessment rule:</u></p> <p>Only Management Fee to be paid until 31 December 2015 will be taken into account under this criterion. An applicant offering the lowest Management Fee for the period until 31 December 2015 shall receive up to 18 points, the score will decrease proportionally until 0 in case of an applicant offering a Management Fee of 3% or higher for the period until 31 December 2015. As such, the following rules shall apply:</p> <p>Score = (lowest proposed management fee X 18) / (proposed management fee)</p>	0-20

	<p>Lower management fees with significant performance-related elements will receive greater credit under this criterion than higher fees and/or fee proposals with minimal performance related elements.</p> <p>The applicant may receive up to 2 points if the Contingent part accounts for at least or more than 35% of the Management Fee.</p>	
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OUTLINE OF MAIN TERMS AND CONDITIONS OF THE OPERATIONAL AGREEMENT

Outline of the terms of the Operational Agreement

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

1. An obligation 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 Policy and Business Plan.
2. An obligation of the UDF to regularly report to EIB in a standardised form and scope to be decided by EIB.
3. An obligation of the UDF to report to EIB on State aid issues.
4. An 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 of an Urban Project.
5. An obligation of the UDF to have or commit to open at least one structure (e.g. local office, branch or representative office) located in the province of Naples or in any of the other provinces of Campania.
6. An obligation of the UDF to allow access to documents related to its JESSICA operations for any national or European entity duly empowered by applicable rules to carry out audit and/or control activities.
7. Procedures for submission of semi-annual accounts by the UDF to EIB and auditing procedures to be complied with by the UDF.
8. The right of EIB to recover any losses incurred by it or JHFC due to a breach by a UDF of its obligations under the relevant Operational Agreement, in accordance with suitable market standard clauses.
9. The right of the UDF to payment of market-standard management costs, which shall not exceed the cap provided in these Terms of Reference.
10. A representation 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.
11. An undertaking by the UDF to be in compliance with all the EU State Aid Rules and EU Rules and to provide to EIB all relevant information regarding planned investments in Urban Projects. This information shall be forwarded by EIB to the Managing Authority in order to enable the Regione Campania to comply with its obligations under national or EU State Aid Rules.
12. An undertaking by the UDF to be in compliance with all the EU State Aid Rules, EU Structural Funds Regulations and EU Rules as well as any applicable laws and regulations with no limitation of contractual liability of the UDF in connection with, *inter alia*, the selection and management of the Eligible Urban Projects.
13. An undertaking that, in every investment agreement between the UDF and an Urban Project ("Project Funding Agreement"), the UDF shall provide that each Urban Project shall comply with all obligations imposed on it by the EU Rules and any other applicable laws and that each Urban Project shall do such things as may be necessary to allow the UDF to comply with its obligations under EU Rules, any other applicable laws and the Operational Agreement. In particular, every Project Funding Agreement shall include, inter alia, the following, where appropriate:
 - a) the Urban Project shall keep necessary accounts;
 - b) the UDF shall be entitled to recover any losses due to a breach by the Urban Project of its obligations under the relevant Project Funding Agreement;

- c) the UDF shall diligently, whether by negotiation or legal action, enforce its claims against the Urban Project;
 - d) the representatives of the Managing Authority, the Commission, the European Court of Auditors, EIB and any other national or European entity duly empowered by applicable law to carry out audit and/or control activities may access the premises and documents of the Urban Project (right to carry out on-site control) for the purpose of ensuring the legality and regularity of the JESSICA financing;
 - e) the UDF and/or Urban Project shall carry out adequate information and publicity measures in accordance with the provisions of the EU Structural Funds Regulations;
 - f) investment in Urban Project comes in full or in part from EU Structural Funds;
 - g) all authorisations, which the Urban Project requires to carry on business have been obtained or effected and are in full force and effect and no steps have been taken to challenge, revoke, annul or cancel them, together with an obligation to obtain when required and maintain in full force and effect and renew, where necessary, such authorisations;
 - h) the Urban Project complies with the objectives of the OP Campania; and
 - i) the Urban Project shall engage in no action or decision contrary to EU Rules.
14. An undertaking by the UDF to grant the EIB market standard securities such as the assignment by way of security of the receivables of the UDF towards the Final Recipients, the pledge over the bank accounts, the pledge over the shares of the SPV in case of equity investments etc. The EIB reserves its right to require any additional security, such as guarantees or letter of support from affiliates of the UDF.

The Operational Agreement signed with the UDF(s), including its main terms and conditions, may be subject to modifications, to be agreed between the parties, in case of changes of prevailing circumstances.

Financial conditions for the Operational Agreement

JHFC resources will be provided by EIB (acting as JHFC Manager) to the selected UDF, to provide a funding instrument bearing equity, loans or other equivalent financial instruments to Urban Projects (Project Funding Agreements).

The remuneration of the JHFC funds provided will depend upon the income generated by the portfolio of Urban Projects of the UDF. The repayment of the JHFC funding will depend on the cash-flow generated by the flows received by the UDF under the Project Funding Agreements (on-lending agreements in case of loans, equity investment agreements in case of equity participation, or the specific Project Funding Agreements that could be signed in case of other equivalent financial instruments) composing the portfolio of Urban Projects of the UDF.

The Project Funding Agreements will be signed between UDF and the entities that will develop the Urban Projects ("Final Recipients").

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

In this context, JHFC will not have any direct or indirect client funding relationship with each Urban Projects.

FINANCIAL FORECASTS AND OPERATIONAL BUDGET OF THE UDF

Objective

The financial forecasts and operational budget shall provide EIB with a sufficient degree of comfort that the applicant has assimilated the functioning of the whole structure from a quantitative point of view. In fact, the exercise consists in converting the Offer and, in particular, the aspects linked to Investment Policy, the Pipeline of Urban Projects and the investment products proposed (loan, equity and/or any other equivalent financial instruments), its main features (rates, subordination or “pari passu” and others), and the Management Fees plus additional financing proposals, into quantified cash flows.

General comments

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

The attached template consists of the following sections:

Assumptions

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

I. Macroeconomic assumptions

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

II. UDF assumptions

To the extent possible, assumptions about the funding structure should also be detailed, including: the JHFC resources, the additional financing from the UDF funds and/or external funding. Assumptions about the financial product used for each source of funding should be also detailed.

- a) The projection should include the assumptions adopted for the purpose of the financial projection;
- b) there will be no default assumptions on loans/equity operations;
- c) the assumptions concerning UDF funds and the terms of financing the Urban Projects should be supplemented with other relevant 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 Fees are to be in line with the requirements set out in other sections of this Call for EoI;
- e) other assumptions:
 - o the projection should include all other assumptions that the applicant considers relevant to the results of the financial projections;
 - o the amount of additional financing obtained by the UDF should be provided on a per year basis;
 - o the assumed rate of return of the UDF should take into account all cash flows of the UDF and be calculated using Internal Rate of Return (IRR) methodology.

III. Urban Projects financial indicators

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

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

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

IV. Results of the projection

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

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

UDF Business Plan		2012	2013	2014	2015	2016	2017	2018	2019... ²³
		1	2	3	4	5	6	7	8
I-Macroeconomic assumptions									
CPI (price increase)									
Reference Interest rate ⁽¹⁾									
⁽¹⁾ used as the base rate for the financing (e.g. IRS Term, Euribor, etc.)									
II-UDF assumptions									
Eligibility Period									
UDF Maturity									
Total JHFC funds under management									
Total external funds under management									
Total funds available to UDF									
Loan & Interests									
Total JHFC debt financing									
Unused portion of JHFC debt financing									
JHFC debt financing interest rate (gross margin)									
Average debt portfolio maturity									
Average grace period									
Total external funds debt financing									
Unused portion of external funds financing									
external funds financing interest rate (gross margin)									
Average debt portfolio maturity									
Average grace period									

²³ Maturity shall be adapted to the UDF portfolio of Urban Projects.

Total debt financing										
Equity										
Total JHFC equity financing										
Average expected returns to be earned from equity investments										
Total external funds equity financing										
Average expected returns to be earned from equity investments										
Total equity financing										
Total Amount invested in projects by UDF										
Management Fees (MF)										
MF Fixed part										
MF Contingent part										
									
Total Management Fees amount										
III-Urban Projects financial indicators										
Average IRR										
Average Project Portfolio maturity										
Average Project Portfolio payback period										
IV Results of the projections										
Balance sheet										
Total assets										
Loans granted										
Equity investments										
Cash										

Other assets										
Liabilities and reserves										
Sums due to JHFC										
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										
<u>Net cash flow from investing activities</u>										
I. Inflows										
1) interest from deposits										
II. Outflows										
<u>Net cash flow from financing activities</u>										
I. Inflows										
1) transfers from JHFC										
II. Outflows										
1) transfers to JHFC										
<u>Total Net cash flow</u>										

Economic Analysis

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

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

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

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

Economic Growth and quality of life improvements

The following economic growth and quality of life improvements shall be considered for assessing the entire programme comprising of the Urban Projects proposed to be funded by the future UDF. Contribution to the achievement of quantitative outputs established in OP Campania will depend on the character of each of the Urban Projects. The table below includes indicators that are closely linked to those relevant for the Priority Axis that have currently contributed resources to the JHFC. Indicators will be better specified in the Operational Agreement. The list includes both general indicators and specific ones and can be used to assess the impact of single Urban Projects financed and of the portfolio of Urban Projects as a whole. It is understood that individual projects will not necessarily address all areas of economic growth and quality of life improvements measures.

Area	Indicator
General (for all areas)	Number of financed Urban Projects
	Potential to attract additional funding from other public and private sources
	Potential to attract investors in other projects , which would be complementary or which could create economic or social synergies
	Private financing leverage of the UDF
	Generated investment
	Better urban and environmental standards
	Number of the new created business activities
	Number of the additional jobs in the performing area (*)

Note:

(*) Expected value

Done at (date)

EUROPEAN INVESTMENT BANK
For the attention of _____
Procurement and Purchasing Division (PROCUR)
98-100 boulevard Konrad Adenauer
L-2950 LUXEMBOURG

JESSICA HOLDING FUND FOR CAMPANIA
SELECTION OF URBAN DEVELOPMENT FUNDS

KEY EXPERTS AVAILABILITY DECLARATION

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

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

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

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

Yours sincerely,

.....
(name, surname)

.....
(signature)

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

“Award Criteria”	means the criteria used to select the UDF Preferred Bidder(s).
“Business Plan”	means each business plan, relating to any UDF, 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.
“CEB”	means the Council of Europe Development Bank.
“Cohesion Policy”	means the EU's strategy to promote and support the "overall harmonious development" 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.
“EIB”	means the European Investment Bank.
“Eligible Expenditure”	means expenditure applied in compliance with the Eligibility Rules.
“Eligibility Rules”	means the rules on eligible expenditure contained in articles 48 to 53 of the Commission Regulation (EC) No. 1828/2006 (amended by EC 846/2009 and 832/2010), which apply in accordance with article 13 of Regulation 1080/2006 (amended by EC 397/2009) of the European Parliament and of the Council (subject to the list of ineligible expenditure in article 7 of Regulation 1080) and those contained in articles 56 and 78 of Regulation 1083/2006 (amended by EC 539/2010) as well as any relevant national rules.
“ERDF”	means the European Regional Development Fund.
“EU Rules”	means the EU Structural Funds Regulations and any other applicable EU Regulations, Directives or Guidelines.
“EU Structural Funds”	means together the ERDF, the European cohesion funds and the European social funds.
“EU Structural Funds Regulations”	means Regulation 1080, Regulation 1081, Regulation 1083 and the Implementing Regulation and relevant amendments, as well as any other EU legislation from time to time applicable to the EU Structural Funds.
“EU State Aid Rules”	means those rules embodied in Articles 107 -109 of Section 2, Title VII, of the ‘Common Rules on Competition,

Taxation and Approximation of Laws- Consolidated versions of the TFEU) (2008/C 115/01) (previously embodied in Articles 87 to 89 of the EC Treaty) including any secondary legislation such as frameworks, guidelines and block exemptions produced by the European Commission, case law of the European Courts and decisions of the European Commission regarding the application of Articles 107 to 109 TFEU.

“EU”	means European Union.
“Exclusion Criteria”	means the criteria used in Step 1 of this Call for Expressions of Interest to exclude applicants.
“Final Recipient/s”	means the public or private entities that will develop the Urban Projects pursuant to the Project Funding Agreement.
“Financial Model”	means an organizational mechanism to channel the JHF funds to the Urban Projects through UDF.
“Funding Agreement”	means an Agreement establishing the JESSICA Holding Fund for Campania signed by the Regione Campania and the EIB signed on XX March 2010.
“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 (amended by EC No 284/2009 and No 539/2010) 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 (amended by EC No 397/2009 of the European Parliament and of the Council on the European Regional Development Fund, as amended, supplemented or modified from time to time.
“Information”	means any information (irrespective of form or medium on which it is recorded) relating to the UDF selection process (including but not limited to this Call for EoI) made available to or received by applicants (whether prior to this Call for EoI or at any point during the UDF selection process).
“Integrated Plans for Sustainable Urban Development”	means an integrated plan for sustainable urban development comprising a system of interlinked actions which seeks to bring about a lasting improvement in the economic, physical, social and environmental conditions of a city or an area within the city.
“Integrated Plans”	means jointly the PIU Europa plans and the DOS defined by the Managing Authority, taking account of Article 8 of Regulation (EC) No 1080/2006 and the specific urban, administrative and legal context of Region.
“Project Funding Agreement”	An agreement signed between a UDF and an Urban Project providing for financing of the Urban Project.

“Investment Board”	means the board, established in accordance with the Funding Agreement, entrusted with responsibilities regarding the JESSICA Holding Fund for Campania.
“Investment in Urban Project”	means each contribution by the UDF into an Urban Project.
“Investment Policy”	means the investment policy of the UDF as presented to EIB in the selection process as amended from time to time.
“Investment Strategy”	means the document concerning the investment strategy and the planning of the activities of the JESSICA Holding Fund for Campania in relation to the JESSICA initiative, attached to the Funding Agreement signed between EIB and the ROO.
“JESSICA Holding Fund for Campania” or “JHFC”	means the JESSICA Holding Fund for Campania, established pursuant to the Funding Agreement and in accordance with Council Regulation (EC) No. 1083/2006, as amended by EC No 284/2009 and No 539/2010 and Commission Regulation (EC) No. 1828/2006, as amended by EC No 846/2009 and No 832/2010.
“JESSICA”	means the initiative “Joint European Support for Sustainable Investment in City Areas” launched by the Commission and EIB in collaboration with the Council of Europe Development Bank, in order to promote sustainable investment, growth and jobs in urban areas.
“Management Fee”	means the fee payable to the UDF, in consideration for the services provided under the Operational Agreement.
“Managing Authority”	means the Regione Campania Managing Authority, responsible for the European Regional Development Fund (ERDF) Operational Programme 2007-2013 for Campania.
“Member States”	means the Member States of the European Union.
“Major Projects”	means an operation comprising a series of works, activities or services intended in itself to accomplish an indivisible task of a precise economic or technical nature, which has clearly identified goals and whose total cost exceeds EUR 25 million in the case of the environment and EUR 50 million in other fields as defined in Articles 39 et seq. of Reg. 1083.
“Offer”	means the Business Plan to be submitted by applicants in Step 2 of this Call for Expressions of Interest.
“OP Campania”	means the European Regional Development Fund (ERDF) Operational Programme 2007-2013, developed in accordance with Article 37 Regulation. 1083, a part of which shall be administered by the JESSICA Holding Fund for Campania, in accordance with the provisions of the Funding Agreement.
“Operation”	means each activity connected to investments in a revolving way in public-private partnerships or other projects included in an Integrated Plan for Sustainable Urban Development, according to Regulation 1828, Article 46.

“Operational Agreement”	means an agreement between the EIB, acting as JHFC manager and the selected UDF.
“Operational Objective”	refers to an operational objective from an operational programme, in this case the Operational Programme for Campania 2007-2013.
“Operational Period”	means the period following Operational Agreement’s signature until full reimbursement from the UDF to JHFC of the contribution received, it hence also include the period in which JHFC resources are disbursed to the UDF but not yet invested into Urban Projects.
“Pipeline of Urban Projects”	means the initial sample of Urban Projects, identified by the UDF and included in the Business Plan.
“Preferred Bidder”	means an applicant whose Offer is evaluated as the most favourable.
“Priority Axis”	means a set of specific aims within a programme that are to be tackled by the delivery of particular Activities. The choice of priority axes should be justified in light of the NSRF thematic priorities and the specific objectives of the programme. The financial allocation for each priority axis should be justified by the programme strategy.
“Regulation 1080”	means Regulation (EC) No. 1080/2006 of the European Parliament and of the Council of 05 July 2006 on the European Regional Development Fund and repealing Regulation 1783/1999/EC, as amended, 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.
“Regione Campania”	means the Regione Campania.
“ROO”	means the person or department which is responsible under the OP Campania, for managing, implementing, monitoring and day-to-day control of the operations within the Operational Objective 6.1.
“Selection Criteria”	means the criteria used in Step 1 of this Call for Expressions of Interest to select those applicants whose Offers (in the form of a Business Plan) will be evaluated under Step 2.
“Selection Panel”	means the panel assessing the EoI, and if applicable the subsequent Offer of the applicants using the Award Criteria

“Specific Objectives”	means specific objectives to be achieved by Urban Projects according to the ERDF 2007-2013 Regional Operational Programme for Campania.
“Terms of Reference”	means terms of reference for the selection of the UDFs.
“TFEU” or “Treaty”	means Treaty on the Functioning of the European Union
“Urban Development Fund” or “UDF”	means a vehicle investing in one or more Urban Projects as defined in Article 44 Regulation 1083.
“Urban Project”	means a public private partnership or other public or private project included in an Integrated Plan for Sustainable Urban Development as described in Article 44 Regulation 1083.