



European Regional  
Development Fund  
Investing in your future

**Call for Expression of Interest:**

**Ref.: VP-1068**

**Subject: Selection of Greener Affordable Housing Urban Development Fund**

The European Investment Bank (EIB) is launching a Call for Expressions of Interest (Call for EoI), under the Joint European Support for Sustainable Investment in City Areas (JESSICA) initiative, with the aim of selecting an Urban Development Fund (UDF) that will initially receive financing of at least GBP 12 million from the London Green Fund to make repayable investments in energy efficiency (EE) retrofit of existing social housing in Greater London. The amount allocated to this Call for EoI may, however, increase over time up to a maximum of GBP 100 million for potential additional investments in London or any other part of the UK.

The selection of the UDF will proceed in a single stage as described below. If you wish to participate in this Call for EoI, please forward your Expression of Interest (EoI) (prepared in accordance with the instructions in this document) enclosed in two sealed envelopes, the outer envelope bearing instructions not to open the inner envelope, which should be marked:

**DO NOT OPEN:**

**Ref.: VP-1068**

**Subject: Selection of Greener Affordable Housing Urban Development Fund**

**Deadline for receipt of expression of interest: 17 September 2012**

and delivered either by:

(a) registered post, to the following address:

EUROPEAN INVESTMENT BANK  
For the attention of Véronique Paulon  
Ref.: VP-1068  
Procurement and Purchasing Division  
98-100 boulevard Konrad Adenauer  
L-2950 LUXEMBOURG

by midnight on 17 September 2012 at the latest, as evidenced by the postmark; or by,

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

EUROPEAN INVESTMENT BANK  
For the attention of Véronique Paulon  
Ref.: VP-1068  
Procurement and Purchasing Division  
98-100 boulevard Konrad Adenauer  
L-2950 LUXEMBOURG

The EoI must be posted or handed in by 17 September 2012 at the latest (up to midnight Luxembourg time in the case of delivery as described in (b) above).

The indicative timetable for this Call for EoI, which may be subject to change, is:

Activity	Timing
Issue of Call for EoI	7 August 2012
Deadline for requests for additional information	30 August 2012
Deadline for submission of EoI	17 September 2012
Notification to applicants of outcome of assessment	Early October 2012
Anticipated conclusion of Operational Agreement following Investment Board approval	Mid December 2012

The receipt dated and signed by the employee at the reception desk of the EIB who receives the EoI (reception desk open 24 hours a day) shall form the evidence of the EoI having been handed in.

Applications will not be accepted if they:

- a) are not sent in two sealed envelopes;
- b) are not sent or delivered by hand to the EIB before the specified deadline (as evidenced by the postmark or receipt signed and dated by the officer at the reception desk);
- c) do not conform to the provisions of this Call for EoI.

Applicants are directed to the important notices below. Unless expressly stated otherwise the terms and expressions used in this document shall have the meanings set out in Appendix D.

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

1. The selection of the UDF will proceed in a single stage, which will consist of two parts:
  - a. **Part 1 (applying the Exclusion and Selection Criteria):** EoIs will first be assessed against the Exclusion Criteria (as outlined in Section III (a) of Annex 3). EoIs which are not excluded in accordance with the Exclusion Criteria will then be assessed on the basis of the Selection Criteria, which are included in Annex 2.
  - b. **Part 2 (applying the Award Criteria):** all EoIs should contain an Offer (in the form of a Business Plan). The Offers contained in EoIs that have passed Part 1 (i.e. which have not been excluded per the Exclusion Criteria and which meet the Selection Criteria) will then be assessed against the Award Criteria. The Award Criteria are set out in Appendix A.
2. While all EoIs should contain the information required to assess Parts 1 and 2, the EIB shall be under no obligation to assess any Offers should applicants fail to pass Part 1. Applicants therefore prepare an Offer (in the form of a Business Plan) entirely at their own risk.

3. Offers must be firm and non-revisable, quoted in UK pounds sterling (GBP) and free of taxes and duties, the EIB being exempt there from 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 EoI and the Terms of Reference contained herein and has had the opportunity to gauge the scope and quality of the services required, as well as the possible difficulties.
5. An applicant cannot invoke any error, inaccuracy or omission in its application and/or Offer to call any contract into question or to attempt to have any contract amended.
6. The EIB reserves the right to reject any application that fails to comply with the specifications of this Call for EoI.
7. The EIB reserves the right to reject any applicant:-
  - (i) guilty of material misrepresentation;
  - (ii) who contravenes any of the terms of this document; and/or,
  - (iii) undergoing a change in identity, control, financial standing or other factor impacting on the selection and/or evaluation process affecting the applicant.
8. Applications must be drawn up in writing in English (applications in other languages will not be accepted). Any official documents in a language other than English must be accompanied by a certified translation.
9. Applicants must respond to the specifications item by item.
10. The EIB reserves the right to award a contract to the applicant of its choice (subject to the approval of the Investment Board), in accordance with the Award Criteria set out in the specifications, or not to award a contract to any applicant. The EIB may cancel this procurement procedure without notice at any time. Applicants should only participate in the UDF Selection process on the understanding that they would not be entitled to any form of compensation, should the EIB decide to interrupt the procurement procedure or cancel the procurement process before the contract is signed.
11. Participation in this Call for EoI shall be taken as acceptance of all the terms and conditions mentioned in this Call for EoI and the conditions of the specifications.
12. The following documents shall form an integral part of this Call for EoI:
  - Annex 1 -"Template for Expression of Interest"
  - Annex 2 -"Declaration to be made by the applicant"
  - Annex 3 -"Technical specifications" (Terms of Reference)
13. Any requests for additional information on the EoI, should be addressed by email by 30 August 2012 at the latest to Véronique Paulon at: [OCCO-procurement@eib.org](mailto:OCCO-procurement@eib.org). The EIB will reply to requests before the deadline for submission of applications. Please note that the EIB responses to any queries or clarification requests may be circulated to all applicants at the EIB's discretion.
14. The EIB reserves the right to seek additional detail from an applicant to clarify any part of an applicant's submission.
15. EoI must be drawn up on paper, the original. **One electronic copy should also be submitted on CD or USB stick.**
16. Before the assignment begins, the selected applicant must undertake to comply with all current laws and provisions and to obtain all relevant permits required to provide the services described.
17. Applicants will be informed by post of the outcome of their applications.
18. Applicants may be invited to a presentation, if the EIB so decides. Applicants will not be permitted to modify the terms and conditions of their application during their presentation or at any other time after the application has been submitted to the EIB.
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, London Green Fund Investment Board members, employees and officers of the Agency, 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 statement contained in such Information of which it becomes aware after the date of release of that Information. The EIB shall not be liable to any person for any damages, losses, costs, liabilities or expenses of any kind which it may suffer as a consequence of relying upon such Information.

Any person considering making a decision to enter into contractual relationships with the EIB and/or any other person on the basis of the Information provided to (or otherwise received by) applicants (whether prior to this Call for EoI or at any point during the 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 contractual effect.

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

For the purposes of the selection process, all advisors of the EIB are acting exclusively as the advisors to the EIB and will not be responsible or owe any duty of care to anyone other than the EIB in respect of the selection 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.
- (ii) contacts any Investment Board member, employee or officer of EIB about any aspect of this document in a manner not permitted by this document;
- (iii) fixes or adjusts the amount of his offer or submission by or in accordance with any agreement or arrangement with any other applicant or consortium member or supply chain member of any other applicant (other than its own consortium members or supply chain);
- (iv) enters into any agreement or arrangement with any other applicant or potential applicant or consortium member of any other applicant or potential applicant to the effect that it shall refrain from making a submission or as to the amount of any submission;
- (v) causes or induces any person to enter such agreement as is mentioned above or to inform the applicant or a consortium member of the applicant of the amount or approximate amount of any rival submission;

(vi) canvasses any person in connection with this document who is not one of its own consortium members or one of its own team;

(vii) offers or agrees to pay or give or does pay or give any sum of money, inducement or valuable consideration directly or indirectly to any person for doing or having done or causing or having caused to be done in relation to any other submission or proposed submission ; or

(viii) communicates to any person other than EIB the amount or approximate amount of his proposed submission (except where such disclosure is made in confidence in order to obtain quotations necessary for the preparation of a submission).

## **INTELLECTUAL PROPERTY**

The copyright in this document is vested in the EIB.

This document may not be reproduced, copied or stored in any medium without the prior written consent of the EIB except in relation to the preparation of a submission.

All documentation supplied by the EIB in relation to this 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.

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## **ANNEX 1 – Template for Expression of Interest**

### TEMPLATE FOR EXPRESSION OF INTEREST

\_\_\_\_\_  
(name of an applicant)

### EXPRESSION OF INTEREST

\_\_\_\_\_  
(place of signature)

\_\_\_\_\_  
(date)

## **1. Information about the applicant**

### **1.1. General information about the applicant**

Expressions of Interest 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 (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 Eol\*

Name, surname	
Position	
Contacts: Address Telephone No Fax Email	

\* In case of the Eol being submitted by a consortium, a power of attorney or a cooperation agreement authorising the attorney to submit the Eol and the Offer (in the form of a Business Plan) and to represent the consortium at all stages of the selection procedure on behalf of the partners jointly applying for the contract.

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

Name, surname	
Position	
Contacts: Address Telephone No Fax Email	

By submitting this Eol, the undersigned declare(s) that:

1. the applicant is fully aware that resources of the London Green Fund, which for the purposes of this Call for Eol, aims to finance energy efficiency retrofit of social housing via a UDF, are part-funded by the European Regional Development Fund (ERDF) and that all resources are therefore subject to the EU Structural Funds Regulations; and,
2. the information contained in this Eol and accompanying Annex 2 is complete and correct in all its elements.

#### ENCLOSED:

1. Declaration to be made by the applicant in Annex 2

2. Supporting documents relating to Annex 2 (to be completed by the applicant):

- a) ...
- b) ...
- c) ...

3. Evidence relating to the Exclusion Criteria as set out in section III (a) of Annex 3 (Exclusion Criteria) below:

a) ...

b) ...

c) ...

\_\_\_\_\_

(position)

\_\_\_\_\_

(name, surname)

\_\_\_\_\_

(signature)

- having taken note of this Call for EoI;
- having taken note of the specifications and the documents referred to therein; and,
- and having completed the requisite declaration (see Annex 2), hereby undertake unconditionally, in accordance with the provisions of the aforementioned documents, to supply the services on the terms set out below in this Call for EoI, this application being binding upon the organisation, however, only if its acceptance is notified by the EIB within 180 days of the date of opening of applications.
- Is authorised to do so on behalf of any subcontractors / consortium members listed in 1.1 of Annex 1 and in doing so commits those subcontractors / consortium members to supply the services on the terms set out below in this Call for EoI, for 180 days from the date of opening of applications.

**ANNEX 2 – Declaration to be made by the applicant**

**STAGE 1 DECLARATION TO BE MADE BY THE APPLICANT**

- 1. Name of the applicant .....
- 2. Type of business .....
- 3. Represented by (name and position).....  
(in case of the EoI being submitted by a consortium provide evidence of a declaration, a power of attorney or a cooperation agreement authorising the attorney to submit the EoI and the Offer (in the form of a Business Plan) and to represent the consortium at all stages of the selection procedure on behalf of the partners jointly applying for the contract)

- 4. The applicant (which is expected to be the UDF manager) warrants that it has any necessary permissions under the Financial Services and Markets Act 2000 (“FSMA”) to carry out any FSMA regulated activities required of it as the UDF manager.  
  
The applicant further warrants that an investment grade credit rated custodian bank will be used for deposits and transfers of any funds provided by, or to be returned to, the London Green Fund.  
  
(provide company number and FSA registration number if applicable. If no FSMA permissions are considered necessary, please state “N/A”)  
.....

Questions 5 to 11 should be answered on behalf of the applicant and any proposed subcontractors / consortium members. These questions will be assessed on a pass/fail basis. Responses should be stated in the form of “Yes” / “No” or “Certified” with accompanying detail provided where requested, either in the space provided or on separate sheets which should be referenced by the applicant.

- 5. Are there any liens or charges outstanding against the organisation at a commercial court (or any other relevant authority)? .....
- 6. Is the applicant in receivership (or the subject of equivalent proceedings)?.....  
If so:  
(a) date of the receivership order: .....  
(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: .....
- 7. The applicant certifies that neither the organisation nor any of the persons authorised to act on its behalf are in liquidation:.....

8. Has the applicant been the subject of any sentence, disqualification or penalty regarding the proper pursuit of commercial or industrial occupations, or under the rules on prices and competition?.....

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

.....  
.....

10. The applicant certifies that it has complied with its tax and social obligations:

.....  
.....

11. The applicant certifies the relevant experience of its team (including proposed subcontractors/advisors) in the targeted market of social housing lending, in particular where this involves energy efficiency/retrofit works. Applicants are requested to provide:

- Evidence of at least 10 years experience in lending to social housing providers in the UK, including the taking of security over social housing stock.
- An explanation of their approach to lending to social housing providers both in London and elsewhere in the UK, and the benefits this approach has for providers. To illustrate their experience, applicants should provide examples (no more than one A4 page each) of up to four previous projects, highlighting where possible any retrofit/refurbishment/green aspects. Contact names and details should be provided for these example project investments where the EIB may seek a reference.
- An explanation of its experience of raising funding from corporate and/or institutional sources (such as banks and capital market investors) for investment in social housing.

12. Applicant certifies that the information given above is correct.

.....

Done at ..... (date) .....

STAMP

NAME(S)

SIGNATURE(S)

## ANNEX 3 – Technical Specification (terms of reference)

### I. GENERAL INFORMATION

#### a. European Regional Development Fund in London

The London European Regional Development Fund (ERDF) Operational Programme 2007-2013<sup>1</sup> (the 'London OP') provides a framework for the investment of €182m of ERDF allocated to London for the period 2007-2013. The vision for the London OP, which was approved by the European Commission (Commission) in December 2007, is:

***“to promote sustainable, environmentally efficient growth, capitalising on London’s innovation and knowledge resources with a focus on promoting social inclusion through extending economic opportunities to communities, in areas where this is most needed.”***

The broad investment priorities (called 'Priority Axes' in Commission terminology) identified in the London OP, together with the European Union (EU) Structural Funds allocated are:

Priority Axis	Theme	ERDF allocated
1. Business innovation and research and promoting eco-efficiency	1. Developing a culture of, and capacity for, creating and using innovation throughout London’s businesses to create sustainable economic growth; and, 2. Leveraging value from London’s world-class knowledge base to benefit London’s economy.	£43m (revenue)
2. Access to new markets and access to finance	1. Enabling access to appropriate investment finance to support innovation and growth; and, 2. Improving small and medium enterprises' (SME) access to new market opportunities.	£44m (revenue)
3. Sustainable places for businesses	Environmental enhancement of working premises and surrounding spaces, and support for business clusters.	£62m (capital)
4. Technical assistance	1. Support, development and enhancement of the management of the London OP; and, 2. Support to strengthen the implementation of the London OP priorities	£6m (revenue)

Underpinning each of these priorities there is a commitment to equality of opportunity and environmental sustainability. In London EU Structural Funds are allocated to projects / initiatives through an open and competitive process.

#### b. Background to JESSICA

The Joint European Support for Sustainable Investment in City Areas (JESSICA) is an initiative developed by the European Commission and the EIB, in collaboration with the Council of Europe Development Bank (CEB). Under new procedures, Member States and regions are being given the option of using part of their EU Structural Fund 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, and is based on the scarcity of investment funds to finance integrated urban renewal and regeneration projects in pursuit of more sustainable urban communities. JESSICA has therefore been launched with a view to providing new opportunities for managing authorities responsible for the current generation of cohesion policy programmes by:

- ensuring long-term sustainability through the revolving character of the EU Structural Funds contribution to UDFs specialising in investing in Urban Projects;
- creating stronger incentives for successful implementation of Urban Projects by beneficiaries, by combining grants with loans and other financial instruments;

<sup>1</sup> See <http://www.london.gov.uk/erdf/programme-content>

- leveraging additional resources for Urban Projects with a focus on sustainability/recyclability in the regions of the EU;
- contributing financial and managerial expertise from specialist institutions such as EIB, CEB, and other international financial institutions.

### **c. JESSICA in London**

The London OP outlined the potential to invest a significant proportion of Priority Axis 3 funding through a JESSICA funding mechanism, the London Green Fund. The main objective of Priority Axis 3 is to improve the competitiveness of economically and socially deprived areas of London to secure their long term regeneration through supporting development of high quality working environments and low/zero carbon employment sites and premises.

Energy efficiency is critical to reducing the capital's carbon footprint, and more efficient use of energy is at least as important for London's sustainable energy strategy (in addition to delivering low/zero carbon employment sites) as the development of renewable sources / low carbon demonstration projects.

London generates around 47.5m tonnes of carbon per year. The Mayor of London's target is to reduce this by 60% from a 1990 baseline by 2025. The GLA is responding by investing in a number of programmes to cut London's carbon dioxide emissions and to adapt to climate change, including investing in improving the energy efficiency of London's buildings. This UDF will support this agenda, as well as benefitting social housing tenants.

Buildings represent 71% of London's CO<sub>2</sub> emissions emitting a total of 31.5m tonnes<sup>2</sup> per year. This UDF will help reduce the amount social housing contributes to this total.

### **d. Initial funding allocation to the Greener Affordable Housing Urban Development Fund ("UDF")**

The current allocation to the London Green Fund is £100m – comprising £50m of ERDF, £18m from the LWARB and £32m from the GLA.

The London Green Fund will invest in climate change agenda sectors, eligible under the London OP, such as waste, energy efficiency (EE) and decentralised energy (DE). The EIB has already appointed two UDF managers (for waste and energy efficiency).

The initial allocation from the London Green Fund to the Greener Affordable Housing UDF is £12m. The amount invested by the EIB into this UDF may be increased at a later stage using any other resources which may become available, including potentially from the London Green Fund, other UK ERDF or ESF Operational Programmes (including potentially funding that may be available to the UK under the UK's EU Structural Funds operational programmes for 2014-2020) or any other non-EU funded sources.

It should be noted that EU Structural Funds Regulations apply to the initial £12m being made available from the London Green Fund.

### **e. London Green Fund governance**

An independent Investment Board has been established to oversee the London Green Fund. The Investment Board will, broadly, be responsible for approving or rejecting recommendations made to it by the EIB as the London Green Fund manager including the terms and conditions of contracts with the UDFs.

The EIB, as the London Green Fund manager is broadly required to:

- Hold the assets of the London Green Fund and carry out temporary cash management of funds not yet invested in UDFs;

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<sup>2</sup> <http://www.lda.gov.uk/our-work/climate-change-and-the-environment/energy-efficiency/>

- Procure the UDFs through a transparent and competitive Call for EoI process. This will include reviewing the UDF structure put forward by potential UDF managers (being either independent legal entities or separate blocks of finance within financial institutions) and the management thereof;
- Investing, on behalf of the London Green Fund, in UDFs (via Operational Agreements). These Operational Agreements will also specify how the UDFs will invest in Urban Projects; and,
- Monitor and report on the actions of the UDFs and their investments in underlying Urban Projects.

#### f. Overall role of UDF manager

This Call for EoI is for a UDF manager to invest in ERDF-eligible energy efficiency retrofit measures in existing social housing in Greater London (“Urban Projects”). The key tasks for the UDF fund manager include:

- Identification and execution of loans to viable Urban Projects;
- Leveraging other resources to augment the London Green Fund's £12m and create a larger pool of investment specifically for energy efficient affordable housing in Greater London;
- The setting (and subsequent delivery) of Output Targets for Co2 reduction with the London Green Fund £12m investment;
- Monitoring compliance and risk in accordance with the EU Structural Funds Regulations and applicable national rules; and,
- Achieving repayment of London Green Fund resources, so that these may be repaid to EIB (in its role as manager of the London Green Fund).

## II. DETAILED REQUIREMENTS FOR THE UDF

### a. Eligible expenditure

The UDF should put forward proposals for investment by way of repayable loans to social housing providers. Any loan made with the London Green Fund £12m must be reflected in £12m of Eligible Expenditure for ERDF purposes at the level of the Urban Project.

ERDF regulations permit usage of structural funds for certain energy efficiency measures relating to social housing<sup>3</sup>.

#### (i) Operational Programme

All expenditure funded by the London Green Fund needs to comply with the London ERDF Operational Programme, specifically the criteria in Priority 3 (see for example pages 55 to 58).

The following lines in the table on page 58 of the Operational Programme are highlighted:

**The adaptation and/or refurbishment of existing buildings to make them more sustainable and environmentally friendly...includ(ing) at least the following areas of sustainable design and construction: energy and water efficiency; micro-generation and renewable technologies; use of sustainable and recycled materials;** waste management strategy and recycling facilities; sustainable flood risk management and the incorporation of sustainable drainage systems; integrated landscaping for people and biodiversity; and improved accessibility. [bold emphasis added]

#### (ii) Specific eligible measures

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<sup>3</sup> See Reg 1080 (Reg397/2009)

An Urban Project receiving investment from the £12m to be allocated from the London Green Fund may be eligible for investment if it is:

- Part of an Integrated Plan for Sustainable Urban Development, which for this UDF means the London Plan and the Mayor's Climate Change Mitigation and Energy Strategy<sup>4</sup>;
- Compliant with national eligibility rules within the meaning of Article 56(4) of Regulation No 1083/2006, as set out by the Department of Communities and Local Government ("DCLG") and the specific criteria set out in this Call for EoI;
- Compliant with the EU Structural Funds Regulations<sup>5</sup>. Applicants should be aware that as the UDF will be investing public monies, they must ensure that investments into Urban Projects are state aid compliant<sup>6</sup>. In the case of investment in social housing, this generally falls within the definition of a Service of General Economic Interest, and so is not classified as state aid. However, the UDF will be responsible for ensuring compliance with any relevant State Aid rules;
- Compliant with the London ERDF Operational Programme, Priority 3, in relation to energy efficiency. In the context of refurbishing existing buildings to make them more sustainable and environmentally friendly, the GLA (as Managing Authority for the London ERDF Operational Programme) has set out a range of specific measures which it considers fit with this requirement. These include, but are not necessarily limited to:

#### **Heating/ventilation**

- Condensing boilers
- Heating controls
- Under-floor heating
- Heat recovery systems
- Flue gas recovery
- Chillers
- Heating ventilation and air conditioning control
- Variable speed drives for fans and pumps

#### **Building fabric**

- Cavity wall insulation
- Loft/flat roof insulation
- Internal/external wall insulation
- Floor insulation
- Draught proofing and sealing improvements
- Duct insulation
- Pipework insulation
- Heating system insulation
- Energy efficient glazing and doors
- Solar blinds, shutters and shading devices

#### **Microgeneration**

- Ground/air/wind source heat pumps
- Solar PV/solar water heating
- Biomass boilers
- Micro CHP (electrical capacity of 50kW or less)
- Larger scale CHP and district heating

#### **Water**

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<sup>4</sup> <http://www.london.gov.uk/who-runs-london/mayor/publication/climate-change-mitigation-energy-strategy>

<sup>5</sup> Further information on the EU Structural Fund regulations specifically related to JESSICA can be found at: [http://ec.europa.eu/regional\\_policy/funds/2007/iii/jessica\\_en.htm](http://ec.europa.eu/regional_policy/funds/2007/iii/jessica_en.htm)

<sup>6</sup> Further information on state aid, including the reference rate framework (where appropriate) can be found at: [http://ec.europa.eu/competition/state\\_aid/legislation/reference.html](http://ec.europa.eu/competition/state_aid/legislation/reference.html)

- Hot water controls
- Hot water showers and systems
- Hot water taps
- Waste water heat recovery attached to showers

## Lighting

- Lighting systems, fittings and control

and such other ECM technologies as may be approved by the EIB from time to time (consulting as necessary with the GLA).

As is required of all EU Structural Funds initiatives, the UDF should demonstrate additionality, for example by:

- Complementing similar London initiatives, such as the work of the Greater London Authority (in particular the RE:NEW<sup>7</sup> programme) and the National Housing Federation;
- Helping to address issues faced particularly by small and medium registered housing providers who are currently facing restricted access to long term, affordable bank finance; and
- Where possible, sourcing additional Complementary Financing to enable the investment made by the London Green Fund to be further augmented for the benefit of social/affordable housing in London, either through more retrofit or energy efficient new build activities.

EU Structural Funds Regulations stipulate that UDFs shall not re-finance acquisitions or participations in projects that have already been completed.

For any future funding which may be made available to the UDF from sources other than the London Green Fund, the specific eligibility criteria will depend on the source of any such funding, and therefore these criteria will be confirmed at the relevant time.

### **(iii) Geographic focus**

Investments made with the London Green Fund's £12m should, where possible, be located in "opportunity, regeneration or intensification" areas of London as set out in the London Plan. However, there is flexibility to invest elsewhere within Greater London if the impact of the investment against, for example, the Output Targets of the fund and/or wider London OP objectives can be clearly demonstrated.

Any geographical criteria applying to investments which may be made with future funding beyond the initial London Green Fund £12m will be subject to confirmation at the relevant time.

### **(iv) Output Targets**

The outputs achieved with the £12m from the London Green Fund will need to be recorded by the UDF manager. The key outputs to be collated and reported on are:

- Expected Co2 reduction (in tonnes annual output) achieved across the portfolio of investment made with the £12m; and
- jobs created/maintained as a result of the works.

No minimum Output Targets have been set. It will be for applicants to propose appropriate targets for each indicator based on the investment strategy proposed in their Business Plan.

### **(v) Social Housing**

The definition of social housing is contained within Articles 68 – 70 of the Housing and Regeneration Act 2008<sup>8</sup>, a summary of which is set out in Appendix B. Applicants are responsible for ensuring

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<sup>7</sup> <http://www.london.gov.uk/priorities/environment/climate-change/energy-efficiency/homes-energy-efficiency-for-tomorrow>

investment is only made in properties qualifying as social housing, taking account of changes in legislative definitions as may happen from time to time. Vulnerable households are defined for these purposes as those in receipt of at least one of the principal means tested or disability related benefits.

Energy efficiency measures in any form of privately owned residential property are specifically **excluded** from receiving investment from the London Green Fund.

For the avoidance of doubt there are no limits on the use of Complementary Finance, secured by the UDF, for other investment in social housing, for example new build. Additional credit under the Award Criteria will however be given to proposals which demonstrate energy efficiency elements in any new build to be funded with Complementary Finance.

#### **b. UDF legal structure**

The UDF can either be:

- An independent legal entity governed by agreements between the co-financing partners or shareholders; or,
- A separate block of finance within a financial institution (i.e. without the need for establishing a separate legal entity).

#### **c. Form of investment**

It is anticipated that the UDF will invest in Urban Projects through the provision of debt. The London Green Fund therefore anticipates making an investment into the UDF in the form of a loan. It is expected that all payments of interest and capital generated on the London Green Fund element of the investment will be passed back to the EIB/London Green Fund when they arise. However, interest payments may be remitted to the London Green Fund net of management fees if any such fees are proposed by the applicant. No other method of paying management fees will be permitted.

Drawdowns should only be made in line with the operational needs of the UDF in providing loans to Registered Providers. The key principles and conditions precedent to drawdown will be documented in a loan agreement (referred to here as an "Operational Agreement") with the Preferred Bidder.

Any funds drawn down by the UDF, but not yet disbursed to Urban Projects, shall be kept as bank deposits unless otherwise indicated by EIB and agreed between the EIB and the UDF in the Operational Agreement. Interest on these deposits shall be used to increase the amount of funds available for investment in Urban Projects.

The £12m made available from the London Green Fund must be invested into Urban Projects by the UDF by no later than 31 December 2015, although it is expected that the UDF will achieve this considerably sooner. An appropriate security/collateral structure to protect the LGF investment is also expected.

Applicants should note that it is possible to invest in Urban Projects where some components of the project are not Eligible Expenditure (for example, where a social housing provider is undertaking both retrofit and new build works as part of a capital investment programme). Where this occurs, separate accounting systems/coding must be used for co-financed expenditure down to the Urban Project level for reporting purposes. However, for the avoidance of doubt, any funding originating from the LGF must be invested in the eligible component.

The UDF may provide 100 per cent of the capital funding required for individual Urban Projects, subject to ensuring that all expenditure incurred is Eligible Expenditure. However, the UDF is expected to put in place investment restrictions to ensure that, as far as possible, the London Green Fund's investment into the UDF and the underlying Urban Project risks it is exposed to are mitigated through project portfolio diversification (e.g. maximum amount committed to any one Urban Project / contracting party).

It will be for the UDF manager to set loan interest rates to underlying borrowers, although these should (subject to meeting any applicable EU State Aid rules) be no lower than 3% per annum. There is no

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<sup>8</sup> [http://www.opsi.gov.uk/acts/acts2008/pdf/ukpga\\_20080017\\_en.pdf](http://www.opsi.gov.uk/acts/acts2008/pdf/ukpga_20080017_en.pdf)

set lifespan for the UDF, and it will be for applicants to propose the expected term of underlying loans to social housing providers. However, proposals which might allow repayment more quickly than the up-to 30 year terms often prevalent in the sector would be welcomed.

#### **d. Management costs/fees**

It is expected that the UDF manager may add a margin to interest rates charged to underlying borrowers in order to cover administration costs. Applications should clearly set out the approach to be used in their Offers. If any other charging mechanism is proposed to recover management costs/fees, this should also be set out in the applicant's Offer.

#### **e. UDF governance**

The origination, due diligence, credit rating, loss given default calculations, documentation, taking of security, and ongoing monitoring of investments made in Urban Projects will remain the responsibility of the UDF which will be required to act with an appropriate level of independence and due care and skill in undertaking such investments. As a result, applicants will be required to demonstrate an appropriate level of governance, investment processes and procedures (including risk management procedures) in their Offers.

The successful applicant will be required to involve the GLA in a consultative capacity in relation to its project pipeline. Given the GLA's wide-ranging role in relation to affordable housing in London, it will be important to ensure strategic alignment with the UDF's activity where possible. Applicants should therefore put forward proposals for how they would wish to work with the GLA to achieve this.

Applicants should be mindful of:

- Reporting and monitoring requirements of the EU Structural Funds Regulations and, in particular, performance against Output Targets (i.e. energy audits before and after works, certification of works in line with ex-ante energy audit).
- Their responsibilities for any additional reporting requirements the UDF may need to undertake under the EU Structural Funds Regulations.

#### **b) Accounting/Audit**

The UDF will be required to prepare, or procure to be prepared and audited by the Auditor, accounts of the UDF in respect of each annual accounting period in accordance with International Financial Reporting Standards (or other standards to be discussed and agreed with EIB).

### III. PROCUREMENT PROCESS FOR THE GREENER AFFORDABLE HOUSING UDF

#### a. Stage 1 – Call for EoI

**Applicants should submit a single bid, which contains pre-qualification information in relation to part 1 (exclusion/selection) and then a detailed Offer in the form of a business plan in relation to part 2.**

- **Part 1:** EoI which are not excluded in accordance with the Exclusion Criteria as presented in Annex 1 will be assessed on the basis of the Selection Criteria;
- **Part 2:** all applications that meet the Selection Criteria will then be assessed against the Award Criteria (listed in Appendix A).

#### **Submission requirements for Part 1**

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

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

#### **Exclusion criteria for Part 1**

Applicants will be excluded from participating in this Call for EoI if any of the following Exclusion Criteria apply to them:

- a) they are bankrupt or are being wound up, are having their affairs administered by the courts, have entered into an arrangement with creditors, have suspended business activities, are the subject of proceedings concerning those matters, or are in any analogous situation arising from a similar procedure provided for under national laws or regulations;
  - b) they have been convicted of an offence concerning their professional conduct by a judgment which has the force of *res judicata*;
  - c) they have been guilty of grave professional misconduct proven by any means which the contracting authority can justify;
  - d) they have not fulfilled obligations relating to the payment of social security contributions or the payment of taxes in accordance with the legal provisions of the country in which they are established or with those of the country of the contracting authority or those of the country where the contract is performed;
  - e) they have been the subject of a judgment which has the force of *res judicata* for fraud, corruption, involvement in a criminal organisation or any other illegal activity detrimental to the Communities' financial interests;
  - f) they are guilty of misrepresentation in supplying the information required by the contracting authority as a condition for participation in this Call for EoI or fail to provide such information; Applicants must show that they are not in one or more of the situations listed above by providing the following evidence in relation to the items mentioned above:
- in relation to items (a), (b), and (e) above, a recent extract from the judicial record or, failing that, an equivalent document recently issued by a judicial or administrative authority in the country of origin or provenance showing that those requirements are satisfied. Depending on the national legislation of the country in which they are established, these documents must relate to legal persons and/or natural persons, including, any person with powers of representation, decision-making or control in relation to the applicant. If such documents are not available in the country of origin or provenance the applicant may provide a solemn declaration declaring 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. Where no such certificate is issued in that country, this can be replaced by a declaration on oath or solemn statement made before a competent judicial or administrative authority, a notary or a competent professional or trade body in that country. The declaration or statement provided must be dated less than 4 months before the final date for submission of applications. Depending on the national legislation of the country in which they are established, these documents must relate to entities with legal personality and/or natural persons; in the latter case, they shall relate to the person(s) empowered to represent the applicant and sign the contract if the tender is successful. If such documents are not available in the country or origin or provenance the applicant may provide a solemn declaration declaring that such documents are not available and that the exclusion criterion (d) does not apply to it.
- In relation to items (c), and (f) above, a solemn declaration stating that the applicant is not guilty of professional misconduct, and is supplying all the information required under this Call for EoI in good faith and without misrepresentation. This solemn declaration should be signed by the person(s) empowered to represent the applicant and sign the contract if the applicant is selected and dated less than 4 months before the final date for submission of applications.

### **Selection Criteria for Part 1**

Applications not excluded in accordance with the Exclusion Criteria, will be assessed on the basis of the following Selection Criteria.

- The EoI is prepared in accordance with Annex 1 and all supporting documents are provided; and,
- Declarations indicated in Annex 2 are completed and are acceptable to the EIB.

### **Submission requirements for Part 2**

Applications that meet the Selection Criteria for Part 1 will then be assessed under Part 2.

The Offers (in the form of a Business Plan) will be evaluated in Part 2 on the basis of the Award Criteria, as described in Appendix A. While it is anticipated that key aspects of the Business Plan will be binding on the applicant whose Offer is evaluated as the most favourable (e.g. Complementary Financing commitment, organisational structure/management team, internal controls/due diligence processes), it is envisaged that elements of the Business Plan will be developed by the Preferred Bidder in conjunction with the EIB during the Operational Agreement negotiation period.

#### **b. Stage 2 – Conclusion of Operational Agreements**

The applicant whose Offer (in the form of a Business Plan) for the UDF is evaluated as the most favourable shall be invited to negotiations with the EIB concerning the terms and conditions of an Operational Agreement. The Operational Agreement will contain the contractual terms and conditions governing the obligations of each party, including the investment strategy of the UDF. A number of the key terms and conditions relating to ERDF are highlighted in Appendix C. During the period before the Operational Agreement is concluded the EIB will have the right, at its discretion, to undertake due diligence of the Preferred Bidder.

Based on the results of the negotiations, the EIB shall make proposals to the Investment Board on the execution of the Operational Agreement. Such proposal shall include the key terms and conditions of the Operational Agreement that has been negotiated.

#### **c. Stage 3 – Operational Period**

Following signature of the Operational Agreement, it is expected that the UDF will disburse funds to Urban Projects, and undertake all required monitoring processes. For the avoidance of doubt, EIB (as manager of the London Green Fund) will not approve individual loans to underlying social housing providers.

## APPENDIX A- Award Criteria

The Business Plans for use of resources received from the London Green Fund shall be completed and assessed on the basis set out below.

Criterion	Description and assessment rules	Weighting for criterion
1.GOVERNANCE AND LEGAL STRUCTURE	<p>The applicant shall describe the structure of the proposed UDF and the legal, governance, management and control procedures which will apply. This should include explanation of:</p> <p><b>Legal structure:</b></p> <p>Where a separate legal entity is envisaged, the legal structure and constitution of the UDF and, where appropriate, the fund management vehicle including where these will be/are domiciled</p> <p><b>UDF manager:</b></p> <p>The applicant shall set out the dedicated management team which shall be established and available in order to deliver the UDF's objectives. Applicants should provide:</p> <ol style="list-style-type: none"> <li>1. A structure diagram / table outlining key roles and responsibilities of each individual; and</li> <li>2. 1 page Curriculum Vitae for key employees of the applicant (including sub-contractors and/or advisors where applicable) which outlines their relevant experience;</li> </ol> <p><b>Management, governance and reporting procedures:</b></p> <ol style="list-style-type: none"> <li>1. A description of the decision making, monitoring/reporting and control/risk management processes of the UDF manager.</li> <li>2. The processes that will be implemented to manage any possible conflicts of interest between the UDF and any other similar investments managed by the applicant.</li> <li>3. The EIB will require quarterly information to be provided on investments made – both financial and in terms of expected Co2 reduction - as well as an annual report and accounts to 31 December for the UDF (where the UDF is an existing entity, then this will mean the annual report and accounts of this entity). The applicant should confirm that it is prepared to provide such information.</li> <li>4. The applicant is also asked to confirm that it will work closely with the GLA in respect of its project pipeline, and set out its preferred form of doing this - for example this may be through a form of consultative/advisory working group. The GLA has a valuable role to play in supporting the activity of the UDF due to its wide-ranging responsibilities for housing in London.</li> </ol> <p><b>Winding up provisions:</b></p> <p>The winding up, termination and/or other provisions which will apply upon the ceasing of operations by the UDF. The applicant should also highlight the circumstances under which either the UDF manager and/or the London Green Fund can terminate any contracts with the UDF.</p>	20%

Criterion	Description and assessment rules	Weighting for criterion
	<p><b>Assessment rule:</b> Offers will receive credit to the extent that they demonstrate:</p> <p>The professionalism, independence, reliability and credibility of the proposed structure, governance and risk management framework under which the UDF will operate;</p> <p>An appropriately skilled and experienced team in charge of investing the London Green Fund £12m;</p> <p>Plans to involve the GLA in a consultative capacity; and</p> <p>Robust provisions relating to winding up of the UDF's operation.</p>	
2. INVESTMENT STRATEGY	<p>The applicant should articulate the UDF's investment strategy which will include, inter alia:</p> <p><b>Sourcing of Urban Projects:</b> The EIB seeks the greatest degree of comfort possible that a pipeline of projects ready to receive investment has been identified. Applicants should therefore explain their approach to project sourcing and provide evidence of investment pipeline (or outline the time it will take to put this in place), as well as explaining any portfolio diversification provisions which are proposed.</p> <p><b>Pricing:</b> Explanation of how loans will be priced to underlying borrowers, bearing in mind the requirement that this should, subject to meeting EU State Aid rules, be no less than 3% interest per annum. Applications should outline in particular any additional components to be charged to borrowers to reflect the UDF's management and administration costs.</p> <p><b>Repayment:</b> The expected term of the loan from the LGF to the UDF, and then the expected length of loans from the UDF to borrowers/projects, including the proposed availability periods.</p> <p><b>UDF Output Targets:</b> Applicants are required to outline their proposed Output Targets for each Output Target indicator (Co2 reduction and jobs created/safeguarded in construction). Applicants should also set out their methodology for estimating output targets.</p> <p><b>Assessment rule:</b> Offers will receive credit to the extent that they demonstrate:</p> <p>Credible proposals for identifying, appraising and making viable investments as soon as possible following signature of an Operational Agreement;</p> <p>Proposals for the repayment of investments to the LGF within as short a timescale as possible; and</p>	25%

Criterion	Description and assessment rules	Weighting for criterion
	A robust explanation of how output targets will be established for each project, together with ambitious overall targets for delivering CO2 reduction and jobs from the LGF investment..	
3. SOURCING OF COMPLEMENTARY FINANCING	<p>The applicant shall present the strategy for sourcing/providing Complementary Financing at the UDF and/or Urban Project level. In this section, the applicant should set out specifically:</p> <ol style="list-style-type: none"> <li>1. The sources, quantum and intended applications of Complementary Financing;</li> <li>2. Evidence of the level to which Complementary Financing (including those potentially provided by the applicant itself) are committed at this stage, and if they are not committed when this will happen;</li> <li>3. The approach to drawdown of funds from investors and the policy/procedures for dealing with idle funds within the UDF, where appropriate including custodian bank services.</li> </ol> <p><b>Assessment rule:</b> Offers will receive credit to the extent that they demonstrate:</p> <p>Credible proposals which maximise the amount of Complementary Financing available for investment in energy efficient social/affordable housing, particularly in London (either directly in retrofit or through energy efficient new build).</p>	25%
4. MANAGEMENT FEES	<p>The applicant should explain if it plans to charge any management/administration fees, and what costs these are designed to recover. As noted on page 16, these costs may only be recovered by the UDF deducting them from interest received from on-lending the £12m.</p> <p>Applicants are also asked to set out what effect on their fee proposals an increase in the available funding, from the £12m initially to be invested, would have. This should be explained for additional funding in the following ranges:</p> <ul style="list-style-type: none"> <li>• £1m to £18m (i.e. given the initial £12m allocation, this would be up to £30m in total)</li> <li>• £19m to £38m (i.e. £50m in total)</li> <li>• £39m to £63m (i.e. £75m in total)</li> <li>• £64m to £88m (i.e. £100m in total)</li> </ul> <p><b>Assessment rule:</b> Lower management fees will receive greater credit under this criterion.</p>	30%

## ***APPENDIX B – Definition of social housing and vulnerable households***

### **Social Housing**

1. Article 68 of the Housing and Regeneration Act 2008 defines social housing as (a) low cost rental accommodation and (b) low cost home ownership accommodation. In the case of (a), accommodation is low cost rental if:-
  - (a) it is made available for rent
  - (b) the rent is below the market rate, and
  - (c) the accommodation is made available in accordance with rules designed to ensure that it is made available to people whose needs are not adequately served by the commercial housing market
  
2. In the case of (b), accommodation is low cost home ownership accommodation if two conditions are satisfied:-
  - (a) The accommodation is occupied, or made available for occupation, in accordance with shared ownership arrangements, equity percentage arrangements, or shared ownership trusts.
  - (b) The accommodation is made available in accordance with rules designed to ensure that it is made available to people whose needs are not adequately served by the commercial housing market.

A copy of the full Act can be found at

[http://www.opsi.gov.uk/acts/acts2008/pdf/ukpga\\_20080017\\_en.pdf](http://www.opsi.gov.uk/acts/acts2008/pdf/ukpga_20080017_en.pdf)

### **Vulnerable Households**

Vulnerable households are defined for these purposes as those in receipt of at least one of the principal means tested or disability related benefits. These include income support; housing benefit; council tax benefit; disabled persons tax credit; income based job seekers allowance; working families tax credit; attendance allowance; disability living allowance; industrial injuries disablement benefit; war disablement pension; child tax credit; working tax credit; pension credit. The detailed definition of qualifying benefits used to define vulnerable will be subject to change by CLG.

## APPENDIX C – Key ERDF terms and conditions

No.	Requirement	Requirement Details
1	UDF compliance with EU Rules and National Law	<p>The UDF and any subcontractors will be required to accept the obligation to comply with the EU Structural Funds Regulations, EU State Aid Rules and all other applicable EU Rules and national law, regulations and guidelines (including procurement and environmental law and other regulations where appropriate). The EU Rules will include but not be limited to:</p> <ul style="list-style-type: none"> <li>a) The EU State Aid Rules;</li> <li>b) the rules applying to Major Projects under (and as defined in) Regulation 1828 (including but not limited to European Commission approval requirements and monitoring and reporting obligations);</li> <li>c) the rules applying to publicity measures under Article 9 of Regulation 1828;</li> <li>d) the requirement to ensure there is no Irregularity (as defined in Regulation 1083) in relation to any investment or investee company.</li> </ul> <p>Indemnification for any loss caused by failure to comply with these law, regulations and guidelines or with the terms of the Operational Agreement may be required.</p>
2	Onward Investment Agreements	<p>The following provisions must be included in the onward investment agreements between the UDF and the investee entities (“Project Funding Agreements”) :</p> <ul style="list-style-type: none"> <li>a) terms of the Project Funding Agreements not to exceed the date of expiry of the Operational Agreement;</li> <li>b) The UDF shall have the right under the Project Funding Agreement to recover from the investee company any amount as forms an Irregularity (as defined in Regulation 1083/2006)</li> <li>c) Minimum obligations in respect of investee companies to include: <ul style="list-style-type: none"> <li>o compliance with EU Rules and national law regulatory requirements and obligation to do such things as may be necessary to allow the UDF to comply with its obligations under EU Rules and national law regulatory requirements, and its obligations under the Operational Agreement;</li> <li>o obligation to (at its own cost) co-operate fully with, and provide all reasonable assistance and information to, the UDF, the Managing Authority and other regulatory bodies as they may require in order to comply with all relevant regulatory requirements and contractual obligations in relation to the investment or the UDF;</li> <li>o use funds invested by the UDF in accordance with EU Rules and national law and to use funds invested under the terms of the Operational Agreement exclusively towards eligible expenditure;</li> <li>o obligation to publicise that it is in receipt of funding from the EU Structural Funds in accordance with Articles 8 and 9 of Regulation 1828;</li> <li>o obligation to collect and keep necessary accounts and other documents evidencing that the invested amounts were used in accordance with the onward investment agreements (and submit the same to the UDF);</li> <li>o obligation to ensure all authorisations, licences, permits, approvals, consents, resolutions, exemptions, filings and registrations (howsoever described) (“Authorisations”) which the investee company requires to carry on a Urban Project shall be obtained or effected, together with an obligation to obtain when required and maintain in full force and effect and renew, where necessary, such Authorisations;</li> <li>o obligation to allow the representatives of the Commission, the</li> </ul> </li> </ul>

		<p>European Court of Auditors, the Managing Authority and any other national or European institutions or bodies duly empowered by applicable law to have access to the relevant their premises and to carry out audit and/or control and to allow such persons to:-</p> <ul style="list-style-type: none"> <li>▪ inspect and take copies of documents relating to the investment and its use; and</li> <li>▪ interview employees of the investee company to obtain oral and/or written explanations of documents;</li> </ul> <ul style="list-style-type: none"> <li>○ maintain appropriate insurance with an insurer of good repute to cover all customary claims and liabilities; and</li> <li>○ obligation to have in place environmental, sustainability, health and safety and equality policies which accord with applicable regulatory requirements (and any accompanying guidance) and to maintain and implement such policies at all times.</li> </ul> <p>d) the possibility of assignment/novation of the onward investment agreements, to the Managing Authority or its successors or any other entity nominated by the Managing Authority where the UDF fails to perform.</p>
3	Accounting and reporting	<p>The UDF will be required to accept the obligation to:</p> <ul style="list-style-type: none"> <li>a) set up and maintain a separate accounting system or use a separate accounting code for disbursements to final recipients and to maintain an audit trail regarding investments (including identification of amounts disbursed for investment in accordance with the relevant Priority Axes) in accordance with Article 60 and 90 of EC Regulation 1083/2006 and Article 15 of EC Regulation 1828/2006.</li> <li>b) allow the representatives of the European Commission, the European Court of Auditors, the Managing Authority and any other national or European institutions or bodies duly empowered by applicable law to carry out audit and/or checks to have access to the premises and documents of the UDF and the final recipients for the purpose of ensuring the legality and regularity of the Operational Agreement/Project Funding Agreements (as applicable).</li> <li>c) Report in an excel format UDF performance on a quarterly basis (March/June/September/December), the scope of which will be confirmed. Please note that this is in addition to the standard quarterly report to be prepared by the UDF manager for investors.</li> </ul>
4	Publicity	<p>The requirement to carry out adequate information and publicity measures in accordance with the provisions of the EU Structural Funds Regulations including: acknowledging that investee entities will be fully or partially financed from the EU Structural Funds; and the managing authority's approval of such publicity will be required to be sought.</p>

## ***APPENDIX D – Definitions and abbreviations used for the purpose of this Call for Expressions of Interest***

Abbreviation	Definition
“Agency”	means the London Development Agency;
“Annex”	means an annex to this Call for Expressions of Interest which shall form an integral part hereof;
“Appendix”	means an appendix to this Call for Expressions of Interest which shall form an integral part hereof;
“Auditor”	Means the auditor that may be appointed by the UDF manager from time to time (after consultation with the London Green Fund manager);
“Award Criteria”	means the criteria used to select the waste UDF Preferred Bidder;
“Business Plan”	means each business plan, relating to any UDF, prepared in accordance with the requirements of this Call for Eol;
“Call for Expressions of Interest” or “Call for Eol”	means this Call for Expression of Interest;
“DCLG”	means the Department for Communities and Local Government;
“Commission”	means the Commission of the European Communities;
“Complementary Financing”	means any funding/investment in addition to the London Green Fund investment and which is made directly into Urban Projects or subsequently brought into either the London Green Fund or the UDF;
“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 Implementing Regulation, which apply in accordance with article 13 of Reg. 1080 (subject to the list of ineligible expenditure in article 7 of Reg. 1080) and those contained in articles 56 and 78 of Reg. 1083;
“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 Regulations”	means Reg. 1080, Reg. 1081, Reg. 1083 and the Implementing Regulation, as well as any other EU legislation from time to time applicable to the EU Structural Funds;
“EU”	means European Union;
“Exclusion Criteria”	means the criteria used in Stage 1 of this Call for Expressions of Interest to exclude applicants;
“Funding Agreement”	means an Agreement establishing the London Green Fund, signed by the Agency (now GLA), the LWARB and the EIB on 21 October 2009;

Abbreviation	Definition
“FSA”	means the Financial Services Authority;
“FSMA”	means Financial Services and Markets Act 2000;
“Greater London”	means all London Boroughs plus the City of London;
“GLA”	means the Greater London Authority;
“Implementing Regulation”	means Commission Regulation (EC) No. 1828/2006 of 8 December 2006 setting out rules for the implementation of Council Regulation (EC) No 1083/2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and of Regulation (EC) No 1080/2006 of the European Parliament and of the Council on the European Regional Development Fund, as amended, 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)
“Investment Board”	means the board, established in accordance with the Funding Agreement, entrusted with responsibilities regarding the London Green Fund in accordance with Article 5 of the Funding Agreement;
“Integrated Plans for Sustainable Urban Development”	Plans defined by the Mayor of London, taking account of Article 8 of Regulation (EC) No 1080/2006 and the specific urban, administrative and legal context of London.
“London Green Fund”	means the JESSICA holding fund for London, established pursuant to a funding agreement, and in accordance with Council Regulation (EC) No. 1083/2006, as amended by Council Regulation (EC) No. 284/2009 and Commission Regulation (EC) No. 1828/2006;
“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;
“LWARB”	means the London Waste and Recycling Board;
“Managing Authority”	means the GLA acting in its capacity as the national public authority responsible for the management and implementation of the London ERDF Operational Programme;
“Offer”	means the Business Plan to be submitted by applicants in Part 2 of this Call for Expressions of Interest;
“Operational Agreement”	means an agreement providing for an investment by the London Green Fund into a UDF;
“London OP”	means the London ERDF Operational Programme 2007-2013;
“Output Targets”	means the targets relating to CO2/energy reduction and job creation which will apply to the proposed Greener Affordable Housing UDF;

Abbreviation	Definition
"Preferred Bidder"	means an applicant whose Offer (in the form of a Business Plan) is selected under this Call for EoI and with whom the EIB will proceed to negotiate an Operational Agreement
"Priority"	means a category of policy priority under the London ERDF Operating Programme 2007-13;
"Reg. 1080"	means Regulation (EC) No. 1080/2006 of the European Parliament and of the Council of 05 July 2006 on the European Regional Development Fund and repealing Regulation 1783/1999/EC, as amended, supplemented or modified from time to time;
"Reg. 1081"	means Regulation (EC) No. 1081/2006 of the European Parliament and of the Council of 5 July 2006 on the European Social Fund and repealing Regulation (EC). 1784/1999 as amended, supplemented or modified from time to time;
"Reg. 1083"	means Council Regulation (EC) No. 1083/2006 of 11 July 2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Regulation (EC) No 1260/1999 as amended, supplemented or modified from time to time;
"Selection Criteria"	means the criteria used in Part 1 of this Call for Expressions of Interest to select those applicants whose Offers (in the form of a Business Plan) will then be assessed under Part 2;
"Terms of Reference"	means terms of reference for the selection of the UDF;
"Urban Development Fund" or "UDF"	means a vehicle investing in one or more Urban Projects as defined in Article 44 Reg. 1083;
"Urban Project"	means a public private partnership or other project included in an Integrated Plan for Sustainable Urban Development as described in Article 44 Reg. 1083.