

Call for Expressions of Interest: ref. VP-963

Title: JESSICA Holding Fund Pomorskie

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Selection of Urban Development Funds

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Title: JESSICA Holding Fund for Pomorskie/Poland Selection of Urban Development Funds

The European Investment Bank ("EIB") is launching a Call for Expressions of Interest, under the Joint European Support for Sustainable Investment in City Areas ("JESSICA") initiative with the aim of selecting Urban Development Fund(s) ("UDF(s)") that will receive resources from the JESSICA Holding Fund for Pomorskie, Poland ("JHFP") to facilitate the disbursement of EU structural funds through financial engineering instruments in the form of repayable investments in public-private partnerships or other urban development or regeneration projects included in Integrated Plans for Sustainable Urban Development ("Urban Projects").

The selection of the UDFs will proceed in two stages as described below. If you wish to participate in this Call for Expressions of Interest, please forward your Expression of Interest ("Eoi") 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-963

Subject: JESSICA Urban Development Fund for Pomorskie

Deadline for receipt of expression of interest: 18 April 2011

and delivered:

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

EUROPEAN INVESTMENT BANK
For the attention of Véronique Paulon
Ref.: VP-963
Purchasing and Administrative Services Division
98-100 Boulevard Konrad Adenauer
L-2950 LUXEMBOURG

by 18 April 2011 at the latest, as evidenced by the postmark,

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

EUROPEAN INVESTMENT BANK
For the attention of Véronique Paulon

Ref.: VP-963
Purchasing and Administrative Services Division
98-100 boulevard Konrad Adenauer
L-2950 LUXEMBOURG

Eol must be posted or handed in by 18 April 2011 at the latest (up to midnight in the case of delivery as described in (b) above).

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

Applications which:

- 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 Expressions of Interest

will not be accepted.

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 E.

The applicants must take account of the following provisions:

1. The selection of UDFs will proceed in three stages:
 - a. **Stage 1 (Applying the Exclusion and Selection Criteria):** Eols will first be assessed against the Exclusion Criteria (as outlined in Annex 3, section V of the Terms of Reference). Eols which are not excluded in accordance with the Exclusion Criteria will be assessed on the basis of the Selection Criteria, which are also included in section V of Annex 3.
 - b. **Stage 2 (Applying the Award Criteria):** All applicants that meet the Selection Criteria will be invited to submit their Offers (including detailed Business Plans prepared in line with Annex 3). The Offers will be evaluated on the basis of the Award Criteria, as described in Appendix A.

It is envisaged that the invitations for applicants that meet the Selection Criteria to submit their Offers will be issued approximately two weeks following the deadline for the submission of the Eol. These applicants will be given approximately 4 weeks to present their Offers (the exact date shall be defined in the invitation to submit the Offer).
 - c. **Stage 3 (Negotiation of the Operational Agreement):** The selected applicant(s) shall be invited to negotiate the final terms and conditions of the Operational Agreement to be signed with the EIB, as further detailed in section VII and VIII of the Terms of Reference.

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

Activity	Timing
Publication of Call for Eol	31 March 2011
Deadline for Stage 1 requests for additional information	8 April 2011
Deadline for submission of Stage 1 Eol	18 April 2011

Notification to applicants of outcome of Stage 1 EoI assessment	4 May 2011
Deadline for submission of Stage 2 Offers (in the form of a Business Plan)	1 June 2011
Notification to applicants of outcome of Stage 2 Offers, following Investment Board approval	29-30 June 2011
Stage 3 – start of negotiations on Operational Agreements	beginning of July 2011

2. Information in respect of both Stages 1 and 2 is included in this document. However the first required submission relates solely to Stage 1 of the EoI. Applicants wishing to commence work on the Offer (in the form of a Business Plan) required under Stage 2 prior to notification of selection will do so entirely at their own risk.
3. Applicants should be aware the EIB may publicly announce the list of applicants that meet the Selection Criteria and who proceed to Stage 2.
4. Offers must be firm and non-revisable, quoted in Polish Zlotys (PLN) and free of taxes and duties, the EIB being exempt there from under the Protocol on the Privileges and Immunities of the European Communities.
5. Each applicant must declare that it has taken note of the terms and conditions of the Call for EoI and has had the opportunity to gauge the scope and quality of the services required, as well as the possible difficulties.
6. The applicant cannot invoke any error, inaccuracy or omission in its application to call any contract into question or to attempt to have any contract amended.
7. The EIB reserves the right to reject any application that fails to comply with the specifications of this Call for EoI.
8. 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.
9. 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.
10. Applicants must correspond to the specifications item by item.
11. The EIB reserves the right to award contract(s) to one or several applicants of its choice, in accordance with the criteria set out in the specifications, or not to award a contract to any applicant. The EIB may cancel the procedure without notice at any time. Applicants should only participate in the tendering process on the understanding that they would not be entitled to any form of compensation, should the EIB decide to interrupt the procurement procedure of any of the lots before the contract is signed.
12. Participation in this Call for EoI involves acceptance of all the terms and conditions mentioned in the present Call for EoI and the conditions of the specifications.
13. 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)
14. Any requests for additional information should be addressed in writing by 8 April 2011 at the latest to Véronique Paulon ,fax: +352 4379-68167, e-mail:bei.asa@eib.org. The EIB will send its replies to all applicants before the deadline for submission of applications. Please note that the EIB responses to any queries or clarification requests may be published or otherwise circulated to all applicants at the EIB’s discretion.
 15. The EIB may arrange a series of clarification meetings with selected applicants following the completion of the Exclusion and Selection process. During this process, the EIB reserves the right to seek additional details from applicants to clarify any part of an applicant’s submission.
 16. 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 on a single CD-ROM or USB stick marked with the name of the applicant shall also be submitted.
 17. 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.
 18. Applicants will be informed of the outcome of their submissions by communication sent out to the e-mail address and/or postal addresses that is indicated by the applicants in the EoI.
 19. Applicants that have submitted the most favourable Offer 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.
 20. 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, JHFP Investment Board members, employees and officers of the Managing Authority for the Pomorskie ROP, 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, JHFP 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 UDFs 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 expressed 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, submission of proposals 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 as set in Annex 2, 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, at any stage of the selection process (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 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, the approximate amount or any other material matter 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 UDFs 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 UDFs 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 directly 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 will be used solely for that purpose under the authority of the EIB purchasing division (ASA), 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 if applicable, the subsequent Offer, the personal data provided will be accessed by members of the Selection Panel and the Directorate which requested the Call for EoI. Upon request, access to this data may be granted to the EIB's Office of the Chief Compliance Officer, the legal service or the Inspectorate General. The data of the successful applicant shall be retained for the duration of the contract, plus two years in the central archives, unless these are needed in the context of litigation or claims. The data of unsuccessful applicants shall be retained for four years, unless these are needed in the context of litigation or claims. Applicants have the right to access and rectify or update their data. They can exercise these rights by contacting the Head of the ASA Division (bei.asa@eib.org). They also have the right to have recourse at any time to the European Data Protection Supervisor.

ANNEX 1

TEMPLATE FOR EXPRESSION OF INTEREST

(name of an applicant)

EXPRESSION OF INTEREST

(place of signature)

(date)

(Stamp of the applicant)

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 right to enter into an Operational Agreement, 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 EoI*

Name, surname	
Position	
Contacts: Address Telephone No Fax Email	

* In case of the EoI being submitted by a consortium, a power of attorney or a cooperation agreement authorizing 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 must be duly provided.

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

Name, surname	
Position	
Contacts: Address Telephone No Fax Email	

1.4. Lot for which the applicant wishes to express interest, as defined in Annex 3. Applicants (including any consortium members and/or subcontractors) may express interest in either one lot only or in both lots. The current Call for EoI includes two lots as follows:

Lot 1 – Poviats cities - Gdańsk, Gdynia, Słupsk, Sopot	
Lot 2 – Poviats capitals and other cities above 35,000 inhabitants ¹ List of eligible cities: Tczew, Starogard Gdański, Wejherowo, Rumia, Malbork, Kwidzyn, Chojnice, Lębork, Pruszcz Gdański, Kościerzyna, Kartuzy, Bytów, Człuchów, Puck, Nowy Dwór Gdański, Sztum	

¹ List of eligible cities may be expanded to all cities in Pomorskie Region subject to the approval of relevant modifications of Pomorskie ROP by the European Commission. List will be consequently supplemented by: Brusy, Czarna Woda, Czarne, Czersk, Debrzno, Dzierżgoń, Gniew, Hel, Jastarnia, Kępcice, Krynica Morska, Łeba, Miastko, Nowy Staw, Pelplin, Prabuty, Reda, Skarszewy, Skórcz, Ustka, Władysławowo, Żukowo.

By submitting this Eol, the undersigned

- having taken note of this Call for Eol,
- having taken note of the specifications and the documents referred to therein,
- and having 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 JHFP, 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 is complete and correct in all its elements; and
 - 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. undertakes unconditionally, in accordance with the provisions of the aforementioned documents, to supply the services on the terms set out below, 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.
3. declare(s) that is authorised to do so on behalf of any consortium members listed in paragraph 1 above and in doing so commit(s) those consortium members to supply the same services on the terms set out in this Call for Eol, for 180 days from the date of opening of submissions.

ENCLOSED:

1. Declaration to be made by the applicant

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

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 V.1 of the Terms of Reference (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. Represented by (name and position):

.....

(in case of the Eol being submitted by a consortium, a power of attorney or a cooperation agreement authorizing the attorney to submit the Eol and the Offer and to represent the consortium at all stages of the selection procedure on behalf of the partners jointly applying for the contract)

Questions 5 to 12 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, either in the space provided or on separate sheets which should be referenced by the applicant.

5. Number and date of entry in trade register

(if applicable, a copy of a decision of a competent authority granting the license evidencing that the applicant is authorised to carry out business in Poland under the applicable regulatory framework)

.....

6. Is the declarant 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 declarant 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. Is the applicant's organisation or any of the persons authorised to act on its behalf in liquidation?

.....
.....

8. Has the applicant or any of the persons authorised to act on its behalf been the subject of any sentence, disqualification or penalty or is subject to any pending proceedings regarding the proper pursuit of commercial activity or under the rules on unfair 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 EoI?

.....
.....

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

.....
.....

11. The applicant certifies relevant experience of its team (including proposed subcontractors and advisors) in the targeted market of Urban Projects. The experience requested from the applicant includes different types of Urban Projects executed and different types of the applicant's role in the project, including advisory services, financing of the projects, execution, monitoring, audit and others. An illustrative list of Urban Projects includes:

- Regeneration of post-military and post-industrial areas (eg. for residential, educational, leisure, sport, cultural purposes);
- City regeneration projects, e.g. investments in degraded and deprived districts in cities;
- Urban infrastructure projects, including transport, water, waste, energy, etc;
- Redevelopment of brownfield sites, including site clearance and decontamination;
- Education infrastructure, including specialized facilities;
- Energy efficiency improvement and renewable energy projects located in urban areas;
- Investments in business enhancement institutions in urban areas;
- Other Urban Projects.

Relevant experience may be provided by the applicant, its shareholders or founders, members of the consortium or parties to a cooperation agreement.

Relevant experience

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
1					
2					
3					
...					

Explanatory note:

Should the portfolio of the applicant'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.

12. The applicant certifies that the information given above is correct.

Done at (date)

STAMP

NAME(S)

SIGNATURE(S)

ANNEX 3

TERMS OF REFERENCE

I. GENERAL INFORMATION

A. Background information on JESSICA

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 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 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;
- 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, other IFIs and financial institutions.

The enlargement of the EU to 27 Member States has had important consequences on the dynamics of European urban areas. The establishment of the Single Market, by facilitating the flow of goods, capital and citizens within a common economic space, has already had a significant impact on the process of urban change, facilitating growth in economically buoyant areas but also accelerating contraction and decline in others. The increasing mobility linked to investments in transport infrastructures, new technologies and changes in habits as well as the parallel globalization process, within a European context of ageing population, including sharp increases in the dependency ratios in some Member States, has accelerated this process of demographic change. Henceforth, future population changes in European cities will not be the consequence of natural increase but mostly the result of net migration, the latter a function of productivity, wage and quality of life differentials between different areas as well as the relative competitiveness of individual urban areas, with JHF and UDFs providing a powerful instrument to manage these processes.

In addition, urban dynamics - population growth/decline and economic weight – will be determined by the ability of cities to act as high-productivity service platforms capable of retaining and attracting human capital, firms and more generally economic activities. It is reasonable to assume that a process of accelerated urban change will affect the sustainability - economic, environmental and social - of European cities and of the European settlement pattern. It is therefore important that this process is carefully managed through the introduction of new urban investment vehicles.

B. JESSICA in Pomorskie Region

The Managing Authority for the Pomorskie Regional Operational Programme (“Pomorskie ROP”) acknowledges that the Pomorskie Region (“Pomorskie”) is characterised by a considerable demand for urban development or regeneration projects in subregional and regional growth centres which encompass cities above 35 000 inhabitants, i.e Gdańsk, Gdynia, Słupsk, Tczew, Starogard Gdański, Wejherowo, Rumia, Malbork, Kwidzyn, Chojnice, Sopot, Lębork, as well as in other cities of the region

which are capitals of poviats (counties), i.e Pruszcz Gdański, Kościerzyna, Kartuzy, Bytów, Człuchów, Puck, Nowy Dwór Gdański, Sztum². The main objective of the JESSICA initiative in Pomorskie is to improve competitiveness of the cities through development of urban and metropolitan functions. Areas which need regeneration include deprived parts of towns and cities, as well as brownfields, harbours, railway stations, post-military and post-industrial areas. In addition to this, there is lack of investments in the field of strengthening the competitiveness of the indicated cities which creates a significant market potential for projects concerning development and integration of public transport system, development of energy infrastructure and projects aiming at enhancement of business environment institutions. This was recognised in the Pomorskie ROP Priority Axis 3: "Urban and Metropolitan functions". In addition to this, cities in the region are interested in long-term urban area development and investments which stimulate their growth and raise their potential, which can be supported and achieved by employment of the JESSICA initiative.

In this context, the Managing Authority for the Pomorskie ROP decided to implement the JESSICA mechanism and to cooperate with EIB in the field of JESSICA implementation. As a result a funding agreement was signed on 12 July 2010 ("Funding Agreement") between the Pomorskie Voivodeship and EIB establishing the JHFP and mandating EIB the role of the JHFP manager. In accordance with the Funding Agreement, the Managing Authority for the Pomorskie ROP contributed to the JHFP a total amount of PLN 236,313,514.53.

The JHFP was established as a separate block of finance for the purpose of making contributions to those UDFs, which will provide equity, loans and/or guarantees to Urban Projects aimed at revitalization of deprived areas in cities (including dilapidated historical buildings, brownfields, post-military and post-industrial areas, railway stations, harbours and surrounding areas) as well as development of energy infrastructure, development and integration of public transport and enhancement of business environment institutions in the cities above 35 thousand inhabitants and in the capitals of poviats as further described in Priority Axis 3 Measure 3.3 of the Pomorskie ROP Complement "City development infrastructure – non-grant support". These Urban Projects shall in each case be included in an Integrated Plan for Sustainable Urban Development (as required by the EU Structural Funds Regulations) and shall aim at:

- revitalization of urban areas;
- revitalization of post-military and post-industrial areas;
- enhancements business environment institutions;
- development and integration of effective and sustainable public transport;
- development of energy infrastructure encompassing investments in renewable energy and energy efficiency; and
- improving of cities competitiveness by investments which stimulate their economical potential.

C.The legal form and role of the UDFs

(i) Legal and ownership form

UDFs can be either independent legal entities governed by agreements between the co-financing partners or shareholders, or be established as a "separate block of finance" within an existing financial institution. The UDFs may be managed and/or co-financed either by private investors (e.g. Polish or international banks, real estate developers, fund managers, private companies, etc.) and/or public entities (e.g. local authorities, municipal companies, local agencies, etc.), as long as such an operation is provided by the institutional framework regulating their establishment and operation.

² List of eligible cities may be expanded to all cities in Pomorskie Region subject to the approval of relevant modifications of Pomorskie ROP by the European Commission. List will be consequently supplemented by: Brusy, Czarna Woda, Czarne, Czersk, Debrzno, Dzierzgoń, Gniew, Hel, Jastarnia, Kępcice, Krynica Morska, Łeba, Miastko, Nowy Staw, Pelplin, Prabuty, Reda, Skarszewy, Skórcz, Ustka, Władysławowo, Żukowo.

(ii) Key Tasks

UDFs will be asked to identify, invest in and manage in a sustainable manner a portfolio of Urban Projects that comply with the Call for EoI objectives. The UDFs are expected to invest through loans, and/or equity in the promotion of new projects.

For these main purposes, the key tasks envisaged for the UDFs will broadly be to:

- Identify, invest in and lead the negotiation and structuring of financial investments in viable Urban Projects which fit within the agreed Business Plan of the UDF, the Investment Strategy of JHFP and eligibility requirements and criteria applicable to the Pomorskie ROP;
- Monitor and control Urban Projects to provide the necessary information in order to comply with the reporting obligations towards the Commission in accordance with the EU Structural Funds Regulations;
- Possibly secure co-financing at UDF level and/or project level in identified Urban Projects to ensure that JHFP's investment is sufficiently and appropriately leveraged and that sufficient eligible expenditure ("Eligible Expenditure") can be declared in those Urban Projects in accordance with EU Structural Funds Regulations;
- Recommend and manage appropriate exit strategies from Urban Project investments.

II. AMOUNT ALLOCATED FOR THE CALL FOR EOI

In accordance with the Funding Agreement, the JHFP should channel its funds to Urban Projects through UDFs selected in accordance with this Call for EoI. The Investment Board of the JHFP has decided that one or two UDFs will be awarded an investment of approximately PLN 219,561,610.31 (as of 7 February 2011) from the JHFP as follows:

- Approximately PLN 153,693,127.22 of the JESSICA funds are ring-fenced for investments in Urban Projects in the poviat cities (Gdańsk, Gdynia, Słupsk, Sopot). This amount constitutes lot 1 for the purposes of this Call of EoI (maximum 70% of total allocation).
- Approximately PLN 65,868,483.09 of the JESSICA funds are ring-fenced for investments in Urban Projects in other 16 cities in Pomorskie³ namely Tczew, Starogard Gdański, Wejherowo, Rumia, Malbork, Kwidzyn, Chojnice, Lębork, Pruszcz Gdański, Kościerzyna, Kartuzy, Bytów, Człuchów, Puck, Nowy Dwór Gdański, Sztum. This amount constitutes lot 2 for the purposes of this Call for EoI (at least 30% of total allocation).

The amounts invested in the UDFs may be increased at a later stage by any returns on investment in UDFs, additional EU structural funds or any other funding that may be held by or become available to the JHFP.

Applicants can apply for either or both of the following lots:

- Lot 1 – Poviat cities (Gdańsk, Gdynia, Słupsk, Sopot); or

³ List of eligible cities may be expanded to all cities in Pomorskie Region subject to the approval of relevant modifications of Pomorskie ROP by the European Commission. List will be consequently supplemented by: Brusy, Czarna Woda, Czarne, Czersk, Debrzno, Dzierzgoń, Gniew, Hel, Jastarnia, Kępice, Krynica Morska, Łeba, Miastko, Nowy Staw, Pelplin, Prabuty, Reda, Skarszewy, Skórcz, Ustka, Władysławowo, Żukowo.

- Lot 2 – Poviats capitals and other cities above 35,000 inhabitants (Tczew, Starogard Gdański, Wejherowo, Rumia, Malbork, Kwidzyn, Chojnice, Lębork, Pruszcz Gdański, Kościerzyna, Kartuzy, Bytów, Człuchów, Puck, Nowy Dwór Gdański, Sztum⁴).

III. SELECTION PROCEDURE

The selection of UDFs will proceed as follows:

Stage 1: Expressions of Interest (“Eol”)

Applicants which are not excluded in accordance with the Exclusion Criteria will be assessed on the basis of the Selection Criteria. Detailed Exclusion and Selection Criteria are presented in Section V thereof: Evaluation of Eol.

Stage 2: Offers

All applicants that meet the Selection Criteria will be further assessed on the basis of their Offers (including detailed Business Plans). The Offers will be evaluated on the basis of the Award Criteria, as described in Appendix A.

Stage 3: Operational Agreement

The applicant(s), who will be selected by EIB, and subsequently approved by the Investment Board of the JHFP, shall be invited to negotiations for entering into an Operational Agreement.

IV. SUBMISSION OF EXPRESSIONS OF INTEREST

Each Eol 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;
- Supporting documents.

V. EVALUATION OF EXPRESSIONS OF INTEREST

1. EXCLUSION CRITERIA

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

- a) They are bankrupt or are being wound up, are having their affairs administered by the courts, have entered into an arrangement with creditors, have suspended business activities, are the subject of proceedings concerning those matters, or are in any analogous situation arising from a similar procedure provided for under national laws or regulations;

⁴ a.b.

- b) They or any of its in office managers, holders of company management, directors or equivalent have been convicted of an offence concerning their professional conduct by a judgment which has the force of *res judicata*;
- c) They or any of its in office managers, holders of company management, directors or equivalent 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, with those of the country of the contracting authority, and with those of the country where the contract is performed;
- e) They or any of its in office managers, holders of company management, directors or equivalent 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 Union's financial interests;
- f) They or any of its in office managers, holders of company management, directors or equivalent are guilty of misrepresentation in supplying the information required by the contracting authority for participation in this Call for EoI or who have not provided such information.

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

- in relation to items (a), (b) and (e) above, relevant extract(s) from a register maintained by a judicial or any other authority or, failing that, equivalent documentation issued by a competent judicial or administrative authority in the country where they are established, not earlier than 6 months before the deadline for the submission of the EoI. Depending on the national legislation of the country in which they are established, these documents must relate to entities with legal personality, and/or organized entities not being legal persons, but having legal capacity and/or natural persons; in the latter case, they must relate to the person(s) empowered to represent the applicant and sign the Operational Agreement if the tender is successful. If such documents are not available in the country of origin or provenance the applicant may provide a solemn declaration 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 organized entities not being legal persons, but having legal capacity 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 of origin or provenance the applicant may provide a solemn declaration that such documents are not available and that the exclusion criterion (d) does not apply to it, and
- In relation to items (c), and (f) above, a 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 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 3 months before the final date for submission of applications.

2. SELECTION CRITERIA

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;
- Declarations indicated in Annex 2 are completed to the satisfaction of the EIB.

VI. SUBMISSION OF OFFERS

Applicants which meet the Selection Criteria will be further assessed based on their Offers (including detailed Business Plans). The Offers will be evaluated on the basis of the Award Criteria, as described in Appendix A.

The Business Plans for use of resources received from the JHFP shall include the matters described below. Where an applicant applies for both lots the applicant should provide the portfolio of potential Urban Projects, foreseen under item 3 below, in respect of each lot separately. If any of the other information required in the Business Plan is different for each lot this information should be provided for each lot separately.

Business Plan

1. Investment Policy

The applicant shall describe its investment policy, targeted market, geographical and sectorial coverage (as described in Section I hereof)⁵, the criteria, terms and conditions for JESSICA financial products in accordance with the description of the JESSICA financial products, provided in the Terms of Reference (as described in Section XI hereof).

The applicant shall indicate that support will be granted only for Urban Projects eligible under the Priority Axis 3 Measure 3.3 of the Pomorskie ROP Complement ("City development infrastructure – non-grant support") and EU Structural Funds Regulations.

The applicant shall describe the effects of planned activities and the expected contribution to the achievement of ROP objectives (Priority 3, Measure 3.3), including quantitative outputs, indicators, where applicable, and expected outcomes as stipulated in the ROP.

The presentation of the applicant's investment policy may refer to the best practices and benchmarks in this field as described by the applicant.

2. Financial forecasts and operational budget of the UDF

The applicant shall describe the expected operational budget of the UDF assuming the amount of contribution from JHFP as indicated in Section II. In case that the applicant applies for both lots a separate financial forecast and operational budget should be submitted for each lot. The financial

⁵ For the avoidance of doubt it should be noted that at this stage the applicants are expected to present the projects located in the cities eligible according to the ROP provisions currently in place. However, subject to the expected amendment of the Pomorskie ROP, applicant(s) selected in this Call for EoI, should be ready to take into consideration wider geographical area when selecting projects for financing.

forecasts and operational budget of the UDF, together with the assumptions made, should be presented in line with the explanations and according to the template provided in Appendix C.

3. Portfolio of potential Urban Projects

Applicants shall be responsible for the identification and evaluation of Urban Projects. Each applicant should demonstrate the robustness of the project pipeline and compliance of all projects with the objectives as presented in Pomorskie ROP. Applicants should be aware that many types of interventions are envisaged and it is allowed to link various fields in one project.

The investment policy shall aim both at enabling the realization of Urban Projects with high socio-economic and urban benefits and at maximizing the value of the UDF's assets.

In addition, applicants that are able to provide evidence of a pipeline of projects and specific details of "early win" projects will provide a greater degree of comfort to EIB that they are in a position to invest in Urban Projects within the relatively tight timescales envisaged for investment. Therefore, when possible, applicants are invited to present in their Offers details of specific projects already identified, even if it is recognised that some project details may be less developed (or provided on an indicative basis) than others and that the project pipeline/financial plan will need to be subject to flexibility and further development/agreement going forward. Provision for this will be made in the Operational Agreement to be signed with the UDF.

For each of the projects, the applicant should describe the following:

- 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 of project's objectives with the objectives set forth in the JESSICA initiative and as described in the relevant Priority Axis of Pomorskie ROP. This means that selected Urban Projects shall contribute to the achievement of ROP objectives, including quantitative outputs, as stipulated in the relevant description of Priority Axis and Measure of ROP. The extent to which each Urban Project shall contribute to the achievement of quantitative outputs established in ROP will depend on the character of each of the projects.
- e) Assess the expected economic rate of return from the projects or other appropriate measure of the socio-economic performance, including a description of the social and environmental benefits resulting from the execution of the Urban Projects' portfolio (the economic rate of return should be presented according to the template provided in Appendix D).
- f) Feasibility and readiness for implementation (environmental impact assessment, building permissions, etc)

Urban Projects presented by applicants in their Business Plans shall comply with the assumptions and guidelines (as published by the Managing Authority for the Pomorskie ROP) for local authorities as regards the key characteristic required from the existing planning documents to be acknowledged as the Integrated Plans for Sustainable Urban Development. It is required that Urban Projects are included in Integrated Plans for Sustainable Urban Development. Applicants should describe how they will verify if the project is included in the relevant planning document.

The portfolio of Urban Projects should contain projects that the applicant undertakes to finance, unless circumstances of a nature that could not have been predicted at the time of preparation of the Offer occur. In such cases, the possibility of substituting projects contained in the Business Plan with other Urban Projects of a similar nature, including similar balance between financial and socio-economic benefits, will be permitted.

More information on Urban Projects' objectives and criteria for their selection can be found in Section IX. hereof: POTENTIAL URBAN PROJECTS.

4. Methodology for the identification and evaluation of Urban Projects

The portfolio of Urban Projects provided by the applicant shall not be interpreted as an exhaustive list. It is expected that UDFs will continue to look for other Urban Projects not identified at a time of presenting the Offer. It is allowed to finance investments (projects) in smaller cities⁶ with additional justification. For this aim, the applicant should describe the methodology for the research and evaluation of all Urban Projects, including future ones. The methodology should contain provisions assuring that all Urban Projects will comply with the objectives as presented in Pomorskie ROP (including quantitative outputs) and relevant EU Structural Funds Regulations. It is recommended that if the methodology for identification of Urban Projects differs depending on the type of projects, this should be clearly indicated. Applicants may base their methodology on Pomorskie ROP strategic criteria approach.

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 only at conceptual stage.

Based on the applicant's knowledge of the local market and local needs, the applicant shall also present rules of cooperation with and support to be provided to local authorities as regards identification and financing of Urban Projects. To this end, applicants shall specify the strategy to ensure adequate local presence in the relevant regions, in order to develop and maintain appropriate contacts and relationships with relevant authorities (mainly the relevant Managing Authority and local authorities) as well as local stakeholders and project delivery bodies (either public or public-private involved at project level), particularly in case of modification of Pomorskie ROP and expansion of the list of eligible cities.

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

5. The policy of the UDF concerning exit from Urban Projects

The applicant shall describe the policy governing the exit from investments in Urban Projects.

6. Legal and ownership structure of the UDF

The applicant shall provide information on the proposed legal structure of the UDF, which shall be in line with relevant EU Structural Funds Regulations.

Potential UDFs may be established as: joint stock companies, limited liability companies, investment funds, separate blocks of finance within financial institutions or as other acceptable organisational forms.

The applicant shall present information on the ownership structure of the UDF. Applicants shall identify the manager of the UDF who will be either the applicant itself or a member of its group or a member of the consortium or their respective groups.

7. The by-laws of the UDF

Where applicable, the by-laws and licences provided by the competent Polish authorities to grant loans and/or provide equity to legal and natural entities, the validity of which should not be limited, should be enclosed. For the avoidance of doubt, signature of the Operational Agreement will be conditioned to EIB having received these documents.

⁶a.b.

8. Governance structure and key experts

The applicant shall describe the management, administration and accounting procedures, which will be applied in the exercise of the function of the UDF. The applicant should also present the corporate governance provisions for the UDF, including internal control procedures. The applicant shall also describe risk management procedures that will be applied to the operations of the UDF.

The governance provisions shall also define the mechanisms to guarantee the compliance of Urban Projects with eligibility criteria under Pomorskie ROP, applicable local and regional legislation, and obtaining all relevant authorisations and licences relevant thereto, as well as the fulfilment of all obligations arising from the ERDF co-financing according to regional, national and EU Rules

For that reason, applicants 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. Applicants shall propose the structure and operation of the UDF management system, which should ensure a proper appraisal of the Urban Projects.

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

This should be presented in the following form:

* The list of roles is not limited.

NO.	NAME AND SURNAME	SCOPE OF DUTIES ENTRUSTED	YEARS OF EXPERIENCE AND DESCRIPTION OF THE EXPERT'S EXPERIENCE
1.		Key Manager of the UDF	
2.		Expert on Urban Projects	
3.		Project finance expert	
4.		Team manager for monitoring and reporting	

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 template provided in Appendix F).

9. Annual management fee

The applicant should indicate the required level of the management fee calculated in accordance with Section XII. hereof: MANAGEMENT FEE.

10. Interest Rate on Available Funds

The applicant should indicate the proposed interest rate applied on available funds (funds transferred to the UDF and not yet invested in Urban Projects). Interest rate should be stated on a WIBOR basis plus the spread offered. Applicants not being financial institutions should submit an offer by an acknowledged financial institution validating the proposed interest rate.

11. Co-financing

An important factor in the evaluation of the Offer will be the ability of the UDF to provide co-financing, either in cash terms or in kind and to raise finance from other private or public sources. For that reason, applicants shall present their strategy for obtaining potential financing from non-JESSICA sources with a view to co-financing Urban Projects or the UDF.

Applicants must distinguish whether the co-financing commitment is carried out at the UDF level or at the Urban Projects level.

With reference to co-financing the UDF, it shall be noted that there should be no preference for non-JESSICA funds over JESSICA funds. In other words the terms and conditions of the non-JESSICA co-financing coming to a UDF shall be the same as the terms and conditions of the JESSICA financing (“*pari passu* rule”) unless otherwise provided by EU State Aid Rules. In this case, applicants will indicate the subordinated relationships that may exist between UDF financing and external financing, if any.

Non-JESSICA co-financing of Urban Projects may be provided by a UDF. Urban Projects shall have discretion to decide whether they are willing to accept such co-financing and this decision shall not have any implication on whether they shall receive JESSICA funding from the UDF.

12. Winding-up provisions of the UDF

The applicant should describe the winding-up provisions planned to be applied by the UDF to its investments in Urban Project portfolio, including the reutilisation of resources returned from investments in Urban Projects or return of these resources to the JHFP.

VII. NEGOTIATIONS AND CONCLUSION OF THE OPERATIONAL AGREEMENT

The applicant(s), whose Offer(s) will be evaluated as the most favourable, shall be invited to negotiations concerning the terms and conditions of the Operational Agreement once its/their Offer(s) have been approved by the Investment Board of the JHFP.

During the period before an Operational Agreement is concluded, it is envisaged that Preferred Bidders will continue to develop Urban Projects included in their Business Plans and to look for other Urban Projects not identified at the time of presenting their Offer(s).

The negotiations with the Preferred Bidder(s) should be limited to a fine-tuning of the Operational Agreement, to the adjustment of the Operational Agreement so as to increase the efficiency of the Business Plan and its coherence with the relevant ROP Priority Axis and to discuss new Urban Projects included in the Business Plan in the meantime.

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

Once negotiations have been concluded, EIB shall make a proposal on the award of a contract to the Investment Board for approval. Such proposal shall include the key terms and conditions of the Operational Agreement to be signed between EIB and the selected UDFs.

Before signature of the Operational Agreement, EIB reserves the right to verify any relevant ethical, professional and technical requirements declared by the selected UDFs under this Call for EoI and, in particular, whether the Exclusion Criteria remain fully respected.

VIII. OPERATIONAL AGREEMENT

1. Based on the results of the negotiations, EIB shall make proposals to the Investment Board on the award of contracts. Such proposal shall include the key terms and conditions of the Operational Agreement.
2. An outline of the rights and obligations of the UDF with respect to the JHFP is provided in Appendix B (Selected Terms of the Operational Agreement).

IX. POTENTIAL URBAN PROJECTS

The investment portfolio of a UDF may consist of a number of projects that differ in terms of their economic value added, technical description, duration, size, risk and returns, etc.

SPECIFIC OBJECTIVES TO BE ACHIEVED BY URBAN PROJECTS SHALL BE TO SUPPORT ONE OR MORE OF THE FOLLOWING:
a) reinforcement of pro-development features of brownfields, railway stations, harbours with surrounding areas as well as post-military and post-industrial areas;
b) regeneration of large elements of degraded or de-capitalized urban infrastructure (with particular emphasis on houses with significant historic or architectural value);
c) development and integration of public transport systems including comprehensive modernisation of existing and construction of new transport infrastructure;
d) energy efficiency investments and development of energy infrastructure encompassing building, extending or rebuilding of the facilities for the production and distribution of renewable energy;
e) strengthening of business environment institutions by means of renovating buildings intended to be converted into science and technology parks, centres of advanced technologies, centres of excellence, business incubators and other similar institutions;
f) rising the economical potential of cities.

It is accepted that the UDFs' investment policy may evolve throughout the operational period of the UDFs. However, it is important that the UDF continues to deliver investments in Urban Projects within the scope of its investment policy. For this reason, the EIB and Investment Board should agree to any necessary changes to the UDF's Business Plan to ensure its compliance with the JHFP's investment strategy.

1. Parameters of Urban Projects

Although different types of Urban Projects can be distinguished, all projects shall demonstrate the following parameters:

1.1 General

- a) Compliance with EU Structural Fund Regulations;
- b) Soundness in terms of business model, cash flows, partners, etc.;

- c) Urban Projects are or will be included in the Integrated Plans for Sustainable Urban Development (as defined by the Managing Authority for the Pomorskie ROP in Appendix 5.9 of ROP Compliment published on 10 February 2011)
- d) Urban Projects shall be structured in such a way so that they generate revenue sufficient to repay any funding received from the UDF, as required by EU Structural Funds Regulations (in the case of PPP-type or similar projects – these revenues shall include all potential payments to be received by an Urban Projects from relevant public authorities or other Urban Project's promoters in the form of, e.g. availability payments, shadow tolls, etc); and
- e) Urban Projects shall ensure adequate economic and/or social benefits.

1.2 Related to Pomorskie ROP

- a) compliance with the objectives and interventions envisaged by the Priority Axis 3 of Pomorskie ROP;
- b) compliance with relevant eligibility criteria as described in Pomorskie ROP and Pomorskie ROP Compliment;
- c) Urban Projects shall contribute to the objectives (including quantitative outputs and expected outcomes), as stipulated in the Priority Axis 3, Measure 3.3 of the Pomorskie ROP.

1.3 Financial and economic

- a) Financial criteria will differ according to the projects and financial products selected (loans, equity) and shall be established by a 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 (if required), other financial indicators typically used in credit analysis, etc. There are no specific requirements imposed on Urban Projects with respect to financial criteria other than those described in the relevant EU Structural Funds Regulations. Each applicant shall present their views on what financial criteria shall be met by Urban Projects in order to achieve desired objectives. It is acknowledged that for some Urban 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.
- b) The assessment of Urban Projects as regards their economic sustainability and impact should include the following aspects of the projects: cost/benefit analysis (where possible to prepare), contribution to meeting relevant output indicators of ROP, 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.

X. FINANCIAL MODEL

1. In accordance with the JESSICA initiative, UDFs should be active partners for regional and local authorities in stimulating urban development by investing in Urban Projects in a revolving way, with a long-term perspective.
2. UDFs shall not re-finance acquisitions or participations in projects that have already been completed.
3. Urban Projects receiving grant assistance from the EU structural funds may be supported by UDFs in line with the relevant regulations.
4. The key implementation parameters of the Financial Model are as follows:
 - a) UDFs will receive funds from the JHFP to invest in a revolving way (in the form of loans and/or equity) in public-private partnerships or other Urban Projects included in Integrated Plans for Sustainable Urban Development, according to the Implementing Regulation 1828, Article 46.

- b) The boundary conditions for financial products to be offered by UDFs to Urban Projects are described in section XI hereof.
- c) The JESSICA funds contributed to the UDF should be fully invested in Urban Projects according to the following scheme:

i. At least 20% of the funds shall be invested by 31 December 2012
ii. At least 50% of the funds shall be invested by 31 December 2013
iii. At least 80% of the funds shall be invested by 31 December 2014
iv. 100% of the funds shall be invested by 30 June 2015

- d) Non-compliance with the above-mentioned terms shall result in a reduction in the level of the management fee to be paid, according to the formula as presented in section XII 10 e) hereof.

4.1 Transfer of funds to UDFs

- a) Funds committed to the UDFs, in order to invest in Urban Projects will be advanced by the JHFP in one or more tranches unless otherwise agreed in the Operational Agreement.
- b) The size of each tranche shall be based on the Business Plan submitted by the applicant. The JHFP shall, however, have the right to make the final decision as to the size and timing of each tranche in the Operational Agreement following an analysis of the Business Plan.
- c) The JHFP funds contributed to the UDF 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 increase the amount of the JHFP funds. The exact terms and conditions for the JHFP deposits, and other arrangements as agreed between the parties, shall be defined in the Operational Agreement.
- d) The JESSICA funds allocated to the UDF should be fully invested in Urban Projects at least once in line with the milestones indicated in the Business Plan and in Section X 4.c).

4.2 The JHFP will compensate UDFs for administration services provided by them in the form of a management fee (as described in section XII hereof).

4.3 Detailed procedures for the financial model shall be established in the Operational Agreement.

XI. CONDITIONS FOR THE FINANCIAL PRODUCTS

1. As described in section X, UDFs will receive funds from the JHFP to invest in a revolving way in Urban Projects.
2. For these purposes, UDFs shall support Urban Projects by means of loans and/or equity.
3. Loans and/or equity contributions made by UDFs to Urban Projects must comply with EU and national State Aid Rules⁷, including the reference rate framework where appropriate (see http://ec.europa.eu/competition/state_aid/legislation/reference.html for further details). Applicants should take their own advice in this regard.
4. Conditions for the financial products shall be based on the following guidelines:

⁷ For information on EU 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

- a) Only Urban Projects where the sum before discounting of all project cash flows from operating and investing activities (including initial expenditure and – in the case of PPP-type or similar projects - including all potential payments to be received by an Urban Projects from relevant public authorities or other Urban Project's promoters in the form of, e.g. availability payments, shadow tolls, etc) is positive are consistent with the concept of the JESSICA instrument.
- b) The expected profitability of an Urban Project without JESSICA support should be lower than normally required by the market, so that with typical forms of financing the Urban Project could not have been realized (rates of return for Urban Project's investors would be lower than required under the normal market conditions applicable to such an Urban Project). Hence, a market failure exists.
- c) The terms and conditions of financing from the UDF should be sufficiently more advantageous in relation to market terms, so that:
 - i. due to JESSICA financing, the rate of return for equity investors in a given Urban Project reaches a fair market level ("Normal Equity IRR");
 - ii. due to JESSICA financing, the rate of return for providers of debt to a given Urban Project reaches a fair market level ("Normal Debt IRR").
- d) The intensity of JESSICA financing should not exceed the level sufficient to encourage a project promoter to execute an Urban Project. Following the investment from JESSICA, the rate of return for equity investors and providers of debt shall not exceed the Normal Equity IRR and Normal Debt IRR respectively.
- e) In order to achieve the above results, JESSICA financing may come in the form of:
 - i. loans with terms and conditions (such as interest, maturity, security package) more preferential than in the case of standard market loans;
 - ii. equity contributions made on preferential terms.
- f) For the purpose of the Business Plan:
 - i. Normal Equity IRR shall be established as 15%⁸;
 - ii. Normal Debt IRR shall be established in line with the interest rates normally applicable by banks for the purpose of financing similar projects.
- g) Detailed terms and conditions for financing to be provided by a UDF must be determined prior to making an investment for each Urban Project on the basis of financial forecasts prepared for this Urban Project and verified by a UDF.

XII. MANAGEMENT FEE

1. The JHFP will compensate a UDF for its operations in the form of a management fee.
2. The management fee shall include all fees and expenses to be incurred by the UDF in relation to administration services and other auxiliary activities provided. If the UDF foresees a combination of its management fee proposal with remuneration received also from Urban Projects this must be clearly stipulated in its Offer. However, should this not be the case, the UDF shall not have the right to request remuneration from Urban Projects with respect to the same.
3. Where an applicant applies for both lots the applicant should provide its proposal in relation to management fees in respect of each lot separately and in respect of both lots together.

⁸ This is an indicative level of Normal Equity IRR to be used exclusively for the purpose of the Offers by all applicants in order to ensure methodological consistency. Actual future Normal Equity IRR will depend on the regulations concerning State Aid to be applicable to JESSIA in Poland.

4. The required level of a management fee payable to the UDF by JHFP shall be indicated in the Business Plan submitted by each applicant. The management fee may not exceed, on an annual average 3% of the capital contributed by the JHFP to the UDF.
5. The management fee shall be calculated as a percentage of the funds contributed from the JHFP to the UDF.
6. The management fee shall not be calculated on the interest earned by a UDF on any deposits of funds contributed to the UDF by the JHFP and not yet invested in Urban Projects or returned to the UDF from investments in Urban Projects and not yet re-invested.
7. The Management Fee may comprise both a fixed and a contingent component subject to the absolute cap, as described in section XII.10 below.
8. Fixed part: it is suggested to applicants to propose a management fee linked to the three following components of its activity:
 - project appraisal and structuring;
 - EU Structural Funds monitoring” consisting of monitoring, reporting and other services related to ensuring the compliance with EU Structural Funds Regulations; and
 - administration of the investments in Urban Projects.
9. Contingent part: it is suggested that the fixed component of the management fee may be replaced or integrated by additional performance incentives. In particular, the contingent part should provide the UDF with incentives to invest in Urban Project in a timely and efficient manner. The contingent component may be composed of either one or both of the following elements:
 - a performance incentive fee based on investments in Urban Projects. The rationale of this fee stems from the fact that the industry, both at level of UDF and at revenue generating Urban Projects level, is still immature;
 - an incentive based on the ex-post quality of the portfolio of Urban Projects. Charging fees on committed capital only would in fact encourage the UDF manager to invest too quickly, hence a well constructed performance fee should alleviate the risk of putting money to work too quickly and in unprofitable/risky projects.
10. The management fee shall be payable according to the following mechanism:
 - a) The management fee shall be paid quarterly or semi-annually unless otherwise agreed in the Operational Agreement;
 - b) In the initial investment period, i.e. up to 30 June 2014, a UDF shall be entitled to receive a management fee of up to a maximum amount of, on an annual average, 3% of the capital contributed from the JHFP to the UDF, without prejudice to sub-paragraph f) below;
 - c) During the period: 1 July 2014 – 31 December 2015, a UDF shall be entitled to receive a management fee of up to a maximum amount of, on an annual average, 2% of the capital contributed from the JHFP to the UDF, without prejudice to sub-paragraph f) below;
 - d) Management fee level for the period from 1 January 2016 until the expiration date of the relevant Operational Agreement or any other specific date agreed by EIB and a UDF in the relevant Operational Agreement shall be based, inter alia, on the policy governing exit from investments in Urban Projects and winding-up provisions of a UDF. A UDF shall be entitled to receive a management fee paid only from moneys returned into the UDF from investments in Urban Projects up to a maximum amount, on an annual average, of 1% of the residual outstanding amounts which are actually repaid to the UDF by Urban Projects, without prejudice to sub-paragraph g) below, unless otherwise agreed in the Operational

- Agreement. For the avoidance of doubt, the UDF shall bear the risks when returns on investments are not sufficient to pay for the management fee as defined in this paragraph;
- e) Failure to meet investment targets as described in section X.4.c hereof shall result in the reduction of the level of the management fee in the subsequent period in proportion to the shortfall of investments as compared to the target;
 - f) Non-compliance with the provision of section X.4.c.iii hereof shall result in the cancellation of any amounts available under the Operational Agreement unless otherwise agreed by EIB;
 - g) The management fee shall not be calculated on the amounts returned to a UDF from investments in Urban Projects (unless these amounts shall be re-invested by a UDF in other Urban Projects) nor on the amounts due by any Urban Project to a UDF and not returned due to a failure by an Urban Project to pay.
11. Subject to the absolute cap as described in section XII.10. b) and c) above, the management fee may be increased by any additional performance incentives. The EIB is expecting management fees to be well below the percentages mentioned above, as defined by the outcome of the competitive process, and especially for the period post initial identification and investment in Urban Projects. In any case, applicants are expected to propose a management fee that incentivises them, namely the UDF manager, to invest in Urban Projects in a timely and efficient manner and maximise output targets.
12. The amount equal to the management fee shall be each time debited by a UDF (when due) from the amounts held by a UDF. The detailed provisions concerning the management fee shall be established in the Operational Agreement.

APPENDIX A

AWARD CRITERIA

Award criteria			
Criterion	Sub criterion	Description and assessment rules	Scoring for criterion
1. INVESTMENT POLICY	Understanding of the objectives and clear definition of goals	<p>The applicant shall prove its understanding of the objectives to be achieved through the implementation of JESSICA mechanism in the Pomorskie region. The applicant shall define the goals of the UDF and objectives of its Investment Policy. The applicant shall prove the compliance of the Investment Policy with Pomorskie ROP priorities, in Priority Axis 3 Measure 3.3.</p> <p><u>Assessment rule:</u> level of understanding of JESSICA objectives and Pomorskie ROP priorities and manifestation of this comprehension in the Investment Policy.</p>	0-20
	Expected indicators and contribution to the achievement of ROP objectives	<p>The applicant shall describe expected contribution to the achievement of ROP objectives (Priority 3, Measure 3.3) including quantitative outputs, expected outcomes as stipulated in the ROP.</p>	
	Targeted market including geographical coverage	<p>The applicant shall describe the targeted market of the Investment Policy and geographical coverage of the UDF. The applicant shall prove the compliance of the Investment Policy with the geographical allocation requirement, as described in Section II of the Terms of Reference.</p> <p><u>Assessment rule:</u> Definition of the targeted market and compliance of the targeted market with the Investment Policy and geographical diversification.</p>	
	Parameters of financial products	<p>The applicant shall present the parameters of JESSICA financial products.</p> <p><u>Assessment rule:</u> the terms and conditions of the JESSICA financing shall ensure optimisation of the utilisation of funds in order to achieve the objectives of the Investment Policy.</p>	
2. FINANCIAL FORECASTS AND OPERATIONAL BUDGET OF THE UDF		<p>In this part the applicant shall indicate the amount of JESSICA finance it is requesting and present the operational budget of the UDF.</p> <p><u>Assessment rule:</u> credibility of the financial forecast and its compliance with the Investment Policy and project portfolio.</p>	0-5

Award criteria			
Criterion	Sub criterion	Description and assessment rules	Scoring for criterion
3. PROJECTS PORTFOLIO	Robustness of the project pipeline	<p>The applicant shall demonstrate the robustness of eligible and mature (ready for implementation) projects and prove the conformity of the projects' objectives with the general objectives set for in the JESSICA initiative as well as in the ROP.</p> <p>Urban Projects shall comply with the assumptions and guidelines of the Managing Authority for the Pomorskie ROP as regards Integrated Plans for Sustainable Urban Development. Consequently, it is required that Urban Projects are or will be supported by the Integrated Plans for Sustainable Urban Development.</p> <p><u>Assessment rule:</u> contribution of the projects to ROP quantitative outputs, robustness of the projects pipeline, compliance of the projects with the assumptions and guidelines of the Managing Authority for the Pomorskie ROP as regards Integrated Plans for Sustainable Urban Development.</p>	0-15
	Level of preparation of the projects for completion and their reliability	<p>The applicant shall describe the level of preparation of selected Urban Projects.</p> <p><u>Assessment rule:</u> stage of the preparation of indicated Urban Projects and the probability of their execution.</p>	
	Expected economic rate of return on projects pipeline ⁹	<p>The applicant shall forecast and describe the expected economic rate of return for the projects (or other appropriate measure of the socio-economic performance), including the social and environmental benefits resulting from the execution of the projects' portfolio.</p> <p><u>Assessment rule:</u> the level of the economic rate of return on projects pipeline.</p>	
	Identification of risk areas for particular projects / project types	<p>The applicant should identify the risks for particular projects or types of project. The applicant should also describe possible ways of mitigating identified risks.</p> <p><u>Assessment rule:</u> the comprehensiveness of the risk assessments and the reliability of mitigation actions.</p>	

⁹ As explained in Appendix D

Award criteria			
Criterion	Sub criterion	Description and assessment rules	Scoring for criterion
4. METHODOLOGY FOR THE IDENTIFICATION AND EVALUATION OF URBAN PROJECTS	Methodology	<p>The portfolio of projects provided by the applicant shall not be interpreted as an exhaustive list. It is expected that the UDF will continue to seek Urban Projects to be supported by the JESSICA mechanism. The applicant should describe the methodology for identifying and evaluating both indicated and Urban Projects. The methodology should contain provisions ensuring that the Urban Projects will comply with the assumptions and guidelines of the Managing Authority for the Pomorskie ROP as regards Integrated Plans for Sustainable Urban Development.</p> <p><u>Assessment rule:</u> appropriateness of the methodology to the specificity of Urban Projects (including provisions ensuring that Urban Projects will comply with the objectives as presented in ROP).</p>	0-15
	Rules of cooperation with local authorities	<p>Based on the applicant's knowledge of the local market and local needs the applicant shall present the rules of cooperation and support to be provided to local authorities as regards identification and financing of Urban Projects.</p> <p><u>Assessment rule:</u> the level of the applicant's readiness to support local authorities together with the applicant's capacity and experience with this respect.</p>	
5. GOVERNANCE STRUCTURE	Ownership structure	<p>The applicant shall present information on the ownership structure of the UDF. The applicant shall prove the credibility of the ownership structure of the UDF, including co-financing partners and/or shareholders.</p> <p><u>Assessment rule:</u> credibility of the ownership structure and its suitability to the objectives set for the UDF, including diversification of partners' knowledge (if applicable) and ability to engage local operators.</p>	0-10
	Provisions for the exit policy from investments in financial instruments and winding-up	<p>The applicant should describe the exit policy from investments in financial instruments, including the reutilisation of resources returned to the UDF from investments in Urban Projects or return of these resources to the JHFP. The applicant shall describe the winding-up procedures for the UDF.</p> <p><u>Assessment rule:</u> the reliability and credibility of the provisions for the exit policy from investments in financial instruments and the winding-up procedures.</p>	
	Management, administration procedures and organisational capacity	<p>The applicant shall describe management and administrative procedures which will be applied in the exercise of the function of an UDF. The applicant shall prove the organisational capacity of the UDF, including the strength of the team proposed for delivering the tasks and the potential to identify Urban Projects, provisions on the professionalism, competence and independence of the management. The applicant shall also describe the proposed decision making procedures regarding investment in Urban Projects and the envisaged role of EIB and the Managing Authority in these procedures.</p> <p><u>Assessment rule:</u> the reliability and credibility of the management, administrative procedures and organisational capacity of the UDF to deliver tasks.</p>	

Award criteria			
Criterion	Sub criterion	Description and assessment rules	Scoring for criterion
	Proximity and local presence	<p>The applicant shall describe the approach envisaged to guarantee presence in the region (e.g. offices, info points, etc.) to facilitate contacts with local stakeholders and project beneficiaries.</p> <p><u>Assessment rule:</u> level of presence and proximity ensured by local structures,(existing ones and/or new ones that the applicant will commit to set up and manage) and their relevant functions.</p>	
	Accounting and internal control procedures	<p>The applicant shall describe the accounting procedures which will be applied in the exercise of the function of a UDF. The applicant should also present the corporate governance provisions for the UDF, including internal control procedures.</p> <p><u>Assessment rule:</u> the strength, reliability and credibility of the accounting and internal control procedures.</p>	
	Monitoring, reporting, controlling	<p>The applicant shall propose assumptions in respect of monitoring, reporting and controlling the process of project execution.</p> <p><u>Assessment rule:</u> the strength, reliability and credibility of the monitoring, reporting and controlling procedures.</p>	
	Risk management procedures	<p>The applicant shall describe the risk management procedures that will be applied to the operations of the UDF. In addition, the applicant may propose a risk sharing mechanism related to the potential losses for the JHFP arising from the financing to Urban Projects developed by the UDF.</p> <p><u>Assessment rule:</u> the strength, reliability and credibility of the risk management procedures and the proposed risk sharing mechanism.</p>	

Award criteria			
Criterion	Sub criterion	Description and assessment rules	Scoring for criterion
6. KEY EXPERTS		<p>The applicant shall indicate a team of experts with experience in relevant fields, namely demonstrating capabilities to manage UDFs.</p> <p><u>Assessment rule:</u> the experience of Key Experts shall be assessed.</p>	0-10
7. ANNUAL MANAGEMENT FEE		<p>The applicant should present the level of the management fee required, in line with the methodology presented in this Call for EoI. Where an applicant applies for both lots the applicant should provide its proposal in relation to management fees in respect of each lot separately and in respect of both lots together.</p> <p><u>Assessment rule:</u> the lower the level of management fee indicated by the applicant, the higher the number of points awarded (an applicant requesting the lowest management fee shall receive the maximum number of points available for this criterion)</p>	0-10
8. INTEREST RATE		<p>The applicant should present the level of the interest rate offered on available funds, not yet invested.</p> <p><u>Assessment rule:</u> the higher the interest rate indicated by the applicant, the higher the number of points awarded (the applicant offering the highest interest rate shall receive the maximum number of points available for this criterion).</p>	0-5
9. CO-FINANCING		<p>The applicant shall present the strategy for obtaining potential financing from external sources with a view to co-financing Urban Projects or a UDF. With reference to co-financing at the UDF level, it shall be noted that there should be no preference of external funds over JESSICA funds.</p> <p><u>Assessment rule:</u> the potential amount of external funds and the probability of acquiring additional funds indicated in the business plan will be assessed.</p>	0-10
TOTAL			100

APPENDIX B

SELECTED TERMS OF THE OPERATIONAL AGREEMENT

Form of Agreement

Operational Agreement with limited recourse to UDF. Disbursement and repayment made through ring fenced accounts each charged in favour of EIB as agent for the Investment Board.

Disbursement

In a number of tranches, or otherwise proposed by the UDF applicant or agreed between the parties during Operational Agreement negotiations, directly to a charged disbursement account for direct application to qualifying Urban Projects. Conditions to include:

- provision of external legal opinion in a form satisfactory to EIB on due execution and enforceability of the transaction documentation;
- all necessary consents and approvals obtained;
- security documentation executed and perfected.

The UDF will be expected to apply the full amount to Urban Projects in accordance with the Investment Strategy of the JHFP and the Investment Policy and Business Plan of the UDF subject to relevant thresholds.

Failure to apply the amounts available in accordance with minimums set out in milestones will lead to penalties and also return of a proportion of management fees.

Limitation of Liability

Subject to compliance with the Operational Agreement and certain limited exceptions the UDF will not be responsible for loss due to failure of the underlying investments up to a threshold above which limited risk sharing will apply.

UDF Obligations

The UDF will be required to select Urban Projects in accordance with the Investment Strategy of the JHFP and the investment policy and Business Plan of the UDF (which will comply with the ROP and EU Rules) and will be required to monitor and report on the progress of such Urban Projects in accordance with standard procedures. The procedures involve quarterly or semi-annually reports being completed in an excel format provided by EIB and sent electronically. It also involves the submission of annual accounts by the UDF.

The UDF will be required to ensure that receivables under the Investment Agreements are paid directly to a charged reserve account from which EIB will be repaid after deduction of certain fees and expenses of the UDF.

The UDF will be required 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.

The UDF will be required to carry out adequate information and publicity measures in accordance with EU Structural Funds Regulations and advertise that investments in Urban Projects come in full or in part from EU structural funds.

Investment Agreement

The UDF will be required under the Operational Agreement to include certain particular clauses in the Investment Agreements including compliance by the Final Recipient with EU Rules, account keeping rules, limitations on term and grace periods and provisions requiring prepayment in case of Irregularities and other defaults and access by relevant EU officials and others (including officials of national authorities) in case of audit. The UDF will be required to diligently, whether by negotiation or legal action, enforce its claims against the Final Recipient.

Security

The UDF will be required to assign all of the Investment Agreements to EIB by way of security for its obligations under the Investment Agreement as soon as such Investment Agreements are signed.

Management Fees

The Operational Agreement will provide for the right of the UDF to payment of market standard management costs, which shall not exceed the cap provided in these Terms of Reference.

Disruption

Provisions will be included to deal with circumstances where payments cannot be made due to systemic problems.

Irregularities

In case of Irregularities the UDF will be required to report immediately to the EIB and use best endeavours to recover the relevant funds from the Final Recipient under the Investment Agreement.

Representations and Warranties

Standard representations and warranties will be required including that all authorisations, which the UDF 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.

Events of Default

Standard events of default will be required including non-payment, cross default, insolvency events and material adverse change.

Indemnity

The UDF will be required to provide an indemnity to EIB for any breach of the Operational Agreement causing loss.

Termination

The UDF shall have the right to terminate subject to conditions including covering the cost of replacement subject to thresholds and limitations.

Miscellaneous

Force majeure and confidentiality provisions shall be included.

APPENDIX C

FINANCIAL FORECASTS AND OPERATIONAL BUDGET OF THE UDF

General comments:

- 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 assumption items listed are a minimum set; if there are any other assumptions with material impact, they should be included. In particular, the applicant may present the operational budget and financial forecast extending beyond the year 2020;
- In the assumptions and results sheet, fill in all fields marked in yellow (grey in case of monochrome printouts).

The attached template consists of the following sections:

1. Assumptions

The information provided by the applicant in this section includes the assumptions on which the financial projections of the applicant are based. This will enable an evaluation of the credibility of the projections and their methodological consistence with other applicants.

1.1. Macroeconomic assumptions

- a) In Section 1.1, the applicant should provide all the macroeconomic variables taken into account in the forecast that have an impact on the results;
- b) In particular, the applicant must indicate the forecast levels of reference interest rates 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.

1.2. Project financing assumptions

- a) This Section should include assumptions adopted for the purpose of the financial projections.
- b) The share of irregular loans (please indicate methodology for calculating this parameter).
- c) The assumptions concerning the terms of financing the Urban Projects should be supplemented with other financing parameters if used in the projection, e.g. commission for granting the financing, commitment fees, etc.
- d) Average equity IRR required and financing costs are to be in line with the requirements set out in other sections of this EoI.
- e) Other assumptions:
 - a. The projection should include all other assumptions that the applicant considers relevant to the results of the financial projections;
 - b. The amount of external financing obtained by the UDF should be provided on a per year basis;
 - c. 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.

Assumptions should be in line with the proposed portfolio of projects and the overall proposed Business Plan. EIB expects that applicants will justify, by the assumptions provided, each item of the forecasting financial statements.

2. Results of the projection

2.1 This section should include all the results of the projection, including:

- Pro forma balance sheet statements for each year of the projection,
- Pro forma cash flow statements for each year of the projection.

Financial forecasts and operational budget of the UDF

Parameter	Unit	20...	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	202...
ASSUMPTIONS													
<u>Macroeconomic assumptions</u>													
CPI (price increase)													
Interest rate*													
<i>* show the assumption concerning e.g. 6M WIBOR</i>													
<u>Assumptions applicable to financing to be provided by a UDF</u>													
Value of loans to be granted, cumulatively													
Assumptions regarding the expected level of irregular loans													
<u>Loan financing terms</u>													
Interest rate used													
Average maturity													
Value of equity financing to be granted, per year													
Average expected returns to be earned from equity investments													
<u>Other assumptions</u>													
Amount of external financing obtained by the UDF (cumulatively, if any)													
Management fee percentage per year													
RESULTS OF THE PROJECTION													
Balance sheet													
<u>Total Assets</u>													
Loans granted													
Investments In Urban Projects													
Cash													

Parameter	Unit	20...	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	202...
Other assets													
Liabilities and reserves													
Sums due to JHFP													
Other liabilities and reserves													
Cash flow statement													
Net cash flow from operating activities													
I. Inflows													
1) dividends received													
2) interest received													
3) sale of investment													
4) loans repayment													
5) other													
II. Outflows													
1) equity investments													
2) loans issued													
3) management fee													
4) other													
Cash flows from other activities													

APPENDIX D

ECONOMIC ANALYSIS

Economic analysis is a determination of the cost effectiveness of a project by comparing the benefits derived and the costs incurred in a project, including social factors. There are three possible methods depending of the individual project:

- **Cost-Benefit analysis:** applied 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. There are two main parameters as the result of the CBA analysis: ERR and ENPV. Economic rate of return: ERR, the internal rate of return calculated using the economic values and expressing the socio-economic profitability of a project.
- **Multi-criteria analysis:** is an evaluation methodology that considers many objectives by the attribution of a weight to each measurable objective. Multi Criteria Analysis is a tool for dealing with a set of different objectives that cannot be aggregated.
- **Simplified multi-criteria analysis:** is an evaluation methodology that considers many objectives without the attribution of a weight to each objective. We use this method when objectives are not measurable.

The following economic growth and quality of life improvements shall be considered in case of assessing the entire programme comprising Urban Projects proposed to be funded by the future UDF. Contribution to the achievement of quantitative outputs established in ROP will depend on the character of each of the Urban Projects. It is understood that individual projects will not necessarily address all areas of economic growth and quality of life improvements measures. The table below presents an indicative set of socio-economic outputs to be taken into consideration whilst preparing an economic analysis of the selected urban projects.

Area	Influence
1 General	1.1 No of jobs created in problem areas, including jobs for women
	1.2 Potential to attract investors
	1.3 Creation of new businesses
	1.4 Better environmental standards
	1.5 Increase of income
	1.6 Increase in revenues from taxes for local authorities
2 Residential	2.1 Increase in m ² of social housing in decent standard per capita
	2.2 Social inclusion
	2.3 Decrease in petty crime
	2.4 Increased energy efficiency in housing
3 Education infrastructure	3.1 Better education
	3.2 Less petty crime
	3.3 Additional jobs including jobs for women
4 Utility projects (water, wastewater, solid waste, energy)	4.1 Installed Capacity of Renewable Energy Sources facilities
	4.2 Energy saved from energy efficiency interventions
	4.3 Decreased pollution to environment (air, waters, ground)
	4.2 Improved standards of public health
	4.3 Multiplier effect – potential for further development of the area, including no of jobs created in problem areas,
5 Transport	5.1 Decreased time of commute (time saving)
	5.2 Decreased pollution to environment (mainly air, but also ground)

6 Regeneration of the degraded city centers/	6.1 Better urban standards
	6.2 Generation of tourism traffic
	6.3 Potential to attract investors
	6.4 No of additional jobs in shops, restaurants, services to tourists and inhabitants including jobs for women
	6.5 Increased revenue for employees, additional taxes
	6.6 Decrease in crime
	6.7 Social inclusion including handicapped
7 Sport and leisure	7.1 No of additional jobs including jobs for women
	7.2 Increased revenue for employees
	7.3 Improvement in health standards
	7.4 More beneficial advantageous ways of spending free time (increase in level of education)

APPENDIX E

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

“Appendix”	means an appendix to this Call for Expressions of Interest which shall form an integral part hereof;
“Award Criteria”	means the criteria used to select the Preferred Bidders;
“Business Plan”	means each business plan, relating to any UDF, prepared in accordance with Article 43 paragraph two of the Implementing Regulation;
“Call for EoI”	means this Call for Expression of Interest;
“CEB”	means the Council of Europe Development Bank;
“Commission”	means the Commission of the European Communities;
“EIB UDF Selection Procedures”	means the internal rules adopted by EIB which govern the procedures for the launch of calls for expressions of interest for the procurement of the UDFs under Article 8.1 of the Funding Agreement and which shall respect the principles of equal treatment, proportionality, non-discrimination and transparency;
“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 Regulation 1080 (subject to the list of ineligible expenditure in article 7 of Regulation 1080) and those contained in articles 56 and 78 of Regulation 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 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 Treaty on European Union and the Treaty on the Functioning of the European Union (“TFEU”) (2008/C 115/01) (previously embodied in Articles 87 to 89 of the EC Treaty) including any secondary legislation such as frameworks, guidelines and block exemptions produced by the European Commission, case law of the European Courts and decisions of the European Commission regarding the application of Articles 107 to 109 TFEU;
“EU Structural Funds Regulations”	means Regulation 1080, Regulation 1081, Regulation 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 applied in the Stage 1 of UDF selection process (as outlined in Annex 3, Section V of the Terms of Reference), which the applicants shall fulfill to be assessed on the basis of selection criteria;
“Financial Model”	means an organizational mechanism to channel the JHFP funds to the Urban Projects through UDF;
“Final Recipient”	means the entities that will develop the Urban Projects pursuant to the Investment

	Agreement;
“Funding Agreement”	means an Agreement establishing the JESSICA Holding Fund for Pomorskie, signed by Pomorskie Voivodship and the EIB on 12 July 2010;
“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;
“Integrated Plans for Sustainable Urban Development”	local planning documents fulfilling the criteria as defined by the Managing Authority for the Pomorskie ROP, taking account of Article 8 of Regulation (EC) No 1080/2006 and the specific urban, administrative and legal context of Pomorskie;
“Investment 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 in accordance with Article 5 of the Funding Agreement;
“Investment in Urban Project”	means each contribution by the UDF into an Urban Project;
“Investment Policy”	means the document concerning the investment strategy and planning of the activities of the Urban Development Fund in relation to the JESSICA Action;
“Investment Strategy”	means the document concerning the investment strategy and planning of the activities of the JESSICA Holding Fund in relation to the JESSICA Action;
“Irregularity/ies”	has the meaning given to it in Article 2 of Regulation 1083;
“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;
“JHFP”	means the JESSICA Holding Fund for Pomorskie, established pursuant to the 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;
“Member States”	means the Member States of the European Union;
“Management Fee”	means the fee payable to the UDF for the services provided under the Operational Agreement;;
“Managing Authority for the Pomorskie ROP ”	means the Managing Authority responsible for Operational Program contributing resources to JHFP;
“Offer”	means the Business Plan to be submitted by applicants in Stage 2 of this Call for Expressions of Interest;

“Operational Agreement”	means an agreement providing for Operations;
“Pomorskie ROP”	means the Pomorskie Regional Operational Programme developed in accordance with Article 37 Regulation 1083, a part of which shall be administered by the JESSICA Holding Fund, in accordance with the provisions of the Funding Agreement;
“Pomorskie ROP strategic criteria”	means criteria that enable assessment of compliance of a project with the strategic objective and specific objectives of Pomorskie ROP (as outlined in Annex 5.5. of the Pomorskie ROP Compliment and “Informacja o trybie stosowania kryteriów wykonalności i kryteriów strategicznych wyboru projektów w ramach Regionalnego Programu Operacyjnego dla Województwa Pomorskiego na lata 2007-2013” published on the website www.dpr.woj-pomorskie.pl);
“Preferred Bidder”	means an applicant whose Offer is evaluated as the most favorable;
“Priority Axis”	means a set of specific aims within an ROP;
“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 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 applied in Stage 1 of this Call for Expressions of Interest to select applicants who will be invited to submit an Offer (in the form of a Business Plan) under Stage 2;
“Terms of Reference”	means terms of reference for the selection of the UDFs;
“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.

APPENDIX F

Done at (date)

EUROPEAN INVESTMENT BANK
For the attention of xxxxxxxxxx / xxxxxxxxxxxxxxxx
Ref.: xxxxxxxxxxxxxx
Procurement and Purchasing Division
98-100 boulevard Konrad Adenauer
L-2950 LUXEMBOURG

JESSICA HOLDING FUND POMORSKIE SELECTION OF URBAN DEVELOPMENT FUNDS

KEY EXPERTS AVAILABILITY DECLARATION

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

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

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

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)