

**Call for Expression of Interest to select financial intermediaries that will receive resources from the “Intermediated instrument for urban development and sustainable tourism” funded with resources from the Spanish National Recovery and Resilience Plan to implement a financial instrument in the Kingdom of Spain**

**(“FoF Urban Development and Sustainable Tourism”)**

Ref.: CEOI 2407

## **1) Introduction**

On 13 July 2021, the EU economy and finance ministers approved the assessment of Spain's National Recovery and Resilience Plan (“**NRRP**”)<sup>1</sup> adopting the Council implementing decision under the Recovery and Resilience Facility (RRF). On 6 June 2023, the Spanish Council of Ministers approved the Addendum to the NRRP (“**NRRP Addendum**”), to allow the use of the repayable financial support component, for an amount of up to EUR 83bn. The NRRP Addendum was approved by the European Council on 16 October 2023 after proposal by the European Commission<sup>2</sup>.

Kingdom of Spain (“**KoS**”) acting as managing authority, has decided to dedicate resources from the NRRP, as amended by the NRRP Addendum, for the implementation of a fund of funds (“**FoF**”) focused on financing urban development and sustainable tourism managed by the EIB, in accordance with the provisions of an Instrument Agreement signed between the KoS and the EIB on 18 June 2024 (“Instrument Agreement”).

This Call for Expression of Interest (“**CEOI**”) is addressed to eligible financial intermediaries, complying with the criteria indicated in the following sections, able to originate and manage financial instruments (which may have the form of loans, equity and quasi equity investments) and being interested in receiving resources from the FoF. Such activities shall be carried out in accordance with the agreement(s) (“**Operational Agreement(s)**”) to be entered into by the EIB, acting as manager of the FoF, and the Selected Applicants. The funds shall be transferred from the FoF to the Selected Applicants for the period of time and purpose defined in the Operational Agreements.

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<sup>1</sup> Spain formally submitted its NRRP on April 30th, 2021. On June 16th, 2021, the European Commission (“EC”) gave its green light to the plan, which was finally adopted by the European Council on July 13th 2021

<sup>2</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52021PC0322>

## 2) Definitions and Interpretation

In this CEOI (including Section 1 (Introduction)), capitalised terms and expressions shall have the meaning attributed to them below, unless otherwise defined above or the context requires otherwise:

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| Administrative Criteria                 | Means the administrative criteria listed in Section 9) of this CEOI.  |
| Applicable Laws                         | Means the RRF Regulation, the NRRP, NRRP Addendum, the CID, EU State Aid rules and all other applicable EU rules and guidelines, and national law, regulations and guidelines (including procurement, data protection, environmental law and other regulations where appropriate).  |
| Applicant(s)                            | Means an applicant under the CEOI, which must be a credit institution, financial institution, investment fund (including special purpose entities), fund managers or other financial intermediary, duly authorised by the competent authority as applicable, entitled under laws of an EU member state to provide loans, financial leases and/or equity and/or quasi-equity instruments or financial instruments of a similar nature and purpose and able to originate (in the Kingdom of Spain) and to manage such financial products. |
| Autonomous Region(s)                    | Means the 17 Autonomous Regions (Comunidades Autónomas) and the 2 Autonomous Cities (Cuidades Autónomas) of Spain.  |
| Assessment Criteria                     | Means the assessment criteria listed in Section 10).  |
| Base Fee                                | Has the meaning given to it in Section 7.d.1  |
| Business Plan                           | Means the business plan of the Applicant which must be contained in its Expression of Interest and which should address as a minimum all matters set out in Sections 3) and 7).   |
| Call for Expression of Interest or CEOI | Means the Call for Expression of Interest including its Annexes for the purpose of selecting Financial Intermediaries that will receive financing from the FoF.   |
| Carried Interest Fee                    | Has the meaning given to it in Section 7.d.1  |
| CID                                     | Means the Council Implementing Decision of 16 October 2023 by which the Council of the European Union approved a modified NRRP.   |
| Co-Finance                              | Has the meaning set out in Section 3.e.   |
| Committed Allocation Volume             | Has the meaning set out in Section 4.a.1.   |
| Contingent Loan                         | EIB, in its capacity as the FoF Manager, will provide contingent loans to the Selected Applicants as per this CEOI (i.e., loans where the   |

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|                                  | amounts to be repaid on each relevant date from the Financial Intermediaries depend on the performance of the underlying investments, and cannot follow any pre-determined amortisation schedule).   |
| Core Activities                  | Has the meaning given to it in Section 11).  |
| Do No Significant Harm principle | Means the Do No Significant Harm principle, within the meaning of art. 17 of Regulation (EU) No 2020/852, amending Regulation (EU) 2019/2088 and as set out in the EC's Do No Significant Harm Technical Guidance (C/2023/11) and the CID.   |
| Eligibility Criteria             | Means the eligibility criteria set out in Annex 5 of this CEOI.  |
| Equity                           | Equity means the provision of capital, invested directly or indirectly in return for total or partial ownership and where the equity investor may assume some management control of the firm and may share the firm's profits.   |
| Equity Investment Period         | <p>Means the period of time in which the Financial Intermediaries are allowed to disburse financial investments in the form of Equity. The period lasts from the signature of the Operational Agreement until (and including) 31 December 2030.</p> <p>Such date may be extended in the future, if allowed in the RRF Regulation and/or the CID and/or the NRRP and communicated by KoS and agreed between the EIB and KoS/IB. For the potential reinvestment of the resources returned from the FI, the extension is subject to the agreement between the EIB and KoS/IB.</p> |
| EU                               | Means the European Union.  |
| Exclusion Criteria               | Means the exclusion criteria with which the Expression of Interest and the Applicant must comply, and which are listed in Section 8) and include the declarations contained in Annex 4.  |
| Expression of Interest or Eol    | Means a proposal sent by an Applicant in response to this CEOI which shall be prefixed by a table in the form contained in Annex 2a – Expression of Interest and Annex 2b – Deed of Undertaking and include the documents mentioned therein, and includes the declarations contained in Annexes 3 and 4.   |
| Final Beneficiary                | Means a legal or natural person receiving financial support from a Financial Instrument, as defined in the Eligibility Criteria in Annex 5   |
| Final Beneficiary Transaction    | Means a financial investment in the form of Loan or Equity entered into with a Final Beneficiary which complies with the applicable Eligibility Criteria.  |
| Financial Intermediary or        | Means an Applicant or Applicants, selected by EIB with the terms of this CEOI, and with whom an Operational Agreement is signed.   |

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| Financial Intermediaries  |   |
| Financial Intermediary's Co-Finance                                       | Has the meaning set out in Section 3.e.   |
| Financial Instrument or Instrument or FI                                  | Means a measure of financial support provided to Final Beneficiaries, which may take the form of loans, quasi-equity or equity investments, in accordance with the FoF's Investment Strategy.   |
| FoF's Investment Strategy   | Means the Investment Strategy of the Fund of Funds as summarised in Section 3).   |
| FoF Urban Development and Sustainable Tourism or "Fund of Funds" or "FoF" | Means the fund set up through the Instrument Agreement, signed between the KoS and the EIB, with the objective of contributing support from the RRF to Financial Instruments Funds, as detailed in the NRRP.  |
| Investment Board or IB  | Means the management board of the FoF, duly appointed and empowered by the KoS.   |
| Instrument Agreement  | Means Instrument Agreement signed between the KoS and the EIB on 18 June 2024 as set out in Section 1)  |
| Investment Fee  | Has the meaning given to it in Section 7.d.1  |
| Irregularity  | Means any breach of EU law or of national law relating to its application, resulting from an act or omission by an economic operator involved in the implementation of RRF which has, or would have, the effect of prejudicing the budget of the EU by charging an unjustified item of expenditure to the budget of the EU.   |
| KoS   | Means Kingdom of Spain.   |
| Legacy Period   | Means the period from the first day immediately after the Loan Investment Period or the Equity Investment Period, as applicable, until the winding up of the instrument.  |
| Loan  | <p>For the purpose of this CEOI, means loans, financial leases and quasi-equity granted by a Financial Intermediary to a Final Beneficiary which comply with the applicable Eligibility Criteria.</p> <p>Quasi-equity, independent of its legal form, means the type of financing that, ranks between equity and debt, having a higher risk than senior debt and a lower risk than common equity. Quasi-equity investments can be structured as debt, typically unsecured and subordinated and in some cases convertible into equity, or as preferred equity.</p> |
| Loan Investment Period  | Means the period of time in which the Financial Intermediaries are allowed to disburse financial investments in the form of Loan. The   |

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|   | <p>period lasts from the signature of the Operational Agreement until (and including) 31 August 2026.</p> <p>Such date may be extended in the future, for loans, financial leases and quasi-equity, or any of them independently, if allowed in the RRF Regulation and/or the CID and/or the NRRP and communicated by KoS and agreed between the EIB and KoS/IB.</p> <p>For the reinvestment of the resources returned from the FI, the extension is subject to the agreement between the EIB and KoS/IB.</p> |
| Loan Return Fee                                       | Has the meaning given to it in Section 7.d.1.   |
| Management Fees                                       | Has the meaning given to it in Section 7.d.1.   |
| Management Fee Penalties or “Penalties”               | Has the meaning given to it in Section 4.a.1.   |
| NCJ   | <p>Means Non-Compliant Jurisdiction as defined and updated from time to time in EIB Group Policy towards weakly regulated, non-transparent and non-cooperative jurisdictions and tax good governance;</p> <p><a href="https://www.eib.org/en/publications/eib-policy-towards-weakly-regulated-non-transparent-and-uncooperative-jurisdictions">https://www.eib.org/en/publications/eib-policy-towards-weakly-regulated-non-transparent-and-uncooperative-jurisdictions</a>.</p>                               |
| OLAF  | Means the European Anti-Fraud Office.   |
| Operational Agreement or “OA”                         | Means an agreement (or set of agreements) entered into between a Financial Intermediary and the EIB acting on behalf of the FoF on the basis of this Call for Expression of Interest and the selection process.   |
| Portfolio Management Fee                              | Has the meaning given to it in Section 7.d.1.   |
| Proposed Allocation Volume                            | Has the meaning set out in Section 4.a.1.   |
| Selected Applicant(s)                                 | Means the Applicant(s) selected as a result of this CEOI as per Section 6).   |
| RRF   | Means the Recovery and Resilience Facility under the RRF Regulation.  |
| RRF Regulation  | Means Regulation (EU) No 241/2021 of the European Parliament and of the Council of 12 February 2021 as amended from time to time.   |
| Spanish National Recovery and Resilience Plan or NRRP | Means the Spanish national recovery and resilience plan adopted in July 2021 for the purpose of the RRF Regulation as amended from time to time, including the addendum adopted on 16 October 2023.   |



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| State Aid       | Means state aid as described in Articles 107 and 108 of the Treaty on the Functioning of the European Union together with all other rules or regulations relating to the provision of state aid as adopted from time to time by the European Union or, as the case may be, the Kingdom of Spain.  |
| State Aid Guide | Means the guidance by Directorate General Competition of the European Commission of 26 January 2024, entitled “The Market Economy Operator Test for Risk Finance Measures: Practical guidance for Member States”, published in the following link: <a href="https://ec.europa.eu/competition/20240126_practical_guidance_for_member_states_the_market_economy_operator_test_for_risk_finance_measures.pdf">20240126_practical_guidance_for_member_states_the_market_economy_operator_test_for_risk_finance_measures.pdf (europa.eu)</a> . |
| TFEU            | Means the Treaty on the Functioning of the European Union.  |

In this CEOI, word and expressions:

- (i) in plural shall include singular and *vice versa*.
- (ii) denoting one gender only shall include the other gender; and
- (iii) denoting persons only shall include firms and corporations and *vice versa*.

## 2.a. Disclaimer

The EIB (including any employees, officers, advisers and/or contractors of the EIB who contributed to the preparation of this document which for the purposes of this Section 2.a (*Disclaimer*) are considered to be covered by the definition of EIB) makes no representation, warranty or undertaking of any kind in relation to the accuracy or completeness of any information provided in, or in connection with, this CEOI (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 any 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 a decision to enter into contractual relationships with the EIB and/or any other person on the basis of the Information provided to (or otherwise received by) Applicants (whether prior to this CEOI or at any point during the Financial Intermediary 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 CEOI shall not constitute or be construed as the giving of investment advice or a recommendation of any kind by the EIB.

Only the express terms of any written contract (namely, an Operational Agreement 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 this selection process including the preparation and submission of applications and participation in all future stages of this process. Under no circumstances will the EIB be liable for any costs or expenses borne by the Applicants or any of their 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.

This CEOI does not represent a public procurement procedure in the sense of Directive 2014/24/EU.

## **2.b. Conflicts**

The EIB requires all actual or potential conflicts of interest to be resolved to the EIB's satisfaction prior to the delivery of an Applicant's submission. Failure to declare such conflicts and/or failure to address such conflicts to the reasonable satisfaction of the EIB could result in an Applicant being disqualified at the sole discretion of the EIB.

## **2.c. Canvassing and non-collusion**

The EIB reserves the right to disqualify (without prejudice to any other civil remedies available to the EIB and without prejudice to any criminal liability which such conduct by an Applicant or consortium member, as the case may be, 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 the EIB;
- (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 its EoI 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 into such agreement as is mentioned above or to inform the Applicant or a consortium member of the Applicant of the amount or approximate amount of any rival submission;

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

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

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

## **2.d. Intellectual property**

The copyright of this document and all content therein 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 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.

## **2.e. 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 this 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.

## **3) FoF's Investment Strategy and the role of the Financial Intermediaries**

### **3.a. Set-up and sources of funds**

Spain has been heavily hit by the COVID-19 pandemic, that led the national Gross Domestic Product to drop by 11.3% in 2020 (the largest drop across EU Member States). Considering the size of the Spanish economy, the magnitude of the COVID-19 impact and the important investment needs to facilitate the green and digital transition and improve its economic and social resilience, Spain has been one of the main beneficiaries of the Next Generation EU instrument.

The Spanish National Recovery and Resilience Plan first adopted in July 2021 aims at supporting reforms and investments around the following six pillars: i) Green Transition, ii) Digital Transformation, iii) Smart, sustainable, and inclusive growth, iv) Social and territorial

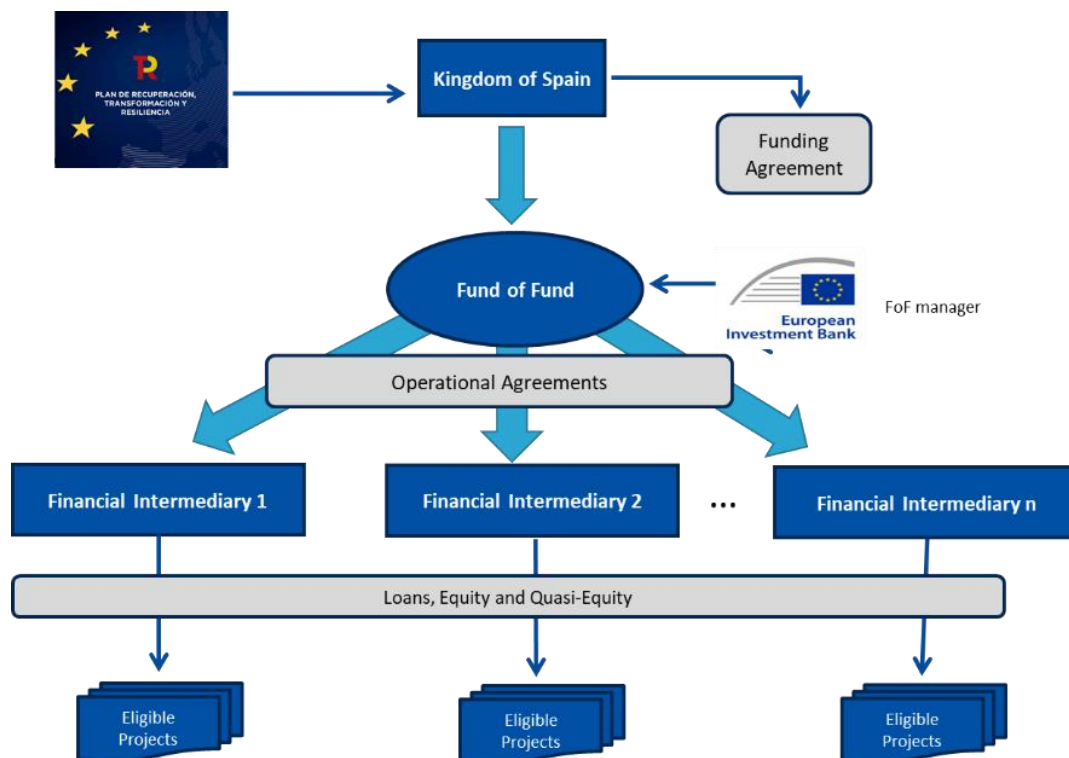


cohesion, v) Health and economic and social resilience, and vi) Policies for the next generation children and the youth, such as education and skills.

Under the NRRP, Spain created the Regional Resilience Fund of the Autonomous Regions or Fondo de Resiliencia Autonómica - FRA (“**RRF Regional Fund**”), managed by the EIB Group (“**EIBG**”) and aimed to channel RRF resources to Final Beneficiaries in the form of repayable financial support (e.g., loans, equity, quasi equity). As part of the RRF Regional Fund, EIB and KoS have agreed to create an intermediated financial instrument, managed by the EIB, to finance sustainable tourism and urban development in the form of a fund of funds set-up as a separate block of finance within the EIB. To implement the FoF, Financial Intermediaries will be selected and tasked to channel FoF resources to Final Beneficiaries.

The overall envisaged structure is depicted in the diagram below:

**Figure 1: FoF envisaged structure**



### 3.b. Selection, legal form and responsibilities of Financial Intermediaries

The Financial Intermediaries will be selected according to the criteria set out in this CEOI. The Financial Intermediaries will enter into Operational Agreements with the EIB on the basis of which they will receive contributions from the FoF in the form of a Contingent Loan. In order to implement the Financial Instrument, **the Financial Intermediaries shall establish**

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**separate blocks of finance within financial institutions, or independent legal entities, in accordance with national and EU rules.**

The Financial Intermediaries will act in accordance with all Applicable Laws and with degree of professional care, efficiency, transparency and diligence expected from a professional body experienced in implementing financial instruments. To this end, the Financial Intermediaries will be asked to identify and provide the financial products identified in [Annex 5](#) for the implementation of new projects with the view to achieving the required indicators within the established deadlines and manage the created portfolio in compliance with the objectives of this CEOI.

The key tasks envisaged for each Financial Intermediary shall broadly be, but not limited to:

- origination, appraisal, disbursement, underwriting, servicing, monitoring, controlling and exiting a portfolio of **new** financial investments in financially viable Final Beneficiaries<sup>3</sup> which fit within the FoF's Investment Strategy (see this Section 3), the Eligibility Criteria of Annex 5 and the investment strategy and business plan of the Financial Intermediary;
- provide the necessary information to the FoF, KoS, the Investment Board and authorised entities in order to comply with their reporting obligations towards Applicable Laws, RRF Regulation and the NRRP;
- undertake information, marketing and publicity measures on the involvement of the Financial Intermediaries in the deployment of Financial Instruments under the FoF;
- secure the provision of co-financing (as defined in Section 3.e) to ensure sufficient and appropriate leverage of the funds contributed from the FoF;
- agree/define and manage appropriate exit strategies from the Final Beneficiary Transactions as applicable; and
- act in accordance with all Applicable Laws and with the degree of professional care, efficiency, transparency and diligence expected of best practices in the financial sector.

The Financial Intermediaries will have to undertake full management and responsibility in respect of the Final Beneficiary Transactions and shall carry out due diligence on proposed projects and investments.

In addition to ensuring that the investments are viable from an economic and financial point of view, the Financial Intermediaries must ensure that the eligibility criteria established by the FoF Investment Strategy, NRRP, NRRP Addendum, CID, RRF Regulation, and other Applicable Laws (including guidelines provided in this CEOI) are fulfilled.

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<sup>3</sup> Including the recovery of defaulted investment amounts.

The Final Beneficiaries engaged in any of the excluded activities listed in [Annex 6](#) are ineligible for financing.

The Management Fees charged by the Financial Intermediary for its activity under the Operational Agreement, shall cover all fees and expenses incurred by the Financial Intermediary in relation to the instrument/FI and other auxiliary activities (all-in fee). The Financial Intermediary shall not be entitled to claim any other remuneration from the EIB or Final Beneficiaries<sup>4</sup>.

The Financial Intermediaries implementing Equity products will need to create a fund/SPV registered in the National Securities Market Commission (Comisión Nacional del Mercado de Valores - CNMV). For the avoidance of doubt, such fund/SPV may also be used to implement Loan products, were this to be the case, it could only invest in Loan products during the Loan Investment Period and in Equity products during the Equity Investment Period. The set up of such fund/SPV can be finalised after the selection procedure.

### **3.c. Financial products to be offered by Financial Intermediaries**

See Annex 5

Loan and Equity are the Financial Products that can be used by the Financial Intermediaries. Applicants are requested to present in their Business Plan to be submitted as part of their EoI (see Section 7)) the maximum indicative amounts that they expect to finance with the different financial products.

The Financial Intermediaries will analyse the best financial product or combination of financial products to be provided to each eligible investment, taking into consideration, inter alia, the Loan Investment Period, the Equity Investment Period and State Aid rules.

The Applicant is requested to pay special attention to the difference between the Loan Investment Period and the Equity Investment Period (see definitions) when submitting an EoI.

Investments in Final Beneficiaries will be made on market terms (as per State Aid regulations) and the EoI must be submitted on this basis, as established in Annex 5<sup>5</sup>.

### **3.d. Specification of eligible investments**

See Annex 5

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<sup>4</sup> The Management Fees is an all-in fee, no other fee or expense including inter alia operating, legal or investment expenses will be paid from the FoF Manager nor the Final Beneficiaries to the Financial Intermediaries.

<sup>5</sup> See Section 4.2.3 of the Commission Notice on the notion of State Aid as referred to in Article 107(1) of the Treaty of the Functioning of the European Union, and published in the following link: [Commission Notice on the notion of State aid as referred to in Article 107\(1\) of the Treaty on the Functioning of the European Union \(europa.eu\)](#)

Additional guidance regarding State Aid, market terms and *pari passu* principles can be found in the State Aid Guide [20240126 practical guidance for member states the market economy operator test for risk finance measures.pdf \(europa.eu\)](#)

### 3.e. Co-financing

#### Financial Intermediary's Co-Finance

For each Loan and Equity investment, the Financial Intermediary or the vehicle created by the Financial Intermediary shall provide to each Final Beneficiary, and *pari passu* with resources the Contingent Loan, the Financial Intermediary Complementary Finance in an amount equal to or above 1% of the financing provided to that Final Beneficiary with funds deriving from the Contingent Loan (the “**Financial Intermediary's Co-Finance**”).

The Financial Intermediary shall be responsible for channelling the Financial Intermediary's Co-Finance to Final Beneficiaries in accordance with Applicable Laws and in line with the applicable directives (for example the National Securities Market Commission (Comisión Nacional del Mercado de Valores – CNMV when implementing Equity products).

#### Co-Finance

The Selected Financial Intermediaries must ensure that the financing operations provided to the Final Beneficiaries are on market terms (no State Aid) and in line with the *pari passu* principle<sup>6</sup>.

Among other conditions, and in terms of co-financing from sources other than the FoF, the Financial Intermediary will need to ensure that the intervention of the private investors (including Financial Intermediary's Co-Finance) in each eligible project is of real economic significance (set at minimum of 30%) (the “**Co-Finance**”).

In addition to the above, the Financial Intermediary shall ensure that financing from the Financial Instrument is provided in a manner which is (i) proportionate, (ii) least distortive to competition, and (iii) determines a rate of return for any Co-Finance that (including the Financial Intermediary's Co-Finance) (a) is not greater than a fair market level, and (b) is in line with any Applicable Laws.

### 3.f. Risk guidelines

The risk profile and creditworthiness of the Final Beneficiaries will be assessed autonomously and independently by the Financial Intermediaries.

In carrying out their responsibilities, the Financial Intermediaries shall act as diligent business entities applying (i) at least the standard of professional care that can be expected from an EU-regulated financial institution, as applicable, and (ii) their own internal procedures and policies, as well as best practices of the financial sector and investment fund management,

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<sup>6</sup> See Section 4.2.3 of the Commission Notice on the notion of State Aid as referred to in Article 107(1) of the Treaty of the Functioning of the European Union, and published in the following link: [Commission Notice on the notion of State aid as referred to in Article 107\(1\) of the Treaty on the Functioning of the European Union \(europa.eu\)](#)

Additional guidance regarding State Aid, market terms and *pari passu* principles can be found in the State Aid Guide [20240126 practical guidance for member states the market economy operator test for risk finance measures.pdf \(europa.eu\)](#)

as applicable. The Financial Intermediaries shall use all reasonable efforts to assess the creditworthiness of the Final Beneficiaries in line with this document, also based on the different types of Final Beneficiaries, type of project / activity to be financed, and financial product used. They shall have to implement necessary recovery procedures, in line with their internal standards and policies, and write off the amounts due only in cases where the collection of such amounts can no longer be reasonably expected according to standard market practice. The Financial Intermediaries shall be solely responsible for the assessment, origination, underwriting, servicing, monitoring, controlling and exiting of Loans and Equity investments granted to Final Beneficiaries, including the recovery of defaulted Loans and Equity in accordance with the Operational Agreement to be signed with the EIB.

The Financial Intermediaries will be authorised to invest in projects falling indicatively into the following risk categories:

- Investment grade (Moody's equivalent rating from AAA to Baa3);
- Sub-investment grade (Moody's equivalent rating from Ba1 to B3); and
- Equity and equity-equivalent risk.

#### 4) Operational Provisions

##### 4.a. Amounts allocated under the CEOI

###### 4.a.1. Applications

###### Allocations

It is planned to allocate an initial total amount of up to EUR 700m<sup>7</sup> (the “**Initial Contribution**”) to up to four (4) Financial Intermediaries in the form of a Contingent Loan(s) provided by the EIB subject to the number and quality of EoIs received.

If deemed appropriate the KoS may, subject to prior agreement of the EIB, contribute additional resources to the FoF. These contributions include:

- Potential public or private financial contribution: this includes, but it is not limited to, additional European, regional or national contributions from KoS including, among others, from the NRRP. Such additional contributions would be limited to up to 50% of the Initial Contribution.
- The reinvestment of resources released or returned (reflows) from the Financial Instrument which will be limited to the resources effectively returned.

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<sup>7</sup> The initial amount under this Call for EoI may be increased due to inter alia: additional funding contributed to the FoF as detailed in this section; positive interests resulting from treasury management etc. On the other hand, the initial amount may be lower due to inter alia: negative interest, EIB management fees etc.

In such cases, EIB, subject to the endorsement of the Investment Board, may: (i) assign such additional resources to one or several of the Financial Intermediaries as per this CEOI, and/or (ii) assign such additional resources to the Applicant ranking first<sup>8</sup> (and so on) in the reserve list (if any) if not rejected following the compliance due diligence performed by the EIB in accordance with Section 12) of this CEOI and subject to reaching an agreement on the terms of the Operational Agreement as set out in Section 6); and/or (iii) launch a new call of expression of interest.

With a view to maximising the efficient use of the resources of the FoF, EIB, subject to the endorsement of the Investment Board, shall have sole discretion to allocate any additional amounts made available from time to time, to Financial Intermediaries that perform/over-perform relative to the initial expectations on the performance and build-up of the relevant portfolio or to other Applicants as per the paragraph above.

The EIB will allocate to each Selected Applicant as Committed Allocation Volume **a minimum amount of EUR 100m**. The first tranche amounting to tentatively up to 35% of the Committed Allocation Volume will be disbursed following the signing of the Operational Agreement. Subsequent tranche(s) are expected to be disbursed to the corresponding Financial Intermediary provided that at least a predefined level (tentatively, in the order of 75%) of the prior tranche(s) disbursed by the FoF to a Financial Intermediary have been signed with Final Beneficiaries within the Loan Investment period and/or Equity Investment Period. EIB will have no obligation to disburse subsequent tranche(s) until such predefined level has been reached.

Only applications whose Proposed Allocation Volume is at least EUR 100m will be considered.

At the sole discretion of EIB and subject to the endorsement of the Investment Board, the **Committed Allocation Volume** to be allocated to each Financial Intermediary will be assigned based, amongst others, on:

- The proposed portfolio volume presented by the Applicant in the proposed Business Plan (the “**Proposed Allocation Volume**”; see Section 7.c.3) and the credibility of such proposal in comparison with previous funds/resources under management.
- The size and credibility of the project pipeline presented by the Applicant in their EoI.
- The scoring of such Applicant in the Assessment Criteria.
- The conclusions of the due diligence assessment in accordance with Section 12).

Therefore, the Committed Allocation Volume could differ from the Proposed Allocation Volume.

The Financial Intermediary shall use the Committed Allocation Volume to provide financing to eligible Final Beneficiaries and to pay its own management fees as set out in the Operational Agreement.

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<sup>8</sup> In case of contribution of additional resources, at the sole discretion of the EIB and subject to the endorsement of the Investment Board, the number of Selected Applicants may be above 4.

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**Allocations of any funds to the Financial Intermediaries shall always be subject to the funds being made available and actually received by the EIB from KoS.**

EIB reserves the right to re-open or relaunch the CEOI in case the sum of the Committed Allocation Volume(s) does not reach the Initial Contribution.

The geographical scope of the FoF will be the whole national territory of Kingdom of Spain. EIB, in agreement with KoS or the Investment Board, reserves the right to amend the Investment Strategy including geographical limitations of investment per Autonomous Region.

**Underperformance and penalties**

**De-commitment**

If at any time during the Loan Investment Period and/or the Equity Investment Period as applicable, the Financial Intermediary falls short in the implementation (to be assessed by the EIB and at its discretion) of the **ramp-up schedule** agreed in the Operational Agreement (which, will be based on the one proposed by the Applicant in the CEOI; see Section 7.c.5), the EIB shall be entitled, at its discretion as FoF Manager and subject to the approval of the Investment Board to (i) reduce its commitment to the Financial Intermediary (Committed Allocation Volume) to reflect its actual performance<sup>9</sup>, and (ii) reallocate it to (a) another Financial Intermediary(ies), or (b) to the Applicant ranked first (and so on) on the reserve list (if any) if not rejected following the due diligence performed by the EIB in accordance with Section 12) of this CEOI and subject to reaching an agreement on the terms of the Operational Agreement as set out in Section 6), or (iii) to launch a new call for expression of interest, or (iv) to return the funds to KoS. EIB reserves its rights to claim (claw-back or via deductions in future Management Fees) Management Fees amounts in case of de-commitment.

The **ramp-up schedule** may be modified when entering the negotiation of the Operational Agreement to take into consideration the actual timing of implementation (e.g. delays to the start of the investment period due to the negotiation of the Operational Agreement), subject to the EIB agreement.

Any reduction of the Committed Allocation Volume shall be communicated by the EIB to the Financial Intermediary in writing.

**Management Fees Penalties**

If during the implementation, a Financial Intermediary fails to reach deployment thresholds as proposed by the Financial Intermediary in its offer (**ramp-up schedule** agreed in the Operational Agreement which, will be based on the one proposed by the Applicant in the CEOI – see Section 7.c.5), this may imply penalties in the Base Fee. The EIB at its sole discretion

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<sup>9</sup> For the avoidance of doubt, management fees would be calculated over the reduced Committed Allocated Volume from the date the corresponding legal documentation is signed.



may opt to incorporate such penalties in the Operational Agreement based on the following formula<sup>10</sup> (implemented at EIB's discretion):

$$\text{Management Fee Penalty} = (A - B) \times (C \times D)$$

*A = Percentage, over the Committed Allocation Volume, expected to be disbursed to Final Beneficiaries plus expected Cumulative Management Fees paid as per ramp-up schedule (milestones: 30%, 60%, 100%).*

*B = Percentage, over the Committed Allocation Volume, of the sum of (i) the actual amount of financing disbursed to Final Beneficiaries, plus (ii) the actual cumulative Management Fees paid; at each of the rump up schedule milestones (30%, 60%, 100%).*

*C = Actual cumulative Management Fees paid to the Financial Intermediary since the signature of the Operational Agreement at each of the rump up milestone.*

*D = Penalty rate – tentatively set at 15%-25%.*

If the result of the formula is a negative Management Fee Penalty, the Management Fee penalty shall be zero (0). The Management Fee Penalties shall be tested on the dates indicated in the ramp-up schedule.

For illustrative purposes only and with the objective of clarifying the calculation of penalties as set out above, some examples are provided below. Applicants should not take the figures in the table below as guidance, as they are provided in the context of an example.

#### Example 1

|                          | Proposed Date | A    | B   | C            | D   | Management Fee Penalties |
|--------------------------|---------------|------|-----|--------------|-----|--------------------------|
| <b>Stage 1</b>           | 31/12/2026    | 30%  | 35% | 2,000,000.00 | 20% | -                        |
| <b>Stage 2</b>           | 31/12/2027    | 60%  | 50% | 4,000,000.00 | 20% | 80,000                   |
| <b>Stage 3</b>           | 31/12/2028    | 100% | 75% | 6,000,000.00 | 20% | 300,000                  |
| <b>Total Fee Penalty</b> |               |      |     |              |     | <b>380,000</b>           |

#### Example 2

|                          | Proposed Date | A    | B    | C            | D   | Management Fee Penalties |
|--------------------------|---------------|------|------|--------------|-----|--------------------------|
| Stage 1                  | 31/12/2026    | 30%  | 10%  | 2,000,000.00 | 20% | 80,000                   |
| Stage 2                  | 31/12/2027    | 60%  | 20%  | 4,000,000.00 | 20% | 320,000                  |
| Stage 3                  | 31/12/2028    | 100% | 100% | 6,000,000.00 | 20% | -                        |
| <b>Total Fee Penalty</b> |               |      |      |              |     | <b>400,000.00</b>        |

<sup>10</sup> Or through an alternative mechanism achieving a similar outcome.



#### 4.a.2. Potential EIB financial contribution

EIB may provide financing from its own resources to Financial Intermediaries or to Final Beneficiaries in accordance with its own rules, policies and procedures. For the avoidance of doubt, this CEOI and selection process will not apply to such a transaction.

The form and amount of EIB's support is subject to the EIB's internal rules, policies and procedures and the approval of the EIB's Governing Bodies.

#### 4.b. Obligations under the Operational Agreements

The Financial Intermediary shall be required to comply at all times with obligations including, **but not limited to**, the following:

- To comply with Applicable Laws, including EU and national, State Aid rules and RRF Regulation.
- To pursue the objectives set out in the Operational Agreement, which shall include an obligation to act in accordance with the FoF's Investment Strategy, in particular the obligation to make investments in projects according to the agreed business plan of the Financial Intermediary.
- To act with a degree of professional care, efficiency, transparency and diligence expected from a professional body experienced in implementing Financial Instruments. In particular, the Financial Intermediary will, among others, use all required efforts to assess the creditworthiness of the Final Beneficiary in line with the standard practice, to collect amounts due and to write off the amounts due only if the collection of the amounts due can no longer be reasonably expected.
- To select Final Beneficiaries benefiting from the support of the instrument with due account of the nature of the instrument and the potential economic viability of the investment projects of the Final Beneficiaries which are to be financed.
- To comply with applicable publicity requirements under Applicable Laws and the Operational Agreement – in particular, but without limitation, the Financial Intermediaries inform the Final Beneficiaries, in accordance with the RRF Regulation, as well as relevant laws and regulations, that the funding is provided under the RRF Regulation, co-financed under EU funds pertaining to the NRRP.
- To provide support to Final Beneficiaries in a proportionate manner, which has the least distortive effect on competition.
- To agree that the Financial Intermediary may be audited (including on the spot verifications) by or on behalf of KoS audit authority, the European Commission and the European Court of Auditors and other properly appointed bodies.
- To agree not to make a claim for any amount beyond the amount committed to them in the Contingent Loan.
- **To agree that if the funds disbursed to the EIB under the Instrument Agreement erode due to negative interest rates, the EIB's financing obligation towards the Financial Intermediary will be limited to the funds available to EIB.**

- To hold and maintain (and to ensure that Final Beneficiaries hold and maintain) amounts received from the FoF in a bank account with a credit institution situated within the territory of a Member State of the EU.
- To ensure that direct payments made to the Final Beneficiaries must be made to a bank account with a credit institution situated within the territory of a Member State of the EU.
- The requirement to set up and maintain a separate accounting system or use a separate accounting code for disbursements to Final Beneficiaries and to maintain an audit trail regarding the initiative (including identification of amounts disbursed and other requirements as they are provided under the NRRP, the RRF Regulation and other Applicable Law).
- To ensure that the Final Beneficiaries undertake to comply with applicable State Aid rules and the Financial Intermediaries shall repay any support received through the FoF which constitutes unlawful State Aid..
- To pursue the objectives set out in the Operational Agreement, which shall include an obligation to act in accordance with the FoF's Investment Strategy as amended from time to time.
- To indemnify the FoF/KoS for any loss caused by failure to comply with the Applicable Laws or with the terms of the Operational Agreement.
- To indemnify the FoF/KoS for any Irregularity occurring at the level of the Financial Intermediary.
- To ensure that appropriate co-financing will be provided by the Financial Intermediaries in line with this CEOI.
- To ensure that, for the duration of the Operational Agreement, the Financial Intermediary permanently dedicates a team with appropriate resources (including, where appropriate, external consultants), expertise and skills.
- To indemnify the FoF/KoS for any Irregularity occurring at the level of the Final Beneficiaries unless the Financial Intermediary can prove that it has exercised due diligence in selecting and pursuing, at its own expense, appropriate contractual and legal measures against the Final Beneficiaries to recover the amounts affected by the Irregularity.
- To comply with the provision and standards, as implemented in the governing national law, set out in Directive 2015/849 on the prevention of the use of the financial system for the purposes of Money Laundering ("ML") or Terrorist Financing ("TF"); the Financial Intermediary should meet the standards described in the "Anti-Money Laundering Questionnaire" issued by the Wolfsberg Group.
- To apply and ensure compliance with (i) European restrictive measures issued pursuant to Chapter 2 of Title V of the Treaty on European Union as well as Article 215 of the Treaty on the Functioning of the European Union, (ii) United Nations sanctions decided by the UN Security Council pursuant to Article 41 of the UN Charter and (iii) to the extent applicable sanctions enacted, imposed, administered, implemented and/or enforced by the competent US sanctions authorities (such as the Office of Foreign Asset Control) and the United Kingdom.

- To agree that the Financial Intermediary for the purpose of the relevant Final Beneficiary, shall not enter into business relations with any entities incorporated in a Non-Compliant Jurisdiction (NCJ).
- To comply with the applicable legislation and market standards, concerning, *inter alia*, tax fraud, tax evasion, tax avoidance, aggressive tax planning and harmful tax practices.

Without prejudice to the above, the Operational Agreements shall also include the following obligations, *inter alia*:

- To agree that the Financial Intermediary may be visited (including on the spot verifications) by the EIB, KoS, the European Commission and the European Court of Auditors or other properly appointed body in order to fulfil their monitoring obligations.
- To ensure that the selection of the Final Beneficiaries is transparent, **non-discriminatory** and can be justified by the Financial Intermediaries on objective grounds and that such selection does not give rise to any conflict of interest.
- To save, where otherwise agreed, select the Final Beneficiaries in line with the Applicant's credit risk policy guidelines applicable to comparable Loan/Equity products.
- To ensure the fulfilment of the requirement to monitor the implementation of the initiative including regular reporting to the FoF.
- To ensure the fulfilment of the requirements on the compliance of the Final Beneficiaries to be financed and the relevant investments and/or projects with the Do No Significant Harm principle, within the meaning of art. 17 of Regulation (EU) No 2020/852, amending Regulation (EU) 2019/2088 and as set out in the Commission's Do No Significant Harm Technical Guidance (2021/C58/01) and the CID.
- To comply with requirements on data protection and document retention by the Financial Intermediaries and/ or the Final Beneficiaries. and
- To comply with requirements as to the visibility of the involvement of the Financial Instrument and the applicability of the RRF Regulation.
- Within 12 months of the date of entry into the Operational Agreement, and furthermore on at least an annual basis, to publicly disclose its climate related governance, strategy, risk management, metrics and targets in line with the recommendations from time to time of the Task Force on Climate Related Financial Disclosures, and in line with any other applicable sustainability disclosure obligations to which the Applicant is subject, pursuant to any law or regulation<sup>11</sup>;

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<sup>11</sup> This obligation will only be relevant to the extent that (i) an Applicant is within the scope and screened-in of EIB Group's PATH framework (Paris alignment of counterparties framework), and (ii) EIB assesses that an Applicant's existing disclosures do not yet meet EIB's requirements. However, the PATH framework now (a) allows for the reporting to start within 24 months (instead of 12 months) of contract signature where there is a well-justified requirement for more time, and (b) deems the PATH requirement for financial intermediaries to be satisfied if the Financial Intermediary discloses in accordance with the Commission Implementing Regulation (EU) 2022/2453 or the TCFD recommendations. More information on the Task force can be found under the link: <https://www.fsb-tcfd.org/>. In relation to the EIB Group framework to support the Paris Alignment of counterparties (or PATH framework) please also see: [https://www.eib.org/attachments/lucalli/20230343\\_the\\_eib\\_group\\_path\\_framework\\_v1\\_2\\_en.pdf](https://www.eib.org/attachments/lucalli/20230343_the_eib_group_path_framework_v1_2_en.pdf).

The obligations expressed under 4.b above may be transposed, among others, into undertakings in the Operational Agreement and breach of such undertakings may result in an event of default under such agreement.

The Financial Intermediaries shall not (i) be established and shall not maintain business relations with entities incorporated in territories whose jurisdictions do not cooperate with the European Union in relation to the application of the internationally agreed standards with respect to money laundering, financing of terrorism, tax fraud, tax evasion, tax avoidance, aggressive tax planning or harmful tax practices, or (ii) engage or promote the engagement in any jurisdiction in activities, arrangements or series of arrangements which, having regard to all relevant facts and circumstances, could reasonably be considered as having been implemented for the purposes of any of the aforementioned.

The Financial Intermediaries will be required to pass on certain of these obligations (including but not limited to obligations regarding sanctions compliance, and Anti-Fraud and Anti-Money Laundering (AML)/Combating Financing of Terrorism (CFT) provisions to the extent applicable) to Final Beneficiaries and ensure that certain rights and obligations are included in their agreements with Final Beneficiaries (including the right to recover from the Final Beneficiaries any amount that forms an Irregularity).

The Financial Intermediaries shall acknowledge the EIB Anti-Fraud Policy<sup>12</sup> which sets out the policy of the EIB for preventing and deterring corruption, fraud, collusion, coercion, obstruction, money laundering and terrorist financing and shall take appropriate measures (as may be further specified in the Operational Agreements) to facilitate implementation of such policy.

The Operational Agreements signed with the Financial Intermediaries, including their main terms and conditions, may be subject to modifications, to be agreed between the parties, in case of changes of prevailing circumstances and may be assigned by the EIB to third parties, following also the agreement of the Investment Board, as the case may be.

The EIB reserves the right to charge a fee to the Financial Intermediary for the costs associated to the handling of any event of default as defined in the Operational Agreement.

#### **4.c. Duration of the Operational Agreements**

On an indicative basis, Operational Agreements will remain in force from the date of entering into force up to the winding up of the Financial Instrument, independently of whether the EIB may novate/transfer its rights and obligations in respect of the Operational Agreement to any entity succeeding it as FoF Manager.

### **5) Instructions for Submission of Expression of Interest and Important Notices**

This section provides the instructions Applicants must follow to present their EoI and an indicative calendar covering the period from the publication of the CEOI to the expected signing

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<sup>12</sup> Available at: [http://www.eib.org/attachments/strategies/anti\\_fraud\\_policy\\_20130917\\_en.pdf](http://www.eib.org/attachments/strategies/anti_fraud_policy_20130917_en.pdf) as updated from time to time



of the Operational Agreements with the selected Financial Intermediaries. The selection of Financial Intermediaries will proceed as described below.

### **Submission of applications**

Applications must be submitted electronically through the secured SharePoint platform of the EIB in two (2) separate PDF files, one (1) for the Technical Offer and one (1) for the Financial Offer. **Each of the two files should be password protected and the respective two passwords should not be communicated to the EIB upon submission in order to ensure that no-one can have access to data transmitted.**

**The deadline for receipt of applications by the Contracting Authority is 01/10/2024 at 23:59 CET.**

Applicants must express their interest by e-mail to the following address: [eib-cpcm-procurement@eib.org](mailto:eib-cpcm-procurement@eib.org) until the **18/09/2024 at 23:59 CET at the latest** in order to receive the access to the SharePoint platform and be able to submit their applications.

After the deadline for receipt of applications by the Contracting Authority, the Applicants must communicate by e-mail at the e-mail address: [eib-cpcm-procurement@eib.org](mailto:eib-cpcm-procurement@eib.org) the password for the Technical Offer file **only**. The communication must be no later than the date for the applications opening **03/10/2024 at 10:00 CET**.

**The password for the Financial Offer file shall not be communicated to the EIB upon submission.** The Applicants must communicate the password for the Financial Offer file only when requested by the Contracting Authority.

**Applications submitted by any other means will not be considered.**

**Any infringement of these rules (e.g., unprotected files / or references to price in the technical offer) constitutes an irregularity which will lead to rejection of the application.**

### **Amending or withdrawing applications**

Applicants may amend or withdraw their applications on EIB's SharePoint platform prior to the deadline for submitting Offer/EoI. Offer/EoI may not be amended after this deadline, and the access to the platform will be deactivated after the deadline for submission.

Applications will not be accepted if they:

- a) Are not sent within the deadline for receipt of Offer/EoI.
- b) Are sent via email and not to the SharePoint platform.
- c) Do not conform to the provisions of this CEOI.

No later **10/09/2024, at 23:59 CET** the Applicants may request clarifications regarding this CEOI. Such requests must indicate the CEOI reference number (**2407**) and the name of the Applicant and shall be submitted in English via e-mail to: [eib-cpcm-procurement@eib.org](mailto:eib-cpcm-procurement@eib.org) .

Requests for clarifications from Applicants shall not receive individual replies. Instead, answers to relevant requests for clarifications received within the relevant deadline will be in a clarification document to be emailed to all the Applicants and published on EIB website (Procurement page). The indicative timetable for this Call for Expression of Interest, which may be subject to change, is:

| Activity   | Expected Timing  |
|--|--|
| Issue of CEOI  | 22/07/2024   |
| Deadline for requesting additional information   | 10/09/2024   |
| Deadline for submission of Eol   | 01/10/2024   |
| Evaluation period (depending on the number of offers)  | 1 to 2 months  |
| Due diligence for Selected Applicants  | 1 to 2 months  |
| Notification to all Applicants of the outcome of the selection process (for further details please see Section 6)) | Up to 3 Business Days after the end of the selection process |

Applicants are referred to the important notices below. Unless expressly stated otherwise the terms and expressions used in this document shall have the meanings set out in Section 2):

1. All monetary amounts contained in Eols must be firm and non-revisable, quoted in Euro and free of taxes and duties, the EIB being exempt from those charges under the Protocol on the Privileges and Immunities of the European Communities.
2. All relative amounts contained in Eols must be firm and non-revisable, quoted as a percentage as instructed in sections 7.d.1 and 10) and free of taxes and duties, the EIB being exempt from those charges under the Protocol on the Privileges and Immunities of the European Communities.
3. The Applicant must declare that it has taken note of the conditions of the CEOI and has had the opportunity to gauge the scope and quality of the services required, as well as the possible risks and difficulties in the implementation.
4. The Applicant cannot invoke any error, inaccuracy or omission in its Eol to call any Operational Agreement into question or to attempt to have any contract amended.
5. The EIB reserves the right to reject any application that fails to comply with the specifications of this CEOI.
6. The EIB reserves the right to reject any Applicant:
  - (i) guilty of material misrepresentation;
  - (ii) who contravenes any of the terms of this document; and/or

- (iii) undergoing a change in identity, control, financial standing or other factor impacting on the selection and/or the evaluation process affecting the Applicant.
- (iv) who failed to pass the compliance due diligence assessment, including KYC, as specified in Section 12
7. The EIB reserves the right to extend the deadline for submission of the EoI.
  8. EIB reserves the right to re-open or relaunch the CEOI as further specified in section 4.a.1
  9. EoIs 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 respond to the requirements set out in this CEOI item by item.
  11. The EIB may cancel this CEOI without notice at any time. The EIB reserves the right not to sign an Operational Agreement with any Applicant. Applicants shall respond to this CEOI on the understanding that they would not be entitled to any form of compensation, should the EIB decide to interrupt or cancel the CEOI before the Operational Agreement is signed.
  12. The EIB has no obligation to enter into an Operational Agreement with a Selected Applicant. Following the selection of an Applicant (i.e. that has passed the compliance due diligence assessment as per Section 12), the EIB may enter into an Operational Agreement subject to: (i) successful commercial and legal negotiations; (ii) the conclusion of relevant EIB internal approvals under the EIB's own rules and procedures; and (iii) the approval of the respective Investment Board.
  13. Participation in this CEOI shall be taken as acceptance of all the terms and conditions mentioned in this CEOI and the conditions of the specifications.
  14. The EIB reserves the right to seek additional details from an Applicant to clarify any part of the Applicant's EoI.
  15. All Applicants will be informed in writing of the outcome of their applications, this notification will be via email to the email provided in the Annex 2a – Expression of Interest.
  16. Applicants may be invited to a presentation if the EIB so decides. Applicants will not be permitted to modify the terms and conditions of their EoI during their presentation or at any other time after the application has been submitted to the EIB. The presentation provided by Applicants may have impact on the scoring allocated to given Applicants under the Assessment Criteria.
  17. Applicants may in the first instance submit any concerns regarding the CEOI to the EIB using the contact details under Section 5). Within 2 months of notification of the outcome of the procedure, applicants may launch an action for its annulment and/or damages. Any request Applicants may make and any reply from the EIB or any complaint of maladministration as per point below, will have neither the purpose nor the effect of suspending the time-limit for launching an action for annulment nor open a new period for launching an action for annulment. The body responsible for hearing annulment procedures is the European Court of Justice (General Court).

18. If Applicants or other interested parties, believe that the EIB committed an instance of maladministration (e.g. it has failed to act in accordance with its established policies, standards and procedures or to respect the principles of good administration), they may lodge a complaint to the EIB Group Complaints Mechanism (see <https://www.eib.org/en/about/accountability/complaints/index.htm>) within 1 year from the date when the alleged action, decision or omission by the Bank could be reasonably known by the complainant. If unhappy with the outcome, Applicants can seek a review of the EIB Group's reply to the complaint by the European Ombudsman (see <https://www.ombudsman.europa.eu>).

19. The following documents shall form an integral part of this Call for Expression of Interest:

Annex 1 – Cover Letter

Annex 2a – Expression of Interest

Annex 2b – Deed of Undertaking

Annex 3 – Declaration to be made by the Applicant

Annex 4 – Declaration on Honour on Exclusion Criteria and absence of Conflict of Interest

Annex 5 – Products to be offered by the Financial Intermediaries, Eligibility Criteria and Eligible Projects

Annex 6 – List of Excluded Activities

Annex 6 – List of Excluded Activities

## 6) Selection process

Financial Intermediaries shall be selected on the basis of an open, transparent<sup>13</sup>, proportionate, non-discriminatory and objective selection procedure avoiding conflicts of interest, in line with the EIB's policies, rules, procedures and statutes.

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<sup>13</sup> It should be noted also that article 5.3 of the EIB Group Transparency Policy clarifies that “*While the EIB is committed to a policy of presumption of disclosure and transparency, it also has a duty to respect confidentiality in compliance with EU laws, including the obligation not to disclose information of the kind covered by the obligation of professional secrecy in accordance*”



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### Stages of the selection process

1. The EIB will reject the EoIs from Applicants which do not comply with the Exclusion Criteria set out under Section 8).
2. Those Applicants whose EoI is not rejected according to the Exclusion Criteria will go through the EIB evaluation process based on the Administrative Criteria set out under Section 9).
3. Those Applicants whose EoI passes the Administrative Criteria and that their Proposed Allocation Volume is at least EUR 100m will thereafter be assessed on the basis of the Assessment Criteria set out under Section 10).
4. The selection shall be done by establishing a ranking amongst the EoIs on the basis of the Assessment Criteria. The EoIs shall be ranked in order of the scoring achieved in the Assessment Criteria, with the up to four highest scores (either the first, or the first and second, or the first, the second and the third, or the first, the second, the third and the fourth) being referred to as “**Selected Applicant(s)**”.
5. The Selected Applicants and their EoI will be subjected to a compliance due diligence by EIB as set out under Section 12).
6. Thereafter, a summary of the EoI of the Selected Applicants who have not been otherwise eliminated following the compliance due diligence performed by the EIB, shall be submitted to the Investment Board of the FoF following EIB’s recommendation for its consideration and approval. Following the approval of the Investment Board, the EIB shall commence negotiations with each of the Selected Applicants with a view to concluding their corresponding Operational Agreements.
7. The remaining Applicants, if any, which have not been excluded on the basis of the Exclusion Criteria, which have passed the Administrative Criteria, and which have not obtained less than 33% of the available points for any of the Qualitative Assessment Criteria, may be included in a closed reserve list for a period of 12 months from the date of submissions of the EoIs which may be renewed for further periods of 12 months at the discretion of the EIB.
8. All Applicants who have submitted EoIs will be informed in writing of the outcome of the evaluation (email notification).
9. The applications are confidential. In case of request for additional information after the outcome notification, the EIB may, at its discretion, to disclose the final scoring of the Selected Applicant(s) to non-Selected Applicants but will not share the content of any applications. Request for additional information can only be requested by Applicants.
10. If the EIB and any Selected Applicant fail to reach agreement on the terms of an Operational Agreement or if the Operational Agreement with the Selected Applicant is fully or partially terminated irrespective of the cause, the EIB may enter into

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*with Article 339 TFEU, as well as legislation to protect personal data. National regulations and banking sector standards covering business contracts and market activity may also apply. There are therefore certain limits on the disclosure of information/documents. In applying the exceptions to disclosure, the EIB shall, in line with Article 3.7 above, have due regard for its specific role and activities, and the need to protect its legitimate interests and the legitimate interests of its clients, and thus the confidentiality of the relationship between the EIB and its clients and other relevant counterparts.”*

negotiations with a view to concluding an Operational Agreement with the Applicant ranked first on the reserve list and so on and/or allocate the available resources to another Selected Applicant.

11. The EIB may provide a loan through its own resources to / enter into co-financing agreements with a Financial Intermediary or Final Beneficiaries, according to its own rules, policies and procedures. For the avoidance of doubt, the CEOI and selection process do not apply to such transaction.

## **7) Content of the Business Plan**

Applicants are expected to submit in their EoI one Business Plan that includes all the applicable elements and specific information required in order to comply with the requirements of this CEOI.

Applicants may submit an EoI for (i) the Loan product only or (ii) the Equity product only or (iii) for both the Loan and Equity products.

The Applicant is requested to pay special attention to the difference between the Loan Investment Period and the Equity Investment Period (see definitions) when submitting an EoI.

Certain aspects of the Business Plan (other than fees) evaluated under the 'Assessment Criteria' in Section 10), may be further developed by mutual consent during the negotiation period of the Operational Agreement.

The Business Plan to be included in the EoI must provide at a minimum the information described below and shall follow the following structure:

- a) GOVERNANCE, IMPLEMENTATION AND FINANCIAL AND ECONOMIC CAPACITY.
  - 1) General information: Legal, Ownership, Management and Governance Structure.
  - 2) Risk Management and Internal Control Systems
  - 3) Conflicts of interest.
  - 4) Monitoring and Reporting procedures and accounting systems and procedures, including IT systems.
  - 5) Financial and economic capacity.
  
- b) RELEVANT EXPERIENCE AND ADEQUATE CAPACITY TO IMPLEMENT FINANCIAL INSTRUMENT AND MANAGEMENT TEAM
  - 1) Relevant experience and adequate capacity to implement the Financial Instrument, including: the organisational set-up, the internal teams, capacity-building activities, previous experience in managing public funds and financial products, experience and track record.
  - 2) Management Team including identification of management team, management team experience and track-record.
  
- c) INVESTMENT STRATEGY

- 1) Consistency with the investment objectives set out in the Investment Strategy and CEOI.
- 2) Target market.
- 3) Proposed Allocation Volume.
- 4) Project pipeline/portfolio definition.
- 5) Timing to launch the product and to build-up the Proposed Allocation Volume.
- 6) Selection methodology for Final Beneficiaries.
- 7) Financial Products and pricing.
- 8) Leverage.
- 9) Marketing of the instrument.
- 10) Treasury and Risk Management.
- 11) Exit strategy and winding up provisions.

d) **TERMS AND CONDITIONS**

- 1) Management Fees for the Investment Period: Base Fee and Investment Fee.
- 2) Management Fees for the Legacy Period

**7.a. GOVERNANCE, IMPLEMENTATION AND FINANCIAL AND ECONOMIC CAPACITY.**

**7.a.1. General information: Legal, Ownership, Management and Governance Structure**

The Applicant shall provide a general description including:

- 1) Date of establishment, number of employees, shareholders, capital structure, ownership and organisational structure.
- 2) Legal and regulatory status and applicable regulations.
- 3) Corporate Governance including adherence to regulatory requirements and best financial practices (including best banking practises when applicable).
- 4) Responsibilities of the management (and if applicable advisory) bodies, together with their composition and method of appointment, and decision procedures such as the organization of meetings, voting procedure, acceptance threshold, veto rights and, if relevant, confirmation of the existence of a shareholders' agreement.

**7.a.2. Risk Management and Internal Control Systems**

The proposals with respect to risk management should generally be based on the experience of the Applicant with similar instruments. This section should address typical risks and how to address these, recovery procedures (including in respect of amounts affected by Irregularities), typical default rates and forecasts of losses, risk mitigation measures diversification measures and monitoring procedures.

The Applicant shall describe:

- 1) Its risk governance and demonstration of adherence with regulatory requirements and best banking/fund/other practices;
- 2) Its governance structure and how it integrates internal control and risk management procedures in such governance structure;

- 3) Its internal control systems;
- 4) Its risk management framework including but not limited to risk assessment, internal risk models, internal credit risk guidelines and policies, other internal risk guidelines;
- 5) Description on how it plans to manage the investment risk (investment approval procedures, collateral requirements, early warning systems, limits/ diversification measures, credit risk monitoring practices/ procedures, management of arrears and non-performing loans and quasi-equity (incl. recovery track record and capabilities) as may be applicable); and
- 6) In addition, the Applicant shall demonstrate how it intends to manage the investment risks, including the risk of Irregularities, when implementing the Financial Instrument taking into account that addressing market gaps may imply a higher risk than the market is ready to take.

### **7.a.3. Conflicts of interest**

The Applicant shall describe,

- 1) the most relevant conflicts of interest in implementing the financial instrument;
- 2) how it will ensure the impartiality of the selection process for Final Beneficiaries and of the management of the funds allocated to it;
- 3) how it will manage/avoid conflict of interest with other funds or vehicles under the management of the Applicant; and
- 4) its conflict-of-interest prevention mechanisms.

### **7.a.4. Monitoring and Reporting procedures and accounting systems and procedures, including IT systems**

The Applicant shall describe,

- 1) The use of an accounting system providing accurate, complete and reliable information in a timely manner, also taking into consideration the necessary monitoring of the Financial Instrument and EIB requirements;
- 2) The envisaged protocols and practices to be put in place in order to track, update and report on a continuous basis the relevant metrics of the financed projects;
- 3) Details of the key characteristics of its IT systems, its accounting, monitoring, reporting procedures and controls, and how they will be applied (and if necessary adapted) in the context of the implementation of the Financial Instrument.
- 4) Reporting procedures and how they will be applied (and if necessary adapted) in the context of the implementation of the instrument.

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- 5) Details on the envisaged number of resources dedicated to the monitoring and reporting activity.

It is to be noted that the Financial Intermediaries will have to comply with the monitoring and reporting requirements stemming from the Applicable Laws as defined in the Operational Agreement, including express agreement to be audited by the Member State audit bodies, the European Commission and European Court of Auditors (See also Section 4.b. Obligations under the Operational Agreements).

All valuations for Equity and Loan operations shall be prepared in accordance with the valuation principles recommended by Invest Europe from time to time<sup>14</sup>, and the financial statements of the Financial Intermediary and fund/SPV (as applicable) shall be published in accordance with IFRS.

#### **7.a.5. Financial and economic viability**

In this section, the Applicant shall provide evidence of its fulfilment of the conditions for the selection of bodies implementing Financial Instruments. In particular, evidence shall be provided on:

- a. The legal capacity and authorisation to carry out the relevant implementation tasks under EU and national law;
- b. Adequate economic and financial viability (see below);
- a. Agreement to be audited by the Commission, the European Court of Auditors, the Anti-Fraud Office and/or other properly appointed body competent authorities and bodies of KoS.

The Applicant shall provide evidence to the satisfaction of the EIB evidencing its economic and financial viability and its entitlement to carry out the tasks foreseen herein and in its Business Plan under EU and national law. Among key evidence that can be submitted are:

- 1) Banking licence;
- 2) Audited Financial statements for the past 3 years (demonstrating sound financial management, lack of accounting issues/mistakes to the satisfaction of the EIB);
- 3) Documents regulating its economic activities (by-laws, founding documents, licences, etc.) evidencing the provision of financial services and its status as a financial institution and its entitlement to carry out the tasks foreseen under EU and national law; and/or
- 4) External credit rating if any. In this case, Applicants whose credit rating is lower than BB- as assigned by Standard and Poor's Rating Group or Fitch Ratings Limited or Ba3 as assigned by Moody's Investors Service (or equivalent credit rating category by another EU registered credit rating agency), shall describe

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<sup>14</sup> See <https://www.investeurope.eu/industry-standards/professional-standards/>

potential measures to mitigate the risk related to the probability of default, if applicable, and thus failure to fulfil the contractual obligations.

- 5) For Equity products, the Applicant will need to show the procedure, ability and experience in creating a fund/SPV registered in the National Securities Market Commission (Comisión Nacional del Mercado de Valores – CNMV) dedicated to managing the FoF contribution.

## **7.b. RELEVANT EXPERIENCE AND ADEQUATE CAPACITY TO IMPLEMENT FINANCIAL INSTRUMENT AND MANAGEMENT TEAM**

### **7.b.1. Relevant experience and adequate capacity to implement the Financial Instrument, including: the organisational set-up, the internal teams, capacity-building activities, previous experience in managing public funds and financial products, experience and track record.**

The Applicant shall demonstrate adequate experience and capacity to implement the instrument covering a wide geographical area of Spain, including multiple Spanish regions. The Applicant shall provide:

- 1) Description of the internal organisation set-up (and roles) for the implementation of the instrument.
- 2) Description on how the above set-up and the management assigned to the Instrument fit into the broader organisation if/as applicable.
- 3) Outline the roles and responsibilities of internal teams such as project selection team (to the extent that may be applicable if Applicant's implementation is for example through a bank's branch distribution network), investment committees, risk management team, internal control bodies, etc.
- 4) Description of any planned capacity-building activities for existing staff, and/or delegation of knowledge-intensive tasks to sub-contractors.
- 5) Description on how it will manage the FoF resources and how the implementation of the instrument is in line with the Applicant's previous experience and capabilities.
- 6) Description of previous experience and capabilities in deploying Loan and/or Equity products in the whole territory of Spain and/or multiple regions.
- 7) Description of previous experience in the management of other relevant forms of public support or other similar EU/EIB/EIF products.
- 8) The Applicants experience & track record in selecting and investing in loans, equity and quasi-equity instruments in urban development, real state, infrastructure and tourism assets in Spain.
- 9) Track record of the Applicant in previous assets managed including amount under management and execution (incl. names of investee companies, dates of

investment/divestment, investment size, country, sector references)) as well as relevant profitability measures (MOIC, TVPI, DPI, IRR etc). Where the track record involves formal funds, gross and net fund level returns should be included for all funds under management.

### **7.b.2. MANAGEMENT TEAM including identification of management team, management team experience and track-record.**

The Applicant shall provide:

- 1) Description of the internal organisation set-up (and roles) for the implementation of the Financial Instrument[s], including the identification of a dedicated project management team responsible for the implementation.
- 2) Provision of short CVs of the members of the dedicated project management team and other key persons involved in the management of the instrument.
- 3) Description of relevant management team's experience in working as a team urban development and sustainable tourism and/or any other sector relevant to the Eligibility Criteria.
- 4) Description of prior/proven experience of team members and/or the Applicant in (i) management of other relevant forms of public support or other similar EU/EIB/EIF products in Spain and/or (ii) privately funded investments in urban development and sustainable tourism.
- 5) The track record of the key members of the management team in urban development, real state, infrastructure and tourism assets and/or any other sector relevant to the Eligibility Criteria (i.e., relevant team members' track record and relevant transactions (incl. names of investee companies, dates of investment/divestment, investment size, exit multiples, role of team member in each transaction, references)). Where the track record involves formal funds, gross and net fund level returns should be included for all funds under management.
- 6) A description of the foreseen internal incentive mechanisms for the project management team.

### **7.c. INVESTMENT STRATEGY**

The Applicant shall put forward its investment policy and explain how this can meet the objectives initially specified in this CEOI and set by the FoF taking into account that the instrument is expected to be implemented throughout the national territory of Kingdom of Spain. The Applicant is expected to prove its ability to invest the FoF resources covering a wide geographical area of Spain, including multiple Spanish regions. In particular, the investment strategy shall address the following:

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**7.c.1. Consistency with the investment objectives set out in this CEOI**

This section should explain what role the Applicant will assume in implementing the Financial Instrument. It should outline the objectives of the Applicant's investment strategy and link these to the NRRP objectives and the FoF's Investment Strategy (see Section 3).

The Applicant shall also exhibit the ability to demonstrate additional activity in comparison to present activity.

**7.c.2. Target market**

This section shall clearly and briefly specify the characteristics of the target Final Beneficiaries. This should be based on the type of Final Beneficiaries mentioned in the Investment Strategy of the FoF (Section 3) /Annex 5). It is understood that the target market may change from time to time depending on multiple factors.

**7.c.3. Proposed Allocation Volume**

This section shall detail the Proposed Allocation Volume requested by the Applicant. The Applicant shall justify why this amount is reasonable based inter alia on the Applicant's previous resources/funds/assets under management.

**7.c.4. Project pipeline/portfolio definition**

This section shall propose a pipeline of potential projects to be funded. Details of potential projects could include a brief description of the potential investments into Final Beneficiary's and characteristics e.g. financial product, project size, sector, expected size/ type of the Final Beneficiary, Final Beneficiary's sector, other (see also Annex 5).



### 7.c.5. Timing to launch the product and to build-up the Proposed Allocation Volume (ramp-up schedule)

The Applicant shall complete the following ramp-up as follows:

**Table 1: Ramp-up schedule (milestones 30%, 60%, 100%) – Applicant’s proposal**

| Column/<br>Row | A                           | B                                      | C   | D  | E   |
|----------------|-----------------------------|--|---|--|---|
| 1              | <b>Implementation stage</b> | <b>Start month (number count)</b>      | <b>Total cumulative volume disbursed to Final Beneficiaries plus total cumulative Management Fees paid as % of the Proposed Allocation Volume at end of Stage</b> | <b>End Month (Number of months elapsed)</b>  | <b>Expected Date</b>  |
| 01.06.25       | 2                           | <b>Preparation period<sup>15</sup></b> | 0%  | <p>[●] (number of months elapsed since 01.06.2025)</p> <p>Please provide the number of months, counting from Month Zero, the Applicant expects to require for the set-up<sup>17</sup></p> <p>Note: A duration of up to ca. 3 months after the signing of the Operational Agreement is typically envisaged; Should the Applicant propose a longer period, please provide justification.</p>                                 | Please provide the expected date from adding the proposed months to the starting date             |
|                | 3                           | <b>Stage 1</b>                         | 30%   | <p>[●] (the number of months elapsed since the expected date indicated in cell E2)</p> <p>Please provide the number of months expected to have elapsed from the date indicated in E2 until the investment (plus Management Fees) of the volume established in cell C3 will be achieved. The resulting date, calculated by adding the proposed months in this cell to the date in E2, must not be later than 30/06/2027</p> | Please provide the expected date from adding the proposed months in D3 to the previous date in E2 |

<sup>15</sup> Preparation period: Refers to a preparation period that the Applicant, if selected to act as Financial Intermediary, could require in order to adapt the reporting systems, consolidate the management team, sourcing and promotional activities, subcontracting of certain activities or other.

<sup>16</sup> I.e. date of signing of the Operational Agreement assumed as 01/06/2025. This date is illustrative, provided exclusively for the purpose of the completion of this table. Applicants should not take this date as indication whatsoever of the date of signing of the Operational Agreement/ start of the implementation period.

<sup>17</sup> I.e. number of months needed by the Applicant to be ready to start providing financing to Final Beneficiaries.

|   |         |   |      |  |   |
|---|---------|---|------|--|---|
| 4 | Stage 2 | X | 60%  | <p><b>[•]</b> (the number of months elapsed since the expected date indicated in <u>E3</u>)</p> <p><i>Please provide the number of months expected to have elapsed from the <u>Stage 1 end month</u> (introduced by Applicant in cell E3) until the investment (plus Management Fees) of the volume in cell C4 will be achieved. The resulting date, calculated by adding the proposed months in this cell to the date in E3 must not be later than <u>30/06/2029</u>.</i></p>                             | <p><i>Please provide the expected date from adding the proposed months in D4 to the previous date in E3</i></p> |
| 5 | Stage 3 | X | 100% | <p><b>[•]</b> (the number of months elapsed since the expected date indicated in <u>E4</u>)</p> <p><i>Please provide the number of months expected to have elapsed from the <u>Stage 2 end month</u> (introduced by Applicant in cell E4) until the investment (plus Management Fees) of the volume in cell C5 will be achieved. The resulting date calculated by adding the proposed months in this cell to the date in E4 must not be later than the end of the <u>Equity Investment Period</u>.</i></p> | <p><i>Please provide the expected date from adding the proposed months in D5 to the previous date in E4</i></p> |

The ramp-up schedule provided by the Applicant is likely to be transposed, into a contractual obligation for the Applicant, if selected. Provisions specified in section 4.a.1 apply. The milestones that may be considered in the Operational Agreement will be the shortest between (i) the ones proposed by the Applicant (ii), or the maximum dates indicated above (30/06/2027 for Stage 1 Milestone, 30/06/2029 for Stage 2 Milestone and the end of the Equity Investment Period for Stage 3 Milestone).

Applicants are requested to pay special attention to the maximum dates to be proposed in each of the Stages (milestones) of the table above. If the proposal exceeds any of the maximum dates, this will result in 0 points for the evaluation of sub criterion e under Criterion 3 of the Assessment Criteria.

#### 7.c.6. Selection methodology for Final Beneficiary

The Applicant should describe in this section how it intends to check and control eligibility criteria when selecting the Final Beneficiaries.

Although different types of projects can be distinguished, all of them shall demonstrate compliance with at least the following parameters:

- General requirements:
  - compliance with Applicable Laws, including State Aid rules;

- 
- soundness in terms of business model, cash flows, forecasts, etc.;
  - projects shall be structured in such a way so that they generate sufficient revenue;
  - projects shall ensure appropriate economic and social benefits.
  - Requirements related to the FoF's Investment Strategy (see also Section 3) and Annex 5):
    - projects shall be compliant with applicable Eligibility Criteria;
    - projects shall contribute to the objectives stipulated in the FoF Investment Strategy;
    - projects shall comply with the Do Not Significant Harm principle;
    - projects with positive Climate Tagging should be prioritized.

Furthermore, the Applicant shall undertake that it complies with and will continue to comply with the requirements set out in Articles 155(3), 209(1) and 209(2) of the Omnibus Regulation<sup>18</sup> as applicable.

The Applicant shall also describe how it will maintain an appropriate audit trail, how will document the necessary eligibility checks and the standard contractual documentation to reflect specific undertakings at the level of the Final Beneficiary.

#### **7.c.7. Financial Products to be offered and pricing methodology.**

The Applicant should describe in this section the general characteristics of the products to be provided under the instrument. The characteristics of the financial product/s to be delivered by the Applicant shall be described including the following elements:

- 1) The type of financial product to be used in the investments and the distribution between Loans and/or Equity and/or a combination of products.
- 2) Envisaged distribution of the Proposed Allocation Volume split between the *urban development* and *sustainable tourism* projects.
- 3) Envisaged terms and conditions of the Loans and Equity products proposed (e.g., term, grace period, maximum amount, repayment conditions, exit policy (Equity), maximum/minimum term, collaterals required etc) taking into account the limitations set out in Section 3) / Annex 5;

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<sup>18</sup> Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012.

- 4) Pricing methodology foreseen for Loans and Equity Products taking into account that financing operations must be on market terms (no State Aid)<sup>19</sup>.
- 5) Type of quasi-equity and equity investments, valuation methods and approach, envisaged structuring solutions, envisaged dividend policies, target IRR<sup>20</sup> based on realistic assumptions and risks, diversification/ concentration limits in place, etc., taking into account the limitations set out in Section 3) / Annex 5;
- 6) Guidelines related to structuring investments aligning the interest of all the investors, including the project promoter and other investors.
- 7) Any other conditions or requirements, depending on the type of product.

### 7.c.8. Leverage

The Applicant shall describe the envisaged strategy for attracting other public / private investment in the form of additional co-financing in line with Section 3.e of this CEOI and in line with EU regulation. Examples of previous project structures may be provided.

IT shall also outline the expected leverage effect at portfolio level; that will be generated from this additional co-finance using the following multiplier:

$$\text{Leverage} = \text{Total finance reaching Final Beneficiaries} / \text{FoF contribution}$$

For the avoidance of doubt, the own contributions from Final Beneficiaries should not be taken into account for the calculation of the leverage effect, because such own contribution is not “additional public and private resources” provided to Final Beneficiaries<sup>21</sup>.

### 7.c.9. Marketing of the instrument

This section shall briefly describe the Applicant foreseen marketing strategy for making and its benefits known to its target market (e.g., advertisement on web site, promotional events, social media etc.).

Final Beneficiaries shall be made aware that financial assistance is available to them as Loans and Equity products and then be informed that the assistance they receive is co-financed from RRF funds.

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<sup>19</sup> It is the responsibility of KoS and the Financial Intermediaries to ensure compliance with State Aid rules. KoS will have the right to verify the compliance with such guidance through specific monitoring and control activities. Additional guidance can be found in related documentation and guidance published by the EC, such as the State Aid Guide.

<sup>20</sup> Internal Rate of Return

<sup>21</sup> For additional details please refer to [Guidance for Member States on Article 46 - reporting on financial instruments and on Article 37\(2\)\(c\) - leverage effect](#)

### **7.c.10. Treasury and Risk Management**

The Applicant shall specify how dormant funds will be managed. The Financial Intermediary shall not be entitled to compensation from the FoF or the KoS for any loss incurred due to its treasury investments.

### **7.c.11. Exit Strategy and Winding Up provisions**

The Applicant shall describe its normal exit strategy and, where necessary, early withdrawal procedures from Final Beneficiaries projects, along with their trigger conditions.

Based on exits, resources will be paid back to the FoF including capital repayments with gains and other earnings or yields, such as interest, dividends or any other income generated by investments, which are attributable to the support from the RRF.

The Applicant shall briefly describe how it expects / intends to act in case of winding-up procedures, including conditions for returning any resources attributable to the FoF. This would include receipts from recoveries. Winding up may take place before or after the end of the Loan Investment Period and/or Equity Investment Period as applicable.

## **7.d. TERMS AND CONDITIONS**

### **7.d.1. Management Fees**

The FoF will compensate the Financial Intermediary for its operations in the form of Management Fees. It is pointed out that:

- 1) For the avoidance of doubt, for both the Loan Investment Period and Equity Investment Period as applicable, and the Legacy Period, the required level of the management fees payable to the Applicant if selected as Financial Intermediary will be based on the one proposed by the Applicant in the Business Plan of this EoI.
- 2) The Management Fees shall include all fees and expenses incurred by the Financial Intermediary in relation to the management of the instrument and other auxiliary activities (including among others: legal advisor's fees, consultancy fees, registration fees, notary fees, depositary bank fees, fees related to obtaining relevant licenses and authorizations, fees related to the creation of independent legal entities, fees related to the registration of a fund in the national legislator, any other fund expenses etc.). Beyond the Management Fees, no additional fees or expenses shall be requested by the Financial Intermediary. The Management Fees shall be an all-in fee.
- 3) The Management Fees shall not be calculated on the interest earned by a Financial Intermediary on any deposits of funds contributed to the Financial Intermediary by

- the FoF and not yet invested in projects or returned to the Financial Intermediary from investments in projects.
- 4) The Management Fees shall not be calculated on any amount due by any Final Beneficiary to a Financial Intermediary and not returned due to a failure by a Final Beneficiary project to pay, if applicable.
  - 5) The Financial Intermediary shall not be remunerated by Final Beneficiaries in relation with the financing provided by the FoF. The Management Fees included in the Operational Agreement may be adjusted to consider the remuneration received from Final Beneficiaries, if applicable.
  - 6) Any advisory fees and/or referral fees and/or any other remuneration charged at arm's length basis by any member of Financial Intermediary group to any Final Beneficiary shall be fully offset from the Management Fees.
  - 7) The proposed management fee must be aligned with market practices, as well as, with the characteristics of the financial product(s) to be provided by the Applicant.
  - 8) The Management Fees proposed by the Applicant shall have two distinct periods:
    - **Investment Period:** From the date of the signing of the Operational Agreement until the end of the Loan Investment Period and/or Equity Investment Period as applicable.
    - **Legacy Period:** From the first day immediately after the end of the Loan Investment Period or Equity Investment Period, as applicable, until the winding up of the instrument (see Sections 4.c and 7.c.11)
  - 9) The proposed management fee for each of the two periods is to be calculated depending on the proportion of the Proposed Allocation Volume the Applicant estimates it will allocate to Loans and/or Equity investments into Financial Beneficiaries. Therefore, in the case of the Applicant considering both Loan and Equity products, the EoI shall clearly indicate the proportion of the Proposed Allocation Volume devoted to Loans and that devoted to Equity.
  - 10) The EIB shall require Applicants to explain the costs or fees proposed in the application where the application appear to be abnormally low in relation to the works, supplies or services.
    - 10.1 The explanation referred to above may in particular relate to:
      - a) the economics of the services provided;
      - b) the technical solutions chosen or any exceptionally favourable conditions available to the Applicant for the supply of the products or services or for the execution of the work;
      - c) the originality of the work, supplies or services proposed by the Applicant;

d) compliance with obligations in the fields of environmental, social and labour law established by Union law, national law, collective agreements or by the international environmental, social and labour law provisions<sup>22</sup>;

e) compliance with such obligations by the proposed subcontractors, if any;

f) the possibility of the Applicant obtaining State aid.

10.2 The EIB shall assess the information provided by consulting the Applicant. It may only reject the application where the evidence supplied does not satisfactorily account for the low level of price or costs proposed, taking into account the elements referred to in section 10.1.

10.3 EIB shall reject the Applicant, where it has established that the application is abnormally low because it does not comply with applicable obligations referred to under d) of the section 10.1.

10.4 Where EIB establishes that an application is abnormally low because the Applicant has obtained State aid, the application may be rejected on that ground alone only after consultation with the Applicant where the latter is unable to prove, within a sufficient time limit fixed by the Bank, that the aid in question was compatible with the internal market within the meaning of Article 107 TFEU.

- 11) In case of Loan products that can be converted into Equity (e.g., convertible loans) and vice versa, the Loan management fees shall apply until the date the investment is legally converted in Equity (and vice versa).
- 12) In case of modifications of the Loan Investment Period and/or Equity Investment Period, EIB, at its discretion and upon approval of the Investment Board, may propose to Financial Intermediaries to renegotiate and agree of different Management Fees for the modified period only.
- 13) Given the time that will have elapsed before entering into the Legacy Period, and in order to reflect the market conditions or exceptional circumstances at the time of entering into the Legacy Period, the EIB, at its discretion and upon approval of the Investment Board, may propose to Financial Intermediaries to renegotiate and

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<sup>22</sup> — ILO Convention 87 on Freedom of Association and the Protection of the Right to Organise;

— ILO Convention 98 on the Right to Organise and Collective Bargaining;

— ILO Convention 29 on Forced Labour;

— ILO Convention 105 on the Abolition of Forced Labour;

— ILO Convention 138 on Minimum Age;

— ILO Convention 111 on Discrimination (Employment and Occupation);

— ILO Convention 100 on Equal Remuneration;

— ILO Convention 182 on Worst Forms of Child Labour;

— Vienna Convention for the protection of the Ozone Layer and its Montreal Protocol on substances that deplete the Ozone Layer;

— Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal (Basel Convention);

— Stockholm Convention on Persistent Organic Pollutants (Stockholm POPs Convention);

— Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade (UNEP/FAO) (The PIC Convention) Rotterdam, 10 September 1998, and its 3 regional Protocols.

agree of different Management Fees for the Legacy Period as opposed to those presented by the Applicant in the Business Plan of this Eol.

14) EIB reserves the right to group the payment of the Management Fees under a single payment and/or amount in the contractual agreement with the Financial Intermediaries.

15) For the purpose of the evaluation and assessment of the proposed management fees, the Applicants,

- (i) shall explain in their Eol the estimations and calculations on which the proposed fees are derived, including the disclosure of the Management Fees and its components and the assumptions taken regarding the Loan and Equity structure (in the case of considering both products); and
- (ii) shall complete the following fee summary table derived from the explanations above:

**Table 2:**

**Applicant's proposal**

| Proposed structure of the portfolio  |             |
|--|-------------|
| Proposed Allocation Volume (EUR):  | [●] EUR     |
| Percentage of Proposed Allocation Volume devoted to Loan products  | [●]% Loan   |
| Percentage of Proposed Allocation Volume devoted to Equity products  | [●]% Equity |
| Proposed Allocation Volume invested through <u>Loans</u> (EUR)   | [●] EUR     |
| Proposed Allocation Volume invested through <u>Equity</u> (EUR)  | [●] EUR     |
| Financial Intermediary's Co-Finance  | [●]%        |
| Investment Fee   |             |
| Investment Fee for <u>Loans</u>  | [●] %       |
| Investment Fee for <u>Equity</u>   | [●] %       |
| Total expected Investment Fee (EUR) accrued until end of the Loan Investment Period and Equity Investment Period as applicable | [●] EUR     |
| Base Fee   |             |
| Base Fee for <u>Loans</u>  | [●] %       |
| Base Fee for <u>Equity</u>   | [●] %       |
| Total expected Base Fee accrued until end of the Loan Investment Period and Equity Investment Period as applicable (EUR)       | [●] EUR     |
| Portfolio Management Fee (Loan and Equity product)   |             |
| Portfolio Management Fee for <u>Loans</u>  | [●] %       |
| Portfolio Management Fee for <u>Equity</u>   | [●] %       |
| Loan Return Fee (Loan product)   |             |
| Loan Return Fee  | [●] %       |



| Carried Interest Fee (Equity product) |       |
|---------------------------------------|-------|
| Hurdle Rate                           | [•] % |
| Carried Interest                      | [•] % |

The Applicant is requested to pay especial attention to the difference between Loan Investment Period and Equity Investment Period as applicable (see definitions) when submitting an EoI.

16) **Management Fees for the Loan Investment Period and Equity Investment Period as applicable.**

- (i) Applicants shall propose a management fee with the following two components, disclosed separately and calculated transparently, as the sum of:
- a) **an Investment Fee:** calculated as a percentage of the Equity investments disbursed and/or Loans disbursed to Final Beneficiaries during the Loan Investment Period or Equity Investment Period as applicable and paid as a one-off fee (i.e., a percentage of the disbursements performed during an agreed period – not the cumulative amount disbursed).

**Applicants must provide the Investment Fee for each of the two products (Loan and Equity) separately.**

For the avoidance of doubt, the Investment Fee shall be calculated as follows:

$$\text{Investment Fee in EUR for Loan in a given year} = A * x\%$$

Being:

- A: Amount disbursed as Loan to Final Beneficiaries in euros within a particular year (nominal – not cumulative);
- x% the Investment Fee proposed by the Applicant for Loans

; plus

$$\text{Investment Fee in EUR for Equity investment in a given year} = B * y\%$$

Being:

- B: Amount disbursed as Equity to Final Beneficiaries in euros within the calendar year n
- y% the Investment Fee proposed by the Applicant for Equity (nominal – not cumulative);

; plus

- b) **a Base Fee:** from the date of effectiveness of the Operational Agreement until, the earliest between the termination of Operational Agreement or the end of the Loan Investment Period or Equity Investment Period as applicable, calculated as a per annum percentage of the Committed Allocation Volume pro rata temporis<sup>23</sup>.

**Applicants must provide the Base Fee for each of the two products (Loan and Equity) separately.**

For the avoidance of doubt, the Base Fee shall be calculated as follows:

$$\text{Base Fee in EUR per annum for Loan} = C * w\%$$

Being:

- C: Committed Allocation Volume in Loan products in EUR.
- w% the Base Fee per annum proposed by the Applicant for Loans.

; plus

$$\text{Base Fee in EUR per annum for Equity} = D * z\%$$

Being:

- D: Committed Allocation Volume in Equity products in EUR.
- z% the Base Fee per annum proposed by the Applicant for Equity.

- (ii) For the avoidance of doubt, Applicants will only propose one Base Fee for Loan, one Base Fee for Equity, one Investment Fee for Loan and one Investment Fee for Equity. If one Applicant proposes different fees depending on other variables (e.g., depending on Committed Allocation Volume), the highest fee will be considered for the purpose of the evaluation and assessment of the management fees.

**17) Management fees for the Legacy Period**

- (iii) For the Legacy Period applicants shall propose a management fee aligned with market practise with the following components calculated transparently as the sum of:

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<sup>23</sup> The Base Fee will be calculated based on the Committed Allocation Volume signed at each moment in time between EIB and the Financial Intermediaries. In case of increase/decrease of the Committed Allocation Volume, the Base Fee will be calculated over the new Committed Allocation Volume from the date the corresponding legal documentation is signed.

- a) a **Portfolio Management Fee**: as an annual percentage of the residual principal outstanding amounts not yet returned by the Final Beneficiaries to the Borrower each period (not including increases in value or capitalisations in the portfolio) until the earliest of (a) for each Loan or Equity investments, partial or full repayment of the respective Loan and/or Equity investment; (b) write-offs; (c) write downs to below 25% of the acquisition cost, (d) the termination of the Operational Agreement, or (e) the winding up of the Financial Instrument.

**Applicants must provide the Portfolio Management Fee for each of the two products (Loan and Equity) separately.**

For the avoidance of doubt, the Portfolio Management Fee shall be calculated as follows:

$$\text{Portfolio Management Fee in EUR per annum for Loan} = E * p\%$$

Being:

- E: Loan principal outstanding amounts not yet returned by the Final Beneficiaries to the Financial Intermediary<sup>24</sup> in EUR as at 30 June and 31 December of each calendar year.
- p% the Portfolio Management Fee per annum proposed by the Applicant for Loans.

; plus

$$\text{Portfolio Management Fee in EUR per annum for Equity} = F * q\%$$

Being:

- F: Equity principal outstanding amounts not yet returned by the Final Beneficiaries to the Financial Intermediary<sup>25</sup> in EUR as at 30 June and 31 December of each calendar year.
- q% the Portfolio Management Fee per annum proposed by the Applicant for Equity.

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<sup>24</sup> Loan principal amount outstanding shall be calculated as the difference between the original amount invested minus principal repaid to the Financial Intermediary minus amounts written-off minus amounts written down to below 25% of their acquisition costs. For the avoidance of doubt increases in value or capitalisations in the portfolio shall not be part of the Loan principal amount outstanding.

<sup>25</sup> Equity principal amount outstanding shall be calculated as the difference between the original amount invested minus principal repaid to the Financial Intermediary minus amounts written off minus amounts written down to below 25% of their acquisition cost. For the avoidance of doubt increases in value or capitalisations in the portfolio shall not be part of the Equity principal amount outstanding.

- b) (for Loan product only) a **Loan Return Fee**: as a percentage of the actual returns on the Loan (i.e. interest and principal repayments or any other kind of returns under Loan agreements) reimbursed by the supported Final Beneficiaries to the Financial Intermediary. For the avoidance of doubt, the actual returns correspond to the nominal amount repaid, as opposed to the cumulative amount repaid (one-off fee); and
- c) (for Equity product only) a **Carried Interest Fee** expressed as a % gain on the total portfolio of Equity projects exceeding a hurdle rate (minimum rate of return that investments must achieve measured by the Internal Rate of Return) proposed by the Applicant and payable on the winding up date of the Operational Agreement.

(iv) For the avoidance of doubt, Applicants will only propose one Portfolio Management Fee for Loans, one Portfolio Management Fee for Equity, one Loan Return Fee and one Carried Interest Fee. If one Applicant proposes different fees depending on other variables (e.g. depending on principal outstanding amounts), the highest fee will be considered for the purpose of the evaluation and assessment of the management fees.

#### 7.d.2. Financial Planning

The Applicant shall present the expected future key financial figures, based on the assumptions made. Assumptions for the key financial figures should be in line with the Applicant's Business Plan in particular with the portfolio as described by the Applicant in Section 7.c. As a good practice, both assumptions and projections are provided on an annual basis for each year of the projection. Results of the projection could include pro forma balance sheet and cash flow statements.

#### 7.e. OTHER ELEMENTS

The Applicant shall indicate any other elements relevant for the evaluation of the Business Plan in accordance with the Assessment Criteria set out in Section 10).

Certain aspects of the Business Plan evaluated under the 'Assessment Criteria' in Section 10), may be developed by mutual consent during the negotiation period of the Operational Agreement.

### 8) Exclusion Criteria

All Applicants shall provide the declaration in [Annex 4](#) ("Declaration of Honour on Exclusion Criteria and on Absence of Conflict of Interest") regarding the Exclusion Criteria and the

absence of conflict of interest, duly signed and dated by an authorised representative, stating that they are not in one of the situations listed in [Annex 4](#).

The Selected Applicant shall provide the documents mentioned as supporting evidence in [Annex 4](#) to the EoI before signature of the Operational Agreement and within the deadline specified by the EIB.

## 9) Administrative Criteria

Applications not excluded in accordance with the Exclusion Criteria will be assessed based on the following Administrative Criteria:

- The EoI includes a completed table in the form attached as Annex 2a to the EoI and all supporting documents are provided;
- The form attached as Annex 2b to the EoI is completed as applicable, and
- The declarations indicated in Annex 3 to the EoI are completed, supported by the necessary documentary evidence, and are acceptable to the EIB.

## 10) Assessment Criteria

Only EoIs which have not been excluded based on the Exclusion Criteria, which meet the Administrative Criteria and whose Proposed Allocation Volume is at least EUR 100m will be evaluated based on the Assessment Criteria, as described below.

In case the score received in any of the following Qualitative Assessment Criteria is below 33% of the available points, such EoI will be excluded.

| Assessment criteria   |   |                            |
|---|---|----------------------------|
| Criterion   | Assessment rules  | Scoring for each criterion |
| <b>Qualitative Assessment Criteria (1 – 3)</b> Minimum score required per Criteria: 33% of overall available points                         |   | <b>0-70</b>                |
| 1. Quality of legal, ownership, governance, risk management, internal controls, management structure and, financial and economic viability. | <p><u>Quality of legal, ownership, governance, risk management, internal controls, management structure (70% of the points):</u></p> <p>The Applicant shall demonstrate adequate organisational capacity to implement the instrument in Spain, including:</p> <ul style="list-style-type: none"> <li>a) organisational structure and governance framework;</li> <li>b) risk management including conflict of interest management and conflict of interest preventive management measures;</li> <li>c) organisational and administrative capacities;</li> <li>d) efficient and effective internal control and accounting systems and procedures, including IT systems; and</li> <li>e) overall ability of the Applicant to apply its reporting and monitoring mechanisms and procedures.</li> </ul> <p><u>Financial and economic viability (30% of the points):</u></p> <p>The Applicant shall provide evidence to the satisfaction of EIB of its economic and financial viability and its entitlement to carry out the tasks foreseen herein and in its Business Plan under EU and national law.</p> <p><i>For further information see <b>Section 7.a</b></i></p> | 0-23                       |

|  |   |             |
|--|---|-------------|
|  |   |             |
| <p>2. Relevant experience and adequate capacity to implement financial instruments and management team</p> | <p><u>Relevant experience and adequate capacity to implement financial instruments (70% of the points):</u></p> <p>The Applicant shall demonstrate adequate experience and capacity to implement the instrument covering a wide geographical area of Spain, including multiple Spanish regions, by reference inter alia to:</p> <ul style="list-style-type: none"> <li>a) organisational and administrative capacities;</li> <li>b) experience in the management of relevant forms of public support and similar EU/EIB/EIF products in the past;</li> <li>c) relevant experience in managing third party funds and in selecting and investing in loans, equity and quasi-equity instruments in sectors relevant to the Eligibility Criteria in Spain; as applicable based on the Applicant's proposal;</li> <li>d) consistency between the capabilities and experience required for the implementation of the instrument and the Applicant's previous experience and capabilities;</li> <li>e) track record of the Applicant including assets under management, execution as well as profitability measures (Multiples, IRR, etc) separated for Loan and Equity. Where the track record involves formal funds, gross and net fund level returns should be included for all funds under management.</li> </ul> <p><u>Management Team (30% of the points):</u></p> <p>The Applicant shall demonstrate adequate experience and capacity to implement the instrument by reference inter alia to:</p> <ul style="list-style-type: none"> <li>f) the organisational set-up for the implementation, including the identification of a dedicated project team (or unit);</li> <li>g) the management team's relevant track record / expertise;</li> <li>h) the team completeness and dedication; and</li> <li>i) the incentive mechanism proposed for the management team</li> </ul> <p><i>For further information see <b>Section 7.b</b></i></p> | <p>0-24</p> |
| <p>3. Quality of the investment strategy.<br/>Robustness and credibility of the selection methodology</p>  | <p>The quality of the Applicant's proposed investment strategy will be assessed through:</p> <ul style="list-style-type: none"> <li>a) the level of understanding and compliance with objectives of the RRF, NRRP, CID and the FoF's investment strategy and the ability to demonstrate additional activity;</li> <li>b) the level of understanding of the market demands, targeted Final Beneficiaries and investments in the targeted investment areas;</li> <li>c) the credibility of the Proposed Allocation Volume in comparison with previous resources/funds/assets under management;</li> <li>d) the strength of the indicative project pipeline presented;</li> <li>e) the estimated timing to launch the product and to build-up the Proposed Allocation Volume and its consistency with the Loan Investment Period and/or the Equity Investment Period;</li> <li>f) the robustness and credibility of the methodology to identify and select/appraise eligible Final Beneficiaries;</li> <li>g) comprehensiveness of the description of the general characteristics of the products to be provided;</li> <li>h) comprehensiveness and adequacy of the proposed pricing methodology.</li> <li>i) the robustness and credibility to attract other public / private investments (leverage);</li> <li>j) the strategy for marketing and, if applicable, commercialization of the products through the network;</li> </ul>  | <p>0-23</p> |

|   |  |             |
|---|--|-------------|
|   | <p>k) management and remuneration of idle funds; and<br/>l) Exit Strategy and Winding Up provisions.</p> <p>The points above will be evaluated taking into account that the instrument is expected to be implemented throughout the territory of the Kingdom of Spain. The Applicant is expected to prove its ability to invest the FoF resources covering a wide geographical area, including multiple Spanish regions.</p> <p><i>For further information see <b>Section 7.c</b></i></p>  |             |
| <b>Quantitative Assessment Criteria 4 – 6</b>                               |  | <b>0-30</b> |
| 4. Co-financing with own resources (alignment of interest)                  | <ul style="list-style-type: none"> <li>The Applicant shall indicate its level of commitment (as a percentage financing provided by the FoF) taking into account the minimum threshold of Financial Intermediary's Co-Finance and third-party co-financing indicated in Section 3.e.</li> </ul> <p><i>For further information, please see: <b>Section 3.e.</b></i></p>  | 0-10        |
| 5. Management Fees (Loan Investment Period and/or Equity Investment Period) | <ul style="list-style-type: none"> <li>The Applicant shall present the level of management fees required to implement the instrument taking into account <i>Section 7.d.1</i> of this document. Each management fee will be evaluated separately:               <ul style="list-style-type: none"> <li>- <u>Investment Fee</u></li> <li>- <u>Base Fee</u></li> </ul> </li> </ul> <p><i>For further information, please see: <b>Section 7.d.1</b></i></p>   | 0-10        |
| 6. Management Fees (Legacy Period)  | <ul style="list-style-type: none"> <li>The Applicant shall present the level of management fees required to implement the instrument taking into account <i>Section 7.d.1</i> of this document. Each management fee will be evaluated separately:               <ul style="list-style-type: none"> <li>- <u>Portfolio Management Fee</u></li> <li>- For Loan products only: <u>Loan Return Fee</u></li> <li>- For Equity products only: <u>Carried Interest Fee</u></li> </ul> </li> </ul> <p><i>For further information, please see: <b>Section 7.d.1</b></i></p> | 0-10        |

### **Explanatory notes relating to the Assessment Criteria**

#### **Note 1 – Scoring of items – - 3**

Scoring of items from 1 to 3 will be given on the basis of a qualitative analysis.

#### **Note 2 – Scoring of item 4**

Own resources co-financing (Own Co-financing) proposals under item 4 will be assessed individually and the highest proposal for committed own resources co-financing will be compared to each individual proposal for committed own resources co-financing (i.e. proposal of the Applicant being evaluated / Highest proposal of all the Applicants not excluded). The maximum number of points under this item (i.e. **10**) will be awarded to the proposal with the highest score. The number of points for lower scoring proposals will be awarded proportionally:

$$Score\ for\ Applicant\ Z = \frac{Proposal\ of\ Applicant\ Z}{Highest\ Proposal} \times 10$$

For illustrative purposes only and with the objective of clarifying the calculation of item 4, an example of the scoring is provided below. Applicants should not take the figures in the table below as guidance of any kind as they are provided in the context of an example.

| Item 4 proposals   | Co-financing proposal | Score item 4 |
|--------------------|-----------------------|--------------|
| <b>Applicant 1</b> | 5.00%                 | 3.33         |
| <b>Applicant 2</b> | 10.00%                | 6.67         |
| <b>Applicant 3</b> | 15.00%                | 10.00        |

### Note 3 – Scoring of item 5

The management fees proposed under item 5 for the Loan Investment Period and/or Equity Investment Period, as applicable, will be evaluated on an individual basis and the lowest proposed management fees will be compared with the other proposals (i.e. Lowest proposal of all the Applicants not excluded / proposal of the Applicant being evaluated). The maximum number of points under this item (i.e. **10**) will be awarded to the proposal with the highest score. The number of points for lower scoring proposals will be awarded proportionally:

$$\text{Score for Applicant Z} = \frac{\text{Lowest Proposal}}{\text{Proposal of Applicant Z}} \times 10$$

The Base Fee will be assigned 50% of the points and the remaining 50% will be assigned to the Investment Fee. The overall scoring will be the sum of the Base Fee and Investment Fee calculated as explained below.

For the Investment Fee, Applicants proposing the Loan product will be scored against bidders applying for the Loan product. Applicants proposing only the Equity product, will be scored against bidders applying for the Equity product. Applicants proposing both Loan and Equity products will be scored separately for Loan and Equity and the resulting average score will be taken.

For the Base Fee, Applicants proposing the Loan product will be scored against bidders applying for the Loan product. Applicants proposing only the Equity product, will be scored against bidders applying for the Equity product. Applicants proposing both Loan and Equity products will be scored separately for Loan and Equity and the resulting average score will be taken.

For illustrative purposes only and with the objective of clarifying the calculation of item 5, an example of the scoring is provided below. Applicants should not take the figures in the table below as guidance of any kind as they are provided in the context of an example.





| Item 5 proposals              | Base Fee |        | Investment Fee |        |
|-------------------------------|----------|--------|----------------|--------|
|                               | Loan     | Equity | Loan           | Equity |
| Applicant – - Equity only     |          | 0.50%  |                | 4.00%  |
| Applicant – - Loan and Equity | 0.50%    | 1.00%  | 2.00%          | 2.00%  |
| Applicant – - Loan only       | 1.00%    |        | 4.00%          |        |

| Item 5 scoring                | Base Fee |        | Investment Fee |        | Base Fee score (A) | Investment Fee score (B) | Score item 5 (A+B) |
|-------------------------------|----------|--------|----------------|--------|--------------------|--------------------------|--------------------|
|                               | Loan     | Equity | Loan           | Equity |                    |                          |                    |
| Applicant – - Equity only     |          | 5.00   |                | 2.50   | 5.00               | 2.50                     | <b>7.50</b>        |
| Applicant – - Loan and Equity | 5.00     | 2.50   | 5.00           | 5.00   | 3.75               | 5.00                     | <b>8.75</b>        |
| Applicant – - Loan only       | 2.50     |        | 2.50           |        | 2.50               | 2.50                     | <b>5.00</b>        |

#### Note 4 – Scoring of item 6

The management fees proposals for the Legacy Period referred to in item 6 will be assessed individually and the lowest proposal will be compared with the other proposals (i.e., lowest proposal of all Applicants not excluded / proposal of Applicant being evaluated). The maximum number of points under this item (i.e., **10**) will be awarded to the proposal with the highest score. The number of points for lower scoring proposals will be awarded proportionally.

The Portfolio Management Fee will be assigned 50% of the points and the remaining 50% will be assigned to either Loan Return Fee or Carried Interest Fee or the average in case Applicants proposing both Loan and Equity products. The overall scoring will be the sum of the Portfolio Management Fee and either Loan Return Fee or Carried Interest Fee or the average in case Applicants proposing both Loan and Equity products.

The score will follow the following formula:

$$\text{Score for Applicant Z} = \frac{\text{Lowest Proposal}}{\text{Proposal of Applicant Z}} \times 5$$

For the Portfolio Management Fee, Applicants proposing only the Loan product will be scored against bidders applying for the Loan product. Applicants proposing only the Equity product, will be scored against bidders applying for the Equity product. Applicants proposing both Loan and Equity products will be scored separately for the Loan and Equity and the resulting average score will be taken.

The overall Loan Return Fee and Carried Interest Fee score will result from the average of the Loan Return Fee and Carried Interest Fee in case of Applicants proposing both products.



The Loan Return Fee will follow the following formula:

$$\text{Score for Applicant Z} = \frac{\text{Lowest Proposal}}{\text{Proposal of Applicant Z}} \times 5$$

For the Carried Interest Fee, two rankings will be performed, and the scoring will be calculated as the average of both:

One will consider the hurdle rate in which the score is based on the following formula:

$$\text{Score for Applicant Z} = \frac{\text{Proposal of Applicant Z}}{\text{Highest Proposal}} \times 5$$

The other one will consider the Carried Interest:

$$\text{Score for Applicant Z} = \frac{\text{Lowest Proposal}}{\text{Proposal of Applicant Z}} \times 5$$

For the Loan Return Fee and/or Carried Interest Fee, Applicants proposing only the Loan product will be scored against bidders applying for the Loan product (Loan Return Fee only). Applicants proposing only the Equity product will be scored against bidders applying for the Equity product (Carried Interest Fee only). Applicants proposing both Loan and Equity products will be scored separately for Loan and Equity (Loan Return Fee and Carried Interest Fee) and the resulting average score will be taken.

For illustrative purposes only and with the objective of clarifying the calculation of item 6, an example of the scoring is provided below. Applicants should not take the figures in the table below as guidance of any kind as they are provided in the context of an example.

| Item 6 proposals              | Portfolio Management Fee |        | Loan Return Fee + Carried Interest Fee |             |           |
|-------------------------------|--------------------------|--------|--|-------------|-----------|
|                               | Loan                     | Equity | Loan Return Fee                        | Hurdle Rate | Carry (%) |
| Applicant – - Equity only     |                          | 1.00%  |  | 10.00%      | 10.00%    |
| Applicant – - Loan and Equity | 1.00%                    | 0.50%  | 2.50%                                  | 5.00%       | 5.00%     |
| Applicant – - Loan only       | 0.50%                    |        | 5.00%                                  |             |           |

| Item 6 scoring | Portfolio Management Fee |        | Loan Return Fee + Carried Interest Fee |             |           | Portfolio Management Fee Score (A) | Score Loan Return Fee + Carried | Score item 6 (A+B) |
|----------------|--------------------------|--------|--|-------------|-----------|------------------------------------|---------------------------------|--------------------|
|                | Loan                     | Equity | Loan Return Fee                        | Hurdle Rate | Carry (%) |                                    |                                 |                    |
|                |                          |        |  |             |           |                                    |                                 |                    |

|                                      |      |      |      |      |      |      |                         |             |
|--------------------------------------|------|------|------|------|------|------|-------------------------|-------------|
|                                      |      |      |      |      |      |      | <b>Interest Fee (B)</b> |             |
| <b>Applicant – - Equity only</b>     |      | 2.50 | N/A  | 5.00 | 2.50 | 2.50 | 3.75                    | <b>6.25</b> |
| <b>Applicant – - Loan and Equity</b> | 2.50 | 5.00 | 5.00 | 2.50 | 5.00 | 3.75 | 4.38                    | <b>8.13</b> |
| <b>Applicant – - Loan only</b>       | 5.00 |      | 2.50 | N/A  | N/A  | 5.00 | 2.50                    | <b>7.50</b> |

## 11) Conditions regarding joint offers and subcontracting

- 1) **Joint offers in general.** Groups of economic operators, including consortia and temporary associations (the “Groups”) are authorised to submit EoIs (“Joint Offers”). In this case, each member of the Group shall fulfil the requirements and accept the terms and conditions set out in this Call for Expression of Interest. The members of the Group shall designate one member as Group Leader with full authority to bind the Group and each of its members. The Group Leader shall act as a single point of contact with the EIB in connection with the present selection procedure. While Groups are not required to have a specific legal form in order to submit an EoI, the Group selected may be required to adopt a given legal form after it has been selected and before an Operational Agreement is signed.
- 2) **Documentation and information to be provided.** In the section of the EoI related to the exclusion and administrative criteria situation, the Group shall clearly specify the role and tasks of each member of the Group (see Annex 2.b). In addition, each member of the Group must provide the following:
  - a. documentation related to its exclusion situation;
  - b. documentation related to the administrative criteria;
  - c. a letter of intent, designating the Group Leader and ensuring the proper execution of the respective share of tasks if the Group is awarded the Operational Agreement by using the declaration contained in Appendix 2 of Annex 2.b.
- 3) Joint Offers submitted by Groups will be assessed as follows:
  - a. the exclusion criteria and the administrative criteria will be assessed in relation to each member of the Group individually;
  - b. the assessment criteria will be assessed in relation to the Offer/EoI; and
  - c. the compliance due diligence assessment in accordance with Section 12).

Since all members of the Group will be jointly and severally liable towards the EIB for the performance of the Operational Agreement, statements included in the joint offer saying, for instance:

- that each member of the Group will be responsible only for a specific part of the Operational Agreement, or

- that a separate Operational Agreement should be signed with each member of the Group if the joint offer is successful,

are incompatible with the principle of joint and several liability. The EIB will disregard any such statement contained in a Joint Offer/EoI, and it reserves the right to reject such Offers without further evaluation, on the grounds that they do not comply with these requirements.

If any member of the joint offer fails either the exclusion or administrative criteria, the Applicant will be excluded from further evaluation in the competition.

- 4) **Joint offer during the contract implementation.** All members of the Group shall be jointly and severally liable towards the EIB for the performance of the Operational Agreement and they shall comply with the terms and conditions of the Operational Agreement and ensure the proper execution of their respective share of the services.

The Group Leader – duly authorised by the other members of the Group – shall act as a single point of contact with the EIB in connection with the services to be provided under the Operational Agreement; it shall co-ordinate the provision of the services by the Group members to the EIB; it shall guarantee a proper administration of the contract.

The composition of the Group and the allocation of tasks among the members of the Group shall not be altered without prior written information to the EIB.

- 5) **Subcontracting in general.** The Applicants may subcontract part of the tasks specified in this CEOI to other economic operators, as long as the services are provided in accordance with this document but with the exception of the following critical tasks, which cannot be subcontracted as these are fundamentally linked with the management of the mandator's funds and are closely linked with the quality of the Applicant both in terms of its capacity to underwrite/service the Loans and its capacity to apply adequate risk management practices. (the “**Core Activities**”):

- activities relating to lending and investing (indicatively selection, appraisal, financing / underwriting and servicing of Loans and Equity investments);
- activities relating to risk management framework (including but not limited to risk assessment, internal risk models, internal credit risk guidelines and policies, other internal risk guidelines, Loan approval procedures, collateral requirements, early warning systems, limits framework, credit risk monitoring practices and procedures).

By way of exception, the Applicants may subcontract tasks related to the recovery process, (despite the fact that they would otherwise be considered as Core Activities). Without prejudice to the other provisions of the EoI relating to subcontractors, in the case of subcontracting of activities relating to the recovery process, the Applicant should provide:

- a description of how this process will be managed; and

- all relevant information requested in the EoI with respect to the Applicant as part of the Business Plan also for the relevant subcontractor (including recovery track record and capabilities).

In case of subcontracting the Applicants shall clearly state in the section of the EoI related to the Applicant's exclusion situation and capacity as per Annex 2.b and its Appendices:

- a. which tasks it intends to subcontract and clearly indicate the roles, activities and responsibilities of the subcontractor(s); and
- b. specify the volume or proportion of the activities likely to be subcontracted.

6) **Assessment of subcontractors.** In case of subcontracting, the EoI will be assessed as follows:

- a. the exclusion criteria and the administrative criteria will be assessed in relation to each proposed subcontractor individually;
- b. the assessment criteria will be considered on a consolidated basis – Applicant plus subcontractor(s) – and will be evaluated in relation to the Offer/EoI;
- c. the due diligence assessment in accordance with Section 12).

Where an Applicant is relying on the capacity of subcontractor(s), such entities must (i) be proposed to perform those services for which these capacities are required and (ii) submit a letter of undertaking in the EoI to that effect.

N.B. If a subcontractor does not fulfil one of the exclusion or administrative criteria, the Bank will require that the Applicant replaces that subcontractor. Failure to provide such replacement to the full satisfaction of the Bank within a deadline specified by the Bank shall result in the elimination of the Applicant.

7) **Subcontracting during the contract implementation.** Once the Operational Agreement has entered into force, the successful Applicant shall retain full liability towards the EIB for the performance of the Operational Agreement as a whole. The EIB will not have any direct legal commitment towards the subcontractor(s). During the execution of the Operational Agreement, the Selected Applicant will need the EIB's express authorisation to replace a subcontractor with another subcontractor and/or to subcontract tasks for which subcontracting was not envisaged in the original EoI.

## 12) Compliance due diligence assessment

- (i) All Applicants shall provide at the moment of submitting their offers a completed Wolfsberg Questionnaire, duly signed and dated by an authorised representative; also, if requested by EIB, copies of internal policies and procedures regarding AML-CFT, sanctions compliance and Anti-Fraud/Corruption; and any other further information that may be requested by the EIB.
- (ii) The EIB will carry out a compliance due diligence assessment of the Selected Applicants' (and their subcontractors', where applicable regarding relevant activities) suitability to manage the instrument in terms of their risk management framework, systems, policies

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and procedures, financial standing, governance and origination capacity, as described in the EoI taking into account the specific market. In case of a joint offer, the above compliance due diligence assessment will be conducted in relation to each member of the Group individually. In case of other entities (i.e., subcontractors) supporting Applicants in implementing the "Core Activities" linked with the management of the mandator's funds, the above compliance due diligence assessment must be conducted in a manner that also covers the activities to be conducted by such other entities. Furthermore, the Bank may request the Selected Applicant to submit additional documents to complete the EIB's Know Your Customer ("KYC") procedure. The Due Diligence assessment may be done remotely or during an onsite visit.

- (iii) The assessment will be conducted on a pass/fail basis. If a negative assessment results in respect of the Selected Applicant (whether sole or Joint Offer), the Selected Applicant will no longer be included in the EIB recommendation to the Investment Board. In the case of a subcontractor, the EIB may require that the Selected Applicant replaces that subcontractor with another having equal or greater quality – failure to provide such replacement to the full satisfaction of the EIB shall result in the elimination of the Selected Applicant