



THE PRIVATE FINANCE FOR ENERGY EFFICIENCY (PF4EE) INSTRUMENT  
UNDER THE  
PROGRAMME FOR ENVIRONMENT AND CLIMATE ACTION (“LIFE”)  
WITH RESPECT TO THE FINANCING OF ENERGY EFFICIENCY INVESTMENTS

**THIRD REQUEST FOR PROPOSALS**

**in order to become a  
FINANCIAL INTERMEDIARY UNDER THE PF4EE**

(Published on 28/11/2019)

**Preliminary note**

In the Third Request for Proposals, capitalised terms and expressions shall have the meaning attributed to them in Annex 5 or as elsewhere defined in this document and its annexes, unless the context requires otherwise.

**1. The PF4EE Instrument**

The purpose of the Third Request for Proposals is to select financial institutions to become Financial Intermediaries (the “FIs”) for the implementation of the Private Finance for Energy Efficiency (the “PF4EE”) Instrument in the Member States of the European Union.

The Delegation Agreement agreed between EC and the EIB, as amended and supplemented to foresee, inter alia, the possibility for the EIB to publish on its website this Third Request for Proposals, sets out the terms of the PF4EE Instrument. The PF4EE Instrument is funded by the Programme for the Environment and Climate Action (“LIFE Programme”) under the auspices of the Directorate General for Climate Action (“DG Clima”) and by the EIB.

- **PF4EE Objectives**

The purpose of the PF4EE Instrument is to provide access to adequate and affordable commercial financing for Eligible EE Investments targeted by schemes developed by Participating Countries to implement their National Energy Efficiency Action Plans (“NEEAPs”) or other programmes in line with EU Directives relating to Energy Efficiency.

The two main objectives of the PF4EE Instrument are:

- (i) making energy efficiency lending a more sustainable activity across European financial institutions by incentivising them to address the energy efficiency sector as a distinct market segment; and
- (ii) increasing the availability of debt financing to Eligible EE Investments.

- **General description**

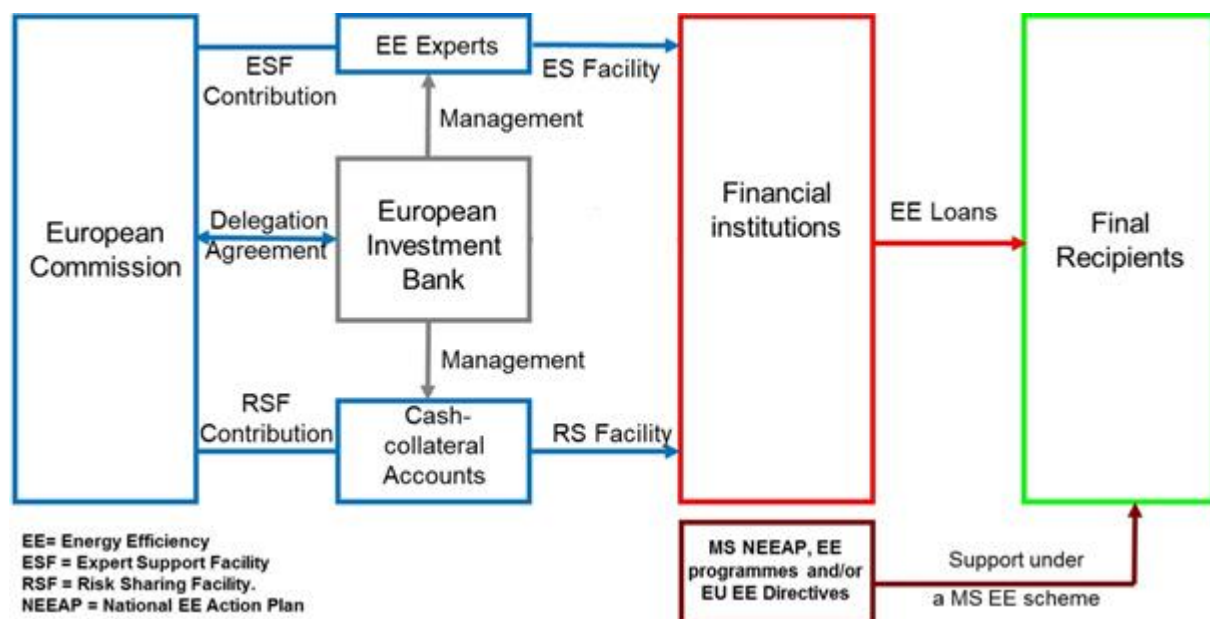
The PF4EE Instrument consists of:

- (i) a portfolio-based credit risk protection provided by EIB, acting on behalf of the EC, (the “PF4EE Risk Sharing Facility” or “PF4EE RSF”); and
- (ii) expert support services for the FIs in order to support the implementation of the PF4EE Instrument (the “PF4EE Expert Support Facility” or “PF4EE ESF”).

The PF4EE Instrument may be combined with long-term financing from the EIB (the "EIB Loan for Energy Efficiency" or “EIB Loan for EE”), at the sole discretion of the EIB.

An EU Contribution has been committed from the LIFE Programme budget for the funding of the PF4EE RSF and PF4EE ESF.

The PF4EE RSF and PF4EE ESF are managed by the EIB and function as depicted below.



Final Recipients benefitting from the PF4EE Instrument should be defined in the context of the relevant Participating Countries’ NEEAP. They may include, inter alia, natural persons, home-owner associations, enterprises, public institutions/bodies and any other legal entities undertaking Eligible EE Investments.

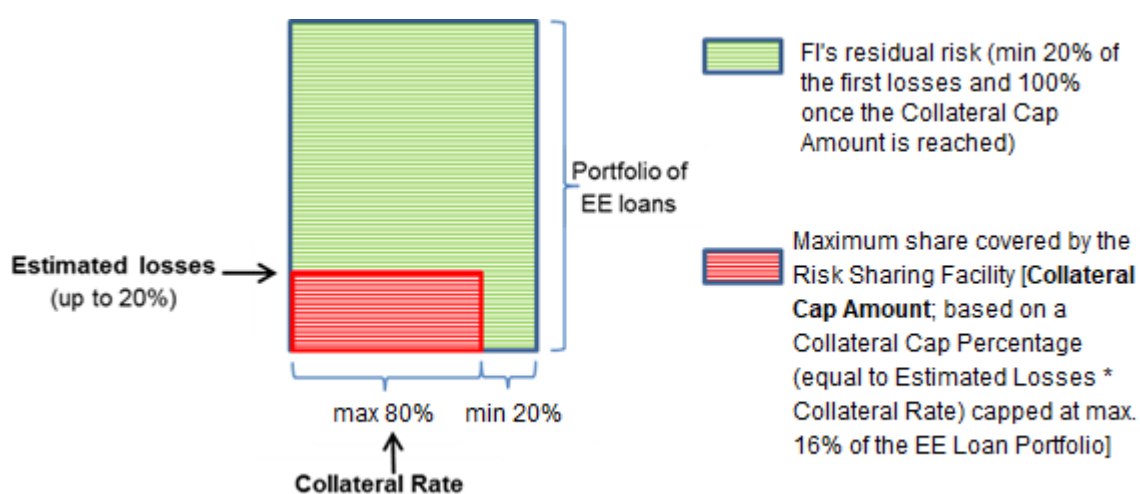
A detailed description of the PF4EE components is as follows.

- **PF4EE RSF description**

The PF4EE RSF shall partly cover the credit risk associated with underlying newly extended EE Loans included in the Portfolio granted to Final Recipients for the financing of Eligible EE Investments.

Under the terms of the Collateral Agreement between the EIB and the Financial Intermediary, the Collateral will be deposited in a Collateral Account to cover the Losses incurred by the Financial Intermediary in respect of each defaulted EE Loan up to the Collateral Rate of the Losses, provided that the Collateral Transfer Amounts shall never exceed the lowest of (i) the Collateral Cap Amount and (ii) the Collateral Available.

The following graph depicts the theoretical distribution of Losses of a Portfolio between a FI and the PF4EE Instrument.



- **EIB Loan for Energy Efficiency description**

The EIB may provide at its sole discretion a financial contribution to the PF4EE Instrument by granting EIB Loans for EE to FIs requesting this type of financing to complement the PF4EE RSF. These EIB Loans for EE will be provided at the EIB's own risk, at competitive rates and with a maturity of up to 25 years (save for exceptional market conditions) to be utilised to partially fund of EE Loans to Final Recipients.

The financial advantage generated by the EIB's financing conditions shall be passed onto Final Recipients in accordance with EIB procedures for intermediated lending to encourage the take-up of the EE Loans provided by the FIs. EIB Loans for EE may finance up to 75% of the capital cost of Eligible EE Investments.

- **PF4EE ESF description**

The PF4EE Expert Support Facility aims at effectively deploying the PF4EE Instrument by increasing the technical capacity of Financial Intermediaries and should be used exclusively for eligible activities as detailed below. For the avoidance of doubt, the Expert Support shall not exclude the responsibility of Financial Intermediaries for the selection of Final Recipients and shall not cover the costs Financial Intermediaries have to anyway incur to operate in a market.

To the extent needed, the PF4EE Expert Support Facility will provide the expert professional services to FIs in order to support, inter alia, the following activities:

- (i) Staff training on energy efficiency;
- (ii) Development of energy efficiency products;
- (iii) EE Loans portfolio development;
- (iv) Appraisal of energy efficiency investments;
- (v) Risk analysis of individual projects and programmes;
- (vi) Reporting on energy savings and CO2 emissions;
- (vii) Energy audits.

Expert Support to be provided would be defined individually for each Financial Intermediary but with three clear objectives in mind: (i) ensuring the actual lending to Eligible EE Investments within the framework of the PF4EE Instrument takes place, (ii) developing capacity to make energy efficiency lending sustainable within the concerned Financial Intermediary and (iii) guaranteeing the correct reporting of the impact of the EE Investments supported by the PF4EE Instrument.

## **2. Eligible financial institutions**

- **Type of FIs**

The Third Request for Proposals is addressed and restricted to private sector financial institutions and public sector financial institutions that operate in the market in a manner comparable to a private sector financial institution in Member States of the European Union.

Financial institutions that fall under any of the situations included under limb (iii) of Annex 2 are excluded from participating in the PF4EE Instrument.

- **Minimum requirements**

Financial institutions participating in the implementation of the PF4EE Instrument will be required, as a minimum, to comply with the following requirements:

- (i) to be duly authorised to carry out their activities according to the applicable legislation and be established and operating in a Participating Country;
- (ii) to demonstrate operational capacity to manage the PF4EE Instrument;
- (iii) to demonstrate capacity to reach Final Recipients targeted by the relevant NEEAP priority and/or energy efficiency support scheme and/or EU Directives relating to energy efficiency within one or more Participating Countries concerned;
- (iv) to have a satisfactory financial performance within the market it operates;
- (v) to have robust credit risk assessment and rating policies, procedures and systems;
- (vi) to be acceptable as an EIB counterparty in accordance with EIB's internal policies;
- (vii) to comply with relevant standards and applicable legislation on the prevention of money laundering, the fight against terrorism and tax fraud to which they may be subject and shall not be established and
- (viii) shall not maintain business relations with entities incorporated in any Non-Cooperating Jurisdiction<sup>1</sup>.

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<sup>1</sup> As defined under limb (e) of Annex 2.

- **Representations and undertakings**

Applicants shall represent that they are not in any of the situations of exclusion and confirm their agreement with the undertakings included in Annex 2 of the Third Request for Proposals.

### **3. Application procedure**

Financial institutions interested in applying to the Third Request for Proposals shall submit an Application to EIB before the Deadline (see section 5). The indicative amount available to be allocated to Financial Intermediaries for PF4EE RSF operations is EUR 21.5m, out of which, EUR 5m could be allocated in an acceptable tradable currency. The amount may be increased on the basis of budget availability originating from other sources.

In accordance with Annex 1 (Compliance) to the Third Request for Proposals, the Application should include all the documents requested duly signed by authorised signatories. In case of a joint Application, all information required under Annex 1 (Compliance) must be provided for the Applicant and each Participating Entity and will be assessed for each member of the joint Application individually.

Applications shall contain adequate information and sufficient evidence to ensure that the EIB can adequately perform the due diligence and assess the relevant criteria set out in Annex 1 (Due Diligence) supported by the information requested under Annex 3 (Application).

In case of a joint Application, criteria set out in the Annex 1 (Due diligence) will be assessed in relation to the combined capacities of all members of the joint Application. The Applicant and each Participating Entity will be jointly and severally liable towards EIB for the performance of the Agreement.

Applicants may send questions regarding the Third Request for Proposals. The EIB shall analyse such incoming questions and may publish from time to time the resulting answers in the form of FAQ (Frequently Asked Questions) document posted in the section of the EIB's website ([www.eib.org/pf4ee](http://www.eib.org/pf4ee)). EIB reserves the right to update the FAQ document from time to time as and when it regards appropriate.

### **4. Selection procedure**

Following the receipt of an Application, EIB shall confirm its compliance with requirements set in Annex 1 (Compliance). Applications (i) submitted before the Deadline and (ii) fulfil the Compliance requirements will be considered as "Accepted Applications".

Taking into account, (i) the general principles of transparency, proportionality, equal treatment and non-discrimination; (ii) the EIB's policies, rules, procedures and statutes and the best business and market practices, financial institutions will be selected based on the the criteria set out in Annex 1 (Due Diligence)

EIB shall assess Accepted Applications on first-come first-served basis according to the date of the receipt of the Application and pursuant to the Selection Process outlined in the Annex 1 of this Request for Proposals.

The Selection Process for the Accepted Applications comprises two phases: (i) Due diligence and (ii) Documentation. At any phase of the Selection Process until the entry into a legally binding agreement with an Applicant, EIB reserves itself full discretion to not continue the Selection Process of an Applicant if EIB's findings from the Due Diligence phase and/or the progress made on the Documentation phase leads EIB to believe that the Applicant will not satisfactorily complete the Selection Process.

Any negotiation of terms and conditions of a legal agreement aiming at the participation of an Applicant in the PF4EE Instrument does not entail any obligation for EIB to enter into such agreement with the relevant Applicant.

In this context, no Applicant has any claim or other right to be ultimately selected as Financial Intermediary until such legal documentation is executed and becomes binding for both parties.

EIB shall send a rejection notice to Applicants whose Application was rejected during any stage of the Selection Process.

Notwithstanding the above, those Applicants whose Applications are rejected shall have the right to submit a written complaint by e-mail and registered mail or professional courier service, to the same address used for the submission of the Application above, within thirty (30) days of receipt of the rejection notice. Any complaints will be dealt with within the framework of and in accordance with the EIB Group complaints policy<sup>2</sup>.

## **5. Submission of Application**

The Application shall be submitted before the Deadline both by (i) email and (ii) registered mail or professional courier service. The Application sent by registered mail or professional courier service shall consist of a closed single package, and shall contain the Declaration and Application Forms as per Annexes 2 & 3, together with its attachments, if applicable, in paper form and in removable electronic storage medium (e.g. CD-ROM, USB).

The Deadline is 30 September 2022, provided that the EIB may, at its sole discretion determine that the Deadline will end on an earlier or later date depending, inter alia, on the availability of the EU Contribution for the PF4EE Instrument or any amendment to the LIFE Programme or the Delegation Agreement. Any change in the Deadline will be announced in the PF4EE section of EIB's website ([www.eib.org/pf4ee](http://www.eib.org/pf4ee)).

The Deadline applies (i) in case of e-mails to the EIB date of receipt and (ii) in case of registered mail or professional courier service to the date of dispatch proven by the post office stamp or a dispatch receipt.

The EIB announces on the PF4EE web-page ([www.eib.org/pf4ee](http://www.eib.org/pf4ee)) the Financial Intermediaries that have already been selected.

The Application shall indicate the name of the Applicant and be sent to the following address:

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<sup>2</sup> For further information visit <http://www.eib.org/about/publications/complaints-mechanism-policy.htm>.

European Investment Bank  
PF4EE Instrument – Expression of Interest  
Mandate Management Department – Trust Funds and Blending Division  
98-100 Blvd Konrad Adenauer  
L-2950, Luxembourg

An electronic version of the Application shall be sent to: [PF4EE\\_Instrument@eib.org](mailto:PF4EE_Instrument@eib.org) stating in the subject of the email, as appropriate: “PF4EE Instrument – Expression of Interest: [name of the Applicant]”.

An acknowledgement of receipt will be sent to the relevant Applicants by EIB via e-mail, which shall state the Applicant’s unique application identifier.

The acknowledgement of receipt shall not be construed as a declaration of compliance of the Application, nor any kind of assessment or acceptance of the latter.

Applicants may withdraw their Application at any stage of the Selection Process in the same manner as specified above for the submission of an Application.

## **6. Publishing of information on the Financial Intermediaries**

The EIB shall publish on its website the list of Financial Intermediaries and certain information in relation to those which shall include, inter alia, the name, the registered addresses and the type of support received under the PF4EE Instrument.

The EIB may also publish information on the Final Recipients as agreed with the Financial Intermediaries in accordance with limb (iv) of the Visibility section hereinafter.

## **7. Visibility**

Financial Intermediaries will be contractually required to:

- (i) Product labelling: The name of the product should clearly point to PF4EE Instrument.
- (ii) Promote PF4EE through their website dedicated to medium and long term financing products which should include an information page on EIB’s activity in favour of EE activities, the Union Emblem and the LIFE Logo. This should include eligibility criteria, objectives, procedure and direct contact details for applications. If such a website is not available, the EIB shall require the Financial Intermediary to use alternative ways of communication, to which the same visibility requirements shall apply.
- (iii) Include in all documents concerning this PF4EE Instrument, notably inter alia the EE Loans agreements, promotional material to the Final Recipient, etc, a statement mentioning that the EE Loans are supported by the European Union through the LIFE Programme for Environment and Climate and the EIB. Appropriate text, logos and guidelines will be provided to the selected Financial Intermediaries during the Documentation phase.
- (iv) Publish a list of Final Recipients who have received an EE Loan for an amount of at least EUR 500,000, including for each Final Recipient its name, address and the type of support received under the PF4EE Instrument. However, publication shall not be required (i) if it is illegal under the applicable laws and regulations and/or (ii) if following the written request of the Final Recipient a justification is provided to the Financial



Intermediary evidencing that publication risks harming the commercial interests or threatening the rights and freedoms of individuals as protected by the Chapter of Fundamental Rights of the European Union.

- (v) Follow the guidelines described in *The Use of the EU Emblem in the Context of EU Programmes and in Non-EU Countries – Guidelines for beneficiaries and other third parties*<sup>3</sup> when displaying the Union Emblem.
- (vi) Endeavour to participate in at least one PF4EE Instrument event per year organised either by the EIB or the Commission.

## **8. Language and governing laws**

The Application, and any communication and notices resulting from it, shall be prepared in English.

Any legal documentation to be entered into by an Applicant and the EIB shall be in English and governed, in most cases, by Luxembourgish law, or if not the former, the law of a Member State of the EU frequently used by the EIB in its legal documentation.

## **9. Privacy Statement**

During the assessment of the Applications, the EIB may get access to certain personal data (information related to an identified or identifiable natural person). The purpose of this privacy statement is to provide information about the collection and use of personal data at EIB. By submitting an Application, the Applicant hereby provides consent to have the personal data processed in accordance with the following link: <https://www.eib.org/en/privacy/procurement.htm>

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<sup>3</sup> [http://ec.europa.eu/dgs/communication/services/visual\\_identity/pdf/use-emblem\\_en.pdf](http://ec.europa.eu/dgs/communication/services/visual_identity/pdf/use-emblem_en.pdf)



## **Annex 1: Selection Process of Applications**

### **1. Compliance**

The Applicant shall provide the following documentation to be compliant with the terms of this Request for Proposals:

- (i) A signed “Applicant / Participating Entity Declaration Form”, included in Annex 2.
- (ii) A complete “Application Form” in accordance with Annex 3, supported with relevant evidence or information, if applicable.

The EIB reserves the right to seek additional details from an Applicant to clarify any part of the Application. Only Accepted Applications will be taken into consideration for the following phases of the Selection Process.

### **2. Due diligence**

The due diligent phase is conducted on the basis of the following criteria:

- (i) Applicant’s implementation proposal and origination capacity, including demonstration of adequate capacity to reach the targeted EE investments/Final Recipients and achieve the Portfolio Targeted Size, and of relevant experience in EE financing, the implementation of EU financial instruments and/or EIB intermediated financing.
- (ii) Concreteness and adequacy of the time schedule of strategy and/or plan for the implementation of the PF4EE Instrument.
- (iii) Applicant’s financial standing, taking into consideration the specific country/market.
- (iv) Robustness of Applicant’s risk management framework & its capacity to manage risks including those associated to the targeted Portfolio.
- (v) Ownership structure, governance and commitment in terms of dedicated resources and senior management support for the implementation of the PF4EE Instrument.
- (vi) Adequate administrative capacity to comply with monitoring and reporting requirements of the PF4EE Instrument.

The due diligence process will be carried out in accordance with the EIB’s internal rules and procedures and it may include an on-site visit to the premises of the Applicant, if EIB considers it necessary. The commencement of the due diligence process will be subject to the availability of EIB staff resources and of EU Contribution to the PF4EE Instrument. All Applicants of Accepted Applications will receive a notification about the outcome of the due diligence process.

### 3. Documentation

Subject to the satisfactory outcome of the due diligence phase, the EIB shall invite the relevant Applicant to enter into the discussion of the actual legal terms for participation in the PF4EE Instrument.

The discussion on the terms for participation will be done on the basis of a standardised term sheets and legal documentation. This shall ensure equal treatment to all participants in the PF4EE Instrument. Notwithstanding the above, the final terms of the participation of each Applicant may be adjusted taking into account, inter alia, the targeted EE Eligible Investments, the Final Recipients and the Participating Country.

Subject to:

- (i) a satisfactory agreement of both the Applicant and the EIB of the terms and conditions for participation;
- (ii) ;
- (iii) the availability of EU Contribution; and
- (iv) the approval, if applicable, of the relevant EIB and/or EC decision making bodies

the EIB will invite the successful Applicant to become a Financial Intermediary by executing the relevant legal documentation.

The Documentation phase shall be concluded within in a period of 3 months starting on the date the draft term sheet is provided to the Applicant who complies with the compliance requirements and is not rejected during the due diligence stage. The relevant legal documentation to implement the participation of the Applicant in the PF4EE Instrument shall be agreed and executed by the Applicant and the EIB within the abovementioned period.

Should the parties fail to agree and/or sign the legal documentation within the abovementioned Documentation period, the Application to become a Financial Intermediary will no longer be valid and the Applicant shall not have any right to claim to become a Financial Intermediary, save for if EIB agrees to extend the Documentation period for an additional maximum period of up to 6 months. If the legal documentation is not agreed and/or signed on or before the expiry of the additional period, the Application will be no longer be considered an Accepted Application.

## Annex 2: Applicant/Participating Entity Declaration Form

[Applicant/Participating Entity corporate headed paper]

European Investment Bank  
PF4EE Instrument – Request for Proposals  
Mandate Management Department – Trust Funds and Blending Division  
98-100 Blvd Konrad Adenauer  
L-2950, Luxembourg

Dear Sir/Madam,

The undersigned, representing the following legal person:

<b>Legal name:</b>	[Full legal name]
<b>Commercial name:</b>	[Trading name]
<b>Incorporate in:</b>	[Country of incorporation]
<b>Legal address:</b>	[Full legal address]
<b>Fiscal Identification number:</b>	[Fiscal identification number in country of incorporation]

hereby request to participate as [an Applicant / a Participating Entity] in order to become a Financial Intermediary under the PF4EE Instrument and explicitly accept and agree to the terms of the Third Request for Proposals.

The [Applicant / Participating Entity], represented by the undersigned, being the authorised signatory of the [Applicant / Participating Entity], in the context of the present Third Request for Proposals, declare that:

- (i) The [Applicant / Participating Entity] is an authorised credit institution in [Participating Country] under the licence [licence identification reference/number] granted by [name of national authority entitled to grant the licence].
- (ii) The [Applicant / Participating Entity] materially complies with the Directive 2013/36/EU and Regulation (EU) n° 575/2013 (CRR/CRD IV package).
- (iii) The [Applicant / Participating Entity] is not, and has not been at any time during the last five years prior to the date of submission of the Application in any of the following situations:

- |   |
|---|
| (a) it is bankrupt, subject to insolvency or winding up procedures, its assets are being administered by a liquidator or by a court, it is in an arrangement with creditors, its business activities are suspended or it is in any analogous situation arising from a similar procedure provided for under national legislation or regulations;   |
| (b) it has been established by a final judgement or a final administrative decision that the person is in breach of its obligations relating to the payment of taxes or social security contributions in accordance with the law of the country in which it is established, with those of the country in which the contracting authority is located or those of the country of the performance of the contract; |
| (c) it has been established by a final judgement or a final administrative decision that the person is guilty of grave professional misconduct by having violated applicable laws or regulations or ethical standards of the profession to which the person belongs, or by having engaged in any wrongful conduct which has   |

an impact on its professional credibility where such conduct denotes wrongful intent or gross negligence, including, in particular, any of the following:
(i) fraudulently or negligently misrepresenting information required for the verification of the absence of grounds for exclusion or the fulfilment of selection criteria or in the performance of a contract;
(ii) entering into agreement with other persons with the aim of distorting competition;
(iii) violating intellectual property rights;
(iv) attempting to influence the decision-making process of the contracting authority during the award procedure;
(v) attempting to obtain confidential information that may confer upon it undue advantages in the award procedure;
(d) it has been established by a final judgement that the person is guilty of the following:
(i) fraud, within the meaning of Article 1 of the Convention on the protection of the European Communities' financial interests, drawn up by the Council Act of 26 July 1995;
(ii) corruption, as defined in Article 3 of the Convention on the fight against corruption involving officials of the European Communities or officials of EU Member States, drawn up by the Council Act of 26 May 1997, and in Article 2(1) of Council Framework Decision 2003/568/JHA, as well as corruption as defined in the legal provisions of the country where the contracting authority is located, the country in which the person is established or the country of the performance of the contract;
(iii) participation in a criminal organisation, as defined in Article 2 of Council Framework Decision 2008/841/JHA;
(iv) money laundering or terrorist financing, as defined in Article 1 of Directive 2005/60/EC of the European Parliament and of the Council;
(v) terrorist-related offences or offences linked to terrorist activities, as defined in Articles 1 and 3 of Council Framework Decision 2002/475/JHA, respectively, or inciting, aiding, abetting or attempting to commit such offences, as referred to in Article 4 of that Decision;
(vi) child labour or other forms of trafficking in human beings as defined in Article 2 of Directive 2011/36/EU of the European Parliament and of the Council;
(e) the person has shown significant deficiencies in complying with the main obligations in the performance of a contract financed by the Union's budget, which has led to its early termination or to the application of liquidated damages or other contractual penalties, or which has been discovered following checks, audits or investigations by an Authorising Officer, OLAF or the Court of Auditors;
(f) it has been established by a final judgment or final administrative decision that the person has committed an irregularity within the meaning of Article 1(2) of Council Regulation (EC, Euratom) No 2988/95;
(g) for the situations of grave professional misconduct, fraud, corruption, other criminal offences, significant deficiencies in the performance of the contract or irregularity, the applicant is subject to: <ul style="list-style-type: none"> <li>i. facts established in the context of audits or investigations carried out by the Court of Auditors, OLAF or internal audit, or any other check, audit or control performed under the responsibility of an authorising officer of an EU institution, of a European office or of an EU agency or body;</li> <li>ii. non-final administrative decisions which may include disciplinary measures taken by the competent supervisory body responsible for the verification of the application of standards of professional ethics;</li> <li>iii. decisions of the ECB, the EIB, the European Investment Fund or international organisations;</li> <li>iv. decisions of the Commission relating to the infringement of the Union's competition rules or of a national competent authority relating to the infringement of Union or national competition law; or</li> <li>v. decisions of exclusion by an authorising officer of an EU institution, of a European office or of an EU agency or body.</li> </ul>
(h) is the target of a sanction or restrictive measure <sup>4</sup> imposed or administered by:

<sup>4</sup> Being "the target of a sanction or restrictive measure" means the economic operator (i) being listed on a sanctions list, or (ii) being (directly or indirectly) 50% or more (individually or on aggregate basis) owned or controlled by, or acting on behalf of or at the direction of, a person or entity listed on, any sanctions lists, or (iii) being located or resident in, or organised or incorporated under the laws of a Sanctioned Country, or owned or controlled by, or acting on behalf or at the direction of such a person or entity. A "Sanctioned Country" shall mean a country or territory that is, or whose government is, at any time, the target of comprehensive country or territory-wide sanction or restrictive measure imposed or administered by the competent authorities described in this sub-section (h).

i.	the European Union; <sup>5</sup> or
ii.	the United States of America.

(iv) agrees with the following undertakings:

- a) to provide evidence that the [Applicant / Participating Entity] does not fall into any of the situations listed in section (iii) above, should it be requested to do so by the European Investment Bank;
  - b) to fully cooperate in the protection of the European Union's financial interests;
  - c) to provide for the right of the EC to comprehensively exercise its competences;
  - d) to provide the European Anti-Fraud Office (OLAF) with all the facilities and the information and documentation on operations concerned to comprehensively exercise its competences allowing it to carry out investigations, including on-the-spot checks and inspections, in accordance with the provisions and procedures laid down in Regulation (EU, Euratom) No 883/2013, Regulation (Euratom, EC) No 2185/96 and Regulation (EC, Euratom) No 2988/95, as may be amended, supplemented or modified from time to time, in order to protect the financial interests of the Union, with a view to establishing whether there has been fraud, corruption or any other illegal activity affecting the financial interests of the Union in connection with the activities and financings related to the PF4EE Instrument.
  - e) maintain and be able to produce all the documentation related to the implementation of the PF4EE Instrument for a period of seven (7) years following the end of the implementation of their participation in the PF4EE Instrument or termination of the agreement concluded by the EIB, whichever period is the longest;
  - f) afford the European Court of Auditors all the facilities and give it all the information which it considers necessary for the performance of its tasks in relation to the implementation of the PF4EE Instrument;
  - g) provide for the Commission to carry out controls, including on-the-spot checks and inspections in accordance with the provisions and procedures laid down in Council Regulation (EC, Euratom) No 2988/95 of 18 December 1995 on the protection of the European Communities financial interests (OJ L 312, 23.12.1995, p. 1) and Council Regulation (Euratom, EC) No 2185/96 of 11 November 1996 concerning on-the-spot checks and inspections carried out by the Commission in order to protect the European Communities' financial interests (OJ L 292, 15.11.1996, p. 2) and audits;
  - h) comply with relevant standards, EIB standards and applicable legislation on the prevention of money laundering, the fight against terrorism and the fight against tax fraud;
  - i) does not and will not perform activities which are illegal according to the applicable legislation in its country of incorporation.
  - i) transpose the conditions defined in this section (iv) and the above (iii), into its agreements with any other Participating Entity and, mutatis mutandis, with Final Recipients.
- (v) are aware that, for the purpose of safeguarding the financial interests of the European Union, our personal data may be transferred to internal audit services, to the European

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<sup>5</sup> Pursuant to Chapter 2 of Title V of the Treaty on European Union or Article 215 of the Treaty on the Functioning of the European Union, either autonomously or pursuant to the sanctions decided by the United Nations Security Council on the basis of Article 41 of the UN Charter.

Court of Auditors, to the Financial Irregularities Panel or to the European Anti-Fraud Office.

The following person(s) and contact details shall be used for communications and notices in respect of the Application.

**Name:**  
**Title:**  
**Department:**  
**Postal Address:**  
**Telephone:**  
**Email:**

Signed and agreed on behalf of [Applicant/Participating Entity]

**Name:**  
**Title:**  
**Date:**

**Name:**  
**Title:**  
**Date:**

### **Annex 3: Application Form**

The Applications to become a Financial Intermediary shall be in accordance with the following index and content:

#### **1. Financial intermediary's implementation proposal and origination capacity**

- Financial Intermediary's pipeline, lending volumes and track record.
- Financial Intermediary's investment policy plan in reaching Final Recipients targeted by the relevant NEEAP priority and/or energy efficiency support scheme and/or EU Directives relating to energy efficiency within the Participating Country concerned.
- Concreteness and adequacy of the time schedule of strategy and/or plan for the implementation of the PF4EE Instrument.
- Competitive position / relevant market share (in the context of energy efficiency).
- Experience in managing similar financial instruments / initiatives, received funds and in selecting and investing in the areas of energy efficiency.
- Main characteristics of targeted EE investments & final recipients, including economic sectors, average capital cost and estimated operating life.
- Proposal for Portfolio Targeted Size, including expected average loan size, WAL, maturity, expected granularity and geographical focus.
- Indication of Expected Loss for the Portfolio, including details on PDs, LGD, Recovery Rates, internal rating thresholds. The Applicant should also demonstrate any risk mitigation measures and monitoring procedures.

#### **2. Financial standing**

- Profitability, capital adequacy, liquidity, asset quality and provisioning, other financial ratios, external rating (if available)

#### **3. Risk management framework**

- Description of its risk governance and demonstration of adherence with regulatory requirements and best banking practices as well as demonstration of an internal control system in conformity with international standards;
- Description of its risk management framework including but not limited to risk assessment, internal risk models (incl rating/scoring 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, management of arrears and non-performing loans (incl. recovery track record/historical data and capabilities).

#### **4. Ownership structure, governance and management team**

- Legal ownership structure and corporate governance including adherence to regulatory requirements and best banking practices.
- Governance and organisational structure in relation to the implementation of the PF4EE initiative
- Management team (Key experts or management team that will be engaged to the PF4EE activities)

#### **5. Administrative capacity**

- Quality of IT systems, reporting mechanisms, monitoring procedures and controls
- Overall ability of the Financial Intermediary to comply with the reporting and monitoring requirements



#### **Annex 4: EIB Eligible Projects**

Projects where the capital investment is motivated by energy efficiency.

This motivation can be demonstrated in different ways depending on the type of projects, and among others the following:

- (i) consistency with the recommendation of an energy audit (in line with the European Standard EN 16247 Energy or equivalent), and/or
- (ii) consistency with relevant legal and regulatory requirements, and in particular the Energy Efficiency Directive 2012/27/EU (EED) and the Energy Performance of Buildings Directive 2010/31/EU (EPDB).
- (iii) consistency with a pre-defined list of measures set up by the EIB

The projects shall be located in the Participating Countries and the capital cost shall be below EUR 10m.

The following sectors and technologies are eligible:

- Energy Efficiency in Existing Buildings
- Renewable energy integrated in Existing Buildings
- Energy Efficiency in Production Facilities
- Energy Efficiency in Public Lighting Infrastructure
- Cogeneration of Heat and Power
- Energy Efficiency in District Heating or Cooling

Specific technical and economic criteria for each of the sectors and technologies will apply accordingly with EIB eligibility criteria.

## Annex 5: Definitions and Interpretation

Accepted Application	means an Application that (i) has been received within the Deadline, (ii) complies with the requirements listed in Annex 1 (Compliance).
Applicant	means a financial institution applying to this Request for Proposals aiming at becoming a Financial Intermediary under the PF4EE Instrument.
Application	means the documentation submitted by an Applicant to the EIB in accordance with this Request for Proposals.
Appraisal Fee	means a fee to be paid for the signing or amendment of an EIB Loan for EE in line with EIB standard practice, if applicable.
Availability Period	means the period of up to [36] months starting on the date of signature of a Collateral Agreement. The Availability Period might be extended by EIB and could terminate before its expiry date upon the occurrence of certain events.
Collateral	means an amount in Euros deposited in a Collateral Account. Exceptionally other internationally traded currencies might be considered.
Collateral Account	means an account open in EIB books where Collateral is deposited. There will be a Collateral Account for each participating Financial Intermediary.
Collateral Agreement	means an agreement to be signed between the EIB, on account and risk of the European Union, and a Financial Intermediary setting out the conditions under which such Financial Intermediary has the right to receive partial or full transfer of the Collateral deposited in a Collateral Account under the RSF.
Collateral Available	means the balance of a Collateral Account.
Collateral Cap Amount	means the amount resulting from multiplying the (i) Collateral Cap Percentage and (ii) the Portfolio Signed. The Collateral Cap Amount will be adjusted proportionally to the Portfolio Disbursed at the end of the Disbursement Period.
Collateral Cap Percentage	means the product of (i) the Estimated Loss of the Portfolio and (ii) the Collateral Rate, both of them expressed on percentage terms. For the avoidance of doubt, the Collateral Cap Percentage is to be determined before the signing of a Collateral Agreement. The Collateral Cap Percentage shall not exceed 16%,
Collateral Fee	means a fee to be paid by the Financial Intermediaries to EIB during the life of the Collateral Agreement calculated in relation to

the outstanding Portfolio. The Collateral Fee shall not exceed 30 bps per annum and may be modulated downwards depending, inter alia, on market conditions and on the expected impact of implementation of the PF4EE Instruments in the relevant Participating Country.

Collateral Rate	means the % of a Loss incurred in respect of an EE Loan included in a Portfolio that may be covered under the PF4EE RSF. This percentage shall not exceed 80%..
Collateral Transfer Amount	means the amount resulting from the multiplication of (i) the Collateral Rate and (ii) the Losses incurred by the Financial Intermediary in respect to EE Loans up to the lowest of (x) the Collateral Cap Amount and (y) the Collateral Available.
Compliance Requirements	means the requirements set in Annex 1 to be fulfilled by an Application to be considered as an Accepted Application.
Disbursement Period	means the period starting at the signature of a Collateral Agreement and ending on the earliest of (i) [36] months after the end of the Availability Period or (ii) the full disbursement of all EE Loans included in the Portfolio. The Disbursement Period may be extended in exceptional market circumstances, if agreed by EIB.
Deadline	means 30 September 2022 or such earlier date as announced in the PF4EE section of EIB's website.
Delegation Agreement	means the agreement signed on the 8th of December 2014 by the European Commission and the European Investment Bank further to the Commission Decision of 5th December 2014 notified under document C(2014)9147/2 regulating the terms of their cooperation for the implementation of the PF4EE Instrument, as amended and restated on the 20 December 2018 and on the 26 <sup>th</sup> November 2019.
EU Contribution	means the EUR 105m committed by the LIFE Programme to fund PF4EE RSF and the PF4EE ESF under the PF4EE Instrument within the period 2014-2020.
EE or Energy Efficiency	means energy efficiency.
EE Loan	means a loan signed by a Financial Intermediary and a Final Recipient for the purpose of financing an Eligible EE Investment (i) with a maximum maturity of 25 years and (ii) for a maximum amount of EUR 5 million and in exceptional cases up to EUR 10 million. If the Final Recipient is an enterprise but not an a SME, the maximum loan amount will be EUR 1,125,000.

EIB EE Eligibility Criteria	means the conditions to be fulfilled by an EE investment to be eligible for EIB financing, as further detailed in Annex 4.
Eligible Investment	<p>EE</p> <p>means an investment which is in line with the priorities set by the EU Directives related to Energy Efficiency and</p> <ul style="list-style-type: none"> <li>(i) is in accordance with the priorities set by the National Energy Efficiency Action Plan (NEEAP) or an energy efficiency programme or scheme within a Participating Country, including those outlined in operational programmes funded by the European Structural Investment Funds;</li> <li>(ii) fulfils EIB EE Eligibility Criteria; and</li> <li>(iii) has a capital cost not exceeding EUR 10 million.</li> </ul>
EC	means the European Commission.
EIB	means the European Investment Bank.
Estimated Loss	means the Loss (as a percentage) that may be anticipated for a given Portfolio based on historical and/or market experience in line with the credit risk assessment procedures of the Financial Intermediary and consistent with international standards, as agreed between EIB and the Financial Intermediary prior to the signature of the Collateral Agreement.
Final Recipient	means a financially viable natural or legal person who receives an EE Loan and complies, mutatis mutandis, with the conditions set in limbs (iii) and (iv) of Annex 2.
FI or Financial Intermediary	means a private sector financial institution and public sector financial institution that operate in the market in a manner comparable to a private sector financial institution in Member States of the European Union and who has been selected to participate in the implementation of the PF4EE Instrument in accordance with the terms of this Request for Proposals and with which EIB has entered into one or more legally binding agreements (including a Collateral Agreement).
Losses	<p>means:</p> <ul style="list-style-type: none"> <li>(i) Total principal and/or interest amounts (excluding default interest, capitalised interest, fees and other costs and expenses) due, payable and outstanding following occurrence of either a payment default or an acceleration of an EE Loan, subject to certain conditions; and</li> <li>(ii) Any reduction in principal and/or interest amounts (excluding default interest, capitalised interest, fees and other costs and expenses) as a result of a restructuring of an EE Loan, subject to certain conditions.</li> </ul>

Participating Entities	means, in case of a joint Application to this Request for Proposals submitted covering the Applicant and at least one additional potential future financial institution, each and every additional financial institution covered by such joint Application.
Participating Country	means any Member State of the European Union.
Portfolio	means a set of newly originated EE Loans for which a Financial Intermediary has submitted to EIB a valid inclusion notice and which have not been excluded from the Portfolio in line with the terms of the relevant Collateral Agreement.
Portfolio Disbursed	means the aggregate amount of principal disbursed during the Disbursement Period under the EE Loans included in the Portfolio.
Portfolio Signed	means the aggregate amount of principal committed for disbursement under the EE Loans included in the Portfolio.
Portfolio Targeted Size	means the total amount of principal to be disbursed under the Portfolio, as agreed between the EIB and the Financial Intermediary in a Collateral Agreement. The Portfolio Targeted Size shall be normally comprised within the EUR 50-100m range. The EIB may exceptionally agree to a Portfolio Targeted Size outside of the abovementioned range.
Reporting	<p>The Financial Intermediary shall provide EIB after the end of each calendar quarter with quarterly information and after the end of each calendar year with annual information in a standardised form, including among others, information on the Portfolio, Final Recipients and Eligible EE Investments covered by the Collateral Agreement.</p> <p>In addition, the Financial Intermediary shall commit to promptly supply to the EIB any information that the EIB may reasonably require in order to verify (i) the performance of the Portfolio or (ii) the compliance with the Collateral Agreement and the Delegation Agreement.</p>
Selection Process	means the process described in Annex 1.