

Regarding the structure, in case of co-investors, the selection process will assess the quality, financial standing and integrity of potential co-investors. The Operations will need also to ensure an adequate governance structure. Therefore, governing bodies, policies and procedures will follow best practices. The proposed Operations will also need to ensure satisfactory reporting policies and procedures.

The contribution to the policy objectives identified in the Legal Basis will imply an assessment of the quality of the proposal and the extent to which it demonstrates that it will achieve the objectives set out in points iv and v of Section 1.3.2 above.

The EU added value will be assessed through the extent and quality of the proposal to:

- include a well-conceived multi-purpose delivery mechanism and improve integration of specific climate or environment objectives in other policy areas and create synergies with the objectives of other Union policies while focusing on a specific area and without compromising the objectives pursued by the LIFE Regulation;
- be replicated and transferred during and after its implementation. Successful replication and transferability require a strategy including tasks to multiply the impacts of the projects' solutions and mobilise a wider uptake, reaching a critical mass during the project and/or in a short and medium term perspective after the end of the project.
- mobilise other public and/or private funds for the development and implementation of the project;
- create jobs as a result of the project (number of Full Time Equivalent jobs) or, in duly justified cases, safeguard existing jobs on sustainable basis;
- Where applicable, the extent to which green procurement concepts will be applied.

The Designated Service together with the EIB will develop guidance for the assessment of prospective project's contribution to the general and specific objectives as well as for the assessment of EU added value. This guidance will include the methodologies to be used for the relevant and applicable indicators for monitoring.

At equal level of ranking, projects within Natura 2000 will be given priority.

EIB will approve only proposals which reach the minimum passing score defined in point 5(C) of this Annex. The Bank will approve proposals using its professional judgment and analysis in accordance with the present Policy and Operational Guidelines.

6. Consistency with State aid rules

An Operation complying with the conditions set out in this Annex and in Annex 1a, Annex 1b and Annex 8 of this Delegation Agreement shall be considered consistent with State aid rules.

7. Up-scaling through potential use of ESIF and other funds

The NCFF is designed to allow for scalable levels of finance. To the extent that the NCFF Instrument demonstrates that it is an efficient and effective way to achieve the objectives for which it was created and if eventual proposal are received, the Commission and the EIB will consider the possibility to scale up NCFF through ESIF or other funds contributions.

Pursuant to Article 38(1)(a) and 38(2) of Regulation (EU) No 1303/2013 regarding the 5 European Structural and Investment Funds which are under shared management with the Member States, a managing authority of a Member State may provide a financial contribution to a financial instrument set up at Union level such as the ones under the LIFE Programme and any such contribution will be made in accordance with the Common Provisions Regulation. Contributions from Participating Countries or their regions or from other initiatives can also be considered.

The basic structure of the NCFF would remain as described in this Delegation Agreement. Changes to it would be proposed to ensure that the impact of the contribution provided by any new contributor can be identified to allow the latter to demonstrate the achievement of the NCFF objectives within the relevant geographical area.

Annex 1a - Conditions for loans

1. Purpose of the Loan

Financing directly or indirectly through Intermediaries of projects that fulfil the Eligibility Criteria for projects/investments ("Eligible Investments") established by this Delegation Agreement.

2. Borrower

Private and public sector entities operating in at least one EU Member State. The selection of borrowers will be done in accordance with the principles of sound financial management, transparency, non-discrimination and the fulfilment, inter alia, of the following requirements:

- (i) to demonstrate capacity to reach objectives targeted by the NCFF;
- (ii) to undertake the obligations and requirements associated to the NCFF; and
- (iii) to be acceptable as a borrower to the Bank in accordance with the Bank's rules, policies and procedures applicable to its Operation counterparts.

3. Final recipients

Legal entities that fulfil the Eligibility Criteria of Final Recipients undertaking an Eligible Investment within the context of Purpose of the Loan. A borrower is the Final recipient in case of direct loan financing. For indirect loans, Financial Intermediaries lend to Final recipients.

4. Amount

Up to EUR 15,000,000 for a single project or equivalent in a currency specified in Annex 4.

5. Term

Typically 10 years and up to 15 years.

6. Collateral and conditions

The EIB loan will cover up to 75% of the total project cost.

When lending to a final recipient that is a member of a group of companies, if the credit assessment is based upon the credit standing of another member of the group then a guarantee could be required from that other member of the group

Any financial benefit from the NCFF shall be passed on to Final Recipients.

The Bank will set the conditions applying to each loan, including any requirement for security, consistently with the policies that it would follow were it making a comparable loan to a comparable borrower from its own resources, having regard however to the fact that the level of risk accepted by the NCFF is intended to be higher than the level of risk generally accepted by the Bank for operations on its own resources.

To ensure the additionality of the NCFF, it should be demonstrated that each project being considered for NCFF funding is not normally financed by the Bank.

The Bank shall ensure that one of the following two alternatives is complied with:

- that there is economically significant independent private investment of at least 30% invested on *pari passu* terms with NCFE. Independence means that such private investment should be without counting the contribution from the final recipient; or
- the loan will be based on the following:
 - (i) the rules, policies and procedures of the Bank, implying compliance with:
 - the joint statement by the European Union Commissioner for Competition and the President of the Bank on State aid matters in relation to the activities of the EIB Group;
 - Article 17(1) of the statute of the Bank, which states that interest rates on loans to be granted by the Bank and commission and other charges shall be adjusted to conditions prevailing on the capital market and shall be calculated in such a way that the income therefrom shall enable the Bank to meet its obligations, to cover its expenses and risks and to build up a reserve fund as provided for in Article 22 of the statute of the Bank; and
 - Article 17(2) of the statute of the Bank, which states that the Bank shall not grant any reduction in interest rates, except where the Member State concerned or some other agency grants aid towards the payment of interest to the extent that this is compatible with Article 107 of the Treaty on the Functioning of the European Union.
 - (ii) in case, with the agreement of the Bank, ESI Funds are used to contribute to the NCFE according to Article 38(1) of Regulation 1303/2013 (CPR), the Bank and the Designated Service will enter into discussions with a view to agreeing on detailed provisions on how to ensure compliance of Operations with State Aid rules.

Annex 1b -Investments in funds

In case the Bank revises its internal guidelines on investments in funds, it may request the Steering Committee to propose amendments to the present Annex for maintaining consistency with these internal guidelines.

1. Fund investments

The NCFE may invest into projects indirectly through Financial Intermediaries under the form of investment funds managed by specialised companies ("fund manager").

The NCFE will invest in closed-end funds, at their first or subsequent closing. Their selection would be driven by demand. In line with FAFA (Article 4) for financial intermediaries, the funds shall be selected on the basis of open, transparent, proportionate and non-discriminatory procedures, avoiding conflicts of interests, with due account of the nature of the NCFE and the experience and financial capacity of the Financial Intermediary.

In particular the Financial Intermediary (or "the Fund") / fund manager, *inter alia*, shall:

- Demonstrate capacity to reach final recipients targeted by the NCFE.
- Undertake the obligations and requirements associated with the NCFE.
- Apply project eligibility and selection criteria as mentioned in Annex 1.

The maximum share the NCFE can take in equity funds will be 33%. The conditions for investment from the NCFE in such funds will be *pari passu* to other contributions, or on more favourable terms.

2. Investment Strategy / Policy

Investment funds financed by the NCFE shall include in their investment strategy and policy the objective to finance natural capital and nature-based climate adaptation projects in accordance with the eligibility criteria set for the NCFE.

Each Fund should demonstrate that its investment strategy (particularly: project types, business model, rationale to invest in equity products instead of debt products or vice-versa, leverage potential, catalytic effect) is in line with the general objective of the NCFE

The NCFE's participation as an investor in an investment fund is conditional on 60% of the underlying investments made by the fund into individual projects and companies being eligible for the NCFE if the investment had otherwise been made directly by the NCFE.

3. Additional Features

Selection criteria of a fund structure by the Bank:

The Bank selection will focus on the soundness of the framework of the Operation (i.e. the Fund and the fund manager) and the robustness of its implementation, particularly the assessment of the capability and capacity of the Financial Intermediary: (a) to comply with the EU and national legislation, (b) to comply with the NCFE objectives and constraints for the categories of projects undertaken by the Operation, and (c) to develop and finance the pipeline of projects.

Compliance of the financed Operation with the NCFE criteria

- The ultimate responsibility for individual project selection and financing stays with the Financial Intermediary who must ensure the compliance of the project and final recipients with respectively the EU and national laws (particularly but not limited to environment and procurement laws/directives) and the NCFE eligibility criteria.

Monitoring and Reporting

- The Bank monitoring will be done in accordance with its rules, policies and procedures and in accordance with the Tripartite Agreement between the Commission, the Court of Auditors and the Bank.
- The Financial Intermediary may be required to co-operate with on-the-spot checks and evaluation missions carried out by the Commission and/or the Bank.

4. Geography

EU Member States

5. Legal Structure

The Fund shall be established as a regulated investment entity and registered with the competent authorities.

6. Amount

Up to EUR 15,000,000 or equivalent in a currency specified in Annex 4.

7. Term

Up to 15 years (including extensions)

8. Investment Period

Up to 5 years (plus extensions)

9. Fund Manager

The fund manager must be duly authorized and registered with the competent authorities to execute its role as such at first closing.

10. Other Terms

The Bank shall select and monitor the Fund and fund manager acting consistently with the policies that it would follow were it making a comparable investment from its own resources, having regard however to the fact that the level of risk accepted by the NCFF is intended to be higher than the level of risk generally accepted by the Bank for Operations on its own resources.

Annex 1c - Eligibility checklist referred to in Articles 6.5 and 7.4

In accordance with Article 7.4, the Bank shall provide the following information as regards envisaged Direct Operations:

- Summary description of the envisaged project
- Project category
- Member State(s) where the project is located
- Amount of the envisaged support required under NCFF
- Evidence of conformity with the requirement to help achieving the LIFE Regulation objectives (point iv and vi of subsection 1.3.2 of Annex 1) including the relevant baseline indicators
- Evidence on compliance with the requirement of additionality (point c) of Section 2 of Annex 1)
- Evidence on compliance with the concentration rules (point d)ii of Section 2 of Annex 1)
- For projects in the category "innovative pro-biodiversity and adaptation business", evidence of the innovative nature of the project.
- Source of financing: expected Contributions from the EIB, other third parties and the final recipient

In accordance with Article 6.5, the Bank shall provide the following information as regards envisaged Indirect Operations:

- Summary description of the envisaged Indirect Operation.
- Summary description of the type and category/ies of projects to be supported.
- Member State(s) where the financial intermediary is located.
- Member State(s) where projects can be located.
- Measures and provisions to ensure conformity with the requirement to help achieving the LIFE Regulation objectives (point iv and v of subsection 1.3.2 of Annex 1) including the relevant baseline indicators.
- Measures and provisions to ensure compliance with the requirement of additionality (point c) of Section 2 of Annex 1).
- For projects in the category "innovative pro-biodiversity and adaptation business", measures and provisions to establish the innovative nature of the project.
- Source of financing: expected Contributions from the EIB, financial intermediary and other third parties.

Annex 2 Templates for Notifications and Payment Requests⁷

Annex 2a - Notification of EU Contribution

To: **European Investment Bank**

From: [Designated Service]

[Date]

Dear Sir, Madam,

We refer to Article [9.8, 9.18] of the Delegation Agreement dated [ddmmyyyy] signed between the EIB and the European Union, represented by the European Commission, for the NCFF.

Articles refer to the Delegation Agreement. Words and expressions defined in the Delegation Agreement and the FAFA shall have the same meaning when used in this notification.

We hereby notify to you that:

- (i) Commitments:
 - (a) On [dd/mm/Year N], the Commission has committed the following amounts in relation to the NCFF in [current year] amount to EUR [...], [of which
 - EUR [...] is to be used for the EU Contribution to the Portfolio First Loss Piece
 - EUR [...] is to be used for the Support Facility];
 - EUR [...] is to be used for Fees and Exceptional Unforeseen Expenses
 - (b) In accordance with Article [9.17, 9.18], the Commission has de-committed on [dd/mm/Year N] the following amounts in relation to the NCFF [if applicable]:
 - EUR [...] of the EU Contribution
 - (c) In accordance with Article 9.11 the Minimum Reserve shall amount to EUR [5] million.

⁷ These templates may be modified by mutual agreement of the parties from time to time.

As from now on, the EU Contribution Committed corresponds to the amounts as specified in the table below (all amounts in EUR):

Year	Total EU Contribution Committed at the beginning of the year	EU Contribution Committed during the year (*)	De-commitments	Total EU Contribution Committed to date
	(a)	(b)	(d)	(a+b+c) - (d) = (f)
N				
N+1				
[...]				
Total EU Contribution Committed out of which				
<i>Maximum amount available for the PFLP</i>				
<i>Maximum amount available for the Support Facility</i>				
<i>Maximum amount available for Fees</i>				
<i>Maximum amount available for Exceptional Unforeseen Expenses</i>				
<i>Minimum Reserve</i>				

- (d) The indicative EU Contribution available for commitments for the NCFF for the remainder of the Implementation Period is set out in the table below:

Year	EU Contribution in EUR thousands
[Year N+1]	EUR [...]
[Year N+2]	EUR [...]
.....	EUR [...]
TOTAL	EUR [...]

(ii) Payments:

- (a) The total EU Contribution to be paid for the NCFF in [year N] amounts to EUR [...] and is planned to be disbursed as follows:

1 st payment	2 nd payment
EUR [...]	EUR [...]

- (b) On [dd/mm/Year N], the Commission has transferred the following amounts: [if applicable]
- EUR [...] to the Financial Instrument Account for the NCFF;

As from the date of the transfer, the situation of the EU Contribution Paid corresponds to the amounts specified in the table below (in EUR).

Year	Total EU Contribution Paid at the beginning of the year	EU Contribution Paid during the year	Total EU Contribution Paid	Total EU Contribution Committed	Total EU Contribution Committed and not yet paid
	(a)	(b)	(a+b) = (c)	(d)	(d-c) = (e)
N					
N+1					
[...]					

Annex 2b - Notification of amounts no longer required for the NCFF

To: [Designated Service]

From: **European Investment Bank**

[Date]

Dear Sir, Madam,

We refer to Article [9.18, 9.19] of the Delegation Agreement dated [dummyyyy] signed between the EIB and the European Union, represented by the European Commission, for the NCFF.

Articles refer to the Delegation Agreement. Words and expressions defined in the Delegation Agreement and the FAFA shall have the same meaning when used in this notification.

We notify that:

- (i) In accordance with Article 9.18 [as applicable] and as shown below, an amount of EUR [...] corresponding to EU Contribution Committed is no longer required for the NCFF and may be de-committed by the Designated Service :

a) EU Contribution Committed as of [date of last notification from the Designated Service]	EUR [...]
b) Total amount of the EU Contribution required under the Delegation Agreement (based on data as of 31/12 year N-1) out of which required	EUR [...]
- for Operations	EUR [...]
- for Fees and Management Costs (net of total aggregated Revenues used for Fees and Exceptional Unforeseen Expenses)	EUR [...]
Total EU Contribution Committed no longer required (a - b)	EUR [...]

- (ii) In accordance with Article 9.19 [as applicable] and as shown below, an amount of EUR [...] is no longer required for the NCFF and may be recovered to the EU budget:

a) Balance on the Financial Instrument Account at 31/12/N-1	EUR [...]
b) EU Contribution required to be kept on the Financial Instrument Account under the Delegation Agreement until further notice, out of which	EUR [...]
Outstanding commitments to Operations	EUR [...]

Amounts necessary to cover Fees and Exceptional Unforeseen Expenses	EUR [...]
Total EU Contribution Paid no longer required (a – b)	EUR [...]

Please, confirm these amounts by submitting a revised Notification of EU Contribution.

Annex 2c - Notification of Payment Estimates and Submission of Pipeline Report

To: [Designated Service]

From: **European Investment Bank**

[Date]

Dear Sir, Madam,

We refer to Article 9.6 of the Delegation Agreement dated [ddmmyyy] signed between the EIB and the European Union, represented by the European Commission, for the NCFE.

Articles refer to the Delegation Agreement. Words and expressions defined in the Delegation Agreement and the FAFA shall have the same meaning when used in this notification.

Please find enclosed the pipeline reports for the current year referred to in Article 14.3 of the Delegation Agreement as well as the disbursement forecasts for the current year and the following three years substantiated by the attached disbursement forecasts.

NCFE disbursement forecast for the Financial Instrument Account (all amounts in EUR)

Forecasts year [2014, 2015, 2016, 2017, 2018,...]				
	From 1 st of January to 30 th June year [N]	From 1 st of July to 31 st June year [N]	[Year n-1]	Total previous years
NCFE Investment Facility				
A. Forecast allocation as EU Contributions to the PFLP, of which:				
a. cash paid into the Financial Instrument Account in accordance with point [a, b, c] of Art. 9.7				
b. amount guaranteed (A- a)				

B. Forecast/actual losses				
NCCF Support Facility				
Forecast allocations (signature of service contracts)				
Forecast payments (to third party consultants)				
Fees				
Administrative fee				
Incentive fee				
<u>Exceptional Unforeseen Expenses</u>				
Estimated Balance on the Financial Instrument Account				
Amount				
Estimated amounts to be requested for payment				
Amount				

Annex 2d - Notification of certain Income and Expenses

To: Designated Service

From: **European Investment Bank**

[Date]

Dear Sir, Madam,

We refer to Article 9.16 of the Delegation Agreement dated [ddmmyyyy] signed between the EIB and the European Union, represented by the European Commission, for the NCFE.

Articles refer to the Delegation Agreement. Words and expressions defined in the Delegation Agreement and the FAFA shall have the same meaning when used in this notification.

We notify you that:

- (i) the Revenues received in [year N-1] are as follows (all amounts in EUR):

	Revenues [Year-1]	Aggregate Revenues From 2014 to [Year-1]

- (ii) and the Fees and Exceptional Unforeseen Expenses related to [year N-1] payable to the EIB are as follows:

	[Year-1]	Aggregate Amounts From 2014 to [Year-1]
Administrative and incentive fees		
Exceptional Unforeseen Expenses		

Please confirm these amounts by submitting a revised Notification of EU Contribution.

**Annex 2c - Payment request by the Bank for an EU Contribution for the
NCFF**

To: [Designated Service]

From: **European Investment Bank**

[Date]

Dear Sir, Madam,

We refer to Article [9.9, 9.13] of the Delegation Agreement dated [ddmmyyyy] signed between the EIB and the European Union, represented by the European Commission, for the NCFF.

In accordance with Article [9.9, 9.13] and following the receipt of the notification on the EU Contribution Committed dated [ddmmyyyy], we hereby request the payment of EUR [...] to the Financial Instrument Account [insert account number] within thirty (30) calendar days.

Annex 3 Risk and Revenues Sharing Arrangements

[...]

Annex 4 Non-euro currencies allowed to be used by the NCFE

1. Operations expressed in a Tradable Currency

In case a Financial Intermediary is located in a non-euro jurisdiction, the EIB may approve Operations expressed in Tradable Currency.

To fix the euro equivalent of a specific Operation in a Tradable Currency, the EIB shall purchase the Tradable Currency in the amount related to the Operation. The amount in a Tradable Currency shall be purchased at the current market rate.

The EIB shall communicate to the Designated Service the amount of Tradable Currency purchased, the exchange rate applied and the counter-value in euro, in accordance with Article 14.

In the case of termination of an Operation for which an amount of Tradable Currency has been purchased, the EIB shall convert the Tradable Currency amount that is not required to meet the obligations under the Operation to euro and transfer it to the Financial Instrument Account. This conversion shall be made no later than twenty (20) Business Days after the termination of an Operation and the exchange rate applied and the counter-value in euro shall be notified to the Designated Service.

2. List of Tradable Currencies

At the time of signature of the Delegation Agreement, the below currencies are considered as Tradable Currencies to be used for Operations under the NCFE Investment Facility:

British Pound (GBP)

Bulgarian Lev (BGN)

Croatian Kuna (HRK)

Czech Koruna (CZK)

Danish Crown (DKK)

Hungarian Forint (HUF)

Polish Zloty (PLN)

Romanian Leu (RON)

Swedish Krona (SEK)

Annex 5 Remuneration of the Bank

[...]

Annex 6 Operational and Financial Reporting

Annex 6a - Operational Reporting

This Annex covers the operational reporting obligations applicable to the Bank, including for data relating to Financial Intermediaries (FIs) and Final Recipients (FRs).

The detailed reporting requirements, implementing Article 15 and schedule II of the FAFA as well as Article 14 of this Delegation Agreement of Operations are set out below. This Annex spells out the content to be reported upon and its frequency. The reporting formats as agreed between the Bank and the Designated Service are in the form as attached to this Annex for illustration purposes. The reports shall be provided in electronic format (pdf and excel).

The Bank reports shall be submitted in a timely manner, be quality controlled and set out as the minimum the information described below.

1. Annual Operational Report (summary version)

In accordance with Schedule II of the FAFA, the Bank shall provide the Designated Service with an annual operational report with information as at 31 December of the preceding year (reporting date), on the basis of the latest available data to the Bank, in the form set out below. The first Annual Operational Report shall be as at 31 December 2015 and shall cover the period as from the signature of the Agreement. Values reported will include annual amounts concerning the preceding year and cumulative amounts since the beginning of the implementation of the NCFF until the end of the preceding year.

The Bank shall submit to the Designated Service within three (3) months after the reporting date comprehensive report which shall, where applicable, include graphical representations to highlight the results achieved. The report shall be submitted annually. The information will be provided on an accumulated basis (ACC) and for the last reporting period (LY) as specified below. All information on volumes is to be reported in €, whereby the standard Bank conversion methodology will be applied for non-euro Operations/transactions.

The reports shall be based on data available from the internal control systems of the Bank and on reporting received from the Financial Intermediaries and Final Recipients. All reports shall start with the following information fields:

- Name of the Financial Instrument
- Reporting Date
- Reporting Currency
- Reports produced / approved by (hierarchical level of the Bank)

The reports shall contain summary sections documenting the degree of implementation of the NCFF as well as detailed information of Loan Operations and Investments in Funds signed in accordance with the requirements described below.

Reporting frequency	ACC	LY	Numbering	Type of information to be reported
Y			1.	Name of the Financial Instrument
Y	X	X	2.	Total EU Contribution Committed by the Designated Service for the Financial Instrument
Y	X	X	3.	Total EU Contribution Committed for Operations
Y	X	X	3.1	Total EU Contribution Committed for Direct Operations
Y	X	X	3.2	Total EU Contribution Committed for Indirect Operations through FIs
Y	X	X	3.3	Total EU Contribution Committed for Investment Funds
Y	X	X	4.	Total EU Contribution for Operations that have been signed
Y	X	X	4.1	Total EU Contribution for Direct Operations that have been signed
Y	X	X	4.2	Total EU Contribution for Indirect Operations through FIs that have been signed
Y	X	X	4.3	Total EU Contribution for Investment Funds that have been signed
Y	X	X	5.	Total Fees to be paid (including accruals)
Y			6.	Total EU Contribution Committed by the Designated Service and not yet used for signature of Operations, for the Support Facility and for Fees on an accumulated basis
Y	X	X	7.	Total EIB Contribution Committed for Operations

1.1.2 Loan Operations

Reporting frequency	ACC	LY	Numbering	Type of information to be reported
				<i>For Indirect Lending through FIs</i>
Y	X	X	1.	Total EIB Contribution Committed for the Indirect Lending through FIs
Y	X	X	2.	Total amount of Indirect Loan Operations signed
Y	X	X	2.1	- with FIs
Y	X	X	2.2	- with FRs
Y			3.	Dates of legal commitments:
Y			3.1	- with FIs
Y			3.2	- with FRs

Y	X	X	4.	Total amount of Indirect Loan Operations approved by the Bank but not yet signed
Y	X	X	4.1	- with FIs
Y	X	X	4.2	- with FRs
Y	X		5.	Total number of Indirect Loan Operations which have been signed
Y	X	X	5.1	- with FIs
Y	X	X	5.2	- with FRs
Y	X		6	Total number of Participating Countries covered
Y	X		6.1	- graphical representation of net amounts of Operations signed by country
Y	X		7.	Total number of FRs having received financing during the whole programme period
Y	X		7.1	- graphical representation or table by country and by region
Y	X		7.2	- graphical representation or table by NACE level 1 code
Y	X		7.3	- graphical representation or table by FRs size (number of employees) on a per country basis
Y	X		8.	Target Leverage of Indirect Loan Operations signed
Y	X		9.	Actual Leverage of Indirect Loan Operations signed
				<i>For Direct Lending to FRs</i>
Y	X	X	10.	Total EIB Contribution Committed for the Direct Lending
Y	X	X	11.	Total amount of Direct Loan Operations signed
Y			12.	Dates of legal commitments
Y	X		13.	Target Leverage of Direct Loan Operations signed
Y	X		14.	Actual Leverage of Direct Loan Operations signed
Y	X		15.	Total number of Participating Countries (Participating Countries where financing has been made available to FRs)

1.1.3 Investments in Funds

Reporting Frequency	ACC	I.Y	Numbering	Type of Information to be reported
Y	X	X	16.	Total EIB Contribution Committed for the Investments in Funds
Y	X	X	17.	Total amount of Investments in Funds signed
Y				Dates of legal commitments
Y	X		18.	Total amount of Investments in Funds approved by the Bank but not yet signed
Y	X		19.	Total number of Investments in Funds signed

Y	X		20.	Total number of FIs with which Investments in Funds have been signed
Y	X	X	21.	Total amounts drawn down
Y		X	21.1	- of which for investments (including follow-on investments) into FRs as per Drawdown Notice
Y		X	21.2	- of which for other (such as fees, costs, etc.) as per Drawdown Notice
Y	X		22.	Total drawdowns (in % of total amount of net Investments in Funds signed)
Y	X		23.	Total remaining amount available for drawdown
Y	X		24.	Total amount expected to be invested by the FIs into FRs at signature date of Investments in Funds
Y	X		24.1	- of which total amount expected to be invested into FR
Y	X		24.2	- of which total amount expected to be invested into non-eligible FR
			25.	Target Leverage effect of Investments in Funds signed
Y	X		26.	Actual Leverage effect of Investments in Funds signed
Y	X		27.	Total number of Investments in FRs made ⁸
Y	X		27.1	- of which into eligible FRs
Y	X		27.2	- of which into non-eligible FRs
Y	X		28.	Total number of Participating Countries covered through Investments into FRs ⁹
Y	X		28.1	- graphical representation or table to present number of FRs per country
Y	X		28.2	- graphical representation or table to present amount of investments into eligible FRs per country
Y	X		29.	Total number of exits (fully divested by FIs)
Y	X		29.1	- of which from FRs
Y	X		29.2	- of which from non-eligible FRs
Y	X		29.3	- of which from FR in form of an IPO
Y	X		30.	Realised investment gain/loss on exit from FI
Y	X		31.	Realised investment loss (write-offs) for FI
Y	X		32.	Graphical representation of total amounts invested (net commitments) by co-investors into FIs according to the categories as shown below (in % on an

⁸ For the avoidance of doubt, exits, write downs and write offs shall not be deducted from the total number

⁹ For the avoidance of doubt, exits, write downs and write offs shall not be deducted from the total number of Participating Countries covered

				accumulated basis only)
Y	X		32.1	Private capital
Y	X		32.1.1	- EIB own resources
Y	X		32.1.2	- Banks (investing at own risk and from own resources)
Y	X		32.1.3	- Private endowments & foundations
Y	X		32.1.4	- Family offices /Business Angels / Private individuals
Y	X		32.1.5	- Corporate investors
Y	X		32.1.6	- Insurance companies
Y	X		32.1.7	- Pension funds
Y	X		32.1.8	- Academic Institutions
Y	X		32.1.9	- Other
Y	X		32.2	Public funding
Y	X		32.2.1	- The Bank through NCFF
Y	X		32.2.2	- Government agencies
Y	X		32.2.3	- Banks investing public resources
Y	X		32.2.4	- Other
Y	X		32.3	Undefined whether public or private

1.2 Detailed section covering individual Operations

1.2.1 Loan Operations

The information required in this section shall be provided per individual Loan Operation signed. In case the Bank has signed several Loan Operations with the same Financial Intermediary the respective Loan Operations shall be grouped (but not aggregated) in the reporting. This is valid as well for Direct Loan Operations with FRs.

Reporting frequency	ACC	LY	Numbering	Type of information to be reported
				Information on FI
Y			1.	Full name of the FI
			1.1	Abbreviated name of the Financial Intermediary, if applicable
Y			2.	Type of Financial Intermediary (e.g., commercial bank, national promotional institute, leasing company, etc.)
Y			3.	Country of establishment of the FI
Y			4.	Type of financing made available to the FI
Y			5.	Initial signature date of Loan Operation with FI
Y			7.	End date of the Loan Agreement
				Information on FR
Y			1.	Full name of the FR
Y			2.	Type of sector (NACE)
Y			3.	Country of establishment of the FR
Y			4.	Type of financing made available to the FR

Y			5.	Initial signature date of Loan Agreement with FR
Y			6.	Loan Amount
Y			7.	Maturity
Y			8.	Project category
Y			9.	Project Description
Y			10.	Investment Cost
Y			11.	EIB financing %
Y			12.	Annual Turnover (latest data available)
Y			13.	Total Assets (latest data available)
Y			14.	End date of the Loan Agreement
Y			15.	Final Date of Investment Implementation

1.2.2 Investments in Funds

The information required in this section shall be provided per individual Investment in Fund.

Reporting Frequency	ACC	LY	Numbering	Type of information to be reported
				<i>Financial Intermediary Features</i>
Y			1.	Full name of the FI
Y			1.1	Abbreviated name of the FI, if applicable
Y			2.	Legal structure of the FI
Y			3.	Full name of the managing company
Y			4.	Base currency of Operation
Y			5.	Stage focus of the FI (Expansion and Growth or multi-stage fund)
Y			6.	Indicative description of investments planned by the FI (e.g. equity, quasi equity)
Y			7.	Sector focus of the FI (if applicable, otherwise indicate general)
Y			8.	Country of establishment of the FI
Y			9.	Indicative list of countries targeted for investments into FRs
Y			11.	First commitment date
Y			12.	First closing date in which the Bank participated under the NCFE mandate
Y			13.	Duration of the fund in years
Y			14.	Planned termination date
Y			15.	Investment period in years
Y			16.	Planned end date of the investment period (please indicate if investment period was prolonged)
Y			17.	Vintage year

Y			18.	Maximum size of the FI
Y			19.	Target size of the FI
Y	X		20.	Actual size of the FI
Y	X		21.	Amount of Operation committed by the Bank for Investments in Funds (including equalisation fees where applicable)
Y	X		22.	Amount of Operation signed by the Bank for Investments in Funds (including equalisation fees where applicable)
Y	X		23.	Target leverage for this Operation
Y	X		24.	Key terms and conditions for the FI
Y	X		25.1	Hurdle rate, if available (in %)
Y	X		25.2	Carried interest, if available (in %)
Y	X		25.3	Management fee, if available (in %)
				Financial Intermediary implementation data
Y	X	X	26.	Total amounts drawn down
Y		X	26.1	- of which for investments (including follow-on investments) into FI as per Drawdown Notice
Y		X	26.2	- of which for other (such as fees, costs, equalisation fees) as per Drawdown Notice
Y	X		27.	Total remaining amount available for drawdown
Y	X		28.	Total amount of investments made by the FI into FR ¹⁰
Y	X		28.1	- of which total amount of investments made into EFR
Y	X		28.2	- of which total amount of investments made into non-eligible FR
Y	X		28.3	- of which total invested into EFR (in %)
Y	X		29.	Number of investments made into FRs ¹¹
Y	X		29.1	- of which into EFR
Y	X		29.2	- of which into non-eligible FRs
Y	X		30.	Net asset value (please indicate date for which NAV was calculated)
Y	X		31.	FIs net IRR to investors
Y	X		32.	Realised investment gain/loss on exit
Y	X		33.	Realised investment loss (write-off)
				Final Recipient data (to be provided for each Final

¹⁰ For the avoidance of doubt, exits, write downs and write offs shall not be deducted from the total amount

¹¹ For the avoidance of doubt, exits, write downs and write offs shall not be deducted from the total amount

				Recipient)
Y			34.	Name of the FR
Y			35.	Legal structure of the FR
Y			36.	Date of establishment
Y			37.	Country of establishment of the FR
Y			38.	Stage of Final Recipient at the time of first investment (Early-Stage, Expansion and Growth Stage)
Y			39.	Industry sector according to EVCA ¹²
Y			40.	If available, URL of the website of the FR
Y			41.	Number of employees at time of first investment
Y			42.	Date of first investment by the Financial Intermediary
Y			43.	Amount invested by the FI
Y			43.1	- of which first time investment
Y			43.2	- follow-on investments
Y			44.	Project category
Y			45.	Project description
Y			46.	% of ownership of the FI at time of first investment (and change in % of ownership, if any)
Y			47.	Status of the FR (active, sold, written-off, partially written-off)
Y			48.	Realised investment gain/loss on exit
Y			49.	Realised investment loss (write-off)
Y			50.	Exit route

3. Additional specific operational reporting requirements

In order to monitor the contribution of the NCFF to the LIFE objectives, the Bank shall report on the relevant output and outcome indicators related to the targeted priority areas nature and biodiversity and climate change adaptation and related to the general objectives of the Regulation, as specified below. This does not exclude specific operations from including relevant biodiversity and adaptation indicators specific to the underlying project.

Specific indicators for NCFF:

- Financing made available by intermediate financial institutions under the financial instrument as a result of the funded projects (EUR m);
- Financing made available to Natura 2000 areas as a result of the funded projects (EUR m);

¹² European Private Equity and Venture Capital Association

- Impacts on climate resilience (exposure to climate change and sensitivity to its impacts) of regions and economic sectors, in particular in vulnerable areas identified as priority for LIFE funding in the EU Adaptation Strategy as a result of the funded projects;
- Impacts on ecosystem condition as a result of the funded projects;
- Employment creation: number of jobs created as a result of the funded projects (number of Full Time Equivalent jobs).

Further relevant indicators for nature and biodiversity: **NATURE**

- No. of Natura 2000 sites targeted by ongoing or finalised projects;
- Ha of Natura 2000 sites targeted by ongoing or finalised projects;
- No. of ongoing or finalised projects targeting habitats or species in less than favourable/not secure conservation status and improving their conservation status;
- No. of habitats targeted by ongoing or finalised projects in less than favourable/ secure conservation status and improving their conservation status;
- Ha of habitats targeted by ongoing or finalised projects in less than favourable/ secure conservation status and improving their conservation status;
- No. of species targeted by ongoing or finalised projects in less than favourable/ secure conservation status and improving their conservation status;

Further relevant indicators for nature and biodiversity: **BIODIVERSITY**

- No. of ongoing or finalised projects targeting the implementation of targets 2, 3, 4 and 5 of the Biodiversity Strategy to 2020
- Number of ongoing or finalised projects implementing replicable or transferable actions to improve or restore the targeted ecosystems;
- No. of ecosystem types or areas targeted by ongoing or finalised projects implementing replicable or transferable actions and progressing towards improvement or restoration;

Further relevant indicators for adaptation to climate change:

- Green infrastructure developed and/or restored to increase resilience (Area in ha);
- Area covered by flood or coastal management operations (ha)
- Number and type of management schemes used to increase water efficiency use and % water use reduction
- Number of activities promoting innovative technologies, systems or other best practice solutions for climate resilience

The Bank shall, on a reasonable efforts basis, co-operate with the Designated Service and DG Enterprise and Industry (ENTR-COSME-COMM@ec.europa.eu) in providing information necessary to regularly update the EU Access to finance website (<http://access2efinance.ec.europa.eu/>) such as:

- Name and direct contact details of the Financial Intermediary to which a company may apply for financing;
- Link to the specific information page of the Financial Intermediary which shall describe the product supported (name of the product, financing focus, amount of

finance offered, etc.) and the conditions under which a final recipient may apply for financing;

- Geographical coverage for the finance offered;
- Key eligibility criteria (size of company, sectors, investment purpose, etc.);
- Availability period.

4. Ad hoc reporting

The Bank shall, on a reasonable efforts basis, co-operate with the Designated Service in case a specific ad hoc report is needed (i.e. for reporting to the Member States in the LIFE Committee and/or to requests coming from the Council of the European Union or the European Parliament).

The Designated Service will clarify the objectives to the Bank and the Parties will agree on the date, the reporting period and the contents of the report.

5. Interim and final Implementation Reports

In accordance with Schedule II of the FAFA, the Bank shall submit to the Designated Service, no later than 1 April 2018, an interim implementation report on the NCFF. This report shall cover the whole period of implementation of the NCFF and shall be in the form to be agreed. The Bank shall submit a final implementation report on the NCFF no later than 1 April 2020, so as to update the interim implementation report as regards Operations financed until the end of December 2019.

Annex 6b - Financial Reporting

The EIB shall provide the Designated Service with the financial reporting as stipulated in Schedule III of the FAFA, as detailed below. The reports shall be provided in electronic format (PDF) except for the standardised reporting package (EXCEL format). Upon receipt of the financial reporting documents, the Designated Service may request clarifications on the information provided in these documents and the EIB shall use its reasonable endeavours to reply to the Designated Service

As foreseen in Article 15.4 of the FAFA, reports to be submitted to the Designated Service shall be expressed in euro. These reports may be drawn from financial statements denominated in other currencies as per the EIB's requirements. Where necessary, amounts shall be converted into euro.

As foreseen in Schedule III of the FAFA, financial reporting on the NCFF shall include financial statements, where relevant reporting on asset management, management declaration of assurance and a summary report on audits on controls in respect of the NCFF. The management declaration of assurance and the summary report shall be subject to an independent external audit. The audit opinion shall state whether the control systems function properly, whether the underlying transactions are legal and regular and whether the audit work puts in doubt the assertions made in the management declaration.

1. Financial statements

As set out in Schedule III of the FAFA, the Bank shall provide the Designated Service in respect of the NCFF:

- a) no later than 15 February of each year, with the complete set of unaudited financial statements of the previous calendar year;
- b) no later than 15 March of each year, with the complete set of externally audited financial statements of the previous calendar year, in accordance with the accounting rules of the Union referred to in Article 14.2 of the FAFA, as may be amended from time to time and communicated in advance by the Commission to EIB.

By exception from the requirements under (a) and (b) above, the financial reporting for 2014 will consist only of a standardised reporting package. No complete set of unaudited financial statements and no audited financial statements shall be prepared and provided for 2014.

The audited financial statements shall comprise the following information;

- statement of financial performance;
- balance sheet;
- statement of changes in contributor's resources;
- cash-flow statement; and

- notes to the financial statements, including disclosures on financial risk management.

The financial statements of the NCFF shall include a note showing a 50:50 split of the balance sheet, the statement of financial performance and the statement of changes of contributor's resources as well as the contingent assets/liabilities between the two Directorates General which are part of the Designated Service.

2. Standardised reporting package

A standardised reporting package is requested in addition to the (un)audited financial statements for the NCFF. This reporting package shall provide all the information and disclosures required by the EU Accounting Rules adopted by the Commission's Accounting Officer.

The Commission's Accounting Officer services will provide the EIB in time, at the latest on 1 November of each year, with the reporting package for the next closure of accounts. In accordance with Article 15.3 of the FAFA, the Parties shall agree on the format of the standardised reporting package, including updates from time to time.

3. Management declaration and summary report on audits and controls

The EIB shall provide the Designated Service annually with a management declaration of assurance in the form set out in Schedule III of the FAFA addressed to the two Directorates General which are part of the Designated Service.

The unaudited financial statements shall also be accompanied by a summary report on audits and controls carried out in the period in question, including an analysis of the nature and extent of errors and weaknesses in systems identified if any as well as any corrective actions taken or planned.

The Parties shall agree, at the latest by 30 September 2015, on the type of information to be included in the summary report. However, unless agreed otherwise, it should in particular contain the following information:

- Error rates detected by controls carried out (annual/cumulative);
- Coverage of sample of controls carried out (annual/cumulative);
- Correction of errors/irregularities (%/Euros) (annual/cumulative);
- Number of cases of fraud reported to OLAF in accordance with Article 16.3 of the FAFA.
- Information on Financial Intermediaries, including the number of potential Financial Intermediaries that were considered and the number that became Financial Intermediaries.

To the extent that such information should be available to the EIB, the EIB shall provide, within a reasonable time, any additional information that the Designated Service may reasonably request, including key control indicators needed by the Authorising Officer of the Designated Service concerned for management, reporting and discharge purposes in terms of assurance building on the achievement of the internal control objectives.

By way of exception to the requirements above, for the period between the date of signature of this Delegation Agreement and 31 December 2014, (i) a lighter declaration and reporting requirement will be sufficient, provided that, by 31 December 2014, the EU Contribution Paid does not exceed EUR 10 million and no Operation is signed by the EIB, (ii) the management declaration will be limited to an EIB confirmation that the EU Contribution Paid until 31 December 2014 remains on the Financial Instrument Account at 31 December 2014, in line with the objective of safeguarding assets; and (iii) a summary report on audits and controls is not being required.

An independent audit opinion, in accordance with article 16 of this Delegation Agreement, on the management declaration and the summary report on audits and controls shall be provided no later than 15 March of each year, except in 2015. The first summary report on audits and controls will cover the period from the signature of the Delegation Agreement to 31 December 2015.

Annex 6c - Pipeline Report¹³

This pipeline report shall be provided to the Designated Service twice per year as provided for in Article 14.3 of the Delegation Agreement. The pipeline report shall comprise both tables as outlined below.

The following table has to be submitted to provide an indication for the pipeline of the **Loan Operations**:

a) Indirect Operations

Financial Intermediary	Total EIB Financing	Total PFLP	Total third party contribution (if applicable)	Project category	Country of establishment of the FI	Geographical focus for financing of Final Recipients	Stage of Banks' deal flow	Expected date for submission to the Banks' Board by quarter
Indirect Loan Operations								

b) Direct Operations

Final recipient	Total EIB Financing	Total PFLP	Total third party contribution (if applicable)	Project category	Country of establishment of the FR	Stage of Banks' deal flow	Expected date for submission to the Banks' Board by quarter
Direct Loan Operations							

The following table has to be submitted to provide an indication for the pipeline of the **Investments in Funds**:

Financial Intermed	Total EIB	Total PFLP	Total third	Country of	Geographical focus	Stage of Banks'	Expected date for
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¹³

This template may be modified by mutual agreement of the parties.

ary	Financing		party contribut ion (if applicabl e)	establis hment of the FI	for financing of EFR	deal flow	submission to the Banks' Board by quarter
<u>Investments in Funds</u>							

Annex 7 Monitoring, control and audit obligations of the EIB and Financial intermediaries and the control and monitoring rights of the Commission

In accordance with Article 16 of the FAFA, the EIB shall carry out ex ante and ex post controls on the implementation of the NCFE in accordance with its rules, policies and procedures and the Delegation Agreement, including, where appropriate, on-the-spot checks on representative and/or risk-based samples of transactions, to ensure that the NCFE is effectively and correctly implemented, and in order, inter alia, to prevent and correct irregularities and fraud.

The EIB must carry out monitoring based on its own controls; and on the monitoring and control activities carried out by the Financial Intermediary, as provided below.

The EIB must keep records on information received from its own monitoring and control activities.

The monitoring requirements set out aim at ensuring sound financial management, the compliance with applicable rules, the safeguarding of assets/information and the reliability of the reporting of the funds entrusted to the EIB.

Annex 7a - Monitoring obligations of the Bank and Financial Intermediaries/Investment Funds

1. General monitoring obligations

The EIB shall comply with the following specific monitoring obligations:

a) based on its own controls:

- monitoring of the contractual compliance of agreements with Financial Intermediaries and, in case of Direct Operations, Final Recipients,
- monitoring of the eligibility of the Financial Intermediaries and, in case of Direct Operations, Final Recipients
- monitoring of payment requests of the Financial Intermediaries and, in case of Direct Operations, Final Recipients, to the EIB,
- monitoring of payments to the EIB of Financial Intermediaries and, in case of Direct Operations, Final Recipients,
- monitoring of the proper execution of contractual reporting obligations of Financial Intermediaries and, in case of Direct Operations, Final Recipients,

- monitoring of the proper execution of other contractual obligations of Financial Intermediaries and, in case of Direct Operations, Final Recipients,
- monitoring of the progress of the implementation and of the performance of Financial Intermediaries and, in case of Direct Operations, Final Recipients.

b) based on controls carried out by the Financial Intermediary, as reported to the EIB:

- monitoring of the contractual compliance of agreements with Final Recipients,
- monitoring of the eligibility of the Final Recipients,
- monitoring of payments from the Financial Intermediaries to the Final Recipients,
- monitoring of Final Recipients' payments to the Financial Intermediary,
- monitoring of the proper execution of Final Recipients' contractual reporting obligations,
- monitoring of the Final Recipients' other contractual obligations,
- monitoring of the progress of the implementation and of the performance of Final Recipients.

2. The EIB shall require the Financial Intermediaries to comply with the following specific monitoring obligations:

- monitoring of the contractual compliance of agreements with Final Recipients,
- monitoring of the eligibility of the Final Recipients,
- monitoring of payments from the Financial Intermediaries to the Final Recipients,
- monitoring of Final Recipients' payments to the Financial Intermediary,
- monitoring of the proper execution of Final Recipients' contractual reporting obligations,
- monitoring of the proper execution of Final Recipients' other contractual obligations,
- monitoring of the progress of the implementation and the performance of Final Recipients.]

2 Additional monitoring obligations for Investment Funds

2.1 Monitoring as an investor in the Investment Fund

The Bank should regularly seek to :

- be informed in a timely fashion on the implementation of the Investment Fund investment policy and strategy;
- enhance dialog with the Investment Fund and co-investors; and
- receive informal information in addition to the content of the regular reports.

2.2 Monitoring of Drawdown Notices

Payment according to the Drawdown Notice shall only occur if the Bank is fully satisfied with the information received and provided that the investment, payment of management fees and payment of other costs are in line with the relevant Fund Agreement.

2.3 Monitoring of the Investment Funds' Reports

The Investment Funds shall be obliged to submit annual audited financial reports produced in accordance with applicable law to the Bank who shall use these reports for the monitoring. These reports shall be made available by the Bank for review by the Designated Service at the Bank's premises.

Annex 7b - Content of specific control activity of the Bank and Financial Intermediaries/Final Recipients

The Bank and FIs shall take account of risk and cost-efficiency considerations when designing their monitoring and control approach.

1. The EIB shall comply with the following specific control obligations:

- (i) Verification of the eligibility of the Financial Intermediaries with respect to the eligibility requirements included in Articles 3.9 and 4.4 of the FAFA and Article 6 and Annex 1 of this Delegation Agreement.
- (ii) Verification of the eligibility of Final Recipients with respect to the eligibility requirements included in Article 7 and Annex 1 of this Delegation Agreement.
- (iii) Verification, before signature, of the compliance of the contractual agreements to be concluded by the EIB with the Financial Intermediaries with the requirements identified in Articles 6 and 19 of the Delegation Agreement.
- (iv) In case of Direct Operations, verification, before signature, of the compliance of the contractual agreements to be concluded by the EIB with the Final Recipients with the requirements identified in Article 7 of the Delegation Agreement.
- (v) Verification, before making a payment, of the compliance of the payment requests submitted by the Financial Intermediary (or by Final Recipient in case of Direct Operation) under the NCFE Investment Facility or by the contractors under the NCFE Support Facility, with the provision of the corresponding contractual agreements.
- (vi) Verification of the proper execution of the contractual obligations of the FI and, in case of Direct Operations, of the FR in compliance with the provision of the corresponding contractual arrangements.

2. The EIB shall require the FIs to comply with the following specific control obligations:

- (i) Verification of the eligibility of Final Recipients with respect to the eligibility requirements included in Annex 1 of this Delegation Agreement.
- (ii) verification, before signature, of the compliance of the contractual agreements to be concluded by the Financial Intermediary with the Final Recipients with the requirements identified in Article 4.3 of the FAFA and in Articles 19 and Annex 1 of the Delegation Agreement
- (iii) Verification of the proper execution of the contractual obligations of the FR in compliance with the provision of the corresponding contractual arrangements

Annex 7c - Control and monitoring rights of the Commission

1. In accordance with Articles 16.5 and 16.6 of the FAFA, the monitoring of the implementation of the NCFF by the Commission is intended to enable it to assess whether the Internal Control system set up by the EIB for the implementation of the NCFF is efficient and effective, whether the EU Contribution has been used in compliance with applicable regulatory and contractual provisions and the progress towards the achievement of policy objectives reflected in the relevant output and result indicators. To this effect, the Commission may carry out controls and monitoring by means of its participation in the Steering Committee, the financial statements provided by the EIB, as well as, where appropriate, by means of on-the-spot checks on the Financial Intermediaries or Final Recipients on representative and/or risk-based samples of transactions.
2. The Commission may request the EIB to transmit a description of the rules, policies and procedures (as amended, modified or supplemented from time to time), banking practices and monitoring, control and audit measures it has or may develop specifically for the management and implementation of the NCFF, if any. The Bank will provide electronic copies (in searchable format) of the requested information within 20 Working Days following the Commission request.
3. In relation to point 1 above, the Commission may request the EIB to transmit representative and/or risk-based samples of transactions for its control and monitoring activities. The EIB will provide electronic or paper copies of the requested information within a reasonable delay following the Commission request.]

Annex 8 NCFF Support Facility

Objectives and activities to be financed

Given the limited experience in financing natural capital projects through market-based mechanisms, the NCFF will be supported by a NCFF Support Facility (the "NCFF SF"), aimed at financing the support and capacity building necessary for the successful implementation of the NCFF and the related Direct and Indirect Operations, in particular through preparatory, management, monitoring, evaluation, audit and control activities.

The NCFF SF will finance primarily the support and capacity building for the benefit of Operations expected to be supported by the NCFF. The support and capacity building to be financed under the NCFF SF will be defined individually for each Operation with three clear objectives:

- (i) ascertaining the overall feasibility of the Operation considered for financing under the NCFF Investment Facility;
- (ii) developing the capacity of the Final Recipient(s) to develop investment projects that are technically, commercially and financially sustainable;
- (iii) guaranteeing the correct reporting and monitoring of the impacts on biodiversity, ecosystems and climate change adaption of the underlying investment(s).

The support and capacity building implemented under the NCFF SF is not to be used for the Bank's normal activities when implementing the NCFF, notably the assessment of prospective projects as specified in Annex 1.

Only potential counterparties for which an assessment by the EIB has shown that they are likely to comply with the requirements set out in Section 3 (for Financial Intermediaries) or Section 4 (for Final Recipients) of Annex 1 are eligible for support under the NCFF SF (bearing in mind that potential Final Recipients may turn out to be ineligible for support by reason of failing to comply with the requirement set out in Section 4.1(b) of Annex 1). Furthermore, they are eligible for support only if the EIB has established that the prospective project concerned is not excluded pursuant to Section 1.3.1 of Annex 1, is likely to be eligible for support from the NCFF IF pursuant to section 1.3.2 of Annex 1, and when there is a reasonable probability that the project, once developed in full, will meet the minimum thresholds for the criteria set out in Section 5 of Annex 1.

Where a concrete project has been identified the support may consist in external advice and consultancy services to Final Recipients in relation to technical, scientific, market, financial, economic, business planning, training, social and environmental aspects of individual projects or portfolio of investee projects and in relation to the monitoring of and reporting on the impacts on environment and ecosystems. Where this is strictly necessary for the development of projects, the NCFF SF can provide support also for accountancy, tax or legal aspects of the project development.

In relation to Operations involving Financial Intermediaries (including funds), support may be provided to the Financial Intermediary for identifying, screening and assessing the technical, environmental and climate change adaptation aspects of the underlying projects, as well as the profitability assessment of innovative projects in line with the project eligibility criteria set for the NCFE. Such support shall not substitute the normal operating costs of the Financial Intermediary. The Bank will be responsible for procuring the consultancy and advisory services to the Financial Intermediary.

In relation to prospective Operations consisting in contributions to funds, where a concrete investment has been identified by the Financial Intermediary that manages the fund, it will carry out a needs assessment for support under the NCFE SF, define the scope of the services and establish the terms of reference. If appropriate, this will be done together with the Final Recipient. The Fund will then inform the Bank of the need for such assistance following which the Bank will procure the consultancy and other advisory services and will draw up an appropriate agreement between the Bank and the Financial Intermediary and/or the Final Recipient.

In order to stimulate and develop the reach of the NCFE, the support and capacity building may consist in the following horizontal activities: market studies and surveys, feasibility studies for Operations or projects still to be created and/or implemented, testing of pilot project ideas, workshops and seminars. The results of such activities may, provided that they are assessed by the EIB to be of sufficiently high quality and subject to any requirements of confidentiality or the protection of privacy, be published on the website of the EIB and/or the Designated Service and/or made available upon request to any interested party without discrimination.

Minimum financial contribution from recipients

The parties acknowledge that it will be necessary to ensure the engagement and co-operation of Financial Intermediaries or Final Recipients with the process of Non Autonomous Technical Assistance. To this end the EIB will either:

- (a) require Financial Intermediaries or Final Recipients to make a financial contribution to the cost of the Non Autonomous Technical Assistance; or
- (b) enter into a written agreement with the Financial Intermediary or Final Recipient under which the Financial Intermediary or Final Recipient undertakes to provide whatever co-operation or assistance is judged by the EIB to be necessary for the carrying out of the Non Autonomous Technical Assistance, to include in appropriate cases making available personnel and facilities.

In addition, Non Autonomous Technical Assistance will only be provided after the Bank (and if applicable the Financial Intermediary) has carried out a needs assessment.

Value added tax (VAT) shall be considered as eligible where it is not recoverable under the applicable national VAT legislation and is paid by a recipient other than a non-taxable person as defined at Article 13.1 of Council Directive 2006/112/EC.

Reporting

To the extent that the relevant information is not already provided in the semi-annual pipeline or operational reports, to be submitted as per Article 14 of the Delegation Agreement, the Bank shall provide the Commission with semi-annual reports on the use of the NCFF Support Facility, including summary descriptions of the funded costs for each individual Operation and estimates of use for the next reporting period.

Management

The NCFF SF will be managed by the Bank in accordance with its own internal rules, procedures and regulations and as set out in the Delegation Agreement.

The procurement of the consultancy and other advisory services will be carried out by the Bank, in accordance with the provisions of Article 13 and the present Annex of this Agreement.

Currency

Euros or any currencies specified in Annex 4.2.

Property rights and use of information

Articles 13.4 and 13.5 apply.

Allocation of the SF budget

The NCFF Support Facility will make available up to EUR 10,000,000, as further detailed below. Except in duly justified cases, and subject to the approval of the Designated Service, the support to be provided from the NCFF Support Facility to any individual envisaged Operation will not exceed EUR 1,000,000.

Purpose	% of the budget for the Support Facility	Cumulative amount (EURm)
Support to individual Operations	At least 75%	9.5
Horizontal activities	Up to 20%	
Administrative fees cap	5%	0.5
TOTAL	100%	10

Annex 9 List of Participating Countries

All EU Member States

Substitution
Contract

of the
the
the
the