



**Call for Expression of Interest No. JER-009/8 to select Financial Intermediaries that will receive resources from the reflows of the JEREMIE Holding Fund for Bulgaria to implement the following Financial Instrument:
Early Stage Fund(s) with an Acceleration Compartment**

Introduction: JEREMIE framework and related Reflows from portfolio operations

The JEREMIE initiative was a framework providing a series of coherent actions to promote increased access to finance for micro, small and medium-sized enterprises.

The present call concerns the selection of Financial Intermediaries (as defined below) by the EIF, in order to implement Financial Instruments funded from the related Reflows from JEREMIE portfolio operations.

The JEREMIE initiative in Bulgaria is organised through the European Investment Fund (hereinafter, "EIF"), which operates and manages, acting in the name and on behalf of JEREMIE Bulgaria EAD, a joint stock company incorporated under Bulgarian law wholly owned by EIF (hereinafter, "SPV"). The SPV, and EIF as the SPV's operator under applicable agreements, constitute jointly the JEREMIE Holding Fund ("JHF"). Through the JHF, EIF manages funds made available from the European Regional Development Fund (hereinafter, "ERDF") and related public expenditure awarded for utilisation under the JEREMIE initiative, as well as manages reflows made available from the operations in the SPV's portfolio.

As part of the Operational Programme "Development of the Competitiveness of the Bulgarian Economy 2007-2013" (hereinafter, "OP Competitiveness")¹, the Government of Bulgaria agreed to dedicate resources to the implementation of the JEREMIE initiative with EIF, in accordance with Article 44 of the Council Regulation (EC) No. 1083/2006² and in accordance with the provisions of the Funding Agreement (hereinafter, "Funding Agreement") and Framework Agreement (hereinafter, "Framework Agreement") entered into on 27 May 2009, and subsequently amended on 29 April 2010, on 06/06/2012 and on 24/10/2014, between the Government of the Republic of Bulgaria (hereinafter, "GoB") and EIF, and the Holding Fund Agreement (hereinafter, "HF Agreement") entered into on 23 July 2010 between the SPV and EIF, and subsequently amended on 11/07/2011 and on 21st December 2015 (the Framework Agreement, the Funding Agreement and the HF Agreement, hereinafter, collectively the "Agreements").

The cooperation between the GoB, EIF and the SPV is governed by the Agreements, which define the type of cooperation and the operational modalities of the JHF financing expenditure in respect of an operation, as this term is defined in Council Reg. (EC) 1083/2006 (hereinafter, "Operation") comprising contributions to support financial engineering instruments. The Agreements also provide for an Investment Board with a consultative function in relation to the JHF activity; the members of which are appointed jointly by the GoB and EIF (hereinafter, "Investment Board"). EIF, in its capacity as operator of the SPV, acts on the basis of its usual business principles and of an investment strategy and planning for the implementation of the JEREMIE initiative in Bulgaria.

At the time of the implementation, the JEREMIE initiative was funded from the OP Competitiveness; Priority Axis 3 "Financial Resources for Developing Enterprises"; Area of Intervention 3.1 "Improvement of access to finance for SMEs through instruments of financial engineering".

¹ OP Competitiveness approved by the European Commission Decision C (2007) 4500 of 26 September 2007.

² Council Regulation (EC) No. 1083/2006 of 11 July 2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Regulation (EC) No. 1260/1999 (Official Journal of the European Union L210 of 31.07.2006).

In accordance with the amendments of the Agreements on 24/10/2014, the GoB and EIF have agreed for the latter to continue managing the SPV and the related reflows from portfolio operations with a view to make new investments taking into consideration paragraph 7 of Article 78 of Council Regulation (EC) 1083/2006 and the Coordination Committee of the Funds (COCOF) Guidance Note on Financial Engineering Instruments³, stating as good practice that resources returned from operations to the JEREMIE Holding Fund shall be allocated to the same type of actions for the benefit of SMEs and used beyond the end of the current programming period (i.e. 2007 – 2013) until exhaustion. For that purpose, EIF has proposed and the Investment Board has approved an investment strategy for management of reflows from JHF operations (“JEREMIE Recycled Funds Investment Strategy”) as may be changed from time to time.

For this purpose, the EIF will select bodies or firms, whether public or private, which are interested in receiving resources out of the JHF for implementation of Operations (hereinafter “**Financial Instruments**”). Such activities shall be carried out in accordance with the contractual agreements to be entered into by the SPV and the selected Financial Intermediaries (hereinafter, “**Operational Agreement(s)**”). The first Financial Instrument under the JHF Reflows Investment Strategy is the implementation of an Early Stage Fund with an Acceleration Compartment.

The Financial Intermediaries should express their interest by completing and submitting an Expression of Interest, a template of which is attached hereto as Annex 1.

1. Definitions and Interpretation

In this Call for Expression of Interest, capitalised terms and expressions shall have the meaning attributed to them below, unless otherwise defined above or the context requires otherwise.

AML/KYC	means “Anti-Money Laundering/Know Your Customer”, describing the collective measures taken by any financial intermediary to address risks related to money laundering or terrorist financing;
Applicant	means a Financial Intermediary applying to this Call for Expression of Interest;
Business Day	means a day during which EIF Luxembourg office is open, and banks are open for general business in Sofia and Luxembourg;
Deadline	means 13 March, 2017 (90 calendar days from publication);
Eligibility Criteria	means the criteria with which the Expressions of Interest and the Applicants must comply and which are listed in Annex 2 hereof;
Expression of Interest	means a proposal sent by an Applicant in response to this Call for Expression of Interest, within the Deadline, to be drafted in accordance with the template attached hereto as Annex 1;
Financial Instrument	Early Stage Fund with an Acceleration Compartment;
JEREMIE	means the initiative “Joint European Resources for Micro to Medium Enterprises” launched by the Commission and EIF, as member of the EIB Group, in order to promote increased access to finance for the development of SMEs in the European Union;
EIB Group	The EIB Group consists of the European Investment Bank (EIB) and the European Investment Fund (EIF);
JHF	means the SPV and EIF as the manager of the Holding Fund activity under the Agreements;
Non-Cooperative Jurisdictions	means any jurisdiction classified as “non-compliant” by the Organisation for Economic Cooperation and Development (OECD) and its Global Forum on Transparency and Exchange of Information for Tax Purposes, from time to time
Operational Agreement	means an agreement entered into between a Financial Intermediary and the SPV regarding a Financial Instrument on the basis of this Call for Expression of Interest and the selection process;
Quality Assessment Criteria	means the quality assessment criteria applied by EIF at the sole discretion of EIF to assess the suitability of the Applicant and/or the proposed Financial Instrument according to the business standards of EIF and which are listed in Annex 2 hereof;

³ European Commission – Directorate-General Regional Policy (2012). Revised Guidance Note on Financial Engineering Instruments under Article 44 of Council Regulation (EC) No 1083/2006. COCOF_10-0014-05-EN.

JHF Reflows	funds made available from the returns made to the JHF from the previous JEREMIE portfolio operations, to be used to finance new Financial Instruments in line with JEREMIE Recycled Funds Investment Strategy.
Selection Criteria	means the Eligibility Criteria and the Quality Assessment Criteria;
Small and Medium-sized Enterprises or SMEs	means micro, small and medium-sized enterprises as defined under Commission Recommendation 2003/361/EC, and under Small and Medium-Sized Enterprises Act of the Republic of Bulgaria.
SPV	means [JEREMIE Bulgaria EAD], managed and operated by EIF under the Agreements.

2. JEREMIE Holding Fund

The sole entity operating the SPV, in accordance with the Agreements, shall be European Investment Fund, 37B J.F. Kennedy, L-2968 Luxembourg. General internet address of EIF (URL): www.eif.org

Under the Agreements, the European Investment Fund may be substituted in its role as operator of the SPV, and as the entity carrying out the JHF activity. In the event of such substitution, GoB, or the entity appointed by GoB to carry out the JHF activity, will assume the full discretion and responsibility to perform the tasks of the JHF and to implement the Operations in Bulgaria, and may take over the Financial Instrument.

3. Description of the activities expected from the selected Financial Intermediary

The EIF may select one or more Financial Intermediaries to implement up to two Early Stage Funds with an Acceleration Compartment in accordance with the procedure described below. The selection of Financial Intermediaries shall be made based on the funding available, as may be changed from time to time, and shall be based on the Selection Criteria.

Financial Intermediaries shall 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. Furthermore, in the case of cross-border Financial Instruments where the relevant support is not reserved for operations, projects or activities implemented in the same jurisdiction where the concerned Financial Intermediary is incorporated, Financial Intermediaries (and sub-intermediaries) shall not be incorporated in Non-Cooperative Jurisdictions. Each applying Financial Intermediary may inquire about the status of a particular jurisdiction with EIF.

Financial Intermediaries shall acknowledge the EIF Anti-Fraud Policy (http://www.eif.org/attachments/publications/about/Anti_Fraud_Policy.pdf) which sets out the policy of EIF for preventing and deterring corruption, fraud, collusion, coercion, obstruction, money laundering and terrorist financing and shall take appropriate measures (as may be further specified in the Operational Agreements) to facilitate implementation of such policy.

The Financial Instrument(s) are to be set-up as independent legal entities governed by the agreements between its shareholders.

It is planned to allocate out of the JHF Reflows an amount of up to EUR 40 million to the Financial Instrument. Financial Intermediaries may express their interest for a contribution of up to the maximum allocation.

The indicative capital allocated to the Financial Instrument, as well as the amounts available for contribution by the JHF to the selected Financial Intermediary, may be changed as necessary, at EIF's sole discretion, particularly if, following a decision of the Managing Authority, the funding available changes during the JHF implementation process or the demand for the Financial Instrument so requires. Also, during implementation process of the particular Financial Instrument, EIF may, at its sole discretion, decide to increase / decrease its commitment to a particular Financial Intermediary.

4. Expression of Interest

A template for the Expression of Interest is attached hereto as Annex 1.

Ref.n.: Call for Eol No. JER-009/8

The Expression of Interest shall include the Applicant's identification, the Project Description, the supporting documents, the Declaration of absence of conflict of interest and the Statements regarding situations of exclusion.

No later than 31 January, 2017, the Applicants may request clarifications regarding the Call for Expression of Interest or the nature of the Financial Instrument. Such requests must indicate the Call for Expression of Interest reference number (JER-009/8) and the name of the Applicant which shall be submitted in English via e-mail to:

Regional Business Development Unit
European Investment Fund
info.rbd@eif.org

Requests for clarifications from Applicants shall not receive individual replies. Instead, answers to all requests for clarifications received within the relevant deadline will be published together in a Clarification Document to be posted on the website www.eif.org, at latest on 15 February, 2017.

EIF will, in principle, not contact any Applicant prior to the Deadline, unless it considers it necessary to clarify issues of a mere technical nature. However, should EIF discover any errors, inaccuracies, omissions or any other type of clerical defect in the text of the Call for Expression of Interest before the Deadline, EIF will correct the text and inform accordingly.

5. Language

The Expressions of Interest, including the submitted documents, shall be in English only.

6. Submission of Expression of Interest

The Expressions of Interest shall be submitted on or before the Deadline **both** by (i) e-mail **and** (ii) registered mail or professional courier service. The Expressions of Interest sent by registered mail or professional courier service shall consist of a closed single package, and shall contain the Expression of Interest, together with its attachments, in paper form and in removable electronic storage medium (e.g. USB stick).

The Deadline for the submission of Expressions of Interest is 13 March, 2017

The Deadline applies (i) in case of e-mails, to the reception by EIF 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 Expressions of Interest shall indicate the reference number of the Call (No. JER-009/8) and the name of the Applicant and shall be sent to the following address:

Postal Address:

European Investment Fund
Attention: Regional Business Development Unit
37 B, J.F.Kennedy,
L-2968 Luxembourg
LUXEMBOURG

The outer envelope (package) shall indicate the following:
"Expression of Interest – Reference number of the Call (No. JER-009/8) – Not to be opened by the reception – To be passed without opening to the Regional Business Development Unit".

E-mail Address:

Attention: Regional Business Development Unit
info.rbd@eif.org

Prior to the Deadline and in the same manner as specified above, the Applicants may change or amend their Expressions of Interest by clearly indicating the parts to be changed or amended.

Prior to or after the Deadline and in the same manner as specified above, the Applicants may withdraw their Expressions of Interest.

After the Deadline, an acknowledgement of receipt will be sent by EIF to the relevant Applicants via e-mail, which shall state the following:

- Unique proposal identifier (Expression of Interest number);
- Reference number of the Call for Expression of Interest;
- Confirmation that the Expression of Interest was received before the Deadline.

The acknowledgement of receipt shall not be construed as a declaration of completeness of the Expression of Interest and the documents submitted therewith, nor any kind of assessment of the same.

The Applicants may withdraw their Expression of Interest at any stage of the Selection process, by sending (i) an email and (ii) a letter to the above mentioned addresses.

7. Selection process

When selecting Financial Intermediaries, EIF is committed to respect fundamental principles, such as:

- i) equal treatment,
- ii) non-discrimination,
- iii) confidentiality and
- iv) transparency.

The Expressions of Interest will be examined by the EIF on a comparative basis, using professional analysis and judgment, taking into account the Selection Criteria.

The EIF will reject those Expressions of Interest which do not comply with the Eligibility Criteria. Financial Intermediaries, whose application is rejected because of non-compliance with any of the elements reflected in the statements regarding situations of exclusion (Appendices 5 and 6 to Annex 1 hereto), may not present themselves for consideration in subsequent Calls for Expression of Interest unless it is specifically evidenced that the reason for the exclusion no longer exists.

The expiration of the Deadline shall not prevent EIF, in limited cases if deemed necessary, from requesting and receiving from Applicants clarifications on issues of a mere technical or formal nature, *provided that* such clarifications shall neither provide an opportunity to the respective Applicants to unduly improve their applications nor otherwise distort the competition between the Applicants.

Applicants who are not excluded according to the Eligibility Criteria will go through the EIF selection process based on the Quality Assessment Criteria. The further selection based on the Quality Assessment Criteria, and the due diligence process if any, follows the standard procedures and guidelines applied by EIF to its business. The evaluation of proposals at this phase will be conducted under competitive terms and it is envisaged to select a maximum of two Applicants overall.

Reserve list: Applicants who are not considered for contractual negotiations may to the EIF's discretion constitute a reserve list (valid for 1 year following notification of inclusion in the reserve list).

In case EIF does not proceed further with the selected Applicant(s) for contractual negotiations, EIF reserves itself the full right to revert back to the Applicants included in the reserve list and initiate contractual negotiations with any of them, taking into consideration the results of the evaluation procedure and the ranking formed.

In case more funding becomes available within 1 year from the launching of the Call for Expression of Interest, the EIF has the discretion to consider either (i) higher allocations to the Applicant/s with the highest overall scores (i. e. those initially selected for contractual negotiations of Operational Agreements) or ii) initiating contractual

negotiations with any of the Applicant(s) included in the reserve list taking into consideration the results of the evaluation procedure and the ranking formed.

In any phase of the selection process, EIF reserves itself full discretion to consider Financial Intermediaries and no Applicant has any claim or other right or may expect to be ultimately selected for financial support by the JHF.

Similarly, any negotiation of terms and conditions of Operational Agreements by no means entails any obligation for EIF and/or the SPV to enter into such Operational Agreement with the relevant Financial Intermediaries.

Financial Intermediaries which do not receive contributions from the JHF are informed accordingly; the reasons for their Expression of Interest being rejected may be communicated to them upon request.

Those Applicants, whose Expression of Interest is 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 Expressions of Interest above, within thirty (30) days of receipt of the letter of rejection. Any complaints will be dealt within the framework and in accordance with the [EIB Group complaints policy](#).

8. Operational Provisions

The Financial Intermediaries, with which Operational Agreements will be eventually signed, shall be required to comply with the EIF Anti-Fraud policy, available on the website of EIF (www.eif.org), and with the relevant monitoring, reporting, publicity and auditing obligations required by the Funding Agreement. Such obligations are briefly described in Annex 2, and will be mentioned in the relevant Operational Agreement.

ANNEXES

- Annex 1. Expression of Interest
- Annex 2. Financial Instrument: Description and Selection Criteria