

ADVISORY AGREEMENT NO. 0364 - EIAH

between

THE CITY of ROTTERDAM  
THE CITY of THE HAGUE  
THE PROVINCE OF ZUID-HOLLAND

and the

EUROPEAN INVESTMENT BANK

Rotterdam, \_\_\_\_\_ 2017

The Hague, \_\_\_\_\_ 2017

The Hague, \_\_\_\_\_ 2017

Luxembourg, \_\_\_\_\_ 2017

This advisory agreement (the “**Agreement**”) is entered into between:

The City of Rotterdam having its head office at Coolingsingel 40, 3011 AD, Rotterdam, The Netherlands, represented by Hans BEEKMAN,

&

The City of The Hague, having its head office at Spui 70, 2511 BT, The Hague, The Netherlands, represented by Koen DE SNOO,

&

The province of Zuid-Holland, having its head office at Zuid-Hollandplein 1, 2596 AW, The Hague, The Netherlands, represented by Jan-Herman DE BAAS,

(jointly the “**Client**”)

and

The **European Investment Bank**, having its seat at 98-100, boulevard K. Adenauer, Luxembourg 2950, Grand Duchy of Luxembourg, represented by Mark Mawhinney, Head of Division and Ruth Niland, Head of Division (the “**Bank**”),

The Client and the Bank each a “**Party**”, together the “**Parties**”,

WHEREAS:

- 1) Regulation (EU) 2015/1017 of the European Parliament and of the Council of 25 June 2015 on the European Fund for Strategic Investments (“**EFSI**”), the European Investment Advisory Hub and the European Investment Project Portal and amending Regulations (EU) No 1291/2013 and (EU) No 1316/2013 – the European Fund for Strategic Investments (OJ L 169, 1.7.2015, p.1) (the “**EFSI Regulation**”) establishes the European Investment Advisory Hub (the “**EIAH**”, or the “**Hub**”) and foresees its implementation by the Bank.
- 2) In accordance with Article 14 of the EFSI Regulation, the objective of the EIAH is to provide advisory support to public and private entities within the European Union for the identification, preparation and development of investment projects and to act as single technical advisory hub for project financing within the Union.
- 3) The Bank was established by Article 308 of the Treaty on the Functioning of the European Union and within the framework of its tasks set out in Article 309 of said Treaty it grants loans and gives guarantees which facilitate the financing of projects of common interest to several Member States. Pursuant to Article 18(7) of its Statutes, as complement to its lending activity, the Bank may provide technical assistance services in accordance with the terms and conditions set out by its Board of Governors, acting by a qualified majority and in compliance with its Statutes.
- 4) The Client intends to develop/enhance the Roadmap Next Economy investment strategy (the “**RNE**”) which represents an integrated urban strategy to enable the Client to respond to the challenges and opportunities of the “Third Industrial Revolution” described as process of the transformative changes taking place globally including climate change, growing inequality, geopolitical changes, increased migration, natural resource depletion and the emergence of disruptive technological innovations. The Client requested the support of the Bank, in the framework of the Hub, in the form of advisory and technical assistance to the RNE Executive in

the development of the RNE Investment Strategy, being regarded as in the Annex (*Description of the Services*).

- 5) For the avoidance of doubt, any action is considered to be the Client's action taken by one and/or more representatives of the Client (i.e. The City of Rotterdam and/or The City of The Hague and/or the province of Zuid-Holland).

NOW THEREFORE, the Parties have agreed as follows:

### **Article 1 – Subject**

- 1.1. This Agreement sets out the terms on which the Bank shall provide the Services to the Client. “**Services**” means the advisory services, including any related deliverables, to be delivered by the Bank to the Client in the framework of the European Investment Advisory Hub, as further described as development of the Roadmap Next Economy investment strategy in the Annex (*Description of the Services*).
- 1.2. The Parties acknowledge and agree that the Services are rendered to the Client independently from any assessment for potential financing to be made available to the Client by the European Investment Bank and the European Investment Fund (hereafter the “**EIB Group**”), including in the context of the EFSI, and do not represent a commitment by the EIB Group to provide such financing to the Client.

### **Article 2 – Entry into Force and Duration**

- 2.1. This Agreement shall enter into force on the **Effective Date**, which means the date of signature of this Agreement by the last Party and shall remain valid for as long as any rights, obligations or liabilities arising out of its provisions remain outstanding, unless it is otherwise terminated in accordance with the provisions of Article 9 (Amendments, Assignments and Termination).
- 2.2. The **Commencement Date** shall be the first **Business Day** (i.e. any working day on which the Bank is open for business in Luxembourg) following the Effective Date.
- 2.3. The performance period shall be no longer than six (6) months from the Commencement Date..

### **Article 3 – Performance of the Services**

- 3.1. The Bank undertakes to use its reasonable endeavours to carry out the Services in a timely manner. Without prejudice to the preceding, the Client acknowledges and accepts that the work programme and timetable set out in the Annex (*Description of the Services*) have been prepared in good faith based on information available to the Bank at the time of signature of this Agreement, and that compliance with such work programme and timetable is subject to, *inter alia*:
  - (a) the Client fulfilling its obligations under this Agreement in a satisfactory and timely manner, in particular by timely making any decisions and by providing without undue delay any information or support as specified in this Agreement or as may be reasonably requested by the Bank during the performance of the Services;
  - (b) other authorities, entities or bodies in the Netherlands whose cooperation is essential for the timely delivery of the Services acting in a satisfactory and timely manner when their input is required for the performance of the Services. This specifically includes, but is not limited to, the work required of external stakeholders as described in the Annex (*Description of the Services*).

3.2. The Parties agree that the Client shall act as the main counterpart to the Bank for the purposes of this Agreement and that the Bank may, unless expressly stated otherwise, assume that any notice, approval or other communication provided by the Client to the Bank in relation to this Agreement, including in respect of the Services, represents the views of the Client and of any and all other entities benefitting from the Services, as these are identified in Annex (*Description of the Services*).

3.3. The Bank, at its sole discretion, will commission one or more third parties, to perform part of the Services. The Client acknowledges and accepts that the Bank shall apply its own internal procurement rules when engaging the services of such third parties. The Bank shall inform the Client of the engagement of such parties, it being understood that such commissioning by the Bank of third parties shall not create, nor be construed to create, any contractual relationship between such third party and the Client.

The Bank procures that it and, where appropriate, the third party it commissions in accordance with Article 3.3. (*Performance of the Services*), shall perform the Services with reasonable skill and care.

3.4. The Client shall provide all reasonably necessary information and assistance, at no additional cost to the Bank, in order to enable the Bank (including any third party commissioned by the Bank pursuant to Article 3.3. (*Performance of the Services*)), to perform the Services in accordance with the terms of this Agreement.

The Client warrants and undertakes that any information provided to the Bank pursuant to this Agreement is and will be accurate and that the Bank shall be entitled to rely on such information and assistance without enquiry as to the accuracy or origin of the same.

3.5. Subject to the provisions of Article 5 (*Confidentiality*), any documents and information of which the Bank becomes aware pursuant to the performance of the Services may be shared for the purpose of performing the Services within the EIB Group and with third parties involved in the performance of the Services.

#### **Article 4 – Cost of Services**

4.1. In accordance with the provisions of Article 14.4 of the EFSI Regulation, the Services shall be provided by the Bank to the Client free of charge.

#### **Article 5 – Confidentiality**

5.1. For the purpose of this Agreement, “Confidential Information” means information which:

- (a) is furnished by the Client to the Bank for the purposes of enabling the Bank to provide Services to the Client;
- (b) is in written or other permanent (including electronic) form;
- (c) the Client has clearly and conspicuously identified as “Confidential Information”; and
- (d) is delivered for the attention of \_\_\_\_\_ (or such other person as the Bank shall have most recently notified for this purpose);

but excludes information which:

- (e) was, at the time of its disclosure to the Bank by the Client, public knowledge or generally available to the public in written or other permanent form;
- (f) the Bank already had knowledge of at the time of receipt from the Client or which is or becomes available to the Bank, without a duty of confidentiality, from sources which, to the Bank’s knowledge and belief, are under no duty of confidentiality towards the Bank; or
- (g) becomes part of the public domain through no fault of the Bank.

- 5.2. By countersigning this letter, the Client undertakes to designate information as “Confidential Information” only if, and to the extent that, the Client believes in good faith that such information is confidential.
- 5.3. The Bank undertakes to keep all Confidential Information confidential and not to divulge, disclose or make available any part thereof to anyone outside the Bank; for the purposes of this paragraph the term “Bank” shall include (i) the Bank’s employees, agents, directors and governing bodies, and (ii) the Bank’s professional advisers, auditors, consultants, or other service providers that have undertaken towards the Bank specific confidentiality obligations or are bound by a general professional duty of confidentiality.
- 5.4. Without prejudice to the provisions of Article 5.5 below, the Bank undertakes to use any Confidential Information solely for the purpose mentioned in Article 5.1.
- 5.5. The Bank may use and/or disclose such Confidential Information as the Bank considers appropriate in each case, and shall not be in breach of its duty of confidentiality by making such use or disclosure thereof:
- (a) if required by law or regulation, in accordance with any treaty or document of a similar nature binding on the Bank or pursuant to any agreement to which the Bank is a party which implements such law, regulation, treaty or binding document of a similar nature or pursuant to the rules of any relevant stock exchange;
  - (b) to the European Commission, the European Court of Auditors, and/or the European Anti-Fraud Office (OLAF);
  - (c) to Member States of the European Union (including their representatives) or committees set up by the European Commission and/or Member States under any mandate under which the Bank operates, in order to obtain any opinion, consent, or waiver required in connection with the Services;
  - (d) to whom information is required or requested to be disclosed by any court of competent jurisdiction or any governmental, banking, taxation or other regulatory authority or similar body, or by any equivalent body of the European Union or of any of its Member States,
  - (e) to whom information is required to be disclosed in connection with and for the purposes of any litigation, arbitration, administrative or other investigations, proceedings or disputes;
  - (f) in order to protect its interests in the course of any legal or arbitration proceedings to which both the Client and the Bank are a party;
  - (g) in accordance with the Bank’s Transparency Policy and Anti-fraud Policy (as published on the Bank’s website); or
  - (h) with the consent of the Client.
- 5.6. The obligations undertaken by the Bank in this Article 5 shall expire on the second anniversary of the signature of this Agreement.

#### **Article 6 – Ownership of Results and Intellectual Property Rights**

- 6.1. For the purposes of this Agreement, intellectual property rights shall be understood to mean any copyright and related rights, rights in designs, database rights, rights in computer software, domain names, trademarks, service marks, patents, trade names or any applications for any of

the foregoing, rights in confidential information (including know-how and trade secrets) or similar rights or obligations, whether registerable or not, moral rights, in each case whether registered or unregistered and including all applications (or rights to apply) for, and renewals or extensions of, such rights and all similar or equivalent rights or forms of protection which may now or in the future subsist in any part of the world (the “**Intellectual Property Rights**”).

- 6.2. Any pre-existing Intellectual Property Rights of any of the Parties in any reports, studies, analyses or other documents used by the Parties in connection with this Agreement will remain with that Party.
- 6.3. Subject to any pre-existing Intellectual Property Rights of any natural or legal person, including any of the Parties, the Intellectual Property Rights in new materials delivered by the EIB to the Client in the performance of this Agreement, as described in the Schedule, shall belong to and be the absolute property of the Bank.
- 6.4. Without prejudice to the provisions of Article 6.3, and subject to the confidentiality rules stated in Article 5 (*Confidentiality*), the Bank hereby grants to the Client an irrevocable, non-exclusive, royalty-free, perpetual licence, with respect to any new materials delivered by the EIB to the Client in the performance of this Agreement.

#### **Article 7 – Non-Exclusivity, Conflict of Interests, Code of Conduct**

- 7.1. The Parties acknowledge and agree that the Services are not rendered on an exclusive basis to the Client and that nothing in this Agreement shall prevent the Bank or the EIB Group from delivering similar services to other parties in any other business sector, trade, profession or occupation during the validity of this Agreement.
- 7.2. Without prejudice to Article 1.2, nothing in this Agreement shall prevent the EIB Group from continuing any existing engagements with the Client, or from acting in the future in multiple capacities in relation to the Client, including as financier, lender, equity or guarantee provider, shareholder, fund manager, agent or adviser.
- 7.3. The Bank shall manage any potential conflict of interest issues in accordance with the Bank’s internal rules and procedures regarding the management of conflicts of interest.
- 7.4. The Client acknowledges that the Bank is bound by its Anti-Fraud Policy, published on <http://www.eib.org/infocentre/publications/all/anti-fraud-policy.htm>, as well as its NCJ Policy on <http://www.eib.org/infocentre/publications/all/eib-policy-towards-weakly-regulated-non-transparent-and-uncooperative-jurisdictions.htm>, and its Anti-Money Laundering and Combating Financing of Terrorism Framework, published on [http://www.eib.org/attachments/strategies/eib\\_group\\_aml\\_cft\\_framework\\_en.pdf](http://www.eib.org/attachments/strategies/eib_group_aml_cft_framework_en.pdf) as amended and supplemented from time to time, aiming at preventing Criminal Offences, tax fraud, tax evasion or harmful tax practices in its activities and/or operations. It is the common understanding of the parties that they shall endeavour to ensure that all activities and/or operations relating to this Agreement are free from any fraud, corruption, coercion, collusion, obstruction, money laundering, financing of terrorism (“**Criminal Offences**”), tax fraud, tax evasion or harmful tax practices”.
- 7.5. The Client represents and warrants that neither the Client nor any other person acting on its behalf or under its control has committed any Criminal Offences in connection with this Agreement. The Client shall promptly inform the Bank if at any time it becomes aware of the illicit origin of any such funds or if any fact or information confirming or reasonably suggesting that a Criminal Offence has occurred in connection with the Agreement.

#### **Article 8 – Use of Results, Liability, Force Majeure**

- 8.1. The Client is solely responsible for deciding whether to pursue or implement any proposals, studies, presentations or recommendations made by the Bank or by third parties commissioned by the Bank as part of the Services, as well as for making its own assessment on the appropriateness of the Services for the use it intends to make thereof. The Bank makes no representation and provides no warranty as to such fitness for purpose, and shall not bear any liability in that respect. For the avoidance of doubt, both representatives of the Client are

responsible for any action taken by one and/or both representatives (i.e. The City of Rotterdam and/or The City of The Hague, and/or the province of Zuid-Holland) jointly and severally.

- 8.2. The Bank makes no representation or warranty as to the outcome of the advisory activities or as to the accuracy or completeness of any reports, documents or analyses prepared or delivered in connection with the performance of the Services. The Client accepts and agrees that any course of action taken or to be taken, or not taken or not to be taken by the Client will be decided upon solely by the Client based upon its own evaluation of the relevant circumstances, and that the Bank is not responsible and shall bear no liability for any such decision of the Client.
- 8.3. To the maximum extent permitted by the applicable law, the Bank shall bear no liability towards the Client, its employees, agents or officers, whether in contract, tort (including negligence), breach of statutory duty, or otherwise howsoever, for any loss, damage or expense whatsoever, whether direct, indirect or consequential, suffered by the Client, its employees, agents or officers, arising under, out of or in connection with the Services. Any liability of the Bank shall be limited only to fraud, wilful misconduct or gross negligence, and shall not exceed the amount of EUR 300 000.
- 8.4. The Client shall indemnify and hold harmless the Bank, its employees, officers, Governors, delegates, servants or agents from and against any and all losses, claims, demands, damages or liabilities of any kind relating to or arising under, out of or in connection with the activities performed or Services provided pursuant to this Agreement, unless such losses, claims, demands, damages or liabilities have resulted solely from the Bank's gross negligence or wilful misconduct in the performance of the Services.

#### **Article 9 – Amendments, Assignment and Termination**

- 9.1. Any amendments to this Agreement must be set out in writing in an addendum signed by the Parties, to become effective on the terms set out in the relevant addendum.
- 9.2. Changes of address or of contact details may be notified the other Parties in writing, in accordance with Article 10 (*Notices and Other Communications*).
- 9.3. A Party may not assign or transfer to a third party, or otherwise dispose of, any of its rights or obligations under this Agreement without the prior written consent of the other Party.
- 9.4. Either Party may terminate this Agreement upon serving a thirty (30) calendar days' written notice to the other Party, if such Party believes that the purposes of this Agreement can no longer be effectively or appropriately carried out. Upon receipt of such notice, the Parties shall take all appropriate steps to close in an orderly manner the on-going activities under this Agreement.
- 9.5. Either Party may terminate this Agreement with immediate effect and without incurring any liability by serving a thirty (30) calendar days' written notice to the other Party, if at any time:
  - (a) the other Party is found guilty of any fraud, gross negligence or wilful misconduct;
  - (b) the other Party commits a material breach of any of the provisions of this Agreement;
  - (c) the other Party makes a resolution for its winding up, makes an arrangement or composition with its creditors or makes an application to a court of competent jurisdiction for protection from its creditors or an administration or a winding-up order is made or an administrator or receiver is appointed in relation to that Party;
  - (d) the other Party acts in any manner which in the opinion of the Party brings or is likely to bring this Party into disrepute or is materially adverse to the interests of this Party and the other Party fails to comply with this Party's request to cure.
- 9.6. The Bank may also terminate this Agreement with immediate effect and without incurring any liability, by serving a thirty (30) calendar days' written notice to the Client, if at any time:
  - (a) the Client knowingly and intentionally provided any information or document to the Bank in connection with the Services which is or proves to have been incorrect in any material respect; or



- (b) where the cost of the Services is expected to be covered, wholly or partially, by a third party, including the European Commission, and such financing is cancelled or withdrawn; or for any reason whatsoever, the EIAH Agreements between the Bank and the European Commission are terminated, cease to be valid and in full force and effect; or
  - (c) any provision of the representation and warranty under Article 7.5 (*Non-Exclusivity, Conflict of Interests, Code of Conduct*) is breached by the Client; or
  - (d) if it becomes illegal for the Bank to continue the provision of services or fulfilment of any other obligation under this Agreement; or
  - (e) EU/UN sanctions are imposed against the Client.
- 9.7. Immediately after the notice to terminate is received, the Parties will take all appropriate steps to close in an orderly manner the on-going activities under this Agreement.
- 9.8. The rights of the either Party under Articles 9.4 to 9.6 (*Amendments, Assignment and Termination*) are without prejudice to any other rights that the Parties may have at law to terminate this Agreement.
- 9.9. Any delay by a Party in exercising its rights to terminate the Agreement shall not constitute a waiver thereof.

### **Article 10 – Notices and Other Communications**

- 10.1. Any notice given under or in connection with this Agreement must be in English. All other documents provided under or in connection with this Agreement must be in English or, if not in English, and if so required by the Bank, accompanied by its translation into English and, in this case, the English translation shall prevail unless the document is a constitutional, statutory or other similar official document.
- 10.2. Except for notices relating to litigation whether pending or threatened, which shall be served at the addresses specified below exclusively by post through official letter with confirmation of receipt, all notices and correspondence in relation to this Agreement and the Services shall be sent by post, facsimile or, to the extent agreed by the Parties in writing, by e-mail or other means of electronic communication, to the following addresses:

For the Bank

European Investment Bank  
98-100, boulevard Konrad Adenauer  
L-2950, Luxembourg  
Fax: +352 4379 5 3535  
e-mail: m.mawhinney@eib.org

Attention: Mark Mawhinney, Head of the European Investment Advisory Hub, Advisory Services Department

For the Client

The City of Rotterdam  
Phone: +31(0)-10 489 7995  
E-mail: HP.Beekman@rotterdam.nl

Attention: Hans Beekman, projectdirecteur RNE, Stadsontwikkeling

The City of The Hague  
Phone: +31(0)-70 353 3195  
E-mail: koen.desnoo@denhaag.nl  
Attention: Koen de Snoo, plv. Gemeentesecretaris

The Province of Zuid-Holland  
Phone: +31(0)-70 441 8267  
E-mail: jh.de.baas@pzh.nl  
Attention: Jan Herman de Baas, Provinciesecretaris

- 10.3. Any change made to the above communication details shall have effect only after it has been notified in writing in paper or electronic form to the other Party at the above addresses.
- 10.4. Notices and other communications are deemed to have been made when they are received by the receiving Party.

#### **Article 11 – Status**

- 11.1. Nothing in this Agreement will create or be construed as creating a partnership or joint venture, agency or similar relationship between the Parties, nor authorize any Party to make any statements or enter into any agreement on behalf of any other Party, except as expressly set out in this Agreement.
- 11.2. The Bank does not owe the Client any fiduciary duty.

#### **Article 12 – Governing Law and Dispute Settlement**

- 12.1. This Agreement and its formation, construction and validity will be governed by the general principles of European Union law common to the Member States, as interpreted by the Court of Justice of the European Union.
- 12.2. The Parties shall endeavour to settle amicably any dispute arising between them out of or in connection with this Agreement or its subject matter or formation (including non-contractual disputes or claims). If no amicable agreement is reached within sixty (60) calendar days from the notification of such dispute or complaint, all disputes concerning this Agreement shall be submitted to the exclusive jurisdiction of the Court of Justice of the European Union. A decision of the Court given pursuant to this Article 12 (*Governing Law and Dispute Settlement*) shall be conclusive and binding on each Party.

#### **Article 13 – Evaluations**

If the Bank or the European Commission carries out an evaluation of, or a monitoring mission for the Services provided under this Agreement, the Client undertakes to provide to the representatives of the Bank or the European Commission, or persons authorised by them, any document or information which will assist with the mission, and, subject to Article 5 (*Confidentiality*), grant them the necessary access rights.

#### **Article 14 – Visibility**

The Client undertakes to acknowledge, in any information given to the press or to any third parties, related publicity material, official notices, reports or publications, the fact that the Services were provided in the framework of the Hub. To this effect, the Bank shall make available to the Client any logos or other visibility tools to be applied in respect of the Hub.

#### **Article 15 – Personal Data**

For the purposes of this Agreement, **Personal Data** has the meaning given to it in Article 2 of Regulation (EC) No 45/2001 of the European Parliament and of the Council of 18 December 2000 on the protection of individuals with regard to the processing of personal data by the Community institutions and bodies and on the free movement of such data (OJ L 8, 12.1.2001, p.1). Any processing of Personal Data shall be carried out by the Bank in accordance with applicable European Union legislation on the protection of individuals with regard to the

processing of Personal Data by the European Union institutions and bodies and on the free movement of such data.

#### **Article 16 – Audits**

- 16.1 The Client acknowledges and agrees that, given the status of the Bank as a body of the European Union, national audit authorities do not enjoy any auditing rights and the Bank is only subject to audit verification (including on-the-spot-visits) performed directly by the Court of Auditors of the European Union in accordance with Article 287(3) of the Treaty on the Functioning of the European Union (TFEU) and the Tripartite Agreement entered into between the Court of Auditors of the European Union, the European Commission and the Bank, mentioned in article 287(3) of the TFEU.
- 16.2 The Client acknowledges that:
- i. the Court of Auditors of the EU, the EC and/or the agents of the EC, the European Anti-Fraud Office and any other institution or body of the EU (jointly referred to as the “European authorities”); and
  - ii. the Audit Authority and any other competent national or regional authority of the of Bulgaria (jointly referred to as the “National authorities”), including the duly authorised representatives of any of the abovementioned entities, shall have the right to carry out audits and controls and to request information in respect of this Agreement and its execution.
- 16.3 The Client will permit the EU Authorities and the National Authorities to perform audit and controls. In connection with the foregoing, the EIB will use its best endeavours to collect and forward to the Client all relevant information, documents and statements to enable the Client to discharge all of its obligations.
- 16.4 The Client acknowledges and agrees to be audited by or on behalf of EIB, the European Commission and the European Court of Auditors to provide all information necessary for the EIB or the European Commission to comply with any applicable information or audit requirements of the European Court of Auditors.

#### **Article 17 – Annex; Counterparts**

- 17.1. The Annex to this Agreement (*Description of Services*) forms an integral part thereof. In the event of any ambiguities, conflicts or inconsistencies between or among any of the provisions of this Agreement, the provisions of the core terms of this agreement shall take precedence.
- 17.2. This Agreement is executed in three (4) originals in the English language (each page of which has been initialled by a representative of each of the Parties), of which two (2) originals for the Bank and two (2) originals for the Client.

**For and on behalf of**  
THE EUROPEAN INVESTMENT BANK

Mark Mawhinney,  
Head of Division  
European Investment Advisory Hub

Ruth Niland,  
Head of Division  
Procurement, Decentralised Financial  
Instruments and Administrative Law

Date: 2017

Date: 2017

**For and on behalf of**  
THE CITY OF ROTTERDAM

**For and on behalf of**  
THE CITY OF THE HAGUE

**Hans Beekman**

**Koen de Snoo**

Date: 2017

Date: 2017

**For and on behalf of**  
THE PROVINCE OF ZUID-HOLLAND

Jan Herman de Baas

Date: 2017

## **Annex – Description of the Services**

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### **European Investment Advisory Hub**

#### **Description of Services**

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Advisory support to support the initial programme to implement the  
Investment Strategy for the Roadmap Next Economy

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### 1 Introduction

The City of Rotterdam, the City of The Hague and the province of Zuid-Holland (jointly the “**Client**”) have come together to work in coordination to strengthen the economic business climate in the area. The Roadmap Next Economy (the “**RNE**”) is an integrated urban strategy that has been developed by the Client in cooperation with other members of the Metropolitan Region Rotterdam The Hague (MRDH) as well as with representatives of business and knowledge institutes in the region, to enable it to respond to the challenges and opportunities of the “Third Industrial Revolution”.

The expression “Third Industrial Revolution” describes the transformative changes taking place globally including climate change, geopolitical changes, increased migration, growing inequality, natural resource depletion and the emergence of disruptive technological innovations. The RNE sets out a long term strategy to respond to these challenges through an integrated programme across five strategic pathways combining quick win projects with longer term strategic objectives.

The RNE Executive, consisting of (1) Hans Beekman, project director RNE on behalf of the City of Rotterdam, the City of The Hague and the Metropolitan Region Rotterdam The Hague and (2) Koen de Snoo, responsible for the financial strategy for the regional projects, has approached the European Investment Advisory Hub for project support in relation to the development of the Investment Strategy to secure the funding for the implementation of RNE.

### 2 Key objectives

This assignment aims to provide advisory and technical support to the RNE Executive in the development of the RNE Investment Strategy. The assignment will be undertaken over a period of six months and will allow for the assessment of the feasibility of one or more investment platforms with a geographical focus to provide funding support to the implementation of RNE.

Key objectives of the assignment will include:

- Identification of the range of funding requirements for RNE projects based on typology of projects. This will help classify the projects with regard to their funding requirements (subsidy, grant, loan etc);
- Assessment of the potential to establish one or more investment platforms including:
  - Identification of market failure and demand for investment platform support for RNE;
  - Potential governance arrangements for such platform(s); and
  - Funding available including local, national and EU funding and the possibilities of blending subsidies with public and private financing. This will include engagement with the EIB’s Operational team in relation to the potential to utilise resources from the European Fund for Strategic Investments, together with the potential to attract private investment into RNE projects and provide EIB funding through a Framework Loan instrument;
- High level review of early win projects to assess project readiness;

- Assessment of the need for a dedicated technical assistance platform to successfully bring RNE investment proposals to bankable projects; and
- Conclusions and recommendations for next steps, including a proposed timetable for implementation of any recommended actions.

### 3 Background

The European Investment Advisory Hub (the Hub) has been established by Regulation (EU) 2015/1017 of the European Parliament and of the Council of 25 June 2015, as amended (the EFSI Regulation) as one of the three pillars of the Commission's Investment Plan for Europe (IPE). Working together with the other pillars of the IPE, the European Fund for Strategic Investments and the European Investment Project Portal, the Hub seeks to mobilise EUR300 billion of public and private investment to strengthen Europe's competitiveness and to stimulate investment for the purpose of job creation.

The objective of the Hub is to provide advisory support to public and private entities within the European Union for the identification, preparation and development of investment projects and to act as single technical advisory hub for project financing within the Union. It seeks to support projects through the expertise of the EIB Group and the European Commission as well as leveraging expertise from a wider network of partners including National Promotional Institutions and Member States' Managing Authorities.

The RNE identifies five strategic pathways as possible development lines for the programme:

- Smart Digital Delta – dealing with digital connectivity, big data platforms, smart logistics, smart mobility, sensors, internet of things and including establishing a new legal framework for a digitized marketplace;
- Smart Energy Delta – relating to smart energy systems, sustainable sources, conversion and storage technologies, energy savings, carbon capture storage and other actions to establish a renewable energy infrastructure in the region;
- Circular Economy – encompassing everything dealing with the use and re-use of resources and waste streams in the region;
- Entrepreneurial Region – all actions to create an entrepreneurial culture dealing with new business models, new products and services, field labs on disruptive innovations and supporting start-ups; and
- Next Society – new skills, education and other measures to encourage social entrepreneurs and social innovation to build a more inclusive society.

For each pathway the RNE identifies a long term implementation plan that identifies a number of concrete projects and categorises them as either enabling or carrier projects. To facilitate the programme a number of shorter term projects have also been identified for early delivery.

In addition, the RNE proposes to establish in the first 18 months a governance structure that is supported by the triple helix of the business community, knowledge community and public sector. It is proposed that the business and knowledge communities would lead the deployment with the public sector playing an important facilitator role. A temporary organisation has been established to lead the project in anticipation of the permanent governance arrangements being put in place.

The RNE recognises the need to develop an Investment Strategy that allows the strategic deployment of a range of different types of funding including loans, technical assistance, guarantees and grants to secure the public and private investment needed to realise the different projects and objectives on the strategy. It recommends the following four actions are pursued:

1. Establishment of a regional investment platform to attract international business and investment support for projects in the EUR 25-100 million range;
2. Possibly implement an EIB Framework Loan to fund smaller projects up EUR 25 million;

3. Introduction of a facility for Programme Development Assistance in conjunction with the European Commission; and
4. Investigating possibilities for funding of transforming the educational system.

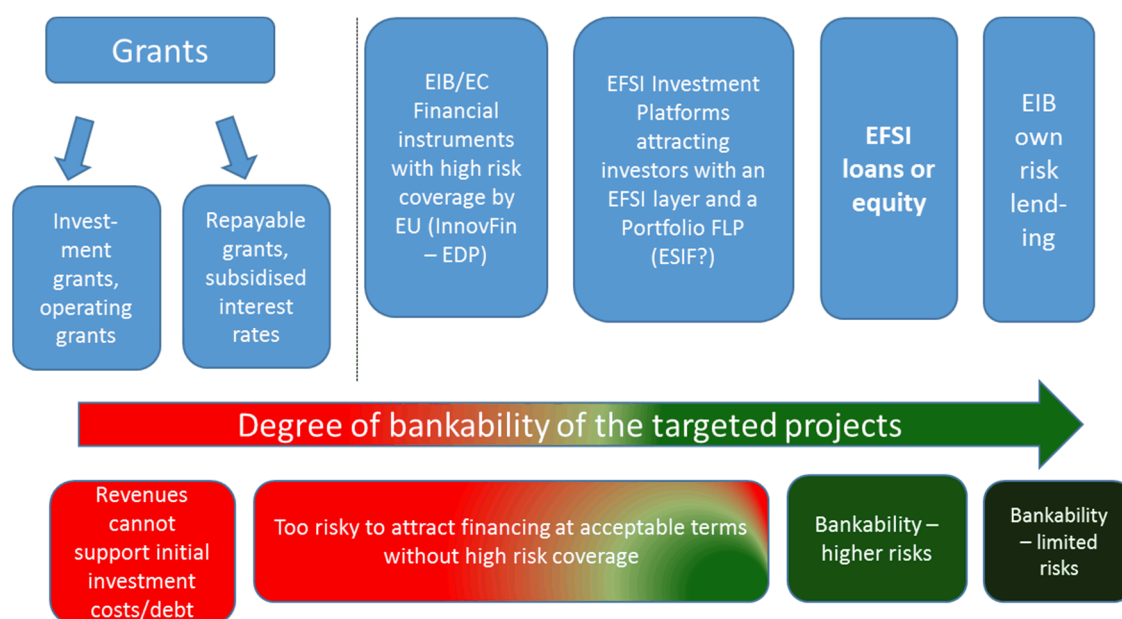
The RNE Executive has contacted the Hub for support in relation to the development and implementation of the Investment Strategy with particular reference to the establishment of the Investment Platform and technical assistance to support the delivery of an initial programme of 10 investment proposals.

## 4 Scope

The assignment will be delivered over a six month period and will be led by the Hub with support from colleagues from the EIB's advisory (ASD), operations (OPS) and project (PJ) departments.

The initial review of the RNE project pipeline will seek to classify the projects by reference to the typology of funding to establish the range and scale of the financing needs of the strategy according to project risks/bankability.

Figure 1: Typology of possible financial support according to project risks/bankability



The second element of the assignment will examine the potential for establishing one or more investment platforms to support the delivery of bankable projects. Investment platforms may be set up under Article 10 of the EFSI Regulation to channel finance from a number of sources to a range of projects with a specific geographic or sector focus. Investment platforms can comprise a wide range of products, which makes them potentially an attractive tool to respond to market needs.

The assignment will consider existing financing sources available to support the RNE projects, including the existing JESSICA funds operating in the region and identify the areas of market failure and levels of demand for products that may be provided through an investment platform. This will allow an initial view to be reached as to the potential for a variety of different products to be developed to support RNE.

This work will be carried out in conjunction with EIB's OPS department in order to establish the potential in principle to commit EFSI to a future RNE investment platform possibly combined with



other public funding with the objective of securing significant leverage from other sources. Other EIB products will also be considered including the Framework Loan product referred to in the RNE.

Potential governance arrangements to support the Investment Strategy will be considered including both potential management options for the investment platform(s) and possible links to the wider governance of the RNE. Investment platforms may be managed by a wide range of bodies including national promotional banks (NPBs), government agencies, EU bodies; commercial banks and other lending institutions; investment funds and/or companies.

The assignment will also include an initial review of the 10 investment proposals identified by RNE for early implementation by a team from the EIB’s PJ department. The desktop reviews will be conducted to enable an initial view to be taken on the viability and readiness of each project, together with the benefits that will be delivered.

The assignment will include the PJ assessment of the investment programme and the promoter’s capacity to provide the foundation to the Framework Loan instrument in support of the RNE Investment Strategy.

The outputs of the above work will be used in considering the potential to establish a project development platform that provides technical assistance to project promoters to enable bankable projects to be brought forward for investment. This work will include consideration of existing models for technical assistance platforms including the ELENA platform and consider whether such assistance can be delivered as part of a single operation.

At the conclusion of the assignment, a final report will be delivered which will set out the outputs of the study together with conclusions and recommendations for future actions. The final report will propose a recommended timetable for implementation of actions, including (if appropriate) potential future engagement between the RNE Executive and the EIB in relation to the implementation of elements of the RNE Investment Strategy.

**5 Methodology**

The assessment will be carried out in accordance with the following methodology

<i>Commencement</i>	
Inception	<ul style="list-style-type: none"> <li>Initial inception meeting held between RNE and EIB team including representatives from the Hub, ASD, OPS and PJ; and</li> <li>Establish governance – lead contacts, weekly conference calls, monthly wider steering group meeting/VC.</li> </ul>
Project Review	<ul style="list-style-type: none"> <li>High level assessment of scale of RNE project pipeline and classification of projects by reference to the typology of possible financial support according to project risk/bankability; and</li> <li>The initial assessment will be based on information provided to the EIB by the RNE Executive and will consider both the funding needs and the likely timescale for implementation.</li> </ul>
<i>Investment Platform(s)</i>	
Market failure and demand for IP	<ul style="list-style-type: none"> <li>Identification of the main reasons, type and size of market failures and suboptimal investment situations;</li> <li>The assessment will be based on primary and secondary sources of information and interviews with key stakeholders from the public and private sector, including financial entities;</li> <li>Estimate of additional public and private resources to be potentially raised by the IP(s) and expected leverage effect that will result; and</li> </ul>

	<ul style="list-style-type: none"> <li>Initial conclusions as to potential products and likely demand</li> </ul>
Governance	<ul style="list-style-type: none"> <li>Review of existing forms of public intervention addressing the same market failures</li> <li>Identification of governance options, including linkage to RNE triple helix governance structure and existing JESSICA funds operational in the region; and</li> <li>Consideration of State aid and other regulatory issues relevant to the implementation of an IP</li> </ul>
EIB Operations engagement	<ul style="list-style-type: none"> <li>Early engagement with EIB OPS in relation to potential financing opportunities;</li> <li>Review of existing EIB operations in the area</li> </ul>
<i>Project Review/Technical Assistance Platform</i>	
Project Review	<ul style="list-style-type: none"> <li>Desk top review (supported by site visits as appropriate of up to 10 early win projects identified by RNE;</li> <li>Assessment of RNE strategy, related investment programme and overall promoter's capacity to structure potential Framework Loan operation.</li> </ul>
Technical Assistance Platform	<ul style="list-style-type: none"> <li>Review of current technical assistance available to support RNE projects;</li> <li>Assessment of demand for technical assistance across the sectors; and</li> <li>Consideration of implications establishing TA support within single IP</li> </ul>
<i>Final Report</i>	
Synthesis	<ul style="list-style-type: none"> <li>Final report to describe the findings of the initial study including any high level conclusions; and</li> <li>Recommendations for further actions to be undertaken to progress potential future work to support the implementation of the RNE project, together with proposed timetable.</li> </ul>

It is assumed that the RNE Executive will facilitate the timely cooperation of their relevant staff with the EIB during the execution of the Assignment, and that they will facilitate the timely cooperation of any other relevant national authority. In order to ease this process, workshops will be organised with the MA.

## 6 Deliverables

A Final Report will be delivered that will comply with the Agreement requirements. These requirements are subject to modifications during the assignment. The Final Report will have a draft version which will be shared with the RNE Executive to integrate their comments prior to the report being finalised. The Final Report will include an Executive Summary.

## 7 Steering group and project management

The RNE Executive will appoint a representative to be the EIB's day-to-day point of contact for all aspects related to the services. Regular project management protocols between the EIB and/or its

consultant and the representative of the RNE Executive will be discussed and agreed at the kick-off meeting.

## **8 Timetable**

The indicative timetable for submission of the deliverables is indicated below.

Deadline for submission of draft:	22 weeks after the commencement date.
Deadline for submission of comments on draft:	2 weeks after submission of draft.
Deadline for submission of final report:	2 weeks after receipt of comments.

It is understood that the timetable can be modified by mutual agreement between the EIB and the RNE Executive

All deliverables and outputs to be produced, and including the Final Report, will be in English.

The deliverables will be provided to the RNE Executive in a digital format.

The EIB will notify the RNE Executive in the event of any possible delay to the timetable.

## **9 Use of external consultants**

The EIB shall provide the deliverables to the RNE Executive, as described above. Where beneficial and subject to the EIB's internal rules and guidelines, external consultants and local experts may be contracted by the EIB to carry out the relevant parts of the analysis.