



**CONTRACT
FOR A PROJECT DEVELOPMENT SERVICES**

between

EUROPEAN INVESTMENT BANK

and

MALMÖ KOMMUN (MUNICIPALITY OF MALMÖ)

CONTRACT NUMBER ELENA-2010-016

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Definitions used in ELENA contracts between the Bank and Final Beneficiaries

Covenant of Mayors Initiative	means the initiative launched by the European Commission on 29 January 2008, under which the signatory cities have formally committed themselves to going beyond the objectives of the "20-20-20" Initiative in terms of reducing their CO ₂ emissions through energy demand and renewable energy actions
Elena Facility	European Local Energy Assistance Facility, set up by the European Commission and the European Investment Bank (EIB) under the Sustainable Energy Financing Initiative
Eligible Costs	means the costs of external experts contracted by the EIB or the Final Beneficiary, or additional staff hired by the Final Beneficiary (e.g. to set up project implementation units), to provide Project Development Services to help prepare, implement and finance the Investment Programme
Final Beneficiary	means any authority or any Public Body that benefits from Project Development Services under the Elena Facility
IEE II	means the Intelligent Energy Europe – II Programme (2007-2013) established under the CIP Decision (Decision No 1639/2006/EC of 24 October 2006 of the European Parliament and of the Council establishing a Competitive and Innovation Framework Programme (2007 to 2013))
Investment Programme	means an investment project or a group of projects, in the field of greenhouse gas emission reduction, energy efficiency and renewable energy sources
Leverage Factor	means the ratio between the total investment costs of the Investment Programme supported and the total cost of the project development service coming from the Elena Facility
Participating Countries	means countries participating in the IEE II
Project Development Services	means technical assistance requested by the Final Beneficiary to help prepare, implement and finance eligible Investment Programme and implement the operational objectives of the IEE II
Public Body	means a body created by a public authority or a legal entity governed by private law with a public service mission, financed more than 50% by public sources, whose internal procedures and accounts are subject to control by a public authority and for whose liabilities a public authority will accept responsibility in the event that the Public Body ceases its activities
"20-20-20" Initiative	means the European Union initiative which aims at reducing greenhouse gas emissions by at least 20%, increasing the share of renewables in energy consumption to at least 20% and improving energy efficiency by at least 20%, all by 2020

CONTRACT FOR PROJECT DEVELOPMENT SERVICES

CONTRACT NUMBER ELENA-2010-016

relating to the implementation of Project Development Services in the Project (contract reference) in the framework of the Elena Facility (the “**Contract**”) (This financing benefits from a grant under the CIP – Intelligence Energy Europe Programme)

The **European Investment Bank (EIB)** (hereinafter referred to as “the Bank”), established at 98-100, boulevard Konrad Adenauer, L-2950 Luxembourg, Grand Duchy of Luxembourg, represented for the purposes of signature of this agreement by Mr. Christopher Hurst, Director General and Mr. José María Fernández Martín, Head of Division,

on one part,

and

Malmö Kommun (Municipality of Malmö) (hereinafter referred to as “the Final Beneficiary”) established at **Malmö Stad, 20580 Malmö, Sweden**, represented for the purposes of signature of this contract by Mr Ilmar Reepalu, chairman of the City Executive Board

on the other part

HAVE AGREED

The **Special Terms** and the **General Terms** below, and the following **Annexes**:

Annex I	Description of the Project Development Services and the planned Investment Programme
Annex II	Estimated budget of the Project Development Services
Annex III	Eligibility rules for the Project Development Services and the planned Investment Programme
Annex IV	Technical implementation reports and financial statements
Annex V	Fiche for requesting ex-ante Bank comments on the terms of reference of large sub-contracts
Annex VI	EIB Guide to Procurement

In the event of discrepancies, inconsistencies and/or conflict between the terms of this Contract, the documents shall prevail in the following order:

- the Special Terms
- the General Terms
- Annex I

- Other Annexes

I — SPECIAL TERMS

ARTICLE I.1 — PURPOSE

I.1.1. The Bank has decided to award Project Development Services, entitled SPIS – Spårvagnar i Skåne (Tramways in Skåne) under the terms and conditions set out in the Special Terms, the General Terms and the Annexes to the Contract

I.1.2. The Final Beneficiary accepts the Contract and undertakes to do everything in its power to carry out the work programme defined for the project as described in Annex I, acting under [his/her/ or its if a legal person] own responsibility.

ARTICLE I.2 — DURATION

The Contract shall enter into force upon its signature by the parties and shall remain in full force and effect until 31st January 2014, unless terminated earlier in accordance with Article II.8.

ARTICLE I.3 — ROLE OF THE FINAL BENEFICIARY

The Final Beneficiary shall 'inter alia':

- (a) ensure that the Project Development Services are implemented in accordance with the Contract;
- (b) be responsible for supplying all documents and information to the Bank which may be required under the Contract, in particular in relation to the payment requests;
- (c) inform the Bank of transfers of budget, as provided in Article I.4.3;
- (d) establish the payment requests, detailing the estimated budget of Project Development Services as foreseen in Annex II, and the actual costs incurred.

ARTICLE I.4 — FINANCING THE PROJECT DEVELOPMENT SERVICES

I.4.1. The total Eligible Costs are estimated at EUR 3 300 525 [three million three hundred thousand and five hundred twenty five], as shown in the estimated budget of Project Development Services in Annex II.

I.4.2. The Bank shall contribute a maximum 90 % of the total Eligible Costs indicated in Article I.4.1., with a maximum of EUR 2 970 472 EUR (two million nine hundred seventy thousand and four hundred seventy two).

I.4.3. Changes between the 2 categories of estimated total Eligible Costs in Annex II (Direct staff costs and external experts) shall need prior written approval by the Bank and should be limited to a maximum of 10% of the total Eligible Costs indicated in Article I.4.1

I.4.4. The amount of the Investment Programme as defined under 1.4.5 to be prepared under the Project Development Services supported by this agreement must represent

at least 25 times the amount of the total contribution by the Bank as defined under 1.4.2 (Leverage Factor).

1.4.5 The amount of the Investment Programme corresponds to the sum of:

- a) the investment occurred during the contract period; and
- b) the estimated value of the contract for further investment which has been supported by the Project Development Services under this agreement, as published in the relevant notice relating to the procurement procedure for this investment in accordance with applicable procurement rules.

To qualify for the inclusion under point 1.4.5.b), the related budget must have been fully secured prior to publication and hence the award can not be made conditional on the availability of budgetary resources. Evidence to that effect must be provided. An eventual cancellation of the tender procedure in accordance with applicable rules for reasons other than the non availability of budgetary resources shall not affect the inclusion of the estimated value of the contract in the determination of the amount of the Investment Programme as per 1.4.5. b).

ARTICLE I.5 — PAYMENT ARRANGEMENTS

The Project Development Services shall be paid in accordance with the following provisions:

I.5.1. First pre-financing

Within 45 (forty-five) calendar days from the entry into force of the Contract, a pre-financing payment of EUR 1 188 188,80 [one million one hundred eighty eight thousand one hundred eighty eight and eighty cents] representing 40% of the amount specified in Article I.4.2, shall be made to the Final Beneficiary.

I.5.2. Second pre-financing

The Final Beneficiary may request a second pre-financing payment request of 30% of the amount specified in Article I.4.2, which shall be accompanied by the interim report as per I.6 below.

Payment shall be made to the Final Beneficiary upon approval by the Bank of the interim report. The Bank shall have 30 (thirty) days to approve or reject the report and to pay the second pre-financing, or to request additional supporting documents or information. The Final Beneficiary shall have 15 (fifteen) calendar days in which to submit additional information or a new report. The payment of the amount of the second pre-financing may be suspended by the Bank in accordance with the procedure in Article II.11.2.

I.5.3. Payment of the balance

Upon completion of the Project Development Services, the Final Beneficiary may send a payment request of the balance, accompanied by the final implementation report as per I.6 below.

The balance of the contractual amount shall be paid to the Final Beneficiary upon approval by the Bank of the final implementation report and after the Bank has checked that the amount of the Investment Programme prepared under the Elena project development has represented at least 25 times the amount of the Contract as defined under Article 1.4.2. If the Leverage Factor, as defined in Article I.4.4., is not respected, the Bank will have the right of recovery of part or all of the grant in accordance with the procedure in Article II.13 of the amounts paid pursuant to Articles I.5.1 and I.5.2.

The Bank shall have 60 (sixty) days to approve or reject the final implementation report and to pay the balance, or to request additional supporting documents or information. The Final Beneficiary shall have 20 (twenty) calendar days in which to submit additional information or a new report.

The payment of the balance may be suspended by the Bank in accordance with the procedure in Article II.11.2.

ARTICLE I.6 — SUBMISSION OF REPORTS AND OTHER DOCUMENTS

I.6.1. The Final Beneficiary shall submit, in accordance with Annex IV of the Contract, and in the format provided by the Bank, the following documents:

- a) inception report – detailed work programme after three months
- b) bi-annual progress reports;
- c) interim report (including financial statements);
- d) final implementation report (including financial statements).

All these documents shall be submitted in English or French, in 1 (one) original and 1 (one) electronic format. Any other deliverable shall be submitted in accordance with Annex I.

I.6.2. The interim report, covering the period from month 1 to month 18 shall be submitted within 30 (thirty) calendar days of the end of the reporting period in question.

I.6.3. The final implementation report shall be submitted within 30 (thirty) calendar days following the closing date of the Project Development Services specified in Article I.2. covering the whole duration of the Project Development Services.

I.6.4. Where the Final Beneficiary fails to present any of the required reports and fails to furnish an acceptable written explanation of the reasons why it is unable to comply with this obligation, the Bank may terminate this Contract, refuse to pay any outstanding amount and recover any amounts unduly paid.

I.6.5. The Bank shall review all reports specified in I.6.1 above but shall only give formal approval to the interim and final implementation reports.

ARTICLE I.7 - BANK ACCOUNT

Payments shall be made to the Final Beneficiary's bank account or sub-account denominated in Euro, as indicated below:

Name of the bank: Swedbank

Address of the branch: Stora kunder, 205 60 Malmö, Sweden

Precise denomination of the account holder: Malmö stad

Full account number (including bank codes): 8214-9, 137 672 622-8

IBAN account code: SE29 8000 0821 4913 7672 6228

BIC/SWIFT code: SWEDSESS

This account or sub-account must make it possible to identify funds paid by the Bank.

ARTICLE I.8 — GENERAL ADMINISTRATIVE PROVISIONS

Any communication in connection with this Contract shall be in writing, in English or in French, indicating the number of the Contract and the title of the Project Development Services, and shall be sent to the following addresses:

For the Bank:

European Investment Bank (EIB)

Projects Directorate

Mr. Mario Aymerich, Head of Division

98-100 Boulevard Konrad Adenauer

L – 2950 Luxembourg

Ordinary mail shall be considered to have been received by the Bank on the date on which it is formally registered by the unit responsible at the Bank referred to above.

For the Final Beneficiary:

Malmö kommun

Ms Kerstin Gustafsson, Director of the Streets and Parks department

Gatukontoret, 205 80 Malmö

ARTICLE I.9 - LAW APPLICABLE AND COMPETENT COURT

The Project Development Services are governed by the terms of this Contract and by EU law.

Any dispute between the Parties as to the interpretation, application, or performance of this Contract, including its existence, validity or termination, not settled amicably shall be submitted to the jurisdiction of the Court of Justice of the European Union.

II — GENERAL TERMS

PART A - LEGAL AND ADMINISTRATIVE PROVISIONS

ARTICLE II.1 — LIABILITY

II.1.1 The Final Beneficiary shall be responsible for complying with any legal obligations incumbent on it.

II.1.2 The Bank shall not, in any circumstances or on any grounds, be held liable in the event of a claim under the Contract relating to any damage caused during the Project Development Services execution. Consequently, the Bank will not entertain any request for indemnity or reimbursement accompanying any such claim.

II.1.3 Except in cases of *force majeure*, the Final Beneficiary shall make good any damage sustained by the Bank as a result of the execution or faulty execution of the Project Development Services.

II.1.4 The Final Beneficiary shall bear sole liability vis-à-vis third parties, including for damage of any kind sustained by them while the Project Development Services are being carried out.

ARTICLE II.2 — CONFLICT OF INTERESTS

The Final Beneficiary undertakes to take all the necessary measures to prevent any risk of conflicts of interests which could affect the impartial and objective performance of the project. Such conflict of interests could arise in particular as a result of economic interest, political or national affinity, family or emotional reasons, or any other shared interest.

Any situation constituting or likely to lead to a conflict of interests during the performance of the project must be brought to the attention of the Bank, in writing, without delay. The Final Beneficiary shall undertake to take whatever steps are necessary to rectify this situation at once. The Bank reserves the right to check that the measures taken are appropriate and may demand that the Final Beneficiary take additional measures, if necessary, within a certain time.

ARTICLE II.3 — OWNERSHIP/USE OF THE RESULTS

II.3.1 Unless otherwise stipulated in the Contract, ownership of the results of the Project Development Services, including industrial and intellectual property rights, and of the reports and other documents relating to it shall be vested in the Final Beneficiary.

II.3.2 Without prejudice to Article II.3.1 and II.4, the Final Beneficiary grants the Bank the right to make free use of the results of the Project Development Services as it deems fit.

ARTICLE II.4 — CONFIDENTIALITY

The Bank and the Final Beneficiary undertake to preserve the confidentiality of any document, information or other material directly related to the subject of the contract

that is duly classed as confidential, if disclosure could cause prejudice to the other party. The parties shall remain bound by this obligation beyond the closing date of the Project Development Services.

This undertaking shall not affect, however, any communication of information which is required by a rule of law or by an order of a court having jurisdiction in the matter, which may include communication of information to the European Commission, to the European Anti-Fraud Office (OLAF) and/or to the Court of Auditors.

ARTICLE II.5 — PUBLICITY

II.5.1 Unless the Bank requests otherwise, any communication, report or publication by the Final Beneficiary about the Project Development Services, including at a conference, training programme, seminar or symposia shall indicate that the project has received funding from the Elena facility under the CIP-Intelligent Energy Europe Programme. The Final Beneficiary shall ensure in general that suitable publicity is given in order to inform the public of the role of the European Commission in the Elena facility.

Any communication or publication by the Final Beneficiary in any form and medium, shall indicate that sole responsibility lies with the author and that the Bank is not responsible for any use that may be made of the information contained therein.

II.5.2 The Final Beneficiary authorises the Bank and/or the European Commission to publish the following information in any form and medium, including via the Internet:

- the Final Beneficiary' names and addresses,
- the subject and purpose of the grant,
- the amount granted and the proportion of the support total costs covered by the funding.

Upon a reasoned and duly substantiated request by the Final Beneficiary, the Bank may agree to forgo such publicity if disclosure of the information indicated above would risk compromising the Final Beneficiary security or prejudicing their commercial interests.

ARTICLE II.6 — FORCE MAJEURE

II.6.1 *Force majeure* shall mean any unforeseeable exceptional situation or event beyond the parties control which prevents them from fulfilling any of their obligations under the Contract, that was not attributable to error or negligence on their part, and proves insurmountable in spite of all due diligence. Defects in equipment or material or delays in making them available (unless due to *force majeure*), labour disputes, strikes or financial difficulties cannot be invoked as *force majeure* by the defaulting party.

II.6.2 A party faced with *force majeure* shall inform the other party without delay by registered letter with advice of delivery or equivalent, stating the nature, probable duration and foreseeable effects.

II.6.3 The party faced with *force majeure* shall not be held in breach of his obligations under the agreement if he's prevented from fulfilling them by *force majeure*. The parties shall make every effort to minimise any damage due to *force majeure*.

ARTICLE II.7 - AWARD OF CONTRACTS

II.7.1 If the Final Beneficiary has to conclude sub-contracts in order to carry out the project and these sub-contracts constitute Eligible Costs within the budget of the Project Development Services, they shall be awarded according to EIB Guide to Procurement, set out in Annex VI.

II.7.2 The tasks subcontracted must be set out in Annex I and the corresponding estimated costs must be set out in detail in the budget in Annex II.

II.7.3 The Final Beneficiary shall retain sole responsibility for carrying out the project and for compliance with the provisions of the Contract. The Final Beneficiary must undertake to make the necessary arrangements to ensure that the contractor waives all rights in respect of the Bank under the Contract.

II.7.4 The Final Beneficiary must undertake to ensure that the conditions applicable to them under Articles II.1, II.2, II.3, II.4, II.5 and II.14 of the Contract are also applicable to the subcontractor.

II.7.5 For sub-contracts with a total amount higher than 193 000 Euro the Final Beneficiary will be requested to present a request for comments on the terms of reference related to the subcontract to the Bank prior to the launch for tender. The Final Beneficiary shall submit this request in accordance with the Annex V of the Contract. The Bank will provide an answer to the request within 15 (fifteen) working days.

ARTICLE II.8 — TERMINATION OF THE CONTRACT

II.8.1 Termination of the Contract by the Final Beneficiary

In duly justified cases, the Final Beneficiary may withdraw the Final Beneficiary' request for support and terminate the Contract at any time by giving 60 (sixty) days written notice stating the reasons. Where the stated reasons are acceptable to the Bank, no compensation or indemnity shall be due by the Final Beneficiary. Where no reasons are given or the Bank does not consider the reasons to be acceptable, the Contract shall be deemed to have been terminated improperly and the second subparagraph of Article II.8.4 shall apply.

II.8.2 Termination by the Bank

The Bank may decide to terminate the Contract without any compensation or indemnity being due on its part, in the following circumstances:

(a) in the event of a change to the Final Beneficiary's legal, financial, technical, organisational or ownership situation that is liable to affect the project substantially or to call into question the decision to award the contract;

(b) if the Final Beneficiary fails to comply with any of its material obligations under the Contract;

(c) in the event of *force majeure*, notified in accordance with Article II.6;

(d) if the Final Beneficiary is declared bankrupt, is being wound up or is the subject of any other similar proceedings;

(e) if the Final Beneficiary is guilty of misrepresentation or submits information or reports inconsistent with reality to obtain the funds provided for in the Contract;

(f) if the Final Beneficiary has intentionally or by negligence committed a substantial irregularity in performing the project or in the event of fraud, corruption or any other illegal activity on the part of a Final Beneficiary to the detriment of the Bank's financial interests. A substantial irregularity shall consist of any breach to any contractual obligation or any applicable legal or regulatory provision resulting from an act or an omission on the part of a Final Beneficiary which causes or might cause a reputational damage or financial loss to the Bank;

(g) if the amount of the investment programme to be prepared under Elena Project Development Services represents less than 25 times the amount of this contract as defined in Article 1.4.2 (Leverage Factor).

II.8.3 Termination procedure

In the cases referred to in points (a), (b) and (d) of Article II.8.2, the Final Beneficiary shall have 30 days from the date of the notification of the Bank's decision to terminate the contract to submit his observations and take any measures necessary to ensure continued fulfilment of his obligations under the contract.

If notice is not given in the cases referred to in points (c), (e), (f) and (g) of paragraph 2, termination shall take effect from the day following the date on which notification of the Bank's decision to terminate the contract is received.

II.8.4 Effects of termination

In the event of termination of the Contract, payments by the Bank shall be limited to the Eligible Costs actually incurred by the Final Beneficiary up to the date when termination takes effect. Costs relating to current commitments that are not due to be executed until after termination shall not be taken into account. The Final Beneficiary shall have 60 (sixty) days from the date when termination of the Contract takes effect to produce final payment request

By way of exception, in the event of improper termination of the contract by the Final Beneficiary, or termination by the Bank on the grounds set out in points (e), (f) or (g) of Article II.8.2, the Bank may require the partial or total repayment of sums already paid under the Contract.

ARTICLE II.9— MODIFICATIONS TO THE CONTRACT

II.9.1 The Parties may agree to modify Annex I of this Contract at any time upon written request by one of the Parties, while respecting the eligibility rules stipulated in Annex III.

II.9.2 In addition, changes affecting the budget can only be made once when submitting the Interim Report. The transfer of cost from one category (direct staff costs or external experts / sub-contracts) to another should not exceed 10% of the total budget.

PART B — FINANCIAL PROVISIONS

ARTICLE II.10 — ELIGIBLE COSTS

II.10.1 Eligible Costs are costs of external experts contracted by the Final Beneficiary or costs related to additional staff hired by the Beneficiary (direct staff costs) which meet the following criteria:

- they are incurred during the duration of the Project Development Services;
- they are necessary for the implementation of the Project Development Services;
- they comply with the requirements of applicable tax and social legislation;
- they are reasonable, justified and comply with the requirements of sound financial management in particular regarding economy and efficiency.

The Final Beneficiary's internal accounting and auditing procedures must permit direct reconciliation of the costs and revenue declared in respect of the Project Development Services with the corresponding accounting statements and supporting documents.

Direct staff costs comprise actual salaries plus social security charges and other statutory costs included in the remuneration, provided that this does not exceed the average rates corresponding to the Final Beneficiary's usual policy on remuneration.

II.10.2 The following costs shall not be considered eligible:

- travel costs;
- costs of equipment;
- exchange losses;
- VAT, unless the Final Beneficiary can show that he is unable to recover it;
- costs declared by the Final Beneficiary and covered by another project or work programme receiving a Community grant;
- excessive or reckless expenditure.

ARTICLE II.11 — GENERAL PROVISIONS ON PAYMENTS

II.11.1 Payments shall be made by the Bank in Euros. Any conversion of actual costs into Euro shall be made at the rate published by the European Central Bank in Frankfurt, on such date within fifteen days preceding payment.

Payments by the Bank shall be deemed to be effected on the date when they are debited to the Bank's account.

II.11.2 The Bank may suspend the period for payment at any time by notifying the Final Beneficiary that his request for payment cannot be met, either because it does not comply with the provisions of the Contract, or because the appropriate supporting documents have not been produced or because there is a suspicion that some of the expenses in the financial statements are not eligible and additional checks are being conducted.

The Bank may also suspend its payments at any time if a Final Beneficiary is found or presumed to have infringed the provisions of the Contract, in particular in the wake of the audits and checks provided for in Article II.14.

The Bank shall inform the Final Beneficiary of any such suspension by registered letter with advice of delivery or equivalent, setting out the reasons for suspension.

Suspension shall take effect on the date when notice is sent by the Bank. The remaining payment period shall start to run again from the date when a properly constituted request for payment is registered, when the supporting documents requested are received, or at the end of the suspension period as notified by the Bank.

II.11.3 The Final Beneficiary shall have 2 (two) months from the date of notification by the Bank of the final amount of the grant determining the amount of the payment of the balance or the recovery order pursuant to Article II.13, or failing that from the date on which the payment of the balance was received, to request information in writing on the determination of the final contractual amount, giving reasons for any disagreement. After this time such requests will no longer be considered. The Bank undertakes to reply in writing within 2 (two) months following the date on which the request for information is received, giving reasons for its reply. This procedure is without prejudice to the Final Beneficiary's right to appeal against the Bank's decision pursuant to Article 1.9. Under the terms of Community legislation in this matter, such appeals must be lodged within 2 (two) months following the notification of the decision to the applicant or, failing that, following the date on which the applicant learned of the decision.

ARTICLE II.12 — DETERMINING THE FINAL CONTRACTUAL AMOUNT

II.12.1 The total amount paid by the Bank may not in any circumstances exceed the maximum amount laid down in Article I.4.2, even if the total actual costs eligible exceed the estimated total Eligible Costs specified in Article I.4.1.

II.12.2 If the actual eligible costs when the project development service ends are lower than the estimated total eligible costs pursuant to Article I.4.1, the Bank's contribution shall be limited to the amount obtained by applying the grant percentage specified in Article I.4.2 to the actual eligible costs approved by the Bank.

II.12.3 The Final Beneficiary hereby agrees that the final support shall be limited to the amount necessary to balance the project receipts and expenditures and that it may not in any circumstances produce a profit for them.

II.12.4 Without prejudice to the right to terminate the agreement under Article II.8, if the project is not implemented or is implemented poorly, partially or late, the Bank may reduce the support initially provided for in line with the actual implementation of the project on the terms laid down in the Contract.

II.12.5 On the basis of the amount of the final payment determined in this way and of the aggregate amount of the payments already made under the terms of the Contract, the Bank shall set the amount of the payment of the balance as being the amount still owing to the Final Beneficiary. Where the aggregate amount of the payments already made exceeds the amount of the final grant, the Bank shall issue a recovery order for the surplus.

ARTICLE II.13 - RECOVERY

II.13.1 Where an amount paid by the Bank to the Final Beneficiary is to be recovered under the terms of the Contract, the Final Beneficiary undertakes to repay the Bank the sum in question, on whatever terms and by whatever date it may specify. If the payment has not been made by the due date, the Bank reserves the right to recover directly the amount due from the Final Beneficiary.

II.13.2 If the obligation to repay the amount due is not honoured by the date set by the Bank, the amount due shall bear interest. Interest on late payment shall cover the period between the date set for payment, exclusive, and the date when the Bank receives full payment of the amount owed, inclusive. Any partial payment shall first be entered against charges and interest on late payment and then against the principal.

II.13.3 If payment has not been made by the due date, sums owed to the Bank may be recovered by offsetting them against any sums owed to the concerned Final Beneficiary after informing him accordingly by registered letter with advice of delivery or equivalent. In exceptional circumstances, justified by the necessity to safeguard the financial interests of the Communities, the Bank may recover by offsetting before the due date of the payment. The Final Beneficiary's prior consent shall not be required.

II.13.4 Bank charges occasioned by the recovery of the sums owed to the Bank shall be borne solely by the concerned Final Beneficiary.

ARTICLE II.14 — MONITORING, CONTROLS AND AUDITS

II.14.1 The Final Beneficiary undertakes to provide any detailed information requested by the Bank to check that the Project Development Services and the provisions of the Contract are being properly implemented.

II.14.2 The Final Beneficiary shall keep at the Bank's or at the European Commission's disposal all original documents, especially accounting and tax records, or, in exceptional and duly justified cases, certified copies of original documents relating to the Contract, stored on any appropriate medium that ensures their integrity in accordance with the applicable national legislation, for a period of 5 (five) years from the date of payment of the balance specified in Article I.5.3.

II.14.3 The Final Beneficiary agrees that the European Commission and/or the Bank may carry out audits and controls of the use made of the financial support, either directly by its own staff or by any other outside body authorised to do so on its behalf. Such audits and controls may be carried out throughout the period of implementation of the agreement until the balance is paid and for a period of 5 (five) years from the date of payment of the balance. Where appropriate, the audit findings may lead to recovery decisions by the Bank and/or the European Commission.

II.14.4 The Final Beneficiary undertakes to allow the Bank's staff and outside personnel authorised by the Bank and/or the European Commission the appropriate right of access to sites and premises where the Project Development Services are carried out and to all the information, including information in electronic format, needed in order to conduct such audits.

II. 14.5 The European Court of Auditors and the OLAF shall have the same rights as the Bank and the European Commission, notably right of access, as regards controls and audits.

SIGNATURES

The Contract is executed in three counterparts in the English language, each of which represents an authentic original of this document.

European Investment Bank

Date:

Malmö Kommun

(Final Beneficiary)

Date: 4th of February 2011

.....
Christopher Hurst
Director General

.....
Ilmar Reepalu
Chairman of the City Executive Board

.....
José María Fernández Martín
Head of Division

Overview of contract annexes

Annex I

Description of the Project Development Services and the planned Investment Programme

Annex II

Estimated budget of the Project Development Services

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Annex V

Fiche for requesting ex-ante Bank comments on the terms of reference of large sub-contracts

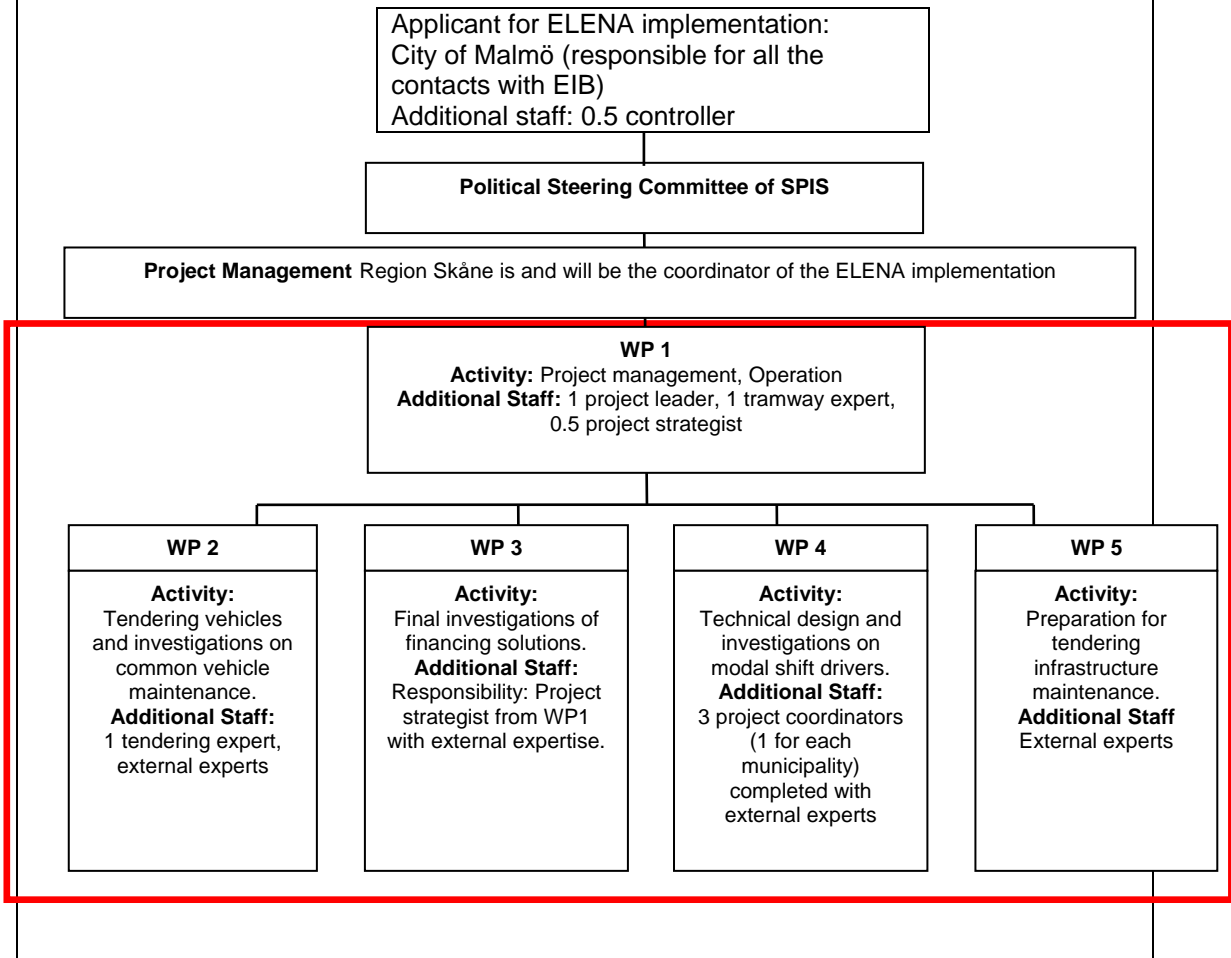
Annex VI

EIB Guide to Procurement

Annex I: Description of the Project Development Services and the planned Investment Programme

1. Location
<p>Location of the Project Development Services [country, region, province etc.]</p>
<p>The Region of Skåne and the cities of Malmö, Lund and Helsingborg, in Sweden. The physical location of the project office could be at any of the mentioned “premises” or in the cities that participate in SPIS, or actually move over the 3 years of ELENA, depending on where most of the implementation will be done.</p>
<p>Main purposes of the Project Development Services [short summary]</p>
<p>The SPIS investment programme consists of the coordinated planning and implementation of a new tramway network in the towns of Malmö, Helsingborg and Lund. The SPIS investment programme is very ambitious and the SPIS-ELENA part to which ELENA Project Development Services would contribute is a small but crucial part of the overall investment programme.</p> <p>The success of SPIS is clearly linked to the ELENA Project Development Services support in different ways. The joint and coordinated introduction tram systems in the three cities and the region will have spin-off effects for commuters and an additional positive effect on CO2 emissions and energy savings, thanks to the decrease of private car usage. The speeding up of the project implementation by up to three years thanks to the common activities carried out within ELENA will also have an important effect of anticipating much needed improvements in urban environment due to the reduction of traffic-related CO2 emissions.</p>
<p>Description of the Final Beneficiary [Local or regional authority, municipality, groupings of them, public body,...]</p>
<p>The Municipality of Malmö.</p> <p>The application consists of a cooperation project, called SPIS, for the city of Malmö, Lund and Helsingborg and the Skåne Regional Council. All the partner councils have agreed on the SPIS cooperation for the coordinated implementation of a new tramway network. An official agreement has been signed within ELENA, as a base for the current project as such.</p> <p>Malmö signed the Covenant of Mayors on January 9th 2010 and Lund signed it on November 10th 2009.</p>
<p>Role of the Final Beneficiary in the Investment Programme to be prepared</p>
<p>Beside the applicant, the project also consists of several partners. All the partners’ councils have agreed on a SPIS cooperation for tramways. An official agreement has been signed within ELENA. The tramway investment programme in the cities of Malmö, Lund and Helsingborg are local projects, managed locally by the municipalities. In Helsingborg it is the Municipal board and the board of city planning who are responsible for tramway planning. In Lund it is the Technical Services Department and the Department of City Planning who are responsible for it.</p> <p>The organisation scheme below displays the SPIS organisation’s construction. This organisation will also be valid with ELENA funding. The municipalities of Malmö, Lund and Helsingborg have the same role in the project although the City of Malmö is the final</p>

beneficiary of ELENA who coordinates the application and the ELENA support to implement the project. The Skåne Regional Council, who is also a partner of SPIS, is the project coordinator.



2. Description of the Project Development Services

Aims and objectives of the Project Development Services

[Needs to be addressed in form of e.g. management capacity or studies or legal advice etc.);

The success of SPIS is clearly linked to the ELENA development services in different ways. The joint and coordinated introduction tram systems in the three cities and the region will have spin-off effects for commuters and an additional positive effect on CO2 emissions and energy savings, thanks to the decrease of private car usage. The speeding up of the project implementation by up to three years thanks to the common activities carried out within ELENA will also have an important effect of anticipating much needed improvements in urban environment due to the reduction of traffic-related CO2 emissions.

The value added brought about by the Project Development Services and therefore an ELENA-funded SPIS-project can be synthesised by the following main aspects:

1. Without ELENA funding, coordination over administrative borders is difficult even though the benefits are obvious.
2. Unlike "usual" tramway investment programmes, SPIS will coordinate large parts of the work in three different cities. This unique advantage would lead to synergy effects which will result in time and money savings. ELENA would allow SPIS to work with joint staff (2 additional experts and 5 senior experts) and make the most of synergies in terms of joint final studies and planning, joint procurement and tendering for common technical platforms and trams use. This also means

that the implementation and money spending would be more effective, as one city could benefit from the others' experience and vice-versa, with a coordinated project management and supervision. On top of that, as a final —and even more important— result, system users would benefit from an integrated, joint platform for transport/trams in all the three cities, which would provide them with a more integrated planning (timetables), information and ticketing/fare system.

3. ELENA support would allow SPIS to save time in the preparation and implementation —up to 3 years for Malmö and Helsingborg— which means an earlier introduction of the tramways, thus anticipating a positive energy and environmental impact, therefore addressing some of the most urgent issues of the beginning of the third millennium. In other words, city renewal, the start of the tramway systems and the connected modal shift would occur earlier than if every city had developed its own investment programme by itself.
4. ELENA will allow to bridge the gap of urgent funding for the project to go from plan to implementing the investment plan, funding that will not be available currently from the partners to put in under a joint SPIS concept.
5. ELENA would allow SPIS to finalise the business and financial plan for the implementation and financing of the investment program and for the following phase of operation of the new tramway network.

SPIS requires additional support from external experts due to the lack of internal resources and to the complexity and specificity of some activities to be carried out.

Indicative activities included in the Project Development Services (personal costs, external services, etc) and main justification. Estimated total budget for the assistance including a detailed budget breakdown according to activities

The total cost of the project development services is estimated at EUR 3 300 525.

SPIS requires additional support from external experts due to the lack of internal resources and to the complexity and specificity of some activities to be carried out. In total 8 additional staff will be hired: 1 project leader, 1 tramway expert, 1 tendering expert, 3 project coordinators, 0,5 controller and 0,5 project strategist. In total 6 full-time and 2 part-time (50%) jobs. This means in total 7 full time jobs, even though one of the employments is split into two different additional persons working 50% with ELENA and 50% on other tasks. The two 0.5 employments will be two persons employed by the city of Malmö and Region Skåne at 100%, but 45% of the costs will be covered by ELENA for both the city of Malmö and Region Skåne.

All staff recruited to work in the SPIS project, under the ELENA grant, will be recruited specifically for the purpose of implementing the SPIS project. This applies as well in those cases for which the persons are working half time and not full time. New posts will be advertised according to Swedish regulation and the recruitment procedure will follow Swedish law.

The total cost for the additional staff (2 additional senior experts, 4 full-time experts and 2 part-time —50%-- experts) of the Project eligible under ELENA is estimated at EUR 1 670 400 over three years.

The main technical assistance activities, which will include the Work Packages (WP) described in the following table, will be carried out by external consultants for a total budget amount of EUR 1 630 125.

WP1: Assessment and support for the management unit	EUR 141 750
WP2: Support for tendering preparation, tendering and defining maintenance approach of vehicles	EUR 307 125
WP3: Support for financial studies	EUR 177 190

WP4: Support to the development of common standards and specifications and procedures concerning interoperability,, etc to improve energy efficiency in the system, and defining city renewal standards for promoting modal shift.	EUR 945 000
WP5: Support for gathering the basic data for the definition of the best approach for an innovative quality system for the tramway infrastructure maintenance.	EUR 59 060

WP 1 is the horizontal task of SPIS-ELENA project management. SPIS partners do not have currently the required staff to lead and launch such a big project which takes a lot of time and requires a lot of experience therefore they have decided to hire additional staff and consultants to support them.

WP 2 consists of the preparation and implementation of the common tender procedure for the purchase of tram vehicles for the three cities, and is carried out in cooperation with the Skåne/Skånetrafiken Region. It is foreseen to acquire the most advanced technologies to the extent that it possible targeted to obtain the highest reduction in both energy consumption and CO2 emissions.

WP 3 consists of the necessary activities to investigate the optimal solutions for the financing of the new tramways in the three cities. This analysis would include joint work on possible complementary actions that would encourage sustainable mobility and help financing public transport, such as road pricing/congestion charging, environmental tax on cars, parking fare system.

WP 4 consists of the analysis and definition of two basic design issues: (i) common technical standards for the track infrastructure; (ii) the urban development surrounding the new tramway system, but being an integral part of it, achieving standards which contribute to the promotion of modal shift. A common approach for the three cities shall be defined.

WP 5 consists of the necessary activities to define the best approach for a common innovative quality system for the tramway infrastructure maintenance. The support will be given to find solutions that take into account the different time plans of the cities and to try to find synergy effects with the existing maintenance services for the railway.

Indicative implementation timetable for the Project Development Services, indicating the link between the Project Development Services and the Investment Programme [presenting the main milestones for the requested assistance and their relation with the Investment Programme, see attached table milestone presentation for measuring leverage factor]

The timetable below summarises the whole tramway investment programme from January 2011 to December 2020. The project is divided into a first phase, the so called "SPIS-ELENA (2011-2013)" and the remaining six themes not forming part of the ELENA application. The six non-ELENA parts are: internal project management and organisation for each partner, studies necessary for the Swedish railway planning law, acceptance of required legal plan, tendering for infrastructure construction and construction of infrastructure. All these parts need to be done separately by each municipality according to the Swedish law and to the municipalities' internal organisation.

Some functions that are not part of the ELENA application are marked in orange. These partial projects (Studies according to the Swedish railway planning law and Tendering infrastructure construction) are very tightly connected to the work that is done in the SPIS ELENA WPs 2, 3 and 4. WP 5 (Basic data for tendering infrastructure maintenance) is not directly connected to any particular partial project, but is important for the successful implementation and start of the entire investment programme and, in extension, to reach the later on outlined energy savings and CO2 emission decrease as early as possible.

line scale	SPIS							WP (in-depth description in the 4 th chapter of the application)				
	Project management, Communication, Organisation	Studies according to the Swedish railway planning law		Acceptance of required legal plans		Tendering infrastructure construction			Investment phase infrastructure		Ordering and purchase of vehicles	
		Region Skåne/Sjötrafiken	Helsingborg	Århus	Valmø	Helsingborg	Århus		Valmø	Helsingborg	Århus	Valmø
2011, 1 st quarter												ELENA WP 1
2011, 2 nd quarter												ELENA WP 2
2011, 3 rd quarter												ELENA WP 3
2011, 4 th quarter												ELENA WP 4
2012, 1 st quarter												ELENA WP 5
2012, 2 nd quarter												
2012, 3 rd quarter												
2012, 4 th quarter												
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2019, 2 nd quarter												
2019, 3 rd quarter												
2019, 4 th quarter												
2020, 1 st quarter												

Applicants commitment to facilitate dissemination of experiences and results

Malmö, Lund, Helsingborg and Region Skåne are members of the following networks:

- Covenant of Mayors signatory
- Member of Energy Cities <http://www.energy-cities.eu/>
- Member of Eurocities, vice chairman Environmental forum, preliminary chairman 2011-2012 www.eurocities.eu
- Member of ICLEI <http://www.iclei.org/>
- Member of CIVITAS
- Member of UBC Union of Baltic cities www.ubc.net
- Member of UITP <http://www.uitp.org/>
- Member of SKL and indirectly CEMR
- Member of Baltmet
- Member of Simillar cities network
- Member of Healthy Cities
- Member of BSSSC
- Member of CPMR
- Member of Öresund Committee
- Member of Swedish Association of Local Authorities and Regions (SALAR)
- Member of Scandinavian Arena
- Brussels office, networking with other European cities and regions Brussel offices
- IBU-Öresund
- Spårvagnsstäderna, the cities for tramways in Sweden, is a national network. The organisation transmits knowledge about tramways and stimulates the cooperation. Members are municipalities, public transport authorities, companies and interest groups. All three cities: Malmö, Lund and Helsingborg are members in the network today and will relay important facts and experience from SPIS to the network.

The experience from the SPIS project will be spread on all those networks. For others; the SPIS project will also arrange and participate in lectures, both internally and externally and also create an own SPIS-website.

3. Presentation of Investment Programme
<p>Location of the planned Investment Programme [country, region, province etc.]</p>
<p>The Region of Skåne and the cities of Malmö, Lund and Helsingborg, in Sweden.</p>
<p>Description of the planned Investment Programme <i>[Energy efficiency investments, investments in the production of renewable energy, freight and urban transport, a mix of them,...]</i></p>
<p>The total investment programme is estimated at some EUR 421 m and the SPIS-ELENA contribution represents approximately 39% of it (amounts to some EUR 170.5m). The investment is targeted at providing a high-quality public transport system, in terms of level of service, capacity, impact on environment and energy consumption. Indeed, the existing system lacks sufficient quality, capacity and therefore attractiveness to users, which does leave enough room for improvement to allow for the achievement of the concerned areas' ambitious goals of energy efficiency, modal shift and CO2 emissions reduction.</p> <p>The conceptual approach to the project and its main goals, based on the change from a bus-based to a tram-based public transport system, consists of four components:</p> <ol style="list-style-type: none"> 1. reduction of emissions (in particular emissions that are harmful for the environment, notably CO2) and of energy consumption due to service operation 2. increase in offered capacity (larger vehicles, better frequencies and regularity, which strongly influence modal shift in particular from private cars) 3. longer economic life/Life Cycle (vehicles with long life cycles need to be changed less often than vehicles with short life cycles; this means a more effective, long-term utilisation of the energy used to produce the vehicles) 4. reduction in energy usage per passenger-km, with the possibility of energy recovery due to the technology used for modern standards tram vehicles. <p>The Main project components of the whole investment are the following:</p> <p>New tramway line in Malmö</p> <ul style="list-style-type: none"> • Number of lines: 2 lines • Length: 10,8 and 9,6 km respectively, with in total 18,9 km of double track (parts are the same for both lines) • Number of stops: 21 and 19 respectively, in total 35 (5 for both lines) • New trams:23 <p>New tramway line in Helsingborg</p> <ul style="list-style-type: none"> • Number of lines: 1 line • Length: 9,5 km • Number of stops: 13 • New trams:11 <p>New tramway line in Lund</p> <ul style="list-style-type: none"> • Number of lines: 1 line • Length: 7 km • Number of stops: 9 • New trams: 8
<p>Description of the approach to implement the Investment Programme</p>
<p>Lund, Malmö and Helsingborg have very concrete plans for establishing tramway systems. Lund has taken the lead and aims to open their tramway line (in large parts a converted bus lane) already in 2014. The final preparing study (required by the Swedish Road and Railway</p>

Administration, Trafikverket) was started in autumn 2010. Malmö's plans are clear and concrete as well but due to the projects larger size and complexity, an opening of the tramway system has to wait until approximately 2016 at the earliest. In Helsingborg the aim is to open the first tramway line in 2018 at the earliest.

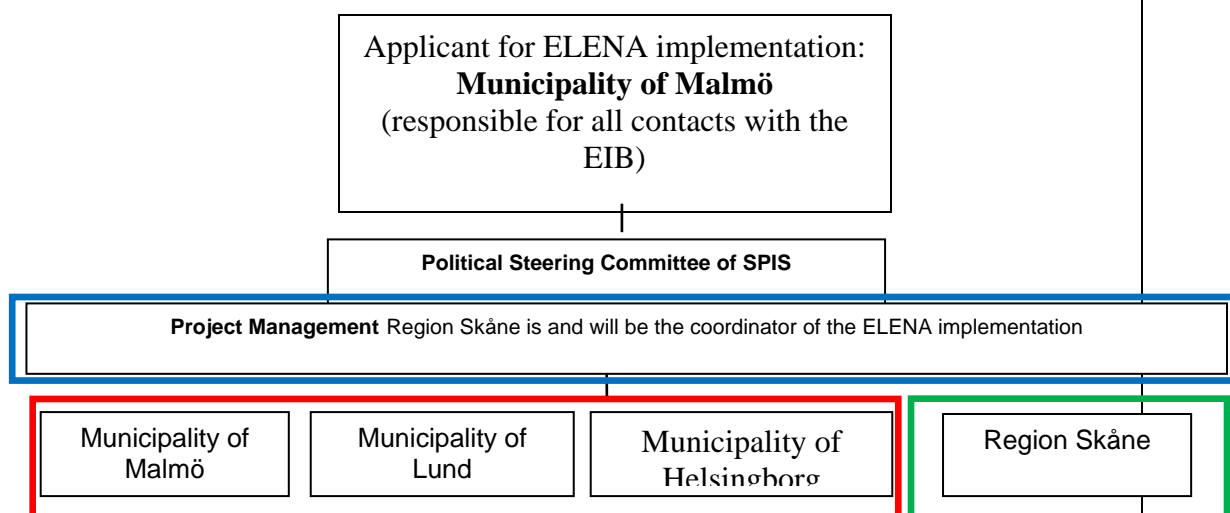
To be able to reach these realistic but ambitious goals of introducing three new tramway systems in three different municipalities, a near cooperation between the municipalities, the Region Skåne and Skånetrafiken is needed. Large parts of the individual projects needs to be done by every municipality by their own management but there are also a large part of "framing" work that can be done together. This coordination of, for example, standards, promoting modal shift and tendering will speed up the process in all of the three municipalities and lead to a cost effective work (the actual basic work only has to be done once and the purchase of different services and material needed can be purchased in larger quantities with a lower price level). A faster process with an introduction of tramway based public transport also means that this form of environmental friendly, attractive and high capacity public transport system can starting to play its role for energy saving and capacity enlargement earlier.

The aim with the cooperation project SPIS is, thus, to work for an establishment of tramway in Skåne, to improve the cooperation of the partners involved, to investigate common questions, and to commonly communicate the projects' benefits, both internally in each municipality, regionally in the region and externally to external partners. Due to this innovative cooperation, synergy effects can be exploited as mentioned above (same design, same vehicles, same regulations etc.) and the importance of the individual tramway projects can be extended from local to regional

Beside the applicant, the project also consists of several partners. All the partners' councils have agreed on the SPIS cooperation for tramways. An official agreement will be signed within ELENA.

The tramway investment programme for the cities of Malmö, Lund and Helsingborg are local projects, managed locally by the municipalities. In Helsingborg it is the Municipal board and the Board of city planning who are responsible for the tramway planning. In Lund it is the Technical services department and the Department of city planning who are responsible for the tramway planning.

The major elements of the institutional, organisational and contractual set-up for the implementation of the project are described through the following chart:



The municipalities of Malmö, Lund and Helsingborg will carry out the investments in infrastructure in their city areas (red frame above). Skåne Region will carry out the investments in vehicles (green frame above) and coordinate the whole implementation project (blue frame above).

Expected results in terms of increase in energy efficiency, decrease in energy consumption, renewable energy production and reduction of greenhouse gas emissions
[estimation requested in absolute annual figures (e.g. MWh or t CO₂eq) before and after implementation of Investment Programme]

The figures for the calculations of the energy and CO₂ savings of the whole project are based on energy and CO₂ savings due to the reduction of the number of buses (currently operating based on a fleet with a mix of CNG and CBG today, with an increase in CBG use every year) and of the Energy and CO₂ deriving from the tramways operation. The tramways are estimated to use 100% green electricity, which means that there shall be no CO₂ emissions related to their operation. In addition, energy and CO₂ savings due to the reduction of car usage, due to the large scale public transport efforts and strategy (introduction of tramways) and to strategic large scale mobility management (environmental programmes and traffic environmental programmes in the three cities and Region Skåne) have also been taken into account in the calculations of the total estimated energy and CO₂ savings of the ELENA-SPIS project.

According to promoter's assumptions, which are deemed acceptable, the full potential for transferring former car users to tramway (rule by half, i.e. half of the new project users are former car users) is estimated to take about 4 years, with 50% of the potential achieved in the first year, another 30% in the second year and 15% in the third year. Calculations made are based on the following assumptions concerning projects implementation: tramways in Lund in 2014, Malmö in 2016 and Helsingborg in 2018. These ambitious timetables will be met only thanks to the different coordination, planning and design activities foreseen under the SPIS-ELENA assistance.

In terms of energy efficiency, taking into account as baseline scenario the overall energy consumption of users affected by the project (e.g. those who would shift from private cars to public transport), the project would result in more than 80% increase for the three cities:

		2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
SPIS ELENA											
SPIS Post-ELENA											
Energy saving Lund											
(MWh/yr)	Bus					-3304	-3304	-3304	-3304	-3304	-3304
	Tram					2184	2184	2184	2184	2184	2184
	Largescale public transport efforts and strategy*					-5093.459443	-8156.418162	-9688	-10186.91889	-10186.91889	-10186.91889
	Strategic largescale Mobility management*					-3164.118745	-5066.865828	-6018	-6328.23749	-6328.23749	-6328.23749
	Total					-9377.578188	-14343.28399	-16826	-17635.15638	-17635.15638	-17635.15638
Energy saving Malmö											
(MWh/yr)	Bus							10194	10194	10194	10194
	Tram							9402.66667	9402.66667	9402.66667	9402.66667
	Largescale public transport efforts and strategy*							1394	2274.274	2674.274	2742.8174
	Strategic largescale Mobility management*							6667	11742.4616	13742.4616	14742.8174
	Total							-23237	-36706	-43440	-45685
Energy saving Helsingborg											
(MWh/yr)	Bus									-4760	-4760
	Tram									5461.333333	5461.333333
	Largescale public transport efforts and strategy*									-11909.17211	-12032.58322
	Strategic largescale Mobility management*									-7398.122066	-7474.786544
	Total									-18605.96084	-18806.03643
TOTAL Energy saving SPIS (MWh/yr)						-9377.578188	-14343.28399	-40063	-54341	-79682	-82126.46038
CO₂ Lund (tonnes/yr)											
	Bus					-166	-143	-120	-96	-73	-50
	Tram					82	82	82	82	82	82
	Largescale public transport efforts and strategy*					-1679.261167	-2686.25055	-3195	-3358.522335	-3358.522335	-3358.522335
	Strategic largescale Mobility management*					-1409.049401	-2254.003012	-2681	-2818.098802	-2818.098802	-2818.098802
	Total wtw**					-2806.438559	-4415.981952	-5218	-5458.877119	-5435.877119	-5412.877119
CO₂ Malmö (tonnes/yr)											
	Bus							-291	-225	-225	-153
	Tram							353	353	353	353
	Largescale public transport efforts and strategy*							344	714.03604	867.03604	9130.0374
	Strategic largescale Mobility management*							381	4128.30511	7272.86748	7860.01182
	Total wtw**							-7417	-11785	-13934	-14602
CO₂ Helsingborg (tonnes/yr)											
	Bus									-71	-71
	Tram									205	205
	Largescale public transport efforts and strategy*									3863.13748	3861.01897
	Strategic largescale Mobility management*									3333.18948	3338.88198
	Total wtw**									-6132.207228	-6297.379982
TOTAL CO₂ saving SPIS (tonnes/yr) wtw**						-2806.438559	-4415.981952	-12635	-17244.25916	-25501.72552	-26311.98375

Explanations:

Wtw: Values based on Wheel to Wheel

*means the potential of these measures is from an investigation from the Swedish Institute of Communication Analysis, "Potential för överflyttning mellan trafikslag" (The potential in modal share between different transport means) SIKA Rapport 2008:10.

means wtw values based on Wheel to Wheel.

Thanks to ELENA it will be possible for SPIS to commonly save 280 000 MWh for the period 2014 to 2020 – some 82 000 MWh per year from 2020. The CO2 savings will be about 89 000 tonnes for the period 2014-2020 – more than 25 000 tonnes per year from 2020. These savings are deemed slightly optimistic, but as mentioned base assumptions fall within quite standard ranges and are therefore acceptable.

In terms of energy efficiency, taking into account as baseline scenario the overall energy consumption of users affected by the project (e.g. those who would shift from private cars to public transport), the project would result in more than 80% increase for the three cities:

Ante-project	MWh/year	%
Total energy consumption due to bus production suppressed with the project	18 300	
Total energy consumption due to car trips eliminated by modal shift from private cars to the new tramway system (due to the project implementation combined with complementary sustainable mobility measures such as parking restrictions etc.)	80 900	
Total energy consumption ante-project	99 200	
Post-project		
Total energy consumption (to run the new tramway system)	17 000	
Total avoided energy consumption (difference between ante and post-project scenarios)	82 200	83

On top of this, without ELENA, project design and implementation would happen less effectively and fast, so that it will not be possible for Malmö or Helsingborg to open the tramway system as early as 2016 and 2018. The expected ELENA acceleration impact is estimated in the range of 3 years, so that without its assistance new tramways openings would happen in 2018 for Malmö and 2020 for Helsingborg, which means that the expected positive impacts on energy consumption and environment would not occur until 2019 (Malmö) and 2021 (Helsingborg). Achievement of full results would require additional time, so that as an example the full effect of the system in Malmö would not occur until 2022 (expected passengers ramp up period in particular for people shifting from cars to public transport, is estimated in the range of 4 years, with 50% of the potential achieved the first year, another 30% the second year, another 15% the third year and the last 5% the fourth year).

In this sense, taking into account the main ELENA reference period, 2014-2020, in the without-ELENA support scenario total saved energy consumption would go down from the current total estimate of about 280 000 MWh to some 153 000 MWh, thus meaning that the SPIS-ELENA optimisation and acceleration effect would translate into a saving of about 127 000 MWh over this period, or an increase in energy efficiency of about 83%.

Same for CO2 emissions: total saved emissions without ELENA support over the period 2014-2020 would be about 48 000 tonnes, which is some 41 000 tonnes less than in the scenario under the ELENA support (89 000 tonnes as already mentioned).

Expected other relevant results
[e.g. in terms of employment, capacity building etc.]

One synergy effect of the SPIS cooperation will also be visible in lowering the total costs for all the three projects. Another relevant result is that the three tramway systems will have the same standards, the same vehicles and the same information system. The local importance of tramway is in that way getting regional. Travelling by public transport from one city to another in Skåne is, thus, facilitated for the customers.

Other important results are:

- Urban renewal (important for a long-term change in modal split)

<ul style="list-style-type: none"> - Less segregation (connecting more people to the public transport system and therefore also connecting them to more job opportunities further away) - More capacity in the public transport system and therefore rising the attractiveness of public transport (important for the future attractiveness of public transport and, thus, for increasing the public transport share of the modal split) - Economic better viability (described in the appendix attached reports "Kollektivtrafikens förutsättningar – regional utveckling och attraktivitet" and "Social konsekvensanalys av kollektivtrafiksystem i Malmö") - Reduction of noise since much lauder buses will decrease and also less cars due to the acctractiveness of tramways. - Reduction of pollution due to tramways on electric power instead of buses on CNG or CBG and to less cars
<p>Expected overall investment cost [indicating the share of investment dedicated to energy efficiency and RES in buildings, urban transport, local infrastructure, ...]</p>
<p>The total investment within the SPIS-ELENA period amounts to some EUR 170.5m.</p> <p>The total investment cost is divided into trams and the needed infrastructure. The infrastructure investments are all dedicated to energy efficiency, since it is impossible to be able to implement tramways otherwise. Regarding the investment costs for the trams, they are not dedicated to energy efficiency at all since it at least theoretically would be possible to use buses instead. But then the modal shift of public transport will not be as big as it will be with trams, and therefore not that energy efficient.</p>
<p>Preliminary financing plan for the Investment Programme</p>
<p>Concerning the financing, all of the three cities have the realistic ambition of financing 50% of the investment programme on their own from different sources such as mobility or road pricing, poll-tax, use of financial resources, surplus of developable land thanks to the tramway and so on. The remaining 50% of financing will be covered by different means than municipal sources such as, for example, PPP solutions and national and regional funding.</p> <p>SPIS ELENA WP3 will further investigate the possibilities of financing sources. This does not include the vehicles. They will be bought by Skånetrafiken/Region Skåne and a form of PPP-financing seems possible.</p> <p>The SPIS project considers loans from the European Investment Bank (as for the Öresund trains) and cooperation with the Bank as one very important source of both knowledge and financing.</p>
<p>Preliminary implementation timetable for the Investment Programme [start and end-date]</p>
<p>The total investment cost (2011-2013) investment amounts to EUR 170.5 m and the preliminary implementation time table is the following:</p> <ul style="list-style-type: none"> • Year 2: 110.000.000€ Including: 42 trams (Region Skåne) • Year 3: 60.500.000€ Including: Infrastructure construction (Lund)

		ELENA												Post-EL		
3																
4																
5	W/P (in-depth description in the 4 th chapter of the application)	ELENA WP 1	0,66 million €													
6		ELENA WP 2	0,62 million €													
7		ELENA WP 3	0,18 million €													
8		ELENA WP 4	1,78 million €													
9		ELENA WP 5	0,00 million €													
10	Ordering and purchase of vehicles	Region Skåne/Skånetrafiken													Order	10 million € (including options)
11	Investment phase infrastructure	Lund														60 million €
12		Malmö														
13		Helsingborg														
14	Tendering infrastructure construction	Lund													0,5 million €	
15		Malmö														
16		Helsingborg														
17	Acceptance of required legal plans	Lund													0,9 million €	
18		Malmö														0,9 million €
19		Helsingborg														
20	Studies according to the Swedish railway planning law	Lund													0,25 million €	
21		Malmö														0,25 million €
22		Helsingborg														
23	Project management, Communication, Organisation	Lund														
24		Malmö														
25		Helsingborg														
26		Region Skåne/Skånetrafiken														
27	Time scale		2011, 1 st quarter	2011, 2 nd quarter	2011, 3 rd quarter	2011, 4 th quarter	2012, 1 st quarter	2012, 2 nd quarter	2012, 3 rd quarter	2012, 4 th quarter	2013, 1 st quarter	2013, 2 nd quarter	2013, 3 rd quarter	2013, 4 th quarter		
28																

4. Overview table: Milestones presentation for measuring leverage factor

Reporting time (end of year)	Estimated budget Project Development Service			Milestones for Investment Programme implementation (indicate here the part of the total Investment Programme which is planned to be launched at the indicated reporting time)						Leverage factor according to phasing + milestones
	Staff costs [in EUR]	External experts / subcontracts [in EUR]	Sub-total [in EUR]	Short description of area, technologies concerned ¹	Identification of investor ²	Estimated total costs [EUR]** #	Estimated annual final energy saved for EE projects ³ [in GWh]	Estimated annual final energy production by RES ⁶ [in GWh]***	Estimated annual reduction of CO2 eq [in t]****	
Year 1	556 800	582 752	1 139 552	Tramway	SPIS	0	0*	-	0*	0
Year 2	556 800	543 375	1 100 175	Tramway	SPIS	110 000 000	0*	-	0*	111
Year 3	556 800	503 998	1 060 798	Tramway	SPIS	60 500 000	0*	-	0*	63
TOTAL⁴	1 670 400	1 630 125	3 300 525	Tramway	SPIS	170 500 000	0*	-	0*	57
Interim report (cumulated, at date chosen by applicant)										July 2012
2014	0	0	0	Tramway	SPIS	0	0*	-	0*	-
2015	0	0	0	Tramway	SPIS	170 500 000	10,7426	-	2 806,44	-
2016	0	0	0	Tramway	SPIS	0	15,7083	-	4 415,98	-
2017	0	0	0	Tramway	SPIS	80 500 000	47,3051	-	12 635,3	-
2018	0	0	0	Tramway	SPIS	0	61,5829	-	17 244,3	-
2019	0	0	0	Tramway	SPIS	0	90,3366	-	25 501,7	-
2020	0	0	0	Tramway	SPIS	0	92,7815	-	26 312,0	-
TOTAL	1 670 400	1 630 125	3 300 525	Tramway	SPIS	421 500 000				

¹ Specifying which main area concerned (i.e. EE, RES, transport or urban infrastructure) and which technology(ies)/measure(s) implemented

² Indicate the final investor, the one who will order the work to be carried out

³ Indicate the main type of energy saved or produced (thermal or electrical)

⁴ Total of estimated budget should be the same as in budget table or in Investment Programme presentation

The actual investment project is too large to display in the original standard table. The applicant has decided to complete the table (coloured cells) to be able to give a better picture over the project.

Table references:

*Energy and CO2 savings will be realised first in 2015 when the tramway has been implemented and the following years after that. Please see page 16.

** The costs are split according to the investment programme's timetable

*** The investment programme is not producing energy but aims to achieve significant energy savings and CO2 decrease in urban transport. No figures can be provided for this column.

**** Figures for wtw were used in the table

In 2012 vehicles are planned to be ordered. The figure also includes the ordered options for Malmö and Helsingborg.

Annex II: Estimated Budget of Project Development services

Title of project Development Service: SPIS – Spårvagnar i Skåne (Tramways in Skåne)

Applicants name: The Municipality of Malmö.

Direct staff costs			
Categories of staff to work on the project (e.g. senior expert, expert, junior expert; project assistant etc.)	Monthly salary (EUR) (A)	Number of work months on project (B)	Direct Staff costs (EUR) (AxB)
2 senior experts (2*8700 Euro)	8700	72	626400
5 experts (5*5800 Euro) (4 full-time experts and 2 part-time (50%) experts)	5800	180	1044000
Total direct staff costs			1670400
External experts / subcontracts			
Type of activities / support	Description of tasks to be carried out		Total [EUR]
WP 1	Assessment and support for the management unit		141750
WP 2	Support for tendering preparation, tendering and defining maintenance approach of vehicles		307125
WP 3	Support for financial studies		177190
WP 4	Support the development of common standards and specifications and procedures concerning interoperability, etc to improve energy efficiency in the system, and defining urban renewal standards for promoting modal shift.		945000
WP 5	Support for gathering the basic data for the definition of the best approach for an innovative quality system to target the promotion of the tram linked to the maintenance of the infrastructure, which will make the tramway a more reliable and, thus more attractive and it will also gain the modal shift.		59060
Subtotal external experts / subcontracts			1630125
ESTIMATED TOTAL ELIGIBLE COST			
Direct staff costs			1670400
External experts / subcontracts			1630125
TOTAL eligible costs [in EUR]			3300525
FUNDING			
Requested funding from ELENA facility [in EUR]; maximum 90%		in%	90.0%
			2970472
Own funding [in EUR]		in%	10.0%
			330053
Other sources [EUR]		in%	0.0%
TOTAL funding [in EUR]			3300525
Within the ELENA facility eligible costs are defined as follows:			
<ul style="list-style-type: none"> • costs of external experts contracted by the EIB or the Beneficiary according to the national procurement rules • additional staff hired by the Beneficiary (e.g. to set up project implementation units) to manage and provide Project Development Services. <p>The cost of additional staff assigned to the action should comprise actual salaries plus social security charges and other statutory costs included in the remuneration, provided that this does not exceed the average rates corresponding to the beneficiary's usual policy on remuneration.</p> <p>No other costs are eligible.</p> <p>Changes between cost categories:</p> <p>The total budget initially accepted at the start of the project cannot be increased. Overspending must be taken over by the beneficiary. Changes within the two cost categories or in relation to the different subcontracting services are possible without any approval. Changes between these two categories need prior approval by the EIB and should be limited to a maximum of 10% of the total beneficiary's budget.</p>			

Annex III: Eligibility rules for the Project Development Services and the planned Investment Programme

The following eligibility criteria will be applied to the Project Development Services, the identified planned Investment Programme and needs to be respected by the Final Beneficiary.

1. Eligibility of area's covered

Project Development Services can be provided for the development of Investment Programmes within the following areas:

- public and private buildings, including social housing, and street and traffic lighting, to support increased energy efficiency (refurbishment of buildings aimed at significantly decreasing energy consumption (both heat and electricity) – such as thermal insulation, efficient air conditioning and ventilation, efficient lighting); integration of renewable energy sources (RES) into the built environment – such as solar photovoltaic (PV), solar thermal collectors and biomass; investments into renovating, extending or new district heating/cooling networks including networks based on combined heat and power (CHP); decentralised CHP systems (building or neighbourhood level);
- urban transport to support increased energy efficiency and integration of renewable energy sources, such as high energy efficiency buses, including hybrid buses, electrical or low-carbon propulsion systems; investments to facilitate the introduction of electric cars, investments to introduce new more energy efficient concepts to improve freight logistics in urban areas;
- local infrastructure including smart grids, information and communication technology infrastructure for energy-efficiency, energy efficient urban equipment, inter-modal transport facilities and refuelling infrastructure for alternative fuel vehicles.

2. Excluded sector

According to the request of the European Commission the following sector is excluded from the Project Development Services:

- Industrial facilities, as well as reductions of greenhouse gas emissions due to industry delocalisation

Annex IV: Technical implementation reports and financial statements

1. Dispatch of information: designation of the person responsible

The information below has to be sent to the Bank under the responsibility of:

Company	<i>Malmö stad</i>
Contact person	<i>Kerstin Gustafsson</i>
Title	<i>Director</i>
Function / Department	<i>Streets and parks department</i>
Address	<i>Gatukontoret, 205 80 Malmö</i>
Phone	<i>+46 40 34 13 70</i>
Fax	<i>n/a</i>
Email	<i>kerstin.gustafsson@malmö.se</i>

The above-mentioned contact person(s) is (are) the responsible contact(s) for the time being. The Beneficiary shall inform the EIB immediately in case of any change.

2. Regular reporting on the project's implementation

The Beneficiary shall inform the Bank of any significant changes in the cost, timing or definition of the work programme activities.

Report / information	Deadline	Frequency of reporting
Inception report – detailed work programme <i>(Refer to template A.1 below)</i>	<i>Due after three months, to be delivered one month later (3+1)</i>	<i>Once</i>
Bi-annual progress reports <i>(Refer to template A.2 below)</i>	<i>Covering the last six months from project start, to be delivered one month later (6+1; 12+1; 18+1 can be merged with interim report; 24+1 and 30+1)</i>	<i>Bi-annually</i>
Interim report <i>(Refer for template to A.3 below, should reflect the actual cost and results of project advancement)</i>	<i>According negotiation with beneficiary (normally due in month 18+1) covering the whole project duration since start</i>	<i>Normally at project half time</i>

3. Final report on implementation of project development service

The Beneficiary shall deliver to the Bank the following information on project completion and possible initial operations at the latest by the deadline indicated below.

Document / information	Date of delivery to the Bank
<i>Information to be provided by chronologically, according to the form presented in Appendices A.4. This information should reflect the actual costs and results of the projects.</i>	<i>Normally month 36+1 Covering the whole project duration</i>

Language of reports	English or French
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Appendices:

- A.1 Inception report – Detailed work programme
- A.2 Bi-annual progress report
- A.3 Interim report including financial statement
- A.4 Final implementation report including financial statement

A.1. INCEPTION REPORT – DETAILED WORKPROGRAMME

Name of project:

Number of project:

Reporting period: project start + 3 months

1. Detailed work programme

[in particular changes in relation to initial programme and their justification; tasks, schedule and pre-established milestones]

2. Identified issues, if any for implementing the work programme

Date of report:

A.2. BI-ANNUAL PROGRESS REPORT

Name of project:

Number of project:

Reporting period: month x until month x+5

1. Work progress

[Progress and achieved results against initial objectives of the work programme, including, when available, copies of consultants' reports, studies or other subcontracted activities such as ToRs and published calls for external services]

2. Identified problems and risks for implementation

[Including the comments of the beneficiary, and corrective actions taken or to be taken]

3. Contracts of technical assistance (external experts / subcontracts) committed/completed during the reporting period

Use attached table A.2.1.

4. Changes in the planned activities under the Project Development Services or in the Investment Programme and other useful information

5. Financial statement

[for the covered six month period]

Use attached table A.2.2.

Date of report:

A.2.1. Contracts of technical assistance (external experts / subcontracts) committed/completed during the reporting period

Nb of subcontract	Name of external consultant / subcontractor	Short description of mission	Expected total costs of subcontracts [EUR]	Duration of subcontracts (start and end date)		Procurement procedure applied	Tender publication references (e.g. OJEU announcement)	Comments

A.2.2. Financial Statement n°

**European Investment Bank
ELENA - European Local Energy Assistance
Financial Statement**

Name of project:		
Number of project:		
Reporting period from: aa/bb/cc to xx/yy/zz		
Currency used: (three letter abbreviation)		

**STAFF COSTS
(Justification for labour costs may be requested by the Bank)**

Line N°	Name	Category name (e.g. senior expert, engineer, etc.)	Number of man- hours	Hourly rate	Staff costs amount
			A	B	AxB
1					
2					
3					
4					
5					
		Total	0.00		0.00

The cost of staff assigned to the action, comprising actual salaries plus social security charges and other statutory costs included in the remuneration, provided that this does not exceed the average rates corresponding to the beneficiary's usual policy on remuneration.

EXTERNAL EXPERTS / SUBCONTRACTING

Line N°	Name of Subcontractor	Description of the work undertaken			Amount
1					
2					
3					
4					
5					
				Total	0.00

TOTAL ELIGIBLE COSTS FOR THE PERIOD

	Direct staff costs		0.00
	External Experts / Subcontracting		0.00
		Total	0.00

A.3. INTERIM REPORT

Name of project:

Number of project:

Reporting period: start month till month x (according to common understanding with beneficiary, in general month 18)

1. Work progress

[Progress and achieved results against initial objectives of the work programme]

2. Lessons learnt

3. Identified problems and risks for implementation

[Including the comments of the beneficiary, and corrective actions taken or to be taken]

4. Contracts of technical assistance (external experts / subcontracts) committed/completed during the reporting period

Use attached table A.3.1.

5. Updated list of started / planned implementation of the Investment Programme

Use attached table A.3.2.

6. Calculation of the leverage factor achieved

7. Other useful comments or information's

8. Request for changes in work programme and/or budget allocation

[according to needs indicate the request for changes already presented or to be presented in parallel to the interim report]

9. Supporting documents to provide

[when available, copies of consultants' reports, studies or other subcontracted activities such as ToRs and published calls for external services; (including published calls for tenders for external services); political decisions (by council or board) for launching the tenders or framework contracts and the investment programme]

10. Financial statement

[for the covered period, since project start]

Use attached table A.3.3.

11. Outlook

[Main achievements and milestones planned for the next six months]

Date of report:

A.3.1. Contracts of technical assistance (external experts / subcontracts) committed/completed during the reporting period

Nb of subcontract	Name of external consultant / subcontractor	Short description of mission	Expected total costs of subcontracts [EUR]	Duration of subcontracts (start and end date)	Procurement procedure applied	Tender publication references (e.g. OJEU announcement)	Comments

A.3.2. Updated list of started / planned implementation of the Investment Programme

Investment project (IP) identification	Name of IP ⁵	Short description of area/ technology concerned ⁶	Identification of investor ⁷	Estimated total costs [EUR]	Implementation plan (start and end date of works)	Estimated annual final energy saved for EE projects ⁸ [in GWh]	Estimated annual final energy production by RES ⁴ [in GWh]	Estimated annual reduction of CO2 eq [in t]	Comments

⁵ IP = Investment project

⁶ Specifying which main area concerned (i.e. EE, RES, transport or urban infrastructure) and which technology(ies)/measure(s) implemented

⁷ Indicate the final investor, the one who will order the work to be carried out

⁸ Indicate the main type of energy saved or produced (thermal or electrical)

A.3.3. Financial Statement n°

**European Investment Bank
ELENA - European Local Energy Assistance
Financial Statement**

Name of project:		
Number of project:		
Reporting period from: aa/bb/cc to xx/yy/zz		
Currency used: (three letter abbreviation)		

STAFF COSTS

(Justification for labour costs may be requested by the Bank)

Line N°	Name	Category name (e.g. senior expert, engineer, etc.)	Number of man- hours	Hourly rate	Staff costs amount
			A	B	AxB
1					
2					
3					
4					
5					
		Total	0.00		0.00

The cost of staff assigned to the action, comprising actual salaries plus social security charges and other statutory costs included in the remuneration, provided that this does not exceed the average rates corresponding to the beneficiary's usual policy on remuneration.

EXTERNAL EXPERTS / SUBCONTRACTING

Line N°	Name of Subcontractor	Description of the work undertaken	Invoice N° ⁹	Date of invoice (dd/mm/yy)	Amount
1					
2					
3					
4					
				Total	0.00

TOTAL ELIGIBLE COSTS FOR THE PERIOD

	Direct staff costs			0.00
	External Experts / Subcontracting			0.00
			Total	0.00

FUNDING

	Requested funding from ELENA (max. 90%)		in %	0.0%
	Own funding		in %	0.0%
	Other sources		in %	0.0%
			Total	0.00

⁹ As proof for the engaged costs for external experts / subcontracts an electronic copy of the invoices paid is requested to be supplied together with the Interim Report

A.4. FINAL REPORT

Name of project:

Number of project:

1. Work progress

[Achieved results against initial objectives of the work programme, sectors covered,]

2. Final list of technical assistance contracts

Use attached table A.3.1.

3. Final list of the implemented investment programme

[Detailed list of measures and projects and partners implementing the investment programme]

Use attached table A.3.2.

4. Calculation of the leverage factor achieved and compliance with set objective

5. Financial statement

[for the whole project duration]

Use attached table A.3.3.

6. Other useful comments or information's

7. Supporting documents to provide

[when available, copies of consultants' reports, studies or other subcontracted activities such as ToRs and published calls for external services; (including published calls for tenders for external services); political decisions (by council or board) for launching the tenders or framework contracts and the investment programme]

8. Conclusions

[lessons learnt and to pass over to other local authorities, next steps planned in the implementation of the investment programme]

Date of report:

ANNEX V

Fiche for requesting ex-ante comments on the terms of reference of large sub-contracts

Introduction:

In the case the Final Beneficiary would need to launch a service contract / subcontract concerning external services for a total amount higher than 193 000 Euro, the terms of reference for the sub-contract have to be available for prior comments by the EIB. The present fiche needs to be properly filled in and sent to the EIB / ELENA facility with the supporting documents (see below). The Bank will provide an answer to the request within fifteen working days.

Name of Final Beneficiary:

Name of project:

Number of project:

1. Reasons for undertaking the external expertise / subcontracts
2. Short description of work to be performed
3. Estimated value of the service contract / subcontract
4. Planned time table of the external services
5. Supporting document requested
 - terms of reference

Date of expedition of request:

ANNEX VI

EIB Guide to Procurement

