



*JOINT EUROPEAN SUPPORT FOR
SUSTAINABLE INVESTMENT IN CITY AREAS*

**Marketing, Communication and Knowledge
Dissemination Strategies for
JESSICA Operations**

HORIZONTAL STUDY

Final Report

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Definitions and Abbreviations

ABMP	Apartment Blocks Modernisation Programme
CEB	Council of Europe Development Bank
CEE	Central and Eastern Europe
CGD	Consortium of Caixa Geral de Depósitos SA
COCOF	Committee of the Coordination of the Funds
CP	Cohesion Policy
DG REGIO	Directorate General for Regional and Urban Policy of the EC
EC	European Commission
EE/RE	Energy Efficiency and Renewable Energy
EIB	European Investment Bank
EOI	Expression of Interest
EPEC	European Public-Private Partnership Expertise Centre
ERDF	European Regional Development Fund
ESF	European Social Fund
EU	European Union
FEI/FI	Financial Engineering Instrument in the 2007-2013 Programming Period, whereas Financial Instruments refer to the 2014-2020 Programming Period.
FCJA	Holding Fund JESSICA Andalucía
HF	Holding Fund
IHRU	Instituto da Habitação e da Reabilitação Urbana
Investment Agreement	A legal contract between an urban project and a UDF defining the rights and obligations of the parties with respect to the UDF investment being made.
IPSUD	Integrated Plan for Sustainable Urban Development
JASPERS	Joint Assistance to Support Projects in European Regions
JEREMIE	Joint European Resources for Micro to medium Enterprises
JESSICA	Joint European Support for Sustainable Investment in City Areas
JHFG	JESSICA Holding Fund Greece
JNP	JESSICA Networking Platform
MA	Managing Authority
MCK	Marketing, Communication and Knowledge Dissemination
MS	Member State of the European Union
NSRF	National Strategic Reference Framework
OA	Operational Agreement
OP	Operational Programme
PPP	Public-Private Partnerships
PR	Public Relations
Programming Period	Budgetary period of European Funds. Current period is 2007-2013, next is 2014-2020
RoI	Return on Investment
SEO	Search Engine Optimisation
SFs	Structural Funds
SG	Steering Group
TA	Technical Assistance
ToR	Terms of Reference
UDF	Urban Development Fund
UDP	Urban Development Project

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EXECUTIVE SUMMARY

The aims of the Marketing, Communications, and Knowledge Dissemination (MCK) Study are to analyse the effectiveness of MCK strategies and tools used to promote JESSICA Financial Engineering Instruments (FEIs) in Member States (MS). It analyses MCK in countries where JESSICA is currently in operation, draws upon lessons learnt, and presents a series of recommendations for the current and next programming period. The study has been carried out by Mazars and Weber Shandwick, an international communications agency, during the Spring 2012.¹

The study was divided into four main tasks: 1) providing a comprehensive overview of the MCK framework; 2) carrying out on-the-ground research in selected countries where JESSICA is currently in operation to assess the effectiveness of MCK tools utilised thus far; 3) identifying best practices and lessons learnt; and 4) presenting a series of general and phase-specific recommendations, as well as some preliminary suggestions for the next EU Programming Period. Using a combination of desktop research and qualitative interviews, on the ground research was undertaken by a core research team in Greece, Lithuania, Poland, Portugal, and Spain. Together, these selected countries provide a representative sample of the breadth of thematic priorities and scope of JESSICA currently in operation across Europe.

Part I: Background and Framework

JESSICA was launched as a Technical Assistance initiative of the European Commission (EC) developed in collaboration with the European Investment Bank (EIB) and in partnership with the Council of Europe Development Bank (CEB).² Directorate General for Regional and Urban Policy (DG REGIO) is responsible for the JESSICA initiative at the EC-level. JESSICA responds to a perceived shortage of investment in sustainable Urban Development Projects by offering Managing Authorities (MAs) the opportunity to establish investment funds with contributions from their Structural Funds (SFs) to achieve greater impact on sustainable urban development. European Regional Development Fund (ERDF) resources are deployed through revolving Financial Engineering Instruments in the form of a Holding Fund (HF), which operates as a fund of funds investing in Urban Development Funds (UDFs) or directly through one or more UDFs. Funds are invested into eligible Urban Development Projects (UDPs) which are generally brought forward by project promoters. These investments can take the form of equity, loans, and/or guarantees.

¹ The fieldwork and research undertaken for this study took place in Spring 2012, and therefore, reflects the state-of-play of the selected case studies at the time.

² The wording “JESSICA Financial Instruments”, “JESSICA operations” etc. is used throughout the present document to refer to Financial Engineering Instruments for urban development promoted by the JESSICA Technical Assistance initiative in the 2007-2013 programming period. This is in order to make the text more readable, and to take into account that in practice Holding Funds and Urban Development Funds are now commonly – if inappropriately – referred to as “JESSICA funds”, “JESSICA instruments”, etc. in most of the discussions on this topic. Similarly, the term “JESSICA initiative” as loosely used in this document is to be intended as referring not only to JESSICA as a Technical Assistance initiative, but more broadly to the preparation and implementation of a policy initiative leading from the initial feasibility analysis to project investing on the ground.

One of the MCK challenges associated with the JESSICA initiative is the practical need to optimise the use of MCK tools in the phasing of the implementation lifecycle. It is therefore important to take into consideration the four distinct phases of JESSICA which are as follows:

- **Feasibility** to understand the scope and suitability of using FEIs for urban development within a country or region, which often includes an Evaluation Study;
- **UDF Selection** to select qualified UDF Managers and the subsequent negotiation of the Operational Agreement;
- **Identification of UDPs** that meet ERDF eligibility criteria, including being part of an Integrated Plan for Sustainable Urban Development (IPSUD);
- **Investment** in which all funds must be disbursed to projects by December 2015.

For the purposes of this report, “Marketing”, “Communications”, and “Knowledge Dissemination” are defined as follows:

Marketing: Marketing describes the activities used to create brand recognition and awareness of an organisation, a service, product, or initiative such as JESSICA. Marketing involves the use of different strategies and tactics.

Communications: Communications are used to facilitate dialogue and create mutual understanding of an organisation, product, service, or initiative such as JESSICA. Communications tend to be two-way exchanges of knowledge and information to facilitate understanding, knowledge creation, and build trust.

Knowledge Dissemination: Knowledge dissemination, also known as ‘knowledge transfer’ is the process of distributing and exchanging information, best practices, lessons learnt, and know-how from one party to another to build knowledge and to make it available to others in the future.

Various types of MCK tools can be employed to increase the understanding of JESSICA and support its delivery throughout the four JESSICA phases. These include publications, advertising and public relations, direct marketing, events, seminars, webinars, road shows, websites, digital and social media, research, study tours, experts and working groups, information materials, and “how to” guides.

Part II: Key Research Findings

As JESSICA concerns relatively new Financial Engineering Instruments (FEI) used to support urban development, there were significant awareness-raising activities at the start of the initiative from 2006 onwards spearheaded jointly by the EC and the EIB to build the understanding about JESSICA amongst MS and MAs, including:

- A two-year programme of “kick-off” meetings with relevant stakeholders within MSs to introduce the JESSICA initiative. These meetings were considered essential to present the initiative to national and regional authorities.

- Marketing materials: The EIB published a general JESSICA brochure in 2008 and created tailored PowerPoint presentations as marketing support tools for each MA illustrating how JESSICA can support their Operational Programmes (OPs).
- JESSICA websites: Dedicated JESSICA sections were created on the EC (<http://jessica.europa.eu>) and EIB (<http://www.eib.org/products/jessica/index.htm>) websites 2008 to share relevant information with interested parties.
- Evaluation Studies: thanks to the JESSICA technical assistance initiative, MAs interested in examining the opportunity to implement instruments promoted by JESSICA were offered a no-commitment feasibility study, free of charge.
- JESSICA Expert Working Group: This was established with 15 MS who met regularly over 18 months in 2007-2008 to explore how JESSICA could be implemented in practice.
- Annual JESSICA Conferences/JESSICA Networking Platforms (JNP): Three Annual JESSICA conferences and seven JNP meetings have been co-organised to date.

Analysis of JESSICA related MCK activity and stakeholder consultation in Greece, Lithuania, Poland, Portugal, and Spain provided the following findings:

- Government bodies are generally aware of the benefits JESSICA has to offer, but the technical understanding of how FEIs work in practice remains often very limited.
- Shifting the use of ERDF funding from a grant-based to a recyclable investment model requires a cultural change and new ways of working with the resources of the Operational Programmes (ERDF and national co-financing). Most MAs are more accustomed to, and comfortable with the grant-funding model.
- The public sector continues to be concerned about using JESSICA due to the overall negative economic climate, which compromises the ability of urban projects to generate sufficient returns while also meeting broader economic development objectives.
- In general, the private sector has varying degree of understanding about JESSICA. There are however positive signs that the private sector is more keen on exploring the potential for longer-term returns from investments in urban areas.
- Some investors feel restricted by the types of urban projects that are eligible for this type of operations due to need to comply with ERDF regulations and State Aid requirements. The administrative monitoring and reporting requirements are perceived to be onerous.
- The current economic climate itself presents a major challenge in leveraging private sector investments. Debt-financing is increasingly difficult to obtain and co-investment by private financial institutions has been a challenge.

In terms of the overall effectiveness of the selected MCK tools used to market and promote JESSICA in these countries, the research findings suggested that the results were mixed, with some countries achieving better outcomes than others.

- While all countries evaluated for the MCK Study made use of a UDF or HF-sponsored **website** to share essential information about JESSICA, the quality of the layout and content varies significantly between the websites. In some cases, the content and information on JESSICA were scattered, inconsistent, or outdated. None of the websites made use of social media tools or audio-visual content. The EC and the EIB also have a dedicated section for JESSICA on their websites. It is the assessment of Weber Shandwick that the website³ supporting the Regeneration Investment Fund for Wales (RIFW) emerged as a useful case study to illustrate best practice.
- **Face-to-face meetings, seminars, and conferences** were used by all countries to promote the delivery of JESSICA. The majority, if not all, of the stakeholders interviewed, including the EIB, revealed that face-to-face meetings were the most effective communications tools to build in-depth knowledge about JESSICA. Most conferences and seminars were organised for the purpose of educating stakeholders on how Financial Instruments promoted by JESSICA work and to explain their benefits. The Polish case study is a good example to demonstrate how events and conferences could be organised successfully.
- **Public Relations, media, and advertising campaigns** were included as part of the marketing and communications strategy in 4 out of 5 of the countries examined in this MCK Study. In general, the countries examined reported that the media community were important vehicles in raising the awareness of and promoting JESSICA. In the case of Lithuania, as the end-users are residential homeowners, an innovative TV advertising campaign was incorporated into the overall marketing strategy. The Chrysalis Fund in Northwest England has been selected as a good practice and accordingly added as a case study on how to successfully launch PR/media events.

Understanding the broader challenges of JESSICA is critical as these issues may have implications on the overall effectiveness of MCK activities. From this perspective the general conclusions of MCK and JESSICA from the research can be broadly divided into seven themes:

- ***Varying Degree of Awareness and Understanding:*** The research suggested that there are varying degrees of understanding and in-depth knowledge of JESSICA FEIs across the five analysed countries.
- ***Diversity of audiences:*** To date JESSICA operates across all 11 MS and involves numerous and highly diverse public and private sector stakeholders, which require a differentiated MCK strategy. These stakeholders include, but are not limited to: MAs, urban development agencies responsible for developing IPSUDs, regulatory and audit bodies, etc. On the private sector, stakeholders are primarily the wider financial and investment community who could potentially be HF/UDF Managers, prospective co-investors or project promoters.

³ <http://www.rifw.co.uk/eng/>

- ***Perceived Complexity of JESSICA:*** Across some stakeholders, JESSICA is perceived as complex due to the ERDF regulatory framework and State Aid rules, which has prevented some financial institutions from getting involved with JESSICA.
- ***Lack of precedent:*** Due to the fact that JESSICA is a pilot initiative the lack of a solid track record for JESSICA FEIs makes it difficult to sell their concrete benefits.
- ***Policy agendas:*** Competing government policy agendas have emerged as an issue. Different governmental bodies compete for the same limited financial resources for their own policy objectives. The private sector, on the other hand, is mainly interested in projects that provide satisfactory financial returns which may not coincide with the public sector objectives.
- ***Phasing nature of JESSICA:*** The phasing nature of JESSICA presents a challenge. As the implementation of JESSICA moves from the Feasibility Phase to the Investment Phase, the objectives and stakeholder audience differ from phase to phase.
- ***Multi-layered organisational involvement:*** The lines of accountability and responsibility for MCK activities are often unclear between the EIB – when involved as Holding Fund - , the MA, and the selected UDF.

Critical factors for success in terms of MCK for future JESSICA operations are therefore:

- ***Development of Marketing Plans:*** It is not suitable, nor appropriate to develop a ‘one-size fits all’ marketing strategy. Marketing plans should be developed and structured so that they are flexible and adaptable across all MS and across multiple audiences.
- ***Co-ordination of Marketing Activities:*** The importance of institutional co-operation should not be underestimated while implementing JESSICA-related marketing and communications activities. Clear responsibilities and accountability must be insured by an adequate coordination structure between the Holding Fund, where established, MAs, and the UDFs in order to gain the maximum impact from the marketing activities.
- ***Early Engagement with Stakeholders is Key:*** Based on the research findings, early engagement with relevant stakeholders is critical to the success of JESSICA.
- ***Strengthen Knowledge Dissemination Framework:*** There has been significant take-up of JESSICA since 2008 with over 40 UDFs currently in operation. The experiences, lessons learnt, and best practices by the MAs and UDF Managers should be shared within the JESSICA community and communicated to interested MAs who are considering using JESSICA instruments in the future.
- ***Consideration of External Factors Impacting Success:*** Given the lengthy timescale involved in major urban infrastructure projects, MCK strategies should take into account the external factors that may influence the success of JESSICA operations in the short to medium term.

Part III: Recommendations

A number of recommendations are proposed to support the delivery of JESSICA operations both in this and the next programming period, including:

- ***Use Both Centralised and Decentralised Communications:*** A balance between centralised and decentralised marketing approach is required due to the unique phasing nature of JESSICA and the geographical spread in which JESSICA operates. A decentralised communications approach should be used at the country, regional, UDF or project level to benefit from the local knowledge and address local necessities.
- ***Need for Bespoke Marketing Strategies:*** Each JESSICA phase presents its unique challenges linked to changes in the audience profile over the project lifecycle. HFs and UDFs should use a combination of MCK tools to reach target groups and achieve maximum desired impact, which will be different at different phases. Using a stakeholder analysis would enable MAs, HF and UDF Managers to map out the relevant key players in the market and subsequently tailor appropriate MCK approaches.
- ***Maximising the Impact of the JESSICA Websites as a MCK Tool:*** There are opportunities to use the JESSICA pages of EC's and EIB's existing websites as a tool for marketing, as a communication channel, and a medium for knowledge dissemination. Individual MSs and UDFs should also have websites with information about JESSICA. Recommendations for the EC and EIB websites include designing visually engaging and easily accessible websites with tabs dedicated to explaining the four phases of JESSICA implementation as well as a dedicated "resource centre" comprising of case studies, guidance notes, how-to guides, etc.
- ***Using Social Media:*** Social media's principal characteristics of connectedness, collaboration and community allow institutions to connect with like-minded people, enabling people to collaborate and exchange knowledge, and build a sense of community. Social media tools such as Twitter, LinkedIn, YouTube, Facebook, and Google+, could help drive the visibility and awareness of JESSICA. These tools can be used at all phases of the JESSICA implementation. At the Feasibility Phase, for example, followers could be notified by Twitter that a new study has been published. Similarly, MA or HF Managers and UDF Managers could use a range of social media tools to publicise their calls for EoI. This can be useful as a means to communicate about events and fund availability to project promoters.
- ***Greater Use of Knowledge Dissemination:*** Those involved in delivering JESSICA understand that it is a complex, multi-phased process that requires a considerable range of skill-sets and technical expertise. It is beneficial to share experience, expertise and knowledge both through conferences and information communication technologies.

- ***MCK Strategies to Inform about State Aid and Regulatory Issues:*** Knowledge dissemination methods should be applied to keep the JESSICA stakeholders informed about the developments concerning developments on State Aid rules and other regulatory issues.

In the next programming period, 2014-2020, it is envisaged that a far greater proportion of EU funds will be distributed via Financial Instruments covering the 11 thematic objectives⁴ proposed for Cohesion Policy (CP) in 2014-2020. MCK strategies and tools will play an important role in promoting JESSICA Financial Instruments, or possibly their successors, identifying fund managers and potential project promoters. Recommendations for the next programming period are as follows:

- ***Re-branding of JESSICA:*** It appears unlikely that the “JESSICA” acronym will remain officially in existence in the next programming period. The JESSICA brand has however created traction amongst stakeholders and therefore, has value. Regardless of the chosen name, it is important to keep the ‘urban’ dimension to distinguish it from other thematic sectors. It is recommended to devise a well-executed ‘re-branding’ strategy that would allow a smooth and effective transition to a “post-JESSICA” environment.
- ***Technical Assistance and Capacity Building Programmes:*** It is recommended to provide further support using funds ring-fenced for Technical Assistance through all phases of JESSICA in the next programming period. From a MCK perspective, Technical Assistance should among others be considered for: support for compliance with State Aid regulations, marketing and stakeholder mapping activities, and support for potential project promoters in preparing their Urban Development Project (UDP) documentation.
- ***Marketing Strategy as part of the UDF Business Plan:*** The research study revealed that having a sound marketing strategy utilising the approximate mix of communications tools is critical to the success of JESSICA. Therefore, for the next programming period, we recommend that there is a clear requirement that UDFs have a robust marketing plan.
- ***MCK and the Regulatory Framework for Financial Instruments:*** In the next programming period MCK measures should be expanded to better communicate and clarify the regulatory framework through websites, workshops, seminars and discussion forums.

⁴ For more information:

http://ec.europa.eu/regional_policy/sources/docoffic/working/strategic_framework/csf_part1_en.pdf.

1. INTRODUCTION

The Joint European Support for Sustainable Investment in City Areas (JESSICA) is a Europe-wide policy initiative designed to support sustainable urban development and regeneration through the use of Financial Engineering Instruments (FEIs). Strictly speaking, JESSICA is a Technical Assistance initiative of the European Commission (EC) developed jointly with the European Investment Bank (EIB) in collaboration with the Council of Europe Development Bank (CEB). The JESSICA initiative was developed for, and has been operational during the 2007-2013 programming period.⁵

The marketing of JESSICA, the communication in relation to JESSICA, and the dissemination of knowledge regarding JESSICA are key to the success of the initiative. To help understand the existing Marketing, Communication, and Knowledge dissemination (MCK) activity in relation to JESSICA for this programming period, learn from the experience and develop ideas for the next programming period, in February 2012 the EIB commissioned a study financed by the European Commission through the JESSICA initiative. This study has been carried out by Mazars, an international accountancy and advisory firm, together with Weber Shandwick, a specialist communications agency during the Spring 2012.⁶

The study aims to develop a more structured approach to MCK strategies and tools to promote, support, and assist with the delivery of JESSICA objectives. The study seeks to:

- Provide an analysis of the effectiveness of MCK strategies and tools used to promote JESSICA instruments where Holding Funds (HFs) and Urban Development Funds (UDFs) are already in operation.
- Provide advice on employing MCK tools in regions and Member States (MS) where JESSICA instruments were in the process of being selected, or are to be established in the remaining part of this programming period, 2007-2013.
- Draw lessons from the experience so far in cases where MCK strategies and tools are deployed to support JESSICA.
- Present recommendations on MCK products, tools, and strategies to be developed in order to reinforce the diffusion, understanding and branding of JESSICA for the next programming period, 2014-2020.

⁵ The wording “JESSICA Financial Instruments,” “JESSICA operations” etc. is used throughout the present document to refer to Financial Engineering Instruments for urban development promoted by the JESSICA Technical Assistance initiative in the 2007-2013 programming cycle. This is in order to make the text more readable, and to take into account that in practice Holding Funds and Urban Development Funds are now commonly – if inappropriately – referred to as “JESSICA funds”, “JESSICA instruments” etc. in most of the discussions on this topic. Similarly, the term “JESSICA initiative” as loosely used in this document is to be intended as referring not only to JESSICA as a Technical Assistance initiative, but more broadly to the preparation and implementation of a policy initiative leading from the initial feasibility analysis to project investing on the ground.

⁶The fieldwork and research undertaken for this study took place in Spring 2012, and therefore, reflects the state-of-play of the selected case studies at the time.

1.1. Methodology and Tasks

The study was divided into four main tasks, as follows:

Task 1: Defining and distinguishing between the terms 'Marketing,' 'Communications,' and 'Knowledge dissemination,' and creating an overall framework for different types of MCK tools to support awareness-raising and understanding of JESSICA. Examining the analytical tools available to help design and assess the overall effectiveness of MCK strategies.

Task 2: Carrying out on-the-ground research in geographical areas where JESSICA is currently in operation, and where MCK strategies and tools have been employed. Identifying key stakeholders and secondary stakeholders, providing guidance on how best to reach various audiences. Analysing in detail four case studies.

Task 3: Based on the analysis of the existing situation in the identified priority markets and the research and case studies carried out in Tasks 1 and 2, Task 3 aims to provide clear strategic options to address MCK challenges.

Task 4: Developing specific recommendations for JESSICA MCK tools that could be used to support JESSICA operations as well as developing general recommendations to strengthen the MCK activities of JESSICA in the current programming period, and for the next period 2014-2020.

The study was undertaken by a central project team with analytical research conducted by country experts across European MS. Country-specific research was completed through a combination of desktop research and qualitative interviews. This was used to evaluate JESSICA MCK strategies and tools in countries which have existing JESSICA operations in order to understand the effectiveness and limitations of each tool used. Interviews were also conducted with the EIB to understand EC and EIB MCK-related activity. The findings from this research informed the recommendations for JESSICA for the current and the next programming period contained in this study.

Countries with existing JESSICA operations and MCK activity analysed within the study are:

- Greece
- Lithuania
- Poland
- Portugal
- Spain

The selection aims to provide a broadly representative sample of existing JESSICA operations, as each country's operations covers different thematic priorities, regional development objectives, geographical scope, and a variety of MCK tools and strategies that have been used to promote JESSICA.

In addition, the case studies within the study are:

- The Chrysalis Fund, Liverpool, United Kingdom
- JESSICA EIB HF, Lithuania
- JESSICA Andalucía HF, Spain
- Regeneration Investment Fund for Wales, United Kingdom

The case studies were selected to provide a sample of countries with both mature and emerging Public Private Partnership (PPP) markets.

Country-based research was conducted using a common template to ensure consistency across markets, and included desk-based research and interviews with local MAs, HF Managers, and urban development practitioners, if applicable, depending on the market.

The research design allowed for a review of existing activities to be undertaken, to evaluate the effectiveness of the JESSICA operations in the specific country, providing information on what worked well and what did not. This information was then used to develop strategic guidance on the optimum channel, tools, or strategies to use to promote and support JESSICA moving forward. Where relevant, the study team also interviewed marketing and communications practitioners in specific markets such as advertising and Public Relations agencies to gain a broader understanding of the processes that have been utilised to communicate JESSICA operations in these markets.

1.2. Structure of the Report

The report is divided into three parts, each containing several individual chapters. The report structure is as follows:

PART I provides the general discussion on the background and context of JESSICA as well as providing a comprehensive overview of the MCK framework.

- *Chapter 1* introduces the study, research tasks and methodology.
- *Chapter 2* provides the context and background of JESSICA operations and key stakeholders at the EU level. It also introduces the four phases of JESSICA implementation.
- *Chapter 3* sets out the MCK framework, defining the terms 'Marketing,' 'Communications,' and 'Knowledge dissemination'; MCK tools available and their limitations; and analytical and benchmarking tools available to build successful MCK strategies.

Part II presents the main research findings including a summary of findings within each country, the MCK tools used in practice, and a section on implications and conclusions. Part II contains three chapters:

- *Chapter 4* sets out the research findings by specific country examined for the MCK study, including Greece, Lithuania, Poland, Portugal, and Spain. The chapter also

provides information about the MCK-related activities undertaken by the EIB prior to the formal launch of the JESSICA in 2007.

- *Chapter 5* discusses the MCK tools used in practice. This chapter also contains a series of four case studies to illustrate how a particular MCK tool was used in practice
- *Chapter 6* summarises the main conclusions and implications for MCK activities.

Part III presents the general recommendations and recommendations for the next EU programming period.

- *Chapters 7* provides recommendations which can be used for both the current and the next programming period
- *Chapter 8* presents the conclusions and list of recommendations for the next programming period.

Detailed information is contained in various Annexes which are signposted from the main body of the report.

2. JESSICA - OVERVIEW

This chapter sets out a brief overview of JESSICA, the main stakeholders involved throughout JESSICA implementation, and a breakdown of the different phases within JESSICA operations. Understanding the practical phasing of JESSICA implementation is important in order to appreciate the complexity and multi-faceted elements of delivering successful MCK in support of JESSICA.

2.1. Background of JESSICA

JESSICA is a policy initiative of the EC developed in collaboration with the EIB and in partnership with the CEB. JESSICA aims to enhance the use of EU Structural Funds (SFs) by leveraging co-investment for the purpose of achieving sustainable urban development goals.

JESSICA is a recent initiative launched in 2007 for the current programming period, 2007-2013. It presents a new way of using SFs in a revolving manner different from the traditional grant funding models. JESSICA responds to a perceived shortage of investment in sustainable Urban Development Projects (UDPs) by offering MAs the opportunity to establish investment vehicles with contributions from their SFs to achieve greater impact. JESSICA supports MSs exploiting financial engineering mechanisms to support investments in UDPs. Such investment funds are long-term in nature, and provide the opportunity for a multiplier effect through co-investment from other public and/or private sources of finance. By employing SF resources as investments rather than through more traditional grant funding, FEIs also enable SFs to be invested in multiple projects over successive funding rounds beyond the initial programming period, thus creating a lasting legacy from EU funds.

Through combining SFs with other sources of finance for investment, FEIs can assist in overcoming financing challenges that UDPs face, where projects seek to combine financial returns with broader economic, social, or environmental returns on investment and often have high levels of risk, long payback periods, and/or low return on investment (RoI). JESSICA instruments can generally invest in projects with higher risk, lower return requirements, and with longer payback periods, than traditionally provided for on the capital and debt markets.

In summary, the aims of JESSICA⁷ are:

- To make EU SF support more efficient and effective by using “non-grant” FEIs, thus creating stronger incentives for successful project implementation.
- To mobilise additional financial resources for PPPs and other UDPs with a focus on sustainability/recyclability.
- To use financial and managerial expertise from international financial institutions such as the EIB, the CEB as well as national institutions.

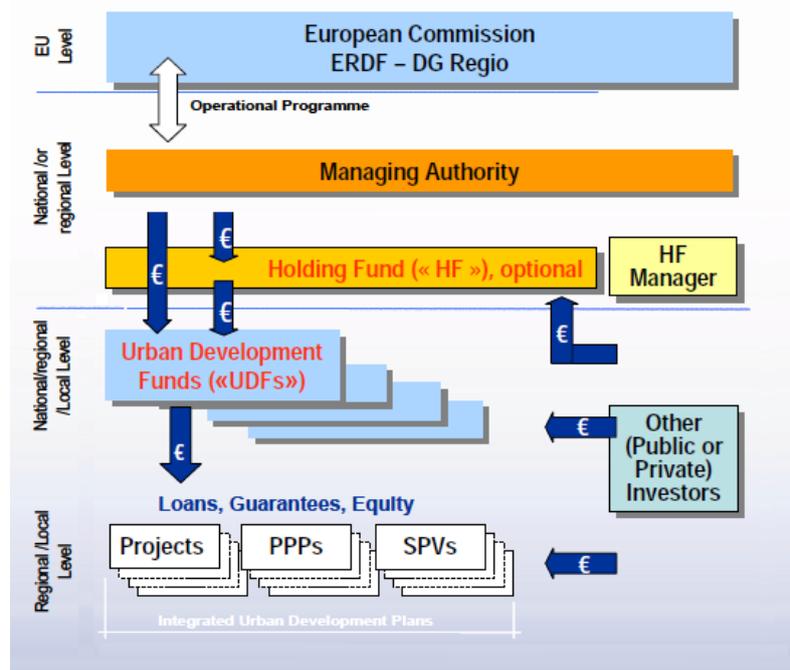
⁷ JESSICA: A new way of using EU funding to promote sustainable investment and growth in urban areas (2008).

By end of 2012, 64 of 75 JESSICA Evaluation Studies initiated have been completed. These studies seek to understand the feasibility of establishing JESSICA operations within a MS. JESSICA operations are now present in 11 MS across the 27 EU MSs. As of December 2012, 18 HF agreements have been established, with €1.8 billion under EIB's management, 1 HF established with a national financial institution, and 4 UDFs established without a HF. There are over 40 UDFs in operation, and project implementation is under way in Portugal, Estonia, Germany, Poland, Lithuania, the United Kingdom, Greece, Bulgaria, the Czech Republic and Italy.

The preparation of the next programming period is well under way, and it is important to understand how Financial Instruments for urban development can move forward towards the next cycle. It is envisaged that this MCK Study will help all involved parties with the on-going discussions relating to marketing, communicating, and promoting Financial Instruments for urban development in 2014 – 2020, as well as helping to provide suggestions to MAs on possible MCK approaches.

2.2. JESSICA Stakeholders

To understand the different Marketing, Communications, and Knowledge dissemination strategies currently used within JESSICA operations, and how they could be improved in the next period, it is necessary to understand the process of establishing financial instruments for urban development, how they operate in practice, and the key stakeholders involved in this process. The diagram below provides a graphic representation of the key stakeholders and funding flows involved within JESSICA operations.



Source: EIB

European Commission's Directorate General for Regional and Urban Policy (DG REGIO)

The mission of the *EC's Directorate General for Regional and Urban Policy (DG REGIO)*⁸ is to strengthen economic, social and territorial cohesion by reducing disparities between the levels of development of regions and countries of the European Union. For 2007-2013, EU's Cohesion Policy (CP) focuses on three main objectives: convergence, competitiveness, and territorial cooperation. These objectives are supported through a combination of resources drawn from the European Regional Development Fund (ERDF), the European Social Fund (ESF), which together are known as Structural Funds (SFs), and the Cohesion Fund (CF).

As the Directorate General responsible for the JESSICA Initiative at the EC, DG REGIO champions JESSICA across MS to support sustainable urban development, in the context of the Union's CP objectives. The Unit responsible for "Financial Instruments and relations with International Financial Institutions" in DG REGIO supports the development and implementation of financial instruments funded through cohesion policy programmes across all MS and coordinate with other Commission services and with the EIB Group to ensure a consistent approach with financial instruments implemented in other policy areas.

Through the JESSICA Initiative, DG REGIO promotes the use of revolving instruments with Structural Funds allocations in order to enhance and accelerate investment in Europe's urban areas. DG REGIO's main counterparts in this context are national and regional authorities and other institutions, notably the EIB and the CEB as well as other stakeholders relevant to JESSICA.

European Investment Bank

The EC and the EIB have developed the JESSICA initiative jointly, in collaboration with the CEB. A Contribution Agreement has been in operation between the EIB and DG REGIO whereby DG REGIO funds the Evaluation Studies requested by MAs who seek to understand whether JESSICA instruments are appropriate for their territory and EIB subsequently commissions and supervises these Evaluation Studies. Within the framework of this agreement, the EIB also supports horizontal activities, including Horizontal Studies on themes of interest to MS assisting in the implementation of JESSICA and promote the use of JESSICA and best practices across Europe.

Outside the scope of the Contribution Agreement, the EIB can be directly selected by MAs to act as HF Manager.

Council of Europe Development Bank

The CEB participates in the JESSICA initiative by virtue of a MoU signed with the EC and the EIB in May 2006. It was also involved, in collaboration with the EC and the EIB, in the launch of the JESSICA Networking Platform which is a tool to promote exchange of best practices about the instrument by all stakeholders. The CEB's support to JESSICA as a policy initiative is not limited to capacity building or organisational aspects, but also directed to lending operations. Until now, the CEB has been co-financing JESSICA Holding Funds and UDFs in Estonia, in Poland and in Spain.

⁸ EC DG REGIO – JESSICA: http://ec.europa.eu/regional_policy/thefunds/instruments/jessica_en.cfm.

Managing Authorities

MAs are responsible for the detailed management and implementation of OPs which receive support from EU SFs. Under the existing regulatory framework, MAs are the responsible bodies for establishing JESSICA instruments in their respective national and regional government bodies. Since MAs are accountable for the use of OP resources, they are involved throughout all phases of JESSICA implementation.

Under the regulatory framework, EU SF contributions must be matched by national co-financing to form the overall OPs budget. National co-financing can be provided either by public or private sector funds. MAs design the priorities and objectives of the OP, and make the decision as to whether they wish for some of their OP resources to be invested in financial instruments. As such, MAs are a key stakeholder within JESSICA operations, and in relation to MCK.

Holding Funds

MAs have the option to establish Financial Instruments through a Holding Fund investing in one or more UDFs with a thematic or geographical focus. This allows MAs to delegate tasks to professionals to prepare the investment strategy, to negotiate contractual agreements with UDFs, and to monitor the performance of UDFs on their behalf. In cases where MAs decided in favour of the HF option, the EIB can be selected to act as the HF Manager. The HF Manager is a key stakeholder in JESSICA operations and in MCK due to its role in establishing UDFs and in communicating with the MA.

Urban Development Funds

An UDF is a FEI investing in PPPs and other projects included in an Integrated Plan for Sustainable Urban Development (IPSUD). An UDF can be established as an independent legal entity or as a separate block of finance in an existing financial institution. In addition to managing the fund, and identifying viable UDPs to finance in line with its business plan and consistent with the strategy of the OP, the UDF Manager is responsible for carrying out monitoring and reporting as required by EU SF regulations.

UDF Managers are responsible for implementing the investment strategy for the fund, identifying eligible UDPs for investment, and allocating UDF resources to projects. UDF Managers form the link between the MA and/or HF Manager and the project promoters, and are key players in MCK for JESSICA.

Final Recipients

Final Recipients are PPPs, projects and any legal person receiving Repayable Investments from a Financial Engineering Instrument. Project promoters are therefore also key stakeholders in JESSICA operations, as they need to be aware of an UDF's existence, its investment priorities and requirements, if they are to deliver a JESSICA supported project. Project promoters could include a range of entities such as urban regeneration companies, waste or energy companies, and property developers, as well as joint ventures and PPPs.

Other relevant stakeholders

Other relevant stakeholders also include related government bodies and municipalities with the responsibility for preparing IPSUD or other national or regional level spatial plans and policy documents. These government units are important to the MCK mix as they need to be aware of the opportunities for FEIs to support their urban policy objectives.

Private sector stakeholders could also include professional organisations in the area of urban development, as well as real estate developers and the wider investment community. These stakeholders will most likely be involved as project promoters or co-investors.

2.3. JESSICA Phases

Different MCK strategies and tools can be used to achieve different purposes at different phases in project or programme implementation. Understanding the nature and phasing of JESSICA operations is therefore important to be able to analyse the effectiveness of existing MCK initiatives. Whilst the MCK tools are explained in the next chapter of this study, the different phases of JESSICA are set out below:

- **Feasibility** to understand the scope and suitability of using JESSICA as a FEI within a country or region, which often includes an Evaluation Study.
- **UDF Selection** to select qualified UDF Managers and the subsequent negotiation of the Operational Agreement (OA).
- **Identification of UDPs** that meet ERDF eligibility criteria, including being part of an IPSUD.
- **Investment** in UDP so that all UDF resources are paid out to eligible projects by December 2015.

To understand and analyse the efficacy and appropriateness of different MCK tools used for JESSICA operations in the current programming period, their use should be seen against the background of the four different phases set out above.

Feasibility Phase

In this phase of the implementation of JESSICA instruments it is essential to build relationships with MAs to increase knowledge and understanding about the value-added of FEIs for sustainable urban development. Preparatory activities generally include face-to-face meetings with MAs and a series of workshops to gain a better understanding of JESSICA, how the mechanisms of a revolving fund work within the OP framework and how FEIs promoted by JESSICA relate to national legislation.

Given the innovative nature of JESSICA, MAs often request during this phase an Evaluation Study to assess the feasibility and viability of employing financial engineering mechanisms for urban development in their country or region. In the context of the JESSICA initiative these feasibility studies can be commissioned and supervised by the EIB in order to examine the current investment landscape in the urban sector, levels of supply and demand for FEIs, and to propose to the MA an investment strategy and architecture for JESSICA instruments.

These Evaluation Studies aim to answer a number of preliminary questions by:

- *Assessing the general conditions required for implementing FEIs*
- *Analysing the implementation options for investment*
- *Proposing investment strategies associated with the JESSICA instruments*
- *Proposing implementation procedures and actions.*

The primary intended audience of these studies is the MA and the overarching objective to assist the MA in deciding whether to implement JESSICA in its territory, but the process of collecting information generally involves consultations with other public and private bodies, often including project promoters and financial institutions.

UDF Selection Phase

The evaluation studies carried out during the Feasibility Phase will provide MAs with indications regarding the opportunity to employ some of their OP resources to set up FIs, i.e. UDFs, and, in case such decision is made, the most appropriate implementation structures for FIs for urban development. Assuming the MA decides to set up a financial instrument, the options available are to either directly contribute Operational Programme resources in an UDF or to establish a HF that invests in more than one UDF, e.g. on a geographical or thematic basis. MAs can either select the HF manager – through a process in line with EU and national public procurement requirements, or possibly awarding the task directly to EIB. For the selection of an UDF manager, both MAs and HF managers will normally have to conduct a competitive procurement process. Proposals from candidates will have to take into account the priorities of the OP and the IPSUD requirement. The selected HF and UDF managers are appointed through funding agreements.⁹

Project Identification Phase

Once the UDF Manager is selected, it will then begin to identify suitable Urban Development Projects for the fund to support. Each UDF operates on the basis of a business plan and investment strategy agreed with the HF or MA, which sets out what types of projects can be invested in. UDPs need to form part of an IPSUD, to contain expenditures eligible for ERDF funding, to be able to repay the UDF investment, and be able to receive the funds from the UDF prior to the end of December 2015. Illustrative types of projects eligible under ERDF include:

- Urban Infrastructure
- Heritage or Cultural Sites
- Brownfield Redevelopment
- Office Space for SMEs, IT, and R&D sectors
- University and Education Buildings
- Energy Efficiency Improvement Programmes

⁹ Where the EIB acts as HF, the funding agreement between the HF and the UDF is called Operational Agreement.

In the project selection procedure, UDPs will be scored against four primary investment criteria:

- Eligibility under ERDF rules
- Consistency with OP strategy
- Compatibility with UDF business plan and investment strategy
- Viability, i.e. the ability to repay the UDF investment
- Deliverability, i.e. 'investment ready' such that UDF funds can be invested by 2015

Depending on the UDF investment strategy, there may be geographical boundaries in which the UDPs must be implemented. Some UDFs have an open pipeline on a first come, first served basis, others have competitive application rounds, whilst others carry out more proactive project search and development activities.

Investment Phase

UDFs in several countries have come to the stage of their first investments in UDPs. This is a crucial phase for all stakeholders.

Within JESSICA operations, there are further phases, although no JESSICA instruments have yet reached these points, due to the early stage in project implementation as of mid-2012 when this Study was carried out. Further phases concern the repayment of investment to the UDF, and 'second round' investing of returned resources. Although these are not the focus of this MCK Study, many of its recommendations could be considered to be relevant for future funding rounds of UDFs.

Within the current programming period, given the December 2015 deadline for project investments to take place, there is an increasing focus on the Project Identification and Investment Phase of JESSICA operations, rather than on the Feasibility and UDF Selection Phases.

These phases are used throughout the study to illustrate the different MCK challenges at different points in the implementation of JESSICA operations, to identify ideas and best practice, and for recommendations while moving forward.

3. MCK TOOLS

To help JESSICA stakeholders understand how Marketing, Communications, and Knowledge dissemination (MCK) is relevant to JESSICA operations, and how effective MCK may help to improve the likely success of such operations, it is important to firstly understand the different tools that are available and relevant for JESSICA. This chapter defines MCK and provides an overview of MCK tools.

3.1. Defining Marketing, Communications, and Knowledge Dissemination

For the purpose of this report, Marketing, Communication, and Knowledge Dissemination is defined as the following:

Marketing: Marketing describes the activities used to create brand recognition and awareness of an organisation, a service, product, or policy initiative such as JESSICA. Marketing involves the use of different strategies and tactics.

Communication: Communications are used to facilitate dialogue and create mutual understanding of an organisation, product, service, or initiative such as JESSICA. Communications tend to be two-way exchanges of knowledge and information to facilitate understanding, knowledge creation, and build trust between stakeholders.

Knowledge Dissemination: Knowledge dissemination, also known as ‘knowledge transfer’ is the process of distributing and exchanging information, best practices, lessons learnt, and know-how from one party to another to build knowledge and to make it available to others in the future.

Figure 1 below is a representation of these 3 different aspects of MCK, with some illustrative examples of the types of mechanisms that might be used in each case.

Figure 1 : Defining Marketing, Communications, and Knowledge Dissemination



3.2. Marketing, Communication, and Knowledge Dissemination Tools

An overview of the different MCK tools available to raise awareness, and increase understanding and knowledge of JESSICA amongst different stakeholders is provided below.

Publications

Organisations involved in JESSICA can produce their own publications such as magazines, newsletters, leaflets, articles or other forms of materials written by in-house staff. An organisation's own publications allow complete editorial control and ability to manage the frequency (weekly, monthly, or annual) and distribution of the publication by post, email, or online. DG REGIO, the EIB, MAs, and UDF Fund Managers may create in-house publications to keep stakeholders up to date with JESSICA activity across the EU or within their country or region. Alternatively, organisations can seek for other parties to publish information regarding JESSICA through the use of advertising and Public Relations (PR). External publications are owned by a third party and therefore direct editorial control is more difficult.

Advertising and Public Relations

Advertising and PR promote or raise awareness of a product, brand, concept, or public information message. While advertising involves paying for the creation of announcements to be promoted through different types of media including print, online, TV or radio, public relations represents a strategic communication process that builds mutually beneficial relationships between organisations and the public. Advertising allows organisations to have complete control over the content, style, and creativity and is a more direct way of communicating with the intended audience. PR, on the other hand, is the art of persuading journalists, bloggers or other potential channels to communicate your message in the media, aimed at achieving, in principle, more credibility.

Stakeholders might mistakenly believe that advertising and PR play the same role and exclude one or the other from their strategy. It is important to note that, in order to achieve the dissemination and awareness objectives, both tools should be part of an integrated approach and complement each other. A PR and advertising campaign could be used by MAs to help attract potential UDF Fund Managers during the UDF Selection Phase, or by the UDF Manager to attract potential project promoters, and by both to announce significant achievements, such as a new project investment. When using PR and advertising, repetition is important, and one piece of advertising or PR in isolation will generally not be enough to achieve positive results. Repeated, targeted, and coordinated approaches and messaging is important, and is best used in conjunction with other tools listed here.

Direct marketing

Direct Marketing (DM) is another mean of distributing personalised messages to key stakeholders. DM enables the targeting of specific individuals or organisations with tailored messages or information, and can be carried out through a variety of means from direct e-mails to leaflets. With the increasing importance of mobile devices and internet mobile access, mobile marketing represents one more opportunity to reach target stakeholders. Modern DM

electronic systems allow for the collation of information in relation to who has received, read, and responded to messages, information which can be used to promote future activity, follow up or build databases of relevant contacts.

DM activity in JESSICA can help to provide targeted information to all relevant contacts for instance from the EIB and the EC to the MAs, from the HF Manager or the MA to potential or existing Fund Managers, and of course from UDF Managers to potential or existing UDPs.

Events, Seminars, Webinars and Road Shows

Creating opportunities for people to meet, interact and share experiences is one of the most effective communication tools, and an important means of creating the understanding of JESSICA. Whether it is a multi-day conference, an intensive half-day seminar, or a meeting held online via a webinar, such two-way dialogue allows attendees to benefit from the opportunity to hear directly from experts and practitioners. This can be an effective means of increasing, for example, understanding of how UDFs work in practice, or allowing different countries to identify common challenges and share potential solutions in regards to the implementation of JESSICA.

The JESSICA Networking Platforms and JESSICA/JEREMIE conferences organised by DG REGIO, for example, were designed to provide both information and create opportunities for different MAs to meet each other and share experiences. The use of road shows during the Project Identification Phase may also be particularly useful for UDF Fund Managers to inform potential investors and project promoters of a new UDF, its investment priorities, and selection criteria to help attract new investment and projects.

Websites

Websites are exceptionally useful tools to help market JESSICA operations, communicate what JESSICA is, and to share knowledge in relation to JESSICA experiences. Good websites reinforce messages communicated through other media, and provide users with a searchable library of information. By centralising and allowing access to information from all sources, websites act as the backbone of the marketing and communication strategy.

Setting up a good website for JESSICA purposes involves taking into consideration all categories of user groups, both technically and language wise. The website should be mobile device friendly and allow for easy access to key information regarding JESSICA implementation phases, including an overview of latest developments and projects within MSs, particularly with UDF and UDP relevance. JESSICA stakeholders should have access to examples of best practice and case studies of successful projects which could inspire the further development of successful investment strategies.

Monitoring and evaluating the performance of websites is important to ensure that they are reaching the right audiences, and that users are accessing the information they are looking for easily. More information on this is presented in Annex III.

Digital and Social Media

Digital and social media allows for virtual networking environments where stakeholders can easily communicate and share information in real time and through extended written conversations. It can be used to raise awareness of JESSICA developments or news, such as new UDFs or the introduction of new regulations exceptionally quickly and cheaply, promote positive stories and messages such as new project investments, as well as allowing stakeholders to exchange information, views and opinions on a one-to-one or group situation in forums.

Figure 2: Social Media Tools Icons



This form of social interaction is particularly relevant for networking where face to face interactions are more challenging, due to geographical boundaries, as with the JESSICA initiative.

There are a number of existing social and digital networks or 'meeting places' which can be utilised by those seeking to exchange information. The most prominent and relevant of these for JESSICA are Facebook, Twitter, YouTube, Google+ and LinkedIn.

Social media can be particularly useful for raising awareness of an event about to be held such as a UDF road show. Social media is most effective when used in conjunction with other forms of marketing or communications, and is a short and easy way of directing 'followers' to a website with more information. Like all other forms of MCK tools, it is not cost free and requires skills and resources if it is to be done effectively.

For a list of available social media tools, please refer to Annex IV.

Information materials

Information materials represent written knowledge dissemination mechanisms which can be effective in facilitating compliance with the relevant regulatory framework. They can include manuals, providing information on policies or practices, step by step instructions regarding specific approaches or specific activities for implementation. Information materials can take the form of guidance documents, presenting the user a methodological framework or an evidence-based approach to follow.

Information materials are the appropriate tools to define concepts like Operational Programme, Operational Agreement, to explain the role of the UDF or the eligibility criteria a UDP must fulfil. In order to efficiently achieve the awareness raising and knowledge dissemination objectives, information materials should be part of an integrated approach and

connected with other MCK tools. Social media, networking events and seminars are good means to direct relevant stakeholders towards different information sources.

Research and Evaluation

Research and evaluation activities can assist in identifying 'issues' or subjects of debate. These can be carried out by academic institutions, consultants, experts or organisations, and could be published in journals or other printed or online publications. Research and evaluation is an appropriate tool to determine country or region specificities, the appropriateness of a UDP in a certain geographical area, can contribute to the future development of JESSICA activities and can increase knowledge dissemination.

Study Tours

Study tours are a very practical tool for obtaining on-site information, and for JESSICA are particularly useful for determining suitable projects for UDF financing, characteristics that led to success, and development potential. Study tours represent efficient tools to provide information that may be better communicated visually or verbally and to disseminate information in an interactive way.

Through study tours, Fund Managers can get exposure to projects from other countries and MAs can find the inspiration for the design of OPs and the understanding of the role of Financial Instruments within these OPs for the next programming period. During study tours, attendees have the opportunity to meet experienced individuals and to participate in classroom sessions which can build their own capacity and provide the appropriate environment to share relevant knowledge and exchange information. Study tours may be particularly useful for MAs interested in understanding how JESSICA works in practice elsewhere in Europe.

Experts and working groups

Experts can help to distribute and share knowledge, particularly where detailed understanding of complex or technical information is required. Experts can provide know-how, and correct misunderstandings. Within the EIB, a dedicated team of JESSICA experts has established relationships with individual MSs and MAs in case of any specific queries. Experts can provide a contact point in case of individual queries, such as for a UDF Manager in relation to a particular aspect of EU regulation, or for a possible project sponsor to understand how to structure their project to be suitable for UDF financing. Experts can come together to collectively communicate, through exchanging ideas, best practice and identifying common issues requiring further research or actions to help solve common challenges, such as the "JESSICA Lessons Learned Working Group" which was established to help UDF Fund Managers exchange practice on UDF management issues and the "JESSICA & Housing Working Group" which facilitated exchange of information and identification of best practice related to implementing JESSICA for energy efficiency in housing .

Figure 3 : Summary of MCK Tools

Tools	Main benefits	Primary (P) and Secondary (S) objective		
		Marketing	Communications	Knowledge Dissemination
Publications	<ul style="list-style-type: none"> • Raises awareness • Own publications allows for control over content 	P	S	S
Advertising and PR	<ul style="list-style-type: none"> • Generates awareness, reaches wide audience • PR allows for independent view 	P	S	S
Digital Media	<ul style="list-style-type: none"> • Allows key messages to be distributed to specific individuals or organisations 	P	S	S
Events, seminars, & road shows	<ul style="list-style-type: none"> • Provides information • Allows for interaction and networking 	S	P	S
Websites	<ul style="list-style-type: none"> • Provides easy access to comprehensive information • Cheaper than hard copy publications 	S	P	S
Social Media	<ul style="list-style-type: none"> • Quick and relatively cheap means to communicate key information • Online collaboration, coordination, and community 	S	P	S
Information Materials	<ul style="list-style-type: none"> • Provides detailed technical or complex information to those that may need it 		S	P
Research	<ul style="list-style-type: none"> • Allows for detailed understanding of issues and how to tackle them • Often conducted by a third party allowing for 'independent' view 			P
Study tours	<ul style="list-style-type: none"> • Facilitates transfer of knowledge on specific issues • Allows face to face questions and answers 	S	S	P
Experts and Working Groups	<ul style="list-style-type: none"> • Allows for access to specific information through question and answer • Provides for knowledge exchange 			P

4. KEY RESEARCH FINDINGS

Interviews and desktop research were conducted on MCK activities by the EC and the EIB at the general level, and more specifically in Greece, Lithuania, Poland, Portugal, and Spain. Key MCK activities undertaken by the EIB/EC and specific activities undertaken in each of these countries are detailed in this chapter. Common themes and issues in relation to MCK from all research and interviews undertaken are then provided.

4.1. MCK activities developed by DG REGIO and the EIB

JESSICA as a policy initiative was introduced to MSs at the beginning of the 2007-2013 programming period with the aim of promoting the establishment of FEIs to support sustainable urban development utilising resources from SFs in a revolving manner, rather than through the traditional means of grant funding. As JESSICA was a new initiative, DG REGIO, in collaboration with the EIB undertook a series of engagement activities with MSs to introduce them to JESSICA, explain the potential benefits of JESSICA, and help MSs to understand how JESSICA would work in practice and would fit within their respective OPs to support urban development. These activities were designed to raise awareness and improve understanding of JESSICA and to help MSs with the implementation of the financial instruments promoted by JESSICA within their territories. These MCK-related activities included:

- A programme of "kick-off" meetings with relevant stakeholders within MSs to introduce the JESSICA initiative. These meetings were considered essential to present the initiative to national and regional authorities. Multiple follow-up meetings were scheduled to help MAs understand the process and technical requirements for implementing JESSICA, and how JESSICA could fit within the current OPs.
- Marketing materials: A general JESSICA brochure was published in 2008 by the EIB, and DG REGIO and the EIB also created tailored PowerPoint presentations to illustrate how JESSICA could support OPs.
- JESSICA websites: Both the EC (DG REGIO)¹⁰ and the EIB¹¹ host JESSICA pages on their websites as an effective MCK tool. The EIB's JESSICA pages present information on the regulatory background, publish completed JESSICA Evaluation Studies, inform the public on the established HFs and UDFs and launch calls for EoI to select the UDFs. DG REGIO's website provides general information about JESSICA and informs the public about past and upcoming JESSICA related events.
- Evaluation and Horizontal Studies: As JESSICA is a new mechanism of using EU SF, DG REGIO and the EIB recognised the need to support MS to understand the

¹⁰ <http://jessica.europa.eu>

¹¹ <http://www.eib.org/products/jessica/index.htm>

suitability of using FEIs to support urban development in their country or region. Therefore, MAs interested in implementing JESSICA were offered a no-commitment feasibility study free of charge, called Evaluation Study. A number of Evaluation Studies were commissioned in 2007 and in the years that followed. Interest in undertaking an Evaluation Study for JESSICA increased significantly in 2008-9. The Evaluation Studies in the Feasibility Phase were a critical driver to the success of future JESSICA operations. Since 2010 the production and publication of Horizontal Studies focusing not on particular geographical areas within the Union but on thematic issues relevant for stakeholders across MS has taken a particular relevance.

- Annual JESSICA/JEREMIE Conferences and JESSICA Networking Platform (JNP) meetings: Three Annual JESSICA/JEREMIE Conferences and seven JNP meetings have been organised by the EC and supported by the EIB since 2009. These Conferences and JNP bring together MAs, urban practitioners, consultants, and other interested parties to share and disseminate knowledge.

4.2. Individual country MCK activities

This sub-section provides the key research findings from the five country case studies: Greece, Lithuania, Poland, Portugal, and Spain. Together these case studies represent a sample of the various JESSICA operations across Europe. However, as these countries are now all in the latter phases of the JESSICA lifecycle, collectively, these countries offer a retrospective view of the lessons learnt on implementing JESSICA from a MCK perspective. For more in-depth information on these case studies, please refer to Annex I: Country Reports.

4.2.1. Greece MCK activities

Overview

Five Regional OPs and one Sectorial OP have contributed a total amount of €258 million into the JESSICA Holding Fund Greece (JHFG). There are currently five UDFs, each of which has responsibility for implementing JESSICA in a specific region of the country.

According to the consulted stakeholders, the recent political and economic issues in Greece have delayed the progress of JESSICA implementation. It has been difficult to attract potential project promoters to bring forward viable UDPs. However, investment activity was still expected to begin in 2012.

Key stakeholders

Most of the primary JESSICA stakeholders in Greece are in the public sector, including local and municipal authorities, utility companies and the national tourism organisations. Secondary stakeholders cover a wide range of different organisations stretching across engineering and construction consultants, energy companies, think-tanks and other NGOs.

MCK Tools

- Invite-only events and public seminars attended by interested parties from the public sector have been the primary communication tools used for JESSICA in Greece. These events were combined with media relations to generate editorial coverage on JESSICA.
- The Investment Board participated in a series of technical meetings and conferences aimed at informing intermediary MAs and potential project promoters about the implementation model of JESSICA. The meetings also clarified the requirements for funding, including the fact that all UDPs must form part of an IPSUD.
- UDF Managers published calls for the selection of urban projects in the media. These media relations strategies were generally aimed at building awareness and understanding of JESSICA opportunities and mechanisms amongst potential project promoters.
- There is a purpose-built website hosted by the JHFG¹² used as the main tool to share information with the interested parties who wish to learn about JESSICA. Based on data from Google Analytics, the website is generally well-received. The website contains useful and necessary information on how to put together UDP proposals for submission. It is neatly structured and clear, with relevant news updates.

Issues

Interviewees felt that the fluctuating economic and political situation has impacted the views of stakeholders and their willingness to get involved in JESSICA. On the one hand, the public sector is hesitant to borrow money to finance projects due to the current economic climate. On the other hand, additional debt-financing is increasingly difficult to obtain due to the banks' unwillingness to lend. Similarly, the austerity measures have also, to some degree, impacted project promoters and potential funding partners' willingness to co-invest in prospective Urban Development Projects. This makes marketing and communications activity with private sector audiences particularly crucial in Greece. Key messages around the viability of using FEIs under the JESSICA initiative to address funding gaps in Urban Development Projects need to be expressed strongly to this group in order to convince financial audiences that a revolving fund model is worth considering.

As the construction industry continues to struggle, it could be useful for Greece to look for a wider range of sectors in which JESSICA operations could be eligible for funding under the investment strategy of the UDFs. These sectors may include the energy and renewable sectors, for example. The continual need for urban renewal and redevelopment of ports and former industrial areas provides further opportunities to potentially use JESSICA to support urban policies.

¹² JHFG website: <http://www.jessicafund.gr>

Despite targeting a wider range of sectors, it may still take time to get projects off the ground. Increased marketing and outreach activities may help to reach a broader range of project promoters. For example other MCK tools could be used in conjunction with the website to help promote the website to wider stakeholders.

4.2.2. Lithuania MCK activities

Overview

As of mid-2012 JESSICA implementation in Lithuania was at an advanced stage with the country in the Investment Phase of the JESSICA lifecycle. The JESSICA Holding Fund for Lithuania (JHFL) was established in June 2009 with an initial capital of €227 million. The JHFL is used to support energy efficiency projects targeted at lowering the energy consumption levels of residential buildings known as the Apartment Blocks Modernisation Programme (ABMP).

ABMP offers long-term loans at a fixed interest rate to residential homeowners for the improvement of energy efficiency in multi-family buildings. The expected average energy saving is estimated to be around 50 per cent. By mid-2011, 100 projects were approved for funding. Future projects include renovation projects to be undertaken in student dormitories.

Key Stakeholders

The institutions involved in managing JESSICA are considered key stakeholders. This includes the Ministries of Finance, the Environment, Housing and the Urban Development Agency. Given the residential focus of Lithuania's JESSICA initiative, the flat owners and potential tenant 'end-users' of the renovation programme are also considered vital stakeholders that need to be reached by MCK activities.

MCK Tools

- The residential focus has been reflected in JESSICA-related MCK activity in Lithuania. Responsibility for driving MCK activities remains divided between the Ministries of Finance, the Environment, Housing and the Urban Development Agency.
- According to our research, a range of communications tools have been used in Lithuania, including face-to-face engagement via seminars and meetings with members of the public bodies involved in building modernisation programmes. Our findings suggest that face-to-face engagement and incorporating the use of 'case study' examples of successful renovation projects, was very effective in Lithuania.

- The above mentioned MCK tools were accompanied by media relations, as well as internet and television advertising activities on the benefits of retrofitting apartment buildings with energy-efficiency measures.

Issues

While the levels of awareness of the low-interest loans offered through ABMP were high, the immediate benefits of using the loans for energy efficiency retrofits are not as well understood. A January 2012 poll conducted on behalf of the Ministry of Environment reported that while 94 per cent of those living in apartment blocks requiring renovation were aware of the ABMP, only 52 per cent understood the benefits from cost-savings in their energy bills. Other issues include the quality of renovation work being delivered by contractors on ABMP, which has been considered to be generally of low standard according to a perception survey undertaken with local residents. Additionally, an analysis of media coverage of JESSICA during the period 2010-2012 undertaken at the request of the Ministry of Finance revealed that there are perception issues with JESSICA particularly with regard to its complexity.

The need to identify potential critics at an early stage is an on-going issue in gaining support for the JESSICA initiative. In addition to marketing the ABMP and encouraging residential take-up, it is felt that more focus could be placed on addressing the negative public perceptions, which are, however, related to ABMP and not necessarily to JESSICA itself.

4.2.3. Poland MCK activities

Overview

Poland was one of the first countries in the EU to implement JESSICA. So far 5 of the country's 16 'voivodeships' or local government regions, have engaged with the initiative, (Wielkopolska, Zachodniopomorskie, Pomorskie, Śląskie and Mazowieckie). As of end of June 2012, these five regions together have 9 loan agreements in place between UDFs and final recipients: 6 in Wielkopolskie, 2 in Pomorskie, and 1 in Śląskie region.¹³ In total approximately €256 million is available to support urban development and regeneration activities through the HFs.

JESSICA investments in Poland are focused on projects such as the regeneration of degraded town centres and buildings with significant historic or architectural value, revitalisation of post-military and post-industrial areas (e.g. redevelopment of old factories or other brownfield premises for commercial use), business environment enhancement, sustainable transport infrastructure, cluster development or energy-efficiency and renewable energy projects.

¹³ As of end 2012, there were in total 18 loan agreements in place between UDFs and final recipients: 8 in Wielkopolska, 4 in Pomorskie, 3 in Śląskie and 3 in Zachodniopomorskie.

Awareness of JESSICA is high at the MA level according to the stakeholders interviewed for this study. However, interviewees perceive a lack of detailed technical knowledge and clear understanding of the programme's key benefits within local government and financial institutions, which needs to be addressed.

In order to spread the growth of JESSICA in Poland it is suggested that marketing and communications activities should be targeted at those voivodeships which are currently not involved in JESSICA, to promote the initiative. Also the wider financial sector should be targeted to help address the need for joint co-investments at the project level. It appears that MCK activities carried out by UDFs to inform and attract potential project sponsors have proven successful. They were supported by activities undertaken by MAs in cooperation with EIB. An increased level of knowledge sharing from the private to the public sector on how to attract potential sponsors to such events is encouraged.

Key stakeholders

Key audiences for JESSICA marketing and communications activities can be divided into three main groups - local decision makers responsible for starting projects, banks and financial institutions who can become fund managers and the end users / beneficiaries (e.g. private and municipal companies, individual investors, property owners).

Equally important are regulatory and supervisory bodies such as the Regional Accounting Offices located in each voivodeship which represent Government and help to supervise, audit and control the finances of municipalities.

MCK Tools

- The primary source of information for EU funds is a web portal¹⁴ which is hosted by the Ministry of Infrastructure and Regional Development.
- At an early stage, nationwide awareness raising conferences were organised jointly by the EIB, the EC and the Ministry of Regional Development. These targeted a wide group of stakeholders (regional governments, banks, municipal authorities etc.) and concentrated on outlining the strategic objectives of JESSICA.
- To follow up on the above, a number of regionally-based seminars and conferences were organised by the MAs (in conjunction with the EIB) to promote JESSICA in particular in the 5 regions implementing JESSICA. They were supported by marketing collaterals which included direct marketing literature in the form of delegate packs.
- The events were backed up by a range of face-to-face meetings, the most successful of which were held with local government officials and specific targeted stakeholders. However, interviewed stakeholders did not consider the seminars and

¹⁴ http://www.mir.gov.pl/english/Strony/main_mrr_eng.aspx

meetings with municipalities and local government bodies very efficient, as these entities were not yet ready to present mature projects that could be financed under JESSICA.

- All of the UDFs i.e. Bank Zachodni WBK (BZ WBK)¹⁵, Bank Ochrony Srodowiska (BOŚ) and Bank Gospodarstwa Krajowego (BGK)¹⁶, have dedicated sections on their websites for JESSICA, providing relevant information on the Calls for Proposal (for UDPs) and on how to apply for funding under JESSICA operations as well as relevant news updates.
- There is no central website that serves as an information hub about JESSICA across Poland, which results from the fact that JESSICA is implemented at regional level through 5 separate HFs. Stakeholders interviewed mentioned “case studies” as something that was missing and that they would find helpful; such case studies were however presented on numerous occasions during conferences and seminars for potential final recipients.
- Roadshows and seminars run by UDFs, aimed at reaching prospective Project Sponsors have proven to be one of the most effective methods compared to other forms of MCK activities according to stakeholders interviewed. The UDFs were commended for their pro-active approach to conferences and seminars. All of them organised numerous conferences, workshops and trainings. For example, BGK held a conference to present details of the financing available through JESSICA in Poznan in July 2012. Further, BGK offered free training on State Aid in relation to JESSICA for interested parties on a first-come, first served basis. Additionally, BGK began publishing a quarterly “EU fund” newsletter¹⁷ to keep interested stakeholders abreast of key developments in the JESSICA initiative. In addition, numerous trainings on PPP, State Aid and feasibility studies were organised by EIB in cooperation with MAs.

Issues

Interviewees expressed a need for further knowledge dissemination to take place at the regional level in Poland to promote JESSICA and help break down historical reservations about the use of non-grant based funding schemes. Despite efforts made to encourage local governments to proceed with applying for repayable assistance, it seems that their preference for using grants and lack of mature projects that could be financed through financial instruments up to date limited the number of public entities interested in using JESSICA. Public entities were however actively involved in development of quite a few projects for which agreements have already been concluded.

One reason for this, based on discussions with stakeholders, is the relatively short track record of using revolving instruments. As FEIs are still in implementation stage, the impacts

¹⁵ BZW BK bank website for JESSICA: <http://jessica.bzwbk.pl>

¹⁶ BKG's website for JESSICA: www.bgk.pl/jessica

¹⁷ BGK's quarterly EU-fund newsletter: www.bgk.com.pl/43

of many projects funded through FEIs are yet to be realised. Stakeholders' general view is that with time and successful cases, MAs and regional bodies will become more comfortable and confident about using non-grant based financial instruments in the future.

Our interviews also indicated that private investors can be put off by a perception that JESSICA requires them to engage with complex formal regulatory requirements which will result in their staff working longer hours and therefore creating higher administrative costs. There seems to be less awareness of the advantages in cost and terms of financing that JESSICA can bring about.

Based on discussions with financial stakeholders, some of them are also concerned about the long term nature of JESSICA investments and corresponding time to realise returns, as well as levels of returns generated in relation to other commercial activity that could be undertaken instead, and uncertainties which remain over future demand for JESSICA projects.

Appropriate use of MCK activities could potentially overcome some of the concerns felt by the financial sector toward investments supported by JESSICA. Therefore, it is recommended for the next programming period to continue to offer seminars to clarify some of the regulatory and State Aid issues to help private sector audiences understand EU legislative rules. The positive experiences of the three UDFs, BGK, BOŚ and BZ WBK, in terms of the knowledge and insight gained into working with European-level funding mechanisms, should be highlighted to help overcome reservations from other financial institutions who can perceive them to be difficult to engage with while not offering a commensurate level of return.

4.2.4. Portugal MCK activities

Overview

There are currently three JESSICA UDFs in Portugal with a total capital budget of €130 million leveraged by an additional € 205 million, to a total of € 335 million. Two UDFs are managed by public sector organisations and one is managed by a private bank.

In the context of Portugal, JESSICA will support urban regeneration of urban infrastructure, energy efficiency and renewables, urban economic revitalisation of small-and-medium enterprises (SMEs), and information and communication technology (ICT). The first project to be invested through JESSICA is an urban rehabilitation project at Évora Centre City.

Key stakeholders

In Portugal, key stakeholders including the general public and potential project promoters were targeted for communications prior to the evaluation phase taking place. The financial sector was also engaged at this early stage, as to ascertain potential future investors and/or UDF Managers.

Municipalities and project promoters were also targeted via specialised newspapers and conferences once the evaluation stage was complete. Now that the projects are being financed, examples of those financed projects are used to persuade other project promoters to bring their projects forward to the UDF Managers.

The general public, various government bodies and trade associations in the planning and real estate sectors as well as local business organisations and energy trade associations are additional key stakeholders.

MCK Tools

Marketing and communications activities were key to the successful implementation of JESSICA in Portugal. The JESSICA Holding Fund Portugal (JHFP) recognised from the onset the need to speak to a range of important stakeholders well ahead of the implementation timeline.

The EIB and the EC began discussions with relevant government bodies and politicians in late 2006, well ahead of the formal launch of JESSICA to obtain political support before undertaking the Evaluation Study.

- JESSICA MCK activities in Portugal have been mainly undertaken by JHFP with the assistance of a PR company paid for by the Holding Fund. Based on a strategic communication plan, the following MCK activities were undertaken: road show sessions to various cities in the North, Centro, and South regions with support from the Portuguese Regional Coordination and Development Commission and face-to-face meetings with UDF stakeholders.
- Media relations were used at high-profile events where senior-level government officials were keynote speakers. These high-profile events are planned regularly, at least on an annual basis as outlined in the communications plan. The presence of senior-level government officials at launch events has been very effective in raising the awareness about JESSICA. As of mid-2012, several future JESSICA-related events were planned, topics earmarked being the assessment of the implementation to date and forecasting for the following years.
- The attendances of JHFP and the selected UDFs at national trade fairs were considered instrumental in providing visibility. The presentations to perspective project promoters were vital, and were very well-received.
- There is also a central website¹⁸ to disseminate key information about JESSICA in Portugal.

¹⁸ JESSICA Holding Fund Portugal: www.fundojessicaportugal.org

Issues

Whilst the investment landscape has been difficult in Portugal due to the recent Euro-crisis, research data reveals strong national government support for urban development. The Portuguese Government is preparing a new law on urban renewal to give greater support to urban rehabilitation and regeneration. This is also echoed in a recent statement by the Minister of Agriculture, Sea, Environment and Spatial Planning that JESSICA has the potential to be a powerful tool to help achieve the goal of urban renewal.

Stakeholders indicated that they expect faster response times in receiving answers on their enquiries from UDFs. Most of the queries relate to eligibility, therefore it would be helpful to provide clearer guidelines.

As Portugal is advancing well into the Project Identification Phase of JESSICA, and in fact has already invested in several UDPs, there is much to learn about how they have generated awareness of the programme. UDFs in Portugal have engaged with communications at an early stage and their understanding of how the media and stakeholders can be used to spread understanding and knowledge about JESSICA has been a great benefit to the programmes. It is felt that it would be useful to increase traffic to the website and that links should be added to other sites and the content should be available in English in addition to Portuguese.

4.2.5. Spain MCK activities

Overview

In Spain, MAs operate at both regional and national level. Currently there are two HFs in Spain: the Andalucía HF and the Fund of the Spanish Energy Saving and Diversification Institute. In the southern region of Andalucía, there are currently two UDFs which manage €85 million to support urban development.

Key Stakeholders

The main public sector stakeholders are provincial governments, municipalities and local-level public enterprises. In the private sector, the main stakeholders are financial institutions, investment vehicles such as business angels and venture capitalists, and private companies in the construction, infrastructure, energy and transport sectors.

Less of a priority but equally important are local government departments responsible for urban development, industry, commerce and infrastructure, and the regional and national business communities and associated trade associations, such as the High Council of Architects Associations of Spain.

MCK Tools

- During the Feasibility Phase, road shows were organised in municipalities with over 20,000 inhabitants. Meetings took place with provincial governments, local organisations and public enterprises for the purpose of building the understanding

of JESSICA. General briefing meetings also took place with senior managers from the Departments of Culture, Public Works and Tourism.

- During the UDF Selection Phase, the Holding Fund JESSICA Andalucía hosted a series of meetings to allow potential project promoters to learn about JESSICA and hear about the potential projects that could be funded.
- Based on the research data, leaflets, guidelines, and other marketing materials were distributed to interested parties on how to apply for repayable assistance. These were supplemented by digital communications on the Junta de Andalucía website¹⁹ for project promoters.

Issues

Due to the economic conditions and uncertainty in the financial markets, stakeholders involved in JESSICA consider it increasingly harder to find financial institutions willing to provide co-investment or invest in urban projects. Our research data suggest that the main issue with the JESSICA HF in Andalucía is the lack of public visibility, despite high political awareness and efforts undertaken by local MAs to promote JESSICA. However, it was felt that the political support for JESSICA at the regional level has helped build momentum and awareness. For example, the Regional Minister of Economy, Innovation and Science in Andalusia attended the signing of BBVA's appointment as the UDF Manager in Seville, which helped to increase the profile of JESSICA.

It is felt that JESSICA stakeholders would benefit from having greater clarity on project eligibility, and examples of project types or successful projects elsewhere in the EU. Using some of the basic knowledge dissemination tools alongside of publishing successful case studies examples through PR and on the website may help address this issue. Guidance notes should be produced at the EU-level or at HF-level to take prospective project promoters through the application process for funding in the context of JESSICA operations. More work could also be undertaken to improve the Google rankings²⁰ of JESSICA related websites, to assist those who do not know about JESSICA in Spain find relevant online information, and increase the range of possible applicants.

4.3. General research findings

The interviews conducted in each of the countries above provided significant insights in relation to the key stakeholders for JESSICA, general understanding of JESSICA in both the

¹⁹ JESSICA Andalucía: <http://www.acjessicaandalucia.com>

²⁰ A variety of search engine optimization methods can be employed to improve the positioning of pages in the results displayed by Google or other search engines. See for instance http://en.wikipedia.org/wiki/Search_engine_optimization

private and public sectors, perceptions surrounding JESSICA, and key issues and challenges which MCK might seek to address. Key findings are set out below:

Stakeholders

The public sector plays a key role in JESSICA operations, as the role of Managing Authority for Operational Programmes providing resources to Financial Instruments is normally played by a public sector body. Public sector bodies involved encompass government at the national, regional, and local level who are either accountable for overseeing the OP, or responsible for implementing JESSICA. Other public sector bodies involved may include: Departments of Environment, Urban Development and Housing, Transportation, Local Governments and Communities, and Economics and Finance.

The private sector in the context of JESSICA largely concerns banks, financial institutions, and fund managers at the UDF Selection Phase, and a range of organisations at the Project Identification Phase such as construction, property, engineering, and waste management firms.

Awareness, understanding, and perceptions

Our research has given evidence of the following:

- Government bodies tend to generally be aware of the benefits JESSICA has to offer in their respective countries and regions. These benefits include the ability to lever additional private sector funding and tap into private sector expertise. The technical understanding of how FEIs work in practice is however fairly weak.
- Shifting the use of ERDF funding from a grant model to a recyclable investment fund requires a cultural change and new ways of working with the EC and the EIB. MSs with more substantial experience in structuring large-scale PPP deals tend to be more comfortable with using FEIs than MSs in which the use of PPPs is limited.

Some regional and local governments continue to be concerned about using JESSICA due to the overall state of the economy. There is also concern about the ability of urban projects to generate sufficient returns and also meet broader economic development objectives such as job creation, employment, and education. It is important that the UDPs are part of long-range strategic plans of the local or regional area. Marketing and communications activities can help to overcome some of these concerns. For example, producing marketing collateral or papers on how JESSICA addresses particular market failures and sub-optimal performance of the economy will facilitate understanding among some stakeholders. Additionally, building a repository of successful JESSICA case studies illustrating how JESSICA was able to achieve financial returns and achieve policy objectives would be helpful.

- In general, the private sector has minimal knowledge of JESSICA. On the other hand, there are also positive signs that the private sector such as real estate developers, energy efficiency suppliers, and institutional investors are becoming keener on

exploring the potential for longer-term returns from investments in urban areas through JESSICA operations.

- There are concerns within potential private sector Fund Managers about the practical implementation of JESSICA and profitability of managing and/or using the funds, including compliance with ERDF requirements and issues on State Aid. The evaluation studies undertaken during the Feasibility Stage generally provide recommendations on the implementation process such as the FEI structure and products. MCK activities can play an important role in ensuring that the findings are widely publicised to all prospective stakeholders. Marketing and communications materials can support the dissemination of understanding about the financial feasibility of JESSICA projects for financial institutions, especially if they are produced professionally by organisations used to preparing prospectuses for financial audiences.
- Some stakeholders involved in the implementation convey that some investors might feel restricted by the types of urban projects that are eligible for JESSICA, and the administrative monitoring and reporting requirements are perceived to be onerous.
- The current economic climate itself presents a major challenge in leveraging private sector investments. Debt-financing is increasingly difficult to obtain and co-financing by a private financial institution has been a challenge as banks prefer to fund projects directly rather than channelling monies through a UDF.

5. MCK TOOLS IN PRACTICE

The study revealed a wide range of MCK tools and strategies deployed to promote JESSICA operations during the current programming period, 2007-2013. This chapter presents the MCK tools used in practice during JESSICA implementation in Greece, Poland, Portugal, Spain, and Lithuania. The main three MCK tools used across all countries were websites; seminars and conferences; and PR/ media & advertising. This chapter also contains case studies to illustrate how MCK tools were used in practice successfully.

5.1. Websites

All countries evaluated for this MCK Study make use of a website as a communication tool generally hosted by the HF Manager or the UDF Manager. Most websites have content available in both English and the MS's respective national language. The MA, EIB, and DG REGIO websites were also examined regarding their content about JESSICA or EU SFs. For a basic review of website content, please refer to Annex II. The key findings are:

- The HF/UDF-sponsored websites generally provide key information about JESSICA operations including the purposes and objectives of JESSICA, the application process, project eligibility, recent news, and a “contact us” section.
- For centralised websites such as those of DG REGIO²¹ and EIB²², the focus of the information provided is more universal, focusing on the background and regulatory framework, underpinning the operations of FEIs under the JESSICA initiative. They also host all published evaluation studies and horizontal studies. The websites however do not provide links to country-based HF, UDF or UDP specific websites. The EIB web site provides as well a directory of past and present Calls for EoI for UDF Managers for the cases where the EIB is the HF Manager.
- The format and design of websites varies substantially from country to country. Some websites are more visually attractive in terms of layout than others. Similarly, some websites have information that is easy to find, whilst others are more difficult to navigate to find specific information.
- None of the websites, with the exception of the Chrysalis Fund²³ in North East England, make use of visual images, and none of the websites utilise interactive audio-visual clips or social media tools as part of the overall marketing strategy.
- Based on *Google Analytics*²⁴, little or no data was revealed for the majority of websites in this MCK Study. The lack of data implies that the average number of visitors is

²¹ EC DG REGIO: http://ec.europa.eu/regional_policy/thefunds/instruments/jessica_en.cfm

²² EIB website: <http://www.eib.org/products/jessica/index.htm>

²³ Chrysalis Fund, England: www.chrysalisfund.co.uk

²⁴ Google Analytics is a tool to measure performance of websites. For more information, please refer to Annex III.

relatively low, suggesting that the websites are not generating sufficient traffic and are passive in attracting and retaining visitors.

The Lithuania's Renovation Programme,²⁵ managed by the Housing and Urban Development Agency, was the only exception where ample Google data was available since the website was designed specifically to reach end-users. The analysis suggests that the average duration spent on Lithuania's gateway website was 3:42 minutes, with an average time of 1:02 minute per page. However, the bounce rate, which is defined as the percentage of visitors who exit the site from the landing page without clicking on other links, was relatively high at 45 per cent indicating that it either had an ineffective landing page that discourage users from browsing the website, or the general content was felt to be poor.

An attractive website with an engaging and interactive landing page, useful information with links to relevant policy documents, and strong search engine optimisation²⁶ (SEO) content should help improve the overall visibility of JESSICA and attract new and returning web visitors. Websites also provide a cost-effective medium to share information, build awareness, and use as a platform for knowledge dissemination. A case study of the Regeneration Investment Fund for Wales, considered to use a website effectively, is found overleaf.

²⁵ Lithuanian ABMP: www.atnaujinkbusta.lt

²⁶ Search engine optimization (SEO) is the process of affecting the visibility of a website or a web page in a search engine's "natural" or un-paid ("organic") search results. In general, the earlier (or higher ranked on the search results page), and more frequently a site appears in the search results list, the more visitors it will receive from the search engine's users.

Case Study 1: Wales - Effective Use of a Website

The Regeneration Investment Fund for Wales (RIFW) is the UDF created by the Welsh Assembly Government in 2009 to encourage and promote sustainable development across Wales, initially focussing on the Convergence Areas for Wales. The RIFW has been created with £25 million of European funding matched with £30 million from the Welsh Assembly Government, which will be used as seed capital to kick start large scale UDPs where there is a mix of commercial uses.



Marketing Strategy

To support the marketing activities and to raise awareness about RIFW, a website was created (www.rifw.co.uk) to support the process of soliciting suitable project applications, available in both English and Welsh. The website is user-friendly with a simple layout comprising of eight tabs across the main landing page. The website provides relevant background information about the fund, forms of investment available through the JESSICA scheme, criteria for eligible projects, and several guidance notes and policy papers under the 'Download' tab of the website. Overall the language is succinct, clear and provides accessible

explanations for individuals and organisations seeking to submit a proposal for funding.

The target audiences envisaged to use the website are broad-ranging from the general public to financial investors and project promoters. While priority is on targeting organisations interested in submitting applications for urban development and regeneration projects, it is accessible to the general public.

Impacts

Based on discussions with relevant stakeholders involved in the RIFW, the website has proven to be very successful in terms of generating applications whilst also serving as a central web portal for individuals or organisations seeking to gather more information about JESSICA for Wales. Based on the analysis of the 'hit' rates since the launch of the website, it initially generated considerable interest with numerous contacts subscribing to the database.

The 'Register your Interest' functionality also proved to be effective, allowing the UDF in Wales to communicate key information and disseminate relevant updates and progress. While the primary means of generating contacts has been one-to-one exchanges with the relevant financial intermediaries and experts, however, these would have been difficult to generate, or even sustain without a well-designed and effective website to circulate information. The site provides a very open shop window to all audiences about what JESSICA in Wales is and what it is trying to achieve.

While the RIFW website has met its overall objectives in terms of making the JESSICA initiative visible to both the general public and interested parties, and has generated considerable interest as evident with the high number of applications submitted to the RIFW.

Key Lessons:

- Create a user-friendly website that is accessible to the general public, and provide relevant information.
- Utilise 'Subscription' function for both dissemination information and a tool for business development.
- Use Google Analytics to assess the performance of the website, such as hit rates and bounce rates.

5.2. Face-to-Face Meetings, Conferences, and Seminars

Our research findings suggest that the stakeholders interviewed considered direct face-to-face communication such as meetings, conferences, and seminars the most effective form of communication. Reasons for this view include:

- Individual face-to-face meetings allowed MAs to build trust with potential UDF Managers, and help to build a good working relationship as JESSICA progresses through the implementation process.
- Face-to-face meetings, workshops and/or conferences were helpful in building in-depth understanding of JESSICA operations.
- Face-to-face meetings allow stakeholders to raise concerns and allow for two-way dialogue and on-going discussions.

All countries examined for this MCK Study used meetings, conferences, and seminars as part of their marketing and communication strategies to promote JESSICA operations. Key research findings in relations to face-to-face communications are:

- Some events worked better than others and were more effective in terms of generating interest about JESSICA.

Greece achieved mixed results with the use of direct communications, particularly during the Feasibility Phase of JESSICA. The majority of technical and informational meetings were directed towards public sector audiences with little focus on potential project promoters from the private sector. As the private sector is potentially a key stakeholder in the later phases, emphasis on awareness-raising starting from the early stages amongst this sector may have been helpful.

Potential reasons driving the outcome of events included the format and content of the seminar, timing of the event, quality of invited guest speakers, marketing of the conference, particularly to key audiences, and the resource available to organise the event itself.

- Research findings revealed that where there is strong government support, direct communications become more successful.

In the case of Portugal, several ministers were consistently present at conferences and invitation-only events. For example, the Minister of Economy and Employment and Minister of Agriculture, Sea, Environment, and Territorial Planning of Portugal attended the signing ceremony to formalise the creation of three UDFs in Portugal to support urban revitalisation. This alone sends two powerful messages: that political support to FEI promoted by JESSICA is strong, and that urban development is at the forefront of the policy agenda in Portugal.

- Based on industry practice in the field of marketing and communications, well-structured conferences and events with clear messages and objectives tend to have stronger impacts.

For example, in the run up to the Project Identification Phase, the Chrysalis Fund in Northwest England organised a well-executed series of breakfast seminars aimed at private sector investors and potential project promoters centred on two key messages - FEI promoted by JESSICA are viable investment vehicles and they offer flexible financing terms in the forms of loans and equity at favourable commercial rates to make UDPs more viable. See Case Study 3 for more details.

When organising a high impact conference or seminar, inviting high-profile keynote speakers to help attract the desired targeted audience; selecting appropriate dates, times, and venues; developing well-structured plenary and break-out sessions around key themes; and dedicating sufficient staff resource to coordinate the conference/seminar logistics to high standards, is likely to lead to more successful events.

Case Study 2: Poland - Use of Face-to-Face Meetings, Seminars, and Events

In Poland, JESSICA operations support urban renewal and infrastructure development in deprived urban areas. They also aim to redevelop former industrial areas as well as former military bases with the aim to improve the urban environment with emphasis on place-making in order to attract residents and businesses. All urban projects must meet ERDF criteria and must be part of an IPSUD and provide socio-economic benefits such as the ability to create local employment or help augment the tourism industry. In most cases in Poland, the revitalised buildings serve both commercial and social purposes.



Marketing Strategy

In the case of Poland, the target audience are primarily two groups of stakeholders: the decision-makers who decide whether JESSICA should be implemented in a particular region or city, and the second, banks and private sector investors who may have interest in investing in an urban development or revitalisation project as a co-investor or a fund manager. To a lesser degree, private sector companies, such as professional engineering firms and Energy Service Companies (ESCOs) are also targeted.

The most important communication tools, based on the research findings, were carefully targeted and structured business-to-business seminars and conferences. These seminars were created after a comprehensive stakeholder-mapping session to identify the most important audiences for JESSICA in Poland. Additionally, consultative meetings were conducted with local and regional representatives to understand any gaps identified in the stakeholder-mapping analysis. Marketing materials such as brochures and guidance were also useful to convey the key messages.

Impacts

In Poland, the research data suggest that the face-to-face communication was the most effective means of persuading key audiences about the benefits of JESSICA in light of the complex nature of the FEI.

Key Lessons:

- Organise high impact conferences and seminars with keynote speakers and a series of break-out sessions covering a range of themes.
- Develop delegate packs with conference programme, list of delegates, and relevant case studies.

5.3. Public Relations, Media, and Advertising

Public Relations (PR), media, and advertising campaigns were included in most of the countries examined in this MCK Study. The research data suggest that overall the PR and media campaigns were highly effective particularly at the local and regional level in raising the profile of, and promoting JESSICA operations. Some examples of PR and media-related activities to support JESSICA include:

- In Greece, local journalists published articles on JESSICA and how the funds will be used to support urban development activities.
- In Portugal there was strong media coverage on the selection of the successful UDF Managers, including seven articles circulated in the local media, some providing direct quotes by the Minister of Agriculture, Sea, Environment and Spatial Planning on the importance of using FEI promoted by JESSICA for urban renewal in Portugal.
- In Andalucía, Spain, it was perceived that the formal signing of the operational agreement of the JESSICA Andalucía BBVA UDF in March 2011 in Seville also received good press coverage.
- For the Chrysalis Fund in Northwest England, the UDF Manager effectively utilised the media community to promote JESSICA to the broader investment and private sector communities, with considerable press coverage in local newspapers (see case study overleaf).
- For JESSICA in Lithuania, conventional media coverage was used in addition to a large-scale TV advertising campaign to reach out to the widest range of people to generate awareness about the energy efficiency renovation programme. This involved both short television advertisements and extended 5 to 10 minute commercials about the benefits of JESSICA and how to access the loans. The campaign also highlighted the benefits and the potential of saving up to 50 per cent on annual energy bills. Additionally, the Press Officer in the Ministry for Environment in Lithuania also placed adverts in key newspapers to attract more homeowners to participate in the scheme (see case study at the end of this chapter).

Case Study 3: England - Use of Public Relations and Events

The £30 million Chrysalis Fund based in Merseyside in Northwest England is aimed at investments in commercial properties and urban regeneration projects in the Greater Liverpool region, whilst also supporting economic growth and job creation in key growth sectors. The Chrysalis Fund provides viable financing options by making senior and mezzanine debt available to fund projects that support sustainable growth. Applications for funding are currently open; interested developers or investors with an urban regeneration project in Merseyside are encouraged to submit bids. To be eligible, projects must be located in the Greater Liverpool area; investment-ready with outline or full planning permission; and can deliver at minimum and ungeared internal rate of return (IRR) of 7 per cent.

Marketing Strategy

There is a view that the UDF Managers have been very successful in promoting the Chrysalis Fund, engaging local investors, developers, financial institutions, and other public and private organisations from the outset of the project. According to the stakeholders interviewed, the UDF Managers have utilised all MCK tools including building a well-designed website, a launch event in which individuals from the investment community and government officials were invited to attend, and the use of a press release to garner further interest.

For the Chrysalis Fund, a three-prong PR strategy was deployed to maximise the impact of the launch event held in March 2012 at the Hope Street Hotel.

- **Pre-launch:** Before the scheduled launch event, interviews were granted with industry press such as *Property Week*, the UK business-to-business magazine covering the latest developments in the commercial and residential property markets. This generated further interest from the local media, and subsequent ad-hoc interviews about the funds were granted to local newspapers.
- **The Launch Event:** Based on the interviews, the Chrysalis Fund team worked diligently to ensure all prospective investors, developers, and construction contractors were invited to the launch event. The launch event included presentations from Jim Gill, Chair of the Chrysalis Fund; Cllr Joe Anderson, representing Liverpool City Region leaders; and representatives from the EIB, followed by drinks and a networking session. Subsequently, a press release was issued to reiterate the main objectives of the Chrysalis Fund, highlighting how the merging of public and private sector expertise and funding can lay the groundwork for sustainable development. It was felt that the event was very well-received and a pipeline of eligible projects has been identified thereafter.
- **Post-launch:** To keep the momentum going and to sustain interest, the Chrysalis Fund team is working to produce regular and structured updates about the progress of projects. Senior members of the Chrysalis team attended several key industry events, notably MIPIM, an international real estate event for professionals held annually in Cannes, France, to target property professionals and network with other business leaders.

Impact

As a communications specialist, it is Weber Shandwick's view that the PR campaign strategy for the Chrysalis Fund worked very well, which may in part be because the UK market has a long and successful track record in urban regeneration, and in developing public-private partnerships (PPPs) to deliver high quality infrastructure. In this case, targeting key stakeholders in the property sector proved to be very effective, along with involving the local media from the beginning, to relay key messages. Newspapers help to create widespread awareness amongst the targeted audiences, and in some cases, initial endorsements from local government officials and local residents.

Key Lessons:

- Arranging events can be a good way of communicating with stakeholders directly but they also provide a news hook creating opportunities for generating a press release which can be sent to the media enabling a wider group of stakeholders to be reached.
- Working with the media can not only spread the JESSICA message, but also generate advocates, and provides a sense of legitimacy and profile to the programme.

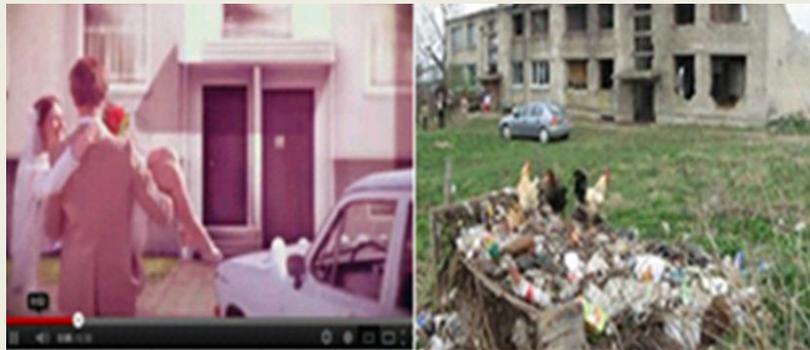
Case Study 4: Lithuania - Use of Advertising to Reach the General Public

The JESSICA HF of the Lithuanian government was launched in June 2009 in order to use the EU Structural Funds for energy efficiency projects more effectively and to reduce the energy consumption of residential buildings in Lithuania. Under the terms of the agreement, Šiaulių bankas, one of the selected UDFs, provides modernisation loans for residential energy efficiency improvements, where owners can apply for 20-year low-interest loans which must be used for energy efficiency investments. As of 2011, over 100 projects have been approved for funding for energy-saving investments such as replacement of windows and doors; insulation of ceilings, roofs, walls; and installation of solar panels.

Marketing Strategy

The target audience in the JESSICA scheme in Lithuania is current and future residential homeowners. The key message deployed was primarily around the cost savings and benefits associated with energy efficiency investment in residential buildings, and how to access and apply for these low-interest loans. JESSICA in Lithuania utilised a variety of communication tools to reach current and potential homeowners, generally working with housing associations throughout Lithuania to circulate key information on the overall benefits of the renovation project on household budgets as well as the environment.

- **TV advertising:** According to the stakeholder consultations the advertising campaign “Nostalgia” was not only creative but also very effective. It incorporated nostalgic elements of what constitute a “happy home” with montage of family-oriented images such as a newly-wed, mother and baby, and a child on a bicycle, with each scene juxtaposed against a newly renovated apartment block building. In collaboration with a PR agency, Lithuania also launched a second promotional campaign titled “Zombervilis” aimed to show the negative side of “not being renovated.” The project was implemented in partnership with the biggest news portal in the country. It also incorporated a photo contest for capturing the worst apartment buildings.



Source: Nostalgia and Zombervilis

- **Public Relations Campaigns:** Several PR activities were organised with the overall aim to reach out to the broadest constituency. These included thermo visual image campaigns that showed residents how much heat and energy is saved as the result of renovating their apartments with energy efficiency measures. To showcase the benefits to the public, a media organisation hosted a competition for the best renovated apartment block. The perception from the stakeholders is that these PR campaigns also proved to be very successful in getting residents involved in the project.

Impacts

Based on the research data, the marketing tools used in the Lithuanian case study were highly effective and had a significant impact on communicating the key messages about JESSICA and raising the overall awareness of climate change and environmental issues. While face-to-face seminars and meetings proved to be most effective, in encouraging homeowners to participate in the JESSICA scheme, television campaigns had the largest reach. The ‘Zombievilė’ and ‘Nostalgia’ campaigns generated significant interest as associated government websites experienced a peak in traffic immediately after the release. The Ministry of Finance and the Ministry of Environment of Lithuania reported difficulties coping with the influx of enquiries resulting from the campaign. However, enthusiasm for the energy efficiency improvement scheme quickly dwindled, proven by a drop in website traffic clearly identified by using Google Analytics. It was felt that one of the reasons for the decrease in interest was that questions were not answered in a timely manner, coupled with the fact that the financing package was not finalised at the time of the campaign.

Key Lessons:

- Develop an overall communications plan and monitor progress.
- Ensure communications approaches match the target audience's situation and outlook.
- Ensure all parties involved have adequate resources to respond to public enquires following media campaigns.
- Execute follow-up strategy with stakeholders after the marketing campaign.

If used effectively the combination of PR, media, and advertising can help to attract new interest from prospective investors and project promoters who wish to invest in or develop UDPs. However, PR and advertising campaigns are only useful if the messages are targeted and clear, and also complement other MCK approaches.

6. CONCLUSIONS AND CRITICAL FACTORS

As a EU wide initiative, JESSICA operations could potentially be established in any Member State and region, each of which has a different urban, economic, social, and political context. The focus of JESSICA instruments may also vary from place to place according to which OP priority axis and specific investment strategy are pursued. This diversity presents challenges in applying a 'one size fits all' approach to MCK for JESSICA operations.

This chapter provides analysis regarding the key challenges for MCK in relation to the implementation of JESSICA operations and the implications for future MCK activities in the domain of financial instruments for urban development.

6.1. Conclusions

Desktop research and interviews across the countries studied highlighted seven main conclusions and implications:

Varying Degree of Awareness and Understanding of JESSICA: JESSICA is a relatively new policy initiative introduced in 2007. Overall, the research data suggest that there is a basic level of awareness of the financial instruments promoted by JESSICA with national, regional, and local government bodies, but the in-depth knowledge about JESSICA operations varies within and across MS. There was a general view that where MS have a more sophisticated understanding of PPP models in urban environments, there appears to be greater understanding and interest in using the tools promoted by JESSICA. In markets with less experience with FEIs and PPPs, there appears to be a greater need for Technical Assistance to support understanding of FEIs. MAs which have engaged with the wider investment community tend to be more successful in the later phases of JESSICA.

To be effective, MCK strategies need to be tailored to a stakeholder's familiarity with, and understanding of JESSICA, as well as for different audiences.

Diversity of Audience: It is clear from the research findings that the implementation of JESSICA operations involves numerous stakeholders in different sectors across multiple geographies. Owing to the number of different countries involved with JESSICA, it is important to keep the core messages simple while adapting them to the specific geographical and administrative context. This means creating a set of clear, concise messages that can be understood and repeated in press releases, articles, speeches or any other public facing communications material.

To be effective, tailoring core messages is required to address different audiences. There is value-added in targeting resources and reaching out to key stakeholders at specific phases in the implementation of JESSICA, and using light-touch, cost effective forms of communications to keep the relevant range of stakeholders sufficiently informed.

Complexity of JESSICA: the implementation of JESSICA operations is viewed by many stakeholders interviewed as a complex task, particularly with regards to compliance with

EU legislation and regulations. The research shows that this is more prevalent amongst those audiences which traditionally have been familiar with grant funding, including also some private sector fund managers and project promoters. Similarly, it was felt that some public sector stakeholders seemed to lack understanding regarding the 'repayable' and 'revolving' elements of the JESSICA instruments and the opportunities to re-use returned resources.

This view can be mitigated with the use of appropriate marketing strategies and communication tools – ideally simple, accurate and informative - and with the right level of engagement with both the public and private sector. There is also a need to manage expectations regarding timescales and complexity. Understanding any existing perceptions can assist in tailoring communications to be more effective. Furthermore, the MCK activities should attempt to address some of these perception issues by managing stakeholder's expectations on what JESSICA is envisaged to achieve, on the process, and on timescales.

Lack of precedent: Based on Weber Shandwick's experience, successful marketing and communications strategies rely upon "proof points." These are based on factual information to support core messages by drawing on the most compelling data that demonstrate that the initiative works and the positive benefits for the stakeholders. Early 'Soft-market' testing and feasibility studies are to be strongly encouraged, in order to demonstrate the potential viability of the policy initiative for the targeted stakeholders. In addition, periodical reports and factsheets should be used to showcase progress and highlight examples of success.

The phrase "JESSICA fatigue" surfaced several times during the consultations with stakeholders, particularly amongst the private sector. There was a general view that the timescale for the implementation of JESSICA operations could be overly "slow". This could potentially pose a risk amongst investor groups who are looking for a 'quick win' and the opportunity cost associated with investing in JESSICA instruments may be perceived as too high.

Identifying and citing examples of case studies of JESSICA implementation in various MS or regions, including establishing UDFs and investing in UDPs, can counter this perception and assist in communicating what is and its potential benefits. Providing access to a central database of information on success stories across Europe may also assist in effective communication and knowledge dissemination.

Fragmented policy agendas: The political landscape of each MS varies significantly. Some interviews undertaken for this study implied that JESSICA as a policy initiative could be seen as being quite 'political' and competing government policy agendas have also emerged as a potential issue. Different governmental bodies compete for the same limited financial resources for their own policy objectives. The private sector, on the other hand, is mainly interested in projects that provide satisfactory financial returns, which may not coincide with public sector objectives.

Where these issues exist, this could potentially impact how JESSICA is communicated - to whom, by whom, and whether or not there is a political support for the JESSICA instruments. Other interviewees welcomed JESSICA as an alternative means of investing

ERDF funds that has potential to generate a lasting legacy, and commended JESSICA for being a catalyst for future private investment in urban development.

The success of JESSICA will depend on the political and investment climate, the track record in the use of PPP structures and innovative financing tools, and the local market conditions. In this context, a good understanding of the political context is vital for the development of effective JESSICA communication strategies.

Phasing Nature of JESSICA: The practical phasing of JESSICA presents a challenge to MCK strategies, as the implementation of JESSICA moves from the Feasibility Phase to the Investment Phase. The emphasis on objectives and stakeholder audience may differ in each stage of the implementation process. It is evident that the core messages need to be tailored for specific phases and for key stakeholders, and be coherent with the urban development objectives of the relevant MA.

To be effective, marketing activities for JESSICA need to alter across the different phases of JESSICA operations, addressing the wide range of stakeholders who may have specific agendas and needs at different phases in the implementation of JESSICA operations. Whilst each phase may have its own objectives and key stakeholders, MCK efforts should be co-ordinated across phases, building upon the previous phases and creating synergies through the implementation cycle.

Multi-Layered Organisational Involvement: A hierarchical structure of accountability is associated with JESSICA operations. Project promoters report to the UDF Managers regarding project objectives, expenditures and returns. UDF Managers reports to the HF and/or MA regarding their activities. The research highlighted a frequent debate on who should be responsible for marketing activities in support of JESSICA implementation, and what should be centralised at EU-level – e.g. with DG-REGIO or the EIB taking a lead role - or led by the MA/HF Manager or UDF (decentralised).

It was felt that collaboration is a key success factor amongst all stakeholders involved in implementing JESSICA. To be effective, it is important to be clear on which stakeholder is responsible for which MCK activities, and for this to be consistent with the phases of JESSICA implementation within any country or region, as well as the capabilities and reach of different stakeholders. For instance it may be easier for the DG-REGIO or the EIB to communicate across the EU to MS and MAs, but more practical for UDFs to market their funds to local project promoters.

6.2. Critical Factors for Success

In this section, the critical factors for success in terms of MCK for future JESSICA operations are outlined.

Development of Marketing Plans: In general, with the exception of Lithuania, none of the countries examined had a comprehensive JESSICA marketing plan that systematically identified key stakeholders. Portugal also developed a bespoke communication plan that integrated the use of high-profile events. For other case studies, the research data suggested that the marketing activities tended to occur on an ad-hoc basis, at best with variable impact. It is important to develop systematic strategies to reach out to various stakeholders via the appropriate communication channels.

It is not suitable, nor appropriate to develop a 'one-size fits all' marketing strategy. Core messages need to be tailored for specific audiences at each JESSICA phase. Light-touch engagement activities should be used to keep interested stakeholders sufficiently informed and be complemented with in-depth marketing activities for key stakeholders.

A marketing plan should be structured, yet also flexible and adaptable across all MS and across multiple audiences, particularly if the marketing is EIB-led during the initial phases of JESSICA implementation.

Co-ordination of Marketing Activities: The importance of institutional co-operation should not be underestimated when implementing JESSICA-related marketing and communications activities. Clear responsibilities and accountability must be ensured by an adequate coordination structure between DG REGIO, the EIB, MAs, HF, if applicable, and the UDFs in order to gain the maximum impact from marketing activities.

As an EU wide initiative, DG REGIO, the EIB and MAs should be responsible for marketing and promoting JESSICA during the early phases of JESSICA implementation, and the responsibility should be decentralised to the HFs/UDFs and/or project level with support from the MAs during the later phases of JESSICA. This is discussed further in the recommendations chapter.

Early Engagement with Stakeholders is Key: Based on the research findings, early engagement with relevant stakeholders, possibly including private sector players, is critical to the success of JESSICA. The two-year awareness campaign spearheaded jointly by DG REGIO and the EIB discussed in Chapter 4 provides such an example of early engagement. Although the case studies do not provide conclusive evidence in this respect, engaging the private sector at an early stage in the implementation of JESSICA operations may facilitate securing co-investment at later stages.

Strengthen Knowledge Dissemination Framework: The momentum and frequency of JNP and JESSICA-related high-profile knowledge dissemination events has slowed after mid-2012. The need for DG REGIO to follow closely the process of negotiation for the approval of the regulatory framework for 2014-2020 and the intensity of the schedule of events connected to its finalisation have limited opportunities to prepare and schedule any JNP or

related networking events. However the JNP and networking events laid the groundwork for exchanging best practices and experiences among stakeholders and it is strongly recommended that the platform experience is reinforced and scaled up with a view to facilitate the use of financial instruments in cohesion policy. As already mentioned, over 40 UDFs are currently in operation, of which several have already invested into UDPs. The experiences, lessons learnt, and best practices by the MAs and UDF Fund Managers should be shared within the JESSICA community and MS / MAs who are considering using financial instruments for urban development in the next programming period.

Consideration of External Factors Impacting Success: Given the lengthy timescales involved in major urban infrastructure and development projects, there should be long-range consideration of the external factors that may influence the success of financial instruments promoted by JESSICA. The current debt crisis and individual governments' ability to service and/or re-finance their government debt will be an on-going issue. This will impact the view from the private sector investors, and may deter the take up of future Financial Instruments in urban development.

Regional and local politics may also influence the delivery of JESSICA - this is another reason why engagement with both political supporters and opponents is important. It is possible that MCK activities could sustain the interest in JESSICA implementation despite the potentially negative influence of external factors. For example, a position paper could be produced and circulated via multiple media outlets to prospective project promoters on how JESSICA could support investment in urban projects in time of financial crisis.

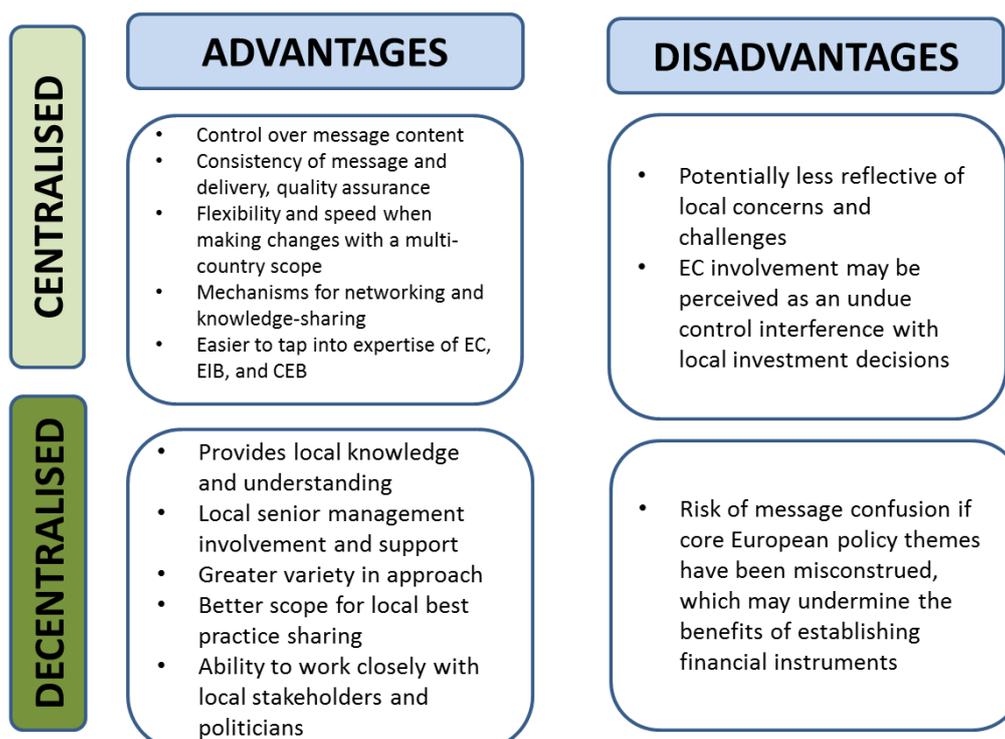
7. GENERAL RECOMMENDATIONS

This chapter details general recommendations in regard to MCK dissemination to support the implementation and delivery of JESSICA. These general recommendations could be used for both this programming period, 2007-2013 and for the next programming period, 2014-2020.

7.1. Centralised vs. Decentralised MCK strategies

There have been debates on the merits of taking a “centralised”, e.g. EU-led approach to MCK versus a more locally driven, e.g. MA/UDF-level “decentralised” approach. This may be in fact a false problem, in that the issue should be seen as finding the right balance between centralised and decentralised MCK platforms and the best way to integrate them in view of the specific MCK tasks under consideration. As a broad rule it would appear that themes likely to be of interest to all or many MS/MA are better tackled - and MCK services better delivered - through a central platform, while a decentralised system would be more appropriate for topics where local knowledge and understanding are dominant. Secondly, the centralised and decentralised MCK platforms should be structured in such a way that they can operate together, enabling the stakeholders to reach and navigate easily across them. Some of the key advantages and disadvantages of the two approaches, which can easily lead to identify which tasks are better tackled by one rather than the other, are mentioned in the figure below.

Figure 4: Advantages and Disadvantages of Decentralised vs. Centralised MCK



DG REGIO possibly in collaboration with the EIB should be responsible for the overall promotion of policy initiatives aimed at promoting financial instruments for urban development on an EU wide level. The centralised approach allows for consistency and DG REGIO and the EIB –on the basis of experience matured in the current programming period - are recommended to:

- Continue to drive pre-feasibility marketing and engagement activities with MAs not involved with JESSICA instruments in 2007-2013 through face-to-face meetings
-
- Continue to facilitate knowledge transfer, exchange of best practices, and disseminate the Evaluation and Horizontal Studies
- Provide branded templates for MAs to use when creating their own region or country-specific marketing materials
- Consider re-branding DG REGIO's and EIB's websites to be more interactive and engage with social media tools as appropriate.

Should the MA decide to implement JESSICA-type financial instruments through a HF, the HF manager²⁷ may be in the best position to undertake the MCK activities for promoting the fund to wider stakeholders. More specifically, the HF manager could consider one or more of the following MCK approaches – which reflect what has emerged as best practice in the experiences examined in the country and case studies:

- In the first instance, the HF Manager should consider setting up a HF-level website about the fund structure, size, eligibility, national level and EU-level regulatory framework, procurement process, next steps, and key deadlines. The website should also include links to relevant IPSUD strategies, national/regional OPs, and guidelines for prospective project promoters.
- Produce HF-specific information brochures summarising the key information on the OPs, investment strategy, and key milestone deadlines.
- Host short (e.g. half-day) informational procurement events for financial intermediaries interested in becoming UDF Managers. Recognising that many private stakeholders are not familiar with Structural Funds and OPs, it is important to clarify any questions relating to compliance issues and discuss the next steps in the procurement process such as the dates, selection criteria, and success factors.
- Work collaboratively with MAs to promote the fund by organising a launch event, breakfast seminars, road shows, and face-to-face meetings with targeted private sector audience.

Once the UDF Manager or Managers have been selected, then a more decentralised communications approach could be adopted. This approach may be more effective since UDF Managers are expected to develop detailed business plans as part of the procurement procedure and to possess in-depth knowledge of the local market and key players in urban

²⁷ As of September 2012, the EIB acted as the HF Manager for 18 JESSICA funds across 9 MS. Please note that in the regulatory terminology in use under the 2014-2020 programming period the Holding Fund is called “Fund of Funds”.

regeneration. At the project level, similar to the MCK strategy outlined above for HF Managers, UDF Managers could consider to:

- Commission a UDF-specific website to promote JESSICA and UDPs in specific geographical and thematic areas. This website should be refreshed frequently to keep the general public and relevant stakeholders up to date of the recent development.
- Host launch events with elected officials as part of the marketing campaign to build awareness and interest amongst financial institutions
- Support potential project promoters through technical drop-in sessions or seminars
- Promote the UDPs by engaging the PR community, e.g. by issuing press releases upon reaching project milestones.
- Produce project-level promotional brochures outlining how the UDP supports wider regeneration and economic development goals.
- Organise site visits for interested stakeholders, if feasible and once the project is completed, organise a formal opening ceremony.

At the MS-level, MAs should support UDF Managers in all JESSICA-related marketing activities and broker networks with interested parties in both the public and private sector.

7.2. Need for Bespoke Marketing Strategies

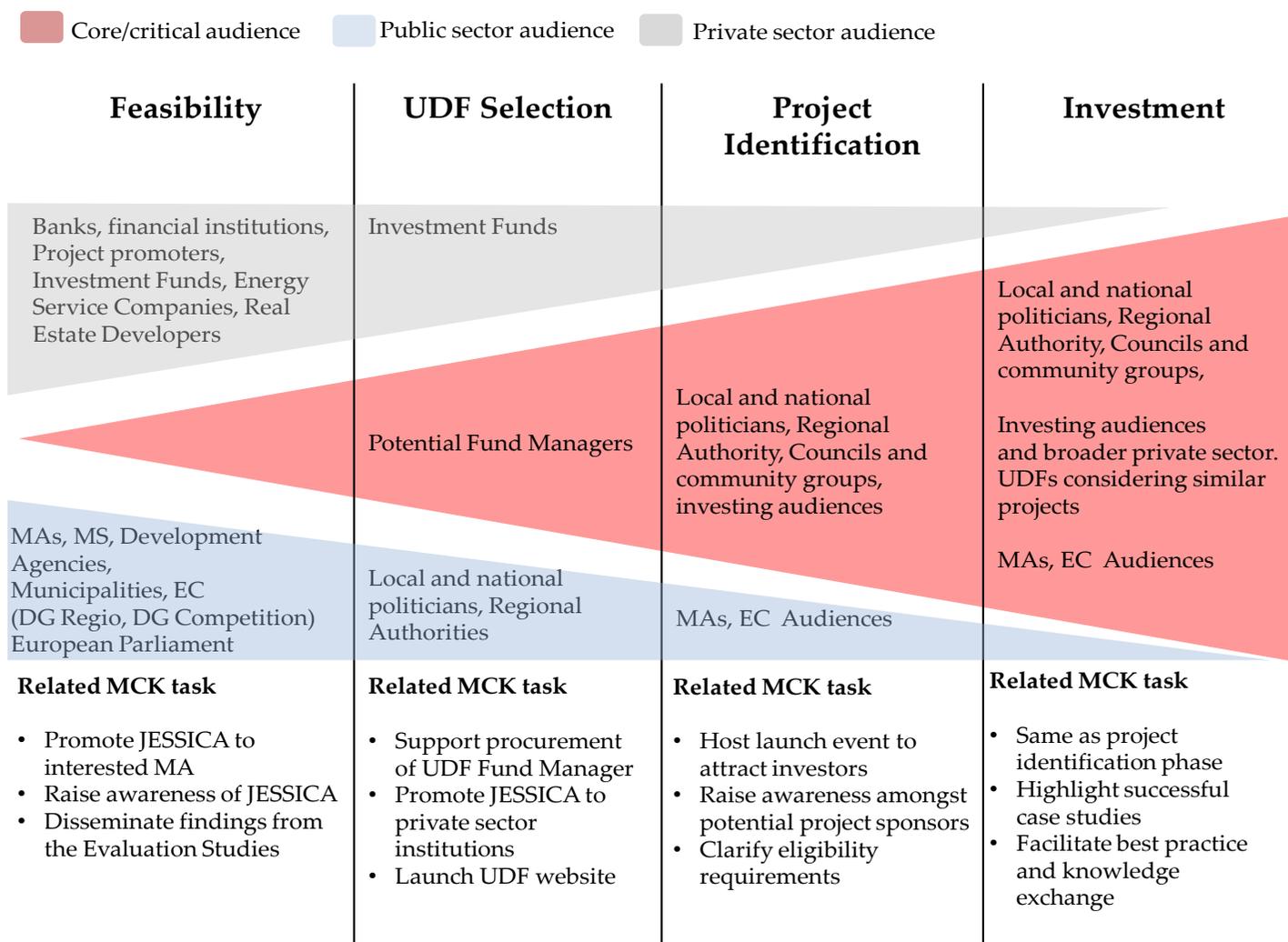
Throughout this study, each JESSICA instrument had different communication challenges specific to their country, region/city, and fund. This reflects that every different MS requires a different approach that is aligned with its current political, social, and economic context. Furthermore, each MA has a different thematic emphasis, for example Lithuania focuses on energy-efficiency, while Merseyside in Northwest England concentrates on broader regeneration activities as a catalyst for stimulating economic growth. Considering all the aforementioned reasons, it is evident that a 'one-size-fits-all' strategy is not suitable. Therefore, it is recommended to:

Use Stakeholder Analysis to inform the Marketing and Communication Strategy

Stakeholder mapping is a critical step to the success in implementing JESSICA operations. The majority of stakeholders interviewed stated that it was a major oversight not to allocate appropriate time to conduct a comprehensive stakeholder analysis. Stakeholder analysis helps to identify stakeholders' interests, potential risks, pathways to influence other stakeholders, adverse impacts, and also informs the design of a communication and engagement strategy.

It is recommended that stakeholder analysis is conducted periodically and is particularly important before moving into successive implementation phases. The responsibility for this stakeholder mapping activity should be shared between all accountable parties involved – for instance MAs during the Feasibility Phase and – with the HF if applicable - UDF Selection Phase; UDFs and HFs during the Project Identification and Investment Phase with support from the MAs as required. For a broader discussion on stakeholder mapping, please refer to Annex II.

Figure 5: Phase Specific Audience Mapping for JESSICA



Avoid using one MCK tool in isolation

Research findings suggest that gaps surfaced in the overall marketing and communications strategy when a single MCK tool was relied upon. Instead, a combination of MCK tools should be utilised to reach target groups and achieve maximum desired impact. The stakeholder analysis will provide some suggestions of the appropriate communication channels to engage with a specific group - whether it is one-to-one meetings, road shows and/or conferences, or via digital media campaigns.

One-to-one meetings are the most effective channel to communicate the benefits of JESSICA instruments and persuade an audience to buy-in to the initiative. However, it is not feasible to engage with all targeted groups through one-to-one meetings due to limited time and resources, therefore an effective MCK strategy should target face-to-face meetings on key stakeholders, i.e. individuals and organisations that can influence other relevant stakeholders.

To reach a broader audience, cost-effective means of communications should be used. This includes creating a user-friendly website for interested parties and/or publishing 'thought-pieces' or newsletters. Additionally, each communications and marketing strategy should take into careful consideration the political and economic context in the respective MS or region.

In sum, multiple MCK tools should be utilised to ensure the broadest reach, but also targeted enough to engage with key stakeholders, while keeping momentum and interest going throughout the JESSICA implementation lifecycle.

7.3. Exploiting the JESSICA Website as a MCK Tool

Given the wide range of JESSICA assistance needs and stakeholders' interest in digital and interactive approaches to learning, a centralised online platform would represent the most efficient tool for achieving JESSICA's objectives. A common DG REGIO and EIB website would foster the creation of a "community" able to contribute to the creation and dissemination of JESSICA related information.

A common website would be the tool to deliver knowledge dissemination and management and marketing and communication. Once information materials (e.g. methodological advice, guidelines, factsheets, handbooks) have been developed, they will be uploaded onto the centralised website where stakeholders can freely access and download.

The website will also play a key role in marketing and communication. Users will be able to interact in a forum-like online environment: print, contact, share on social media, comment or rate. Furthermore, the website could take advantage of social media tools to raise awareness: the use of hash tags e.g. #JESSICA could help foster a community of relevant stakeholders, sharing links to available information on the website to a broader audience.

The use of social media tools and functionalities will also increase the website's Google ranking.

In addition to knowledge dissemination and marketing and communication functions, the website could also promote and provide the centralised online sign-up function for the delivery of trainings, seminars and conferences. Course guides could be made available online so that users can take an informed decision regarding their participation.

The website should also have a feedback mechanism in order to alert the Commission and the EIB on stakeholder's needs and perceived information gaps. Google Analytics could be used in order to determine which topics attract more traffic, signalling the needs to be further addressed. This mechanism could also be used in order to evaluate the delivery of trainings/workshops/seminars.

There are opportunities to use the JESSICA pages of DG REGIO's and EIB's existing websites as a tool for marketing, as a communication channel, and a medium for knowledge dissemination. Stakeholders place value on the JESSICA websites as a 'one-stop-shop' for all information related to JESSICA. REGIO and EIB websites hosts information about JESSICA and other European level initiatives, Evaluation and horizontal thematic studies, JESSICA Networking platform meetings and other events, interpretative notes and regulatory documents. However, the general feedback is that it is not always presented in the most accessible format where most of the relevant content is hidden within multiple links. Detailed information about JESSICA is also available on the EC's website.²⁸

Websites are powerful promotional tools to raise brand recognition and awareness. It is recommended that this be exploited as part of the overall MCK strategy to promote JESSICA. This means websites not only need to be actively publicised to attract new visitors, but websites also need to be updated regularly with interesting and pertinent information on milestones, progress, and events, coupled with some audio-visuals and social media tools. It is recommended that a future JESSICA website could be enhanced as follows:

Visually engaging and easily accessible website

A well-designed website should have good site navigation enabling the user to find the specific information quickly and easily, and the design should present the content in an intuitive manner, making effective use of colour, layout and site organisation, with appropriate linkages between sections to help the visitors to navigate to the appropriate sections of the website. The web design layout should be simple and the chosen colour palette should be easy on the eye. The Joint Assistance to Support Projects in European Regions (JASPERS)²⁹ website is a good example to use.

There will be a cost implication and staff inputs to manage and update the website. The cost for website design varies in price and the level of staff time involved depends on the frequency of updates.

²⁸ European Commission's weblink to JESSICA: www.jessica.europa.eu

²⁹ JASPERS: <http://jaspers.europa.eu>; <http://www.jaspers-europa-info.org/>

Explanation of JESSICA Phases on the Website

An issue for those interviewed in this study was working out what information stakeholders needed at different phases of implementation. There should be a dedicated section on the website to explain the four phases of JESSICA as outlined in Chapter 2. The use of simple language to describe each phase is important in making content accessible and understandable to first time visitors to the website.

Dedicated Section for Reports and Resource Centre

While there are currently evaluation and horizontal thematic studies on the JESSICA websites, their availability is not always obvious and often embedded within layers of pages. Currently, the Evaluation Studies are categorised by country. A search function would be useful for people to filter through relevant Evaluation Studies. For example, if a MA is interested in brownfield regeneration, the search function will pull out specific Evaluations with the relevant key words.

There should also be links to the respective MA's OPs in order to provide a holistic view of how JESSICA fits within the broader strategic framework of a specific region. This will help stakeholders to identify reports that are relevant to them, but also retrieve other related strategic documents.

The website could also benefit from a "resource centre" for sharing best practices and knowledge dissemination. This section could include toolkits, how-to guides, guidance notes, best practice case studies, videos, and a database of contacts, if appropriate.

Host Media Footage on the Website

One way of improving the overall user experience is to include embedded video footage. This may include senior sponsor messages from EC or EIB officials on why JESSICA is important, clips from news interviews about JESSICA across Europe, or an introductory video explaining what JESSICA is. There is an example of how a senior sponsor video message could be used on the JASPERS website. Video interviews with UDF Managers sharing their experiences on implementing JESSICA would also be useful. This would require a one-off expense in procuring a professional media company to shoot and edit the video footage. The script and key messages as well as coordinating the process would require time from at least one dedicated staff for this short-term assignment. Other video footages from conferences and seminars could be managed internally, provided the appropriate equipment and IT personnel are available.

Use Social Media Tools

Social media tools are recommended to be included as parts of a wider marketing and communications strategy. Social media's characteristics of connectedness, collaboration and community allow institutions to connect with like-minded people, enable people to collaborate and exchange knowledge, and build a sense of community. There are a number of cost-effective platforms recommended:

- Creating a JESSICA LinkedIn page for networking purposes and for sharing information with other professionals and organisations. The visibility and content of the page could be restricted only to users to protect confidential information.

- Utilising YouTube to share short video clips via the JESSICA website. This is a useful tool to capture live conferences and events to share widely on the internet for those who could not attend in person. This will be particularly useful for circulating conference proceedings from a high-profile keynote speaker.
- Making use of the micro-blog Twitter to send short messages and updates known as a 'tweet'.

Social media can be used at all stages in the implementation of JESSICA operations. For example, a 'tweet' could be issued each time a new study is published on the JESSICA website, thus helping improve the visibility of the product under the JESSICA initiative. Likewise, MAs or HF Managers could use Twitter to publicise the Call for Proposal for UDF Managers, which can then be circulated to a wider network. Similarly, at the Project Selection Phase, UDF Managers could use Twitter or LinkedIn to widely circulate their call for proposal for projects. All these social media tactics will help drive the visibility and awareness of JESSICA to support urban development.

The aforementioned platforms are free to use, but will require some staffing resource. Depending on the depth of the social media strategy at least a part-time employee is needed to manage the various platforms.

For more information about various social media tools, please refer to Annex IV.

7.4. Greater Use of Knowledge Dissemination

There is considerable scope to increase the level of knowledge dissemination activities in relation to JESSICA as already discussed in Chapter 6.1. It will prove beneficial if there are mechanisms available to enable those with experience and knowledge from working with JESSICA to pass their learning and best practices onto others of both what worked well and what did not.

It is recommended to continue to strengthen the knowledge transfer activities on an EU wide level and facilitate knowledge exchange activities at the MA and UDF levels. In addition to using conventional dissemination methods such as producing reports, case studies, fact sheets, how-to guides, and tip sheets, it should also be considered using technology and social media tools to support further knowledge exchange. As previously discussed, there will be a resource implication depending on the sophistication of the social media strategy.

Establish Online JESSICA Intranet/Forum

Online JESSICA forums should be established as a medium to share best practice and information where practitioners and policymakers can gather together online, across geographical boundaries, and share information and knowledge. Online forums can be organised by thematic priorities such as brownfield remediation, mix-used commercial development, energy-efficiency, or major urban infrastructure, or by countries or regions. There are several platforms to host an online forum, either internally, where each member

could access the forum via a security password, or externally through a social media platform such as LinkedIn where members could join the “JESSICA” group. Online communities and forums do require some management and moderation, the EIB ‘moderators’ would be present but not intrusive; be there when required but largely invisible otherwise to allow informal exchanges. Such an exchange forum would require significant resourcing in terms of staff time as they would need to be ‘moderators’ of the forum, clarify queries in the case of discrepancies or disagreements, and monitor the activities.

Conferences, Seminars, and Workshops

Conferences and seminars are generally regarded as the conventional method of knowledge dissemination. Between 2009 and 2012 DG REGIO already organised with the collaboration of the EIB a number of events including the JESSICA Networking Platform (JNP) and the annual JESSICA/JEREMIE conference to share experience and expertise, analysis, and best practice. These events are primarily attended by MAs who currently are implementing JESSICA, but also some consultants, UDF Managers and other stakeholders. While no further JNP events are expected, given that new knowledge dissemination tools are being prepared for the 2014-2020 programming period, successor events should convene to provide regular opportunities to exchange best practices and face-to-face networking between attendees. The format could be revisited to include smaller break-out sessions with working groups to share best practices.

Whilst there is cost associated with this type of networking event, such as travel and accommodation, the benefits of face-to-face exchange with other MAs, project promoters, and relevant EC and EIB officials may outweigh the additional cost.

Using Information Communication Technologies

Due to the geographical area in which JESSICA operates, it is also recommended to use webinars as an economical alternative to face-to-face seminars, particularly effective for a more classroom-style seminars. The advantage of webinars is for delegates to participate from remote locations in real-time and to provide point-to-point communications as well as multi-cast communications. After the webinar, the presentation can be made accessible to the general public. Topics can vary from findings from a recent evaluation study, trends in urban development, specific case studies, ERDF guidelines, updates on State Aid and EU regulations, to guest speakers from different MAs. The webinar software allows webinar hosts to deliver PowerPoint presentations, video, software demonstrations or any desktop applications live or on demand to their chosen audience in a completely branded and interactive player window. It also allows systematic Q&A sessions where delegates can submit questions to the host. As with the other web-based MCK strategies, there will be resourcing implications and time required to organise successful webinars.

7.5. MCK Strategies to Support Disbursement to Final Recipients

As noted in the introduction, UDFs have been already disbursing funds to support urban development to project promoters, and the investment into projects will continue until

December 2015. The great majority of funds across the 11 MS where JESSICA is in operation are now well in the Project Selection Phase.³⁰ The regulatory framework and issues with State Aid have been an on-going topic as one of the reasons for minor delays in either launching the fund or disbursing funds to project promoters.³¹ This has been acknowledged by the EC and the 2014-2020 Cohesion Policy regulations³² provide Financial Instruments with a clearer framework and greater flexibility. However, in the remaining months before the final closure of the current programming period MCK activities could still help support the acceleration of implementation of JESSICA operations. At the current stage in the implementation of JESSICA operations, MCK strategies should centre on facilitating the funding and execution of UDP, and capitalise on current experience to anticipate problems in the forthcoming programming period particularly in those constituencies which have expressed interest in continuing to operate financial instruments for urban development in 2014-2020. Some recommendations follow:

- Since the last JNP in June 2012 several months have elapsed without networking activities or events to support knowledge dissemination. There has been therefore a gap in the flow of information to stakeholders to capture and summarise the significant experience on the implementation of JESSICA operations made on the ground in 2012-2013. The MCK strategy during the two-year period where the closure of the 2007-2013 programming cycle and the beginning of the new one overlap should take into account the need to address this information gap, and to this effect recent materials - PowerPoint presentations, case studies and the like – have been published on the DG-Regio and EIB JESSICA pages .
- For UDPs which have been approved for funding, UDF Managers should produce case studies on how barriers – including but not limited to State Aid and regulatory issues - have been addressed, not only as a marketing piece to encourage more project promoters to bring forward viable UDPs locally, but also to share with other HF and UDF Managers across the Union.
- MCK strategies should extend their scope to deal with the post-investment phases in the implementation of JESSICA operations, namely exit/closure of UDFs and re-use of funds returned from investments. Covering these aspects may prove crucial both in convincing new constituencies about the long-term viability of financial instruments for urban development, and in facilitating the transition of the financial instruments already in place towards the new programming period.

³⁰ Presentations at the JESSICA Networking Platform, Brussels, 27th June 2012.

³¹ Commission Staff Working Document on Financial Instruments Cohesion Policy, 27th February 2012

³² See in particular the Common Provisions Regulation - REGULATION (EU) No 1303/2013 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund covered by the Common Strategic Framework and laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Council Regulation (EC) No 1083/2006.

8. TOWARDS THE 2014-2020 PROGRAMMING PERIOD

The aim of this chapter is to present recommendations for the EU programming period 2014-2020 as it relates to MCK regarding financial instruments for urban development.

8.1. The Branding of JESSICA

The term 'JESSICA' – which as noted already refers to a specific Technical Assistance initiative for the 2007-2013 cycle - will not remain in existence in the 2014-2020 cycle, although the role of Financial Instruments for urban and territorial development may be significantly enhanced. Whilst not the primary focus of this study, issues relating to brand recognition and awareness in the next programming cycle are relevant for MCK and were raised during the research.

The general feedback provided from the stakeholders interviewed is that the JESSICA brand would benefit from greater awareness amongst commercial audiences. Throughout EU Member States, "JESSICA" appears to be far better recognised in the public sector than it is in the private sector, suggesting that the public sector is starting to grasp the conceptual and practical framework of JESSICA. Thus, the JESSICA brand has created traction amongst stakeholders currently involved in the JESSICA initiative and therefore has value.

In case of a phase out of the "JESSICA" acronym, we recommend a carefully planned 'rebranding' strategy where "JESSICA" is gradually phased out over a 6 to 12 month period and possibly replaced with a suitable successor brand for the following reasons:

- There is the risk that immediately removing the JESSICA brand altogether may signify to the private sector that the 2007-2013 JESSICA instruments are considered a failure, which is not the case. It could also potentially damage the momentum and awareness of what JESSICA has already achieved.
- The research findings suggested that JESSICA's perceived complexity was somewhat of a drawback. In spite of such perceived complexity, the instruments are now relatively well established, and without an appropriate transition and/or "rebranding" strategy many stakeholders may think they now have to learn "from scratch" about a new type of instrument.
- All marketing materials with the current JESSICA branding would become obsolete and would require time and resources to replace the existing products.

JESSICA has clearly achieved brand value in supporting urban policy objectives - it is therefore especially important to keep the 'urban' dimension or the 'urban brand' in 2014-2020, in order to differentiate Financial Instruments for cities and urban development from those to be applied in other sectors.

8.2. Technical Assistance and Capacity Building Programmes

As discussed in the report, the research data suggested that there appears to be a varying degree of technical expertise and capacity on JESSICA instruments - and Financial Instruments in general. It is recommended therefore that further support is provided for Technical Assistance through all phases of the implementation of Financial Instruments for cities and territorial development in the next programming period.

At the EC-level, technical and financial advisory support should be provided to increase the knowledge and understanding of Financial Instruments amongst desk officers to enable them to answer and clarify enquiries related to Financial Instruments.³³

One of the findings of the study is that the technical knowledge of PPP structures and FEIs varies considerably across MS. These concepts underpin the overall rationale of JESSICA i.e. using revolving finance to leverage projects and PPPs for sustainable urban transformation. Understanding financial engineering concepts particularly at a MA level is critical to the overall success of JESSICA, and knowledge transfer should be facilitated in the form of study tours, classroom-style training, and/or capacity building programmes.

From a MCK perspective, priority areas for technical and financial advisory support should include support for compliance with State Aid regulations, marketing and stakeholder mapping activities, and potential project promoters in preparing their UDPs.

Along the same lines, it is recommended that DG REGIO and the EIB are more pro-active in identifying and supporting institutional development through a variety of capacity-building and technical training programmes, particularly during the earlier phases in the implementation of Financial Instruments for urban development, especially in relation to the shift from grant to repayable investments. There is also a need to build capacity amongst public sector bodies to enable them to use the knowledge base to make sound decisions and effectively solve problems.

As an illustration, structured classroom-style training would be suitable where experts and/or peer instructors present their knowledge, with supplementary learning materials to help participants apply new concepts, tools, and policy in their work. Classroom style training can be organised in conjunction with site visits to best-practice UDPs to illustrate how Financial Instruments work in practice and demonstrate the value-added of using them to support urban regeneration.

UDFs with support from HFs and/or MAs are also recommended to actively engage in capacity building and Technical Assistance support to potential project promoters, particularly if they are not familiar with CP regulations. Suggested ideas to disseminate knowledge include launch events to introduce the UDF funds; drop-in sessions to review

³³ See the study "Financial Instruments. A stocktaking exercise in preparation for the 2014-2020 programming period", where requirements for Technical Assistance are taken into consideration.

http://www.eib.org/attachments/documents/jessica_stocktaking_final_report_en.pdf

project proposals; workshops to learn about ERDF requirements; and guidance notes including a step-by-step application process to help increase knowledge and technical capacity.

8.3. Marketing Strategy as part of the UDF Business Plan

Given the multifaceted and complex nature of JESSICA operations, a 'one-size fits all' MCK approach is not appropriate. The study revealed that having a sound marketing strategy utilising the correct mix of communications tools is critical to the success of JESSICA. Therefore, for the next programming period, it is recommended that UDF Managers are required to submit a robust marketing plan prior to signing an OA. Whilst the marketing component is usually part of a business plan, this requirement should be made explicit so that the UDFs will start to think about the marketing requirements and the key stakeholders sooner rather than later and start engaging with potential project promoters using the proposed marketing strategy and communications plan.

8.4. MCK and the Regulatory Framework for Financial Instruments

The relationship between MCK strategies and the CP regulatory framework is an issue that requires consideration for the next programming period. The experience in the current programming period indicates that a perception of "over-regulation" and unnecessary rules and procedures has delayed and limited private sector bodies from a more significant involvement in JESSICA operations. Designing investment funds that satisfy both the needs of investors and comply with ERDF regulations has often proved a challenge according to the study findings. Throughout the early years of the current cycle the lack of clear State Aid rules on Financial Instruments has been an issue, and until resolved and clearly understood by stakeholders will present a challenge. Also the timeframe for the allocation, commitment and disbursement of EU funding has often proven difficult to reconcile with the timescales of private sector investors.

MCK strategies to facilitate the rapid and effective adoption of Financial Instruments for cities and urban development in the next programming period should therefore be closely linked to the 2014-2020 regulatory framework. Appropriate MCK strategies will be required at the stage of the preparation of the programming documents for the new cycle – and along the implementation phases - a clear vision of the opportunities offered by the instruments and enable their implementation on the ground, for instance concerning issues such as eligibility requirements, profitability requirements and State Aid compliance.

In line with the Technical Assistance and capacity building, active knowledge dissemination activities on EU regulatory framework and State Aid issues would need to be considered prior to the start of the next programming period. Guidance notes and explanatory documents would prove to be helpful and should be circulated as early as possible.³⁴

³⁴ At the time of writing (December 2013) the EC plans to establish a Technical Assistance Platform to provide assistance to stakeholders interested in setting up financial instruments in 2014-2020. A study on this topic is currently being finalised and is expected to be published in early 2014.

8.5. Concluding Remarks

Sustainable urban development remains at the forefront of EU policy. Cities have an important role within the context of CP as well as to strengthen regions' competitiveness. For the next programming period 2014-2020, it is envisaged that a far greater proportion of EU funds will be distributed via Financial Instruments, with a focus on the 11 thematic objectives³⁵ proposed for CP for 2014-2020. A minimum of 5 per cent of ERDF resources allocated to MS is to be earmarked to support sustainable urban development.

Whilst barriers such as regulatory and procedural complexities may have limited the uptake of JESSICA Financial Instruments in 2007-2013, there is a key role that MCK can play to support the implementation of Financial Instruments for urban development in 2014-2020, capitalising on the experience made in the current programming cycle. Being able to communicate the key elements of these instruments to make it easier for the various stakeholders to understand, market their benefits and disseminate knowledge to the various parties involved will be crucial if a much greater proportion of funds is to be distributed via revolving mechanisms in the future.

³⁵ The 11 thematic objectives for the 2014-2020 programming period are:

1. Strengthening research, technological development and innovation
2. Enhancing access to, and use and quality of, information and communication technologies
3. Enhancing the competitiveness of small and medium-sized enterprises, the agricultural sector (for the EAFRD) and the fisheries and aquaculture sector (for the EMFF)
4. Supporting the shift towards a low-carbon economy in all sectors
5. Promoting climate change adaptation, risk prevention and management
6. Protecting the environment and promoting resource efficiency
7. Promoting sustainable transport and key network infrastructures
8. Promoting employment and supporting labour mobility (mainly ESF)
9. Promoting social inclusion and combating poverty (mainly ESF)
10. Investing in education, skills and lifelong learning (mainly ESF)
11. Institutional capacity and efficient public administration (mainly ESF)

For more information see Regulation No 1303/2013 as mentioned in footnote 33 and also:

http://ec.europa.eu/regional_policy/sources/docoffic/working/strategic_framework/csf_part1_en.pdf

Greece Country Report

Overview

Greece and the EIB signed an agreement in July 2010 for the establishment of the JESSICA Holding Fund Greece (JHFG)³⁶ as a separate block of finance within the EIB. In the previous two years, three evaluation studies were carried out, all of which concluded that there was potential for JESSICA in Greece.

The HF, which is managed by the EIB on behalf of the Greek MA (the Special Coordination Unit of National Strategic Reference Framework (NSRF) within the Ministry of Development, Competitiveness, Infrastructure, Transport and Networks), appointed an Investment Board to oversee the governance and management of the HF.

The Investment Board subsequently appointed five UDFs with a total capital of €253 million on the basis of an open Call for EoIs. Each of the UDF has responsibility for implementing JESSICA in different regions of the country. These include:

- Pancretan Cooperative Bank and TT Hellenic Postbank (€15 million)
- National Bank of Greece S.A. (€83 million)
- Investment Bank of Greece (€49 million)
- EFG Eurobank Ergasias S.A. (€67 million)
- Piraeus Bank (€39 million)

The current political and economic issues in Greece have delayed the progress of JESSICA. It has been difficult to attract project promoters to bring forward suitable UDPs eligible for JESSICA. Despite this, investment activity is still expected to begin in 2012.

Key Stakeholder Groups

Following an initial stage of stakeholder mapping, the audience has been divided into key and secondary stakeholders spanning both the public and private sectors. Municipalities remain as the most important stakeholder group. Given the recent austerity measures and political uncertainty in Greece, there is a restructuring of many public organisations.

Primary stakeholders include:

- Municipalities across Greece
- Public Enterprises and organisations, including but not limited to:
 - Athens Water Supply and Sewerage Company (EYDAP)
 - Public Power Consumption (DEH)
 - Public Gas Corporation (DEPA)
 - Thessaloniki Water Supply and Sewerage Company (EYATH)
 - LARCO, Piraeus Port Authority (OLP)

³⁶ <http://jessicafund.gr>

- Thessaloniki Port Authority (OLTH),
- School Buildings Organization (OSK),
- Hellenic Post (TT)
- Greek National Tourism Organization (EOT)
- National Organization Providing Health Services (EOPYY)
- Public Properties Company (EAD)
- Real Estate Owners (private organizations)
- Private Investors

Secondary stakeholders include:

- Technical Chamber of Greece
- National technical universities across Greece
- Engineering consultant companies
- Energy organizations
- Association of Greek Constructing Companies
- Owners of old, large buildings
- Think tanks which influence politicians, opinion leaders and public authorities including but not limited to:
 - Foundation for Economical and Industrial Research (IOBE)
 - Hellenic Federation of Enterprises (SEV)
 - Hellenic Chamber of Hotels
 - NGOs

JESSICA Perceptions

In the interviews carried out by Weber Shandwick's communications experts in Greece, stakeholders consider that JESSICA could be a useful source of funding to support urban development, particularly for renewable and energy efficiency programmes.³⁷ Stakeholders also acknowledge that the availability of public funds would decrease significantly owing to the recent economic issues and austerity measures.

There is a general view that JESSICA also has the potential to unlock funds from the private and banking sector. It could also help build the skills within local government bodies that often do not have the technical capacity to engage successfully with potential investors.³⁸

The economic and political situation has a significant impact on JESSICA delivery. Private investors are uncertain about bringing funding forward for projects and the construction sector have been hit hard by a lack of funding from the financial sector for urban projects.

Some stakeholders suggested that in light of the economic conditions, Greece has competing policy objectives that require additional public sector resources. For example there is pressure to address high level of unemployment, whilst also reducing public debt. As a result, some stakeholders felt that urban development has become less important on the

³⁷ JESSICA Instruments for Energy Efficiency in Greece, EIB, 2010

³⁸ JESSICA Evaluation Study for Greece, EIB, 2008

policy agenda. However, research data shows strong support for investment in energy efficiency based on the initial research findings.

MCK Tools: usage and analysis

As part of the marketing efforts, the Investment Board participated in a series of technical meetings and conferences aimed to inform intermediary MAs. Knowledge dissemination events in the form of technical and information meetings and seminars have been organised by the JHFG and the UDF in different cities in Greece (Thessaloniki, Athens, Larissa, Patra, Heraklion, Kozani, Ioannina, Larissa, Tripoli, Mytilene, Lamia, and Alexandroupoli) to attract potential project promoters. These events were also used as an opportunity to successfully seek media coverage in local newspapers, which stakeholders interviewed regarded as very effective.

There is a general sense that events such as direct meetings and public seminars focusing on the public sector have been considered worthwhile activities. There has been more focus on engaging with the public sector. To date, five conferences have been organised by the JHFG, which targeted mainly the public sector audiences, although the private sector was invited also.

PR has been used in Greece to promote the benefits of JESSICA to private sector audiences. Getting journalists involved in covering JESSICA was considered as important in the marketing campaign as informing the end stakeholder.

The main source of information about JESSICA is the website³⁹ which is well constructed, containing necessary information on JESSICA. However, it is the view of Weber Shandwick in Greece that more could have been improved on the website to promote JESSICA. It should be interactive and updated regularly with new information. This will allow more 'hits'⁴⁰ on the JESSICA website, and therefore increase the visibility of the website.

Gaps and conclusions

There is a gap in Greece between the knowledge and awareness of JESSICA in the public sector (where audiences are well informed and use the website regularly) and the private sector (where stakeholders including real estate developers and private investors knowledge is low). Some private sector stakeholders are not aware that JESSICA is not a grant-funding model. Based on Weber Shandwick's assessment, this view must be addressed in order to increase private sector participation in JESSICA.

As an initial step to address this issue, Weber Shandwick Greece recommends targeted press lunches for key journalists in order to inform the press about JESSICA so that they are more likely to run positive stories about the programme. Press conferences should be held whenever possible, in order to highlight JESSICA's progress and implementation across Greece. Developing a good understanding of the views of publications and journalists invited to such events is important before communications begin.

³⁹ www.jessicafund.gr

⁴⁰ For more information about Google Analytics, refer to Annex III.

The authorities involved in promoting JESSICA should consider the use of advertising in trade publications, as they often reach the target audiences directly. For example, advertorials in the publications that specialise in local news, property, construction and regeneration can be purchased relatively inexpensively and of course PR outreach through press releases and interviews is likely to generate coverage in these publications if a case for relevance can be made.

The creation of bespoke printed materials to clarify the benefits of JESSICA and allow audiences to understand how it works should be circulated, according to communications experts at Weber Shandwick in Greece.

Interviewees:

- Elias Papageorgiou, European Investment Bank (EIB), HF Local Officer
- Polina Agapaki, Ministry of Environment, Energy and Climate Change of the Hellenic Republic, Minister's Consultant on Environmental issues
- Makis Dontas, Ministry of Environment, Energy and Climate Change of the Hellenic Republic, Minister's Consultant on Energy issues
- Yiannis Pontikopoulos, Eurobank, Loans Expert
- Tina Taktikou, Piraeus Bank, Head of PR and Corporate Affairs
- Vaggelis Papatomas, Prime Minister's Public Relations Office, Consultant
- Dimitris Kagas, ex Vice President of the board at Petrola - Freelancer Consultant on Energy issues
- An Executive Officer at Public Gas Corporation (DEPA) - confidential
- An Executive Officer at Hellenic Petroleum (ELPE)
- Panagiotis Tsafaras, Head of the Membership Unit at Hellenic Federation of Enterprises (SEV) and Head of PR Department of the Economist Conference
- Yiannis Fostiropoulos, Municipality of Paleo Faliro, Alderman of Education, Social Welfare and Sport
- Spyros Ktenas, Stat Bank, Head of the Publishing Organization
- Marianna Pyrgioti, New Democracy, Assistant Secretary for International Relations and European Union – Member of the Greece-European Female Journalists Net
- Konstantinos Siomopoulos, Reporter, ANT1 TV and Vima Newspaper
- Nektarios Notis, SKAI TV and 9.84 FM and 24H.gr, Reporter
- Yiannis Leondaris, ex Editor in Chief at Kerdos.gr, Editor in Chief at EMEA.gr

References:

- Official Greek portal of JESSICA, <http://jessicafund.gr>
- JESSICA Instruments for Energy Efficiency in Greece, Executive summary of the Evaluation Study, March 2010
- JESSICA Evaluation Study for Greece on behalf of EIB – Final Report, June 2008
- JESSICA informational brochure – A new way of using EU funding to promote sustainable investments and growth in urban areas – EIB, 2008

- Different public official portals and Conferences in Greece (Municipalities, Regions, Green Environment, etc.) as far it concerns informational activities that took place for JESSICA
- Data published at different Greek portals regarding JESSICA

Lithuania Country Report

Overview

Lithuania was established the JESSICA HF in 2009 by the Ministry of Finance and Ministry of Environments, and is managed by the EIB and the Ministry of Finance and the Ministry of Environment. The €227 million fund was earmarked to support energy efficiency investments across Lithuania.

Currently, the JESSICA HF in Lithuania is in the Investment Phase. Funds from JESSICA are used to finance residential energy efficiency retrofit to reduce energy consumptions called the Apartment Blocks Modernisation Programme (ABMP) through the provisions of loans. ABMP provides modernisation loans for residential energy efficiency improvements, where owners can apply for 20-year low-interest loans which must be used for energy efficiency investments. The expected average saving is estimated to be approximately 50 per cent.

As of 2011, over 100 projects have been approved for funding for energy-saving investments such as replacement of windows and doors; insulation of ceilings, roofs, walls; and installation of solar panels. It is envisaged that over 24,000 apartment units will be refurbished with energy-saving measures by 2020.

Key Stakeholder Groups

Primary stakeholders:

- JESSICA Investment Committee
- Lithuanian Housing and Urban Development Agency
- Energy companies
- Local/ municipal governments
- Fund managers, investors & financial institutions
- Real estate developers
- Construction companies
- Senior politicians
- Economists

Secondary stakeholders:

- Home owners who can access JESSICA
- Ministry of Finance
- Ministry of Environment
- Other government and legislative bodies,
- Energy agencies
- Local and municipalities governments and institutions

JESSICA Perception

JESSICA has a mixed image in Lithuania as the product offered is linked to ABMP rather than JESSICA itself. Therefore, it seemed that many stakeholders are not always aware that ABMP is part of the JESSICA HF.

According to the stakeholder consultations the general perception of the ABMP is mixed. There have been some negative reviews of ABMP in the media. A survey ⁴¹was undertaken to determine perceptions of the ABMP financed through JESSICA:

- The vast majority (94%) of residents from the apartment blocks which need to be renovated, are informed about and aware of the ABMP.
- Half of the respondents view the ABMP favourably.
- However just over half (52%) of people living in an apartment which needs to be renovated, do not understand the benefits of the JESSICA initiative. This is because they do not also associate ABMP with JESSICA.
- One third (32%) of people living in an apartment built in 1993 or earlier are considered 'program supporters'.
- A media monitoring analysis⁴² (2010 – 2012) conducted on behalf of the Ministry of Finance revealed that under half (44%) of the media messages during this period were neutral in tone. During this period, 419 negative and 398 positive media messages were identified.
- Negative articles generally came from journalists who felt that JESSICA is complicated and inefficient.

MCK Tools: usage and analysis

MCK activities in Lithuania are mainly undertaken by the Ministries of Finance, the Environment and Housing and the Urban Development Agency where they have set aside significant budgets for marketing activities and also to evaluate their levels of success.⁴³ The MCK strategy concentrated on a two-tier communications approach which uses advertising and PR to reach a mass audience. Television advertising about the loans available was the preferred route. This was combined with a PR campaign which used competitions for the best renovated apartment block and thermo-visual images of the heat (and therefore money) being lost from buildings as key content to get messages about the importance of energy efficiency across to key stakeholders.

Events and seminars were also utilised to connect with targeted audiences on a personal level.

The Lithuanian website, ⁴⁴ managed by the Housing and Urban Development Agency is an important hub for the rest of the communication programme and stakeholders have successfully directed to it as the location of further information on the project. There were sufficient Google data since the website was designed specifically to reach end-users. Overall the analysis suggests that the average duration spent on Lithuania's gateway website was 3:42 minutes, with an average time of 1:02 minute on per page. However, the

⁴¹ Public opinion poll about Renovation Programme, carried out 01/2012 by the Social Information Centre under the request of the Ministry of Environment. Computer assisted personal interview method was used and 1021 people (15-74 years old) were interviewed during this study.

⁴² (2010 – 2011 II quarter). Carried out by Idea Prima, under the request of Ministry of Finance

⁴³ Communication Strategy of Residential Buildings Renovation (Phase No 1), March 2010

⁴⁴ <http://www.atnaujinkbusta.lt/>

bounce rate, which is defined as the percentage of visitors who exit the site from the landing page without clicking on other links, was relatively high at 45 per cent indicating that it either had an unappealing landing page that discourages users from browsing the website, or the general content was poor.⁴⁵

Gaps and conclusions

There is a general view from the stakeholder consultations that government departments directly involved with JESSICA understand the framework and its objectives, but for everyone else, JESSICA is less clear because the end product is branded under the ABMP. However, it could be that the name of the funding programme is not as important as the benefits of the funding to those living in renovated and improved housing stock as the result of the ABMP.

Carrying out detailed stakeholder mapping has proved successful in Lithuania, but not enough work was carried out into the developing a detailed understanding of the views of audiences before the marketing strategies were executed. The stakeholder analysis should have identified and anticipated negative criticism of the programme from elected officials, interest groups, and the media. Communicating JESSICA in Lithuania continues to face on-going challenges according to several stakeholders due to opposition groups.

Owing to issues related to the broader European financial crisis, there are still some negative views against the banking sector, which will be on-going in light of the current financial outlook and recent developments in the banking sector.

It is the view of Weber Shandwick's communications experts in Lithuania that the formulation of structures to ensure better co-operation between the institutions involved in running the programme is necessary in this market.

Interviewees

- Junona Bumelytė, JESSICA Holding Fund, Local Officer
- Akvilė Žirgulevičiūtė, Head of the OP Publicity Division, European Union Structural Funds Management Department, Ministry of Finance of the Republic of Lithuania
- Jonas Balkevičius, Chief Specialist of the OP Publicity Division, European Union Structural Funds Management Department, Ministry of Finance of the Republic of Lithuania
- Gabrielė Gustė, Chief Specialist of the Cohesion OP Managing Division, Ministry of Finance of the Republic of Lithuania
- Liutauras Ulevičius, Public Relations Consultant at Ministry of Environment of the Republic of Lithuania
- Simona Iržikevičiūtė, Project Manager, Housing and Urban Development Agency
- Danguolė Mikutienė, Spokesperson, Housing and Urban Development Agency
- Gedas Janėnas, Analyst, Credit Risk Division, Šiauliai bank

⁴⁵ Google Analytics. Visitors Overview, New vs. Returning, Pages, All Traffic, New Custom Report. [online] [Accessed: 16 January 2012].

- Edita Rimokaitytė, Project Manager, Small Business Division at Swedbank
- Juozas Antanaitis, President of Lithuanian Chamber of Housing Management and Maintenance Būsto rūmai
- Vaidotas Šarka, Executive Director at Lithuanian Builders Association
- Milda Serapinienė, Chairperson of Residential Buildings in Kretinga town
- Birutė Valkiūnienė, Chairperson of Residential Buildings in Panevėžys city

Secondary data sources used:

- Communication Strategy of Residential Buildings Renovation (Phase No 1), March 2010.
- Communication activity reports (JHF in Lithuania reports, 2009, 2010, 2011, „Šiauliai bank“ communication activities report, „Swedbank“ communication activities report).
- Communications plans (2011 I–IV quarter, 2012 I quarter). Ministry of Finance and Ministry of Environment.
- Economy Promotion Plan of the Republic of Lithuania approved by the Government of Lithuania on the 25th of February 2009.
- Joint European Support for Sustainable Investment in City Areas. JESSICA. Evaluation Study for Lithuania, 2009. EIB, European Commission, European Social, Legal and Economical projects.
- Google Analytics. Visitors Overview, New vs. Returning, Pages, All Traffic, New Custom Report. [online] [Accessed: 16 January 2012].
- Public opinion poll about EU Structural Funds support for Lithuania, 2009. Ministry of Finance of the Republic of Lithuania.
- The media monitoring analysis (2010 I quarter, 2010 II quarter, 2010 III quarter, 2010 IV quarter). Ministry of Finance.
- The media monitoring analysis (2009 III–IV quarter, 2010 I quarter, 2011 I–II quarter). Ministry of Finance.
- The opinion research about the apartment blocks renovation (modernization). Research report. January, 2012. Ministry of Environment.

Poland Country Report

Overview

Poland was one of the first countries in the EU to implement JESSICA. Thus far, five of 16 'voivodeships' or regions (Wielkopolskie, Zachodniopomorskie, Pomorskie, Śląskie and Mazowieckie) are deploying FEIs to make investments in urban development projects that form part of an IPSUD, that on one hand can generate a sufficient financial return, whilst also contributing to broader economic development goals. Together, the 5 HFs in Poland have approximately €256 million available to support urban development and regeneration activities.

As of the end of June 2012, there were 9 loan agreements signed with UDFs: 6 in Wielkopolskie, 2 in Pomorskie, and 1 in Śląskie region. JESSICA investments in Poland are focused on projects such as the regeneration of degraded town centres and houses with significant historic or architectural value, revitalisation of post-military and post-industrial areas (e.g. redevelopment of old factories or other brownfield premises for commercial use), business environment enhancement, sustainable transport infrastructure, cluster development or energy-efficiency and renewable energy projects.

According to the stakeholders interviewed for this study awareness of JESSICA is high at the MA- level, where the benefits of deploying JESSICA to achieve urban policy objectives are appreciated. However, the detailed technical knowledge and understanding of the mechanisms underpinning FEIs is felt to be more limited at the regional level. To further promote the initiative marketing and communications activities could be targeted at other voivodeships who are currently not involved in using JESSICA, and also to the wider financial sector owing to the need for co-investments at the project level.

Key Stakeholder Groups

Primary stakeholders:

- Voivodeships/ local governing bodies/ municipal governors
- Legal bodies such as the Polish Financial Supervisory Agency
- Audit bodies such as the Regional Accounting Offices
- Banks and financial institutions
- Property financiers
- Project management firms
- UDF Managers
- Investment fund companies

Secondary stakeholders:

- Private and municipal companies
- Individual investors
- Property owners
- End users/ ultimate recipients (i.e. communities living in areas that benefit from JESSICA)

JESSICA Perception

In Poland, perceptions of JESSICA are linked closely to more general views about EU funds and public-private partnerships. So far, 5 out of 16 voivodeships are using JESSICA and many are the same as the 7 voivodeships which engaged with the EU initiative for SMEs known as 'JEREMIE', illustrating how tentative local governing bodies are about working with non-grant based funding mechanisms. However, many of the barriers to success are technical in nature and not related to MCK issues.

Under EU regulations all JESSICA projects have to be included in Integrated Plans of Sustainable Urban Development, which is case of Poland are mostly Local Development Plans (LDPs). The process of projects' inclusion in LDPs may be time-consuming (take up to several months) as such plans need to be subject to social consultations and strategic environmental impact assessment. It should be considered to apply a more flexible approach to increase the attractiveness of JESSICA to project promoters through allowing to finance projects located within degraded areas indicated in LDPs instead of listing such projects in LDPs (so that implementation of new investment ideas could be less time-consuming since LDPs would not have to be updated each time a new investment possibility is identified).

Polish local government institutions do not generally recognise the effectiveness of revolving financial instruments and they prefer to use straight-forward grant-funding models where they can instead. Given this existing predisposition toward grants, voivodeships are further biased against JESSICA as there is a perception that it remains a more complex route to obtaining funding than the grant-funding models it is replacing. JESSICA operations also suffer from a perception that they are part of a limited pilot programme which is being used to test revolving funding, even though discussions on the next programming period held at EU and national level indicate that financial instruments will be used on a wider scale.

Based on the consultations, the main barrier for the financial and investment community is the perceived complexity of JESSICA. This complexity is often associated with high administration costs for preparing the application for funding through the UDFs, though Project promoters are assisted in this by UDFs and their partners.

Commercial banks and private investors worry that investing in financial instruments and projects will not bring them back the same level of financial return as would a pure commercial investment even though as UDF Managers they would be remunerated for their services in the form of management fees. Moreover, many have other strategic priorities or do not have the knowledge and competencies already within their organisations to act as UDF Managers. Instead they find it cheaper and easier to engage with investments they already have knowledge and expertise of as well as a strong reputation and track records of working with.

Those banks which have engaged with JESSICA have done so on the basis that it will help them to build those missing competencies in time for the next programming period when

both the EU Commission and Polish government have stated that revolving instruments will continue to grow and direct grant-funding continue to shrink.

The main stakeholders and their perception of JESSICA can be briefly described as follows:

Stakeholder	View / approach to JESSICA
Voivodeships and municipal governors	<ul style="list-style-type: none"> • Are increasingly aware of JESSICA benefits, though they prefer other sources of financing (grants) – e.g. owing to formal barriers described above • Did, at the beginning stage, not have know-how, but certain regions managed to build strong competences
Potential investors	<ul style="list-style-type: none"> • To a larger extent still prefer grant-based instruments to new forms of revolving finance • partly still hold perceptions of complexity in JESSICA
Banks	<ul style="list-style-type: none"> • became more aware of the business potential
End users of projects	<ul style="list-style-type: none"> • are aware that funding from the EU is used in local projects in Poland

MCK Tools: usage and analysis

Research data revealed that events, seminars and conferences aimed at private sector businesses have worked very well in Poland, especially when organised by UDFs. These events are supported by direct marketing literature in the form of delegate packs. Face-to-face meetings with local governors and other target stakeholders have also proven successful according to those interviewed.

With the voivodeships being a key link in the chain for the establishment of further JESSICA projects in Poland, there is a need for continuing efforts in terms of knowledge dissemination to voivodeship governing bodies, especially in the setting out of the potential benefits of the funding mechanism.

The primary source of information is a portal⁴⁶ dedicated to EU funds which is hosted by the Ministry of Regional Development; however, the information about JESSICA is relatively short and general. More comprehensive information can be found from the banks who have been appointed as UDF managers on their respective websites: BOS,⁴⁷ BZ WBK⁴⁸ and BGK.⁴⁹

⁴⁶ www.funduszeuropejskie.gov.pl

⁴⁷ <http://www.bosbankdlafirm.pl/eko-naped/projekt-jessica-rozwoj-miast-i-wzrost-zatrudnienia-cz-2/>.

⁴⁸ <http://jessica.bzwbk.pl/o-inicjatywie-jessica/o-inicjatywie-jessica.html>.

⁴⁹ <http://www.bgk.com.pl/inicjatywa%20jessica/inicjatywa-jessica>.

Banks are also actively communicating themselves – organising conferences and seminars for potential clients and local governing bodies.

According to Weber Shandwick’s market communications experts, the lack of a central comprehensive internet presence to serve as an information hub on all JESSICA and UDF activity is a major drawback to the successful marketing and communication of JESSICA in Poland. In addition, there are no case studies available online and news updates on progress or the latest developments are not always easy to retrieve.

PR should continue to be used to increase awareness of the benefits of JESSICA amongst both the private and public sectors in the next programming period. This can be done through press conferences and briefings with key journalists to highlight successful projects already in progress.

Interviewees would appreciate to see more evidence of the benefits that will accrue to JESSICA’s beneficiaries and also for potential investors - e.g. lower cost of financing (loans) or other preferences from banks. At the beginning of the implementation of JESSICA, it was difficult to find “hard” facts and benefits for investors. The longer the project lasted, the better information was presented.

Because of the complex character of JESSICA, offline communications such as seminars, training packs, individual meetings for local governors and other target groups should be underpinned by comprehensive information on the internet. All communications should emphasise the benefits for beneficiaries, which was seen to be an area lacking in current materials.

Gaps and conclusions

Key audiences in Poland, as interviewed by Weber Shandwick, have some issues and concerns about JESSICA, but the progress to date suggests that there is potential for further growth. There is a need to further increase knowledge and technical understanding among voivodeships, in particular with those not yet participating, but planning to do so in the future.

Face-to-face contact remains the most effective way of promoting JESSICA as a level of trust can be formed between interested parties. Seminars, conferences, and individual meetings for local governors have been very effective. As with all conferences and events, attention should be focused on the quality of presenters and devising core messages.

These meetings should be underpinned and supported by better publicly available information; the most important of these should be comprehensive information on the internet but seeking more media coverage will also help spread knowledge about JESSICA.

There needs to be good visibility of JESSICA on the internet that can be a reference point for all parties and provides messaging about key benefits, regular news updates and case studies.

Interviewees:

- Agata Matusiak, , JESSICA Holding Fund Local Officer
- Małgorzata Kowalczyk, BOŚ, Head of EU Funds and Financing Unit
- MichałKopeć, BGK, Expert, European Programs Department
- Krystyna Borkowska, City of Gdynia, Head of European Integration Unit
- Radosław Krawczykowski, Wielkopolska Region, Head of Regional Program Implementation Department
- Agnieszka Włodarczyk, BZ WBK, Municipal Development Fund
- Marcin Grabiszewski, DnB NORD, Manager with experience in dealing with EU funds-related projects
- Dariusz Mirosław, Societe Generale Bank, former expert in EBRD projects, dealing with EU funds-related projects

References:

- Deloitte's report on Public Private Partnership in Poland
- Conference: EU Financial Instruments Day held in Warsaw, December 19th (attended by representatives of Polish government, Regions, EIB, EU Commission, BGK)
- JESSICA Evaluation Study, Pomorskie voivodeship
- <http://www.funduszeuropejskie.gov.pl/> - portal dedicated to EU funds, run by Ministry of Regional Development
- Internet portals of particular voivodeships and UDFs

Weber Shandwick consultants' knowledge

Portugal Country Report

Overview

JESSICA in Portugal currently has three UDFs in existence, managing €335 million (€130 million JESSICA and € 205 million of co-financing from the UDF managers) of available funding to support urban development. These UDFs are set up in Portugal under an agreement between the Government of Portugal and the EIB to create the JESSICA HF in Portugal. The capital contributions came from the Regional OPs for Norte, Centro, Lisboa, Alentejo and Algarve and part of the national match funding has been provided by DGTF. The three UDFs are managed by:

- Caixa Geral de Depósitos SA (CGD) - €175 million
- Banco BPI SA – €128 million
- Turismo de Portugal - €32 million

Funds are used to support urban rehabilitation and regeneration, including rehabilitation of buildings for apartment rentals, hotels, museums, senior citizen and student residences. But UDFs have also received submissions on energy efficiency projects. Not only public but also private agents are showing interest in JESSICA. In some cases, there are individuals interested in making investments in urban regeneration.

The first project to be invested through JESSICA will be used for urban rehabilitation at Évora Centre City, in particular for buildings with a historical interest. Other projects are due for signing shortly.

Key Stakeholder Groups

Primary Stakeholders:

- General public
- Agriculture, Sea, Environment and Spatial Planning Ministry
- APA – Portuguese Environmental Agency
- ADEN – National Energy Agency
- APEMIP – The Association of Professionals and Real State Companies of Portugal
- APROURB – Portuguese Professional Urban Planners Association
- AECOPS – Portuguese Association of Construction and Public Works and Services
- AICE – Portuguese Association of Building Constructors
- CPCI – Portuguese Confederation of Construction and Real State
- FEBICOP – Portuguese Federation of Construction Industry and Public Works
- Amb3e – Portuguese Association for the Management of Waste
- Portuguese Regional Coordination and Development Commission
- ANMP – National Association of the Portuguese Municipalities
- APREN – Portuguese Renewable Energy Association
- CCP – Confederation of Commerce and Services of Portugal
- CIP – Portuguese Confederation of Industry
- ANPME – National Association for SMEs

Secondary Stakeholders:

- CNIS – National Confederation of Institutions of Solidarity
- UMP – Union of Portuguese Charitable Institution
- ALP - Lisbon Proprietary Owners Association
- ANP - Portuguese Owners Association
- OA – Portuguese Architects Association
- OE – Portuguese Engineers Association
- EGSRA – Association of Companies for Wage Managing Systems
- Sociedade Ponto Verde – Green Dot Society
- ANAFRE – Parish National Association
- Urban Rehabilitation Societies in Portugal (Under Municipalities' dependence)
- APEMETA – Portuguese Association of Environmental Technology Firms
- APISOLAR – Portuguese Association of Solar Industry
- APESF – Portuguese Photovoltaic Industry Association
- COGEN Portugal – Portuguese Association for the Promotion of Cogeneration
- APEA – Portuguese Association of Environmental Engineering
- RNAE – Energy Agencies Association for Energy and Environment - National Network
- ANJE – Portuguese Association of Young Entrepreneurs
- AHP – Portuguese Association of Hospitality
- APHORT – Portuguese Association of Hotel, Catering and Tourism

JESSICA Perception

There is a strong recognition from stakeholders that urban development is supported by government policy at the national level. This is evident through a new law on urban renewal that gives greater support in revitalising neighbourhoods and former industrial areas. The Minister of Agriculture, Sea, Environment and Spatial Planning has publicly endorsed JESSICA as a powerful tool to help achieve the objectives of urban renewal in Portugal. This has in turn created a positive perception of JESSICA.

However, Weber Shandwick in Portugal found that several organisations involved in JESSICA reported that the projects had a complex and lengthy approval process. There were also issues with putting together a technical urban development prospectus, as well as difficulty in assessing the eligibility of potential projects. Whilst it is not always the role of HF to provide technical advice at the project-level on a case by case basis, it would be helpful to develop guidance notes and organise seminars as a means to share knowledge and clarify any questions regarding the process, if appropriate. There also remains some concern about the complexity of the ERDF regulations particularly in relation to how FEI fits into the overall legislative framework is not always clear. Some private sector stakeholders felt the regulatory framework was far too restrictive, thus making only a small number of UDPs eligible for funding.

MCK Tools: usage and analysis

Public sessions across Portugal were organised by JESSICA Holding Fund Portugal and UDFs. They were also present at relevant national trade fairs/events to promote JESSICA to

potential project promoters, which were very well attended by the private sector community.

The support from the national government has enabled the UDFs to attract some media coverage. For example, the first urban rehabilitation project was formally signed in front of the Secretary of State at a public event on 24th April 2012. The public endorsement by senior government officials helped to drive public awareness of JESSICA. It allowed the UDFs to highlight key milestones and progress of projects to date.

The UDFs have also used PR to support the JESSICA Holding Fund Portugal, including promoting events and announcements in the media to discuss project eligibility requirements and selection process. Media coverage of key announcements of JESSICA has been positive. Research and interviews revealed that journalists and some private agents are clear about the EC and EIB's involvement and efforts to support Portuguese urban renewal and rehabilitation.

Weber Shandwick's research into more comprehensive and extensive media articles showed that the relationship between the EIB and JESSICA was explained. However there is evidence to suggest that some journalists misunderstand the exact participants in JESSICA and their respective roles due to its complexity.

Research by Weber Shandwick experts in Portugal revealed that while JESSICA does have an online presence with a website with core messages and relevant information. However, Google Analytics has no data about the reach or monthly visitors, suggesting number of visitors may be very low. Increasing the number of links to external sites would encourage other sites to link to it and promote the transference of users from one site to another.

Gaps and conclusions

Stakeholders interviewed view JESSICA as broadly positive in Portugal due to the synergies between the aims of JESSICA and national government policy for urban renewal. One stakeholder commented that JESSICA is one of the few sources of financing to support urban development in light of the economic context. UDFs have strong relationships with other financial institutions and relevant technical capacity in urban renewal.

From an MCK perspective, there is a lack of clear messages and specific case studies in covering different topics. Sharing of best practices and case studies could be a powerful tool for knowledge dissemination in which the repository of case studies could be produced at the EU-level. UDFs could benefit from working more closely with municipalities to try and solve this.

JESSICA would benefit from greater external and media visibility to clarify the roles of the EC, EIB, and the Portuguese MAs in relations to JESSICA as there are some confusion amongst public sector of the involvement of EU-level institutions, and to promote the JESSICA product itself. This should be combined with the exploration of new ways to reach stakeholders audiences in short, middle and long term.

Interviewees:

- Pedro Couto, Holding Fund Officer – Portugal, Jessica Holding Fund Portugal, European Investment Bank
- Ricardo Correia Duarte, Operações Especiais Norte. Banco BPI

References:

- JESSICA Portugal website: www.fundojessicaportugal.org
- Banco BPI microsite
- Media research via Expresso Online, Diário Económico and Dinheiro Vivo

Spain Country Report

Overview

In 2011, the Andalucía Regional Government allocated €85.7 million to create the Holding Fund JESSICA Andalucía (FCJA), and managed by EIB. The FCJA appointed two UDFs which will be managed respectively by BBVA and the financial corporation, Ahorro Corporación.

In addition, a third entity, IDAE (Spanish Energy Saving and Diversification Institute) created a HF in July 2011. Endowed with €127.6 million, the fund is managed by the EIB and is available for 10 Spanish regions to finance energy efficiency and renewable energy projects. These include: Andalucía, the Canaries, Castilla y León, Castilla-La Mancha, Ceuta, the Valencia Region, Extremadura, Galicia, Melilla and Murcia. It is envisaged that the fund will foster job creation and stimulate economic growth.

Key Stakeholder Groups

Primary stakeholders:

- Provincial governments
- Municipalities with over 20,000 inhabitants
- Municipalities
- Public enterprises at local level
- Major private companies of related industries at both national and local level: construction, infrastructure, environment, energy, transport, real estate, etc. i.e. Acciona, FCC, Solaria, Isofoton, etc.
- Financial institutions
- Investment entities (business angels, venture capital companies, etc.)

Secondary stakeholders:

- Local Authorities of urban development, industry, commerce and infrastructures (public works)
- Local branches of national businesses associations (CEOE, CEPYME)
- Entrepreneurs
- Trade associations of related sectors: construction, infrastructure, energy, transport, etc.
- Chambers of Commerce at local level.
- Association of Architects at local level
- Ministry of Economy
- Directorate General of Community Funds - FEDER funds section
- Regional Governments
- Regional ministries of infrastructures, urban development, industry, etc.
- Energy Agencies - Instituto para la Diversificación y Ahorro de la Energía (IDAE)
- Business community at national level
 - CEOE
 - CEPYME
- High Council of Chambers of Commerce, Industry and Navigation of Spain
- High Council of Architects Associations of Spain

- Commerce and Tourism associations:
 - ANGED (big distributors)
 - AEPT (Tourism companies)

JESSICA Perceptions

Our research showed that although the awareness and public opinion of EU SF in Spain is high and positive, there is minimal knowledge about JESSICA outside the public sector. JESSICA has strong political support at a regional level. This is evident by the attendance of senior-level government officials. This resulted in a high awareness of JESSICA projects at local level, but a limited knowledge in the national arena including national business and daily newspapers.

Following interviews with different stakeholders by Weber Shandwick in Spain, although information about JESSICA is publicly available, overall public knowledge of JESSICA projects and its benefits in Spain is limited despite the efforts undertaken by MAs to communicate and promote JESSICA using a dedicated webpages and several public events. There is also an issue around the lack of clarity about eligibility requirements and State Aid rules.

MCK Tools: usage and analysis

At the Feasibility Phase, the MA helped to promote JESSICA by organising several events and briefing sessions. Efforts were made to disseminate the key finding from the evaluation study, and clarifying the next step in the implementation model of JESSICA. Road shows were then organised to speak to municipalities and local enterprises with over 20,000 inhabitants. The event generated considerable interest, with a series of approaches for further information afterwards, and proved to be a successful initiative.

At the UDF Selection Phase, the Spanish were keen to promote the signing of Operational Agreement between the EIB and selected UDF as part of the marketing strategy. Institutional investors and the finance community were invited to attend the launch event. These events are accompanied by press releases which were sent to the local media. All press releases were available on the EIB websites and the dedicated Andalucía JESSICA website.

Also at the UDF Selection Phase, the Holding Fund JESSICA Andalucía set up a series of successful meetings to allow potential project promoters to hear about the two UDFs set up. Follow-up meetings were scheduled to speak to potential project promoters. Key audiences targeted for the meetings included: chambers of commerce, local councils, county councils, promoters and constructors. General briefing meetings also took place with senior managers from the Departments of Culture, Public Works and Tourism.

In addition, meetings with senior managers from the Departments of Culture, Public Works and Tourism took place to provide general briefings on JESSICA and to discuss project finance opportunities. These meetings have proven to be a relevant channel to communicate with key audiences as they generated considerable interest and as a consequence JESSICA authorities were approached for further information.

The regional authority in Andalucía created specific printed materials (leaflets) to about JESSICA at the Project Identification Phase. The documentation consisted of basic information about JESSICA in Spanish, as well as a guide for applicants in Spanish including requirements to obtain the funding. This information is made available during the meetings organized and accessible in the Junta de Andalucía webpage.

A website was set-up to support FCJA.⁵⁰ Project promoters are able to access a dedicated page in the Junta de Andalucía webpage to find out more information about JESSICA. Similarly, JESSICA Andalucía FDU Ahorro Corporation also created a dedicated website⁵¹ with basic information in JESSICA, the UDF, how to apply, contact details and current status of the Project.

While the Junta de Andalucía webpage is ranked among the first positions when searching in Google, according to research carried out in-market by Weber Shandwick. Most of the Google search results about JESSICA in Spain used to be linked to regions and sometimes information available is confusing and outdated. The Ahorro Corporación website does not appear in the first two pages when searching in Google by “JESSICA funds in Spain.”

Gaps and conclusions

Based on the stakeholder interviews JESSICA as a brand is not well known in Spain outside of people familiar with European funds or local projects they have had a personal interaction with. More can be done to create public awareness of JESSICA.

JESSICA websites need to be reviewed so that they provide more co-ordinated information in a way that is easily understood by the public. At the moment there are dedicated webpages with information at local level, but it does not directly respond to external public questions. Information comes from different sources and it is difficult to understand the relationship between them.

There was a suggestion that JESSICA stakeholders would benefit from having access to greater levels of detail and support on how to present projects and contact details of where to obtain further information.

More work could be undertaken to improve the Google rankings of JESSICA related websites. For more information about Google Analytics and Search Engine Optimisation, refer to Annex III. Otherwise the websites will not be visible in search listing.

Much of the information available on JESSICA remains in languages other than Spanish (English, French and German mainly). It is recommended that the website should be in multiple languages with at least a Spanish and English version so it is accessible to interested parties outside of Spain. It could include information on state of play at local level, contact details in Spain for further information as well as links to other local websites referred to JESSICA.

⁵⁰ <http://www.juntadeandalucia.es/economiainnovacionyciencia/fondoseuropeosenandalucia/jessica.php>

⁵¹ <http://www.acjessicaandalucia.com/acjessica/iw/html/acjessica/acjessica.html>

ANNEX II: WEBSITE REVIEW of CASE STUDIES

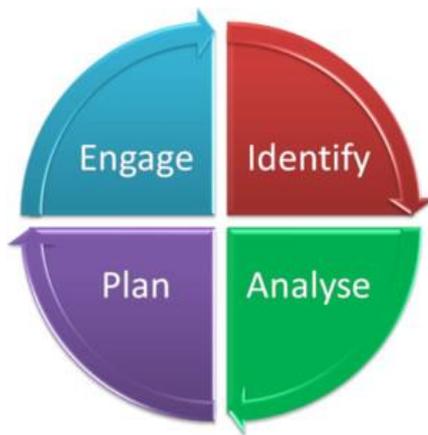
Country	JESSICA HF/UDF	Website	National Language	Other Languages
Greece	JESSICA Holding Fund Greece	www.jessicafund.gr	Greek	English
Lithuania	JESSICA Holding Fund Lithuania	www.atnaujinkbusta.lt	Lithuania	None
Poland	UDF for Wielkopolskie, Pomorskie, Mazowsze	http://www.bgk.pl/jessica	Polish	English (translation is broken for JESSICA)
Poland	UDF for West Pomerania	http://jessica.bzwbk.pl	Polish	None
Portugal	JESSICA Holding Fund Portugal	www.fundojessicaportugal.org	Portuguese	None
Spain	AC JESSICA Andalucia	http://www.acjessicaandalucia.com/acjessica/iw/html/acjessica/acjessica.html	Spanish	None
UK	The Chrysalis Fund in NW England	www.chrysalisfund.co.uk	English	None
UK	Regeneration Investment Fund for Wales (RIFW)	www.rifw.co.uk	English Welsh	None

Stakeholder Mapping

Effective marketing strategies are based on a deep and thorough understanding of the audiences to be communicated with. This understanding is derived from undertaking a thorough stakeholder mapping session and then repeating the exercise periodically throughout the lifecycle of a communication campaign.

Stakeholder mapping can be divided into four steps: identify, analyse, plan, and engage. It should be noted that the latter two steps can be incorporated into the overall marketing plan, which will be discussed in the next section.

Figure 6: Stakeholder Mapping Process



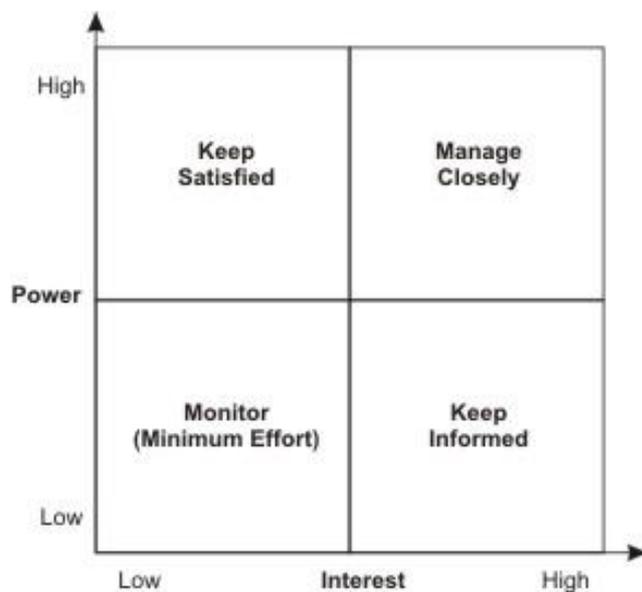
The first step is to **identify** the list of relevant groups, organisations, and people you need to communicate with and to rank them in terms of their importance to the overall outcome of the communications campaign and prioritise them accordingly.

To aid this analysis, the ‘Power-Interest’ grid can be used to gauge the level of interest and power over the project, proposal, or plan of the identified stakeholder.

Source: Imperial College of London

Stakeholders will fall within one of the four quadrants as illustrated in the diagram.

Figure 7: Power-Interest Grid



Source: Imperial College of London

Group A: Low interest – High power: Provide enough information to keep this group satisfied without being intrusive. The goal with this group is to increase the level of interest.

Group B: High power – High interest: These individuals are the key players and are important if your project is to succeed. They must be fully engaged and managed closely as these are the people who have significant power to influence other stakeholder's opinions and view.

Group C: Low power – Low interest: This group should be sufficiently monitored with minimal efforts.

Group D: High interest - Low power: These people should be kept informed with key information through regular meetings or consultations to keep the interest going over the course of the project. This group could be big supporters and champions of the projects.

It is important to remember that individuals or groups could move between groups over time.

Once the stakeholders are ranked by importance it is essential to **analyse** the stakeholders' perspectives, interests, and opinions. This allows you to predict the way they may react and respond to an issue or a piece of communications and be able to adapt it accordingly.

The next stage is to **plan** and **engage** with the identified stakeholders. This can be a subsection of the overall marketing plan. Please see the next section for a full explanation.

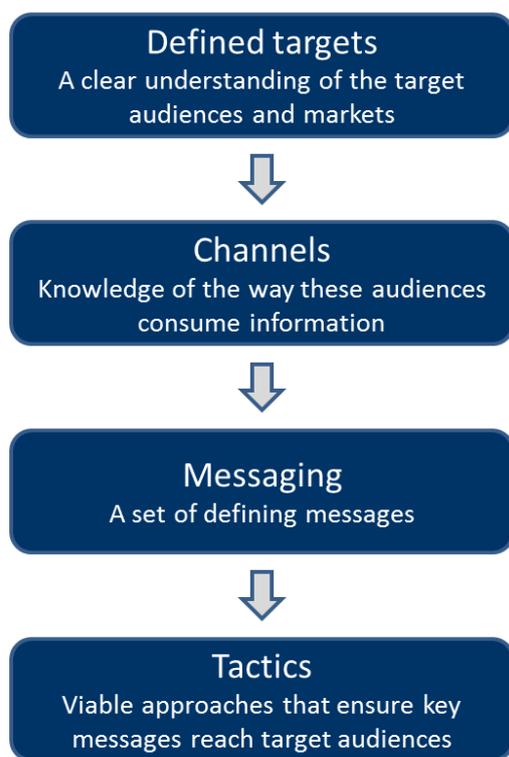
Marketing and Communications Plan

With detailed stakeholder mapping undertaken, a marketing and communications plan can be developed to ensure the right marketing and communication tools are used.

Using one marketing activity or communication channel in isolation cannot deliver the same level of results as an integrated communications programme will. Different MCK tools must be blended together to achieve the level of results desired.

The marketing plan, at its core, is a four stage process. The first is defining the target audiences, using stakeholder mapping as defined above. The next step is to develop an understanding of the way these audiences consume information. Then a defining set of key messages needs to be created before viable approaches and tactics are generated which can deliver engaging content to an agreed timetable.

Figure 8: Basic Marketing Plan Process



Defined Targets: A clear understanding of target audiences

It is advised that those looking to create a communication strategy should focus on understanding the key audiences' perception on a particular project or proposal, how they feel about it, and whether there are already some preconceptions in place that may need to be challenged.

Building knowledge on an audience can be as simple as taking to the internet and undertaking desk-research or, if more detail is required, then direct contact with the stakeholders themselves can reveal a substantial amount of useful information.

Source: Weber Shandwick

If it is really important to develop a detailed map of targets, and especially if they are in a different country and communicate in a different language, there are external communications and marketing companies who will be able to undertake mapping studies.

Channels: Knowledge of the way these audiences consume information

Once a clear list of target audiences has been identified, it is important to develop an understanding of the ways in which these audiences like to be communicated with and which media, social media and other communication channels the target audiences and stakeholders use to inform themselves about issues that are relevant.

The results of this analysis will then define the communication channels that should be used to communicate with these audiences. Again, it is important that a mixture of channels is used to enable the greatest possible chance of the key stakeholders receiving and understanding the message being communicated.

Messaging: Being clear and consistent in what you want to communicate

Once it is clear *how* you are going to communicate to the identified key stakeholders, the next stage it to take time to ensure that you are clear and consistent in *what* you are going to say to them. If the messages to be communicated are not compelling enough then it does not matter which communications channel or tool you use or how well you know the audience.

Messages should be clear, concise and simple. They should be written in basic language – without jargon of any sort – and able to be understood by the layman as well as the expert. Most communications agencies will suggest that audiences will struggle to remember more

than three pieces of information about any one topic and creating more messages than that will only lead to confusion.

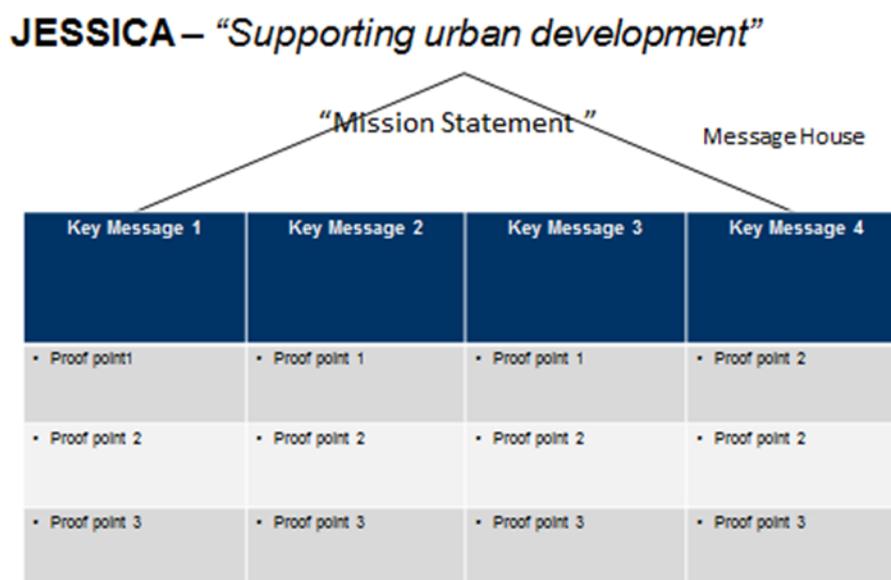
Messages need to be consistent regardless of the audience being targeted or the channel being used to communicate with them. Of course they may differ slightly in the way they are written, but the underlying *message* must be the same. Repetition of a small number of key messages by a variety of channels is the best way to develop understanding among key stakeholders.

To help prioritise messages, some organisations create either a pyramid or ‘Message House’ which sets out at the top (or on the roof) those messages which an audience must understand and remember (these may be referred to as ‘primary’ messages’).

Underneath those primary messages will sit secondary messages which serve to support, explain and expand upon the primary messages and, while they may not be immediately recalled themselves, they help to reinforce the primary messages and make them more easily digested.

At the bottom of the pyramid or as the foundations of the house sit ‘proof points’. These are the facts and figures which provide immutable evidence to the primary and secondary messaging and which can be used with any audience which does not understand or believe what you are trying to communicate. Since most journalists in the EC countries have a culture of demanding proof and are also powerful opinion formers these proof points are particularly important when engaging with the media.

Figure 9: A Sample Message House



Source: Weber Shandwick

Tactics: Viable approaches that ensure key messages reach target audiences

With audiences identified, messages created and the communications channels to be used to reach out to those audiences analysed, the next step is to develop tactics which allow you to begin communications. Messages cannot just sit in isolation on a piece of paper; they need to be wrapped in creative *content* which becomes the mechanism for delivery.

Content can be an idea, or a point of view. It can be an announcement, a case study, some new research or a new piece of information which needs to be communicated. Content is what is to be communicated. It may end up being communicated in a press release, via a speech at an event, in an academic research paper or in a Tweet, but it is important not to confuse the content with the delivery mechanism or the channel being used.

With content created (which contains at least one key message) and the right MCK tool(s) identified that will be used to deliver it, it is then important to consider who will deliver it - who will be the spokesperson? Normally you would suggest that the most senior person within an organisation should be the public face of their communications strategy. However, within technical areas, it may be more appropriate for someone with the key knowledge to undertake to be the spokesperson on issues they are specialist in.

In communications, it is entirely possible that the most perfectly delivered key message aimed at the diligently researched key audience may fall flat if it is communicated at the wrong time. Good communications plans will contain an editorial diary which places the key pieces of content into a calendar so that you can see when communications activity will take place. This will stop you putting all of your messages out at the same time and will also help you to ensure you know when a particular audience will be most receptive to a message you want to put out.

Evaluation: Understanding whether communications have been successful

No marketing campaign should begin without having a very clear idea of what the activities are supposed to achieve. Therefore, building in sufficient time for planning a campaign is vital. It is equally essential to include time, during and after a marketing campaign, to undertake comprehensive assessments of the outcomes, success, impacts, and overall efficacy of the marketing campaign.

Evaluating the success or shortfalls of the MCK tools takes time, effort, and resources, however, this is an important exercise to understand the reasons for the outcomes and learning the lessons which can be applied towards the next marketing campaign is invaluable. Detailed information on assessing and analysing the success of PR, advertising and online communications activity is contained in Annex IV.

I. Website Performance Indicators: Using Google Analytics

Over the past several years, sophisticated performance indicators and web-based tools have been developed to improve the effectiveness of an organisation's website. There are two primary indicators to the performance of websites. The first is website usage expressed in the number of visitors, unique visitors, page views, time spent for visit; and the second is the conversion rate, which is the percentage of visitors who act in the manner desired by the organisation's website.

Search engine giant Google has an easy to use service of its own called *Google Analytics*⁵² which will provide a level of analysis detailed enough for most purposes. It is one of the most powerful web analytics solutions on the market - and it is free for anyone to use. It allows web owners or managers to measure how many people are viewing their website, where those people have come from before arriving at their site, which pages of their site are the most popular and which ones make them leave or 'bounce' away from the site. It then provides advice on how to respond and change a website in response to the statistics generated.

One of the biggest advantages *Google Analytics* provides over other analysis software is ease of use. With a few clicks, a webmaster can define any range of dates from which statistics can be viewed. They can also easily navigate from general data to more specific data. Everything from bounce rates to conversion rates can be easily found by a few clicks. Helpful tips can be viewed at the bottom right hand corner of many pages along with short descriptions of the data included in the report and sometimes even what the numbers could mean for a web site.

One of the first things anyone with a website wants to know is 'how many people are using it?' *Google Analytics* reporting system allows website owners to monitor 'traffic volume' (i.e. number of people viewing a website) at different times so that it is possible to see on what dates and at what times people have been viewing a site. It will also show whether there have been any significant changes in the traffic which may enable a webmaster to tell whether the uploading of a new piece of content resulted in an increase in the numbers of people coming to the site. The example below illustrates how this information is viewed within *Google Analytics*.

⁵² Google Analytics: <http://www.google.com/analytics>.

Figure 10: Google Analytics – Number of Visitors



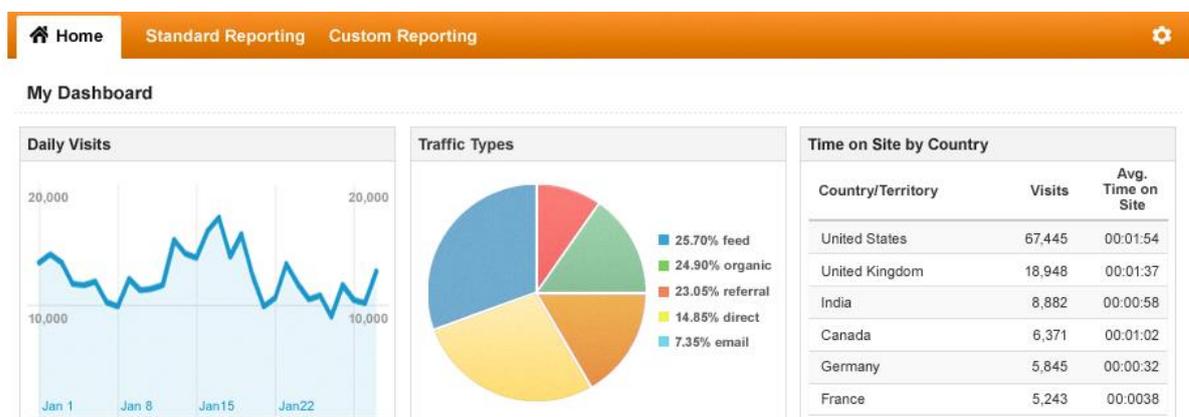
Source: Weber Shandwick

It is possible to set up automatic alerts so that Google will contact the webmaster if it records any significant peaks or troughs in internet activity associated with a particular site.

While this is certainly valuable information, it does not reveal anything about what visitors are doing when they visit a web site. *Google Analytics* can generate up to 85 different reports that will help a web owner analyse all possible data about website traffic. It not only tracks visitors to a site or the number of page views, it can be used to see which content gets the most visits and how much time users spend on site per visit as well as being able to tell which search engines most regularly send people to a site and which adverts are driving the most visitors to your site.

Central to accessing all this information is the *Google Analytics* 'dashboard' which serves as the central hub and gives an overview of all the most popular reports that the system can provide. This page can be customised by changing what reports are shown, as well as altering the format in which they are shown. A standard dashboard screen is shown below.

Figure 11: Google Analytics – Dashboard



Source: Weber Shandwick

If some of the screens shown seem daunting to the less computer literate, Google Analytics provides a series of online tutorials which will enable the user to quickly understand and report on more complicated metrics such as being able to tell whether a visitor to a website has viewed the site or a particular page before or if this is their first time on the site, how much time an individual user or everyone visiting the site spends on each page viewed, how to tell what keywords people are putting into search engines to arrive at a site, which can also help with search engine optimization, and how to rank not only which are the most popular pages but to also plot the route through a website a user has taken to get to their 'destination' page.

One of the key benefits of *Google Analytics* is that it can be made as simple or as complicated as the user wants to make it or is able to make it owing to their individual level of sophistication and understanding of the online world. There are a number of guides available on the internet which will help a user understand how to use the system but Google own online training academy and testing centre⁵³ may be the best way of learning how to use *Google Analytics* and learn as you go along.

II. Evaluating Advertising Effectiveness

Many marketing programs are not easily justified on basic return-on-investment measures. Advertising in particular can be seen like taking a leap of faith because it may be expensive and its direct benefits difficult to quantify. Ultimately, it may be impossible to prove that advertising is the reason behind why someone has been persuaded to buy a certain product or to act in a certain way. Equally trying to tie a discrete line back from a stakeholder understanding and absorbing a particular message to the advertisement being assessed is inherently difficult. Before undertaking any advertising campaign it is vital to decide which criteria the campaign will be monitored against. These will differ with respect to the type of advertising used and the purpose of the advertising:

Examples of possible outcomes to be measured are:

- Quantitative and qualitative research into the increase of awareness, and attitudes of targeted JESSICA stakeholders in line with the objectives of an advertising campaign
- Specific event focused results e.g. an increase in attendance at an event or seminar
- Specific business outcomes e.g. an increase in investor interest or more applications
- More organisations responding to a call for EoI
- More calls to a helpline or emails to a suggested inbox
- Increased visits to a selected website or pages on a website (please see section on Google Analytics)

It may be useful to combine several of these measurements together at any one time and it should be remembered that if advertising is being used alongside other MCK tools, such as PR or direct marketing, then understanding which tool delivered which outcome is even more difficult.

Consumer panels and research are often also used as ways to measure how deeply a key message or key messages have penetrated the chosen and targeted stakeholder group.

⁵³ Google Analytics Training <https://google.starttest.com/>

Marketing and advertising professionals may talk about measuring ‘awareness’ or ‘familiarity’ of key messages as received through advertising.

Both PR and advertising disciplines talk about the creation of ‘advocacy’ which means how many stakeholders a communications campaign has managed to turn into people who will promote a brand, concept or key message on your behalf. Seeding such ‘word of mouth’ conversations is akin to the Holy Grail of PR and advertising, but can only be assessed through surveys and interview panels focused on the key question ‘would you recommend this to someone else’.

In the internet age, there is a great deal of advertising which takes place on the World Wide Web. It is also the case that many offline advertisements, of any format, direct those seeing or hearing the advert to the internet in order to interact with a brand or to undertake a specific activity. Luckily, just about every action undertaken online can be tracked with some fairly simple software.

Both PR and advertising professionals also like to look at ‘share of voice’ when evaluating a campaign. This involves looking at how much of your product, service, brand or activity has appeared on the chosen medium (in print, online, on broadcast services etc.), in the case of commercial markets as opposed to your direct competitors. Seeing an increase in share of voice over the duration of a particular campaign will demonstrate that the campaign is being successful.

III. Assessing the impact of Public Relations Activity

Assessing the impact and evaluating the value of Public Relations (PR) is always inherently challenging. After all, an MCK tool that relies on persuading stakeholders by persuading influential third parties (typically the media) to pass on key messages is subject to a number of variables. Nevertheless, it is self-evident that such measurement is necessary to understand when their PR spending is effective and which specific PR strategies work.

Metrics/analytics: When evaluating PR there is a wide variety of metrics that are commonly used to measure and analyse the effectiveness, including:

- *Volume and favourability:* How regularly is the exact topic of the PR campaign measured and how favourably is it mentioned (this is usually measured by positive/neutral/negative sentiment within an article)?
- *Issues and trends tracking:* Is this theme gaining greater profile in the media subject to PR engagement and is it becoming a part of this media narrative?
- *Audience reach and frequency:* How often are target audiences being “reached” or seeing/ hearing stories about the project or proposal?
- *Key message delivery:* How often are the defined key messages for the PR outreach mentioned in generated coverage?
- *Media type, publication and journalist tracking:* Some publications, outlets and journalists carry far more weight and impact than others in terms of reaching and impressing the target stakeholders. These channels should be identified within the marketing and communications plan as priority publications and any metrics or analysis of PR effectiveness should reflect that these publications carry a particular value. Aside from these top tier publications, a hierarchy of publications should be

developed that carry different values according to their ability to reach and persuade the target stakeholders

In general, almost any combination of the metrics above will provide a useful starting point to evaluate the effectiveness of a PR campaign, particularly if clearly agreed targets and Key Performance Indicators (KPIs) are set with the PR team in advance. However, whilst these metrics for evaluation are commonly used, most of the world's major PR and Marketing trade organisations have concluded that there is no unique, simple, all-encompassing technique that can be relied on to evaluate PR effectiveness. It should also be noted at this point that, in practice, most organisations rely on quite simple metrics to evaluate PR effectiveness such as AVE (advertising value equivalent – see below) or the number of print, media and broadcast “hits” generated. Social media trending and internet hits to relevant sites are also used to understand the impact of PR in the digital media.

It should also be considered that the resource that is dedicated to evaluation could be focused on effectively communicating to the media. With more complex evaluation processes often consuming up to 15% of the available budget for a PR campaign, it is important to be aware of this. Equally, the methodology should take a long term view to evaluation helping to avoid the short term “blips” that can create misleading data. For example, a strong PR approach would generate very poor results if a media launch date coincided with a major, uncontrollable event that would completely divert the journalists' attention.

- *Evaluation Agencies:* Whilst these will be expensive and only as good as the brief they are given, they will provide an unbiased third party view on the effectiveness of PR activity based on tried and tested methods in a given market. A clear briefing might include detailing which publications are most valued, which key messages are meant to be coming through and who key spokespeople to look out for will be.
- *AVE (Advertising Value Equivalent):* The AVE ratio method takes all the media reports generated by PR activity and calculates their "equivalent" cost as if they had been placed as ads, and then compares the imputed costs to the cost of the PR activities (AVE ratio = cost of placing similar advertisement / cost of PR campaign). This method remains in common use around the world and has the advantage of offering communications practitioners an easily calculated and understood metric to offer internal audiences. But its limitation is evident and much of the PR community now view it as a dated and misleading approach.

Advertising and PR are two different marketing instruments: advertising messages in the media are controlled and referenced to those who commission them, while PR messages appearing in the media are not controlled or referenced, and as a result have more credibility with their intended audiences. As such, although this metric remains popular, building conclusions based solely on AVE has questionable value, particularly since it is impossible to purchase much of the print space and media time generated by good PR (for example, TV news reports).

Five stage approach: Whilst the Commission on PR Measurement and Evaluation of the Institute for Public Relations (United States) agrees there is no single approach that can be relied on to measure and evaluate PR effectiveness, it has provided a recommended five step approach:

1. *Setting Specific Measurable PR Goals and Objectives:* As detailed in the metrics section, very clear targets in terms of coverage generated and audiences reached and key publications targeted should be agreed from the outset. It is important to factor an expert view on what is realistic and achievable into these discussions
2. *Measuring PR Outputs (short-term results, for example, media reporting on an event):* This is one of the clearest indications of the effectiveness of a PR approach with the number of articles generated by a media launch or announcement providing a clear demonstration of the ability of the communications team to engage with the media effectively.
3. *Measuring PR Outtakes (target group awareness after the PR programme is completed):* This provides a particularly strong measurement if the original audience definition and stakeholder mapping has provided clear metrics on existing awareness levels.
4. *Measuring PR Outcomes (changes in public opinion):* The ability of PR to change public opinion is one of its most valuable aspects as an MCK tool. It will be very important that initial audience definition and stakeholder mapping provides a clear view on existing perceptions and concerns at the outset. This will allow subsequent research into these opinions to provide clear guidance on how well the PR approach is working.
5. *Measuring Business and/or Organizational Outcomes:* The associated metrics for evaluating success would depend very much on the aims of the campaign. However, as an example, a sharp take up in interested investors in the aftermath of a PR campaign to promote specific projects as an investment opportunity would provide a clear demonstration that the approach being used is effective.

IV. Evaluating Events and Seminars

Throughout the research underpinning this document events, conferences and seminars have consistently emerged as one of the most popular and effective means of sharing information. The opportunities these events create to impart knowledge and share technical understanding amongst stakeholders is clearly appreciated, as is the ability to meet and share experiences with like-minded individuals who have encountered the same challenges. However, evaluating the success of such events requires a systematic approach.

For professional event organisers, feedback and evaluation is critical to honing and improving their events in order to keep competitive in their commercial market. Many have bespoke tools which have been created from the benefit of many years of experience in this industry. In addition, many will have staff allocated just to the task of understanding what went well and what did not and then implementing plans for improvement.

Build in evaluation from the outset: What is clear is that any event or conference being organised should have evaluation built in from the start. Many event organisers, especially if there is an online element to the seminar (webinar) or conference being worked on, like to start a dialogue with the participants well in advance of the event actually taking place. If you use an online registration system for an event, those confirming their attendance can automatically be provided with login details to a secure information sharing site where pre-conference documentation can be provided and an introduction and discussion can be created.

This pre-meeting time can be used to not only begin a dialogue between organiser and attendee but may also allow networking to begin before the physical meeting occurs. This means the networking at the actual event can take place seamlessly and without introductions (as these may have already taken place virtually.) It will also allow the organisers and trainers to enter conversations with attendees about what they want to get from the event. This will then enable them to track and assess their levels of success in delivering outcomes for attendees in post event evaluation. The online networking site created can then remain active after the event to enable any further discussions attendees may want to have that they could not complete at the event itself.

Use feedback forms: At a physical event it is usual to provide participants with a feedback form to complete which will cover attendee's perceptions of the conference or seminar they have just attended. It is vital to the success of this form of evaluation that the feedback form is completed *before attendees leave the conference*. The rate of completion of these forms drops significantly as soon as attendees are allowed to complete them after the event and the accuracy of recall declines markedly as soon as they are back into a normal working or leisure environment.

Event evaluation forms come in many forms and should be created bespoke for each event. It is traditional to use a combination of questions to which a scale has been attached (which allows the attendee to rank a certain part of the conference or event out of 5 or 10 for example) and those that offer the participant to suggest whether they 'agree' or 'disagree' with a prepared statement (grades of agreement or disagreement can also be provided if more sophisticated feedback is required).

However a new school of thinking is emerging which suggests that there need only be two questions on feedback forms: 1) would you recommend this event to others? 2) How would you make improvements to this event? Both questions are left open-ended for attendees to provide as much or as little feedback as possible.

Remain in contact with attendees: Due to simple logistics and the resource and time involved in remaining in touch with attendees this form of evaluation is usually preferred for smaller events or seminars. These are typically events that have involved some sort of practical training. This approach is highly beneficial, as it reveals very clearly what attendees have actually taken away from an event. The practice involves reconnecting a week or month after the event to see if an attendee's views have changed. This works particularly well if an organiser or trainer wants to check if the information imparted has proved useful in a working capacity.

Finally, this approach makes it clear if there is more information that needs to be sent to event attendees after the event electronically – sending on presentations or training packs for example. Access to this information can be held back until the attendee has completed an evaluation.

ANNEX V: GUIDE TO SOCIAL MEDIA TOOLS

Twitter: Twitter is an online service that enables you as a user to broadcast short messages to your friends or "followers." It also lets you specify which Twitter users you want to follow so you can follow their "tweets" in one place.

Each piece of communication, or "Tweet," can be no more than 140 characters long, so it is best used as a means to build an audience and to direct people to other places, such as a website or Facebook page.

The use of specific Twitter hash tags e.g. #JESSICA could help fostering a community of relevant stakeholders, sharing links to newly available material on the centralised website to a broader audience.

Facebook: Facebook is an internet based social media platform where over half of its 500 million active members use the site every day. Companies and organisations have capitalised on this and created their own pages on Facebook as part of their company's overall marketing strategy.

Facebook pages can be used as a way for people to review progress on a particular project, to quickly distribute information, to bring communities together that are geographically disparate, to share knowledge and build advocates for a particular cause.

Before building a Facebook page, it is important to develop an understanding of how this will complement other communication and marketing tools being used. Facebook pages also need to develop an online 'personality' which will encourage people to come to the site and view the content. Having a solid idea of what success for the site will be, from the outset, will make developing the site easier.

There are two main ways to attract users to a particular Facebook site. From the start it may be necessary to undertake some targeted Facebook advertising to raise awareness of an organisation's presence on the network. Once established it is then important to post informative and interesting comments which visitors to the page can then 'Like.' When other users see that someone 'likes' the pages, it becomes more popular and attracts more visitors in a virtuous circle.

As for analysing success, Facebook provides some data itself on the number of people using the site and what pages they like most. However, it is necessary that evaluation / impact tools are made bespoke to the differing original objectives for starting a page. It may be worth engaging with a social media specialist to help build and evaluate a Facebook page and associated social media strategy.

YouTube: YouTube is the most popular way of watching video footage on the internet. While the majority of users will utilise the network for leisure purposes, there is a large number of businesses and organisations that have used YouTube to their advantage, recognising that people enjoy receiving information in a visual format. Certain

communication pieces, particularly those with complex content can be better explained in a short film rather than in a written format.

The advantage of YouTube is that it is free to use and posting a video to the site requires little more hardware than a video camera and a laptop or even an iPad on which you can record and upload a video in minutes. There is a test area within the site where you troubleshoot unforeseen issues before releasing the video.

Google Plus: Google Plus is a new social media network which works as a visual way for people to connect and share information, and for businesses and organisations to promote themselves to selected audiences. The major advantage of Google Plus over other social networking tools is the level of control the sender has over who can and who cannot view the information they are disseminating.

Like Facebook, Google Plus allows its users to post relevant content, including photos and videos, to either everyone on the network or just specific audiences by the use of "Circles." "Circles" are simply a list of people who have been collated because they have similar interests or backgrounds. Through the careful selection of Circles, it is possible to send messages only to a chosen audience in order to keep control of who is able to see what information, which can be very important if information needs to remain confidential.

LinkedIn: LinkedIn is the world's largest professional network with over 175 million members, connecting people to other trusted contacts and facilitating the exchange of knowledge, ideas, and opportunities with a broader network of professionals. LinkedIn has a reputation for being much more business focused than others, as it is generally used by people to stay in touch with colleagues, to network with fellow professionals and, by some, to look for new employment opportunities.

One of its key benefits of using LinkedIn is that it provides members the opportunity to create and manage groups based on business-related subjects; some of the largest groups have hundreds of thousands of members and can rival many niche social networks outside of LinkedIn in terms of size and activity. This could be a great way for people to meet, exchange ideas, expertise and build knowledge in a private (or open) space.

Some of the strategies to promote your group include inviting others in your network to join, encouraging members to invite their colleagues, and by highlighting your group to other, non-competing groups, as LinkedIn members can belong to up to 40 groups simultaneously.

It is important to note that Social Media channels can be inter-connected and the dissemination of information can happen simultaneously. Moreover, the centralised website should foster users' ability to connect with various Social Media technologies.