

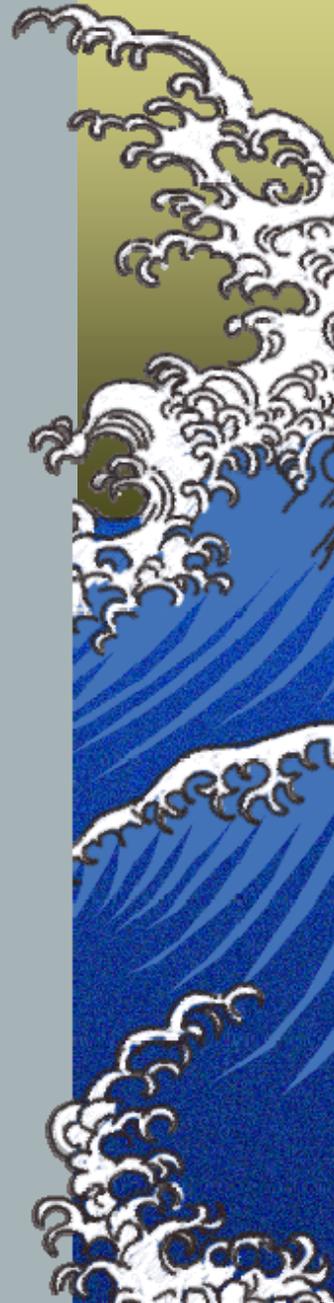
# WHAT IS JESSICA-1 ?

- ▶ *JESSICA stands for Joint European Support for Sustainable Investment in City Areas*
- ▶ *JESSICA is an optional facility*
- ▶ *JESSICA offers Member States (MS) and Managing Authorities (MA) the possibility to "transform" grants from Operational Programmes (OPs), into repayable and recyclable assistance, to PPPs and other projects for urban renewal and development*



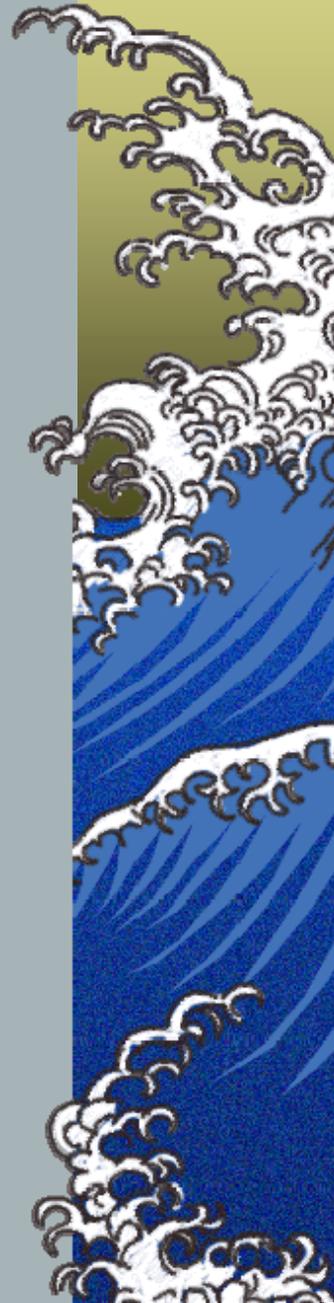
# WHAT IS JESSICA-2 ?

- ▶ *Under Jessica, MS and MAs have the possibility to allocate and contribute resources from OPs, to:*
  - *Urban Development Funds (UDF),*
  - *Holding Funds (HF)*
- ▶ *Urban Development Funds invest in PPPs or projects included in Integrated Urban Development Plans (IUDP)*
- ▶ *Holding Funds invest in several UDFs*



# 1.WHY JESSICA?

- ▶ *Increasing investment needs for sustainable cities and towns*
- ▶ *Available public funds are scarce-need for private and banking sector contribution*
- ▶ *Existing administrative and technical capacity within Urban authorities often does not correspond to investment needs*



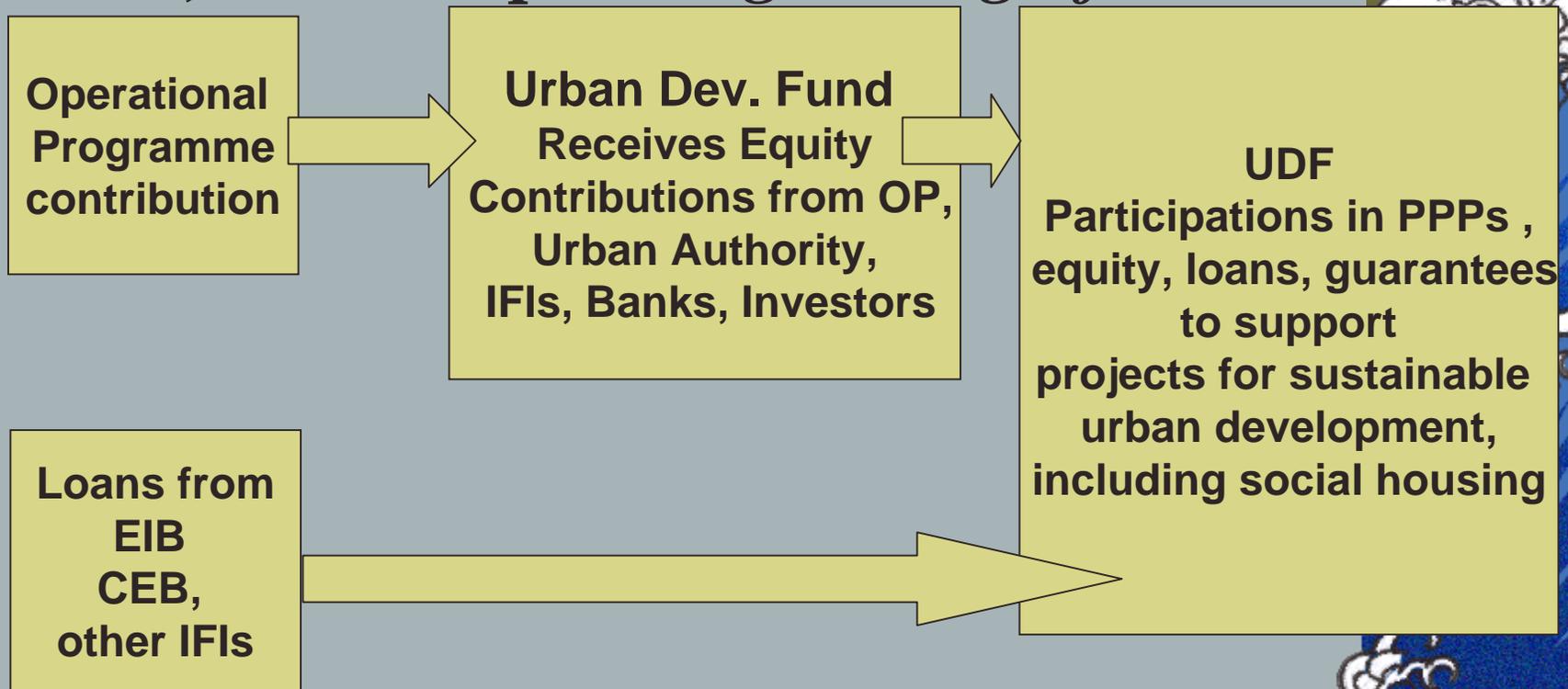
## 2.WHY JESSICA?

- ▶ *Need to use innovative financing and loan schemes for sustainable urban development, not aggravating public finance and debt*
- ▶ *Need to involve technical, financial, managerial capacity and expertise of IFIs, banks, private sector, for sustainable urban investment*



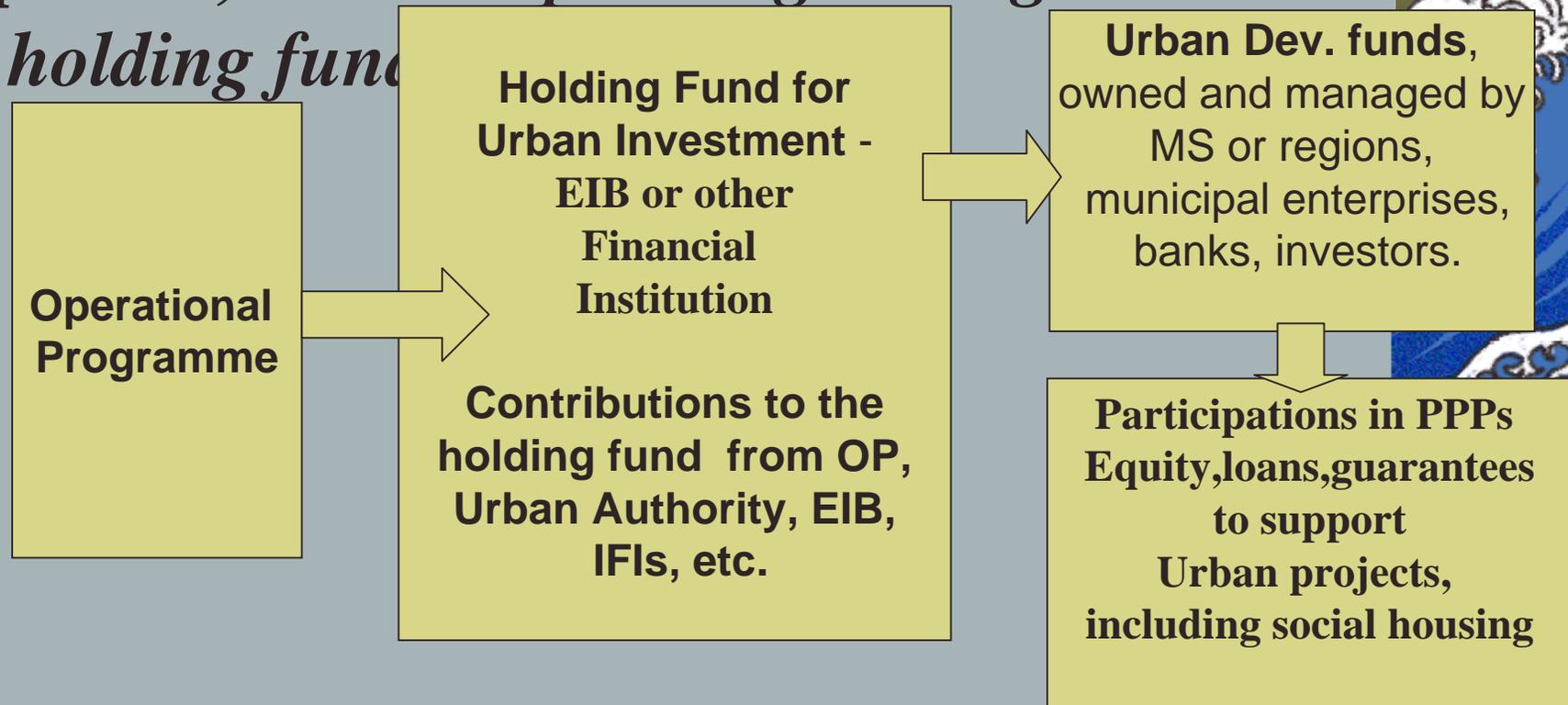
# Joint European Support for Sustainable Investment in City Areas (JESSICA)

## *Option 1, Jessica operating through funds*



# Joint European Support for Sustainable Investment in City Areas (JESSICA)

## *Option 2, Jessica operating through holding funds*



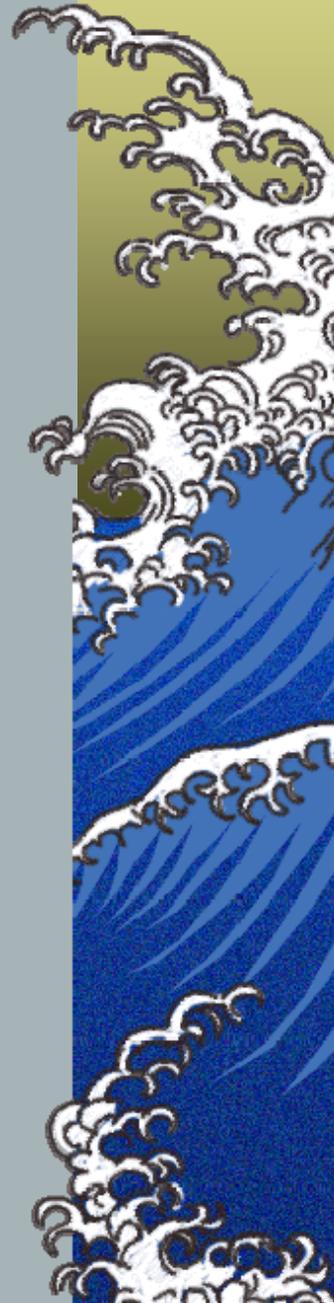
# JESSICA Funding Agreements

- ▶ *MAs negotiate and sign funding agreements with selected funds or holding funds*
- ▶ *Funding agreements should:*
  - *provide for deliverables, conditions for OP contributions, planning, monitoring implementation of JESSICA and reporting, exit policy, etc*
  - *be flexible, allowing for initial and supplementary contributions*



# JESSICA supports projects, 1

- ▶ *Contributions from OPs to UDFs must be PAID at least once in the period 2007-15,*
- ▶ *OUT of UDFs, for investment in PPPs or other urban projects*
- ▶ *UDF invest in PPPs or other urban projects, providing them with equity, loans or guarantees*



# JESSICA supports projects,<sup>2</sup>

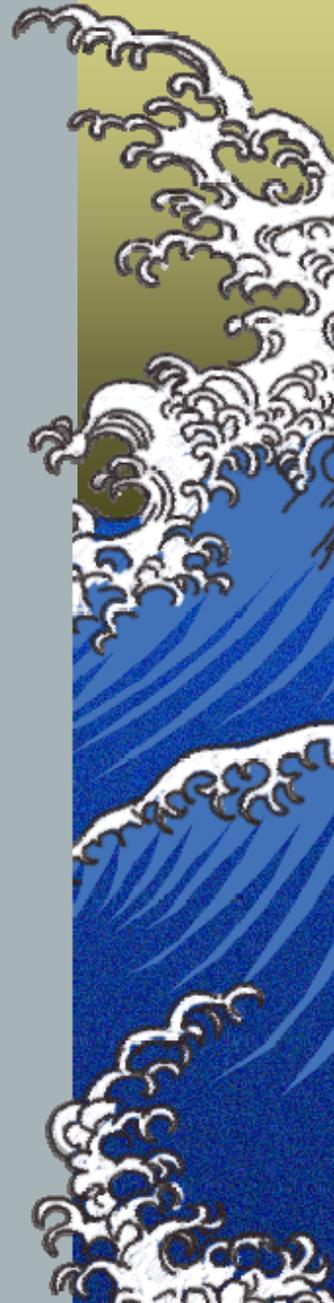
- ▶ *projects supported by UDF could also receive grant assistance from OPs,*
- ▶ *Grant assistance from OPs could finance the equity gap of projects*
- ▶ *Supported projects fall within the ERDF /CF scope of intervention*



# Closure of Ops in 2015

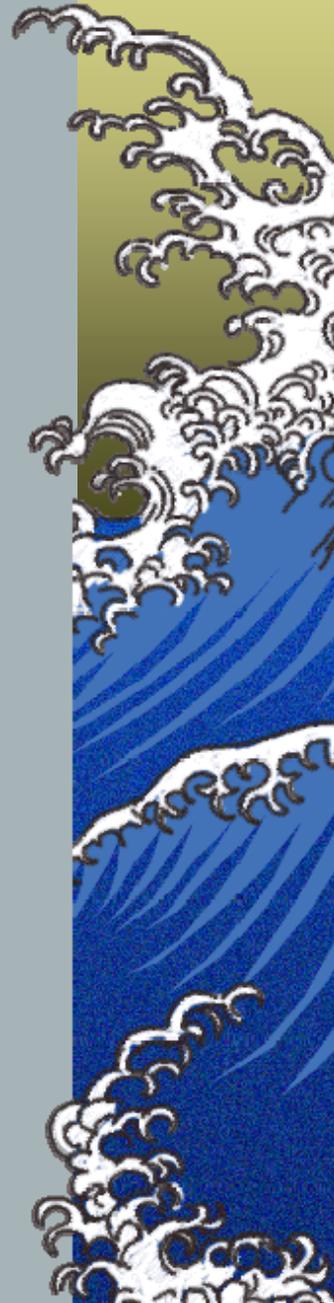
*OP contributions to UDFs, paid out of the funds for investment in projects before end 2015:*

- ▶ *When paid back to the fund, before or after 2015, must be reinvested in urban projects*
- ▶ *Funding Agreements should provide details and conditions for exit of OPs (Member States or Managing Authorities), out of UDFs or HF*



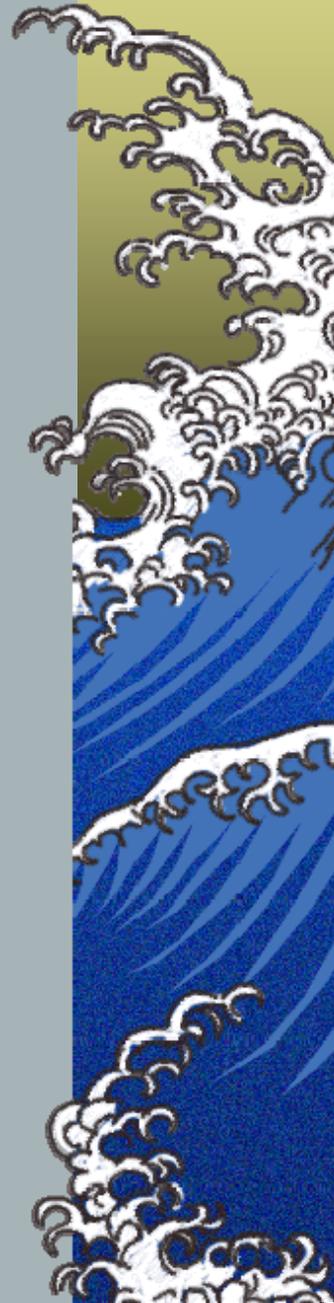
# JESSICA ADDED VALUE,1

- ▶ *OPs using the Jessica facility delegate to professionals the management of programme funds, to finance loans for sustainable urban investment*
- ▶ *Funds allocated from OPs to urban development funds or holding funds are eligible for ERDF interim payments*



# JESSICA ADDED VALUE, 2

- ▶ *Recyclable ERDF contributions to Urban Investment Funds or Holding Funds- sustainability of investment*
- ▶ *Leverage effect from loan capital contributed by the EIB, CEB, other IFIs and financial institutions, banks, investors*
- ▶ *Technical and financial expertise from the IFIs and Banks available for sustainable Urban investment*



# JESSICA ADDED VALUE, 3

- ▶ *Urban Authorities encouraged to:*
  1. *use innovative and sustainable financing schemes, not aggravating public debt and finance*
  2. *undertake the relevant institution building measures allowing them to delegate and monitor*
- ▶ *Priority given to integrated urban renewal and development plans and their projects, including social housing.*

