



***“JESSICA Portugal – lessons learned
and outlook for the future”***

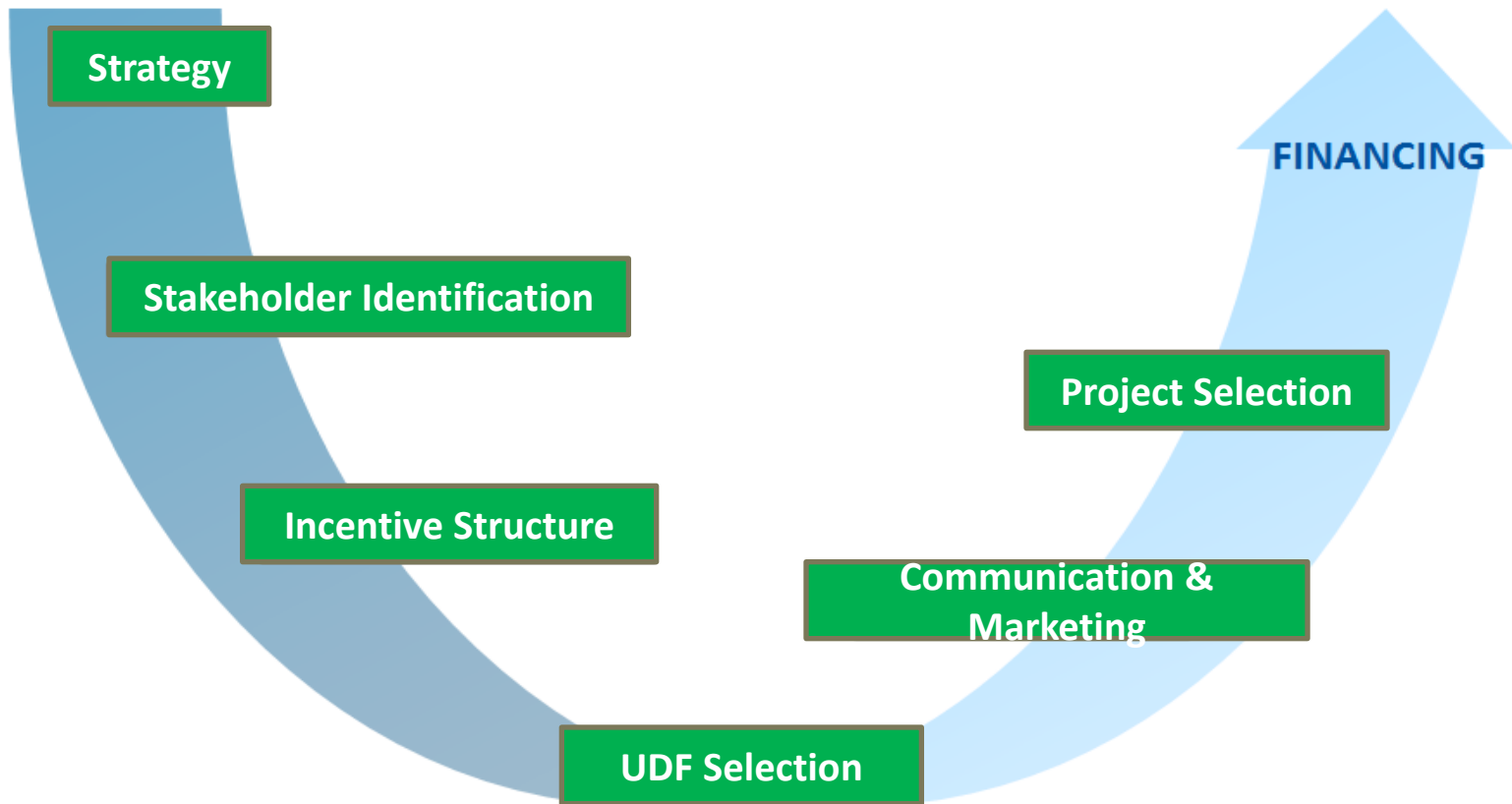
**Goetz von Thadden
Pedro Gonzalez Couto Almeida**

**JESSICA & Investment Funds
European Investment Bank**

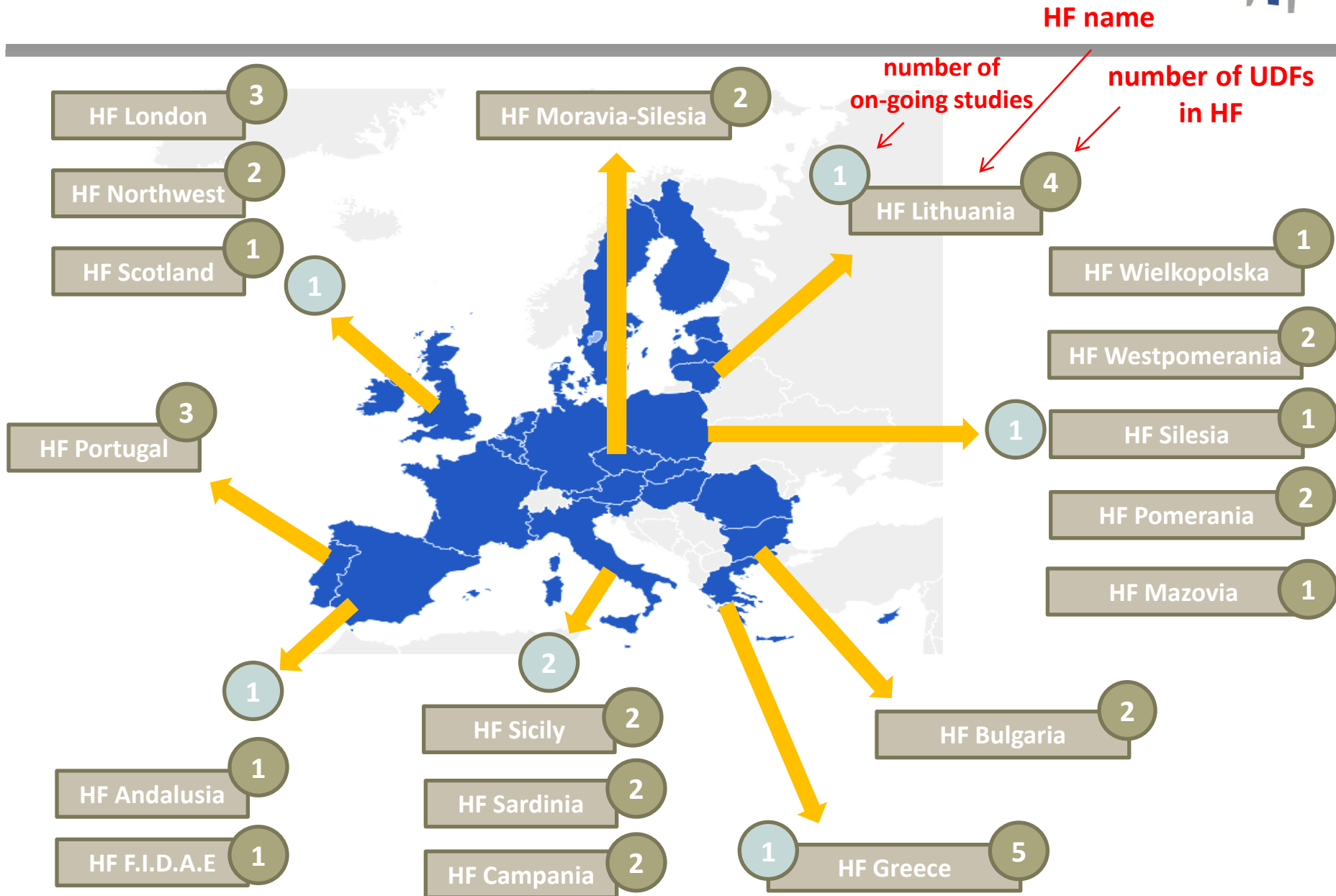
JESSICA cycle



Cycle stage	Strategy	Stakeholder Identification	Incentive Structure	UDF Selection	Communication	Project Selection
Success Factors	<ul style="list-style-type: none"> • Clear • Separate • Flexible 	Support from <ul style="list-style-type: none"> • MAs • National Authorities 	Addressing Market Gap <ul style="list-style-type: none"> • Equity-Debt • Co-financing • Pricing 	<ul style="list-style-type: none"> • Ownership • Capacity • Market base 	<ul style="list-style-type: none"> • Effective internal and external communication 	<ul style="list-style-type: none"> • Project pipeline



JESSICA Holding Fund Statistics - General



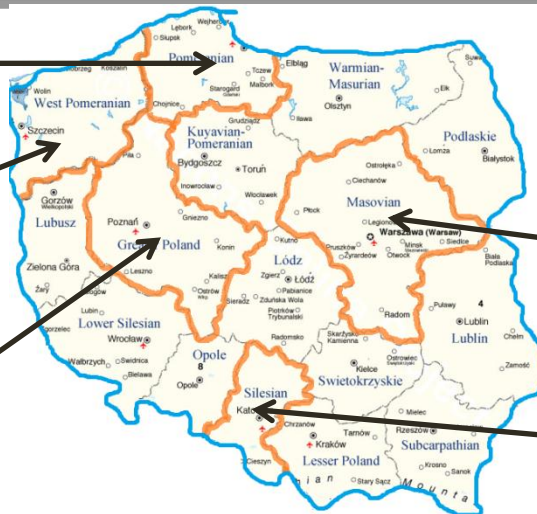
Project Information: Central and South-East Europe 1/2



POMERANIA
TO: 4,5,7,9,10
180 MONTHS

WESTPOMERANIA
TO: 1,4,6,9
189 MONTHS

WIELKOPOLSKA
TO: 1,4,6,9



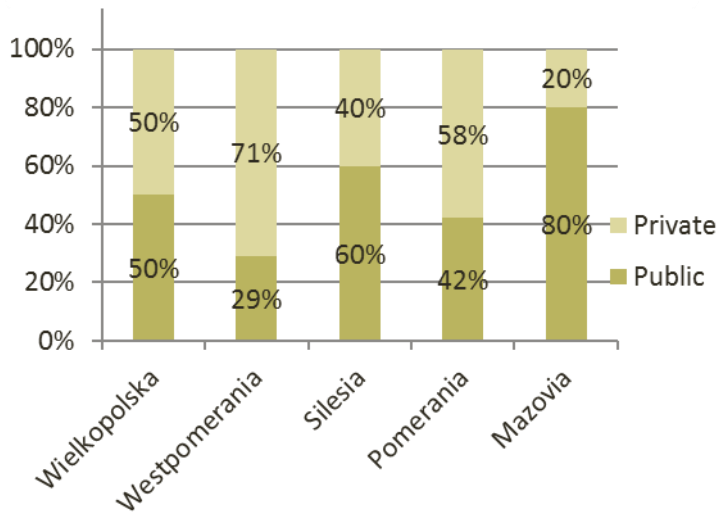
2014-2020 Thematic Objectives realized by the HF

MAZOVIA TO:
4,5,6,8
166 MONTHS

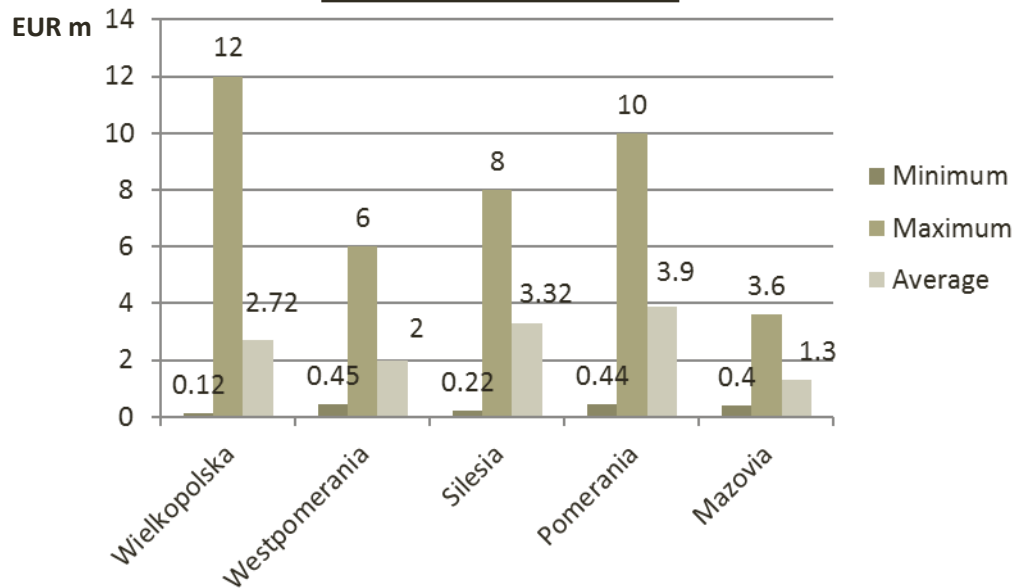
SILESIA
TO: 4,5,8,9
140 MONTHS

Average maturity of loans

Project promoters



JESSICA allocation size



Project Information: Central and South-East Europe 2/2



MORAVIA-SILESIA
TO: 4,6,8,9
168 MONTHS

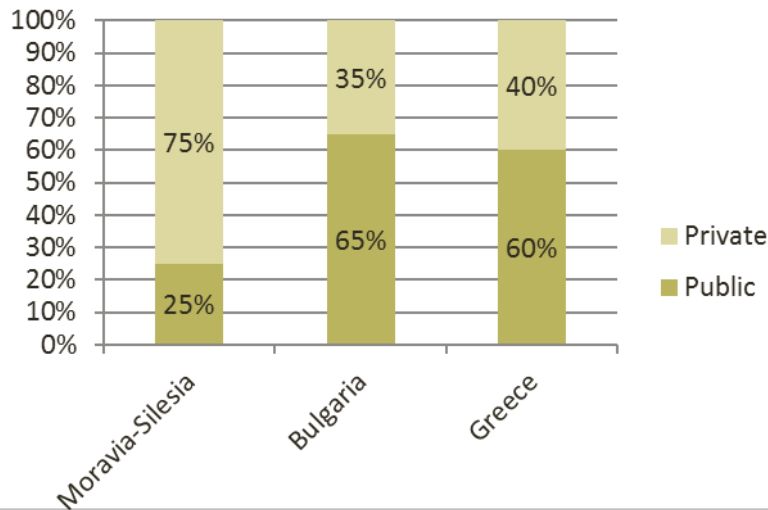


BULGARIA TO:
4,5,6,9,10
151 MONTHS

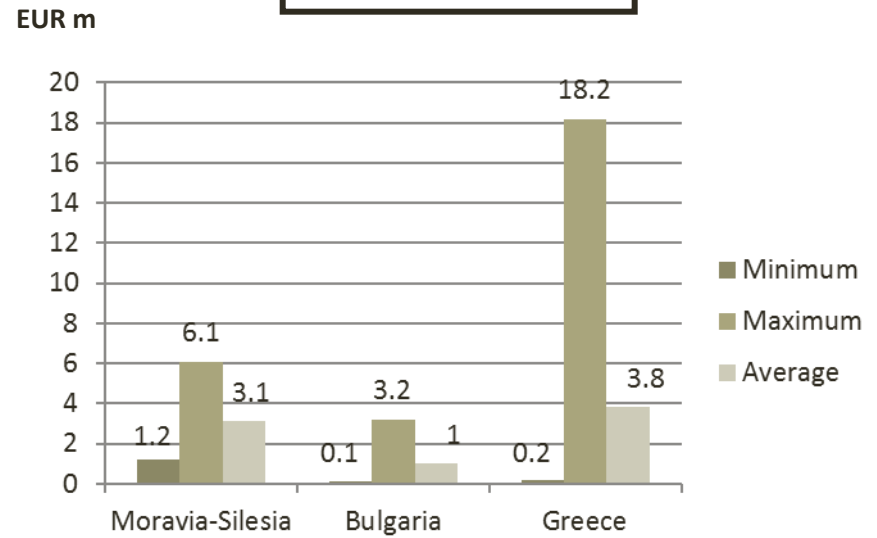


GREECE TO:
4,5,6,9

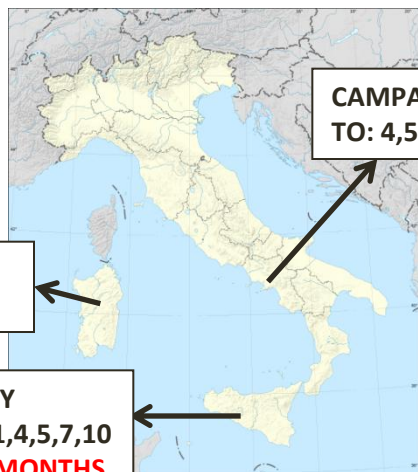
Project promoters



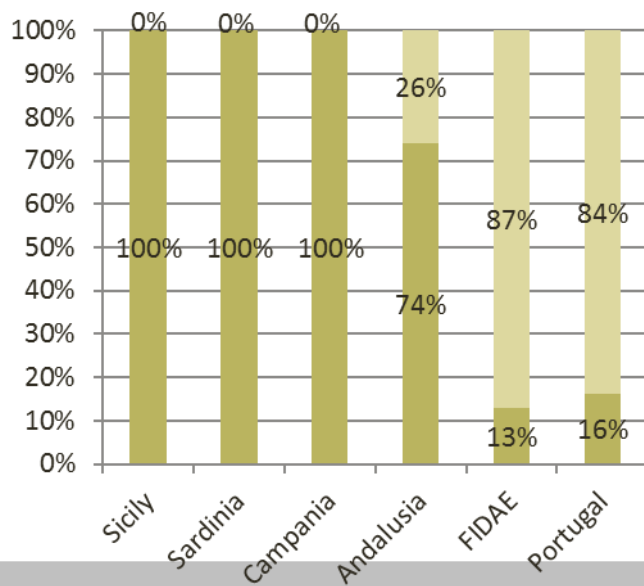
JESSICA allocation size



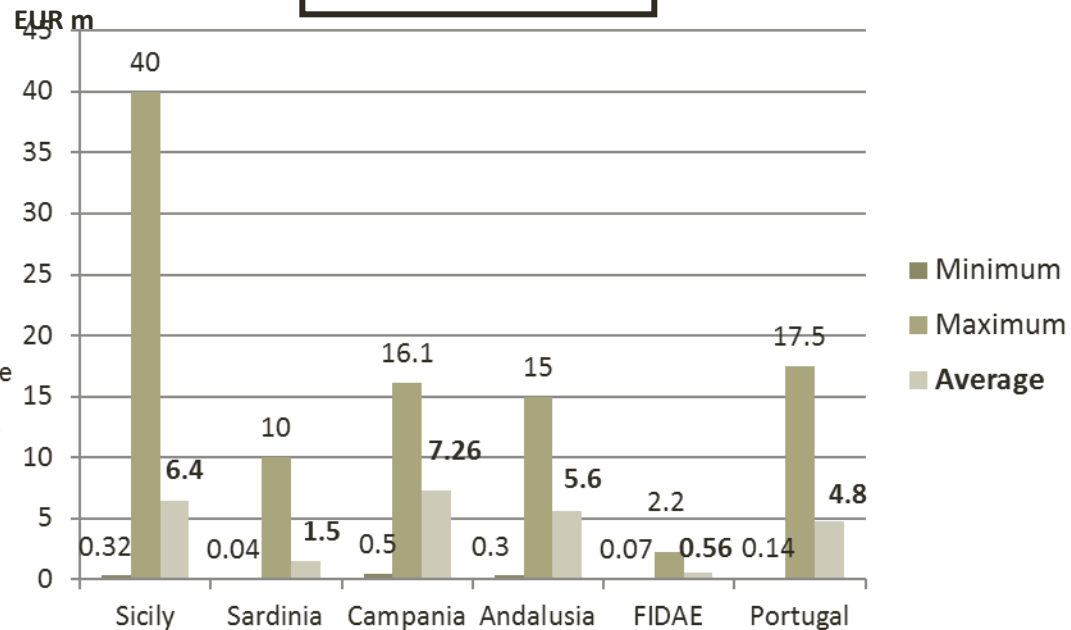
Project Information: South-Western Europe



Project promoters



JESSICA allocation size



Project Information: Northern Europe

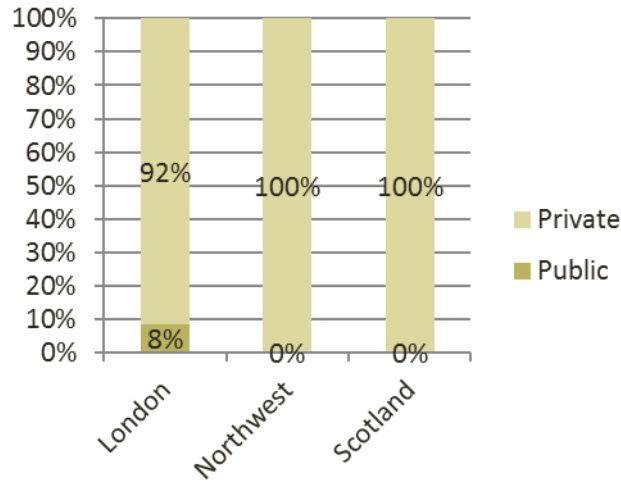
SCOTLAND TO:
4,5,6,9,10
60 MONTHS

NORTHWEST TO:
1,4,8
37 MONTHS

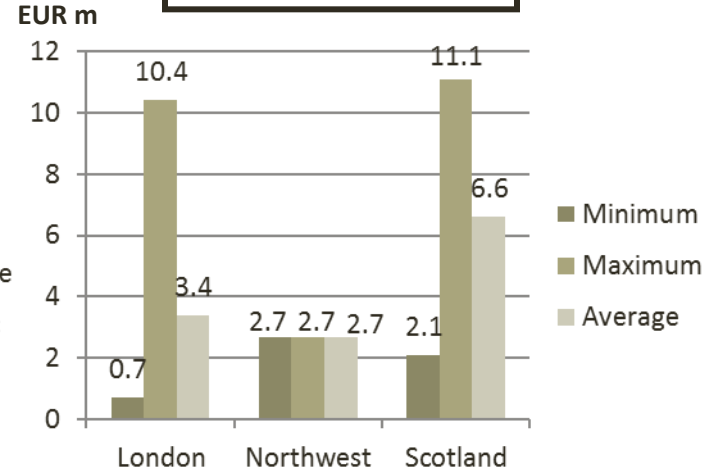


LONDON TO:
4,5,6,9
200 MONTHS

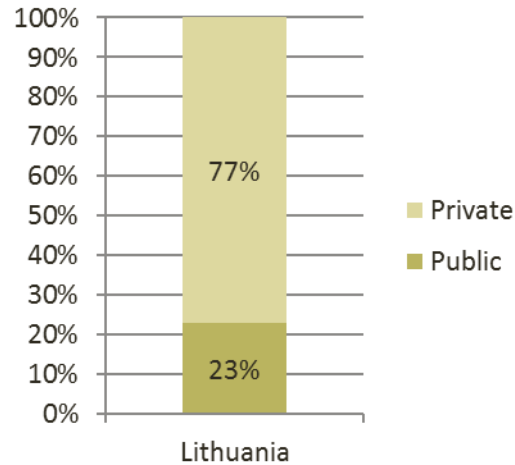
Project promoters



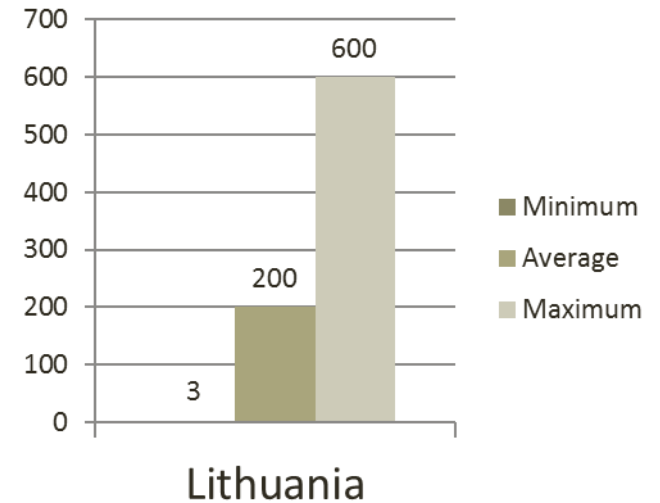
JESSICA allocation size



LITHUANIA TO:
4,6,9
180 MONTHS



EUR k



Portugal – Terreiro do Paço



Best practice because...

- Links heritage and commerce
- Catalyst: refurbishment attracted enterprises and tourists
- New life in the area formerly occupied by the homeless



Background:.

- Area in the historic centre of Lisbon was used as a parking
- The area was then revitalized
- Some of the premises were also converted into cultural and commercial space



Market gap solution

- Under-utilized city space
- Potential for tourism, culture and commerce
- JESSICA leveraged preferential financing from the banks
- Competitive rents attracted new businesses



Lithuania – Energy Efficiency in housing

Market gap solution

- Widespread poor energy efficiency in housing
 - Lack of investors
- Grant-funded mechanism unsustainable
 - Subsidized loans to private individuals

Best practice because...

- Significant enhancement of energy efficiency and living standards
 - Energy safety - energy savings reduce dependence on imports

Background: JESSICA assists the national strategy aiming at the upgrade of multi-apartment blocks inhabited by the majority of the population



Paradigm shift:
from grants to
financial
instruments

Incentive structure

15% loan rebate
when the energy
efficiency level is met

Spain – Public Lighting Replacement in Ponferrada



Background: Replacement of the street lighting in the city of Ponferrada to improve energy efficiency in accordance with the national Energy Efficiency and Savings Plan 2011-2020



Best practice because...

Significant reduction in energy consumption and in CO2 emissions

Introduction of new technology

Cost savings of approx. EUR 1 m in the first year alone



Market gap

Current solution: inefficient, expensive to maintain, high light pollution

Long-term project – 12 years

Preferential interest rate – 50% JESSICA contribution

United Kingdom – Soapworks



Background

- Former Colgate Palmolive factory in Manchester was unused and deteriorating
- Signed to be refurbished and turned into green office space for a variety of sectors + other facilities



Best practice because...

- Big step in city transformation from industry to business hub
- Promotes healthy lifestyle: cultural, family and sports facilities in the complex
- Local employment boosts the economy in the area



Lessons learned from the JESSICA pilot phase

- **Urban Development Funds**
 - Strategic, long-term instrument for integrated urban development
 - Proven concept, popular in times of crisis
- **Grants mentality**
 - Revolving Financial Instruments require a paradigm shift
- **Specific market niche, complexity of urban development projects**
 - Targeted ex-ante assessment and capacity building
 - De-risking urban projects
 - Catalytic effect
- **Discipline, strong governance and incentives**
 - Making it happen through inclusion of the right experts

From prototype to mainstreaming

- **JESSICA pilot in Portugal**
 - Many lessons learned
 - Fairly standard, supply-driven instruments
- **Mainstreaming JESSICA: more demand-driven instruments**
 - JESSICA has to be consistent with market gaps and territorial development strategies
- **How can the EIB help?**
 - Structuring (new instruments set-up and product standardization)
 - Management
 - Co-financing
- **How? Through ex-ante assessments and structuring advice**
 - Such studies are already on-going in i.a. Italy, Spain, Slovakia, Poland...

European Investment Bank

JESSICA and Investment Funds

98-100, bd. Konrad Adenauer
L-2950, Luxembourg

www.eib.org/jessica