



Sustainable urban development and financial instruments

Examples from the EIB and lessons learnt

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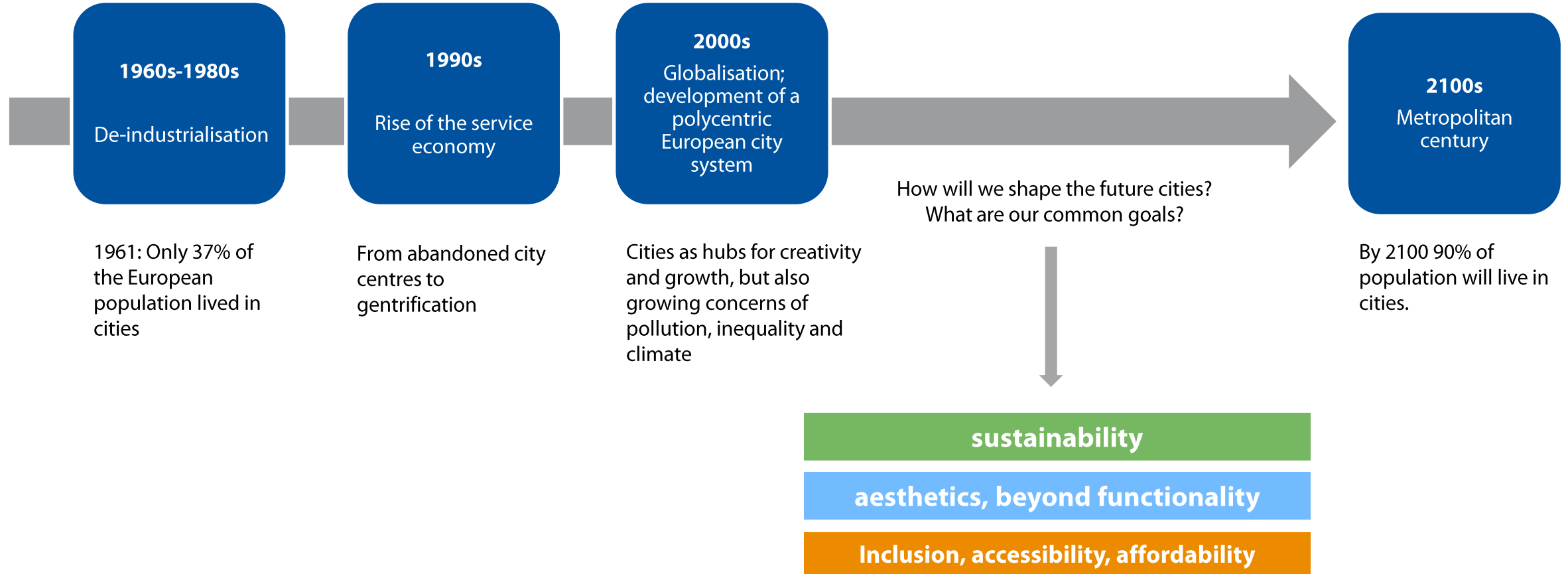


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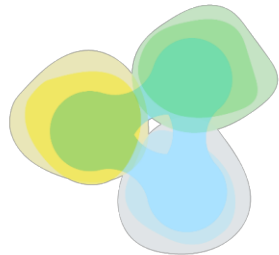
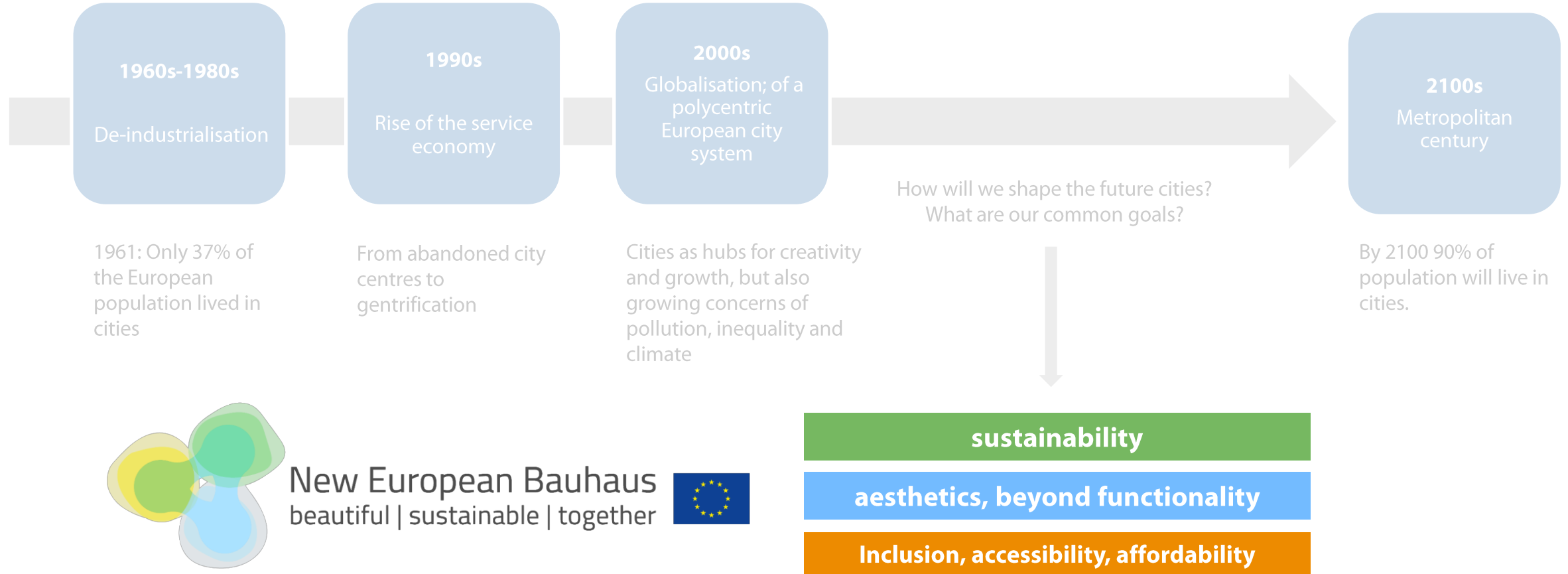
Sustainable urban development

A challenge of our century



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New European Bauhaus
beautiful | sustainable | together



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Sustainable urban development

Supporting our partners and clients with a holistic offer of products and services



Lending

Own resources

- Loans /co-financing
- Guarantees
- Equity, quasi-equity / debt and equity funds

Project Loans
Framework Loans
Thematic intermediated loans

Blending

Mandates

- Combining EU and EIB resources
- Combining/use of third party funds, including shared management funds/RRF
- Set-up and management of financial instruments

Financial Instruments

InvestEU
Just Transition Mechanism

Advisory

Technical expertise

- Advisory for financial instruments (fi-compass and bilateral advisory)
- Prepare, evaluate and support the implementation of projects

JASPERS
ELENA
URBIS



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EIB managing EUR 3bn of FIs in Europe

Out of which more than 50 percent is channelled to sustainable urban development projects



Spain

4 Holding Funds EUR 553m under management.



Portugal

1 Holding Fund (5 regions) with EUR 133m under management.



Italy

7 Holding Funds with EUR 840m under management.



Lithuania

2 Holding Funds EUR 458m under management.



Poland

4 Holding Funds EUR 179m under management.



Greece

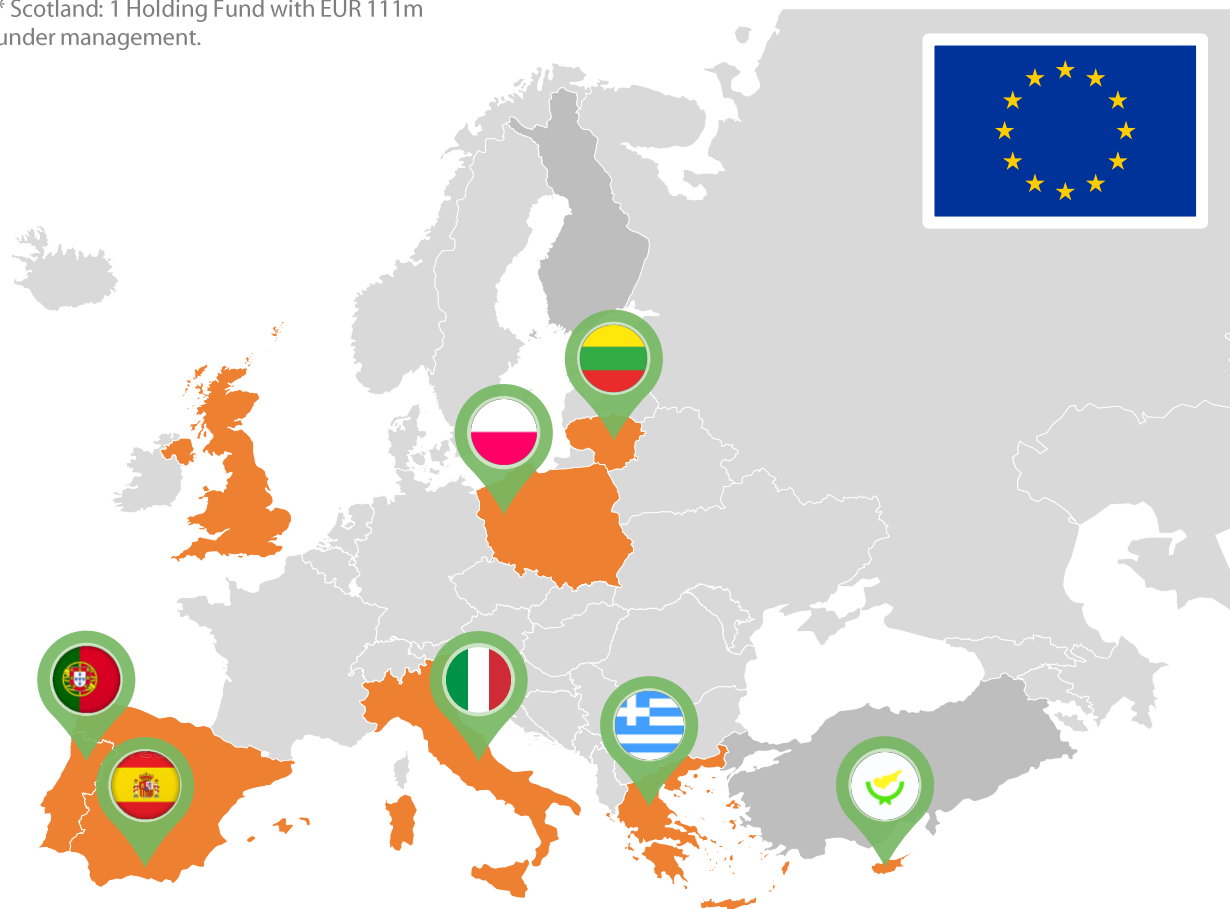
2 Holding Funds EUR 566m under management.



Cyprus

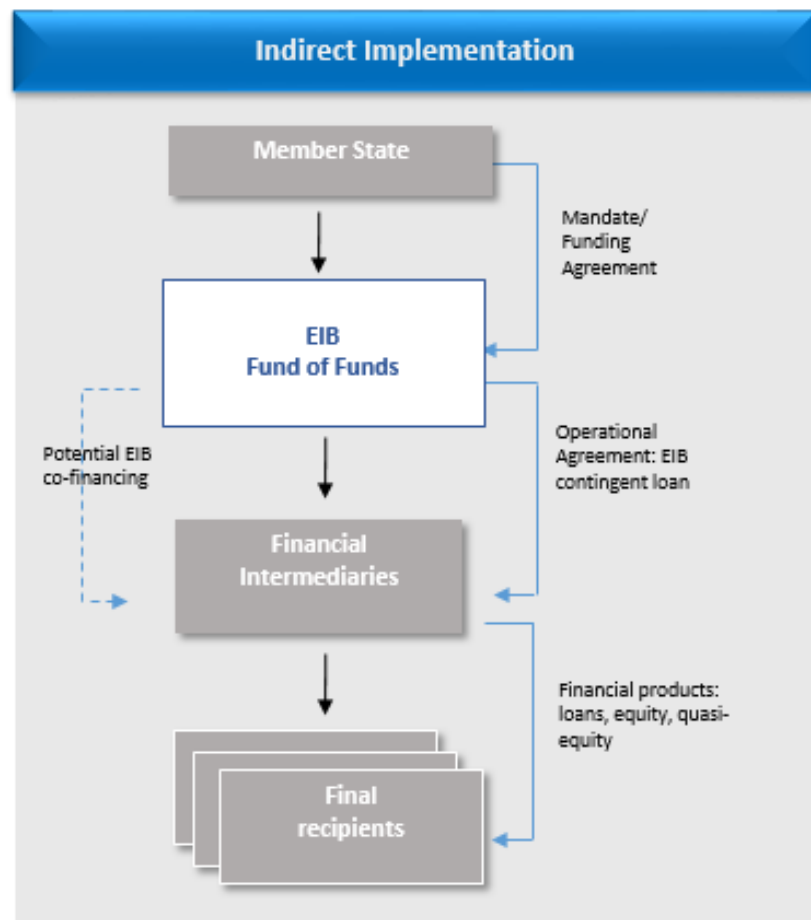
1 Holding Fund with EUR 80m.

* Scotland: 1 Holding Fund with EUR 111m under management.



Financial instruments managed by the EIB

12+ years of experience in supporting Managing Authorities



Modernisation of public spaces: Naples, Italy



- **Holding Fund:** JESSICA Holding Fund Campania
- **Promoter:** Grandi Stazioni Spa (today GS Retail Spa)
- **Contribution:** long-term loan of EUR 15m, with total project costs EUR 39.7m
- **Purpose:** Realisation of a commercial gallery under Piazza Garibaldi, connecting the underground station to the central railway station
- **Expected impact:**
 - Aesthetic and functional modernisation of Piazza Garibaldi, centrally located in front of the city's main train station
 - The project connects a covered shopping gallery with the city's most important transport hub (long-distance trains, regional trains, buses, taxi, underground, airport connection)



Construction and development of a student residence in Seville, Spain



- **Holding Fund:** Fund of Funds Urban Development Andalucía
- **Beneficiary:** Global Santurban S.L. (Special Purpose Vehicle)
- **Contribution:** Financing through a shareholder loan (prestamo participativo) for an approximate amount of EUR 15m on a total investment close to EUR 60m
- **Purpose:** Construction, development and subsequent operation of a student hall of residence with 725 rooms, restaurant areas, rooftop swimming pool and underground parking. The land plot belongs to the Seville City Council and has been granted to the developer for 78 years.
- **Expected impact:**
 - Reuse of disused municipal land
 - Revitalisation of the Porvenir neighbourhood, transforming an industrial neighbourhood with military and transport infrastructures into an important residential neighbourhood
 - Providing income to the municipality for 78 years
 - Public support with regional and EU funds leveraging private investment



Residential energy efficiency in Lithuania



- **Holding Fund:** JESSICA Holding Fund and Jessica II FoFs Lithuania
- **Beneficiary:** Apartment owners of multi-apartment buildings
- **Contribution:** ESIF and national funds EUR 430m, private co-financing EUR 780m
- **Purpose:** energy efficiency improvements in multi-apartment buildings
- **Expected impact:**
 - average reduction of energy consumption for heating: 60 %
 - amount of thermal energy save per annum 636 GWh
 - number of households affected: 77000
 - CO₂ decrease per annum: 145,000 t



The Modiano Emporium in Thessaloniki, Greece



- **Holding Fund:** DFI Infrastructure Fund of Funds
- **Beneficiary:** FLS S.A.
- **Contribution:** the total eligible budget of the project amounts to EUR 6.5m and was financed by 42% from the Infrastructure Fund, leveraging the remaining 58% with own and bank funds
- **Purpose:** the restoration of the old Modiano Emporium monument to be transformed into a prime food market and shopping destination
- **Expected impact:**
 - Become a prime food market and shopping destination for citizens and tourists
 - Revitalise the city centre
 - The socio-economic benefits resulting from the project include stimulating the creation of new businesses, new local jobs



Transformation of a neglected warehouse in Drama, Greece



- **Holding Fund:** JESSICA Holding Fund Greece
- **Beneficiary:** Ergoepiskeves ATEE
- **Contribution:** total project amount: EUR 13.8m, JESSICA HF financing: EUR 1.9m, other public: EUR 6.7m, other private: EUR 5.1m
- **Purpose:** Renovation of an old tobacco warehouse in Drama, Northern Greece, and development of a modern five star hotel (Hydrama Grand Hotel)
- **Expected impact:**
 - Reviving the area for hospitality and touristic purposes
 - Creation of new employment opportunities

Care centre for people with special needs in Cagliari, Italy



- **Holding Fund:** JESSICA Holding Fund Sardinia
- **Promoter:** ANFFAS, an NGO which offers services for people with special needs in cooperation with municipalities
- **Contribution:** long-term loan of EUR 1.4m, with total project costs of EUR 2.2m
- **Purpose:** Planning, realisation and management of an integrated centre for the care of people with special needs.
- **Expected impact:**
 - Improvement of the qualitative and quantitative offer of social and healthcare services
 - The centre enriches the urban context and leads to an increased frequentation of the area throughout the day and in the evening;
 - Energy efficiency measures
 - Creation of new employment opportunities



Revitalisation of a historic railway station in Katowice, Poland



- **Holding Fund:** JESSICA Holding Fund Silesia
- **Beneficiary:** Maksimum Sp. z o.o. Holding Spolka Komandytowo-Akcyjna
- **Contribution:** total project amount: EUR 4m; ESIF: EUR 1.7m, own funds: EUR 1.6 m
- **Purpose:** comprehensive renovation the station buildings and develop the complex into a multifunctional center - creation of an offer for local business (creating new jobs) and its incubation (start-up projects), and for the local community living in a degraded area (integration and inclusion offer).
- **Expected impact:**
 - Establishment of the Children and Youth Development Club and the Animation Center - "STARTNOW new life"
 - Creation of a multigenerational meeting centre



Restoration of the old railway station in Seville, Spain



- **Holding Fund:** JESSICA Holding Fund Andalucia
- **Beneficiary:** Sportbox San Bernardo (Special Purpose Vehicle)
- **Contribution:** Total Investment of EUR 9.6m out of which the Holding Fund contributes EUR 6.6m in equity and quasi-equity instruments
- **Purpose:** Restoration of an old railway station owned by the Seville City Council, including the rehabilitation of an old public food market, the construction and management of a sport centre, and an underground car park.
- **Expected impact:**
 - Recovery of an abandoned public infrastructure
 - Rehabilitation of a traditional food market
 - Rehabilitation and revitalisation of the surrounding area (refurbishment of the square in front of the station)



Transforming an industrial district into a cultural space: Porto, Portugal



- **Holding Fund:** JESSICA Holding Fund Portugal
- **Beneficiary:** Hilodi, S.A.
- **Contribution:** Financing through a participative loan for an approximate amount of EUR 11m on a total investment of ca. EUR 16m
- **Purpose:** Rehabilitation of an industrial site turning it into a museum and exhibition centre in Porto (Prata Museum).
- **Expected impact:**
 - Converting an abandoned industrial area into a cultural hub for the city and the region
 - Attracting new businesses and jobs
 - Preserving wine culture and heritage
 - Acting as an important tourist attraction, generating revenues for local businesses

JESSICA PORTUGAL
Holding Fund
Joint European Support for Sustainable Investment in City Areas



Retirement home: Municipality of Gratteri, Italy




- **Holding Fund:** JESSICA Holding Fund Sicily
- **Promoter:** the Municipality of Gratteri
- **Contribution:** long-term loan of EUR 0.3m, with total project costs of EUR 3.2m.
- **Purpose:** the construction of a retirement home, a modern social and healthcare structure with ca. 40 places.
- **Expected impact:**
 - Construction of a modern social and healthcare structure;
 - Employment opportunities.



Lessons learnt

- **Flexibility:** FIs can reach large cities as much as small municipalities
- **Knowledge:** successful FI implementation requires knowledgeable intermediaries and experienced promoters
- **Project selection:** top-down vs. bottom-up creation of project portfolio
- **Leverage:** are sources of co-financing available?
- **Timing:** design and establish FI at the early stage of the MFF
- **Aesthetics:** Many FI projects contribute to an improvement of the citizens' quality of life, beyond functionality



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