Support to small municipalities, JESSICA Holding Fund, Sardinia, Italy

Marco Naseddu, ERDF ROP Managing Authority, Sardinia Region, Italy
Summary

1. Strategies for growth in Sardinia and financial instruments
2. Regional Set of Tools
3. Overview of Jessica Holding Fund Sardinia
4. Lessons Learnt
1. Strategies for growth in Sardinia and financial inclusion

"Classic" Support
SUBSIDIES
STATE AID procedures

Supporting SMEs through the BANK ECONOMY
Synergy between private and public system

Whole Support to SMEs FINANCE
with financial instruments (guarantees – equity – loans)

Combination of
STATE AID procedures
& DIVERSIFICATION of
FINANCIAL INSTRUMENT
at MARKET CONDITION

#ficompass
1. Strategies for growth in Sardinia and financial instruments

- **Regional Guarantee Fund**
  - EUR 233,199,999

- **Re-industrialisation of Industrial Areas Fund**
  - EUR 50,000,000

- **Venture Capital Fund**
  - EUR 34,000,000

- **JESSICA Holding Fund Sardinia**
  - EUR 81,100,000

Credit access and support for Urban Development and Energy Efficiency

- Guarantees
- Equity
- Loans

Financial Instruments Ex-ante Assessment

- Credit access
- Urban Development
- Research & Innovation
- Energy efficiency
- Renewable energy
2. Regional set of tool – ERDF 2007-2013

Unitary Governance

- SMEs Competitiveness Fund
- Risk Fund Credit Consortia
- Social Impact Investing integration with the ESF
- SMEs Guarantee Fund Sardinia
- JESSICA Holding Fund Sardinia second generation

GOVERNANCE

1. Integration among Instruments & Structural Funds

- to increase product lines
- to operate in credit market and capital market
- to encourage placing of new SMEs finance

2. Integration between Regional System and Private System

- to increase the use of financial instruments
- to introduce innovative instruments (including PPPs)
- to encourage local banks to extend additional loans to SMEs
- to stimulate SMEs financing and regional economic growth
- to increase the volume of lending and private investment
- to increase investment in R&D

#ficompass
3. Overview of Jessica Holding Fund Sardinia

JESSICA Holding Fund Sardinia (HFJS)

Key facts

- **Creation HFJS:** July 2011
- **Total resources:** EUR 80.1m
  - EUR **39.4m** for urban regeneration
  - EUR **36.7m** for energy efficiency (EE) and renewable energy (RE)
- **Sign Operational Agreements with the UDFs:** July and September 2012
- **Strategy:** urban regeneration - energy efficiency and use of renewable energy
- **Planning Tools:** PISU/PAES or similar strategic local plans
- **Financial products:** debt and equity
- Both **niche operations** and major **infrastructure projects**

#ficompasst
3. **Overview of Jessica Holding Fund Sardinia**

Final Recipients

- Local Administrations
- Public Authorities
- Government Companies
- Private Companies and Legal Entities in Public-Private Partnership (PPP)
- Private Companies

**UDFs Main Activities**

- Scouting and selection of projects to create a pipeline of eligible projects
- Planning, design and structuring of most feasible projects
- Contractual closing with the financial counterparts

#ficompass
3. Overview of Jessica Holding Fund Sardinia

- **Project funded**: 14
- **Jessica contribution**: EUR 37,512,843
- **Total investment**: EUR 107,341,862
- **Leverage effect**: 2.9%

Types of projects financed:

- 2: Increase the attractiveness of the Municipalities by promoting a high quality local public service
- 2: Improve tourism attractiveness of urban centers
- 1: Support social inclusion
- 8: Intended for recovery of public spaces
- 1: Promote development of urban areas through the improvement of urban mobility

#ficompass
3. Overview of Jessica Holding Fund Sardinia

- **Project funded:** 29
- **Jessica contribution:** EUR 34,192,285
- **Total investment:** EUR 89,251,420
- **Leverage effect:** 2.6%

---

**Types of projects financed**

- Photovoltaic system on municipal buildings or school
- Public lighting efficiency
- Biomass plant
- Solar system on public buildings
- LPG distribution network
- Slaughterhouse waste treatment plant with a cogeneration plant
- Mini-wind power plant
- Geothermal system for heating municipal building
- Cycle lane with coverage in photovoltaic panels

#ficompass
4. Lessons Learnt

JESSICA Holding Fund Sardinia (HFJS)

Success factors/lessons learnt
- Private sector involvement
- Project pipeline
- Governance
- Flexibility of investment strategy
- Technical assistance
- Simple and swift procedures
- Territorial coverage
- Leverage effect (2.7%)
- Mindset change (loans vs public funding)

Urban regeneration and Innovation area
- EE/RE Fund
- Urban Development Fund
- R&I Fund

Productive activities area
- SMEs Competitiveness Fund
- Social Impact Investing Fund
- Microcredit Fund
- Regional guarantee Fund

#ficompass
Thanks for your kind attention!!!

mnaseddu@regione.sardegna.it
www.sardegnaprogrammazione.it