



JESSICA initiative in Italy: the Urban Development Funds managed by Equiter

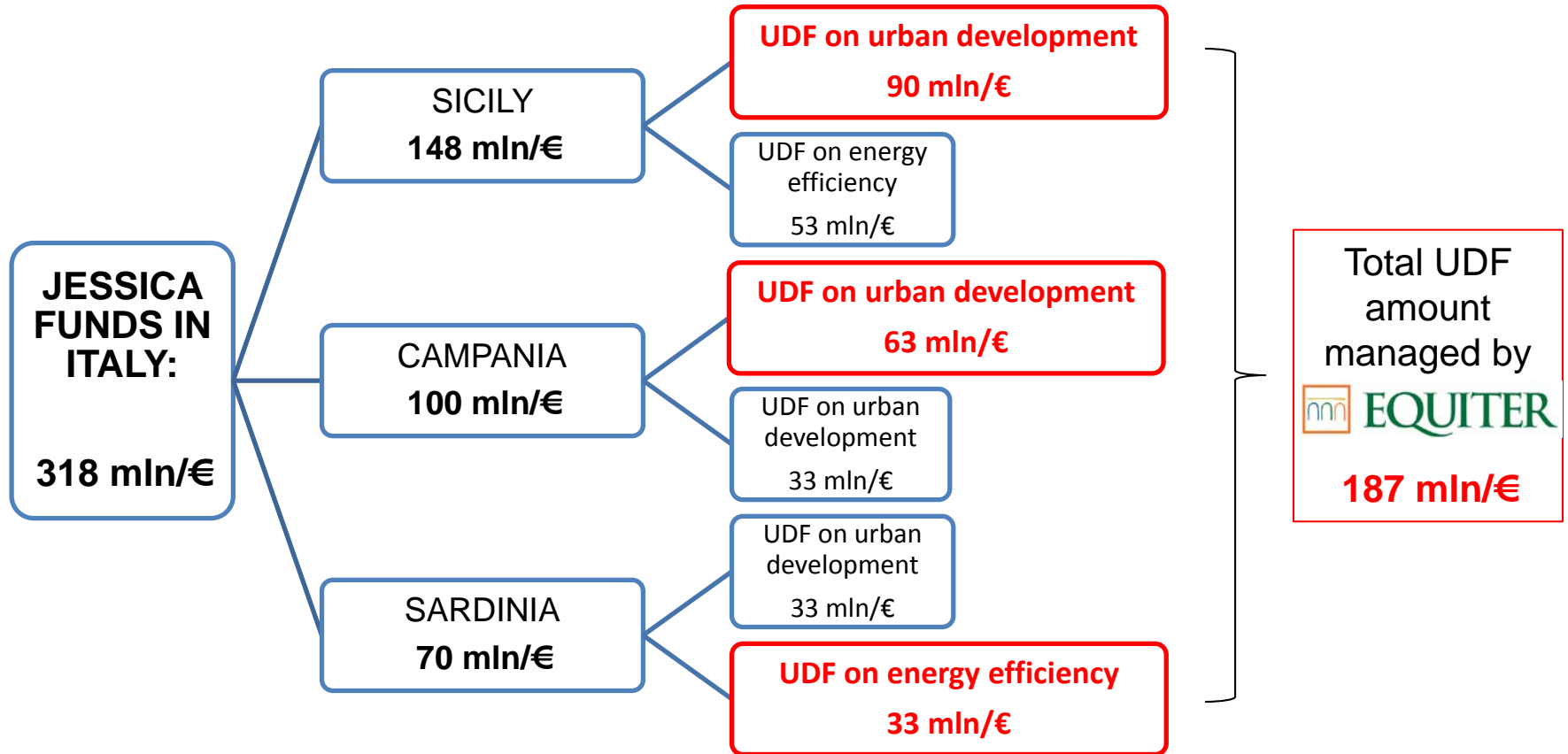
Zagreb, 24 November 2015

Jessica Funds in Italy and Equiter's role (1/2)



- During the **2007-2013** programming period, in Italy **6 JESSICA Urban Development Funds (UDFs)** have been established to manage over **300 million Euro**:
 - 2 UDFs in **Sicily**
 - 2 UDFs in **Campania**
 - 2 UDFs in **Sardinia**.
- **Equiter**, as *frontrunner* of the **Intesa Sanpaolo Group**, has been selected for the assignment of 3 Italian JESSICA UDFs, for a total amount of 187 million Euro.
- The Intesa Sanpaolo Group is **leader in Italy** in all business areas and among the **top banking groups in the Eurozone**. Also **Privredna banka Zagreb**, one of Croatia's top banks, is part of the Intesa Sanpaolo Group.

Jessica Funds in Italy and Equiter's role (2/2)



The JESSICA UDF in Sicily



Fondo di Rigenerazione Urbana Sicilia S.r.l. (FRUS) is the JESSICA UDF managed by Equiter, **focused on financing urban development projects in Sicily.**

In the framework of a Convergence Objective Region, as Sicily, the UDF has selected **5 projects** underpinned by an **urban socioeconomic impact** and **relevant employment prospects.**

The 5 Projects allow to allocate all JESSICA resources and arrange **co-financing** for more than **200 million Euro** with over **70% leverage.**

	JESSICA Final Recipient	Project	Municipality	2007-2013 ERDF OP Sicily Axis
1	Ri.MED Foundation	Biomedical Research and Biotechnology Centre	Carini (Palermo)	Axis VI
2	Porto turistico di Capo d'Orlando S.p.A. – PTCO	Touristic harbour	Capo d'Orlando (Messina)	Axis III
3	KORE University	Research centre and library for students	Enna	Axis VI
4	SAC S.p.A. – Catania Airport manager	Car parking at Catania Airport	Catania	Axis I
5	Gratteri Municipality	Retirement home	Gratteri (Palermo)	Axis VI

The Project Portfolio in Sicily



Ri.MED Biotech Research Centre in Carini (Palermo)



Rendering _Break Area



Rendering _Main street

The project, for a total investment amount of 210 million Euro, concerns the construction of a Research Centre of more 30.000 sm, focused on **biomedical technology**.

The Centre will deliver a significant contribution to the local **socio-economic development**, by employing **600 highly skilled professionals** and providing **job opportunities for other 600 people**.



Rendering _Research laboratories

The Project Portfolio in Sicily



Touristic harbour in Capo d'Orlando (Messina)



The project, which is included in the Ports Development Regional Plan, worths **about 50 million Euro** and concerns the construction in project financing of a touristic harbor with 600 berths and facilities/commercial activities for boat owners/users. The delivery of the project will **improve local employment**, with the creation of new **80 jobs**.



EQUITER

The Project Portfolio in Sicily

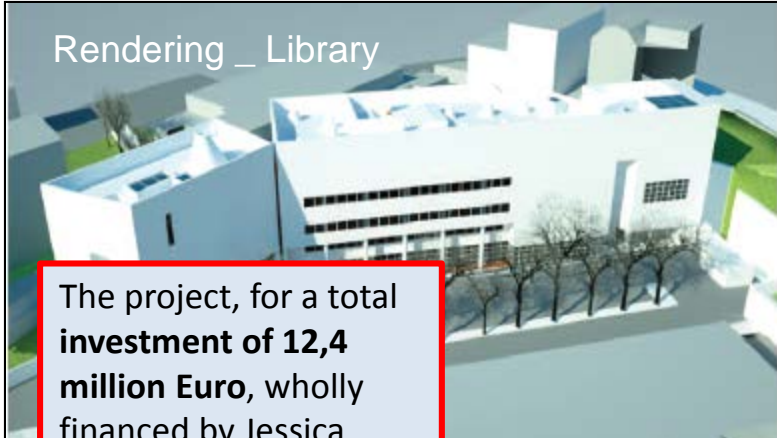


Research centre and library for students at KORE University

Research Laboratories



Rendering _ Library



The project, for a total **investment of 12,4 million Euro**, wholly financed by Jessica resources, has allowed to improve facilities and laboratories for University students, and to create job opportunities for about **50 researchers and 25 people in charge of the new Library.**

Library_ work in progress



Flight simulator



The Project Portfolio in Sicily



Car parking at Catania Airport

The project concerns the construction and enlargement of 2 parking facilities for the Catania Airport, with the creation of **new 2,200 parking spaces**.

The project is part of the **Catania Airport Development Plan**, which foresees investments for over 100 million Euro in the 2014-2023 period.



The Project Portfolio in Sicily



Retirement home in Gratteri (Palermo)



The project, for a total amount of **3,2 million Euro**, will deliver a **retirement home with 40 beds**: a healthcare structure, relevant for the Municipality of Gratteri from a social and **employment** point of view.



The JESSICA UDF in Campania



In Campania, the JESSICA UDF managed by Equiter is focused on financing urban development projects.

In the framework of a Convergence Objective Region, as Campania, the UDF has selected a **project pipeline**, composed by **6 projects** of high amount and high value from a socio-economic point of view.

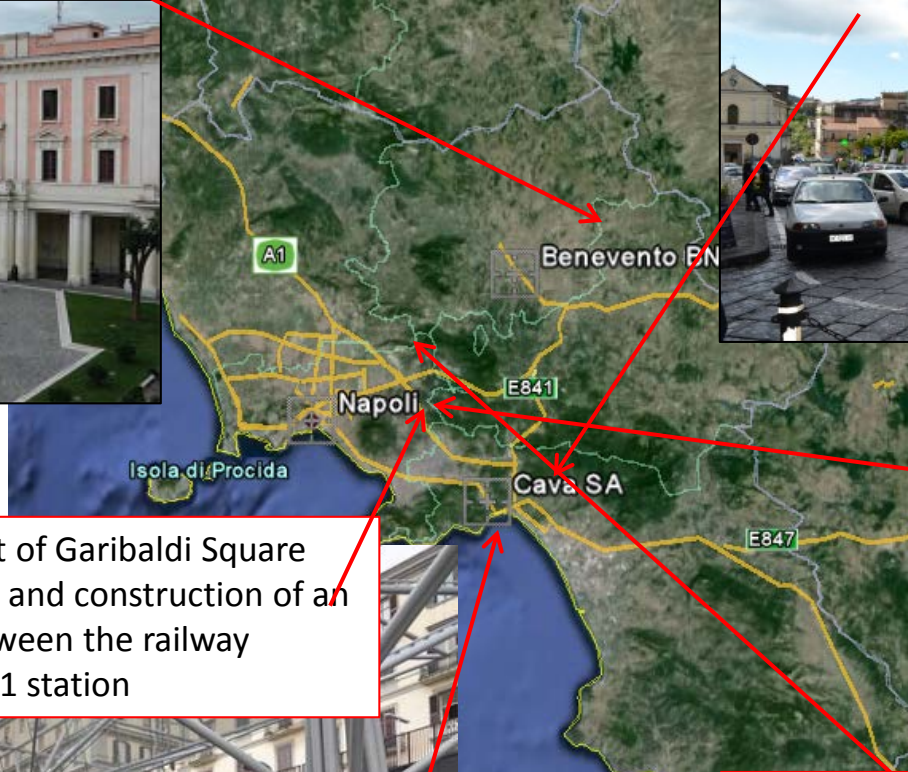
	JESSICA Final Recipient	Project	Municipality
1	University of Benevento	Requalification of historical buildings of Sannio University	Benevento
2	Municipality of Cava de'Tirreni	Underground parking in Cava de' Tirreni	Cava de'Tirreni (Salerno)
3	Grandi Stazioni S.p.A.	Galleria MetroNapoli _Refurbishment of Garibaldi Square and construction of an underground Mall	Naples
4	Municipality of Sant'Antimo	Urban requalification	Sant'Antimo (NA)
5	Municipality of Torre Annunziata	Waterfront requalification	Torre Annunziata (NA)
6	SPV «La Birreria»	Urban Implementation Plan « La Birreria »	Naples

The Project Portfolio in Campania

Benevento _ Requalification of historical buildings of **Sannio University**



Underground parking in **Cava de' Tirreni**



Naples_ Refurbishment of Garibaldi Square (Galleria MetroNapoli) and construction of an underground Mall between the railway station and the Metro 1 station

Naples_ Urban requalification intervention on an old beer factory ("La Birreria") in the Miano district of Naples



Torre Annunziata_ Waterfront requalification

Sant'Antimo_ Construction of two underground parking in the city centre near the City Hall building and urban requalification of the surrounding areas

The JESSICA UDF in Sardinia



Fondo Sardegna Energia S.r.l. (FSE) is the JESSICA UDF managed by Equiter, **focused on financing energy efficiency projects in Sardinia.**

In Sardinia, the UDF has selected **27 projects for 31 million Euro.**

Typically, the projects are of **small amount** and their final recipients are mainly **Local Authorities.**

The Project Portfolio in Sardinia

Energy efficiency in a public hospital - NUORO

Conversion of the Porto Torres petrochemical plant in a bio refinery - **Matrica**

Installation of 243kWp solar plants on the public buildings of the town - **SINNAI**

Photovoltaic systems on public buildings - BALLAO (CA)

Extraordinary maintenance and efficiency of the public lighting in the industrial area of OLBIA - Consorzio CIPNES

Energy efficiency of the school - OLLOLAI (NU)

Photovoltaic systems on public buildings - BURGOS (SS)

Energy efficiency of the buildings of the CNR Campus in SASSARI

Cogeneration plan, wind power plant, PV plants on 4 public buildings - SEULO (CA)

Photovoltaic systems on public buildings - ESPORLATU (SS)

Requalification of public lightning - ERULA (SS)

Photovoltaic systems on public buildings - CARGEGHE (SS)

Biomass heating system - TONARA (NU)

Photovoltaic systems on public buildings - NURAGUS (CA)

Four projects for energy efficiency and photovoltaic systems installation on public buildings - SAMUGHEO (OR)

Photovoltaic systems on public buildings - CHIARAMONTI (SS)

Energy efficiency of the City Hall - QUARTU SANT'ELENA (CA)

Photovoltaic systems on public buildings - MARTIS (SS)

Four projects for energy efficiency and photovoltaic systems installation on public buildings - BARADILI (OR)

Photovoltaic systems on public buildings - ASSOLO (OR)

Energy efficiency of City Hall and public lightning renovation - DORGALI (NU)

Photovoltaic systems on public buildings - SINNAI (CA)

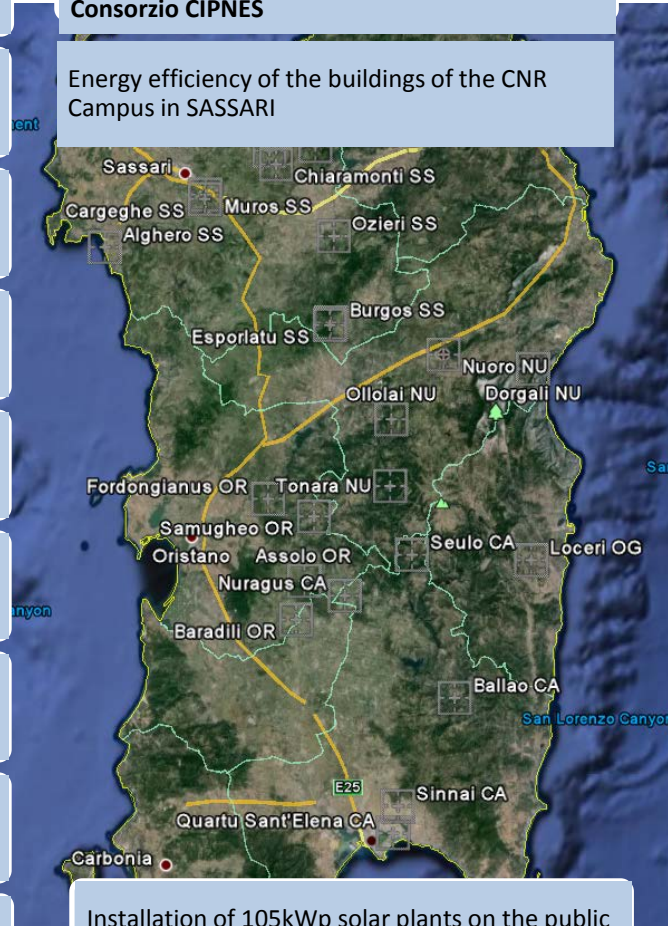
Installation of 105kWp solar plants on the public buildings - TORRALBA

Geothermal system for heating public buildings - FORDONGIANUS (OR)

Photovoltaic systems on public buildings - MUROS (SS)

Treatment plant of slaughtering waste associated to a cogeneration plant - CHILIVANI AMBIENTE S.p.A. - OZIERI (SS)

Installation of 55kW wind power plant - OZIERI (SS)





Main issues faced in the implementation of JESSICA investments:

- **Delay in the start-up of Jessica financial instruments in respect of the programming period start-date**
- **Regional constraints which have limited the UDF investment capability** (i.e. constraints deriving from the fund allocation among specific OP ERDF intervention lines)
- As far as projects proposed by Local Authorities are concerned:
 - **Lack of JESSICA eligibility requirements**, as many investments presumed to involve grants, without a previous assessment of project financial repayability;
 - **Inadequate project quality and implementation level**, due to low financial resources for project technical development.

Lessons learned



According to Equiter's experience, key-points for a future positive delivery of JESSICA initiative are:

- To **implement Jessica instruments** since **the beginning of the programming period**;
- To **give opportunity also to private firms/entities** to apply for Jessica resources to finance **urban projects, if underpinned by relevant public objectives** (i.e., job creation, urban requalification, etc.)
- To give to the UDF a **reasonable flexibility** in its activity, while the assessment of compliance with OP ERDF remains in charge of the Region
- To allow JESSICA investments in **presence of State Aid**, so JESSICA instruments are able to invest more effectively in market failure conditions
- To provide **clear rules in reporting and monitoring**, in order to take into account urban projects typical features, i.e. long-term delivery period and positive social externalities.



Thank you for your attention

