

JESSICA em Portugal: balanço & futuro, um ano depois

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SALÃO NOBRE DO INSTITUTO DE CIÊNCIAS BIOMÉDICAS ABEL SALAZAR

Goetz von Thadden
JESSICA and Investment Funds
European Investment Bank

The EU urban scenario

1. National budget discipline (Maastricht, pressure on sovereign debt, lower transfers from national to local level, “rationing”, lower expenditure capacity of cities, investment without additional debt)
2. De-leveraging of banking activity (financial markets offer less co-financing for investment activity)
3. Reversed negative real estate economic cycle (from over-investment to under-investment)
4. Impact on viability of private investments (PPPs) in urban infrastructure and urban development
5. Reduced collateral value of land and buildings, particularly in non-core areas
6. Institutional investors reshuffling their sovereign and sub-sovereign portfolios
7. End of baby-boomers’ era => from asset accumulation to management of existing property and infrastructure



JESSICA - integrated approach to urban strategies

Economic crisis	Financial and Real Estate crisis > Governmental bail-outs > Impact on public sector finance > Deleveraging discipline > Viability of urban investment
Ageing	Transformation in age/migration structure > Impact upon public finance, labour and housing markets, infrastructure, healthcare and communities
Decarbonisation	Urban areas under climate change impact > Decarbonisation/ Denuclearisation of EU economy > Impact upon economy, social, environmental factors > Smart grid technology
EU spatial integration	'Single market for the cities' > 1200-2000 functional urban areas compete for location of resources and economic activity > New spatial equilibrium

Integrated urban investment strategy for highly dense urban areas focused on:

EMPLOYABILITY

(employment and unemployment structures, job creation in local population clusters, social enterprise, skills)

SOCIAL COHESION AND INCLUSION

(migration flows, educational capabilities and re-training, disability, impact of ageing, urban poverty, etc.)

GREEN GROWTH

(technological change for sustainable urban transformation, green development/ jobs and smart city concept)

JESSICA in Portugal

- 1 Holding Fund managed by EIB for 6 OPs in 5 Regions of EUR 130m
- 3 Urban Development Funds (BPI – TdP – CGD)
- Urban Rehabilitation and regeneration, incl. infrastructure and equipment
- Renewable energy and energy efficiency
- Urban economic regeneration, especially for SMEs
- Communication and information technology, incl. broadband and wireless
- BPI – Lending product subordinated to its own loans
- TdP – Loans
- CGD – Loans and equity



JESSICA Holding Fund Portugal

Amounts under management

JESSICA Holdig Fund Portugal		UDF level		Project level	
		Leverage	Sub-total	Leverage	Total
TOTAL	130	61	191	144	335

Total impact EUR 1 billion

Flexibility of the JESSICA Holding Fund Portugal structure

Investment strategy: diversification of sectors, regions and beneficiaries

Attractiveness of the JESSICA products provided by the UDF managers

Subordinated Loans

Mid and Long term loans

Equity

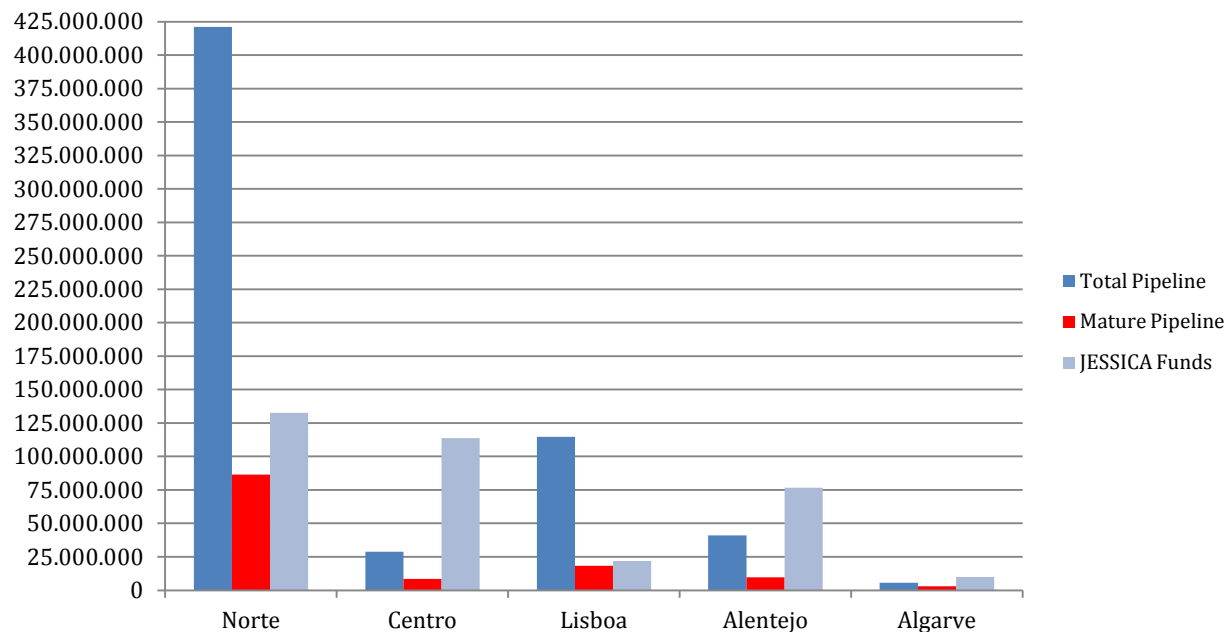
JHFP Results 2012

Project Investments in 2012

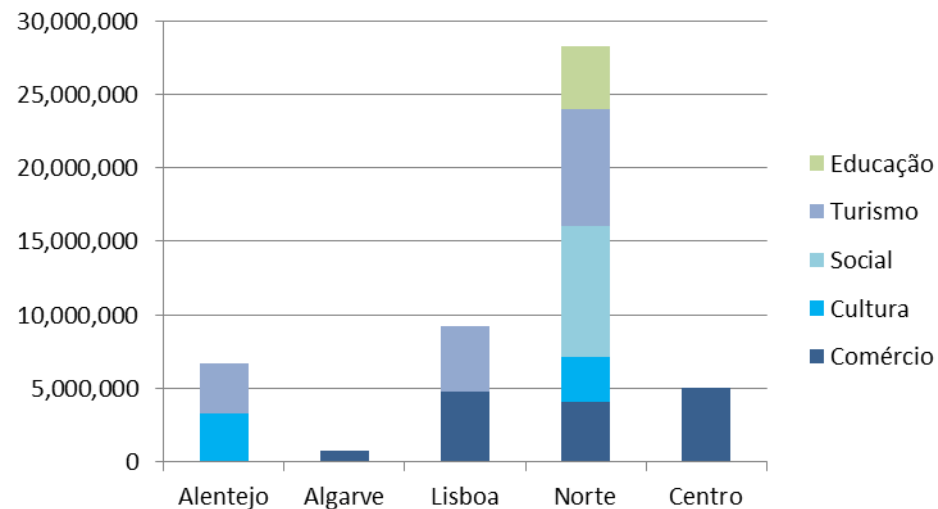
	Total Investment	JESSICA Tranche
BPI	65,180,000	17,500,000
Alentejo	12,300,000	3,350,000
Norte	52,080,000	14,150,000
CGD	30,000,000	10,000,000
Centro	10,000,000	3,500,000
POVT	20,000,000	6,500,000
TdP	41,172,192	4,981,495
Algarve	1,404,744	356,495
Lisboa	39,767,448	4,625,000
Total	136,352,192	32,481,495

- **BPI** is to close 16 projects with total investment of EUR 65.1m and a JESSICA portion of EUR 17.5m.
- **TdP** is to close 7 projects with total investment of EUR 41.2m and a JESSICA part of EUR 5m.
- **CGD** is to close 3 projects for a total investment of EUR 30m and a JESSICA co-financing of EUR 10m.

A balanced and well accepted product



- Excellent communication strategy
- Strong demand for product
- Balanced portfolio
- Big impact
- % of funds already committed

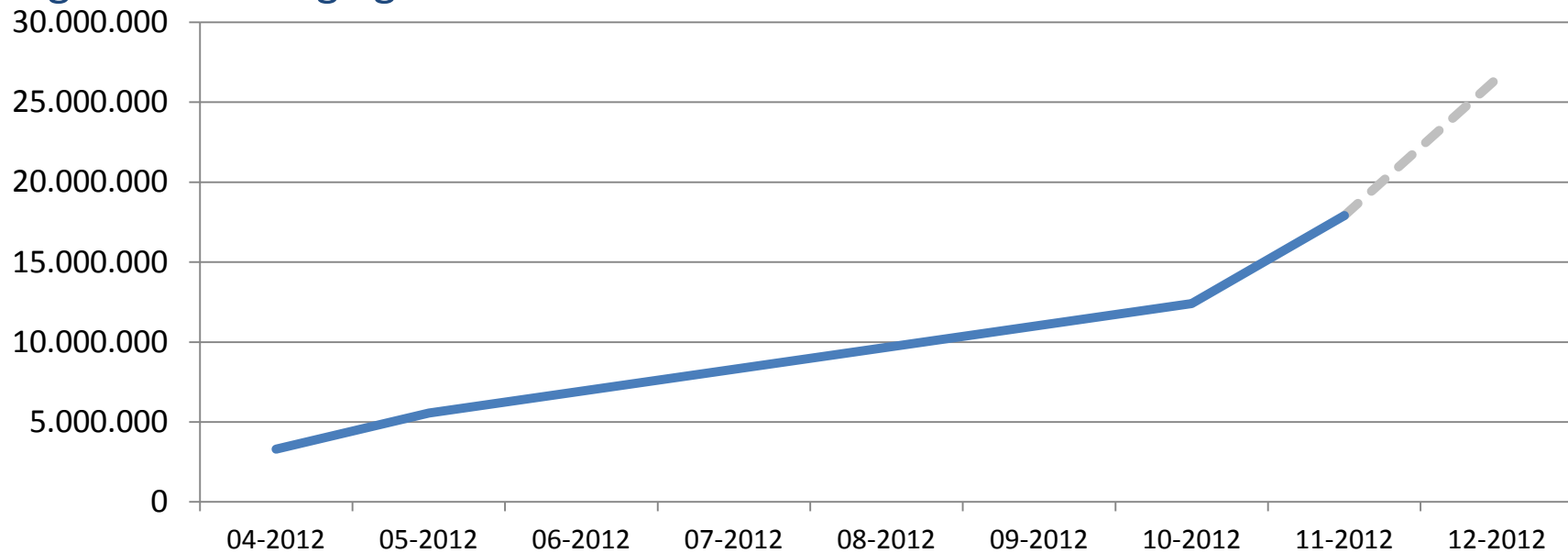




JESSICA Holding Fund Portugal

Perspectives:

Signed financing agreements



Diversification of projects

Ability to adjust to MA's and promoters needs



Contact

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