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TITLE OF DIPLOMA THESIS:

European initiative JESSICA

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ABSTRACT

In the framework of structuring the European urban policy and the Cohesion Policy, it has been acknowledged that it is urgent to create and establish special financial instruments, aiming to take best profit of the Structural Funds, in a more systematic and sustainable way, especially after the conclusion of the current programmatic period (2013).

JESSICA stands for Joint European Support for Sustainable Investment in City Areas and belongs to the four initiatives designed in 2006 by the European Commission, in collaboration with the European Investment Bank, which aim is to finance high quality urban projects to support excluded urban areas, under the condition that these projects form part of an integrated plan for sustainable development. An integrated plan for sustainable development comprises a system of interlinked actions which seeks to bring about a lasting improvement in the economic, physical, social and environmental conditions of a city or an area within the city.

JESSICA is not a new source of funding for Member States, but rather a new way of using existing Structural Fund grant allocations to support urban development projects. Under the new procedures, Member States are being given the option of using some of their EU grant funding, to make repayable investments in such projects as mentioned. These investments may take the form of equity, loans and/or guarantees and are delivered to projects via Urban Development Funds and, if required, by Holding Funds.

Rules on the eligibility of project expenditure, using JESSICA, are the same as those on the use of Structural Funds and also need to take under consideration any specific national constraints. When considering which projects could make use of JESSICA funding, an integrated approach is necessary.



JESSICA funds could be targeted specifically at projects such as urban infrastructure, rehabilitation of heritage sites, redevelopment of brownfield sites, waste management, energy efficiency improvement etc.

The principal benefits of using the initiative are the following: recycling of funds, leverage investments of the private sector, flexibility in financial project management, benefit from expertise of the banking and private sector.

The implementation progress throughout the European community is presented by a variety of chosen examples, focused on the constraints and the benefits of the instrument.

The understanding of the UDFs' legal body and financial structure being of special interest, the study is focusing therefore in detail on the relevant terms of the public procurement call for UDF - Greece.

Actually Greece has accomplished the negotiation stage of the operational agreements with the selected UDFs, but has to urge the ongoing process needed, in order to achieve the goal to benefit from the implementation of JESSICA, given the fact that there is still a lot to be done, e.g. to adapt properly the legislative framework, to incentive the investors' interest and to mature the potential projects under the eligibility criteria of JESSICA.

KEYWORDS

Integrated plan, Sustainable development, Leverage, Investment recycling, Repayment, Urban project, Final recipients, Managing authority, Expertise.