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METROPOLITANĂ
BRAȘOV**
AGENȚIA METROPOLITANĂ
PENTRU DEZVOLTARE DURABILĂ
BRAȘOV

Regione Toscana
Diritti Valori Innovazione Sostenibilità



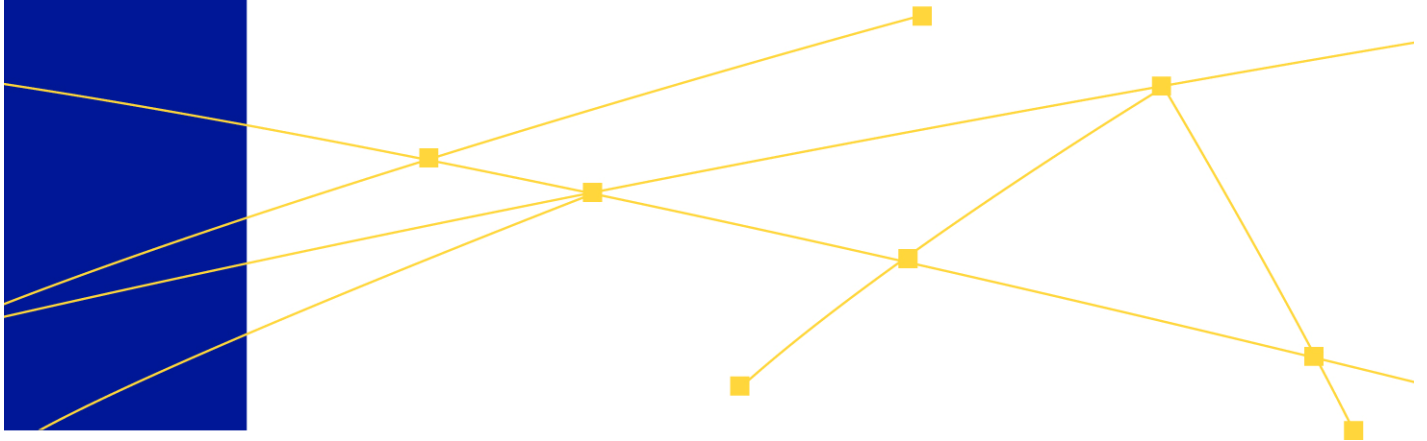
URBACT II

JESSICA 4 Cities

How cities can make the most from Urban Development Funds

Brasov contribution

August 2010



European Union
European Regional Development Fund

Connecting cities
Building successes



BRASOV CONTRIBUTION

1. Simulation of a “Jessicable” Project: Short Presentation

Piata Sfatului – Brasov Historic Centre regeneration project

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| <ul style="list-style-type: none">• According to the Integrated Sustainable Development Plan;• Strategic objective 1: Tourism Sustainable Development – Brasov the Capital of Romanian Tourism;• Specific objective: Rehabilitation of Brasov historic and tourist area;• Project 3.2.: Rehabilitation and regeneration Piata Sfatului (Central Square) of Brasov;• Activities: rehabilitation and restoration of the buildings, refurbishment of the facades of the building, repairing and maintenance of the systems of provision with utilities;• Total estimated cost: 5,500,000 lei. |
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Rehabilitation and improvement of “Piata Sfatului”

“Piata Sfatului” represents an essential component of the cultural-historical patrimony of Brasov Municipality and in the same time one of the locations that defines the city identity from the touristic point of view. Important attraction point of the Brasov City, “Piata Sfatului” needs the development of a complex restoration and renovation programme which could contribute to the touristic attraction growth, implicitly generating competitive and sustainable economic development of the Brasov city and growth pole.

The project will involve interventions at the utilities’ infrastructure (including ambient lighting), creation of pedestrian spaces (14,300 sqm) and setting-up urban furniture. “Piata Sfatului” is a location where there can be met various important touristic objectives such as the Black Church, Casa Sfatului with the Museum of History, and also the convergence of some known streets of touristic, cultural and commercial interest: Republicii, Muresenilor and Apolonia Hirscher.

We have analysed two financing options that can be used for such a project implementation:

- a) grant aid through the Regional Operational Programme: the money is granted in a proportion of 98% of the project value;
- b) revolving fund through the JESSICA Programme: the financial resources are lent in a proportion of 98% of the project value, will bear 3% interest per annum and will be reimbursed upon a schedule decided together with the Urban Development Fund.

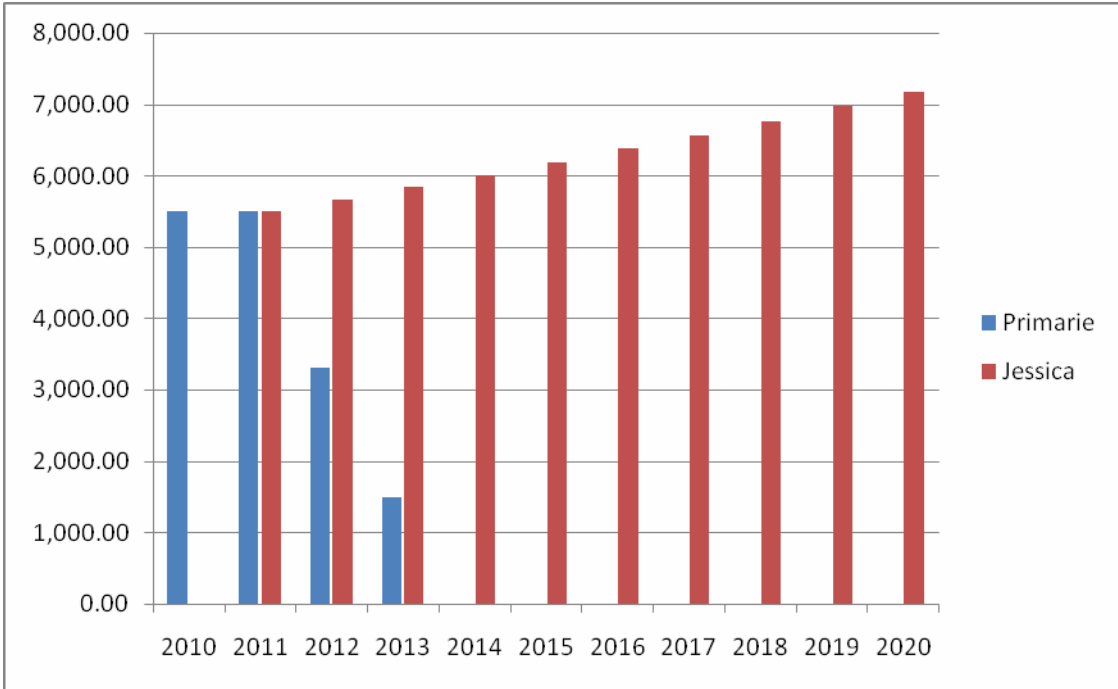
In the scenario of using JESSICA as a vehicle for carrying out activities under operational programmes, EU resources will be used in a different way, both in terms of payment deadlines and the nature of aid, i.e. aid will be repayable, as opposed to non-repayable aid granted traditionally. This should allow an increasing pool of resources for urban development at disposal of the Metropolitan Agency, to be cumulated in a long-term perspective.

The short-term benefit from setting the JESSICA programme will be that it will be possible to be granted a complete pool of resources to be used as part of a relevant ROP measure.

Until the resource are used in accordance with their destination, they may be held on interest-bearing bank accounts and generate income, which will allow at least part of fund operation and management costs to be covered.

Results of analyses carried out based on cash flow projections drawn up for grant financing and for JESSICA are presented in the diagram below. This was based on the following assumptions:

1. Investment value: 5,500,000 lei;
2. Project duration: 3 years;
3. Analysis horizon: 2010 – 2020;
4. Financing options: grant and revolving fund, through UDF;
5. Interest paid at the UDF fund: 3% per annum;



The financial projection was made from the perspective of the recipient of funds – the Metropolitan Agency which will dispose of grant funds in the first scenario – non-reimbursable funds¹ - until 2013, while in the second scenario (JESSICA) will dispose of increased funds – up to 7,176 thousands lei in 2020. The detailed financial figures are shown below.

-thousands lei-

Financing	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Grant	5,500	5,500	3,300	1,500	-	-	-	-	-	-	-
Jessica	-	5,500	5,665	5,835	6,010	6,190	6,376	6,567	6,764	6,967	7,176
UDF											

¹ The non-reimbursable funding scenario is represented by the blocks in blue colour while the JESSICA scenario is represented by the blocks in red color.

Partnership for the implementation of the project:

The Brasov Metropolitan Agency is the leader of the urban intervention in Piata Sfatului through a protocol established with Brasov Municipality. It is responsible for developing an integrated plan, for the expropriation processes if necessary, and to find and involve private entities. The private partner is represented by the Evangelic Church, which owns a significant part of the buildings located on Piata Sfatului. With regard to rehabilitated housing, Brasov Metropolitan Agency will have as role the management of the leased houses. Regarding cash inflows, the Brasov Metropolitan Agency will receive the rent received from the three categories of buildings located in Piata sfatului:

Investment in the construction of the hotel is estimated to 5,500,000 lei and should occur in 3 years. The revenues expected to be generated by the investment will consist mainly in rents obtained from three categories of premises. The three categories and the corresponding average rent/month and the monthly income foreseen to be obtained from rents is shown in the table below:

No	Category of spaces	Surfaces	Average Rent/Month	Monthly Income from rent
1	Houses	14781 sqm ²	8 euro/sqm	118,248 Euro
2	Office premises	6566 sqm	10 Euro/sqm	65,660 Euro
3	Commercial premises	29602 sqm	14 euro/sqm	424,606 Euro
	Total			608,514 Euro

¹ The non-reimbursable funding scenario is represented by the blocks in blue color while the JESSICA scenario is represented by the blocks in red color.

Financial evaluation of the Piata Sfatului project

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total inflows	0	2200	1800	16500	29900	29900	29900	29900	29900	29900	29900	29900	29900	29900
Total financial resources	0.00	2,200.00	1,800.00	1,500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total operating revenues				15,000.00	29,900.00	29,900.00	29,900.00	29,900.00	29,900.00	29,900.00	29,900.00	29,900.00	29,900.00	29,900.00
Total outflows	19138	19300	19300	19815	19815	19815	19815	19815	19815	19815	19815	19815	19815	19815
Total operating costs	19,300.00	19,300.00	19,300.00	19,300.00	19,300.00	19,300.00	19,300.00	19,300.00	19,300.00	19,300.00	19,300.00	19,300.00	19,300.00	19,300.00
Total investment costs														
Intrest				15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00
Loan reimbursement				500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00
Private contribution - Evangelic Church	-50.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Public contribution - Brasov Municipality	-112.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net cashflow	-19138	-17100	-17500	-3315	10085	10085	10085	10085	10085	10085	10085	10085	10085	10085
	-5562	-19,138.00	-17,100.00	-3,315.00	10,085.00	10,085.00	10,085.00	10,085.00	10,085.00	10,085.00	10,085.00	10,085.00	10,085.00	10,085.00
discount rate	9%													
IRR	7%													
NPV	€ (19,563.91)													

² Squares meters

2. Alternatives to Finance the Sustainable Development in Romania

If financed by grants:

- ERDF (ROP) + local budget.

Financing would be made through Regional Operation Program, Axis 1- Growth Poles.

If financed by "Jessica" scheme:

- ERDF (ROP) + local budget + private investment funds.

Steps to be taken:

1. Clarify the public-private partnership procedures;
2. Create the framework for UDFs (Poland or Portugal model);
3. Create the HF and the UDFs;
4. Reshape the ROP to foster "Jessicable" projects;
5. Implementation of the first "Jessicable" projects as pilot projects to be followed by the metropolitan/urban areas of Romania.

3. The Partner State Experience Concerning the Adoption and Implementation of Jessica

MA position

At present, MA of the ROP is rather reluctant to create and use UDFs due to the lack of expertise and mostly because the money is available as grants up to 2013.

ACIS position

At present, it controls the structural funds operation and absorption in Romania and would like to maintain the central control over the money allocation and spending. As the MA, ACIS is rather reluctant to create and use UDFs as it does not see their immediate results and impact and as it has no expertise in revolving funds management and/or supervision.

If YES, from both MA and ACIS, then steps 1-5 to be implemented

1. Clarify the public-private partnership procedures;
2. Create the framework for UDFs (Poland or Portugal model);
3. Create the HF and the UDFs;
4. Reshape the ROP to foster "Jessicable" projects;
5. Implement the first "Jessicable" projects as pilot projects to be followed

by the metropolitan/urban areas of Romania.

If NO, from both MA and ACIS, then the 1-3 steps to be followed:

1. Reconsider the ROP structure and procedures in order to:
 - Adjust to the decrease of EU fund allocation after 2013;
 - Continue to respond to the main community needs;
 - Increase the absorption rate up to 2013 and further.
2. Increase (or create, if the case) the expertise to develop sound sustainable development projects:
 - Create the expertise for the financial component of the projects;
 - Develop the procedures to implement the revenue generation principle to the projects;
 - Develop the expertise to evaluating, managing, implementing and monitoring revenue generating projects;
3. Create the expertise to create and operate the UDF for the future, after 2013, when the EU allocations will decrease.

4. Present Context of the Partner State and the Predicted Evolution for 2013-2020

Present situation of the national, regional and local economy and finances

National Financial status 2010

European Commission - European Economic Forecast spring 2010				
Forecasts for Romania	2008	2009	2010	2011
GDP growth (% , yoy)	7.3	-7.1	0.8	3.5
Inflation (% , yoy)	7.9	5.6	4.3	3.0
Unemployment (%)	5.8	6.9	8.5	7.9
Public budget balance (% of GDP)	-5.4	-8.3	-8.0	-7.4
Current account balance (% of GDP)	-12.1	-4.4	-4.4	-5.6

Source: 5 May 2010, European Commission, European Economy n° 2|2010

(http://ec.europa.eu/economy_finance/eu/forecasts/2010_spring/ro_en.pdf)

Deep recession caused by the crisis

With an average annual real GDP growth of 6.8% between 2004 and 2008, Romania was one of the fastest growing EU Member States. However, this strong growth went hand in hand with growing external and fiscal imbalances. The sudden increase in risk aversion during the financial crisis caused market participants to become increasingly concerned about these imbalances. Capital inflows fell markedly and the exchange rate of the RON against the euro depreciated by more than 30% between August 2007 and January 2009. Tighter access to financing, balance-sheet effects of the currency depreciation, and the sharp decline in exports due to the slump in global trade triggered a strong contraction of real GDP, which fell by 7.1% in 2009.

The contraction in economic activity led to an increase of the unemployment rate from 5.8% in 2008 to 6.9% in 2009. However, in spite of easing wage pressures, HICP inflation

(5.6% in 2009) remained relatively high compared to regional peers, reflecting rigidities in labour and product markets. The crisis also triggered a pronounced adjustment of external imbalances. The current-account deficit is estimated to have fallen from 12.7% of GDP in 2008 to 4.4% in 2009.

The benefits from the adoption of the comprehensive economic policy program, agreed as a condition for the medium-term financial assistance from the EU and international financial institutions, started to become evident in the second half of 2009. Against this background, pressures on the exchange rate eased and the National Bank of Romania (NBR) was able to stabilise and recently even increase its stock of international reserves.

Although much of the GDP decline associated with the economic and financial crisis is cyclical, it may also have negative consequences for potential growth over the medium term, notably through slower capital accumulation (i.e. due to the sharp fall in investment flows and constraints on credit availability) and increasing structural unemployment through hysteresis. Moreover, the impact of the economic crisis coincides with the negative effects of ageing and emigration on potential output.

Gradual recovery driven by exports and foreign direct investment

Real GDP growth is expected to recover moderately to 0.8% for 2010 as a whole, gradually accelerating to 3.5% in 2011. The expected improvement in economic conditions in 2010 is due to a recovery of external demand and foreign direct investment. Private consumption growth is not expected to recover firmly until later in the year, because of slower wage increases, the continued high rate of unemployment and difficult access to credit. Similarly, investment should remain weak, being held back by low capital utilisation rates, credit constraints and market uncertainty. All this implies that the recovery is likely to remain shallow at least during the current calendar year.

The situation is expected to improve in 2011, when GDP growth is forecast to accelerate, fed by a 4.2% increase in private consumption expenditures as well as by a 5.8% increase in investment spending. Government consumption expenditures are projected to remain weak because of a continued need for fiscal consolidation. The external sector is projected to make a negative contribution to GDP growth as the recovery of domestic demand should give a significant boost to import growth.

The external and fiscal imbalances that contributed to the severity of the recession in Romania are expected to continue to unwind. The current-account deficit is now expected to remain flat at 4.4% in 2010. With a strengthening of domestic demand in the following year, the current-account balance is forecast to deteriorate to 5.6% of GDP in 2011, thus remaining at readily financeable levels.

The macroeconomic scenario is subject to both positive and negative risks. A positive risk is that the recovery in the EU economy will be stronger than expected. This would lead to a stronger increase in external demand which can have positive spillovers on domestic demand.

A negative risk is that fiscal consolidation will be weaker than planned. This could have a negative impact on household and business confidence and further delay the recovery of domestic demand.

Supportive monetary policy

The banking system has weathered the downturn relatively well. However, the share of non-performing loans has increased and credit for private sector investment remains at a low level.

Nevertheless, the steady decline in private credit growth appears to have bottomed out. The NBR recently cut its key refinancing rate, allowing short term interest rates to fall. The increased political stability and the disbursement of medium term financial assistance from the IMF and the EU have contributed to this easing of financial market pressures.

Inflation remains stubbornly high

CPI inflation at the end of 2009 reached 4.7%, which is slightly above the NBR's tolerance band of 3.5% +/- 1%. The central bank has now missed its end-year inflation target for three years in a row, reflecting continued rigidities in product and labour markets, as well as increases in fuel prices and indirect taxes. The inflation projections for 2010 are affected by recent increases in excise taxes on tobacco and petrol as well as the recovery in international energy prices. On the other hand, inflationary pressures may be somewhat offset by the sluggishness in domestic

demand, particularly in the first half of the year. As a result of these movements, HICP inflation is expected to fall slightly to 4.3% in 2010. Inflation is likely then to decrease further to 3% in 2011.

Slowly improving labour markets

For 2010, it is anticipated that the private sector would be able to compensate for the expected job losses in the public sector, at least towards the end of the year. However, a reduction in the unemployment rate is not envisaged at this early stage of the economic recovery. Given the usual lag between the recovery in economic activity and the decrease in the unemployment rate, the latter is still expected to inch up to 8.5% on average in 2010. The unemployment rate should start coming down in the second part of the year and into 2011, when it is projected to register an average rate of 7.9%.

Further fiscal consolidation ahead

The main objective of the March 2010 update of the convergence program of Romania is the reduction of the general government budget deficit, which had expanded significantly with the sharp growth contraction of 2009. According to the latest data, the deficit increased from 5.4% of GDP in 2008 to 8.3% in 2009, significantly above the Government's deficit target of 7.8% of GDP. This gap was caused on the one hand by payment arrears in areas such as health care and on the other hand by the lower than expected nominal GDP.

Within the context of the medium-term financial assistance program, the government made a commitment to take measures to achieve a budget deficit of 6.4% of GDP in 2010. The 2010 budget adopted by Parliament in January is consistent with this commitment and includes a package of measures to cut expenditure by about 2% of GDP and raise revenue by about ½% of GDP.

On the expenditure side, measures consist of further reductions in the public sector wage bill (including a nominal freeze in public wages), a pension freeze and cuts in expenditure on goods and services.

On the revenue side, excise taxes have been raised and a tax on medical distributors will be introduced. The budget also includes the one-off positive effect from the reimbursement of tax arrears (the Rompetrol bond), representing about ½% of GDP.

The measures included in the 2010 budget may not be sufficient to achieve the agreed budgetary target because of: (1) the base effect from the higher 2009 deficit; (2) lower GDP growth in 2010, which is now expected to be 0.5% less than assumed when drafting the budget; (3) significant revenue shortfall in the first quarter of 2010, particularly from VAT, social security contributions and income tax; (4) the fact that the government is only expected to receive around half of the initially expected revenue from the Rompetrol bond; and (5) possible expenditure overruns. Without further measures, the 2010 general government deficit could reach 8% of GDP. During the Balance-of-Payments mission to Romania an agreement is expected to be reached with the government for additional compensation measures to reduce the budget deficit.

With a view to correcting the excessive deficit by 2012, policies aimed at fiscal consolidation are planned to continue in 2011. In particular, the consolidation measures taken to control the 2010 budget should also help reduce deficits in later years. This together with faster real GDP growth explains the current projection of a continued decline in the general government deficit from 8% of GDP in 2010 to 7.4% in 2011. More rapid progress in reducing the deficit and achieving the 2012 deadline for the correction of the excessive deficit would require the adoption of additional consolidation measures.

Government gross debt is estimated at 23.7% of GDP in 2009, up from 13.3% the year before. The main drivers of the increase in the debt-to-GDP ratio in 2009 were the sharp rise in the deficit, the decline in GDP, the rise in interest payments and the valuation effect stemming from the depreciation of the exchange rate. While remaining well below the Treaty reference value, the debt ratio is projected to increase by 6.8 pps. in 2010 and a further 5.3 pps. in 2011 when it is forecast to reach 35.8% of GDP. These increases are mainly driven by the continued high government deficits.

Romania's Perspectives to 2013 -2020³

Romanian National Strategy for Sustainable Development for 2013-2020-2030 horizon establishes concrete objectives for passing to the development model of generation of high added value, fostered by the interest for knowledge and innovation, oriented towards the continuous improvement of the people's quality of life and of their relation with the natural environment.

Any sustainable development requires a significant development of the basic infrastructure. The level of development of the basic infrastructure directly influences both the level of development of the business environment and the life standards of the citizens.

The main tactical objectives stated in the Strategy are:

- Development of the transport infrastructure;
- Development of the water and sewage infrastructure;
- Development of the housing and social infrastructure;
- Development of the broadband infrastructure;
- Rehabilitation of the cultural patrimony/development of the cultural, sport and religious infrastructure;
- Development of the health infrastructure;
- Development of educational infrastructure;

The prognosis for the relevant indicators for the Cohesion Policy for Romania versus the ones of the Member States.

Globalisation indicators – prognosis to 2020⁴

- Employment Rate

³ Reference source: Study for identification of the main priority directions of reform of the Cohesion Policy post-2013 from Romania's perspective – December 2009.

⁴ Working Document of the Commission „Regions 2020” – an evaluation of the future challenges for the European Regions

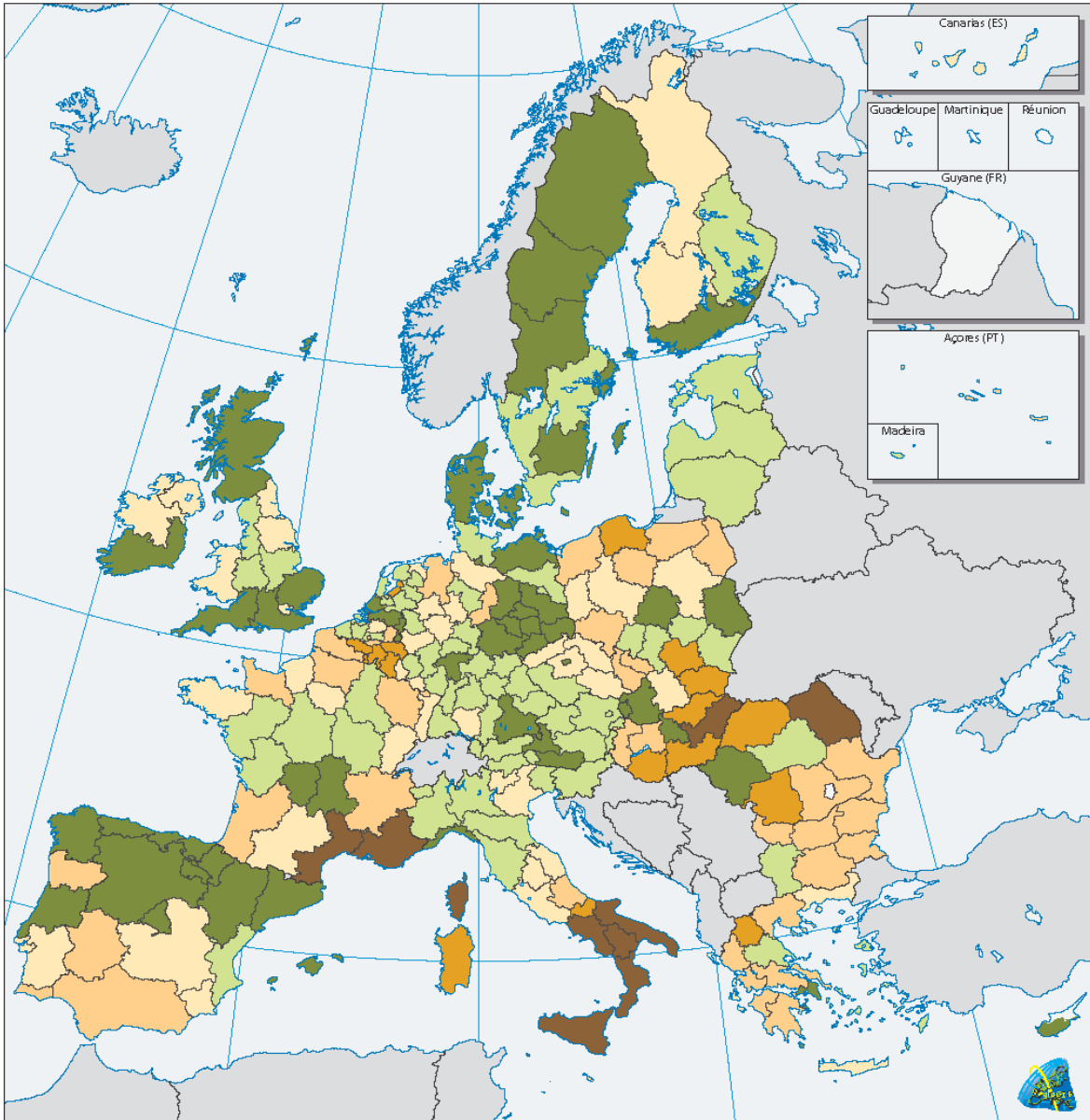
It is estimated that Romania will reach in 2020 a low employment rate as compared with the majority of the EU Member States, but similar to the ones that will be registered for Bulgaria and Hungary. Significant disparities will be registered between the Romanian regions, so that while the Centre and West Regions will display an employment rate of more than 70 – respectively 75%, the North-East Region will have an employment rate lower than 55% of the average of EU 27.

The levels of employment rates for the regions of Europe that the Commission foresees for 2020 are synthetically presented in the map below: "Project Employment Rate 2020".

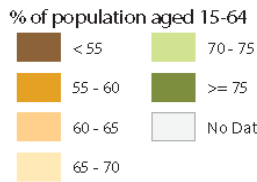
As shown by the map, Romania will be confronted within the time frame of the prognosis, with an index of employment rather heterogeneous:

- North-East Region < 55%
- South-East Region 60-65%
- South Muntenia Region 60-65%
- South-West Oltenia Region 55-60%
- West Region >75%
- North-West Region - 55-60%
- Centre Region 70-75%
- Bucharest-Ilfov Region >75%

This prognosis represents rather encouraging news for Brasov Metropolitan Area, the vulnerability of the region against unemployment phenomena being rather low.



Projected employment rate, 2020



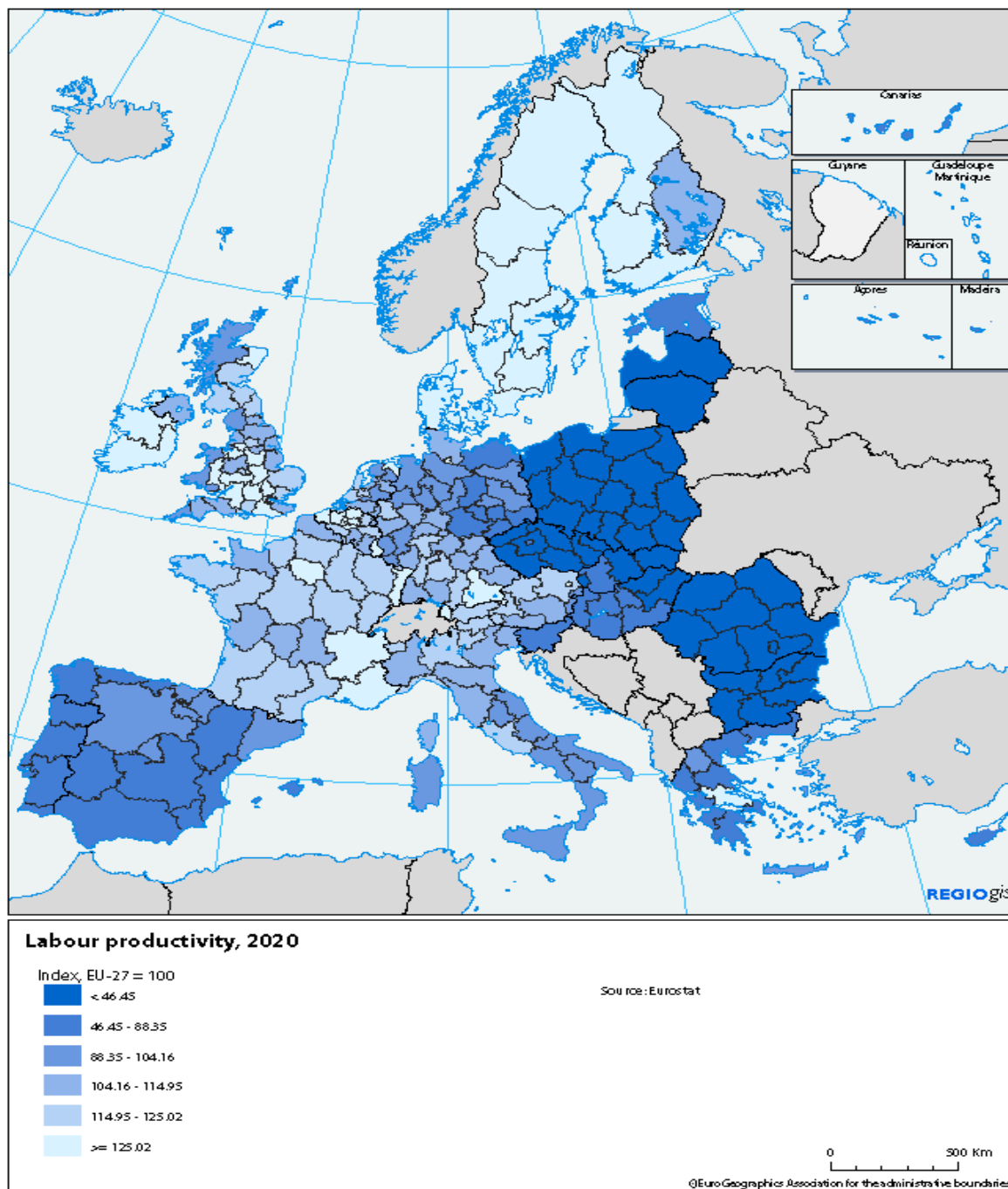
Based on national level projections (ECFIN);
 regional structure based on sectoral employment growth
 Sources: Eurostat, DG ECFIN, DG REGIO



© EuroGeographics Association for the administrative boundaries

Source: European Commission

Labour Productivity



Source: European Commission

In what concerns the labour productivity, the entire Romanian territory will display a rather low productivity rate (under 46.45 – where 100 is the index for the average of EU 27)), far from the indexes for Finland, Sweden, Denmark or Ireland (above 125.02) but in the same range of

values with Bulgaria, Poland, Czech Republic, Slovakia or the Baltic countries. This prognosis may be linked directly to the level of education of the labour force from the Romanian regions as compared to the other European regions for 2020. According to the prognosis there will be no significant disparities among the Romanian regions from the point of view of labour productivity level.

Level of high educational attainment

From the prognosis for 2020 it results that the level of education for Romanian regions will be rather low compared to the one of the European regions. However the good news is that the Centre Region will be among the best placed Romanian regions with a 30-35%, only Bucharest-Ilfov Region being better placed with more than 35% of the high education persons in the overall labour force.

5. Main Problems – Criticism - Considerations on Jessica Tool Implementation (Applied to Romania / Brasov Growth Pole)

1. The only Operational Program with specific financial allocation for growth poles is the Regional Operational Program, which has under Priority Axis 1 *Support to sustainable development of urban growth poles* 74,3 million EURO for Brasov growth pole for the programming period 2007-2013. This axis has complementarities with other OPs, yet other OPs don't have allocations per growth pole, which results in lack of predictability as to the level of funding that could be attracted into a Holding Fund for Brasov growth pole; other urban funds that those specified under this axis get spent on a competitive basis, organized at national level;

2. According to latest information, 18% of funds allocated to ROP have been contracted, but no projects have been submitted under Axis 1. This status coupled with a general structural funds absorption level of around 10% potentially creates the premises for doubting the success of a JESSICA instrument – as there seem to be little incentive for attracting urban funding under the form of grants with the obvious advantage of not needing to return the funding, the interest for JESSICA instrument should be built on other strong premises and a very important counterpart in such a discussion is without doubt the Authority for Structural Funds Coordination (ASFC);

3. A clear question to be answered refers to what steps have ASFC and the Managing Authorities taken up to present in order to make effective the stipulations of the Government Decision no. 998/2008 for designating the national growth poles that have priority for investments paid from national or EU funds. Article 3 from this Decision writes "*the Ministry of Development, Public Works and Housing as well as the Ministry of Economy and Finance coordinate the drafting and implementing of the integrated development plans for national growth poles mentioned at article 1 by involving all central public administration authorities relevant for the implementation of policies in the field of growth poles, especially those Ministries that include Managing Authorities for EU programs*". Only ROP has already earmarked money for growth poles – if funding of UDF(s) and/or HF from other OPs is feasible and recommended, then there will be even stronger grounds for discussing with other Managing Authorities the possibility of allocating funds in their OPs for growth poles;

4. Projects preliminarily selected from the Urban Integrated Development Plan we need to be mature enough to comply with all relevant urban regulations (feasibility studies, approvals from different authorities, etc). The maturity of a project is an essential criterion to determine the access of the respective project to an UDF (as it must comply with the maturity requirements of the structural instruments);

5. Relatively late JESSICA implementation in relation to 2007-2013 programming period (cities expect non-repayable financing, additional time for UDFs establishment needed);

6. Difficult situation on credit market and restrictive requirements of banks acting as creditors may limit the potential for obtaining debt financing for projects;

7. The scope of interest in JESSICA will probably overlap in some areas with the activity of other funds on the market (e.g. national programs for energy efficiency, loans from EBRD, World Bank, etc). This should not be a problem even if existing funds are capable of offering more favourable financing conditions. JESSICA might remain an additional financing source and could finance projects which owing to any reasons do not stand a chance of finding financial support from other sources or which cannot be fully funded by these funds;

8. Lack of expertise in Brasov Region with financial vehicles for urban development, and, hence, complex analyses for selecting best administrators for future UDFs or HFs, as the case may be;

9. Lack of mature projects from the technical and financial point of view in Brasov, as well as at national level;

10. The main entities that may be able to engage in the JESSICA initiative as fund managers are banks and institutions professionally managing funds. The participation of other organizations established by public administration entities for the purpose of UDF management would require changes in the statutes of those organizations;

11. The market assessment and identification of potential participants to JESSICA should address:

- a. Romanian and international banks as well as other commercial financial institutions
- b. International financial institutions
- c. Public administration (local government and MAs)
- d. Various kinds of investment funds
- e. Professional institutions managing funds that invest in real estate
- f. Real estate developers
- g. Non-financial institutions supporting the processes of urban regeneration and development.

6. Helpful Steps in Supporting Jessica in Romania

- Evaluate the feasibility of adopting the JESSICA type of facility to finance the projects listed in the Urban Integrated Development Plans of the growth poles. To this end several steps must be undertaken:
 - Depict the potential projects from the ones included in the Urban Integrated Development Plans that may qualify for the establishment of UDFs
 - Identify additional financial mechanisms for urban regeneration projects, additional to the one provided by way of grant by the Regional Operational Programme through Axis 1.1
 - Earmark specific allocations for growth poles in other Operational Programmes in order to enhance the level of funding available to the seven poles.
 - Coordinate JESSICA funding with urban regeneration funding under other sources (i.e. National Programmes);
 - Evaluate the financial feasibility of the models of financing the urban regeneration projects through reimbursable funds versus non-reimbursable funds

- Identify the administrative constraints in the implementation of JESSICA approach; identify the actions needed to improve the legal framework for PPP establishing
- Identify the appropriate project promoters and organisational structures ensure the management of potential UDFs
- Identify the specific measures to be taken by the Management Authorities of the Regional Operational Programmes and by the Authority for Coordination of the Structural Instruments in order to allow JESSICA initiatives to be financed from the Structural Instruments
 - Increase awareness on UDFs objectives and functioning manner among the stakeholders of the seven growth poles and improve the regulatory framework supporting them;

7. Advantages to Participating to this Type of Programs

- Exchange of experience between the partners (comparison between the national legal framework, financial framework, public administration procedures and speed of action, MA involvement and willingness to react to the changes);
 - Concrete, real examples of sustainable development projects more or less “Jessicable” – analyzed during the site visits to the partners;
 - Improved communication between the partner cities and their MAs;
 - Started to create the expertise between partners on the principles to assess the sustainable development and the urban regeneration;
 - Created a common understanding (finally!) on the UDF development and operation;
 - Each partner had benefited from the National/Regional Study of Opportunity concerning the Jessica financial instrument development and implementation paid by EIB as financial expert in the project.

What missed to be perfect:

- An exchange of experience exclusively between the MA of the partners;
- The frustration related to the different approaches and mainly to the different dynamic to adopt the Jessica process.