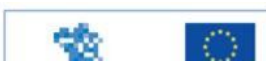


# JESSICA

## An Instrument to Finance Energy Efficiency in Multi-Apartment Housing

**Brian Field**

**Urban Planning and Development Adviser  
The European Investment Bank**





# **Joint European Support for Sustainable Investment in City Areas**

**Initiative of the European Commission (DG REGIO) launched at end of 2005, and supported by EIB, to strengthen the urban dimension in cohesion policy**

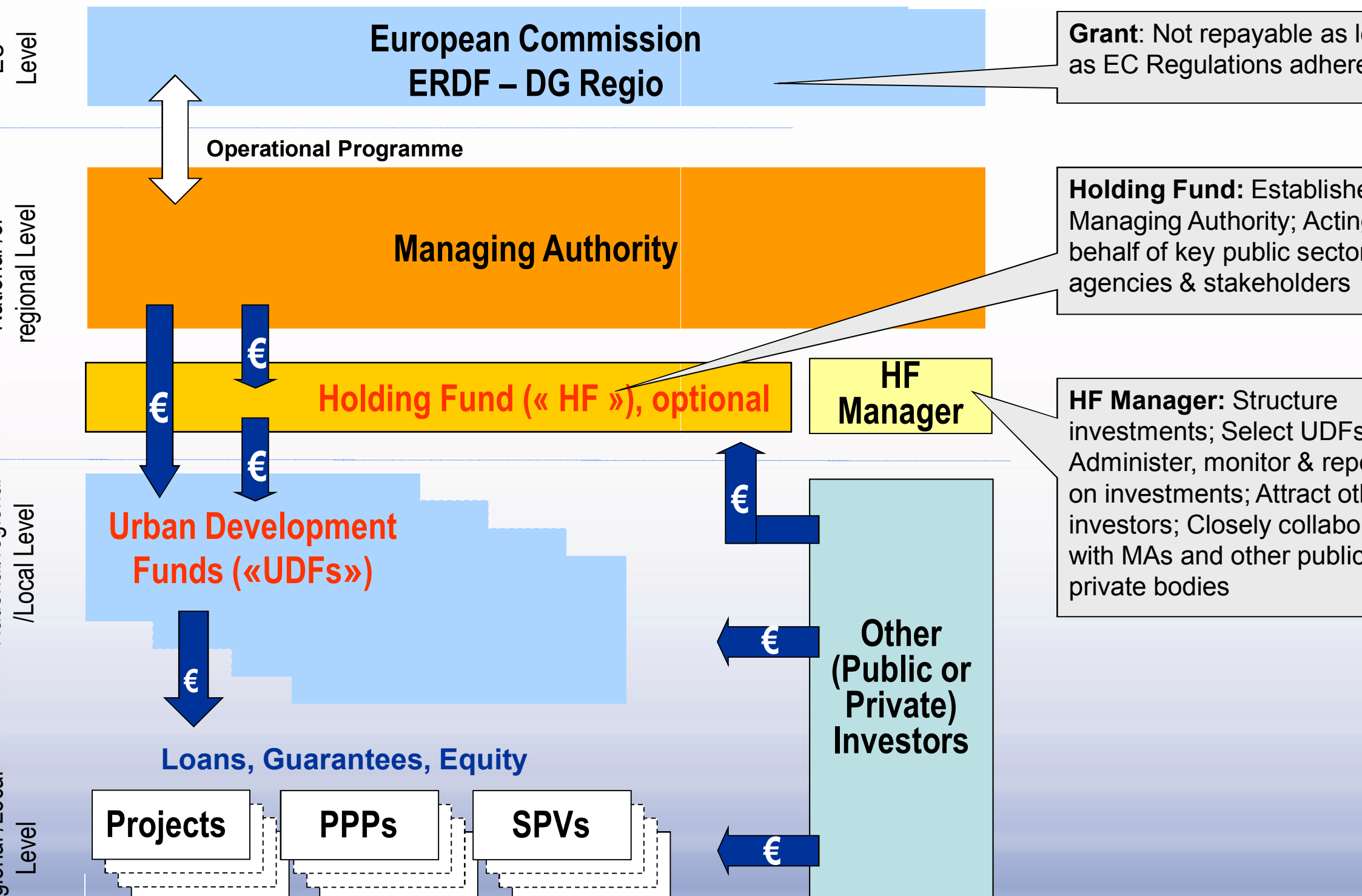
**Applying “financial engineering” techniques to EU Structural Funds**



**To make Structural Fund support more efficient and effective by using “non-grant” financial instruments, thus creating stronger incentives for successful project implementation.**

**To mobilise additional financial resources and expertise for PPPs and other urban development projects with a focus on sustainability/recyclability.**

**To utilise financial and managerial expertise from international financial institutions such as EIB.**





**Leverage major, long-term private sector finance and expertise**

**Catalysing investment in locations that would otherwise fail**

**Promote/foster financial sustainability/independence**

**Holistic approach to investment (i.e. beyond money-making)**

**Public sector objectives protected by fund structure**

**Responsiveness to change (relative to PPP projects)**

**Risk reduction through area uplift over the long term and cross subsidisation between a portfolio of**

# Delivering City EE in Residential Housing

**Managing Authority: Ministry of Finance**  
**OP for Promotion of Cohesion 2007-13**  
**Measure: Holding Fund for the modernization of multi-family houses**  
**Administering Authority of the measure: Ministry of Environment**  
**ERDF + national match-funding: EUR 227 M**

**HF within EIB: 227 M**

**INVESTMENT STRATEGY & PLANNING**

**Lithuanian commercial banks and credit unions**

**UDF**  
**(Separate block of finance)**

**BUSINESS PLAN**

**Leveraged by**  
**commercial co-financing**  
**from banks' own resources**

Repayments

UDF Financial Product

Repayments

## PROJECTS:

energy-efficiency actions in common parts of multi-family residential buildings, included in an Integrated Plan for Sustainable Urban Development (IPSUD)

## BENEFICIARIES:

associations of apartment owners, owners acting under partnership agreement

**Technical assistance:**  
**Housing and Urban**  
**Development Agency**

## Key Parameters of EE Housing Modernisation Loans

Parameter	Description
Term	up to 20 years
Annual interest rate	3%, fixed
Currency	Euro
Grace period	Repayment of principal amount may be deferred until completion of investment project but in any case not longer than 24 months
Deferral of interest payment	Not foreseen
Monthly instalment	According to a loan repayment schedule but kept within the maximum instalment limit imposed by the Government of Lithuania
Prepayment of loan	Allowed without any penalties or other charges if reasonable amount is prepaid
Down-payment	up to 5% of renovation project value; maybe requested by financial intermediaries
Collateral/mortgage	None
Life insurance	None
Guarantees	None
Currency exchange	Exchange fee should not be charged to final beneficiaries (but could be included in the project cost)

- **A reference integrated urban development plan**  
(in line with sustainable development criteria)
- **Commitment of, and clear benefits for, all relevant public stakeholders**  
(e.g. Ministries, Regions, Cities)
- **Transparent and efficient planning process.**
- **Where necessary, technical assistance for project preparation.**



# EIB CONTACT INFORMATION

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