The 2012 SURF Annual Conference
SPRUCE – a new form of public-private investment

Joint European Support for Sustainable Investment in City Areas

- **Financial Engineering Instrument** introduced by the European Commission in collaboration with the European Investment Bank (EIB)
- Use existing **European Regional Development Fund** (ERDF) grant allocations;
- A revolving fund for investment in regeneration and energy projects
- Intended to gaps in provision of development finance
- Provides senior/ mezzanine loans, senior loan guarantee or equity.
- ERDF and match must be invested by 2015
- Initial restrictions on use of ERDF for eligible activities/ sector focus
- Projects must be part of **Integrated Plan for Sustainable Urban Development**
Key Objectives for SPRUCE

Create a Long term Investment Vehicle
- Invest initial capital by 2015
- Recycle returns for reinvestment
- Attract additional finance at fund and project level

Deliver Sustainable Regeneration Outputs
- High quality BREEAM Business space created/ refurbished
- 20,000 tonnes of Carbon Dioxide saved
- Work in partnership with public and private sectors for the good of local communities

Provide a unique source of Development Finance
- Projects that banks won’t or can’t fund
- Flexible, competitive terms and structures to meet project needs
- Unblock stalled projects and build market confidence
Discussion and Application Process

Stage 1: Project screening
- Pre-application form
- Eligibility criteria
- Inception meeting

Stage 2: Application
- Full application form
- M&V plan
- Investment terms

Stage 3: Decision to invest
- Due diligence
- Investment committee approval
- Financial drawdown

Stage 4: Post investment
- Monitoring of
- Reporting on Energy savings
- Repayments