



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 fill 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

