

The Urban Development Funds in the State of Brandenburg

Jan Lewerenz, Lübeck, 20. April 2010

ILB – Objectives and Tasks

The promotional bank of the state of Brandenburg

Implementation of the promotional programs of the state
in the fields of

- Economy
- Infrastructure
- Housing

Instruments

- Grants
- Loans at favourable interest rates
- Guarantees
- Venture and equity capital



ERDF - Urban Development Funds in Brandenburg

Within the directive „Sustainable Urban Development“ 15 cities in Brandenburg can be funded

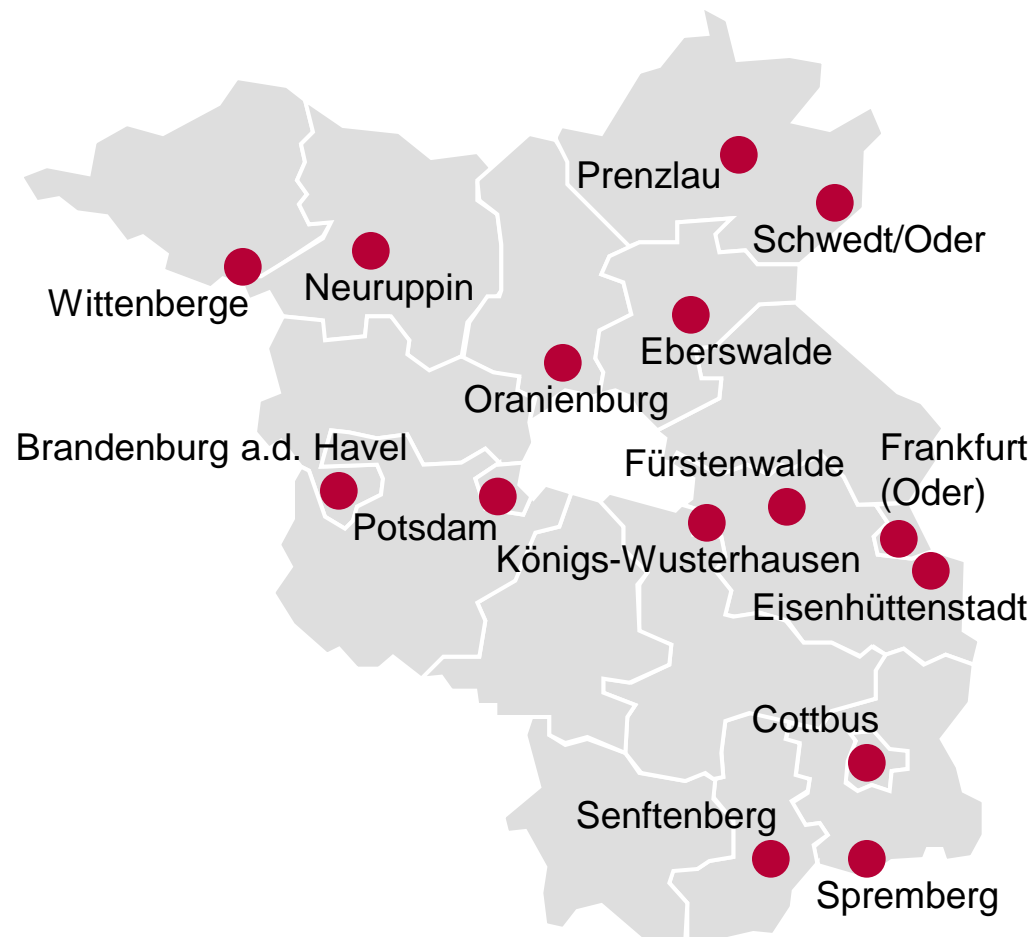
115 Mio. EUR from ERDF are available in 2007-2013

- 100 Mio. EUR for grants
- 15 Mio. EUR for loans

Condition for acceptance in the ERDF-program:

- Elaboration of an integrated urban development concept
- sustainability of the projects in the economic, social and ecologic dimension

These 15 cities in Brandenburg can also make use of the urban development funds.

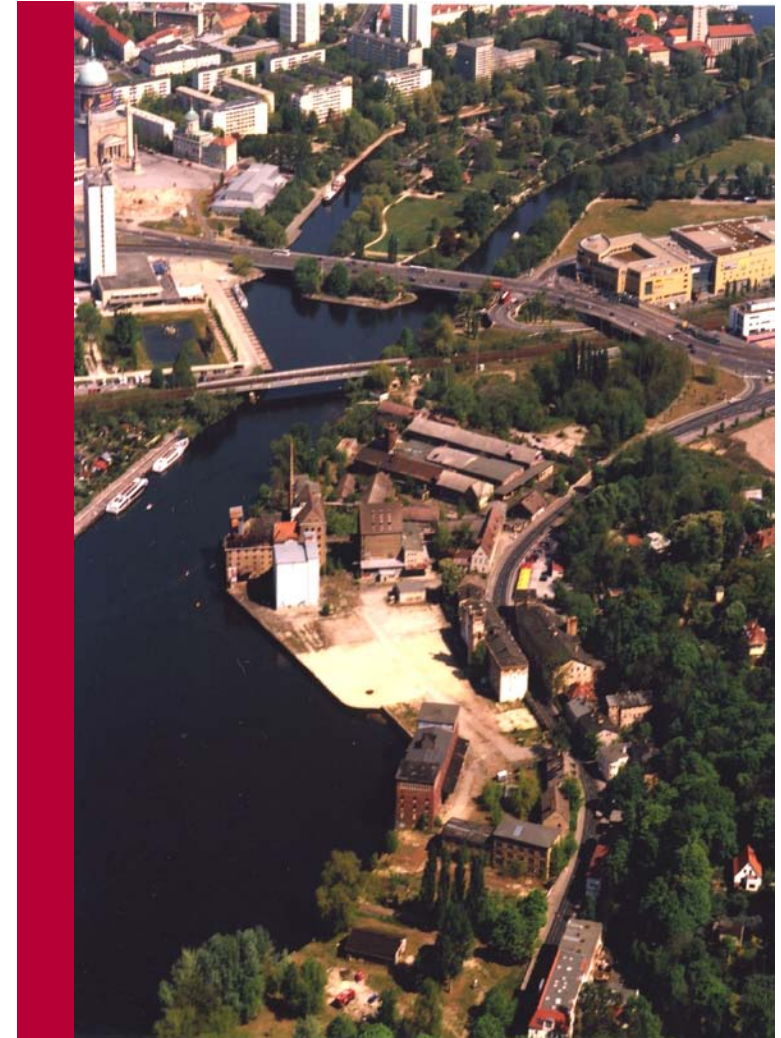


Objectives of the ERDF - Urban Development Funds in Brandenburg

Brandenburg seized the suggestion of the JESSICA-Initiative and developed a concept for an urban development funds

Three objectives:

- Establishing a revolving funds for urban development over the end of the running structural funds period
- stronger consideration of the profitability of projects
- Mobilisation of public and private capital for urban development



ERDF - Urban Development Funds: An Overview

Who can get financing?

15 municipalities from the state of Brandenburg (see map) and companies with a majority of municipal shareholders in these cities

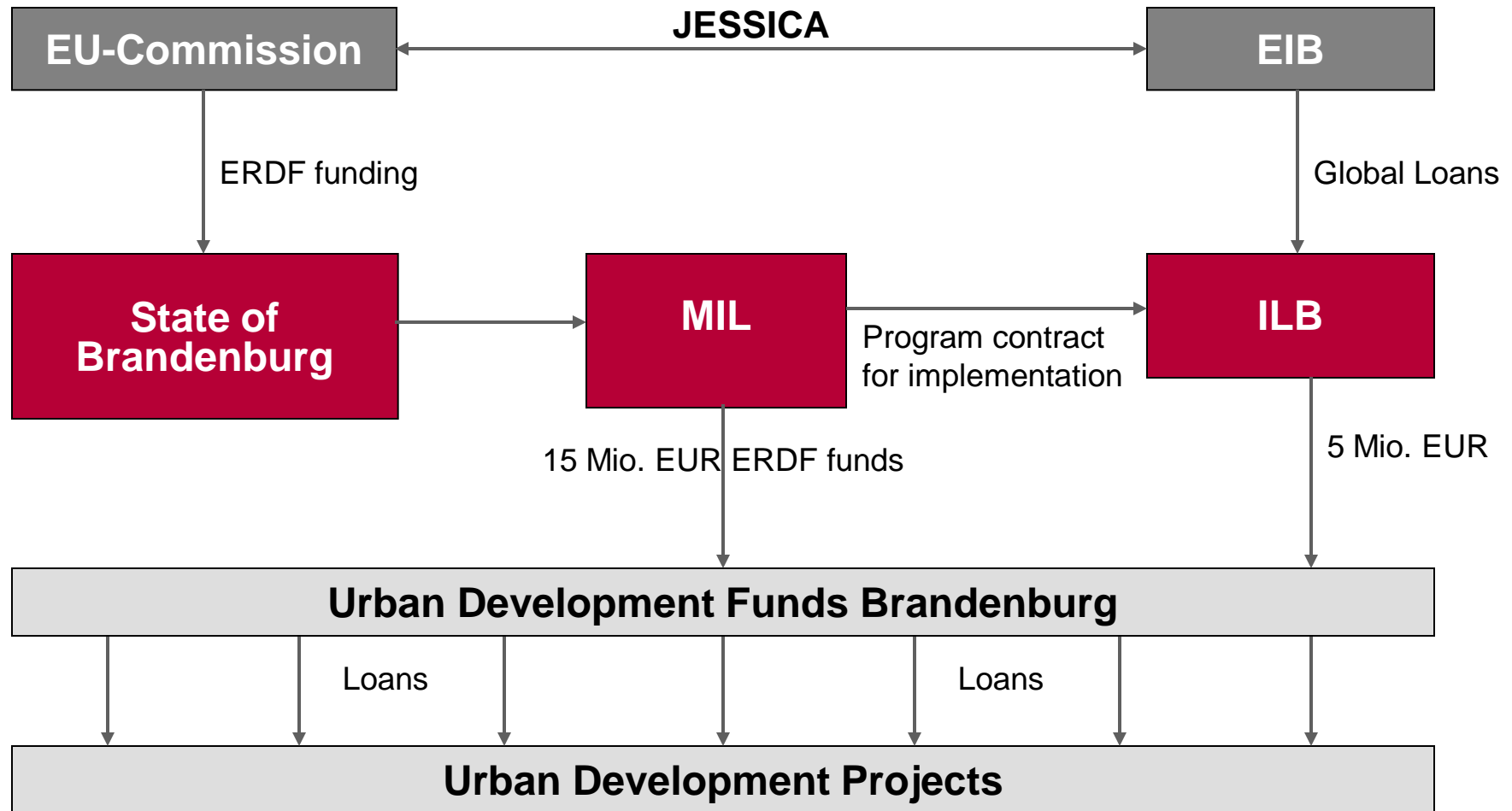
What will be financed?

- Elimination of deficits in urban planning
- Improvement of inner city traffic
- Adaption of social infrastructure
- Adaption of infrastructure for education
- City management and -marketing
- "Urban-Culture,,
⇒ all of these topics may be connected with energy efficiency measures

How will be financed?

- 100% of the investment
- Interest rate 1,5% p.a. for municipalities
- Interest rate for companies in accordance with State Aid Regulations of the EU-Commission (at least 2 % p.a.)
- Instalment credit with a maturity of 10 years
- No repayment for the first two years possible

Basic Model of the ERDF - Urban Development Funds in Brandenburg



Outlook

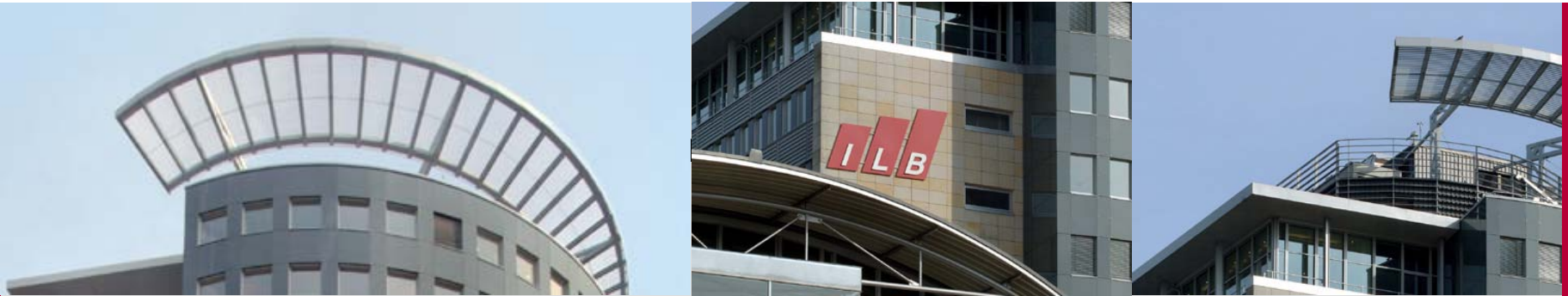
ILB and Ministry for Infrastructure and Agriculture participate in a project co-financed by the Federal Ministry for Housing and Urban Development

Objectives:

- further development of the Urban Development Funds
- Integration of private investors under consideration of the specific situation of the small and medium sized cities in Brandenburg

Subject matter for analysis will be:

- Objectives of a future funds
- Market analysis
- decision criteria
- financial and legal conditions
- implementation of a funds



Thank you very much for your attention!