



Lowlands and Uplands Scotland ERDF and ESF Programmes 2007 - 2013 Programme Monitoring Committee

INVESTMENT STRATEGY AND PLANNING

1. Introduction

- 1.1 The Scottish Government (SG) was allocated €376m from the European Regional Development Fund (ERDF) for the 2007-13 programming period. The Lowlands and Uplands of Scotland (“LUPS”) Operational Programme (“OP”) provides the framework for investing the ERDF allocation and sets out a vision to promote “a dynamic, sustainable international economy which competes on the basis of knowledge, advanced technology and an excellent quality of life for all”; where a) productivity and enterprise levels are high, in a low carbon economy, driven by innovation, leadership excellence and high skills, and b) employment rates are high and concentrations of low employment are eliminated.
- 1.2 In accordance with Reg 1828/2006, an Investment Strategy and Planning document is required where financial engineering instruments are funded through contribution from the Operational Programme. This document therefore aims to set out the principles for a coordinated approach and cooperation among SG, EIB and local partners for the preparation, programming and implementation of the JESSICA initiative in the context of the LUPS OP.

2. Preliminary considerations.

- 2.1 In early 2009, SG commissioned Ernst and Young LLP to undertake a JESSICA scoping study for the Lowlands and Uplands of Scotland (the “JESSICA Evaluation Study”). The JESSICA Evaluation Study was financed by SG and outlined the case for using JESSICA in the region, exploring some of the issues faced in implementing JESSICA as well as potential implications thereof. The JESSICA Evaluation Study concluded that there was a strong case for using the JESSICA initiative to support Urban Development Fund (UDF) investments in the Lowlands and Uplands region, based on a review of emerging project opportunities, how they align to LUPS OP objectives and the prevailing landscape of public and private investment. The JESSICA Evaluation Study further investigated potential UDF structures for implementation. Finally, the JESSICA Evaluation Study outlined the benefits in the establishment of a JESSICA Holding Fund, to facilitate the process of investing EU Structural Funds and other financial resources in UDFs.

- 2.2 In line with the overarching rationale for the use of ERDF grant funding, the JESSICA Holding Fund may invest, via UDFs, in projects that seek to address a certain level of market failure or imperfection. As a result, the risks, and corresponding returns, of such investments may not be commensurate with those taken by a prudent or even market-orientated investor. The ultimate objective of the JESSICA Holding Fund may also not necessarily be to maximise financial return, but rather to achieve economic and/or social returns/benefits from the Urban Projects that it will ultimately support.

3. Investment strategy

Government Economic Strategy

- 3.1 The Scottish Government has a single overarching Purpose – to create a more successful country where all of Scotland can flourish through increasing sustainable economic growth. The Government Economic Strategy, published in 2007, sets out the approach to delivering this Purpose, ensuring that all of the Government's resources and policies are focused on its achievement.
- 3.2 The Government has identified five Strategic Priorities, that are recognised as being critical to the delivery of the Purpose and are embedded in its overall approach. These are:
- **Learning, Skills and Well-being**
 - A supply of education and skills which is responsive to, and aligned with, actions to boost demand;
 - The creation of the conditions for talented people to live, work and remain in Scotland.
 - **Supportive Business Environment**
 - Responsive and focused enterprise support to increase the number of highly successful, competitive businesses;
 - A broader approach to business innovation in Scotland that moves beyond viewing innovation as the domain of science and technology alone;
 - **Infrastructure Development and Place**
 - To focus investment on making connections across and with Scotland better, improving reliability and journey times, seeking to maximise the opportunities for employment, business, leisure and tourism;
 - To provide sustainable, integrated and cost-effective public transport alternatives to the car, connecting people, places and work across Scotland; and
 - **Effective Government**
 - More effective government with a clear focus on achieving higher levels of sustainable economic growth through the delivery of the Government's Purpose and Strategic Objectives;
 - **Equity**
 - To provide the opportunities – and incentives – for all to contribute to Scotland's sustainable economic growth;
 - To accord greater priority to achieving more balanced growth across Scotland, to give all across Scotland the chance to succeed; and
 - To promote economic growth and environmental quality and responsibility as mutually advancing.

- 3.3 Delivery of the Purpose is encapsulated in five strategic objectives that map a Scotland that is wealthier and fairer; smarter; healthier; safer and stronger; and greener.
- 3.4 To maintain focus and maximise the leverage of the public sector, the Government Economic Strategy requires a clear rationale to be established before specific economic interventions are considered. Without addressing significant market failures or legitimate equity concerns, government action risks crowding out private sector activity or creating new sources of inefficiency or inequity. This focus will also be applied to potential JESSICA investments. Investment propositions that form part of integrated urban regeneration schemes can help achieve a balance between economic growth and the social, regional and inter-generational equity objectives of the Government; as well as supporting economic recovery.

Economic Recovery Plan

- 3.5 The Government's strategy has evolved as the impacts of recession have unfolded. The response is set out within the Economic Recovery Plan. This represents a broad framework for action across the public sector, drawing together efforts to refocus and prioritise activity to maximise its collective impact. The plan ensures that every area of Government activity supports economic recovery and long-term sustainable growth by:
- supporting jobs and communities;
 - strengthening Scotland's education and skills; and
 - investing in innovation and the industries of the future.
- 3.6 JESSICA investments have the potential to make a major contribution to all three of these areas. Although project applications will be assessed against a range of criteria, the extent to which they can have an immediate impact and assist economic recovery will be a key factor.

National Outcomes

- 3.7 The Government Economic Strategy is supported by targets that track progress in improving Scotland's growth, productivity, population and participation and delivering the desired characteristics of growth – solidarity, cohesion and sustainability. These targets link closely to the regeneration and sustainable urban development agenda which is central to JESSICA.
- 3.8 Of the fifteen National Outcomes that articulate the Purpose more fully, the following are most relevant:
- We realise our full economic potential with more and better employment opportunities for our people
 - We have tackled the significant inequalities in Scottish society
 - We live in well-designed, sustainable places where we are able to access the amenities and services we need
 - We have strong, resilient and supportive communities where people take responsibility for their own actions and how they affect others
 - We value and enjoy our built and natural environment and protect it and enhance it for future generations
 - We reduce the local and global environmental impact of our consumption and production

- 3.9 This is the domestic strategic framework that JESSICA will operate within. The potential for JESSICA to contribute to the Economic Recovery Plan and the National Outcomes is obvious; and projects supported through this mechanism should be able to demonstrate a clear fit with both.

The LUPS OP Strategy and Objectives

- 3.10 The LUPS OP is designed to enhance competitiveness of the region's economy by supporting the creation of the right economic conditions for growth in employment and enterprise. The LUPS OP complements and supports the EU 'Growth and Jobs' agenda and the LUPS Regional Economic Strategy ("RES") and has a vision to "encourage the growth of the region's economy within a sustainable development framework; thereby enabling all parts of the region to contribute to achieving the Lisbon Agenda goals". The LUPS area covers 93% of Scotland's population with almost 5m inhabitants. Economic activity is largely concentrated within the central belt area between Glasgow in the West and Edinburgh in the East.
- 3.11 The European Council of Lisbon in March 2010 recognised that the extent of poverty and social exclusion in certain areas was a major constraint on the EU achieving its competitiveness aims. The main focus of Priority 3 of the LUPS OP – "Urban Regeneration" – is on the region's urban areas, as it recognised that those areas hold great potential to support strong economic growth. The main objective of the Programme is to focus on sustainable development actions in the urban areas of need. Priority 3 also specifically expresses the potential for making use of the JESSICA initiative.
- 3.12 The eligibility criteria in the LUPS Operational programme are split to reflect two sets of activities:
- Linking urban areas of need with areas of opportunity – by ensuring that people living in less privileged areas can benefit from employment and training opportunities across the region
 - Improving the potential of urban areas to develop – by encouraging enterprise start ups and Small and Medium Sized Enterprises (SMEs).
- 3.13 The PMC has considered the potential for a JESSICA intervention in the LUPS area and agreed that utilising significant ERDF resources to fund activity that forms part of an integrated urban development plan is likely to be a highly effective mechanism to deliver the aims of the Operational Programme.
- 3.14 A JESSICA Holding Fund will invest in those activities listed under Articles 5 and 8 of Regulation (EC)1080/2006 that have also been agreed as eligible under the LUPS Operational Programme.

- 3.15 The following activity may be supported if it forms part of an integrated urban development plan:
- i. Support for development, refurbishment and enhancement of locally based training/learning and e-skills centres
 - ii. Supporting safe transport hubs to link areas of need with those of opportunity
 - iii. Support for projects that promote clean and sustainable public transport to link areas of need with areas of opportunity.
 - iv. Support for investment in increased local access to ICT facilities within communities with the intention of improving skills of local people seeking to re-enter the labour market and increasing access to web based public services
 - v. Support for development and refurbishment of existing facilities and workspace to make them suitable for new or established SMEs or social enterprises (especially those that employ “green design” principles)
 - vi. Support for conversion and adaption to industrial sites and business centres/facilities that offer employment or training opportunities to people living in targeted areas (especially those that employ “green design” principles)
 - vii. Support for energy production from renewable energy and low carbon technologies in response to local energy needs, such as co-generation and distribution energy systems (e.g. such as district heating and CHP projects).
 - viii. Support for schemes that pilot or demonstrate new or innovative approaches to energy efficiency retrofit measures - in particular targeting the retrofit of existing social housing stock.
 - ix. Support for projects that invest in the rehabilitation of the physical environment (specifically work around the decontamination and servicing of brownfield land and gap sites but only if it can be demonstrated that the end use of the land is linked to ERDF eligible activity. This activity excludes development of public realm unless a reasonable and direct physical link is made with ERDF eligible activity).

Supporting grant interventions

- 3.16 In recognising the potential of a JESSICA Holding Fund to support an integrated approach to regeneration, it is likely that some activity associated with urban development plans will continue to require ERDF grant support. If the Holding Fund Manager identifies ERDF eligible activity, either outlined above or in the Operational Programme, that would complement and help embed a JESSICA intervention, they may refer those elements of the integrated urban development plan to the MA. Subject to positive policy input and availability of ERDF grant resources, the Managing Authority may invite completed applications and convene a meeting of the Priority 3 Standing Advisory Group to consider such project applications. In view of the time critical nature of these complementary submissions, an accelerated appraisal procedure would be invoked.

- 3.17 Big Lottery Fund (Scotland) is looking to invest alongside JESSICA interventions, where regeneration proposals comprise project activities that align with their objectives and outcomes. This additional support is very welcome and has the potential to contribute significantly to the transformational change that we aim to achieve in urban communities. This co-investment aims to address inequalities and tackle need; while empowering local groups and communities to develop social enterprise or community ownership initiatives. This aligns closely with the LUPS ERDF Priority 3 objectives of “linking urban areas of need with areas of opportunity” and “improving the potential of urban areas to develop”. JESSICA support will be predicated on the requirement for Urban Projects to be component parts of an integrated plan for sustainable urban development. By their very nature, these plans will have been shaped by extensive engagement and consultation with all interested stakeholders, including community groups and communities of interest.
- 3.18 The Holding Fund Manager will be ideally placed to signpost potential applicants to the possibilities offered by the BIG funding. From the outset, the HF Manager will work to ensure that the respective assessment processes, involving the JESSICA Investment Board and the BIG trustees, are fully aligned; and will ensure that all publicity material relating to JESSICA highlights the potential role that complementary ERDF grant and BIG Trust Fund resources can play in promoting a more integrated approach within Urban Projects.
- 3.19 The JESSICA Holding Fund Manager may be asked to offer advice and input to the appraisal of related grant applications. However, the decision to approve ERDF grant support will continue to be the responsibility of Scottish Ministers, acting on a recommendation from the PMC.
- 3.20 The relatively broad scope of ERDF Priority 3 criteria and the Government Economic Strategy will potentially allow a wide range of Urban Projects to be financed by UDFs. There will be no pre-determined bias or favouritism towards projects targeting any one element of the GES or any specific Priority 3 criteria. Projects that UDFs will invest in will be assessed against a range of criteria, including their economic and regeneration impact, readiness to deliver and robustness of financial projections.

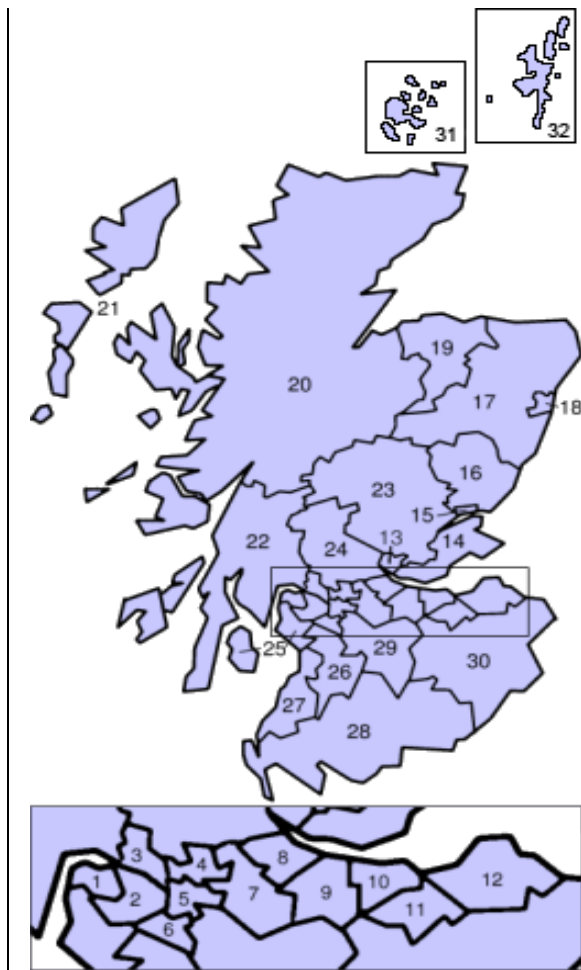
Geographical Coverage

- 3.21 Under Priority 3 of the LUPS OP, a level of spatial targeting has been implemented to ensure the best use of the limited funds available. Areas are reviewed annually, with eligible local authorities meeting two criteria:
- a) the 10 authorities with the biggest share of the worst 15 % of deprived neighbourhoods
 - b) the 7 authorities with the worst incidence of people not engaged in education, employment or training.

3.22 The 13 local authority areas listed below have been identified as being eligible for support under Priority 3 of the LUPS OP (“Eligible Areas”) for the remainder of the LUPS OP programming period (i.e. until end of 2015). SG will continue to review the eligibility on an annual basis and any additional area that might become eligible for inclusion may be added to the list of targeted areas below:

13 – Clackmannanshire	25 – North Ayrshire
15 – Dundee	7 – North Lanarkshire
26 – East Ayrshire	2 – Renfrewshire
10 – Edinburgh	29 – South Lanarkshire
14 – Fife	3 – West Dunbartonshire
5 – Glasgow	9 – West Lothian
1 – Inverclyde	

*The numbers associated with each area refer to their position on the map below:



Integrated Plans for Sustainable Urban Development

- 3.23 An important feature of the JESSICA initiative is that investments by UDFs should be made in Urban Projects – defined as projects that form part of an integrated plan for sustainable urban development. For implementation of JESSICA in the LUPS area, these plans will be influenced by the [National Planning Framework 2 (“NPF2”). The NPF2 is a strategic plan setting out an integrated social, economic and environmental framework for the future development of Scotland, looking forward 15–20 years. It is SG’s response to European guidance on spatial planning and forms the link to European Structural Funds.
- 3.24 There are a number of well developed urban regeneration schemes in Scotland that either have, or are developing, integrated urban development plans. The majority of these are being delivered by special purpose vehicles, such as Urban Regeneration Companies (URCs). There are six URCs in Scotland, five of which are in the Eligible Areas – Clyde Gateway, Riverside Inverclyde, Irvine Bay, Clydebank Re-built and PARC Craigmillar.
- 3.25 Of these, Clyde Gateway is Scotland’s national strategic regeneration priority project. The projects being delivered by Clyde Gateway URC have the potential to impact positively on Scotland’s overall levels of poverty and deprivation; and make a substantial contribution to regional and national economic growth. The projects, and investment that they lever, will also help deliver a lasting physical legacy from the 2014 Commonwealth Games in Glasgow.

JESSICA Holding Fund Strategy

- 3.26 As mentioned above, the JESSICA Evaluation Study concluded that there is a strong case for using the JESSICA initiative in the LUPS area and that this could be implemented through a JESSICA Holding Fund, which would facilitate investments in Urban Projects via UDFs. The JESSICA Evaluation Study explained how intervention through the JESSICA initiative could help to address imperfections in the market to deliver certain types of projects which could stimulate innovation, enterprise, productivity and employment; act as a catalyst for economic development in areas of deprivation; and also mitigate against the impacts of climate change.
- 3.27 The JESSICA Evaluation Study recommended that investment should initially focus on those urban projects that, due to demand/technical risks or a long timescale for returns, are incapable of being supported by conventional commercial financing. As a result, and taking into account state aid constraints, investment may be targeted at those Urban Projects which have a clear commercial rationale but whose risk profile might be unacceptable to the private sector due to factors such as general shortages of funding for such projects, uncertain market demand or longer lead time for returns.
- 3.28 In addition to presenting a commercial rationale, priority will be given to Urban Projects that can demonstrate a clear approach within their plans to delivering both short term regeneration / economic outputs – drawing on best practice in areas such as community benefit in procurement – and longer term outcomes within target communities.

- 3.29 Initially, an amount of GBP [30m] (which includes national Match funding) will be contributed from Priority 3 of the LUPS OP to the JESSICA Holding Fund. Within a relatively short period of time, and prior to investment in UDFs, the JESSICA Holding Fund is expected to receive a further GBP [20 m] (including Match funding) of contributions from SG. Further contributions to the JESSICA Holding Fund might become available through the course of 2010, depending on the demand from Urban Projects and as success of the fund is demonstrated. It is also not excluded that other sources of funding might be contributed into or alongside the JESSICA Holding Fund, to complement the focus and eligibility constraints of the LUPS OP.
- 3.30 Given the relatively limited amount of funding initially contributed to the JESSICA Holding Fund, and to allow for sufficient economies of scale, it is expected that contributions will be invested in either one or two UDFs. In order to better inform the strategy, the JESSICA Holding Fund may initially work with SG and ESEP to seek indicative expressions of interest from Urban Project promoters (which will necessarily include local authorities and URCs). An initial screening of these project applications against LUPS OP Priority 3 and other appropriate criteria may inform the JESSICA Holding Fund strategy, with respect to deciding on the most appropriate number and method of procuring UDFs.
- 3.31 As additional funding becomes available, the JESSICA Holding Fund might also consider a second phase strategy of procuring one or more additional UDFs (including financial institutions) to channel funding to other appropriate project companies (e.g. housing associations). Using financial institutions as UDFs is proving to be a popular implementation model for JESSICA elsewhere in the European Union and might also therefore be considered appropriate in the Scottish context. Although housing is not currently eligible for ERDF support, the JESSICA Holding Fund structure may nevertheless prove beneficial and efficient in channelling this form of complementary financing to deliver wider and more integrated urban regeneration projects.
- 3.32 Finally, given the EU focus on the climate change agenda, the JESSICA Holding Fund might consider investing any additional funding into a thematic UDF at a later stage, possibly focused on energy efficiency or renewable energy projects.

4. Implementing the JESSICA Holding Fund Strategy

- 4.1 The strategy outlined in section 3 will be implemented through the JESSICA Holding Fund, which will initially invest in one or two UDFs as outlined above. The UDFs may need to be established as appropriate 'arms length' investment vehicles to ensure that no direct control or accounting consolidation issues for SG arise.
- 4.2 The exact legal format of the UDFs will be decided during the procurement process; however, some key considerations will be that:
- the structure should not be complex and/or too costly to set-up and manage.
 - it should take a form that will enable the UDF fund manager to lever in funding from other sources.
 - it should be structured to maximise tax efficiencies available for investments to be made and allow for exits to be realised as and when appropriate.

The EIB will work closely with the selected UDF candidates in agreeing the appropriate structure of the UDFs.

- 4.3 The UDFs must invest the allocated amounts by the end of 2015. If progress on investing the allocated amount of a given UDF is deemed to be behind forecast - despite any agreed remedial actions - the EIB will make recommendations to the Investment Board for re-allocating, to the other UDF, of the amounts not yet invested.
- 4.4 The UDF fund manager will agree with EIB a process for drawing down resources from the JESSICA Holding Fund. It is envisaged that the UDF fund manager will only draw down funding as and when it is justified as needed.

Selection of UDFs

- 4.5 The EIB will carry out a procurement exercise to identify, inter alia, suitably qualified, experienced professionals to manage and invest the assets of the UDFs. This will be a transparent process in compliance with the EIB UDF Selection Guidelines. As part of this process candidates will be required to submit a business plan setting out, among other things:
 - 4.5.1 compliance of the UDF investment strategy with the priorities as presented in OP, setting out clear definition of goals, area of action and implementation period as to how these priorities will be achieved;
 - 4.5.2 operational budget of the UDF, including management costs;
 - 4.5.3 ownership and structure of the UDF;
 - 4.5.4 financial strength of investors and other partners in the UDF;
 - 4.5.5 investment track record of the UDF promoter over the past three years benchmarked against peer group, including appropriate case studies
 - 4.5.6 governance of the UDF including evidence of appropriate licensing with the relevant authorities;
 - 4.5.7 provisions on professionalism, competence and independence of the management;
 - 4.5.8 adequate and appropriate internal controls, accounting and reporting procedures
 - 4.5.9 relationship management approach and key points of contact
 - 4.5.10 policy of the UDF concerning exit from investments in urban projects;
 - 4.5.11 winding-up provisions of the UDF, including the reutilisation of resources returned to the UDF from investments or left over after all guarantees have been honoured, attributable to the contribution from the operational programme.

- 4.6 The EIB will evaluate the business plan of the candidates in accordance with articles 43 (2) and 44 of the Implementing Regulation and based on selection criteria approved by the Investment Board. SG will be responsible for ensuring that these criteria are also approved by the LUPS Programme Monitoring Committee (PMC). The selection of the preferred candidate will be made by the Investment Board based on the recommendation of EIB.

Role of UDF Fund Manager

- 4.7 The key roles envisaged for the UDF fund manager will broadly be to:
- 4.7.1 invest in and lead the negotiation and structuring of financial deals in viable Urban Projects which fit within the agreed investment strategy of the UDF;
 - 4.7.2 secure parallel co-investment for the identified Urban Projects wherever possible to ensure that the investment from the JESSICA Holding Fund can be leveraged as much as possible;
 - 4.7.3 Offer input to the appraisal process for supporting ERDF grant applications
 - 4.7.4 monitor compliance and risk in accordance with the LUPS OP; and
 - 4.7.5 recommend and manage appropriate exit strategies.

Investment in Urban Projects

- 4.8 The UDFs will be required to invest only in Urban Projects that fit within the objectives of the LUPS OP, Priority 3. As set out in the Implementing Regulation, Urban Projects cannot involve the creation or development of financial instruments such as venture capital, loan and guarantee funds, nor can the UDFs re-finance the acquisitions or participations in Urban Projects already completed.
- 4.9 Before drawing down funds from the JESSICA Holding Fund, the UDF manager may be required to submit a high-level pre-investment project summary to the EIB to enable it, and the Investment Board where appropriate, to determine the compliance with the policy and strategic objectives of the JESSICA Holding Fund and the individual UDF concerned. Where Urban Projects are not in compliance, the Investment Board will have, at its sole discretion, the power to refuse such investment request put forward by EIB and the UDF. However, EIB and the Investment Board will not have the authority to instruct the UDF fund manager to invest in a specific Urban Project.
- 4.10 Below is an indicative list of Output Targets expected from the JESSICA Holding Fund's investment, via UDFs, in Urban Projects. These are based on the LUPS ERDF Operational Programme Priority 3 indicators and targets. In relation to JESSICA, these are aspirational targets and the performance of the Holding Fund and UDFs in meeting these targets over the lifetime of the Funds will be monitored by the PMC. However, the achievement of these forecast targets will be subject to fluctuating market conditions and other externalities, and any underachievement therefore would not automatically be deemed to be underperformance of the Holding Fund and/or the UDF(s).

Indicator	Type	OP Target	Projected Achievement*	Achieved**	JESSICA Assumption
<u>Linking urban areas of opportunity with areas of need</u>					
No. of job brokerage initiatives supported	Output	30	84	16	N/A
Ha of brownfield land reclaimed or redeveloped	Output	tbc			
No. of ICT and e-learning facilities supported	Output	40	4	15	N/A
No. of childcare and other community facilities supported	Output	30	74	1	N/A
No. of transport hub projects supported	Output	25	2	0	5
Increase in number of individuals gaining employment through supported job brokerage schemes	Result	650	9364	1082	N/A
Increase in number of individuals gaining employment through supported e-learning/ICT facilities	Result	650	1882	15	N/A
Increase in the number of individuals gaining employment through supported childcare/community facilities	Result	500	890	0	150
Time saved per journey (journey time x freight/passenger volume)	Result				
<u>Improving the Potential Capacity of urban areas to develop</u>					
Area of business space created or modified under the "BREEAM" classification (m ²)	Output	7500	11758	0	2250
No. of renewable energy and resource/energy-efficiency project supported	Output	90	6	1	27
No. of enterprises supported	Result	1100	1207	30	N/A
No. of social enterprises supported	Result	350	192	0	N/A
Increase in share of energy from renewable resources in targeted areas	Result				
<u>Priority as a whole</u>					
No. of gross jobs created	Result	4500	888	153	1350
No. of net jobs created	Impact				

* Projected achievement is based on indicators in all approved applications.

** Achieved is based on reported achievement across all approved projects.

A planning assumption has made attributing 30% of appropriate OP outputs and results to the JESSICA Holding Fund. The outputs will be revised, in consultation with the Holding Fund Manager, taking account of the outcomes of the expressions of interest exercise and the agreed indicators will also take account of projects approved up to and including Round 3.

5. Planning

UDF Procurement timetable

5.1 Below is the indicative timetable for putting in place all the necessary systems and structures to enable the commencement of investment by the UDFs:

Action	When
Capitalise JESSICA Holding Fund	Q1, 2010
Establish IB and agree terms of reference	Q1, 2010
Work with SG and/or ESEP in running indicative expressions of interest from Urban Project promoters	Q1, 2010
Assist SG and/or ESEP evaluate Urban Project proposals and, where appropriate, refine UDF procurement strategy	Q2, 2010
Agree selection criteria for UDFs	Q2, 2010
Launch calls for expressions of interest to UDFs	Q3, 2010
Closing date for expressions of interest	Q4, 2010
Evaluation of UDF business plans	Q4, 2010
UDFs approved by the Investment Board.	Q1, 2011
Negotiation of Operational Agreements	Q1, 2011
Operational Agreement terms and conditions approved by the Investment Board	Q1, 2011