



National Promotional Banks and Institutions and Social Infrastructure Investment

Helmut von Glasenapp, Secretary General, ELTI



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27 members including:

- > 20 NPBI from 19 EU Members States
 - > 2 International Financial Institutions (IFIs)
 - > 3 public financial institutions
 - > the Turkish NPBI TSKB
 - > Long-Term Infrastructure Investors Association (LTIIA)
- and European Investment Bank as Permanent Observer



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- President:
Laurent Zylberberg, Director Caisse des Dépôts et Consignations
- Vice-Presidents:
Antonella Baldino, CBO Cassa Depositi e Prestiti
Lutz-Christian Funke, Secretary General KfW
- ELTI Secretary General:
Helmut von Glasenapp

The role of NPBIs



The role of NPBIs II



- Instrument of public policy (-> state owned)
- Intervention with market means (-> theory of market failure)
- Customized to the needs in the respective EU Member State (-> different business models)
- Higher impact of public budget due to loan financing and leverage; crowding-in of private investors
- Foundation of new NPBIs (-> UK, Ireland, The Netherlands, Malta, Romania)



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The role of NPBIs III



- Subsidiarity (European- vs. National level)
- National environment and needs (e.g. different level of risks)
- Proximity and knowledge of local clients (e.g. presence)
- Co-operation with national authorities
- Financing of small projects
- Active in most EU Member States



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HLTF SI



**High Level Task Force
on Financing Social Infrastructure
and Maximising Public Value**



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HLTF SI – Objectives



Social infrastructure



Education and Lifelong Learning



Affordable Housing



Health and long term care



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HLTF SI – Objectives



- Assess investment trends in SII in the EU.
- Define methodologies and metrics to assess public value.
- Provide advice and make proposals to boost investments while decreasing costs and risks.



Investment in social infrastructure



Today (2015 – EU 28) :

- +/- € 65 billion annually for education & lifelong learning.
- +/- € 75 bn annually for health & long-term care.
- +/- € 60 bn annually for affordable housing.
- Grand total = **+/- € 200 Billion**



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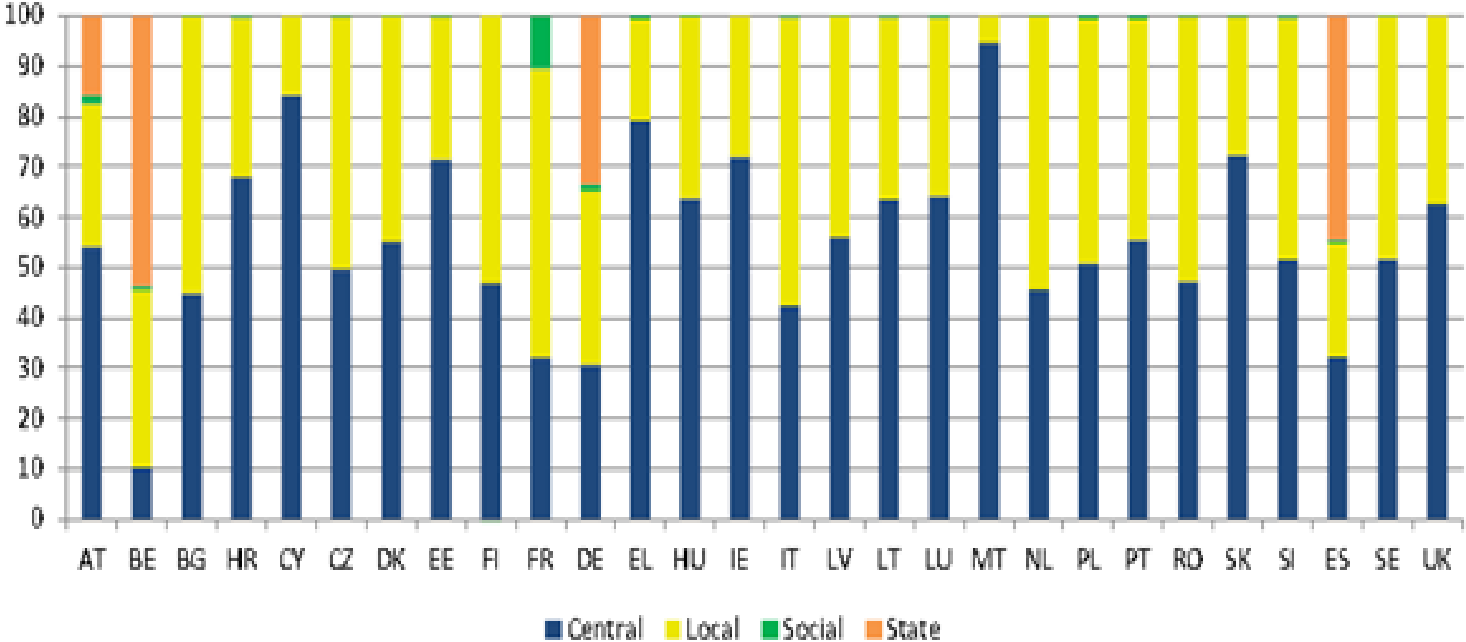
Boosting investments in Social Infrastructure



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Multilevel Governance as a challenge



Share of the four subsectors of the general government in total investment (average 2013-2014). Source: Eurostat.



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Assessing the Investment Gap



Assesment of the HLTF SI: need for a minimum of €350 billion p.a. on Social Infrastructure Investment.

Current SII Investment Gap = €150 bn p.a.



Assessing the Investment Gap



The total estimate for the next 12 years (2030) represents a minimum investment gap of EUR **1.5 trillion**.



Goals of HLTF on SII - 1



1. Develop and promote bankable and investment-ready social infrastructure project pipelines.
2. Enhance the respective roles of promotional banks and the public sector, including at local level.
3. Move from an underinvestment scenario towards a smart capacitating investment.



Goals of HLTF on SII - 2



4. Foster social infrastructure finance, including for the regions with the highest need.
5. Enhance Evidence-based Standard Setting, interoperability of data and impact investing.
6. Establish stable and investment-friendly environment.





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Secretary General



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financial instruments
 revolving capacity building
 added value **ERDF** funding agreement
 governance **ESF** EU guidance
 technical support seminars leverage financial intermediaries ex-ante assessment
 co-financing **ESIF** microfinance case studies
 investments **fi-compass** final recipients
 business plan **Thank you** thematic objectives
 advisory services guarantees banks loans **EaSI** equity
 private investors life cycle combination of support
EAFRD conferences factsheets
 fund of funds **EMFF** investment strategy **CF**
 managing authorities manuals