



General Assembly
27th October 2017

Document MB 2017-003

Subject: Activity Report

Activity Report

July 2016 – September 2017

Since the summer of 2016, the association of National Promotional Banks and Institutions (NPBIs), ELTI a.i.s.b.l., has focused its activities mainly on the Investment Plan for Europe (Juncker Plan), High-Level Task Force on Social Infrastructure (HLTF SI), articulation of ELTI policy positions and development of cooperation between members. Other important initiatives such as e.g. the European Commission's High-Level Expert Group on Sustainable Finance were also covered.

The new structure of the Secretariat with a full-time Secretary-General brought the association into the position to increase the amount of participation in conferences and events. ELTI representatives introduced ELTI positions and opinions with presentations and/or participation/moderation in/at roundtables and discussions etc. over 25 times. The European Commission explicitly requested ELTI contributions 4 times at one of their events. Due to the higher level of activities ELTI and its NPBI members are more visible at the EU level. The association issued 5 position papers which were distributed to representatives of EU institutions and other stakeholders in Brussels as well as the national level. This brought additional awareness of ELTI, its members and our positions.

The Secretariat-General (SG) serves as the focal point of common exchange between members. Workshops held either in Brussels or hosted by one of the members are the most appropriate and intensive possibility for exchange on specific topics. Conference calls and e-mail exchanges were used intensively. The annual General Assembly – hosted in October 2016 by our Spanish member Instituto Credito Oficial – was the main event for a highest level of exchange.

Members took an active role in the definition of ELTI positions. All positions, notably the documents issued by the association are the result of an intensive internal discussion among members. Specific attention was given to small members which are not always in the position to analyse and follow each topic in detail and to the degree necessary. SBCI (Ireland) and MFB (Hungary) who are represented in the ELTI Management Board bore responsibility for backing the interests of all small members.

1. Investment Plan for Europe

Based on the discussions between members during the summer and autumn of 2016 ELTI published a common position paper in November 2016 which pointed to additionality, transparency of the decision-making process, the composition of the EFSI governance bodies and the strengthening of the European Investment Advisory Hub (EIAH). NPBIs are the most important financial intermediary who implement EFSI but on top of the financing ELTI

members developed several investment platforms and signed 20 MoUs with the European Investment Bank (EIB) for the EIAH. The ELTI position was communicated in more than 20 bilateral meetings with EU institution representatives as well the EIB group at all levels. The ELTI position on the EU Commission proposal for an extension of EFSI (EFSI 2) was discussed with MEPs in more than 10 meetings e.g. during a meeting with 9 members of the ECON committee of the European Parliament (EP) in Berlin.

2. High-Level Task Force on Social Infrastructure

Prepared in 2016 and financed by ELTI members and the EU Commission the High-Level Task Force on Social Infrastructure (HLTF SI) was officially launched in Brussels on 13th February 2017. The HLTF SI met three times under the chair of President Romano Prodi and Christian Sautter to steer the work on future needs of social infrastructure in the fields of education, health and affordable housing. Nine experts analysed in working group 1 the current situation and future needs in Social Infrastructure under the chair of Lieve Franssen. Eight experts contributed in working group 2 ideas of future financing models in the field of social infrastructure. The final report will be delivered in the autumn of 2017.

A conference on Social Infrastructure was commonly organised by ELTI members Caisse des Dépôts et Consignations (CDC) and Council of Europe Development Bank (CEB) in Paris in July. More than 100 participants discussed Social Infrastructure in the presence of Romano Prodi, the Director General of CDC Pierre-René Lemas and the CEB Governor Ralf Wenzel. ELTI President Laurent Zylberberg gave a key-note speech and the Secretary-General moderated a discussion panel on affordable housing.

3. High-Level Expert group on Sustainable Finance

In late 2016 the European Commission created a High-Level Expert Group on Sustainable Finance (HLEG) which will give the European Commission (DG FISMA) recommendations on possible improvements for the regulation of financing sustainable investments. Since this group of experts might give important recommendations with significant impact for ELTI members an ELTI representative was nominated and accepted by the EU Commission as observer in the HLEG. A 1st draft report of this group was presented in Brussels on 18th July. ELTI gave commonly agreed answers to a questionnaire of the HLEG. The ELTI observer reported to ELTI Sherpas and members were informed and gave feed-back. The observer continues to work in the HLEG until the end of the year 2017. The final report of the HLEG is expected to be ready before the end of the year. It is intended to present the results during the European Days of Cities and Regions in Brussels, during the World Bank Annual Meeting in Washington and in several other meetings in Brussels and in Europe. The report will show that NPBI contribute significantly to the social dimension of Europe.

4. ELTI members' policy positions

ELTI continued to intensify its activities to contribute to policy- as well as technical discussions about various topics in relation to long-term investment in a broader sense. The following ELTI position papers were published since summer 2016:

- Statement of the European Long-Term Investors Association for the 22nd session of the Conference of the Parties (COP22) "Marrakech Climate Change Conference 2016" (November 2016)
- Investment Plan for Europe - Experience of National Promotional Banks and Institutions and possible improvements (November 2016 and March 2017)

- Common Provision Regulation 1303/2013 - Revision of Article 38
Recommendations from the European Long-Term Investors Association (November 2016)
- Capital Requirement Directive - Review Proposal, article 2 (March 2017)
- Future role of National Promotional Banks and Institutions in the Implementation of EU Funds (June 2017)

Position Papers were sent to recipients inside and outside of the EU institutions involved with the topic, e.g. the last Position Paper was sent to roughly 150 persons in total in the EU Commission, the Council of the European Union, the European Parliament (EP), the Committee of the Regions, the European Court of Auditors and Think Tanks. ELTI members are always asked to discuss the ELTI positions and the possible impact of the topic on the NPBI with their National Governments and shareholders.

ELTI started to invite both representatives from National administrations (ministries) as well as representatives of the European Union to ELTI workshops about e.g. EFSI investment platforms or PPPs. This is highly appreciated by the administrations and ELTI members.

ELTI members' activities, capabilities and positions were presented at several meetings including the annual World Bank meeting Washington, conferences at policy level e.g. conference on transport infrastructure in Sofia under the participation of Commissioner Bulc or meetings in Brussels such as the EP Intergroup on Long-Term Investment or conferences organised by the EU Commission mainly in Brussels. ELTI has regular contact to Members of the EP in relevant committees.

5. Cooperation with other stakeholders

In order to receive broader support for our positions the SG intensified the collaboration with other stakeholders. The HLTF SI brought interest in our activities from both European stakeholders for cities and regions (Eurocities, Conseil des Communes et Régions d'Europe, Assemblée des Régions d'Europe) as well as social sector stakeholders (European association of service providers for persons with disabilities, European Centre of Employers and Enterprises providing Public Services and Services of general interest). The need for information about financing from promotional banks and institutions is extremely high at notably at municipal level. Other European stakeholders e.g. the European Financial Reporting Advisory Group EFRAG are looking for a cooperation with ELTI.

Initiated by ELTI the SGs/representatives of the European Association of Public Banks (EAPB), the Network of European Financial Institutions (NEFI) and the European Association of Guarantee Institutions (AECM) meet every 3 months to inform each other about activities and positions and to identify common activities and positions wherever possible. This is useful since a considerable number of NPBI are member in two or even three of these associations/networks.

6. Development of cooperation among members

Cooperation among members is an important benefit for all members. Since last October ELTI had workshops on Public Private Partnerships and on Investment Platforms (both March 2017 in Brussels). A conference call was held on the possible impact of the Brexit for ELTI members. ELTI answers to the questionnaire of the HLEG on sustainable Finance were elaborated in a conference call between members in late August 2017.

In September 2017, KfW invited members to a workshop on the next EU Multiannual Financial Framework (MFF). It is intended to have an ELTI position paper on the next MFF by early November 2017.

Since the beginning of 2017 ELTI is integrated in the joint Task Force on enhanced cooperation between the EIB Group (EIB and EIF) and National Promotional Banks and Institutions (NPBIs). The SG participated in all meetings of the Task Force.

7. ELTI internal affairs

Following a decision of the General Assembly the association rented an office for the assistant as of February 2017. This includes a desk for visitors. ELTI member representatives are welcome to use this desk if required. The Secretariat General moved in July 2017 together with KfW, CDC, CDP, bpiFrance and NEFI to new shared offices in the European quarter of Brussels, at Rue Montoyer 51. The SG proposed to have monthly meetings of ELTI members present in Brussels for an exchange of ongoing developments. After the decision to continue with a part-time support in the SG the assistant Julia Rowe will leave ELTI.