



Activity report

The last year of the Juncker-Commission was dominated by the finalisation of several European initiatives. The European Association of Long-Term Investors (ELTI) and its members provided significant support in various discussions, based on the positive developments and achievements in the association over the last years. Today the association represents 29 members of which 22 are National Promotional Banks and Institutions (NPBIs) from 20 EU Member States. The combined balance sheet total of our members resulted in over €1.752 bn with annual commitments making up more than €190 bn¹. In the past few years, ELTI has significantly improved the cooperation between NPBIs and thus helped its members to present their interests via a single voice. NPBIs are recognised in Brussels as a strong and reliable financing partner and EU Institutions have the personal “entry point” to the common views via the President, Vice-Presidents and the Secretary-General. Important achievements of ELTI include:

- The InvestEU program, whose legal base comprises the overall idea of NPBIs becoming “Implementing Partners” of the central Financial Instrument of the European Union as of 2021. The regulation includes many elements which take into account the varied business models of NPBIs which came as a result of the discussions with the European Commission and co-legislators.
- ELTI initiated the High-Level Working Group on Social Infrastructure which was chaired by the former President of European Commission, Romano Prodi, and the former French Minister of Economy and Finance, Christian Sautter. The European Commission supported and promoted this

¹ End of 2017

work. The study published in 2018 received noteworthy attention under the InvestEU program including a policy window to promote investments in social infrastructure and skills.



- Representatives of the association and its members contributed to the **High-Level Expert Group on Sustainable Finance** as well as to the **Technical Expert Group** preparing proposals on Taxonomy, Green Bonds and other relevant topics.






The association and its members contributed to these achievements through several ongoing activities including:

(1) Implementing European policies

- Open and constructive support for EU initiatives (e.g. EFSI) with significant volumes of promotional financing, innovative financial solutions (e.g. platforms) and a noteworthy effect on the ground including improved visibility for citizens in the majority of the EU Member States.
- ELTI members are cooperating by setting up European Investment Funds. The Marguerite Fund I committed over €700 million equity and quasi-equity capital to 20 investments in 13 member states, acting as a catalyst for projects with an aggregate size of over €10 billion. In 2019, the Marguerite II Fund had its first closure. With an investment volume of €750 million, Marguerite II aims to act as a catalyst for greenfield and brownfield infrastructure investments in renewables, energy, transport and digital infrastructure, implementing key EU policies in the areas of climate change, energy security, digital agenda and trans-European networks.
- The first closing of the Connecting Europe Broadband Fund (CEBF) was finalised with a volume of €420 million in 2018. The CEBF will invest in underserved areas where there are strong opportunities for profitability.
- In the summer of 2019, the EU's largest national promotional banks and institutions and the European Investment Bank launch a €10 billion initiative to accelerate the transition towards a sustainable and circular economy.

(2) Intensified communication with stakeholders

- Clear position papers with relevant arguments based on experience on the ground and drafted by its members, thus allowing to comprise their interests in a balanced way and customised to the needs of stakeholders (e.g. "InvestEU: How concretely to deliver" from 24.09.2018 <https://www.eltia.eu/images/2018.10.02 - InvestEU - How to concretely deliver.pdf>)
- Communication with all relevant stakeholders at political as well as technical levels. 3 ELTI delegations visited Members of the European Parliament in Strasbourg. We have also organised ELTI events allowing for the exchange of information and procedures between members with stakeholders (e.g. discussion with Financial Attachés from the Permanent Representations of EU Member States, European Commission representatives and Members of the European Parliament, etc.) as well as various other events for networking purposes. The cooperation of ELTI members in meetings with stakeholders proved to be extremely successful.
- The professional distribution and presentation of our work, positions and impact in EU Member States and at European level is a crucial element of members support. The  [ELTI web-page](#) was modernised and it will continue to highlight examples of projects financed by members. This is complemented by an ELTI presence in Social Media (Twitter  [@ELTIassociation](#) and  [LinkedIn](#)).
- Presentation of NPBI positions in events organised by the EU Institutions, the European Investment Bank (EIB) and stakeholder events (e.g. EUROFI)

The overall visibility of NPBI was significantly increased and members benefited from a more intensive presence as well as from the exchange between members.

(3) Exchange between ELTI members

- The transfer of know-how and expertise between members in workshops, webinars and conference calls on different topics of relevance for NPBIs. The participation of members has also increased over the past three years.
- The Secretariat organised several meetings, phone calls and webinars to discuss and co-ordinate the positions of members. ELTI Members present in Brussels teamed up with the Management Board member institutions to prepare initial drafts. These were then discussed in a constructive manner amongst all members.

InvestEU and Sustainable Finance – the last year of the “Juncker Commission”

During the past 18 months, the European Commission has predominantly focused its activities on the adoption of the proposals made and via their implementation during the last year of the “Juncker Commission”. The most important initiatives for National Promotional Banks and Institutions (NPBIs) are the:

- Multiannual Financial Framework (MFF 2021 – 2027), including InvestEU, and the
- Sustainable Financial Action Plan

1. InvestEU

The association and its members were intensively included in the preparatory discussions on InvestEU. On several occasions, ELTI prepared comments, non-papers, position-papers as well as providing oral feed-back to the European Commission (COM), the European Parliament (EP) and the European Council. The first position paper on this subject was published in November 2016. Since then, 6 more position papers were developed and published. Due to the broad experience of members in their activities, size and experience on the ground, ELTI is able to provide significant impulses on how to shape the InvestEU programme.



The finalisation of the “secondary legislation” for InvestEU which include the Investment Guidelines, the treatment of Implementing Partners with regard to State Aid in the frame of the

General Block Exemption Regulation (GEBR) or the reporting process of risk-assessment began in the summer of 2019. The association and its members are included in the relevant discussions and consultations. Working groups on the procedures required for risk assessment and sustainability proofing were set up by the European Commission and where members have already signed up to participate.

2. Sustainable Finance

Sustainability is one of the top priorities of the European Union and EU Member States as well as member institutions. The Action Plan on Sustainable Finance, which was adopted in May 2018, is focusing on incentives for financing sustainable investments and an increased involvement of the private financial sector. Furthermore, Member States are required to establish a 10-year National Energy and Climate Plan (NECP) for the period between 2021 and 2030 in order to meet the EU's new energy and climate targets for 2030. The final versions of the NECPs should be adopted by the end of 2019. ELTI presented the capabilities of NPBIs to finance necessary investments to the Director Generals of all EU Member States together with the European Investment Bank (EIB). This dialogue was continued with a webinar about the concept of the NECPs and will be further intensified.

3. ELTI internal affairs

ELTI welcomed Instituição Financeira de Desenvolvimento (IFD), Portugal as its 29th member. ELTI NPBIs are now represented in 20 EU Member States.

In addition to the General Assembly – which gives the opportunity for an informal exchange between members – the CEO of French NPBI, Caisse des Dépôts et Consignations (CDC), invited the CEOs of all ELTI members to an informal dinner-meeting in Paris last June. This was highly appreciated by all participants with the CEO of Italian member Cassa Depositi e Prestiti (CDP) already inviting his colleagues to come to Rome for a similar event in 2020.

Following a proposal by members during the last General Assembly, the Secretariat General has organised 8 webinars on different topics, thus allowing for an increase of member participation in common discussions.

Our General Assemblies bring together representatives of all ELTI members, our Permanent Observer, the European Investment Bank, as well as external guests and experts. The focus of these meetings is twofold:

- Informal exchanges between members
- Structured discussions on various topics of interest

Meanwhile, formal votes and administrative exercises were limited to the absolute necessary.



4. Outlook

ELTI members will elect a new Management Board at the next General Assembly. The presence of Small Members in the Steering body of the association will be strengthened.



2020 will be the year to finalise the preparations for InvestEU in order for NPBIs to be ready to provide financing for projects covered by an InvestEU guarantee by early 2020. The majority of members are currently undergoing the pillar assessment in order to become an Implementing Partner of the European Commission. A first call was already announced for early 2020.

ELTI members will see an increasing need for Sustainable Finance and the association has started to prepare exchanges with the European Commission on this topic as well as between its members.

We expect additional initiatives from the next European Commission, – the “von der Leyen Commission” - such as the “New Green Deal” introduced by the President-elect Ursula von der Leyen. The association and its members will continue implementing European Initiatives in their countries and thus support this European cohesion process.