



Consignment Deposits and Loans Fund

ELTI – CDLF Workshop

The experience of NPBIs in mobilizing financial resources for investments and services by local authorities

ELTI – CDLF Workshop June 23 2022

Overview

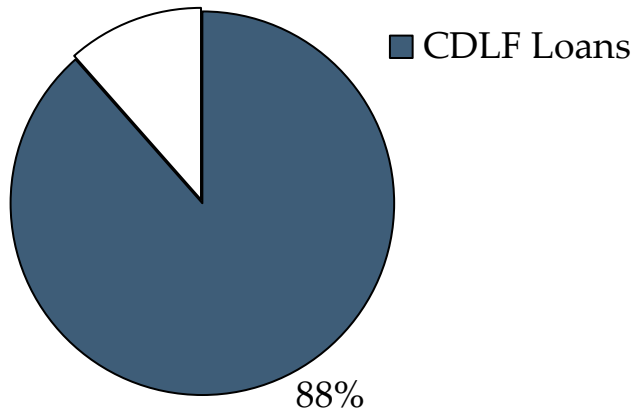
An organization with an over 100 years history serving the social interest

- Started operations in 1919 as a specialised public credit institution servicing social interest
- Is registered today as a General Government Entity, fully state operating under the supervision of the Ministry of Finance
- Enjoys the implicit guarantee of the State
- It has budgetary and administrative autonomy and 70% of the net profits are given to the State as a dividend
- The Board of Directors is appointed by the Minister of Finance for a 3-year term and has 11 members, out of which 4 seats are reserved for institutional members and 7 members are independent. The Chairman and a Deputy Chair are also appointed by the Minister of Finance for the same tenor
- It employs 311 people
- Headquarters are in Athens and it operates a network of 3 branches in Piraeus, Patras and Thessaloniki as well as 69 offices in major Greek cities



Main bank financing source of Municipalities and Regions via loans for investments and financial restructuring

CDLF Loans as a % of total Greek muni bank debt



Outstanding Loan Balance to Municipalities:

Municipalities & Regions:	1,0 bn
Companies of Municipalities	0,2 bn
Total:	1,2 bn

Objectives of Municipal Financing



1. balanced, sustainable and fair development of the municipalities of the country
2. infrastructure improvement
3. employment
4. competitiveness of the local economy
5. the elimination of inequalities between the more and less financially robust local authorities with the aim of achieving regional convergence.

Financing Programs

Current Programs:

- Program “Antonis Tritsis”  
- Greek Local Authorities Framework  
- Own Funds Program (Presidential Decree 169)

Under Development Programs:

- Program “Electra”  
- Program “Nearchos”

Current Programs

Current Financing Programs – Program “Antonis Tritsis”

Total Budget:	2,3 bn
CDLF Funds:	0,5 bn
EIB Funds:	0,5 bn
State Funds:	1,3 bn



Projects:

- water supply
- sewerage
- flood protection
- restoration of damages from natural disasters
- restoration of uncontrolled waste disposal areas
- rural road construction
- construction or restoration of municipal buildings

Structure:

- EIB lends the CDLF
- CDLF lends the municipalities with own funds and EIB funds
- Repayment is made to the CDLF by the Public Investment Program of the Ministry of Interior and not by the municipalities
- CDLF repays the EIB for it's part of lending

Disbursements Until 31/5/2022:

340m

Current Financing Programs – Greek Local Authorities Framework

Total Budget:	134 m
CDLF Funds:	34 m
EIB Funds:	100 m



Projects:

Mainly environmental improvement and energy efficiency (42m streetlighting)

Structure:

- EIB lends the CDLF
- CDLF lends the municipalities with own funds and EIB funds
- Municipalities repay the CDLF
- CDLF repays the EIB for it's part of the lending

The lending has been completed.

Current Financing Programs – Own Funds Program (PD 169)

Type of Funding:

Exclusively by the CDLF



Financing that requires market failure :

- Studies, the supply or lease of machinery and equipment for the execution of works and the compensation of the expropriations for infrastructure projects
- Financial Sanitization
- Other needs of local authorities

Projects that do not require market failure:

- Infrastructure (e.g. streets, sidewalks, sport facilities etc)
- Environmental Improvement (e.g. parks, playgrounds, waste management etc)
- Waste and Sewerage (for Municipalities without water companies)
- Social Housing
- Public Interest (e.g. cemeteries, centers for the elderly etc)



Current Financing Programs – Specialized Programs of PD169

- Energy Upgrade of Streetlighting

fast procedures, low interest rate, in collaboration with the Centre of Renewable Energy Resources

- Electricity generation projects with net metering

Installation of photovoltaic stations

- Funding program for participation in PPP projects

CDLF funds up to 30% of the project budget

- Loan refinancing program

Refinancing of existing loans granted by the CDLF or other banks with the creation of a new loan with a favorable interest rate and a tenor up to 35 years.

- Budget Balancing Program

Municipality debt financing for municipalities that cannot balance their budget



Programs Under Development

Programs Under Development– Program “Electra”

Energy upgrading of the state-owned buildings with interventions in the following areas:

- the shell of the building
- electromagnetic facilities
- static reinforcement
- radical renovation



Total Budget:	714 m
CDLF Funds:	125 m
EIB Funds:	375 m
Other Funds:	214 m

Repayment of loans by the Public Investment Program of the Ministry of Interior. Same structure as the “Antonis Tritsis” Program.



Programs Under Development– Program “Nearchos”

Projects

- Port infrastructure works and installations of building infrastructures and equipment of the port authorities, Public Merchant Navy Schools and any other building installation and infrastructure under the responsibility of the Ministry of Maritime Affairs and Insular Policy
- infrastructure projects and water management and distribution networks, mainly for small remote and arid islands
- energy management projects
- contracts for the provision of public maritime cabotage services

Beneficiaries

- State and Municipal Port Funds
- Port Organizations
- Port Management and Operations Bodies



Repayment

By the Public Investment Program of the Ministry of Maritime Affairs and Insular Policy.

Overview of indicative projects & initiatives

Completed



- Road construction, renovations, water and sewage for the City of Nea Prompontis
- Budget: **EUR 15 mln** (financing)



- Energy upgrade of street lighting installations of Local Authorities (35 Municipalities)
- Budget: **EUR 60 mln** (financing)



- Sport facilities, road constructions and other renovations for the City of Kalamata
- Budget: **EUR 5,8 mln** (financing)



- Study subsidy program for small mountainous and island municipalities until **EUR85K** (2015-2020)
- Budget: **EUR 15 mln** (Subsidy)



- Underground Parking for the City of Aghios Dimitrios in Athens
- Budget: **EUR 2,6 mln**



- Community service subsidy program (2015-2016)
- Budget: **EUR 7,5 mln**

CDLF's loans to local governments allows them to invest in key sectors for growth, jobs and quality of life such as: transport, educational infrastructure, cultural and historic heritage, rehabilitation of public buildings, environmental improvement, energy efficiency and tourism infrastructure

Selected case study

A successful co-operation in supporting local governments and public sector entities into sustainable development and transition to digital transformation




CDLF – EIB Co-financing Agreements


EI Advisory Hub provides technical support to CDLF



Technical Advisors

 **ΚΑΠΕ CRES**

✓ EUR 100 mln “Loal Authorities Framework” Financing Program w/ investment budget of EUR 134MLN

 **Ε.Ε.Τ.Α.Α. Σ.Α.**
HELLENIC AGENCY FOR LOCAL DEVELOPMENT AND LOCAL GOVERNMENT

✓ EUR 500 MLN “Antonis Tritsis” Integrated Program w/ investment budget of EUR 2,300MLN

 **ΚΑΠΕ CRES**

✓ EUR 375MLN “Electra” Integrated Program w/ investment budget of EUR 714MLN

✓

Design & Implementation of an electronic platform to support all the loan request stages and handling of relevant documents