



Cassa Depositi e Prestiti - Workshop Municipal Financing

23/6/2022 Athens

Cassa Depositi e Prestiti
Investiamo nel domani

CDP – Italian National Promotional Bank



*Cassa Depositi e Prestiti («CDP») has been founded in 1850 with the aim to **finance public entities through private postal savings**. CDP has also been transformed in S.p.A. with DL 269/2003*



*CDP from its foundation, has always sustained public investments with the goal to **generate positive processes of economic growth for Italy**. In particular, CDP has financed the main Italian Infrastructures together with schools, local entities, etc.*



*In the years, CDP has extended its operations and currently finances **public entities, small business and enterprises, and it is also a long term investors for equity investments**. From 2015, CDP is officially considered as a **National Promotional Bank***

CDP is the key actor of Italian relaunch of public and infrastructural investments



Financial resources and **capability to support long terms investments**



Financial and technical know how



Long term relationships with Italian Public Entities



Institutional Investor aligned with public needs



National Promotional Institution



Management of Italian and European funds



Complementary with financial investments



Joint with private investors



Infrastructures



Public Entities



The «Gestione Separata» for public financing

Regulatory framework



In 2003 CDP
became a
S.p.A.

This conversion was made by the Ministerial Decree of 5 December 2003, according to the Decree Law 269/03



*According with the Decree Law 269/03 (Art. 5), the granting of loans, in any form, in favor of the **State, Regions, Local Authorities, Public Entities and Public law bodies** falls into the so-called «**CDP's Gestione Separata**», a specific separate form of accounting.*



*The special – purpose loans issued by CDP mainly use redeemable funds in the form of **passbook accounts** and **postal savings bonds**, which are a State-guaranteed instruments and distributed through **Poste Italiane S.p.A.***



*On 23rd of february 2005 CDP marks the **final transition** from **public credit regime**, defined by Ministerial Decree of 7 January 1998, to a **common law regime**, according with the guidelines set by Ministerial Decree of 6 October 2004.*

The «Gestione Separata»

The main principles of «Gestione Separata 1»



Service of general economic interest

Loans are granted in accordance with the principles of **accessibility, equality of treatment, pre-specification of terms and non-discrimination.**



Special-purpose loans

Loans are granted for investments in the **public interest**



Interest rates

The financial equivalent of CDP rates may not exceed the rates set by MEF for loans paid by State. Interest rates applied to the special-purpose loans are **predetermined** and **published** in at least one **national business newspaper.**



Contracts

The granting of loans requires a **contract in written form**



General terms and conditions

General terms and conditions of investments loans are **published** on **Gazzetta Ufficiale and CDP website**



CDP's active role

The application of the Decree Law provisions is subject to the adoption of specific resolutions by the CDP Board.

Mission e main results of Public Financing Department



We guarantee to public entities specific medium-long term **loans aimed at making public investments and infrastructures**. We intervene to meet **liquidity needs** with extraordinary **short-term loans** and carry out operations, even in particularly critical contexts, to free up resources and enable interventions in favour of the territory



**Financial sustain
to public entities**

Debt Management

>1.700

*Local entities financed in
2021*

CDP Public Financing customers target lines



INTRODUCTION

According with the
Decree Law 269/03
**CDP S.p.A. finances, in
any form:**

- **Local Authorities**
- **Regions**
- **Public Entities and
Public law bodies**

I LOCAL AUTHORITIES

- Local Authorities is a city or town which is governed by its own locally-appointed officials.



entities

~ 8.000

II REGIONS

- Regions are a specific **administrative division** of Italy. There are 19 regions in Italy + 2 autonomous provinces (“Province Autonome”) equated for all intents with regions.



entities

21

III PUBLIC ENTITIES and PUBLIC LAW BODIES

- Public entities and public law bodies means any **body governed by public law**, established for the **specific purpose** of meeting needs in the general interest such as universities, port authorities, local health companies...



entities

>10.000

The role of Public Financing Department

*Public Financing offer constant financial, technical and administrative advisory in favour of **Regions, Local Authorities, Public Entities**:*



Carrying out the preliminary, contractualization and ongoing activities (changes of destination and changes of borrower or beneficiary of the loans) of Public entities' loans.



Ensuring performing activities of preliminary investigation, entrustment, contractualization and ongoing activities of Treasury advance contracts in favour of Local Authorities with more than 15,000 inhabitants.



Ensuring performing activities of granting and contractualization of Cash advances, in addition to credit acquisition from Public entities



Ensuring the **development of new products** and services in favour of Public entities



Promoting and directly managing State and European funds (**mandate management**)

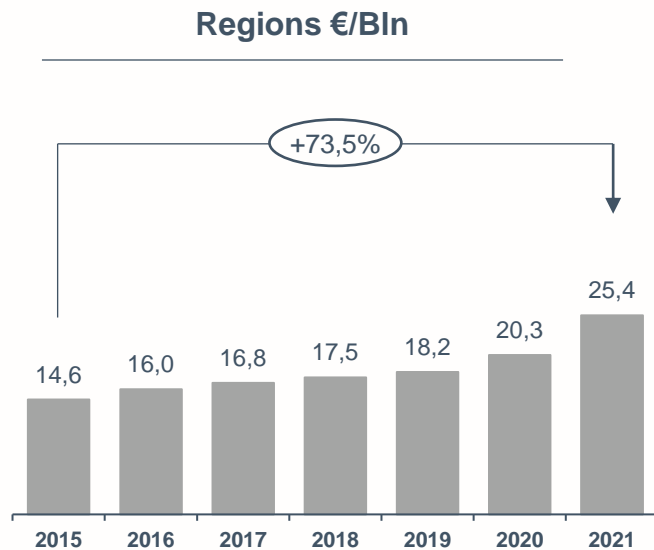


Supporting other CDP departments in the **management of relations** with the relevant **Ministries on the competence center**.

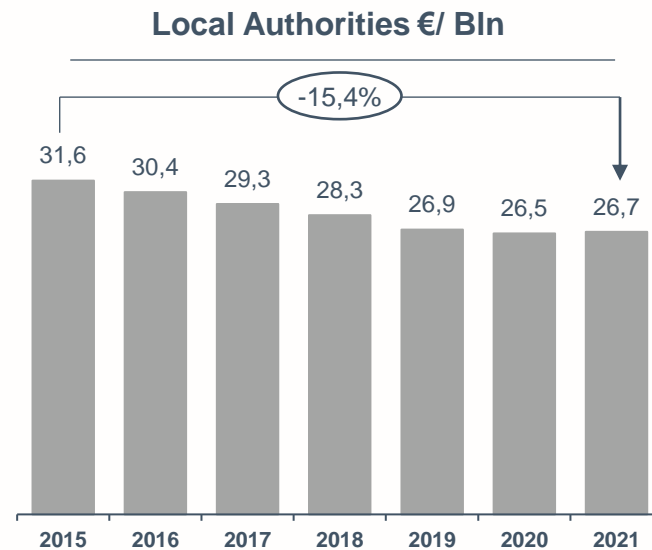


The stock of debt issued by CDP Public Financing

Regions and Local Authorities



✓
+ 10,8 €/ Bln from 2015 to 2021



✓
- 4,9 €/ Bln from 2015 to 2021. Debt stock level in 2021 is the same as 2020

Ongoing specific activities in order to sustain local entities in this period of international crisis

INTRODUCTION



CDP sustains local entities not only through specific financing loans but also **with advisory services that are key in order to guarantee the development of specific investments and infrastructures**



CDP is currently helping local authorities in different ways with the aim to develop new investments with both new financing and national / European funds (particularly NRRP)



1



Advisory services to local entities in order to support the development of NRRP investments



1



Financial product for Public sector dedicated to ESG investments with discounted interest rates



2



Blending financing of CDP mortgages with European and national funds

CDP Strategic Plan intends to respond to the great challenges ahead

Post-pandemic world will face an acceleration in major global trends:

Climate change and ecosystem protection



- **Energy transition** and development of **clean technologies**
- **Circular economy**, energy efficiency and **urban regeneration**
- **Protection** of water, forests, **biodiversity**

Inclusive and sustainable growth



- **Diverging demographic trajectories** between developing countries and emerging and advanced economies
- New models of **social and economic inclusion**
- Migratory flows due to **climatic and political imbalances**

Digitalization and innovation



- **Digitalization**, connectivity and **smart-cities**
- **Innovation hubs** and open-innovation activities
- **Cybersecurity**, data management & protection
- **Advanced Manufacturing**

Rethinking global value chains



- **Shortening of global value chains**
- Reshoring, nearshoring, and **friendshoring** phenomena
- Change in **logistics model**
- Evolution in **job market**

CDP's strategy is aimed at driving the green transition in the Italian economy



CDP strategy is consistent with **Italian national and international commitments** as well as it ensures **alignment with EU policies**;



CDP intends to act according to the **additionality principle** meaning that investments will be **targeted to sectors and areas in which markets may fail to meet the optimal societal requirements**;

Focus on (e.g.):



Increase **infrastructure resilience**



Progressive **adoption of carbon neutral** technologies



Electricity generation capacity from **renewables**



Carbon Capture and Storage techniques



Circular economy and use of secondary raw materials



Sustainable use and **protection of water**

<...>