

Keynote Address: “***Supporting Local Governments to navigate the pressing challenges head on***”

I am delighted to welcome you in today’s initiative, that its focus is the long-term financing for local governments; and to our capital city, a place steeped in philosophy and history.

For those of you who are interested in history, this building that today operates as the cultural center of the City of Athens, was designed by the German architect Frederic Stauffert and opened its doors for the first time in 1842, as the Municipal General Hospital.

I can’t say enough on how grateful we are for having with us the Mayors of the City of Athens, the City of Trikala and President of the Central Union of Municipalities of Greece, and the Mayor of Varis, Voulas Vouliagmenis. They will share with us the experience of their cities, as these are challenged by the aftermath of urbanization, of climate change, of financial disruption and other, as well as their views on what lies ahead.

In this place of culture, we will not only present views, but we will work. It is not a conference; it is a workshop. In this effort, we have six entities, fellow ELTI members specializing in local government financing: our members from Italy, from the Republic of Lithuania, from France, from Czech Republic and of course the bank of European Union, the EIB.

All of us, the members of ELTI and the local authorities, have one compass, being the improvement of policies and the enhancement of our communities’ resilience.

Today we will focus on what is needed to encourage a two-way partnership, a *symbiosis*, between financial institutions and local authorities, so that *their* challenges become better integrated into *our* priorities.

Ladies & Gentlemen

Symbiosis requires to understand each other; so, let me start by *who we are*.

CDLF is the largest National Promoting Financial Institution in Greece.

In the core of our strategy is the provision of services to citizens, either directly as the custodian of public deposits or indirectly, as the main financing provider of Greek local governments. We support them *all*, irrespective of their size, operational or technical capacity.

To showcase our performance, I will quote a few numbers: the assets under management exceed the amount of 10 billion euros, have a positive bottom line every year, we enjoy liquidity of 92.4%, and what is even more interesting is that today our institution has the mandate from the government to finance and support Urban Development and Energy Efficiency Programs for Local Governments that exceed the amount of **3 billion euros**. To gain a better sense of the exponential evolution of our activity, just consider that 3 years ago this amount was just **134 million euros**.

More important than the numbers, is the *purpose*: the projects we finance, bring benefits economically, environmentally, and socially.

Ladies & Gentlemen

We live challenging times, and there are more to come.

So, from our discipline is important to consider what all these imply for municipalities' investment and financing decisions and how we, as long-term financing providers, can support the local authorities, to satisfy their growing needs and thrive, while promoting progress.

In an excellent book titled "*Performance and Progress: Essays on Capitalism, Business, and Society*¹", eminent scholars, Nobel prize winners and business leaders, give us a broad view on what is happening. They suggest that, for centuries the main theme of successful performance has been achieving bigger turnover, bigger GDP, bigger *output*. And despite the output growth today there is an increasing divergence between levels of *output* and levels of *trust*.

Let me note that as per the Edelman Trust Barometer 2022: "*distrust is now society's default emotion*".

Quoting Professor Subramanian Rangan²: "for centuries we focused on a so-called *output world* rather on an *outcome world*. For example, cars were output, mobility is outcome; medicines were output, health is outcome".

Thus, adopting the terms proposed by Prof. Rangan, people today want mobility & health and expect that entities, public or private, shape their strategy by taking into consideration the *fairness*, the *well-being*, the *nature*, and the *future*.

We expect leaders to think about the environment, the long-term implications of their decisions our life and apply fair decision-making processes. A new acronym constantly tweets in recent times, it expresses people's outcome expectations; and this is ESG. A new term is used, and this is *sustainability*, and sustainability is *progress*.

¹ Oxford University Press, 2015

² Mr. Rangan is an INSEAD Professor of Strategy & Management and The Abu Dhabi Crown Prince Court Endowed Chair in Societal Progress

Ladies & Gentlemen

In CDLF, *progress* is the footprint that we wish to pass on and effectively, this drives the direction we follow, carrying out a variety of new actions and reforms aimed at:

A. the improvement of our operational excellence through a digital modernization program which is already being implemented with a grant **of € 9 million from the Recovery** and Sustainability Fund

and

B. adopting a culture of learning by becoming more extrovert, so that our institution to become dynamic and even more useful. The recent signing of an MoU with Caisse de Depot and the deepening of our cooperation with ELTI members are along these lines.

We are convinced that the challenges of the future call to adapt and promote *synergies* and *purpose led reforms*. An exhibit of this is new digital solution named “e-Loans” addressed to local authorities and to all public sector entities is the result of our successful synergy with the European Investment Bank. It is a reform required following our recent financing mandate, fully aligned with the needs of local governments and of other stakeholders.

In the second part of our workshop, we will dedicate time to discuss on our broad synergy with EIB, on the Sustainability in Local Governments’ financing and other case studies as applied from our fellow members in their respective regions.

Ladies & Gentlemen

Behind every project we finance, there is a human being. Its *safety* from floods, landslides and earthquakes, its *unrestrained access* from one place to another, its *athletic activity*. Our children's *play* in a safe and modern playground, the *inclusion* of those with disabilities, a *clean* environment through electrification, as well as the optimal *treatment* of water, of the most essential element for life.

Kevin Kelly, who is the founder of Wired Magazine, is someone who believes that the future will be shaped by optimists. I am also convinced that this is the case. And as an eminent Greek academia professor said “*being optimist, doesn't mean that you ignore that there are man-made challenges. Optimist is someone who believes that We, the people, can find ways to deal with the problems we create.*”

Ladies & Gentlemen

We are dealing with investment & financing *decisions*, that are essentially investment & financing *choices*, with long term implications. In our *duty of care*, must be the needs and the prosperity of both present and future generations.

Placing “*fairness, well-being, nature, and the future*”³ at the forefront of decision making is a moral change, is something bigger than complying to rules and regulations, it is a cultural change.

The answer in challenging times is a *cultural change!*

Municipalities and National Promoting Banks aim for the delivery of a better outcome to the citizens. Obviously each one of us has a different reality to face and this requires a different call for action, a different plan.

Henry Ford once said:

“Coming together is the beginning. Keeping together is progress. Working together is success.”

Today’s workshop is a valuable step of the road to *success*: because “***together we can do more***”.

Thank you!

³ terms used by *Prof. Subramanian Rangan*