



LTIIA Newsletter April 2019

Main highlights:

- LTIIA Board meeting on April 1st endorsed way forward (Roadmap for 2019-23) for the Association
- D20 meeting in Tokyo (April 26th) specifically pushes for Infrastructure Data Initiative (IDI) as key contribution to Quality Infrastructure Investment agenda

News from our partners

- EDHEC*infra* published 2 new studies:
 - on Jan 30th, [EDHEC infra /LTIIA Research Chair](#) released a study “Which Factors Explain Unlisted Infrastructure Asset Prices?” showing that common risk factors found in numerous asset classes explain the evolution of unlisted infrastructure secondary market prices. It also shows that after a long period of prices increases, “peak infra” may now be behind us. It argues the process of price discovery happened in slow motion, and in a very illiquid market, it took 10 years for investors’ views on fair value to express themselves.

- Another EDHEC paper “ESG Reporting and Financial Performance: The Case of Infrastructure”, drawn from the EDHECinfra/LTIIA Research Chair and published in March finds there is no financial penalty or gain (based on Return on Assets) for infrastructure firms to implement ESG management and reporting. Environmental, Social and Governance (ESG) scores do not seem to be negatively or positively correlated with the financial performance of unlisted infrastructure firms.

This initial study – drawing from two unique databases: the ESG scores computed by GRESB Infrastructure since 2016, and the financial metrics of the EDHECinfra universe - represents the first research insights into the link between returns and ESG in unlisted infrastructure and as such, will have to be further researched and confirmed, with need to improve data collection and methodologies for the future.

- GIH and EDHEC Infra released their 3rd Global Investor Survey on April 25th
The largest survey of infrastructure investors ever made included more than 315 infrastructure leaders, representing approximately USD10 trillion of global assets under management. It shows that investors do not understand the risks they are taking, as most cannot benchmark the risks they are exposed to when investing in unlisted infrastructure. This report also shows a strong increase in ESG awareness – with over 1/3 of institutional investors considering ESG to be a “first order question, possibly at the expense of performance”.
- GRESB published in mi-February the pre-release versions of its 2019 GRESB Assessments featuring a step-by-step guide to successfully completing the Assessments. The portal opened on April 1, 2019. Each year infrastructure managers and companies use the Assessments to measure, benchmark and improve their sustainability programs and report to their investors on their ESG performance. LTIIA has been participating in the GRESB Infrastructure Benchmark Committee meetings and contributing to the new developments retained.
- Paris-Europlace launched a working group with a view to update and complement a first report elaborated 3 years ago on the Ways and means to improve Infrastructure LT financing by better mobilizing the various regulatory, corporate and financial actors, public and private, based or active in Paris. Discussions and Auditions of various stakeholders including representatives of Multilateral Development Banks,

IFIs and NDPBs, as well as specialized multinational actors such as GIH, PIDG, WB-MIGA...). are scheduled to that end, all through end-June 2019.

Various LTIIA members participate in that brainstorming exercise. The report will be presented at the upcoming Paris Infrastructure week international Forum, organized jointly by LTIIA, Paris-Europlace and GIH on October 7th, 2019.

Events

Recently convened

New York – 26 Feb 2019 - IIF Americas - LTIIA moderated a panel discussion on LP demand bolstering string fundraising.

As a side meeting to the main conference, F.Bergère also held a Private LTIIA breakfast on the issue of ESG and “How to deliver sustainable infrastructure?”

Berlin – 18-21 Mar 2019 - Global Investor Summit - LTIIA participated in several panels, from “Joining up the projects triangle: key lessons for each side” (Global Projects Forum on Mon 18), to “How can Infra bridge the SDG Gap” (ESG & Sustainability Forum, Mon 18) and “Discussing the regulatory regime affecting infra assets (Tue 19, Global Investor Forum). LTIIA also kept a stand during the Summit enabling over 30 contacts with public and private stakeholders, academia and members.

Paris – 27-28 Mar 2019 - “12èmes Rencontres Internationales des PPP” (12th PPP int'l encounters), the annual event for the French-speaking PPP community. Thierry Deau & Francois Bergère (LTIIA) contributed to the debate by bringing the point of view of institutional investors.

Paris – OECD Senior PPP & Infra officials network 12th annual meeting (April 16) and [Forum on Infra Governance \(17 April 2019\)](#) - LTIIA took part in the discussion on both days, intervening on “Choosing the mode of delivery: managing risk & Uncertainty”, and on the “Delivering Quality infrastructure: Meeting the Governance challenge”, and hosted the ensuing reception at the Château de la Muette, on Apr 17.

Tokyo – 22-26 Apr 2019 - Bilateral meetings with Japanese Institutional investors and [LTIC Steering committee +D20 meetings](#): Long-term Investors Club (LTIC) members (including LTIIA) gathered for their annual Steering Committee and 7th D20 Conference 2019, hosted by LTIIA & LTIC member DBJ back-to-back with the Japanese G20 presidency. The D20 communique put specific emphasis was on support for the Infrastructure Data Initiative, as a key contribution to future mobilization of public & private investment in high-quality infrastructure.

On behalf of LTIIA and to convey the views of Institutional and private investors, Thierry Deau and Francois Bergère took part in the D20 Conference Panel Discussion on “The role of private investors in promoting sustainable long-term infrastructure development and investment”.



Upcoming events:

23-24 May 2019: 8th World Pensions Forum - Brussels

3 June 2019: Global Infrastructure Investors Summit (GIIS) - London

6-7 June 2019: EDHECinfra Days 2019 - London

11 June 2019: Carbone 4 & LTIIA Webinar

12 June 2019: NIC Roundtable on Infrastructure regulatory framework - London

13 June 2019: 4th Joint Seminar on UK Infrastructure Regulation - London

26-27 June 2019: Global Infrastructure Dialogue 2019 - Frankfurt

Internal

- LTIIA board met on April 1st to review the members' survey and assessment of past achievements and expectations and discuss the envisioned ways forward. It consequently endorsed the way forward for the association, calling for the below priorities:
 - Contribute to promote standards & disseminate Knowledge products as Public goods (through Webinars, Surveys, Infra Data Initiative...)
 - Increase tools, guidance/best practices through continued investment in market research /analysis
 - Diversify market studies to better include infra debt, beyond Infra equity
 - Help our members engage in & address issues linked with Emerging markets investment

- Build and disseminate narrative in support of Private sector participation for public opinion/stakeholders

The corresponding Roadmap for 2019-23 will be submitted for approval to the AGM in October 2019

- New member: STOA, an Infrastructure fund Created in November of 2017 by two major institutions – the French Caisse des Dépôts (CDC) and the Agence Française de Développement (AFD) – to invest in equity in infrastructure and energy projects essential in developing countries of Africa, Latin-America and South-East Asia joined the LTIIA as a member in April 2019, and will contribute to reinforce the Association's expertise on Emerging markets infra investment.
- Janice Advincula joined LTIIA as the New Operations Manager (replacing C.Andre) effective mid-March.

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